



## AFX UK at a glance share guide

AFX.COM

July 30, 2004 Friday

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**Section:** MARKETS

**Length:** 438 words

### Body

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#### MARKETS

FTSE 100 4,418.7, up 62.5

FTSE 250 6,019.9, up 51.9

DJIA 10,129.24, up 12.17

Nasdaq Comp 1,881.06, up 22.80

S&P 500 1,100.43, up 5.01

Tokyo: Nikkei 225 closed at 11,325.78, up 208.94

Hang Seng midday 12,311.32, up 128.22

Gold 390.05 usd (3887.10 usd)

Oil - Brent Sept 39.25 usd (39.55 usd)

#### BREAKING NEWS

- \* INTERNATIONAL POWER to announce 3 bln stg EDISON overseas assets deal - FT
- \* HSBC to smash record for profits made by a European company on Monday - Sun
- \* SCH targets ABBEY NATIONAL's key middle managers - FT
- \* BRITISH ENERGY questions Goldman Sachs over share purchases - Independent
- \* Paul Myners to stay on at M&S for up to a year - FT
- \* RYANAIR offers staff 11 mln stg in options - Independent
- \* JARVIS will sell-off PFI units to stay afloat - Guardian
- \* Saga takes soundings for flotation - Telegraph
- \* Warren Buffett-backed Lloyd's merger plan falters at first fence - FT
- \* US court delivers final blow to Conrad Black - FT
- \* Standard Life cuts a further 8 pct from with-profits payouts - Guardian
- \* Pensions ruling could hit KPMG chiefs - FT
- \* SEC inquiry into 'sweet heart' buyout deals at Krispy Kreme - Independent
- \* NIESR calls for half-point UK rate rise - Independent

AFX UK at a glance share guide

\* Geoff Hoon warns US of retaliation against arms deal protectionism - FT

PRESS COMMENT

FT

The Lex Column: ROYAL DUTCH/SHELL (share price discount relative to BP could widen in the coming months); CENTRICA (not quite a traditional utility yield, but it is close); ICI (may be harder to persuade ICI customers to abandon the concept of fixed prices); L&G (required risk capital margin dramatically lowered)

Independent

Investment Column: ROLLS-ROYCE (worth holding on to); ICI (avoid); LA FITNESS (hold)

Telegraph

Questor: ROLLS-ROYCE (keep buying); L&G (worth tucking away); ALLIANCE UNICHEM (worth holding)

Times

Rumour of the day: BANK RESTAURANT (to withdraw from merger talks with Living Ventures) -- Tempus: ROLLS-ROYCE (worth holding for long term potential); NATIONAL EXPRESS (worth holdings); LA FITNESS (hold)

Mail

Market Report: BENFIELD (rumours of US bid)

Express

Share Whisper: FALKLAND ISLAND HOLDINGS (further stakebuilding in Portsmouth Harbour rumours) -- Who's Dealing? HARTEST HOLDINGS (new CEO buys shares)

Investors Chronicle

Buy RPS Group, Liontrust Asset Management, Tellings Golden Miller, Broker Network, and Deltron Electronics;  
Sell Paladin

END

jmh/vjt/

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** July 31, 2004



## Ryanair grants staff more share options

AFX.COM

July 29, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 106 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, has confirmed a second grant on its share option scheme for all its permanent staff.

Share options will average 20 pct of an employees' pay at a strike price of 4.41 eur.

No employee will receive less than 4,200 eur in the allocation, the second since since the airline floated in 1997.

"This new scheme reflects the current low share price and allows our people to share in future increases of the share price," said chief executive Michael O'Leary.

jdd/ra

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**Load-Date:** July 30, 2004



## Brussels shares AFX at a glance outlook

AFX European Focus

July 29, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 185 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open slightly higher, supported by the late rally on Wall Street last night, brokers said.

Last night, the Bel 20 edged up 2.08 points or 0.09 pct to 2,440.

#### FORTHCOMING EVENTS

##### TODAY

- Cofinimmo H1
- Belgian July CPI

##### TOMORROW

- CMB Q2
- Solvay H1

#### PRESS REPORTS

- Belgian govt obtains delay until Sept 15 for Ryanair's reimbursement of state aid (L'Echo)

#### COMPANY NEWS

-Belgian pharmaceuticals firm UCB SA's first-half net profit rose to 182 mln eur from 136.1 mln a year earlier on sales of 1.536 bln compared with 1.512 bln.

-Econocom Group NV said its first-half net profit rose to 6.7 mln eur from 1.5 mln a year-earlier on sales of 405 mln compared with 520 mln.

#### MACROECONOMIC NEWS

-Belgian GDP rose a provisional 0.8 pct in the second quarter from the first quarter and was up 2.8 pct year-on-year, the Belgian national accounts institute said.

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Brussels shares AFX at a glance outlook

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**Load-Date:** July 30, 2004

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End of Document



## EasyJet in talks with Tallinn, Riga airports to launch flights

AFX.COM

July 28, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 203 words

**Dateline:** TALLINN

### Body

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Tallinn airport is holding talks with budget airline EasyJet PLC over launching flights, but there is no agreement yet on airport fees, airport marketing director Eduard Tuur was quoted as saying by the BNS newswire.

According to the report, EasyJet is still demanding lower fees than the airport is currently prepared to offer. "If we were to meet them halfway, we'd have to lower airport fees for all carriers," Tuur was quoted as saying in Estonian daily Postimees.

"One option to do it would be to lower fees outside rush hours," he said.

According to the report, EasyJet is also discussing launching flights to Riga in Latvia, a new destination announced this week by its competitor Ryanair Holdings PLC.

Ahti Kuningas, head of the Estonian economy ministry's economic development department, defended Tallinn's landing fees by noting its quality of service.

"Estonia has so far made efforts to ensure that the airport is safe for clients, clean and meeting all requirements, hence the price policy of our airport," Kuningas said.

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weg/pav/cw

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**Load-Date:** July 29, 2004



## AFX UK at a glance share guide

AFX.COM

July 23, 2004 Friday

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**Section:** MARKETS

**Length:** 585 words

### Body

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#### MARKETS

FTSE 1004,306.3, down 71.0

FTSE 250 5,998.2, down 76.2

DJIA 10,050.30, up 4.20

Nasdaq Comp 1,889.06, up 14.69

S&P 500 1,096.84 up 2.96

Tokyo: Nikkei closed at 11,187.33 down 97.71

Hang Seng midday 12,342.15, up 21.94

Gold 397.55 usd (395.45 usd)

Oil - Brent Sept 38.01 usd (37.16 usd)

#### BREAKING NEWS

\* Almost 20,000 current and former workers at car parts maker Federal Mogul in the UK could lose nearly half their retirement income as their pension fund faces winding-up with a shortfall of close to 875 mln stg - FT

\* BAT's plans to build a factory in China may go up in smoke after the country's tobacco monopoly denies that the UK group has permission for the 800 mln stg venture - FT

\* ASSOCIATED BRITISH FOODS buys Burns, Philp & Company of Australia for 730 mln stg

\* DFS agrees to 496 mln stg buyout by Lord Kirkham

\* MOTION MEDIA, the Aim-quoted provider of video communication links, pushing ahead with plans for a reverse takeover of the Austrian company Scotty

\* REUTERS preparing to pay about 135 mln stg for data provider Telerate - Mail

\* WEIR admits to irregular payments on UN Iraq deals

#### PRESS COMMENT

FT

THE LEX COLUMN comments on the Molson and Adolph Coors merger, RYANAIR, ASSOCIATED BRITISH FOODS, Deutsche Bank - CAPITA (there may not be much further for the shares to go, just for the moment) -

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MISYS (on track to achieve improved results and a better share price performance) - MFI (speculation of a bid could continue to buoy the price, but the hefty pension deficit could deter any interested party in the short term)

### Mail

WIGMORE (dealers expect a stormy AGM on Wednesday when major shareholder Global Investments attempts to unseat chairman Peter Hewitt and his wife and co-director Fidelma)

### Telegraph

QUESTOR: ASTRAZENECA (take advantage of this weakness and buy), MFI not worth finding room for unless you believe in the white knight), INTERNATIONAL POWER (stick around for the up-date)

### Independent

THE INVESTMENT COLUMN: BOOTS (look a worthwhile hold; don't chase them yet, though), MISYS (now probably a good time to buy - but only with cash earmarked for high-risk, speculative investments), RENISHAW (hold) - HANSARD (acquisition and placing expected)

### Guardian

AMVESCAP (spectre of a hefty fine in the US) - LASTMINUTE.COM (whisper that it faces a hefty payment - 30 mln stg - to maintain the bonded status with watchdog ABTA of two of its subsidiaries and might have problems raising the cash)

### Times

DIRECTORS' DEALINGS: AVESCO (chairman buys stock) - RUMOUR OF THE DAY: ATENTIV SYSTEMS (word it has won a contract from Portman Building Society for its Summit system) - TEMPUS: ASSOCIATED BRITISH FOODS (a cautious buy), MISYS (could be a buying opportunity for investors if you believe that the banks will once again turn to profligate spending and that Misys will get its share), EGG (too risky to buy, but are worth holding)

### Express

WHO'S DEALING? ASOS (director sells 352,571 shares) - SHARE WHISPER: HANSARD GROUP (expected to reveal today the acquisition of a rival public relations firm and a leisure business from financier Terry Ramsden) - BROKER'S VIEW: BLOOMSBURY (Bridgwell bullish)

### Investors Chronicle

CIVICA (buy), EMAP (buy), MITCHELLS & BUTLERS (sell), PIPEX COMMUNICATIONS (buy), TOPPS TILES (sell)

... more to follow:

fjb/vjt/

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**Load-Date:** July 24, 2004





## Air Berlin to decide on Boeing or Airbus for 70 aircraft order in two months

AFX.COM

July 23, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 106 words

**Dateline:** FRANKFURT

### Body

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German budget airline Air Berlin will decide whether to buy 70 new aircraft from Boeing Co or Airbus Industrie within the next two months, CEO Joachim Hunold told Handelsblatt newspaper.

He said rival airlines Ryanair and Easyjet had negotiated good discounts on aircraft purchases recently, and Air Berlin wants "the same conditions as our competitors".

Air Berlin is still considering whether to launch an IPO to raise fresh capital, Hunold said, adding he expects the airline to post a "decent profit" this year.

mb/jfr

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## AFX UK at a glance share guide

AFX.COM

July 22, 2004 Thursday

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**Section:** MARKETS

**Length:** 572 words

### Body

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#### MARKETS

FTSE 100 4,377.3 up 37.9

FTSE 250 6,074.4 up 28.8

DJIA 10,046.13 down 102.94

Nasdaq Comp 1,874.37, down 42.70

S&P 500 1,093.88, down 14.79

Tokyo: Nikkei closed at 11,285.04, down 148.82

Hang Seng 12,320.5, down 74.61

Gold 395.45 usd (399.75 usd)

Oil - Brent Sept 37.16 usd (37.01 usd)

#### BREAKING NEWS

\* Car giants face UK tax probe; inquiry into Honda and Nissan divisions; revenue looking into multinationals' use of low-duty jurisdictions; fears that profits may have been under-reported - FT

\* Defence overhaul to axe 12 pct of military posts - FT

\* UK airports operator BAA today expected to sue RYANAIR over the alleged non-payment of part of its charges at London Stansted airport - FT

\* Pension scheme deficits are as large as they were at the start of the year, and FTSE 100 companies are doing little to plug an estimated 56 bln stg to 60 bln stg shortfall - FT

\* Bid for the YATES bar group thrown into confusion after a group of family shareholders withdraws support for a 93.7 mln stg management buy-out offer - FT

\* Post Office plans to undercut UK's biggest car insurers - Telegraph

\* PRUDENTIAL makes last-ditch attempt to offload its majority stake in EGG by resurrecting talks with ROYAL BANK OF SCOTLAND over setting up a possible joint venture investment in the internet bank - Independent

#### PRESS COMMENT

FT

## AFX UK at a glance share guide

THE LEX COLUMN comments on Ericsson (a normalised p/e ratio of 16 is hardly tempting for a highly cyclical stock in a maturing market), CADBURY SCHWEPPE (in the short term, the risks probably outweigh potential rewards), Hedge funds, DreamWorks - STANLEY LEISURE (worth a punt)

### Times

ZETEX (two directors buy stock) - RUMOUR OF THE DAY: MEDICAL SOLUTIONS (fundraising talk) - BRADFORD & BINGLEY (revived takeover talk) - TBI (Vinci offloads its remaining 10.1 pct stake) - TEMPUS: GUS (not inexpensive on a multiple of 13 times forecast earnings, but there is upside; buy), CADBURY SCHWEPPE (watch Cadbury's progress from the sidelines), STANLEY LEISURE (no better than a hold)

### Telegraph

QUESTOR: CADBURY SCHWEPPE (if you've got profits, why not take them, although Cadbury isn't going to lose all its fizz just yet), STANLEY LEISURE (worth buying), ARM HOLDINGS (leave for now)

### Guardian

TBI (majority of Vinci stake picked up by JO Hambro and Laxey Partners; traders reckon JO Hambro will now pursue a break-up of the company)

### Independent

THE INVESTMENT COLUMN: WOOLWORTHS (now fairly valued rather than cheap), COLT TELECOM (avoid), STANLEY LEISURE (investors should stick with them)

### Express

WHO'S DEALING? AVESCO (chairman buys 50,000 shares) - SHARE WHISPER: PROTEOME SCIENCES (rumours it is close to a global licensing deal for its innovative stroke test; a buy note from Dresdner Kleinwort Wasserstein thought to be on the way) - BROKER'S VIEW: REG VARDY (add from buy - Dresdner Kleinwort)

### Mail

TBI (speculation that Laxey Partners now sits on 3 pct-plus) - EUROPEAN DIAMONDS (word is it will soon be the largest diamond producer in the world outside of the big three - De Beers, Rio Tinto and BHP)

### The Shares Magazine

Plays of the Week: XSTRATA (buy), MOTHERCARE (buy) - Tip Updates: buy BUSINESS SERVE, ITRAIN, ASOS; TADPOLE TECHNOLOGY (a brave hold)

END

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## London shares - midmorning features

AFX.COM

July 22, 2004 Thursday

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**Section:** MARKETS

**Length:** 638 words

### Body

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FTSE 100 risers

Associated British Foods 642-1/2 up 35

Market cheers Burns, Philp ops acquisition; Panmure 'buy' with ests upped

Liberty International 790 up 4

Goldman Sachs ups fair value by 1 pct & raises estimates

Cadbury Schweppes 455-1/2 up 1/2

Rally

Scottish & Newcastle 412-1/4 up 3/4

Rally

FTSE 100 fallers

AMVESCAP 318 down 12-3/4

Adverse market trend

British Airways 239 down 8

Worries about crude price

mm02 86-3/4 down 2

'Neutral' from 'outperform' - CSFB

Reuters 333-1/4 down 8-1/4

Wall Street influences; Merrill Lynch/Goldman cut estimates

BAA 554-1/2 down 4-1/2

Company expected to sue Ryanair

Capita 309-1/4 down 3-1/4

Deutsche Bank targets 300 pence

Boots 666-1/2 down 2-1/2

CSFB reiterates 'underperform'; 'hold' from 'buy' - Panmure Gordon

Yell 331-1/4 down 2-3/4

## London shares - midmorning features

'Neutral' from 'outperform' - CSFB

Rio Tinto 1,337 down 42

'Underweight' - JP Morgan

FTSE 250 risers

Benfield Group 232-3/4 up 7-3/4

Sector consolidation hopes

DFS 445 up 9-1/2

Agreed 496 mln stg bid from Graham Kirkham

MFI 135-1/2 up 1-3/4

DFS bid news helps sentiment; 11 pct div hike offsets 40 pct profit drop

St Modwin 285 up 6

Recent positive press comment

Great Portland Estates 277-3/4 up 5-1/4

Commercial property market recovery hopes

Carillion 188-1/2 up 2-1/4

Co reaches financial close on 80 mln stg NHS LIFT project; Arbuthnot 'buy'

Minerva 319-1/4 up 5-1/4

Awaiting bid developments

TBI 67-1/4 up 1/2

JO Hambro stakebuilding talk; UBS 'buy'

Stanley Leisure 420-1/4 up 2-3/4

'Outperform' - Goldman Sachs

FTSE 250 fallers

Lastminute.com 158 down 6

Worries about trading

CSR 370 down 14

Profit-taking after ABN Amro recommendation yesterday

LogicaCMG 167-1/2 down 6

'Unexpected' charge for German job cuts

ARM Holdings 106-3/4 down 3-1/2

Recent Q2 results

Weir Group 273 down 8-3/4

Board quantifies illicit Iraqi contract payments

Egg 152-1/2 down 4-1/2

Lack of news on likely sale of Prudential holding; Q2 results

Burren Energy 350 down 10

'Sell' from 'hold' - Canaccord

Colt Telecom 41-3/4 down 1

Profit-taking after yesterday's Q2 results

Johnston Press 527-1/2 down 2

Morgan Stanley initiates coverage with 'underweight' & 500 pence target

Premier Farnell 206-1/2 down 1-1/2

Deutsche Bank targets 204 pence

## London shares - midmorning features

Wood Group 117-1/2 down 3/4

Lehman cuts target to 130 pence from 150 pence

Viridian Group 623-1/2 down 1-1/2

Dresdner Kleinwort targets 615 pence

Other risers

MyTravel Group 7.35 up 1.35

Speculative demand

Hansard Group 57 up 11

Possible corporate activity & placing

European Diamonds 73-1/2 up 8-1/2

3.5 carat 'fancy yellow' diamond find

Griffin Mining 20-1/4 up 1-3/4

Upbeat drilling report

ASOS 69 up 2-3/4

Growth prospects; comment in The Shares Magazine

Pan Andean 16-3/4 up 1/2

Potential gas find at Danbury Dome

Delta 83-1/2 up 2

Upbeat trading statement

Cambridge Mineral Resources 12-1/4 up 1/4

Upbeat statement; bid talks continue

Lavendon Group 125 up 2-1/2

Trading update

Other fallers

Motion Media 4-1/4 down 8-1/2

Resumes trading in absence of any credible alternative funding proposals

Johnston Group 250 down 37-1/2

Profits warning

Bookham Technology 43 down 2-3/4

Sells California-based JCA Technology to Endwave for 6 mln usd

Autonomy 190-1/4 down 11-1/4

Lower second-quarter results

Medical Market 70 down 4

Profit-taking as JV Viratis gets European patent for HIV/AIDS therapy

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## London shares - midday features

AFX.COM

July 22, 2004 Thursday

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Market cheers Burns, Philp ops acquisition; Panmure 'buy' with ests upped

AstraZeneca 2,410 up 16

Company on track to meet FY guidance; Q2 figs higher-than-expected

Liberty International 789-1/2 up 3-1/2

Goldman Sachs ups fair value by 1 pct & raises estimates

BAT 856 up 1

Defensive qualities

Boots Group 672-1/2 up 3-1/2

Merrill Lynch 'buy' with 770 pence target

FTSE 100 fallers

AMVESCAP 315-1/2 down 15-1/4

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Market trend; interims July 27

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Interims July 30

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De La Rue 325 up 4-3/4  
Upbeat AGM statement  
Stanley Leisure 422-1/4 up 4-3/4  
Altium ups target to 450 pence from 400 & raises estimates  
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Colt Telecom 41-1/2 down 1-1/4  
Profit-taking after yesterday's Q2 results



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George Wimpey 344 down 9

Interims due next Wednesday

Johnston Press 526 down 3-1/2

Morgan Stanley initiates coverage with 'underweight' & 500 pence target

Premier Farnell 207 down 1

Deutsche Bank targets 204 pence

Wood Group 117-1/2 down 3/4

Lehman cuts target to 130 pence from 150 pence

Viridian Group 623-1/2 down 1-1/2

Dresdner Kleinwort targets 615 pence

Other risers

MyTravel Group 6.65 up 0.65

Speculative demand

Virtue Broadcasting 4.25 up 0.63

Company surrenders lease on Marlow property, saves 0.8 mln stg

IMS Maxims 7.00 up 0.25

Company launches software system for Mid Cheshire Hospital Trust

Hansard Group 56 up 10

Possible corporate activity & placing

European Diamonds 75 up 10

3.5 carat 'fancy yellow' diamond find

Griffin Mining 18-3/4 up 1/4

Upbeat drilling report

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Profits warning

ASOS 66 down 1/4

Former marketing director Quentin Griffiths sells 12.39 pct of the equity

Bookham Technology 44 down 1-3/4

Sells California-based JCA Technology to Endwave for 6 mln usd

Autonomy 184-1/4 down 16-3/4

Lower second-quarter results

Medical Marketing 70 down 4

Profit-taking as JV Viratis gets European patent for HIV/AIDS therapy

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## London shares - midday features

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## Ryanair files court case against BAA alleging monopoly abuse of fuel levies

AFX.COM

July 22, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 142 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it has filed a court case against airport operator BAA PLC alleging monopoly abuse of fuel levies.

Ryanair said BAA introduced a fuel levy charge to recoup the cost of building a fuel hydrant system at Stansted Airport in 1991.

"Since then, BAA has given repeated undertakings in writing that this levy will be eliminated when the capital costs were recovered," Ryanair said, adding that BAA has broken these agreements.

It said that "to date BAA Stansted has, in a 14 year period, recovered over 34 mln stg in fuel levies, three times the original cost."

The no-frills airline added: "If there was competition between the three BAA owned London airports, this fuel levy scam would not exist."

bam

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**Load-Date:** July 23, 2004



## Ryanair to invest 240 mln usd to expand Luton base UPDATE

AFX.COM

July 22, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 173 words

**Dateline:** LONDON

### Body

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(Updates with TBI reaction, easyjet background)

Ryanair Holdings PLC said it plans a major expansion of its London Luton base with an investment of 240 mln usd in 4 new Boeing 737-800 series aircraft and 9 new European routes from London.

The new routes will be to Barcelona (Girona and Reus), Esjberg, Rome, Murcia, Stockholm, Dinard, Nimes and Venice.

TBI plc, the regional airports operator, said it welcomes the expansionary moves by Ryanair, and also easyJet, of London Luton's ongoing and future potential.

However, it said that while expansion of this scale will have a positive impact on building passenger revenue, the extra capacity will not be introduced until 2005 and therefore will have no material impact on figures for the current financial year.

easyJet yesterday said it plans to add three more aircraft to its Luton base, as well as adding more routes.

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rf/

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and

[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** July 23, 2004



## BAA and Ryanair in legal fight over 1 mln stg of 'unpaid' charges UPDATE

AFX.COM

July 21, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 272 words

**Dateline:** LONDON

### Body

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(Updates with Ryanair comments)

BAA PLC, the British airport operator, is suing Irish no-frills airline Ryanair Holdings PLC over 1 mln stg of "unpaid" landing charges at Stansted airport.

The Irish airline responded by saying it will contest the case and issue its own proceedings against BAA, for "over-charging on fuel levies at Stansted over a 12-year period".

"As BAA is already aware, our agreement on charges is very specific and expires in 2007," Ryanair said in a statement.

Earlier a spokeswoman for BAA told AFX News a writ will be issued in the British high court on Thursday morning.

"It's a matter we've been trying to settle amicably for a number of weeks and we gave Ryanair a deadline of today to pay the unpaid bills. That has passed," she said.

BAA has also written to Ryanair to inform the airline it regards it as having "repudiated their contract with Stansted airport".

The spokeswoman said this means that although Ryanair can continue to operate from Stansted as normal it will no longer enjoy any of its current discounts on aeronautical fees.

She noted that BAA's current yield across all the airlines it serves at Stansted is about 2.80 stg per passenger, while the regulatory cap of charges is 4.89 stg.

"So when we say that Ryanair will no longer enjoy current discounts that gives a picture of what we are doing."

Ryanair has about 12.5 mln passengers a year travelling through Stansted.

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jdd/rhb/ab

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[www.afxpress.com](http://www.afxpress.com)

BAA and Ryanair in legal fight over 1 mln stg of 'unpaid' charges UPDATE

**Load-Date:** July 22, 2004

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End of Document



## BAA says suing Ryanair over 1 mln stg of unpaid charges

AFX.COM

July 21, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 211 words

**Dateline:** LONDON

### Body

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BAA PLC, the airport operator, said it is suing Irish no-frills airline Ryanair Holdings PLC over 1 mln stg of unpaid aeronautical charges at Stansted airport.

A writ will be issued in the high court on Thursday morning, a spokeswoman for BAA told AFX News.

"It's a matter we've been trying to settle amicably for a number of weeks and we gave Ryanair a deadline of today to pay the unpaid bills. That has passed," she said.

BAA has also written to Ryanair to inform the airline it regards it as having "repudiated their contract with Stansted airport".

The spokeswoman said this means that although Ryanair can continue to operate from Stansted as normal it will no longer enjoy any of its current discounts on aeronautical fees.

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**Load-Date:** July 22, 2004



## Singapore's Tiger Airways plans to lease 10-12 aircraft by 2006

AFX.COM

July 21, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 420 words

**Dateline:** SINGAPORE

### Body

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Budget carrier Tiger Airways said it plans to lease 10-12 aircraft by 2006 after launching operations in the second half of this year.

"In three years, we hope to expand up to 12 aircraft," Tiger Airways' chief executive officer Patrick Gan said.

"We think we can be profitable within the first year," he added.

Tiger Airways, which received its first Airbus A320 today, said it will lease another three A320s this year -- one in August and two in December -- and four each in 2005 and 2006.

Gan said the airline will cover destinations within a four-hour flying radius of Singapore but declined to name specific countries.

"Some of the destinations invariably will be the same (as other budget airlines)," Gan said.

Singapore's other budget airline, Valuair, operates flights to Bangkok, Jakarta and Hong Kong, while Malaysia's low-cost carrier AirAsia has routes to Indonesia, Thailand, Brunei, Singapore and Macau.

Gan added that Tiger Airways, which is on track to receive an air operator's certificate from the Civil Aviation Authority of Singapore to start flights out of Singapore, is looking at flying to 5-10 destinations by the end of the year.

"Fares are the driving force... We are ahead of our competitors in this aspect," Gan said.

Gan declined to comment on Tiger Airways' fares but said it will be about 40 pct lower than those charged by the full-fledged airlines.

It said that 80 pct of its tickets will be sold via the internet, while the remainder will be sold through travel agencies and call centers.

The company will be based at Singapore's Changi Airport, which will build Asia's first dedicated low-cost airline terminal to help maintain Singapore's position as a leading regional aviation hub.

The single-story terminal is expected to have an initial handling capacity of 2.7 mln passengers a year.

As the low-cost airline terminal will only be ready in 2006, Tiger Airways will initially be using the facilities at Changi Airport's Terminal One.



## Singapore's Tiger Airways plans to lease 10-12 aircraft by 2006

The airline is 49 pct owned by Singapore Airlines, while the Singapore government's investment arm, Temasek Holdings, owns 11 pct.

Tony Ryan, the founder of European low-cost airline Ryanair and US private investors Indigo Partners are the other partners in the venture.

(1 usd = 1.70 sgd)

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gc/rc

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**Load-Date:** July 22, 2004

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## Ryanair CEO sees all flights free in 10 yrs' time

AFX.COM

July 21, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 174 words

**Dateline:** FRANKFURT

### Body

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Ryanair Holdings PLC CEO Michael O'Leary said he believes that in 10 years' time at the latest, the Irish budget airline will be able to give away its flight tickets and generate all its revenue from other sources.

"We'll get our money from the hotels that we're bringing guests to, the rental car companies, the airport shops and the airports, who are happy that we use them," O'Leary told Die Zeit newspaper in an interview to be published tomorrow.

He added that Ryanair will sink its prices as its competitors lift theirs, "because they're all losing money."

O'Leary predicted that German budget airlines like Air Berlin, dba and TUI AG's HLX will disappear from the market.

"They will continue to lose money, and at some stage they'll be gone," he said, adding he sees only four big airlines in Europe in five years' time -- Deutsche Lufthansa AG, Groupe Air France, British Airways PLC and Ryanair.

DP/mb/pav/

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**Load-Date:** July 22, 2004



## **Singapore Changi airport to build Asia's 1st dedicated budget airline terminal**

AFX.COM

July 20, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 345 words

**Dateline:** SINGAPORE

### **Body**

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The Changi airport will build Asia's first dedicated low-cost airline terminal to help maintain Singapore's position as a leading regional aviation hub, airport authorities said.

The single-storey terminal is expected to be ready by early 2006 and have an initial handling capacity of 2.7 mln passengers a year, the Civil Aviation Authority of Singapore (CAAS) said.

Operating costs at the terminal will be lower than at Changi's major terminals. To keep costs down, there will be no travelators, escalators or aerobridges.

CAAS deputy director of airport management Foo Sek Min said the decision to build the terminal was made after Tiger Airways, a local budget airline due to start flying late this year, committed last week to use it.

"We are proceeding with this low-cost terminal because there is a customer," Foo told a press conference.

Transport Minister Yeo Cheow said in March that the government will build a low-cost terminal for budget carriers if there is a commitment from at least one airline to use the facilities.

Foo said the decision to build the terminal, which CAAS described as the first in Asia dedicated solely to low-cost carriers, is part of a strategy to ensure that Singapore becomes a key player in the region's fast-growing regional budget airline industry.

"Currently we have 70 airlines offering more than 3,000 over weekly flights and we want to facilitate the operations of all airlines in Singapore, including low-cost carriers," Foo said.

"It is part of the efforts to grow Singapore's status as an aviation hub."

Tiger Airways is 49 pct owned by Singapore Airlines (SIA). The Singapore government's investment firm, Temasek Holdings, which is SIA's majority shareholder, owns another 11 pct.

Tony Ryan, the founder of successful European low-cost carrier Ryanair and US private investors Indigo Partners are other partners in the Tiger venture.

bh/kma/bmm/rc

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Singapore Changi airport to build Asia's 1st dedicated budget airline terminal

**Load-Date:** July 21, 2004

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End of Document



## **AFX at a glance - Today's UK, European broker recommendations**

AFX - Asia

July 15, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 438 words

**Dateline:** LONDON

### **Body**

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UK and European brokers' recommendations issued today, as collated by AFX News from a range of market sources:

#### **DEUTSCHE BANK**

European Focus List: Reuters remove -- Reiterate Buy Micronas, cuts target to 70 sfr from 87 -- Buy ASML, raises target to 21 eur from 17 -- Buy Essilor, raises target to 59 eur from 56

#### **EVOLUTION BEESON GREGORY**

Upgrade Add from reduce M&S, short term target 360 pence, 'buy on weakness'

#### **SEYMOUR PIERCE**

Upgrade Outperform from hold M&S

#### **MERRILL LYNCH**

Downgrade Sell from neutral Wolseley -- Upgrade Buy from neutral Coca-Cola HBC -- Reiterate Buy ICAP, cuts target to 300 pence from 320

#### **UBS**

Downgrade Reduce from buy Epcos, cuts target to 14 eur from 24 -- Downgrade Neutral from buy Topps Tiles, target 195 pence, valuation call -- Reiterate Buy Autostrade, ups target to 19.2 eur from 17.9 -- Neutral Sagem, ups target to 93 eur from 99, cuts estimates -- Neutral ICAP, cuts target to 240 pence from 305, reduces estimates -- Neutral Sika, ups target to 690 sfr from 600, raises estimates

#### **CITIGROUP SMITH BARNEY**

Downgrade Sell from Hold Stanley Leisure -- Upgrade Buy from hold Mobistar

#### **DRESDNER KLEINWORT**

Upgrade Buy from hold Infineon

#### **JP MORGAN**

Upgrade Overweight from Neutral Skandia -- Reiterate Neutral Marks & Spencer, 'buy below 350 pence' -- Overweight Telefonica, ups target to 9.9 eur from 9.1; Neutral Telefonica Mobile, ups target to 15.7 eur from 14.8 -- Analysts Focus List: National Bank of Greece added

MORGAN STANLEY

Downgrade Equal-weight from overweight Sappi, switch to Stora Enso, UPM-Kymenne -- Reiterate Equal-weight Acerinox, ups target to 44 eur from 39.9 -- Overweight ASML, cuts target to 19 eur from 20

PANMURE GORDON

Upgrade Buy from hold Ryanair, ups target to 6 eur from 5

GOLDMAN SACHS

Downgrade In-line from outperform Bank Austria, valuation call, ups estimates

WESTLB

Retail Review: Initiate Outperform Ahold, target 7.05 eur; Reiterate Outperform Adidas-Salomon, ups target to 110 eur from 106; Underperform Fielmann, cuts target to 45 eur from 48; Outperform Tesco, cuts target to 268 pence from 275

CSFB

Reiterate Underperform Abbey National, cuts target to 440 pence from 480

LEHMAN BROTHERS

Reiterate Underweight Centrica, raises target to 220 pence from 190 -- Underweight Alstom, raises target to 1 eur from 0.75 eur -- Equal-weight Micronas, cuts target to 60 sfr from 91

CAI CHEUVREUX

Reiterate Underperform Lloyds TSB, cuts target to 415 pence from 440

SOCIETE GENERALE

Reiterate Buy ASML, ups fair value to 22 eur from 20

jmh/jc

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** July 16, 2004



## Fraport's Frankfurt Hahn Airport H1 opg loss 3 mln eur vs loss 5.4 mln

AFX European Focus

July 13, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 140 words

**Dateline:** FRANKFURT

### Body

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Germany's Frankfurt Hahn Airport, which is 73 pct owned by Fraport AG, said it narrowed its operating loss to 3 mln eur in the first six months of this year from a loss of 5.4 mln in the same period a year earlier.

CEO Andreas Helfer reiterated that the company expects to turn profitable on a operating basis in 2006, and to achieve bottom-line profitability in 2008.

Hahn, whose biggest client is Irish no-frills airline Ryanair, aims to build on its profile as a budget airline hub.

The airport said it catered to around 1.3 mln passengers in the first six months of this year, up 21 pct on the same period a year earlier.

For the full year Hahn said it expects to record around 3 mln passengers.

DP/mb/jlw

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**Load-Date:** July 14, 2004



## Ryanair's O'Leary plans to form group to bid for Aer Lingus - report

AFX.COM

July 11, 2004 Sunday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 160 words

**Dateline:** LONDON

### Body

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Michael O'Leary, chief executive of Ryanair Holdings PLC, is planning to form a consortium that will launch a bid for Irish state airline Aer Lingus, the Independent on Sunday newspaper reported citing sources.

This would not be an offer by Ryanair itself, but would see the two carriers run separately by the same boss, the sources said.

O'Leary's plan, should it proceed, would clash head on with that of Willie Walsh, the chief executive of Aer Lingus, who has already approached the Irish government with a proposal to buy the flag carrier.

He is backed by two other senior executives and an unnamed private equity firm, widely believed to be 3i, the Independent said.

Walsh and his team is believed to be willing to pay more than 500 mln eur for the airline, it said.

No one at Ryanair is available to comment.

mbe/bam

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**Load-Date:** July 12, 2004





## Ryanair seeks new baggage check-in plan to reduce costs - report

AFX.COM

July 9, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 213 words

**Dateline:** LONDON

### Body

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Michael O'Leary, chief executive of Ryanair Holdings PLC, is aiming within a couple of years to ban passengers from checking in hold baggage in the next stage of his campaign to drive down costs at Europe's largest no frills airline, according to the Financial Times.

He is also pressing ahead with plans to introduce paid-for, seat-back in-flight entertainment for next year's summer season ranging from cartoons to sitcoms, sport and films, though not live television, in order to develop a new stream of revenues, the article added.

The moves came as O'Leary yesterday announced the airline's biggest discounted seat promotion with 1 mln seats at 99 pence, excluding taxes and charges, for the coming winter season.

O'Leary admitted on Thursday that the easy moves to take out costs ranging from internet booking to operating to secondary and regional airports had already been exploited. "Now we must be cleverer," he is reported as saying.

The need to reduce costs further to support a further lowering of average fares has been highlighted in recent months by the intensifying fare war, that is being waged on European short-haul routes.

ml/ak

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**Load-Date:** July 10, 2004



## UK MPs see 'significant risk' of more no-frills airline collapses

AFX.COM

July 9, 2004 Friday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 386 words

**Dateline:** LONDON

### Body

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There is a "significant risk" that at least one more no-frills airline could collapse in the near future, leaving UK passengers stranded and unprotected by their travel insurance, a parliamentary committee warned.

The all-party Transport select committee said there were too many loopholes in existing passenger protection plans which most passengers were "blissfully" unaware of.

The Birmingham-based cheap carrier Duo collapsed in May with debts of 14 mln stg and around 1,000 stranded travellers had to pay for alternative tickets home.

Ryanair PLC chief executive Michael O'Leary warned last month that many players in the no-frills airline sector would go bust, a view shared by the MPs.

"We are persuaded that there is a significant risk of at least one further airline failure which will affect UK passengers in the foreseeable future," the committee said.

"We also believe that, as things currently stand, it is likely that a significant proportion of the passengers affected would not be protected."

The committee called on the government to close loopholes in the current protection scheme and levy an extra 50p - 2 stg per ticket to cover all passengers against airline failure.

Most travel insurance policies or credit card protection schemes do not cover airline failure.

Ticket purchases of less than 100 stg are not covered by credit card insurance policies, which would affect the thousands of holidaymakers who book cheap flights on the internet.

"The substantial increase in low cost and general air traffic has resulted in increased exposure of passengers to the risk, inconvenience and expenditure of airline failure in a way we consider unacceptable," the committee said.

The committee said the existing Air Travel Organisers' Licensing (ATOL) scheme covered some passengers "but nowhere near all".

Passengers who book package holidays are covered by ATOL but not those who book direct - a situation the committee described as "absurd".

"As a passenger, you need to know all the ins and outs of ATOL to work out whether you are covered by it or not," said committee chairman Gwyneth Dunwoody.

fp/ra

UK MPs see 'significant risk' of more no-frills airline collapses

fp/ra

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**Load-Date:** July 9, 2004

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## Helsinki shares AFX at a glance outlook

AFX European Focus

July 9, 2004 Friday

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**Section:** MARKETS

**Length:** 211 words

**Dateline:** HELSINKI

### Body

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Share prices are expected to open weaker due to an overnight slide in Nokia's ADRs on Wall Street, following a slew of warnings from industry peers that cast a shadow on tech sentiment, dealers said.

Yesterday, the HEX-25 index closed 0.6 pct higher at 1,611.35 points.

The HEX All-share index rose 0.7 pct to 5,781.60 points on turnover of 388.7 mln eur.

The HEX-portfolio index ended 0.6 pct firmer at 2,987.85 points.

#### FORTHCOMING EVENTS

Monday July 12

-Finnish May preliminary trade balance (0700 GMT)

#### TODAY'S PRESS

- Discount airliner Ryanair plans to continue flights to Finland, but doesn't plan adding additional routes to the country (Kauppalehti)

#### MARKET NEWS/SENTIMENT

-Yesterday in New York, Nokia's ADRs closed at 14.11 usd, the equivalent of 11.37 eur and sharply below the Helsinki close of 11.55 eur.

-Among other Finnish shares traded in New York yesterday, Stora Enso ended 0.15 eur below the Helsinki value, UPM closed 0.07 eur below the Helsinki value of 15.59 eur, and Metso Corp added 0.01 eur versus the Helsinki equivalent.

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Helsinki shares AFX at a glance outlook

**Load-Date:** July 10, 2004

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End of Document



## London shares - closing features

AFX.COM

July 8, 2004 Thursday

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**Section:** MARKETS

**Length:** 540 words

### Body

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FTSE 100 risers

Smith & Nephew 614 up 25

Narrowing discount to US peers

Abbey National 500 up 18-1/2

Rally with banking sector as UK rates left on hold; bid hope situation

Gallaher 669 up 14-1/2

Rally on defensive considerations

Man Group 1,496 up 31

Recent upbeat AGM statement

Rio Tinto 1,360 up 28

Firm commodity prices; Morgan Stanley reiterates 'overweight'

AstraZeneca 2,415 up 28

Rally after ABN Amro downgrade yesterday; Morgan Stanley trims target

BG Group 337-1/2 up 5

Rally with crude prices

HBOS 680 up 11

'Overweight' from 'equal-weight' - Morgan Stanley

J Sainsbury 275 up 3

Scraps shares award to ousted former chairman, Sir Peter Davis

FTSE 100 fallers

British Airways 254 down 7-1/2

Crude price rises; Ryanair new seat sale

Sage Group 170-1/2 down 3-1/4

Siebel revenues warning overnight hits tech issues

ICI 215-3/4 down 5-1/4

## London shares - closing features

JP Morgan downgrade yesterday  
Diageo 712-1/2 down 12-1/2  
Update triggers downward earnings revisions; Panmure prefers Allied Domecq  
Marks & Spencer 363-3/4 down 4-1/2  
Rejects Philip Green's revised offer; Strategy presentation due Monday  
3i Group 589-1/2 down 11-1/2  
Cautious AGM statement yesterday  
EMAP 718-1/2 down 4-1/2  
AGM statement shows French business conditions remain challenging  
Lloyds TSB 409-1/2 down 1-1/4  
Morgan Stanley cuts target to 380 pence from 420  
FTSE 250 risers  
Regus 66 up 6-3/4  
Awaiting news on HQ Global deal  
VT Group 268-3/4 up 6-1/2  
100 mln stg New Zealand deal; Williams de Broe 'buy'  
Geest 537 up 22  
Smith Barney upgrade to 'buy' from 'hold' on bid prospects  
Weir Group 277-1/2 up 5-1/4  
Rally after recent Deutsche Bank downgrade  
Greene King 1,060-1/2 up 12-1/2  
Ruled out equity issue to fund Laurel deal yesterday  
FirstGroup 282-1/2 up 3-1/2  
In-line trading statement  
FTSE 250 fallers  
Colt Telecom 41 down 3-3/4  
Recent profit warning  
Vedanta Resources 290 down 9  
Unexpected cuts to metals tariffs in India  
Matalan 205-1/4 down 6  
Lacklustre trading statement  
Topps Tiles 173 down 7  
Profit-taking  
Marshalls 273-1/4 down 9-1/2  
H1 sales disappoint  
Other risers  
Jarvis 28-1/4 up 3-1/4  
K Capital Partners now has 17.91 pct stake  
Energy Technique 7.25 up 1  
Product sale in the US  
Fletcher King 35-1/2 up 3  
Bumper full-year results  
Bristol & West Investments 10.25 up 1.50

## London shares - closing features

Upbeat trading statement

Micap 46 up 2-1/2

MRSA treatment trial starts

Ten Alps 50 up 4

Contract news

Stanley Gibbons 85 up 6-1/2

Sells Provide Commerce stake

Other fallers

KeyWorld Investments 0.08 down 0.18

Distribution agreement fails to excite

West 175 Media 0.87 down 0.63

Dealings resume on AIM following approval of debt-for-equity swap

Sunderland 25 down 15

To delist its shares on Aug 5

Scapa Group 26-1/2 down 2-1/2

Adverse US court decision

Balmitore 36 down 4-3/4

Earthport says claim against co could exceed 13.5 mln stg  
sd/ra

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**Load-Date:** July 9, 2004





## London shares - midafternoon features

AFX.COM

July 8, 2004 Thursday

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**Section:** MARKETS

**Length:** 566 words

### Body

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FTSE 100 risers

Smith & Nephew 607 up 18

Narrowing discount to US peers

Abbey National 493-1/2 up 12

Rally with banking sector as UK rates left on hold; bid hope situation

Gallaher 666-1/2 up 12

Rally on defensive considerations

Wm Morrison 192 up 3

Rally after recent post-profit warning declines

Man Group 1,487 up 22

Recent upbeat AGM statement

Rio Tinto 1,346 up 14

Firm commodity prices; Morgan Stanley reiterates 'overweight'

AstraZeneca 2,414 up 27

Rally after ABN Amro downgrade yesterday; Morgan Stanley trims target

BG Group 336-3/4 up 4-1/4

Rally with crude prices

HBOS 677 up 8

'Overweight' from 'equal-weight' - Morgan Stanley

J Sainsbury 275 up 3

Scraps shares award to ousted former chairman, Sir Peter Davis

FTSE 100 fallers

British Airways 254-1/4 down 7-1/4

Crude price rises; Ryanair new seat sale

Sage Group 169-3/4 down 4

## London shares - midafternoon features

Siebel revenues warning overnight hits tech issues

ICI 216-1/4 down 4-3/4

JP Morgan downgrade yesterday

Diageo 710 down 15

Update triggers downward earnings revisions; Panmure prefers Allied Domecq

Marks & Spencer 361-3/4 down 6-1/2

Rejects Philip Green's revised offer; Strategy presentation due Monday

3i Group 134-1/2 down 2

Cautious AGM statement yesterday

EMAP 717 down 6

AGM statement shows French business conditions remain challenging

Lloyds TSB 408-3/4 down 2

Morgan Stanley cuts target to 380 pence from 420

FTSE 250 risers

Regus 63-1/4 up 4

Awaiting news on HQ Global deal

VT Group 268 up 5-3/4

100 mln stg New Zealand deal; Williams de Broe 'buy'

Geest 525 up 10

Smith Barney upgrade to 'buy' from 'hold' on bid prospects

Weir Group 277-1/2 up 5-1/4

Rally after recent Deutsche Bank downgrade

Electrocomponents 343 up 5-1/2

Rally after Deutsche Bank initiation with 'sell' yesterday

Greene King 1,058 up 10

Rules out equity issue to fund Laurel deal yesterday

FirstGroup 281-1/2 up 2-1/2

In-line trading statement

FTSE 250 fallers

Colt Telecom 42 down 2-3/4

Recent profit warning

Vedanta Resources 281 down 18

Unexpected cuts to metals tariffs in India

Matalan 205 down 6-1/4

Lacklustre trading statement

Topps Tiles 173 down 7

Profit-taking

Marshalls 275 down 7-3/4

H1 sales disappoint

Other risers

Jarvis 29-3/4 up 4-3/4

K Capital Partners now has 17.91 pct stake

Energy Technique 7.75 up 1.50

## London shares - midafternoon features

Product sale in the US  
Fletcher King 38-1/2 up 6  
Bumper full-year results  
Bristol & West Investments 10.25 up 1.50  
Upbeat trading statement  
Micap 46 up 2-1/2  
MRSA treatment trial starts  
Ten Alps 50 up 4  
Contract news  
Caledon Resources 5.37 up 0.37  
Positive China drilling update  
Other fallers  
KeyWorld Investments 0.08 down 0.18  
Distribution agreement fails to excite  
West 175 Media 0.87 down 0.63  
Dealings resume on AIM following approval of debt-for-equity swap  
Sunderland 27-1/2 down 12-1/2  
To delist its shares on Aug 5  
Scapa Group 26-1/2 down 2-1/2  
Adverse US court decision  
Pan Andean 15-1/4 down 1  
Abandons High Island A-68 well after insufficient gas shows  
jmh/sd/rn  
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**Load-Date:** July 9, 2004

Ryanair offers 1 mln seats at 99p



## Ryanair offers 1 mln seats at 99p

AFX.COM

July 8, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 60 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish no-frills airline, said it is offering one million seats at 99 pence as part of its winter sale.

The offer, which excludes taxes and charges, covers 149 routes across 16 European countries, the company said in a statement.

mbe/ak

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**Load-Date:** July 9, 2004

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TBI Q1 passengers up 5.8 pct at 3.83 mln



## TBI Q1 passengers up 5.8 pct at 3.83 mln

AFX.COM

July 8, 2004 Thursday

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**Length:** 159 words

**Dateline:** LONDON

### Body

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Airports operator TBI PLC said its four European airports handled a total of 3.83 mln passengers, a 5.8 pct increase over the previous year's 3.62 mln passengers, during the first quarter of the year.

From April 1 to end June 2004, growth at London Luton, Belfast International, Cardiff International and Stockholm-Skavsta was driven by the low cost sector which saw traffic increase 7.7 pct to 2.8 mln passengers.

The full service segment saw an increase of 4.2 pct to 230,800 passengers boosted by an 11.2 pct increase at Cardiff.

Charter was stable at 793,384 passengers, TBI said.

Stockholm Skavsta airport gain saw the greatest growth of 21.35 pct as it continues to benefit from the expansion of Ryanair's operations and the addition of new services by Basiq Air in February 2004.

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el/jc

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** July 9, 2004

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End of Document



## UK govt starts consultation on protection of regional air services UPDATE

AFX.COM

July 7, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 323 words

**Dateline:** LONDON

### Body

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(Updates with quotes, background)

A consultation has started on how to guarantee a minimum level of regional air services within the UK as airports become more congested, said the Department of Transport (DoT).

The government last year said in its Future of Air Transport White Paper it would consider imposing Public Service Obligations (PSOs) in certain limited circumstances.

This would guarantee a minimum level of air services on existing routes from UK regional airports to London and would allow landing and take off slots at congested London airports to be ring-fenced for those services.

There are currently 17 routes from UK regions to London airports and the government said it had no evidence any were about to be withdrawn.

"However the pressure on slots is likely to increase in future years and it is possible that more regional services out of London might be threatened," the DoT said.

The airports affected are BAA PLC's Heathrow, Stansted and Gatwick, TBI PLC's Luton and London City, owned by Irish businessman Dermot Desmond.

A PSO cannot be imposed on a route where there is an adequate service operating but if one is introduced, regional slots at congested airports can then be "ring fenced" if they meet EU rules.

Airlines operating regional services to London airports will be asked to give the government at least four month's notice of a decision to withdraw services so that potential options to protect a route can be discussed with all interested parties.

Aviation Minister Tony McNulty said the consultation would help the government clarify circumstances where it could intervene, "so as to provide a firmer basis for the discussion of individual cases with both airlines and regional interests".

The consultation closes on Oct 8.

fp/ra

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# UK govt starts consultation on protection of regional air services UPDATE

**Load-Date:** July 8, 2004

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## Euroshares slightly firmer midday; US holiday limits activity

AFX European Focus

July 5, 2004 Monday

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**Section:** MARKETS

**Length:** 449 words

**Dateline:** LONDON

### Body

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European bourses were slightly firmer in lacklustre midday deals as investors remained on the sidelines due to the public holiday in the US, dealers said.

By 11.50 am, the STOXX 50 was up 8.78 points to 2669.67 and the wider STOXX 600 was up 0.5 points at 238.94.

With no significant earnings news on today's calendar, broker advice was the main focus for investors this morning.

Deutsche Telekom was nearly 1 pct ahead this morning after CSFB upgraded the fixed-line operator to 'outperform' from 'neutral'. The broker cited continued growth in the group's T-Mobile USA unit, and the relative stability in its European mobile and wireline businesses.

It was a similar story with BAE Systems, with the UK defence group up 1.7 pct after Citigroup Smith Barney upped its rating to 'buy' from 'hold'.

Defence order prospects are strengthening, it argued, seeing good news likely from the Farnborough airshow starting July 19.

And Xstrata was another climber -- up 3 pence to 727 -- after the same broker raised its recommendation to 'hold' from 'sell', arguing that recent rises in thermal coal price forecasts have been priced into the stock.

Staying with UK stocks, business services blue chip Hays gained around 1 pct after Morgan Stanley repeated its 'overweight' recommendation and raised its estimates slightly.

The US broker said Hays' core recruitment business is performing well, with fee income growth seen rising to 11 pct in the second half of the year, from 5 pct in the first half.

ITV also moved higher this morning after CSFB lifted its estimates for the broadcaster and raised its target to 52 pence following Ofcom's decision to allow the UK television company to renegotiate the terms of its broadcast licences.

Elsewhere, Easyjet rose 2.4 pct on reports that founder Stelios Haji-loannou is planning a 650 mln stg bid to take the group private.



Euroshares slightly firmer midday; US holiday limits activity

The news came as Ryanair reported a 24 pct rise in June passenger numbers. The airline's June load factor -- passengers as a proportion of the number of seats available -- was 87 pct compared to 81 pct in May and 79 pct in June last year. Shares in Ryanair rose 0.12 eur to 4.80.

On the downside, Philips lost nearly 1 pct after Merrill Lynch trimmed its price target on the stock ahead of upcoming second-quarter results.

And Reed Elsevier fell 0.7 pct after Merrill Lynch downgraded the Anglo-Dutch publisher to 'neutral' from 'buy' on valuation grounds.

Its price target on Reed shares went to 580 pence from 625 pence.

sd/wf

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**Load-Date:** July 6, 2004

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End of Document



## Ryanair June passengers up 24 pct, load factor 87 pct

AFX.COM

July 5, 2004 Monday

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**Section:** COMPANY NEWS

**Length:** 131 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it carried 2.27 mln passengers in June, an increase of 24 pct on the same month last year.

The airline's June load factor -- passengers as a proportion of the number of seats available -- was 87 pct compared to 81 pct in May and 79 pct in June last year.

The rolling 12 month passenger total was 24.6 mln, while the rolling 12 month load factor was 82 pct.

In June 97 pct of Ryanair's ticket sales were made over the internet.

On June 1 the airline reported a full year profit decline for the first time in its quoted history and warned of further yield declines in the current year.

jdd/slm/

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**Load-Date:** July 6, 2004



## Brussels shares AFX at a glance outlook

AFX European Focus

June 23, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 174 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open slightly higher, boosted by overnight gains on Wall Street, brokers said.

Yesterday, the Bel 20 closed down 10.24 points or 0.42 pct to 2,454.60.

#### FORTHCOMING EVENTS

-Dolmen Q1

#### TODAY'S PRESS

-Kraft Foods to restructure chocolate plant at Herentals (L'Echo)

#### COMPANY NEWS

-A Vinci SA spokeswoman said the company lodged a bid last week to acquire a majority stake in BIAC, the company that operates Brussels' Zaventem airport.

#### OTHER NEWS

-The European Commission said it has asked Belgian authorities to give details of the aid they are paying Ireland's low-cost airline Ryanair Holdings PLC to operate out of Charleroi airport, south of Brussels.

-Belgian paedophile Marc Dutroux was sentenced to life in prison for murder, kidnap and rape at the culmination of a harrowing trial that lasted nearly four months.

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vm/cml

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**Load-Date:** June 24, 2004



## EU asks Belgian authorities for details of state aid to Ryanair by early July

AFX.COM

June 22, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 161 words

**Dateline:** BRUSSELS

### Body

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The European Commission said it has asked Belgian authorities to give details of the aid they are paying Ireland's low-cost airline Ryanair Holdings PLC to operate out of Charleroi airport, south of Brussels.

Commission aide Gilles Gantelet said the commission needs the information to be able to calculate exactly how much of the state aid is illegal.

The commission has also asked the Belgian authorities to say how they will put an end to the payments, Gantelet said.

"We have given the Belgians 15 days to give us more details," he said.

The commission ruled in February that approximately 4 mln eur out of 15 mln eur of incentives paid to Ryanair by Charleroi airport, which is owned by the local Walloon government, amounted to illegal state aid.

Ryanair is appealing the decision in the European Court of First Instance.

vm/cml

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**Load-Date:** June 23, 2004



## ROUNDUP - TBI gears up for take off as clouds lift over world air industry

AFX.COM

June 10, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 667 words

**Dateline:** LONDON

### Body

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TBI PLC said it sees early signs of a turnaround in its fortunes as the global aviation industry gets back on its feet following the Sept 11 2001 terrorist attacks on New York and as it benefits from the ongoing boom in low-cost air travel within Europe.

The upbeat assessment came despite the UK's number two airport operator reporting a sharp decline in pretax profit driven by a 10 mln usd (5.9 mln stg) write-off of goodwill on its struggling US Airport Services business.

Chief executive Keith Brooks said the business, which offers various services including aircraft re-fuelling and baggage handling, would be sold in the near future, along with the company's three airports in Bolivia.

"We would have sold them before 9/11 but then we had to hold our breath... We hope to be able to sell those businesses this financial year," he told AFX News in an interview, adding that the funds raised would be re-invested in other operations.

TBI said it had made a strong start to the new financial year with passenger numbers surging 11 pct when compared with the same period a year earlier.

But Brooks warned "the ongoing threat of geo-political risk or the impact which a serious rise in oil prices could have on the industry cannot be underestimated", adding that the company continued to witness downward pressure on yields.

With revenue growth being driven largely by swelling numbers of no-frills passengers, TBI may be vulnerable to the recent spate of dire warnings from a number of low cost carriers such as easyJet PLC about cut-throat competition.

Brooks though tried to play down such concerns.

"What you've seen is reductions in profitability rather than levels of activity," he said.

Although there could eventually be some downward pressure on prices, leading customers such as easyJet and Ryanair Holdings PLC had sufficiently strong balance sheets to weather the storm and continue to grow their business, he added.

TBI reported pretax profit before exceptional charges and the amortisation of goodwill of 23 mln stg in the year to March 31, compared with 23.6 mln in the year earlier, on sales up 4.8 pct to 186.2 mln stg.

That was in the middle of the 22.3-23.5 mln stg range forecast by analysts.

## ROUNDUP - TBI gears up for take off as clouds lift over world air industry

But headline pretax plunged 45 pct to 6.2 mln stg.

Terminal passengers leapt 15 pct to 17.5 mln during the year.

That was led by a 31 pct surge in low-cost traffic, primarily as a result of easyJet's decision to expand services out of Luton, London's number four airport, and Belfast; Ryanair launching a base at Skavsta airport south of Stockholm in April 2003; and a full-year's contribution from BMI British Midland's no-frills unit bmibaby at Cardiff.

Brooks said the "core" European airports "remain well placed to take advantage of the continued expansion in low-cost travel", adding that there was "a clear indication of markedly improved trading across our US businesses".

Brooks reiterated that TBI chairman Stan Thomas, who owns 20 pct of the shares, had no plans to take the company private and contrary to reports had not held talks to that effect.

He also once again denied the company had received any formal takeover offer from the airports division of German construction group Hochtief AG, or any other interested party.

"We haven't had any approaches... We had no approach from Hochtief. They made an announcement and never even picked the phone up to me," the chief executive said.

Aside from its European and Bolivian airports, TBI runs Sanford airport in Orlando, Florida as well as providing various services at a further 21 airports around the world.

TBI is holding its final dividend payment at 1.6 pence per share, giving a full-year payout of 2.3 pence.

At 10.26 am, TBI shares were down 1/2 pence at 63-1/2.

rhb/ak

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
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**Load-Date:** June 11, 2004



## **TBI sees better fortunes as world air industry shows signs of recovery UPDATE**

AFX.COM

June 10, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 408 words

**Dateline:** LONDON

### **Body**

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(Re-casts, adding background, extra detail throughout)

TBI PLC, the UK-based airports operator, said there are early signs of a turn-around in its fortunes as the global aviation industry gets back on its feet following the September 11 2001 terrorist attacks on New York and as it benefits from the ongoing boom in Europe's low-cost airline industry.

The company, which owns four European airports, as well as four others in the Americas, said it had made a strong start to the new financial year with passenger numbers surging 11 pct when compared with the same period a year earlier.

But chief executive Keith Brooks warned "the ongoing threat of geo-political risk or the impact which a serious rise in oil prices could have on the industry cannot be underestimated", adding that the company continued to witness downward pressure on yields.

With revenue growth being driven largely by the boom in low-cost air travel, TBI may be vulnerable to the recent spate of dire warnings from a number of low cost carriers in the midst of cut-throat competition.

TBI reported pretax profit before exceptional charges and the amortisation of goodwill of 23 mln stg in the year to March 31, compared with 23.6 mln in the year earlier, on sales up 4.8 pct to 186.2 mln stg.

That was in the middle of the 22.3-23.5 mln stg range forecast by analysts.

Terminal passengers leapt 15 pct to 17.5 million during the year.

That was driven by a 31 pct surge in low-cost traffic, primarily as a result of easyJet PLC's decision to expand services out of Luton, London's number four airport, and Belfast, Ryanair Holdings PLC launching a base at Skavsta airport south of Stockholm in April 2003, and a full year's contribution from BMI British Midland's no-frills unit bmibaby at Cardiff.

"Within the context of a continuingly tough environment, our core European airports remain well placed to take advantage of the continued expansion in low cost travel," Brooks said.

"There is a clear indication of markedly improved trading across our US businesses which is encouraging," the chief executive added.

## TBI sees better fortunes as world air industry shows signs of recovery UPDATE

Outside Europe, TBI runs Sanford airport in Orlando, Florida and three airports in Bolivia, as well as providing various services at a further 21 airports around the world.

rhb/lam

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**Load-Date:** June 11, 2004

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## AFX UK at a glance share guide

AFX.COM

June 8, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 524 words

### Body

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#### MARKETS

FTSE 100 4,491.6 up 37.2

FTSE 250 6,128.4 up 31.6

DJIA 10,391.10 up 148.30

Nasdaq Comp 2,020.62 up 42.00

S&P 500 1,140.40 up 17.90

Tokyo: Nikkei 11,521.93 up 82.01

Hang Seng midday 12,457.17 up 130.32

Gold 393.25 usd (389.25 usd)

Oil - Brent Jul 35.96 usd (35.67 usd)

#### BREAKING NEWS

\* Leading telecoms operators form a global alliance to promote combined fixed-line and mobile services as the industry struggles to adapt to the convergence between the two - FT

\* US buyout firm Carlyle joins forces with MEGGITT to bid for Dunlop Standard in a deal that could be valued at about 900 mln stg - FT

\* Microsoft tried to buy SAP; US software company held talks to purchase German group last year; move shocks tech sector; discussions now broken off - FT

\* The three top managers at BRITISH AIRWAYS waive their annual bonuses in a move designed to strengthen their hand in tough pay talks with unions - FT

\* DIAGONAL rejects MICROGEN approach

\* Stelios may bid to take EASYJET private after fresh profits shock - Independent

\* YATES to back 98 mln stg buyout by managers - Independent

#### PRESS COMMENT

FT

THE LEX COLUMN comments on EASYJET (given the loss of confidence in its ability to manage expectations, the large valuation discount to RYANAIR may take time to narrow), Postbank, Airline alliances - MITIE (shares do not

## AFX UK at a glance share guide

look expensive for investors who believe the company's claim that corporate clients will be buying more than 25 pct of their services as a bundle in two years, up from 10 pct now) - BELHAVEN (shares have a long way to travel before investors call last orders) - SANCTUARY (forward p/e of about 11 looks fairly good value)

Sun

RYANAIR/EASYJET (sell them now)

Independent

THE INVESTMENT COLUMN: MITIE (buy), SANCTUARY (buy), MERRYDOWN (worth hanging on to)

Guardian

YELL (Yell's advisers have not ruled out making a bid for VNU's business directories operation) - INTELLEXIS (turns the corner)

Telegraph

QUESTOR: STANDARD CHARTERED (hold), MITIE (there are better opportunities elsewhere), HALFORDS (avoid)

Times

RUMOUR OF THE DAY: LONDON & BOSTON INVESTMENTS (speculation it is about to make its third acquisition in 18 months) - DIRECTORS' DEALINGS: SCOTTISH POWER (director purchases 17,710 shares) - Tempus: GKN (buy the 5.25 pct dividend yield), EASYJET (avoid), MITIE (buy)

Express

GUS (speculation of a faster-than-expected break-up of the company) - Who's dealing? NSB RETAIL (founder and chief executive sells 6 mln shares at 25 pence, leaving her with 20.18 mln , or 5.8 pct) - Share whisper: LONDON & BOSTON INVESTMENTS (expected to make its third acquisition today following recent purchases in the surveillance equipment and packing industries) - Broker's view: SURFCONTROL (Durlacher buy)

Mail

IAF (LOYALWARD plans to move to Aim soon and when it does IAF's shareholding should be worth more than its entire market value of 2.2 mln stg) - HMV (whispers of a pending bullish circular)

fjb/ak

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**Load-Date:** June 9, 2004



## ROUNDUP easyJet shares slump on new warning

AFX.COM

June 7, 2004 Monday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 614 words

**Dateline:** LONDON

### Body

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Shares in easyJet PLC slumped over 14 pct after the no-frills airline effectively issued its second profit alert in less than five weeks, blaming intense competition in the European market.

The Luton-based group said it now expects to generate a year to end-September 2004 pretax profit that "at least" exceeds the 52 mln stg achieved last time -- assuming a slight easing in global oil prices, that sterling remains reasonably strong against the US dollar, and a stable geopolitical environment.

Analysts pointed out that last year's figure of 52 mln stg was struck after goodwill and "one off" costs associated with the Deutsche BA option that easyJet did not take up, the integration of Go and the accelerated depreciation of aircraft.

On the same basis going into today, analysts were forecasting a pretax profit of 80-105 mln stg.

UBS, easyJet's joint house broker, said a pretax result of 52 mln stg would imply an average fare decline of around 10 pct in the July to September quarter.

"This looks like a worst case scenario but could reflect a decision by easyJet to put pressure on the recent converts to the low fare model before the winter arrives," the broker, which has placed its forecasts, target price and rating under review, told clients.

easyJet conceded that the cost of fuel remains a major area of concern. For the second half of the current year it has 55 pct of its fuel capped at 301 usd/tonne.

However, for the first two months of the second half, the average fuel price was 360 usd/tonne (before hedging).

If this price continues, easyJet's results would be adversely affected by around 4 mln stg at current exchange rates, it warned.

By 1.45 pm, shares in the airline were down 28-1/4 pence at 172-1/2, valuing it at 689 mln stg. Shares in rival Ryanair Holdings PLC, which issued a profit warning in January, were down 9 cents at 4.6 eur.

On May 5 easyJet shares lost a quarter of their value after the company adjusted its guidance for the full year to "cautious" and said it was seeing "unprofitable and unrealistic pricing" by airlines across all sectors of the European industry.

"We expect this to continue during the rest of the year," easyJet said today.

## ROUNDUP easyJet shares slump on new warning

"While demand for low cost travel remains strong, the forward pricing environment is exceptionally competitive."

easyJet reiterated that it will "vigorously defend" its market position -- code for more price cuts. It said that unlike some airlines it has the financial strength to do so.

The airline plans to grow capacity by 20 pct in the current year but said deployment for next year is "under review" -- suggesting a slowdown is on the cards.

"We will use our market and financial strength to protect our leading position," said chief executive Ray Webster.

"While this may have a bearing on the growth in our profits this year, it will ensure sound medium and long-term growth for easyJet, in a market place where there will be fewer carriers."

The airline's new guidance came in a trading update along with its monthly traffic report.

In May the airline carried 2.09 mln passengers, a 19 pct increase on the same month last year.

Load factor -- passengers as a proportion of the number of seats available -- was 81 pct compared to 83 pct in May last year. In April load factor had fallen 3 pct to 82 pct.

The figures suggest that easyJet's problems in April have continued into May, with average fares down 5 pct.

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jdd/bam

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**Load-Date:** June 8, 2004

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End of Document



## Ryanair plans to set up eastern European base

AFX.COM

June 6, 2004 Sunday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 230 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish budget airline, is to set up its first base in Eastern Europe, as it looks to open up a new front in the low-cost travel market as competition intensifies in the UK and Germany, The Business reported, citing the company.

Ryanair said it has six bases "lined up" around Europe: two in the UK, two in France, one in Germany - and one in eastern Europe.

It refused to reveal the identities of the prospective hubs, said the newspaper.

But Ryanair, headed by chief executive Michael O'Leary, is likely to hold off a big push into eastern Europe for the next couple of years, the Business said.

The market-leading airline believes the low-cost market is still underdeveloped in some of the more lucrative western European countries, citing the example of low-cost operator Southwest, which has enjoyed several decades of growth in the US.

A Ryanair spokesman told the Business: "Initially there will be a big rush to places like Warsaw but that doesn't mean there will be sustainable traffic in both directions."

While barriers to entry into the eastern European market are low, it may be harder to reduce costs. People also tend to have less disposable income than in western European countries, Ryanair said.

acb/rhb

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 7, 2004



## All UK flights suspended after major computer error - report

AFX European Focus

June 3, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** GENERAL

**Length:** 39 words

**Dateline:** LONDON

### Body

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All UK flights have been suspended after a major computer failure at the control centre in Swanwick in Hampshire, according to the BBC.

vjt/ak

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**Load-Date:** June 4, 2004

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## AFX UK at a glance share guide

AFX.COM

June 2, 2004 Wednesday

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**Section:** MARKETS

**Length:** 675 words

### Body

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#### MARKETS

FTSE 100 4,422.7, down 8.0

FTSE 250 6,026.5, down 27.1

DJIA 10,202.60, up 14.20

Nasdaq Comp 1,990.77, up 4.03

S&P 500 1,121.20, up 0.52

Tokyo: Nikkei closed at 11,242.34, down 54.42

Hang Seng midday 12,190.89, up 85.34

Gold 395.25 usd (393.75 usd)

Oil 39.08 usd (36.58 usd)

#### BREAKING NEWS

\* Visa delays have 'cost US 30 bln usd in two years'; business organisations try to quantify the impact of security restrictions imposed since September 11 - FT

\* Philip Green plans to reveal details tomorrow of his offer for MARKS & SPENCER to the retail group's new management team - FT

\* Stuart Rose, the new chief executive of MARKS & SPENCER, will be entitled to a 2.1 mln stg payoff if Philip Green's bid for the retail chain succeeds - Independent

\* Fight for control of MARKS & SPENCER intensifies as law firm acting for the struggling retailer goes to court in an attempt to block Philip Green's solicitors from acting for him - Times

\* Airports operator BAA heading for a battle at next month's shareholders' meeting over its granting of free airport car parking passes to MPs, MEPs and members of the House of Lords - FT

\* SABMILLER considering raising its 290 mln stg bid for Harbin Brewery to top yesterday's counter-offer by rival Anheuser-Busch, as the first takeover battle for a Chinese group enters a decisive phase - FT

\* DE VERE quits auction for budget hotel brand Premier Lodge

\* OXFORD BIOMEDICA due to announce its nerve repair product has restored feeling and movement to animals with damaged limbs - FT

## AFX UK at a glance share guide

\* UNITED BUSINESS MEDIA buys medical publisher MediMedia in 188 mln stg deal

\* Ofcom demands a 30 pct cut in the cost of calling a mobile phone from September in a move the telecommunications regulator hopes will reduce customers' phone bills - Guardian

PRESS COMMENT

FT

THE LEX COLUMN comments on Adecco's book-keeping problems, Viacom, Harbin, RYANAIR (a concern is that the decline in average fares is coinciding with upward pressures on costs; Ryanair expects to cut unit costs by about 5 pct this year; however, that is tough, given increases in fuel bills, depreciation on aircraft and airport charges; such clouds over Ryanair's outlook may provide buying opportunities for long-term investors but add to the near-term uncertainties) - BREWIN DOLPHIN (while it has made provisions for splits, the stock is unlikely to be upgraded with this (issue) hanging over it) - SCI (look cheap and the portents are good) - SYNSTAR (one of the safer recovery plays)

Independent

THE INVESTMENT COLUMN comments on BREWIN DOLPHIN (avoid), FYFFES (worth holding for the long-term), SCI ENTERTAINMENT (buy) - SPEEDY HIRE (gossips reckon tomorrow's full-year results will be a bullish affair) - TEXAS OIL & GAS (talk of positive news)

Guardian

RICARDO (is a grim trading update about to be published?, dealers ask) - VANE HOLDINGS (solid debut expected today)

Express

Who's dealing? SIG (non-executive chairman doubles his stake) - Share whisper: PAN ANDEAN RESOURCES (speculation it is close to reporting positive drilling from its offshore site in the Gulf of Mexico) - Broker's view: QUINTAIN ESTATES (buy from neutral - Merrill Lynch) - Stock-picker Trevor Webster takes stake in WYEVALE; he takes profits in EUROPEAN MOTOR, and continues to hold BRADFORD & BINGLEY and KELLER

Times

DEAL OF THE DAY: ARRIVA (director sells stock for 280,000 stg) - RUMOUR OF THE DAY: followers of transport stocks hear that Collins Stewart has been forced to cut the price of its proposed accelerated initial public offering of PD Ports, the owner of Teesport, which is being sold by Japan's Nikko) - Tempus: RYANAIR (avoid), EIRCOM (buy), BREWIN DOLPHIN (avoid)

Telegraph

QUESTOR: DE LA RUE (don't sign the cheque just yet), BSS (hold on), UMBRO (about right for now)

Mail

FIRST CALGARY (hopes of further oil finds)

END

fjb/vjt/

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**Load-Date:** June 3, 2004





## German shares AFX at a glance outlook

AFX.COM

June 2, 2004 Wednesday

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**Section:** MARKETS

**Length:** 389 words

**Dateline:** FRANKFURT

### Body

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Share prices are expected to open higher following the late rally on Wall Street overnight and after Morgan Stanley upgraded its stance on Deutsche Telekom, one of the market heavyweights, dealers said.

However, dealers said that gains should be capped after crude oil prices hit a new all-time high of over 42 usd per barrel in New York last night.

At 8.25 am, the Lang & Schwarz brokerage was indicating the DAX 30 index would open at 3,892, up some 28 points from yesterday's close at 3,864.18 -- which had marked a loss of 57.23 points on the day.

#### FORTHCOMING EVENTS

##### TODAY

- MediGene AG AGM (10.00 am)
- Deutsche Bank AGM (10.00 am)
- Fraport AGM (10.00 am)
- Hannover Re AGM (10.30 am)
- German April retail sales (8.00 am)

##### TOMORROW

- Munich Re Q1 (10.00 am); Munich Re has already reported Q1 net profit of 534 mln eur vs loss 557 mln
- Beiersdorf AGM (10.30 am)

##### TODAY'S PRESS

- Bayer April sales 2.68 bln eur, up 4.3 pct vs yr-ago (Financial Times Deutschland)
- Ryanair sees many European budget airlines going out of business this yr (Handelsblatt)

## German shares AFX at a glance outlook

- Julius Baer plans to expand in Germany this year (Handelsblatt)
- Investors value Postbank at maximum 4.9 bln eur (Handelsblatt)
- Dekabank looking to make acquisitions abroad (Handelsblatt)
- Airbus says booked out for new A380 superjumbo till 2008 (Focus Monday)

### COMPANY NEWS

- RWE'S Thames Water to transfer facility in Shanghai to Shanghai Waterworks

July 26

- Fraport says passenger, freight traffic up at Frankfurt airport in

April/May

### MARKET NEWS/SENTIMENT

- \*DEUTSCHE TELEKOM UPPED BY MORGAN STANLEY TO 'OVERWEIGHT' VS 'EQUAL-WEIGHT'
- \*EUROPEAN WIRELINE TELECOMS UPGRADED TO 'ATTRACTIVE' BY MORGAN STANLEY
- STOCKWATCH Altana downgraded by Goldman to 'in-line' vs 'outperform'

### MACRO-ECONOMIC NEWS

- German April retail sales up real 0.6 pct vs March, down 1.8 pct yr-on-yr
- ECOFIN: Germany's Eichel says worried by likely impact of oil price on economy

- ECOFIN Euro group agrees to coordinate any response to oil price rise

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**Load-Date:** June 3, 2004



## Madrid shares AFX at a glance outlook

AFX European Focus

June 2, 2004 Wednesday

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**Section:** MARKETS

**Length:** 417 words

**Dateline:** MADRID

### Body

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Share prices are expected to open higher as overnight gains on Wall Street and expectations for a strong US payrolls figure Friday offset concerns over the high price of oil, dealers said.

Yesterday, the IBEX-35 index lost 110.9 points or 1.39 pct at 7,848.4, after trading in a range of 7,839-7,939, on thin turnover of 1.908 bln eur, with put-throughs accounting for about 40 pct.

The IBEX-NM was down 28.4 points or 1.53 pct at 1,830.6.

#### FORTHCOMING EVENTS

##### TOMORROW

- Spain May services PMI
- Spain 3-yr govt bond auction

##### TODAY'S PRESS

- Spain govt in talks over train contracts with Bombardier, Siemens (Expansion)
- Ryanair studies creating new hub in Spain in 2005 (Expansion)
- Spain's Montilla favours 'strong business groups not just in energy' (Expansion)
- Telefonica cuts cost of directory enquires calls to 0.22 eur/min vs 40 (Expansion)
- Sol Melia opens hotel in Oporto (Expansion, La Gaceta de los Negocios)
- Endesa's Pizzaro says in talks with AGBAR, no definite plans for tie-up (Expansion)
- Sacyr guarantees div of 0.3 eur/shr as part of deal to acquire Somague

(Cinco Dias)

- Ence to hedge 821.6 mln eur to 2008 against euro strength (Cinco Dias)

#### LATE CORPORATE NEWS

- Azkoyen 4-mths pretax profit 1.6 mln eur vs loss 5.3 mln

#### MACROECONOMIC NEWS

- Spain May new car registrations 131,495 units vs 120,702
- Spain May manufacturing PMI 53.2 vs 53.6 - NTC

## MARKET SENTIMENT

-The broad market is expected to open higher as overnight gains on Wall Street and expectations for a strong US payrolls figure Friday offset rising concerns over the high price of oil.

"We should see a bit of a bounce this morning on the back of Wall Street's gains," a trader at a local brokerage said.

"And with OPEC set to sharply increase production, we could see a little follow-through (buying) ahead of Friday's US jobs report."

He noted that in the wake of yesterday's strong US ISM manufacturing report for May, showing a sharp increase in the employment component, investors are now expecting a strong non-farm payrolls figure when the data is released Friday.

Blue chips and TMTs are likely to rebound from yesterday's losses, though trading will be quiet given the lack of newsflow.

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## Ryanair FY profit falls - UPDATE

AFX.COM

June 1, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 524 words

**Dateline:** LONDON

### Body

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(Adds further detail)

Ryanair Holdings PLC, the Dublin-based no-frills airline, has reported a profit decline for the first time in its quoted history and warned of further yield declines in the current year.

For the year to March 31 2004 the airline, which operates 150 European routes, made a pretax profit of 228.5 mln eur -- in line with analyst forecasts, which were slashed after a January profit warning, but down from 264.6 mln eur last time.

Net profit fell to 207 mln eur from 239 mln eur, reflecting a 14 pct decline in yields (average fares) due to intense competition all over Europe, plus higher route and airport charges.

Ryanair's sales increased to 1.07 bln eur from 842.5 mln eur as it carried 23.13 mln passengers, a rise of 47 pct.

The airline's profit margin before taxation and exceptional items fell from 28 pct last year to 21 pct.

Earnings per share were 27.3 cents, down from 31.7 cents last time.

"Our outlook for the coming 12 months remains very conservative," said chief executive Michael O'Leary, forecasting passenger traffic growth of circa 20 pct and a seat capacity rise of 16 pct.

Although Ryanair's current load factors -- passengers as a proportion of the number of seats available -- are higher than this time last year, the chief executive still expects yields to decline this year.

"With almost 50 pct of the seats booked for the summer season, the yield attrition seems to be towards the lower end of our forecast range at 5-10 pct, but next winter, as many of our loss making competitors dump prices to try to stay alive, we expect the yield declines to increase within a range of 10-20 pct," said O'Leary.

He said over the coming years Ryanair will lower prices further as it grows its traffic to over 50 mln passengers per annum.

"It remains our medium term view that there will only be one or possibly two large low fares airlines in Europe and we are determined that the biggest and lowest cost of these carriers will be Ryanair," O'Leary added.

The chief executive does not believe the growth of low fare air travel will be damaged or slowed by higher oil prices.

He noted Ryanair is fully hedged until the end of the second quarter and largely unhedged thereafter.

## Ryanair FY profit falls - UPDATE

"Our view is that (fuel) prices will fall this winter, or next year and only then will we hedge, in order to benefit from such reductions," said O'Leary, pointing out that Ryanair will absorb higher oil prices by making cost savings in other areas. He reiterated that Ryanair will not impose fuel surcharges.

The airline's unit costs in the year to end-March fell 6 pct with the result that total operating costs rose 39 pct -- significantly less than the rate of traffic growth.

Ryanair also ended the year with cash of 1.2 bln eur.

O'Leary repeated the airline's view that it will win both of its appeals on the Strasbourg and Charleroi state aid cases.

Ryanair shares closed Friday at 4.34 eur.

jdd/cw

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## London shares open higher as crude rise lifts oil majors

AFX.COM

June 1, 2004 Tuesday

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**Section:** MARKETS

**Length:** 356 words

**Dateline:** LONDON

### Body

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Leading shares opened modestly higher after the bank holiday weekend, with oil stocks outperforming as crude futures spiked in reaction to the weekend terrorist attacks in Saudi Arabia, dealers said.

By 8.15 am, the FTSE 100 was trading 11.6 points higher at 4,442.2, with the broader indices mixed.

The US stock market was closed for the Memorial Day weekend yesterday. On Friday, the DJIA closed down 16.75 points at 10,188.45, while the the Nasdaq Composite ended up 2.24 points at 1,986.74.

It is a very quiet morning for blue-chip corporate news, and Marks & Spencer continued to dominate the headlines after the troubled retailer yesterday sacked its chief executive as a defensive move against the expected takeover bid this week from billionaire retail entrepreneur Philip Green.

M&S sacked Roger Holmes as its chief executive and parachuted in Stuart Rose, the former boss of Arcadia, Booker and Argos, as his successor. It also removed, with immediate effect, outgoing chairman Luc Vandeveld.

Shares jumped 9-1/2 pence to 369.

Meanwhile, the heavily weighted energy sector rose this morning on expectations of a rise in crude prices after the weekend attack on an oil complex in Khobar, Saudi Arabia, left 22 people dead.

Shell added 4-3/4 pence to 399 and BP rose 6 to 483-3/4.

Elsewhere, Ryanair took on 0.11 eur to 4.45 after a better-than-expected set of full-year figures.

As expected, Ryanair indicated that pricing pressures in the budget sector will continue to intensify, with Summer season passenger yields seen declining at the 'lower end' of its 5-10 pct forecast, and Winter yields seen falling by between 10-20 pct.

On the economic front, this morning will see the release of the May CIPS survey of UK manufacturing, and the CBI's quarterly distributive trades report.

Attention will soon switch to this afternoon's ISM survey for May. The headline index is expected to fall to 60.6, down from 62.4 the previous month.

sd/vjt/

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London shares open higher as crude rise lifts oil majors

**Load-Date:** June 2, 2004

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## London shares outlook - seen slightly higher as crude rise lifts oil majors

AFX.COM

June 1, 2004 Tuesday

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**Section:** MARKETS

**Length:** 457 words

**Dateline:** LONDON

### Body

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Leading shares are expected to open slightly higher as investors return to their desks after the bank holiday weekend, with oil stocks expected to outperform after the energy price spiked in reaction to the weekend terrorist attacks in Saudi Arabia, dealers said.

According to spread betting firm Cantor Index, the FTSE 100 is expected to open at around 4,438, 8 points above Friday's closing level.

The US stock market was closed for the Memorial Day weekend yesterday. On Friday, the DJIA closed down 16.75 points at 10,188.45, while the the Nasdaq Composite ended up 2.24 points at 1,986.74.

Attention is likely to remain focused on the oil price morning, as crude futures rose around 2 pct yesterday after the weekend attack on an oil complex in Khobar, Saudi Arabia, left 22 people dead.

In a very quiet morning for corporate news, Marks & Spencer will continue to dominate the headlines after the troubled retailer yesterday sacked its chief executive to lead the defence against an expected this week from Philip Green, the billionaire retail entrepreneur who owns Bhs and Arcadia.

M&S sacked Roger Holmes as its chief executive and parachuted in Stuart Rose, the former boss of Arcadia, Booker and Argos, as his successor. It also removed, with immediate effect, outgoing chairman Luc Vandeveld.

Elsewhere, Ryanair will be under the spotlight after the no-frills airline reported full-year figures that were broadly in line with expectations.

The budget carrier said full-year pretax earnings amounted to 228 mln eur, down from 265 mln the previous year, in line with Deutsche Bank's 227.3 mln eur forecast.

As expected, Ryanair indicated that pricing pressures in the budget sector will continue to intensify, with Summer season passenger yields seen declining at the 'lower end' of its 5-10 pct forecast, and Winter yields seen falling by between 10-20 pct.

In other news, Eircom is due to release its first full-year results since re-listing earlier this year.

The incumbent telecoms carrier should post fiscal 2004 revenues of 1.632 bln eur, with EBITDA of 595 mln eur and pretax profits of 39 mln eur, according to Deutsche Bank.

The broker's net debt target is 1.912 bln eur, below the company's 2.0 bln target.

London shares outlook - seen slightly higher as crude rise lifts oil majors

On the economic front, this morning will see the release of the May CIPS survey of UK manufacturing, and the CBI's quarterly distributive trades report.

Attention will soon switch to this afternoon's ISM survey for May. The headline index is expected to fall to 60.6, down from 62.4 the previous month.

sd/vjt/

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## London shares - midmorning feature movements

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June 1, 2004 Tuesday

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**Section:** MARKETS

**Length:** 470 words

### Body

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FTSE 100 risers

ICI 221-1/2 up 2-3/4

UBS upgrades to 'buy' from 'neutral'

Marks & Spencer 363-3/4 up 4-1/4

Appoints Stuart Rose to replace sacked chief executive; chairman removed

Next 1398 up 12

With M&S

BP 481-1/2 up 3-3/4

Saudi terror attacks send crude higher

BG 335 up 3

Saudi terror attacks send energy prices higher

BAE Systems 206-1/2 up 3/4

UK reportedly planning to lift arms ban on China

Compass Group 341 up 1

Goldman Sachs upgrade Friday

Johnson Matthey 889-1/2 up 3

Full-year results on Thursday

Shell 394-3/4 up 1/2

Saudi terror attacks send crude higher

FTSE 100 fallers

Royal & Sun 77-3/4 down 3-1/4

Weaker trend on equity markets

British Airways 246-3/4 down 7-1/2

Rising oil price; Ryanair warns of steep falls in passenger yield

mmO2 95-1/4 down 2-1/4

## London shares - midmorning feature movements

CSFB cuts its price target to 115 pence from 120; termination charges cut  
Daily Mail 682 down 8-1/2  
Interims Thursday  
Vodafone 127 down 1-1/4  
Ofcom lowers mobile termination charges  
FTSE 250 risers  
Eurotunnel 24-1/4 up 0-3/4  
Chairman Jacques Maillot denies press report he will resign  
Carphone Warehouse  
FY results due Thursday  
HHG 44-1/4 up 1-1/4  
UBS restarts coverage with 'buy' recommendation, targets 54 pence  
Cairn Energy 1,080 up 25  
Deutsche Bank upgrades to 'buy'  
Michael Page 172-1/2 up 3-1/2  
Buys back 400,000 shares at 168.78 pence each  
Randgold 1,005 up 15  
Says Loulo drilling confirms "significant potential"  
FTSE 250 fallers  
Geest 560-1/2 down 24-3/4  
Bakkavor discloses 10 pct stake late Friday, but says no takeover planned  
SSL International 312-1/2 down 5-1/2  
Fading bid hopes  
Other risers  
Estates & General 252-1/2 up 40  
Agrees 255 pence per share cash offer from Winten  
Provalis 7.00 up 0.88  
Clinical trials on diabetes diagnostics test nearing completion  
TTG Europe 2.50 up 0.25  
Rally after recent profit-warning slump  
Theo Fennel 27-1/2 up 2-1/2  
Near quadrupling in full year pretax profit  
First Calgary 471 up 37  
Says Algeria well could be material oil discovery  
I-documentsystems 10-1/2 up 3-1/2  
Says 6 months to end-April trading in line with expectations  
Numerica 37-1/2 up 2-1/2  
Completes Limited Liability Partnership changes to group structure  
British Energy A 8.50 up 0.50  
Set to announce first annual operating profit since bail-out - IoS  
Other fallers  
Millwall 0.17 down 0.02  
End-of-football season profit-taking; recent FA Cup final loss

## London shares - midmorning feature movements

fountains 135-1/2 down 3

Profit-taking after solid first half results

sd/bge/jmh/

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## Euroshares opening - seen slightly higher but oil price fears seen weighing

AFX European Focus

June 1, 2004 Tuesday

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**Section:** MARKETS

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**Dateline:** LONDON

### Body

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Shares in Europe's main bourses are expected to open slightly higher in quiet opening trade but thin newsflow and the still strong oil price could cap gains after the long bank holiday weekends in London and New York, dealers said.

Last Friday, the DJIA closed down 16.75 points, or 0.2 percent, at 10,188.45 while German and French shares closed slightly higher last night.

This morning, the Nikkei ended the morning up 42.66 points at 11,279.03 while the Hang Seng ended the morning up 12.96 points at 12,211.20.

But the higher oil price -- after the weekend attacks in Saudi Arabia -- could continue to weigh on sentiment ahead of this week's OPEC meeting.

In corporate news, budget airline Ryanair reported a full year net profit of 207 mln eur, down from 239 mln eur a year earlier and a pretax profit of 228 mln eur, down from a year earlier figure of 265 mln eur.

Swiss staffing group, Adecco, reported a 26 pct rise in full year net profit to 305 mln eur and a full year operating profit of 505 mln eur, up from 446 mln eur a year earlier.

In other news, Bayer could be in focus amid reports it is one of the six companies on the short-list to buy Roche's non-prescription drug business.

And the retail sector is likely to garner some interest after the news late last night that UK chain Marks & Spencer has sacked Roger Holmes as chief executive, replacing him with Stuart Rose, the former boss of Arcadia, Booker and Argos.

The move has been interpreted as a sign the board is determined to fight off a bid from Philip Green, the billionaire retail entrepreneur.

Also in the sector, clothing retailer H&M may be in focus after Dagens Industri said the group is looking to enter new markets such as Japan and Russia.

In the banking sector, HSBC is reportedly seeking opportunities to buy into banks on the mainland, but declined to comment on reports that it will buy a 20 pct stake in the Bank of Communications soon, the Shanghai Morning Post reported.

The banking group reportedly faces competition from JP Morgan for the stake.

Euroshares opening - seen slightly higher but oil price fears seen weighing

On the economic front, strategists will be digesting Euro zone GDP and Manufacturing data. Some fear the PMI data will show a slowing in new orders.

In the US, construction spending and May ISM data are likely to attract some interest.

dlh/jkm

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## Euroshares lower midday as oil price rises

AFX European Focus

June 1, 2004 Tuesday

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Shares in Europe's main bourses were sharply lower midday as rising oil prices unsettled investors in an otherwise lacklustre day of trading, dealers said.

At 11.45, the STOXX 50 was off 14.78 points at 2659.83 and the STOXX 600 was off 1.45 points lower at 235.84.

Spreadbetting firms IG Index and Cantor Index said Wall Street is set to open 45 points lower.

Brent crude futures soared in early morning electronic deals as the weekend's fatal attacks on foreign workers in Saudi Arabia rekindled fears of possible future supply disruptions from OPEC's largest producer.

Shares in car companies DaimlerChrysler and Volkswagen were off 1.69 pct and 1.45 pct respectively.

But Fiat outperformed -- up 3.03 pct -- ahead of the group's board meeting this afternoon, as observers expect the Italian group to appoint board member Sergio Marchionne -- currently chief executive at SGS -- as chief executive.

If appointed, he will replace Giuseppe Morchio who resigned on Sunday.

SGS shares were suspended at the behest of the company. They had fallen more than 6 pct on the news in early trade. Deutsche Bank cut the shares to 'hold' from 'buy'.

Airlines were also mostly lower as the New York oil futures rose to 41 usd per barrel -- close to year highs.

Air France slipped 0.76 pct and Alitalia fell 0.53 pct. And budget airline Ryanair fell 2.28 pct after uninspiring full year numbers failed to offset concerns about the potential impact of oil prices remaining at this level for an extended period.

The group's cautious outlook statement also deterred investors.

Dresdner cut its price target on the airline to 4 eur from 5.5 eur and repeated its 'hold' stance.

Chemicals fared better despite their heavy exposure to the oil price as investors say caution on the sector has already priced in a difficult outlook. ICI was up 1.83 pct after UBS upgraded its recommendation on the group to 'buy' from 'neutral'. But ailing French group Rhodia fell 2.8 pct after a report in La Tribune said the group is facing total costs of between 50-100 mln usd after being found guilty on pollution charges by a US court.

After delaying its earnings report several times, Swiss staffing group Adecco reported a 26 pct rise in full year net profit to 305 mln eur and a full year operating profit of 505 mln eur, up from 446 mln eur a year earlier.



## Euroshares lower midday as oil price rises

There had been fears the company would have to restate its earnings. Relief the company published its results within the deadline and news it has cut costs and lifted its dividend helped lift the shares, despite disappointment on earnings and market share in the US.

Shares moved up 6.79 pct.

Oil companies outperformed thanks to the oil price rise. BP was 0.94 pct higher and ENI was off only 0.54 pct. Statoil climbed 2.66 pct after it was upgraded to 'buy' from 'hold' at Citigroup Smith Barney after the US broker lifted its price target to 95 skr from 90 skr.

Oil services groups Technip and Saipem added 1.27 pct and 0.76 pct on hopes the sustained high oil price will help them win new contracts.

On the economic front, strategists will be digesting US construction spending and May ISM data are likely to attract some interest.

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## Euroshares open flat as oil price rise, thin newsflow keeps volumes light

AFX European Focus

June 1, 2004 Tuesday

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### Body

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Shares in Europe's main bourses opened slightly higher in quiet opening trade but thin newsflow and the still strong oil price soon dragged the major indices a tick lower after the long bank holiday weekends in London and New York, dealers said.

At 08.45, the STOXX 50 was off 5.62 points at 2668.99 and the STOXX 600 was off 0.5 points at 236.79.

Oil companies were boosted by the oil price rise after the weekend attacks in Saudi Arabia and ahead of this week's OPEC meeting. Royal Dutch led the STOXX 50 risers, up 0.53 pct. Total added 0.39 pct, ENI added 0.34 pct and Repsol was up 0.4 pct. Statoil has been upgraded to 'buy' from 'hold' at Citigroup Smith Barney after the US broker lifted its price target to 95 skr from 90 skr.

In corporate news, budget airline Ryanair moved up 1.37 pct after the group reported a full year net profit of 207 mln eur, down from 239 mln eur a year but at the top end of analysts' reduced expectations.

And Swiss staffing group Adecco reported a 26 pct rise in full year net profit to 305 mln eur and a full year operating profit of 505 mln eur, up from 446 mln eur a year earlier.

There had been fears the company -- which delayed its earnings report -- would have to restate its earnings. Relief the company published its results within the deadline and news it has cut costs and lifted its dividend helped lift the shares, despite disappointment on earnings and market share in the US.

Shares moved up 5.71 pct.

And the retail sector garnered some interest after news late last night that UK chain Marks & Spencer has sacked Roger Holmes as chief executive, replacing him with Stuart Rose, the former boss of Arcadia, Booker and Argos.

The move has been interpreted as a sign the board is determined to fight off a bid from Philip Green, the billionaire retail entrepreneur. Marks & Spencer shares were up 0.07 pct.

Also in the sector, clothing retailer H&M may be in focus after Dagens Industri said the group is looking to enter new markets such as Japan and Russia.

Fiat shares were 1.61 pct higher ahead of the group's board meeting this afternoon, as observers expect the car group to appoint board member Sergio Marchionne -- currently chief executive at SGS -- as chief executive to replace Giuseppe Morchio who resigned on Sunday.

Euroshares open flat as oil price rise, thin newsflow keeps volumes light

But SGS tumbled 5.82 pct as the market took the news badly amid uncertainty about what the move could mean for the Swiss tech group.

In the healthcare sector, Bayer was off 0.09 pct amid reports it is among six bidders on the shortlist for Roche's non prescription drugs business.

And Nokia fell 1.49 pct after rising more than 2.4 pct yesterday following news the group had clawed back some market share.

On the economic front, strategists will be digesting Euro zone GDP and Manufacturing data. Some fear the PMI data will show a slowing in new orders.

In the US, construction spending and May ISM data are likely to attract some interest.

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Ryanair FY pretax 228.48 mln eur vs 264.55 mln



## Ryanair FY pretax 228.48 mln eur vs 264.55 mln

AFX.COM

June 1, 2004 Tuesday

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**Section:** COMPANY NEWS

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### Body

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Ryanair Holdings PLC year to March 31 2004

Sales - 1.07 bln eur vs 842.51 mln

Pretax profit - 228.48 mln eur vs 264.55 mln

Adjusted profit after tax - 226.60 mln eur vs 239.40 mln

Profit after tax - 206.61 mln eur vs 239.40 mln

Adjusted EPS - 29.91 cents vs 31.71

EPS - 27.28 cents vs 31.71

vjt/

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## Ryanair May passengers 2.17 mln vs 1.83 mln

AFX.COM

June 1, 2004 Tuesday

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**Section:** COMPANY NEWS

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### Body

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Ryanair Holdings PLC said it carried 2.17 mln passengers in May, up from around 1.83 mln in the same month last year.

The load factor increased to 81 pct from 77, and internet sales accounted for 97 pct of total sales, up from 94.

In the 12-month period to May 31, 2004, the Irish low-cost airline carried a total of 24.14 mln passengers.

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ak/

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## AFX UK at a glance share guide

AFX.COM

June 1, 2004 Tuesday

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**Section:** MARKETS; GENERAL

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### Body

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#### TODAY'S EXPECTED COMPANY NEWS

##### INTERIMS

Fountains

RWS Holdings

SCI Entertainment

Synstar

##### FINALS

Domestic & General Group

Eckoh Technologies

Eircom Group

Ryanair

##### AGMs

Intercontinental Hotels

##### EGMs

Matisse Holdings

##### ECONOMICS

\* UK May CIPS manufacturing report

\* UK CBI quarterly distributive trades survey

##### MARKET EXPECTATIONS

\* Eckoh Technologies. Evolution Beeson Gregory forecasts year to March pretax profit 200,000 stg vs 400,000

\* Eircom Group year to December EBITDA 585-601 mln eur vs 535 mln

\* Ryanair Holdings year to March operating profit before exceptionals 252.0 mln eur vs 263.5 mln

\* Synstar. Arbuthnot forecasts six months to March pretax profit 1.2 mln stg vs 3.8 mln

vjt/

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AFX.COM

May 26, 2004 Wednesday

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**Section:** MARKETS

**Length:** 516 words

### Body

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#### MARKETS

FTSE 1004,418.0, down 10.9

FTSE 250 5,983.6, down 18.3

DJIA 10,117.62, up 159.19

Nasdaq Comp 1,964.65, up 41.67

S&P 500 1,113.05, up 17.64

Tokyo: Nikkei closed at 11,152.09, up 189.16

Hang Seng closed

Gold 387.75 usd (385.00 usd)

Oil - Brent July 37.44 usd 938.17 usd)

#### BREAKING NEWS

\* Blair insists that Iraq must have veto over troops - FT

\* RYANAIR refuses to repay 3 mln eur state aid - FT

\* Italy's Finmeccanica expected to announce an agreement to buy out GKN's stake in the AgustaWestland helicopter joint venture, in spite of attempts by EADS to scupper the move - FT

\* Terra Firmer has a 227.5 mln stg bid for the British waste management business of SHANKS accepted, outflanking a rival offer worth about 200 mln stg from PENNON - FT

\* JARVIS adds to investor jitters by delaying its results by a month and admitting that its banks are calling the tune  
- Mail

#### PRESS COMMENT

FT

THE LEX COLUMN comments on VODAFONE, GUS (the 200 mln stg planned share buyback offers an incentive to shareholders to bide their time but patience will be needed), Closed life funds, Alstom - BRITISH LAND (trades on a discount to net asset value of 32 pct, with the sector average about 17 pct, which leaves room for the shares to move forward) - ICAP (seems a reasonable bet for the medium term) - SCOTTISH POER (look a little cheap against rivals SCOTTISH & SOUTHERN and NATIONAL GRID TRANSCO) - RM (calendarised 2004 p/e of 12.4



## AFX UK at a glance share guide

recognises the uncertainty of the business case but underestimates RM's educational achievements) - ACAMBIS (unlikely to be a good reason to rush out and buy)

Sun

VODAFONE (share price reaction was overdone but gives investors a buying opportunity)

Mail

GEEST (gossip that major rival NORTHERN FOODS has it at the top of its shopping list) - LAND SECURITIES (speculation it has at last signed up a Footsie company to take most of its massive office block at 30 Gresham Street, which has been vacant for months) - CHARACTER GROUP (rumours of a pending heavily-discounted rights issue) - PREMIER FARNELL (Merrill Lynch bullish)

Times

DEAL OF THE DAY: Alfred McAlpine (managing director sells stock for 110,000 stg) - RUMOUR OF THE DAY: GEEST (Baugur bid speculation) - CHEMRING (talk of predatory interest from Armor Holdings, the US maker of body armour) - Tempus: VODAFONE (worth buying because Vodafone appears able to raise the income at 20 pct a year on a sustained basis), EMAP (hold), SCOTTISH POWER (rival SCOTTISH & SOUTHERN looks a simpler, safer alternative)

Telegraph

GEEST (bid rumours) - QUESTOR: EMAP (on a cheap earnings multiple of around 13 times and yielding around 3.2 pct), ICAP (hang in there), GUS (worth tucking away)

Guardian

SONDEX (expect news of an acquisition and big fund raising) - RPC (whispers of tough trading in mainland Europe)

Independent

THE INVESTMENT COLUMN: BRITISH LAND (buy), SCOTTISH POWER (BUY), ICAP (buy)

END

fjb/vjt/

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** May 27, 2004



## Ryanair refuses to pay back state subsidies - report

AFX European Focus

May 26, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 139 words

**Dateline:** LONDON

### Body

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No-frills airliner Ryanair Holdings PLC is refusing to pay back alleged state subsidies arising from its operations at Belgium's Charleroi airport, The Financial Times reported.

Chief executive Michael O'Leary said yesterday that the Belgian authorities had written to the airline demanding the repayment of around 3 mln eur.

O'Leary said that Ryanair had incurred costs eight times higher than the alleged state aid in setting up its base at Charleroi, according to the FT.

The Dublin-based low cost operator also formally launched its appeal against the decision of the European Commission that various benefits it had received at Charleroi airport constituted illegal state aid.

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**Load-Date:** May 27, 2004



## Ryanair confirms to launch appeal against EU decision on Charleroi

AFX.COM

May 25, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 165 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC confirmed it is to launch an appeal against the European Commission's ruling that the company received illegal state aid at Charleroi airport in Brussels.

"The Commission's decision completely ignored the fact that the agreement between Ryanair and the airport arose after intense negotiations with several other airports," the company said.

The low cost airline said it has similar and "in fact lower costs at private airports. Under the state aid rules, a public airport must be able to compete on a level playing field with private airports and to offer the same conditions.

"The Commission's decision in Charleroi ignored these lower cost agreements and will prevent public airports from competing on a level playing field for new routes and passenger growth and will lead to less low fares, competition and choice for European consumers."

bam

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**Load-Date:** May 26, 2004



## British Airways wages price war on long-haul routes

AFX.COM

May 23, 2004 Sunday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS; GENERAL

**Length:** 132 words

**Dateline:** LONDON

### Body

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British Airways PLC is extending the savage airline price war to long-haul routes with a summer offensive that will see ticket prices fall by up to 42 pct, the Observer said, citing a company spokesman.

The cuts are aimed at premium seats and are spread across 28 long-haul Club World routes, plus 75 Club Europe routes, the paper said.

"We are taking the price war long-haul. The scale of these reductions is unprecedented for BA," the spokesman said.

The news comes a week after BA slashed 30 pct from 38 short-haul European routes from Gatwick, where there is a vicious price battle between network carriers and low-cost airlines such as Ryanair and Easyjet.

ijl/bam

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** May 24, 2004



## Easyjet in talks to operate routes from Brussels-National airport

AFX.COM

May 19, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 189 words

**Dateline:** BRUSSELS

### Body

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No-frills airline Easyjet PLC is in talks with Brussels-National airport with a view to setting up operations, reported Le Soir citing airport officials and the company.

The airport's chief executive Pierre Klees, said: "We are entering into serious conversations with the company." Easyjet confirmed. "We are in discussions with Brussels-National airport but no definitive accord has been signed."

If the parties reach an agreement, Easyjet will not be able to operate in Brussels until the beginning of next year, after the airport has been fully privatised.

Klees said: "In theory, nothing will be finalised before the end of the privatisation process of the airport since we do not want to take the decision before designating our future reference shareholders."

At present, national flag carrier SN Brussels and rival no-frills airline Virgin Express Holdings PLC operate out of Zaventem. Ryanair Plc operates out of Charleroi airport in the south of Belgium.

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**Load-Date:** May 20, 2004



## ROUNDUP BA warning on fuel costs takes shine off increased FY profits

AFX.COM

May 17, 2004 Monday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 729 words

**Dateline:** LONDON

### Body

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British Airways PLC reported a sharp rise in full year profit towards the top end of market expectations, driven by aggressive cost cutting, a recovery in longhaul premium travel and progress in restructuring its shorthaul business.

But shares in the flag carrier fell after it warned it expects its fuel bill to be 150 mln stg higher in the year to March 31 2005, compared to previous guidance of a 50 mln stg rise.

Last week BA imposed a 5 stg tariff on return tickets to counter the impact of rising oil prices which recently hit 13 year highs, breaching the 40 usd a barrel level.

Chairman Lord Marshall remained cautious on the airline's continuing recovery, forecasting a 2-3 pct revenue improvement in the current year after falling 1.7 pct to 7.56 bln stg in the year to March 31 2004.

"We expect small yield declines in the full year will be more than offset by volume," he said, noting that market conditions have not changed since BA's third quarter announcement in February.

"Longhaul premium volumes are recovering steadily, while shorthaul premium remains at lower levels. Non-premium volumes are very price sensitive."

BA's full year yields fell 4.3 pct but were up 3.9 pct in the fourth quarter, while the full year load factor -- passengers as a proportion of the number of seats available -- was up 1.1 pct at 73.0 pct.

Last Friday BA announced price cuts of "up to a third" to 38 major European destinations departing from London Gatwick, stoking up the price war with easyJet PLC and Ryanair Holdings PLC.

"We expect the competitive environment to be really tough again," chief executive Rod Eddington told reporters.

"You only need to look at the amount of additional capacity coming into the market, particularly shorthaul capacity, to realise that yields are still going to be under pressure."

BA made a pretax profit of 230 mln stg compared to analysts' expectations of 100-253 mln stg and 135 mln stg last year and made an operating profit of 405 mln stg compared to analyst forecasts of 350-412 mln stg and 295 mln stg last time.

The full year outcome was assisted by a much better fourth quarter -- a pretax profit of 45 mln stg versus a 200 mln stg loss and an operating profit of

32 mln stg versus a loss of 164 mln stg.

## ROUNDUP BA warning on fuel costs takes shine off increased FY profits

The operating margin of 5.4 pct was 1.6 pct better than the previous year.

Underlying pretax losses on BA's shorthaul business narrowed to 60 mln stg from 117 mln stg last time -- a performance entirely due to improvements in the cost base, such as cutting distribution costs by selling a greater proportion of tickets on-line and improving the utilisation of the shorthaul fleet.

For the third year in a row BA decided against paying a dividend, preferring to conserve cash and cut debt. It ended the period with net debt of 4.16 bln stg, the lowest level since Dec 31, 1997.

The airline exceeded its two year 'Future Size and Shape' targets. It achieved 869 mln stg in cost savings against a target of 650 mln stg and its manpower reduction by March 2004 was 13,082 against a target of 13,000.

In January the airline announced plans to cut a further 300 mln stg from its wage bill by March 2006 through voluntary redundancies and improvements to working practices in a bid to deliver its long-targeted 10 pct operating margin.

"We're beginning to make some inroads there," said Eddington. "We're working with the unions and the workforce to find sensible ways to address staff costs and that's ongoing."

The unions have, however, refused to help meet the 133 mln stg increase in pension costs BA is facing.

By 12.44 pm shares in BA were down 5-3/4 pence at 241, valuing the airline at 2.61 bln stg.

But despite the fall several brokers remain bullish on BA's prospects.

Dresdner Kleinwort Wasserstein reiterated its 'buy' stance, telling clients: "Higher oil prices strengthen cost headwinds and management's yield conservatism is understandable but the earnings recovery is intact."

The broker kept its underlying pretax profit forecasts for the current and following years unchanged at 430 mln stg and 660 mln stg respectively.

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jdd/rf

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**Load-Date:** May 18, 2004



## **BA cuts fares by 'up to a third' on major European routes from Gatwick UPDATE**

AFX.COM

May 14, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 245 words

**Dateline:** LONDON

### **Body**

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(Updating to add detail)

British Airways PLC said it has cut European airfares by "up to a third" on major routes departing from London Gatwick.

It said fares are now reduced by up to 30 stg return throughout the year to 38 European destinations. The flag carrier highlighted fares to Pisa, Prague and Naples that have been reduced from 99 stg to 69 stg return, inclusive of all taxes, fees and charges (including the fuel surcharge of 5.0 stg per return ticket announced earlier this week) and returns to Dublin and Jersey from 59 stg.

Fares to Venice, Barcelona and Madrid now start from 69 stg return from 89 stg previously, while fares to Malaga, Menorca and Valencia, on flights operated by BA's franchise partner GB Airways, have also been cut to 69 stg from 99 stg.

The catch is the lower fares are subject to availability on off peak flights -- passengers must depart Gatwick on Tuesdays, Wednesdays and Thursdays -- and must be booked 28 days in advance.

BA's price cuts will stoke up the price war in the European shorthaul market. Both Ryanair Holdings PLC and easyJet PLC have recently issued profit warnings and talked of a fares bloodbath in the summer season.

BA is scheduled to report its year to March 31 2004 results on Monday.

At 11.40 am shares in BA were down 3-1/4 pence at 252-3/4.

jdd/pav/

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**Load-Date:** May 15, 2004



BA cuts fares by 'up to a third' on major European routes from Gatwick UPDATE

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End of Document



## BAA April passenger traffic 11.4 mln, up 15 pct vs last year UPDATE

AFX European Focus

May 13, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 331 words

**Dateline:** LONDON

### Body

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(Updating to add more detail from BAA statement)

BAA PLC, operator of seven UK airports including Heathrow, Gatwick and Stansted, said it handled 11.4 mln passengers in April, an increase of 15 pct compared to April 2003.

The result continues an underlying trend of steady improvement in passenger numbers.

BAA noted that among the key markets, the highest growth was recorded on routes most affected last year by the SARS epidemic and the Iraq War.

North Atlantic traffic increased 18.6 pct while other long haul recorded a rise of 27.5 pct.

On European scheduled routes, low cost airlines drove growth of 19.4 pct, but this increase compares with April 2003 when Buzz services were temporarily suspended prior to its acquisition by Ryanair Holdings PLC.

Domestic routes rose 6.5 pct, while European charter traffic remained weak, showing a 3.4 pct decrease.

Heathrow saw a robust recovery against the previous year recording an increase of 14.9 pct, taking the airport's 12 month total close to 65 mln for the first time.

Traffic at Stansted grew 33.9 pct, Gatwick was up 8.4 pct, Southampton 36.3 pct and BAA's Scottish airports 7.9 pct.

The number of air transport movements rose 8.1 pct during the month and there was a further acceleration in the rate of growth in cargo activity, with tonnage rising 6.9 pct.

BAA is scheduled to report year to March 31 2004 results on Tuesday May 18.

In February, the group said it was comfortable with analysts' consensus pretax profit before exceptional items forecast of 526 mln stg, up from 524 mln last time.

It also said that, notwithstanding external shocks, it was comfortable with market forecasts of passenger growth of 5 pct for the year to end-March 2005.

BAA shares closed Wednesday at 526-1/2 pence, valuing the group at 5.64 bln stg.

jdd/lam

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BAA April passenger traffic 11.4 mln, up 15 pct vs last year UPDATE

**Load-Date:** May 14, 2004

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End of Document



## Iberia has no immediate plans for fuel surcharge - source

AFX.COM

May 12, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 159 words

**Dateline:** MADRID

### Body

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Iberia, Lineas Aereas de Espana SA has no immediate plans to introduce a fuel surcharge to its fares in response to rising oil prices, a source close to the company said.

The source's comments follow British Airways PLC's announcement yesterday of a separate surcharge of 2.50 stg per flight sector to fares from May 13.

Return fares will have 5 stg added to them, the UK flag carrier said.

An analyst at a leading European bank noted that although all major US airlines have introduced a similar surcharge, "we do not believe that demand is strong enough to absorb this increase" in Europe.

Ryanair Holdings PLC and easyJet PLC have both announced that they will not introduce a fuel levy despite the rising price of oil, which recently breached 40 usd a barrel for the first time in 13 years.

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**Load-Date:** May 13, 2004



## BA to introduce 2.50 stg per flight fuel surcharge from May 13 UPDATE

AFX.COM

May 11, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 329 words

**Dateline:** LONDON

### Body

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(Updating to add response from easyJet PLC)

British Airways PLC said it will introduce a fuel surcharge to its fares in response to the rising price of oil, which recently breached 40 usd a barrel for the first time in 13 years.

The flag carrier will add 2.50 stg per flight sector as a separate fuel surcharge to ticket prices in the UK from May 13. Return fares will have 5 stg added to them.

The fuel surcharge applies to all fares sold across the BA global network. In all markets outside of the UK a surcharge of 4 usd per flight sector will be added.

"Due to the continuing fluctuations in the price of oil BA will review this surcharge on a regular basis with a view to adjusting it when appropriate," it said.

BA's surcharge follows a similar move by Australian carrier Qantas Airways Ltd.

However, Michael O'Leary, chief executive of Irish no-frills carrier Ryanair Holdings PLC yesterday pledged not to introduce a fuel levy.

Today easyJet PLC, the Luton-based low cost carrier that issued a profit warning last week, also promised not to impose a fuel surcharge and criticised BA's move.

Ray Webster, easyJet chief executive, predicted BA's move would be "disastrously counter-productive".

"If they want to fill their aircraft, BA should get the prices right. If they can't make money they should reduce capacity," he said.

Nevertheless BA's surcharge may go some way to placating analysts' fears that its earnings could be decimated by the escalating price of jet fuel.

Only yesterday, Citigroup Smith Barney lowered its current year forecast for operating profit by 18 pct to 482 mln stg as it factored in those rising costs.

By 2.15 pm shares in BA were up 8 pence, or 3 pct, at 262, while easyJet was up 1/4 pence at 220-1/2 and Ryanair was up 13 cents at 4.55 eur.

jdd/rn

BA to introduce 2.50 stg per flight fuel surcharge from May 13 UPDATE

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** May 12, 2004

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End of Document



## Ryanair opens news 10 mln stg maintenance centre at Prestwick airport

AFX.COM

May 10, 2004 Monday

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**Section:** COMPANY NEWS

**Length:** 128 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it opened a new 10 mln stg maintenance facility at Glasgow Prestwick International Airport today that will create up to 200 jobs over the next five years.

Ryanair Chief Executive, Michael O'Leary used the opening ceremony to launch an attack on the county council and its tax demand on Ryanair related to the new facility.

He said the Ayrshire council has issued a "ludicrous rate demand of 111,000 stg - unlike other UK regions which were offering rate holidays for 10 years."

O'Leary said Ryanair will "halt all further job creation at this facility until this highway robbery is reversed".

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**Load-Date:** May 11, 2004



## AFX UK at a glance share guide

AFX.COM

May 6, 2004 Thursday

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**Section:** MARKETS

**Length:** 564 words

### Body

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#### MARKETS

FTSE 100 4,569.5, up 22.3

FTSE 250 6,218.8, down 10.0

DJIA 10,310.95, down 6.25

Nasdaq Comp 1,957.26, up 6.78

S&P 500 1,121.53, up 1.98

Tokyo: Nikkei closed at 11,571.34, down 190.45

Hang Seng midday 12,095.92, up 145.46

Gold 391.25 usd (391.75 usd)

Oil - Brent June 36.35 usd (35.58 usd)

#### BREAKING NEWS

\* BAA faces legal action from two of the most powerful airlines (Virgin and BMI) in Britain over having to pay increased passenger charges at Heathrow - Times

\* BAE SYSTEMS offers to apologise to defence secretary Geoff Hoon over an outburst from chief executive Mike Turner which reopened a rift between the Ministry of Defence and its largest supplier - FT

\* BAE SYSTEMS dramatically escalates its row with the government by threatening to pull out of a 10 bln stg project to build the Royal Navy's aircraft carriers if it is not made lead contractor - Express

\* Anheuser-Busch to counter SABMILLER's hostile bid for Harbin Brewery, paving the way for an unprecedented battle for control of a large Chinese company - FT

\* Las Vegas casino owner MGM Mirage abandons its bid for WEMBLEY, leaving the way open for US consortium BLB

\* WHITBREAD plays down its interest in buying Premier Lodge by saying Spirit, the pubs group selling the budget hotel chain, is seeking too high a price - FT

\* SOMERFIELD to wipe out its Kwik Save brand in Scotland, cutting up to 500 jobs - Express

#### PRESS COMMENT

FT



## AFX UK at a glance share guide

THE LEX COLUMN comments on ROYAL BANK OF SCOTLAND's acquisition of Charter One, EASYJET (now trading on less than 9 times 2005 earnings; despite the industry uncertainty, that seems an unwarranted discount to RYANAIR and the UK market), Harbin Brewery, Credit Suisse - RICHMOND FOODS (premium rating of 14 times current year's earnings seems largely deserved, albeit a tad high)

Sun

VIRTUE BROADCASTING (will announce today that it is buying webcaster Foroso Communications)

Express

Who's dealing? OTTAKAR'S (director increase holding to 0.22 pct) - Share whisper: REGAL PETROLEUM (rumours of upbeat drilling report) - Broker's view: GAME GROUP (sell from reduce - Altium Securities)

Mail

LEISUREPLAY (looks an interesting vehicle for corporate deals)

Times

RUMOUR OF THE DAY: CAMBRIDGE MINERAL RESOURCES (word it has drawn further interest from the Canadian majors after last year's abortive talks with Wheaton River Minerals) - ESTATES & GENERAL (Jack Petchey's Trefick takes stake to 29.89 pct) - Tempus: WHITBREAD (hold), MATALAN (sell), DEALOGIC (buy)

Telegraph

QUESTOR: MATALAN (too early to be buying), INCEPTA (not without risk, but worth buying), RICHMOND FOODS (if you bought in December it might be time to take profits) - MANGANESE BRONZE (Toscafield has 12.13 pct)

Guardian

BAT (speculation that the US federal trade commission to block merger of US operations with those of rival RJ Reynolds)

Independent

THE INVESTMENT COLUMN: WHITBREAD (hold), DEALOGIC (worth a look), BRAEMAR SEASCOPE (buy)

The Shares Magazine

RPS GROUP (buy), ST JAMES'S PLACE CAPITAL (buy), HANSARD (buy) - Five Big Winners in Technology: ARM HOLDINGS, SUPERSCAPE, ZETEX, MONSTERMOB, ITOUCH - MULTI GROUP (Bob Morton plans revamp to boost profits)

END

fjb/vjt/

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**Load-Date:** May 7, 2004



## Ryanair says April traffic to show strong growth in tough yield environment

AFX.COM

May 6, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 200 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said traffic figures to be released later today for April will confirm the company's continuing strong growth, but in a very demanding yield environment.

The company also today confirmed to its staff that it would proceed with a 3 pct pay increase effective April 1 2004.

This increase, which would equate to up to 2,000 eur extra per annum of the basic pay of pilots, will be implemented in the May payroll and will be backdated to April 1.

Ryanair was quick to clarify that this pay increase was not any indication of better times ahead, but rather an appropriate reward for the continued productivity gains delivered by its people.

Chief executive Michael O'Leary said: "Whilst we expect the coming year to be tough and the Winter to be particularly difficult, this pay increase at this time is both a vote of thanks and a demonstration of our confidence in our people who will continue to drive efficiency and continue to widen the substantial cost and price advantage Ryanair has over all other airlines in Europe."

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slm/

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**Load-Date:** May 7, 2004



## Ryanair April passengers up 45 pct to 2.14 mln

AFX.COM

May 6, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 140 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it carried 45 pct more passengers in April compared to last year.

April passengers totalled 2.14 mln, up from 1.47 mln in the same month last year, bringing the rolling 12 month figure to 23.8 mln.

Load factor -- passengers as a proportion of the number of seats available -- was 82 pct, up from 79 pct, making the rolling 12 month figure 81 pct.

Internet sales represented 97 pct of ticket sales in April.

Earlier, Ryanair confirmed it would proceed with a 3 pct pay increase for all staff, effective April 1, 2004.

The airline also reiterated that it expects the coming year to be tough and the winter to be particularly difficult.

jdd/ra

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**Load-Date:** May 7, 2004



## UK's NATS April traffic up 7.8 pct

AFX.COM

May 6, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 98 words

**Dateline:** LONDON

### Body

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National Air Traffic Services said it handled 173,558 flights in April, a rise of 7.8 pct in the same month last year.

Domestic flights were up 4.7 pct, while international arrival/departures rose 8.7 pct and overflights increased by 9.2 pct.

NATS pointed out that some of the year-on-year gains are misleading, as last year's April figures reflected the start of the war in Iraq and the grounding of the Buzz fleet following its takeover by Ryanair.

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ak/

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**Load-Date:** May 7, 2004



## ROUNDUP EasyJet shares slump on 'cautious' FY guidance

AFX.COM

May 5, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 647 words

**Dateline:** LONDON

### Body

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Shares in easyJet PLC lost a quarter of their value in morning trading after the Luton-based no-frills airline reported an underlying interim loss in line with market expectations but adjusted its guidance for the full year to "cautious" just three months after telling shareholders at its annual meeting it was "cautiously optimistic".

Chief executive Ray Webster blamed the "increasingly competitive marketplace" for the change in stance.

"We are currently seeing unprofitable and unrealistic pricing by airlines, across all sectors of the European industry, seeking to grow or maintain their market share," he warned.

He said easyJet is "reacting vigorously" to this price activity by continuing to extend its reach, growing capacity by some 20 pct this year, maintaining its leading market position and optimising the use of its scale.

Webster still forecast "continued and sustainable progress" for the year but the stock market was unforgiving and brokers said they would have to take the red pen to year to end-Sept 2004 pretax profit forecasts of around 100 mln stg.

By 10.22 am easyJet shares were down 61-1/2 pence at 230-3/4 having touched a low of 216 pence. Low cost rival Ryanair Holdings PLC was down 18 cents at 4.52 eur in sympathy.

EasyJet noted that demand in the first half of April was in line with internal expectations, but softened in the second half due to continued competitive pressure and a weaker-than-expected Easter.

Consequently, for the full month of April the load factor (number of passengers as a percentage of available capacity) fell 3 pct to 82 pct, although passenger numbers were up 14 pct at 1.95 mln and fares were down 5 pct, partially accounted for by timing differences between Easter and the May Bank Holiday.

For May, easyJet's passenger numbers are "tracking slightly lower" than internal expectations, but are currently "as we anticipated" for June.

For the six months to March 31 2004, the airline, which historically makes the majority of its profits in the last quarter of its financial year, made a loss before tax and goodwill of 18.5 mln stg -- in line with analysts' forecasts of zero to 25 mln stg, with a consensus of 18 mln stg, and versus a loss before tax, goodwill and non-recurring items of 24.4 mln stg last time.

Reported pretax losses narrowed to 27.3 mln stg from 48.1 mln, on revenue up 18.0 pct to 439.7 mln stg.

EasyJet's average fare increased 1.6 pct to 38.06 stg and the load factor edged up 1.1 pct to 83.3 pct.

## ROUNDUP EasyJet shares slump on 'cautious' FY guidance

Passengers carried increased 15.9 pct to 10.8 mln, in line with the planned growth in capacity over the period of 15 pct.

The carrier kept a tight lid on costs, which per ASK (Available Seat Kilometres) were stable at 4.17 pence, and ended the half year with 340 mln stg of cash.

EasyJet also announced that financing has been secured for 82 aircraft from its order of 120 Airbus A319s.

The order was originally placed in Oct 2002 and the first 12 aircraft have already been delivered to the airline's bases in Geneva and London Gatwick.

GE, Royal Bank of Scotland, Babcock & Brown Asset Management and HSH Nordbank together with Natexis Banques Populaires will provide mortgage-finance for 36 aircraft and sale and lease-back agreements for 46 aircraft.

The program includes the sale of assets for 163 mln stg cash, and subsequent operating leaseback for up to 10 years. The arrangements cover all 2004 deliveries, virtually all deliveries in 2005 and a proportion of those in 2006 and 2007.

EasyJet currently operates 115 routes, in 13 countries to 39 airports. A further 38 routes including five new destinations have already been announced for the second half.

jdd/lam

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** May 6, 2004



## Wall Street outlook - Charter One surges, MWD, DELL, FON upgraded - UPDATE 2

AFX.COM

May 5, 2004 Wednesday

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**Section:** MARKETS

**Length:** 905 words

**Dateline:** LONDON

### Body

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U.S. stock futures were choppy in early Wednesday trade as shares of Charter One surged 23 percent to within 30 cents of the premium offered by Royal Bank of Scotland overnight in a \$10.5 billion cash acquisition.

Intel Corp. was among the more active, last down 3 cents at \$26.25. The stock notched a 1 percent gain Tuesday.

The Dow industrials futures were up 4 points at 10,282 ahead of 8:30 a.m. Eastern. The dollar was under renewed pressure vs. the Europeans as the markets continue to position for rising U.S. rates, but perhaps not at a speed that will give the dollar a big lift.

North Sea Brent crude was steady in London. The oil futures surged Tuesday with New York crude nearing \$39 barrel amid concerns over supply.

The market tracker stocks and were up 10 cents at \$35.25 and 19 cents at \$112.25, respectively.

The Internet stocks were the most active on the Archipelago ECN, with over \$16 million trading in EBay and Yahoo each, with Ebay up 27 cents at \$83 and Yahoo up 25 cents at \$53.10. Amazon saw shares worth \$13 million change hands. Shares were up 10 cents at \$44.05.

#### Focus stocks

Royal Bank of Scotland dropped 4.2 percent on the terms for its subsidiary's Charter One deal. Shares of Charter One rose \$8.25 at \$44.20, nearing the \$44.50 per-share deal price.

SABMiller said Wednesday it will offer \$553 million for China's Harbin Brewery, a move that sets up a potential takeover battle with rival Anheuser Busch.

French enterprise software maker Business Objects tumbled 8 percent in Paris after saying that the Securities and Exchange Commission has launched an informal inquiry "which we believe relates to our practices with respect to backlog," the company said in a filing. Shares of Business Objects were hit recently after the group disappointed on Wall Street forecasts for earnings.

Mobile operator Vodafone rose 2 percent in London, on 12 percent sales growth at French mobile unit SFR that it partly owns and on the strong performance of Italian rival TIM, whose Italian revenue improved 7.2 percent in the first quarter. Vodafone makes more of its operating profits from Italy than from any other country.

U.S. casino owner MGM Mirage has withdrawn its over \$500 million offer for British dog track owner Wembley , saying the price offered by rival bidder BLB Investors is "in excess of the price which MGM Mirage is prepared to offer."

U.K. low-cost airline Easyjet dropped 21 percent to 231.50 pence after cautioning on earnings. The plunge echoed a 28 percent drop in Ryanair shares on Jan. 28, the day the Irish airline issued its own warning because of the pressure on yields.

German insurance giant Allianz surged 3.5 percent from swinging to a first quarter net profit around 650 million euros on improved capital market conditions. Its Dresdner Bank unit swung to a net profit after five straight quarterly losses, with its operating profit around 170 million euros on declines in expenses and risk provisions.

Ligand Pharmaceuticals was down 4.6 percent at \$20.65 in pre-market trading. It posted a first quarter net loss of \$13.1 million, or 18 cents a share compared to a net loss of \$20.3 million, or 29 cents a share in the same quarter in 2003. The Thomson First Call mean estimate was for a loss of 6 cents a share.

#### Broker calls

Sanford Bernstein raised its rating on Bristol-Myers Squibb to "outperform" from "market perform. Dell was upgraded by BofA to a buy, sending the stock up 44 cents, or 1.2 percent, at \$35.75.

J.P. Morgan Securities overnight lifted its rating on the Williams Cos. to neutral from an underweight rating as it revised its net asset valuation on the energy group. "Recent developments within the natural gas marketplace, specifically third-party transactions for gas pipeline and Rockies natural gas properties, have caused us to reassess our NAV for several of WMB's segments for the better," it said. The broker said it maintained a neutral due to the power business overhang on the stock.

Prudential Equity upped U.S. investment bank Morgan Stanley to overweight overnight. The stock is down 16 percent since its recent two-year high on March 5, the broker noted. "While interest rate anxiety clearly has affected the financial services sector (peers are down 13 percent), Morgan Stanley's underperformance to that group as well as more specific peers is puzzling and unwarranted," Prudential said. The bank has gained share in equity underwriting and advisory, it said

Deutsche Bank raised its rating on Sprint Corp. to buy overnight. "FON has been extremely weak over the past few weeks, falling from \$19-20 before first quarter results to the current range below \$17.50. We believe this has been caused by weak newsflow in the IXC segment and legacy-PCS sell-downs following recombination. Weak earnings from AT&T and lower MCI guidance have negative implications for Sprint's GMG business, but we point out that LD only accounts for 18 percent of FON's 2004 EBITDA and less than 10 percent of fair value. Shares rose 55 cents at \$17.94.

See and and

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**Load-Date:** May 6, 2004





## Wall Street outlook - Charter One in focus, MWD and FON upgraded

AFX.COM

May 5, 2004 Wednesday

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**Section:** MARKETS

**Length:** 720 words

**Dateline:** LONDON

### Body

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U.S. stock futures were choppy in early Wednesday trade as dealers awaited the action in Charter One, expected to surge after Royal Bank of Scotland announced a \$10.5 billion cash takeover late Tuesday.

Intel Corp. was among the more active in euro trading in Frankfurt, near the unchanged mark at \$26.27. The stock notched a 1 percent gain Tuesday.

The Dow industrials futures were last up 6 points at 10,284 ahead of the open. The dollar was under renewed pressure vs. the Europeans as the markets continue to position for rising U.S. rates.

The euro charged 0.5 percent to \$1.2165.

#### Focus stocks

Royal Bank of Scotland dropped 4.2 percent on the terms for its subsidiary's Charter One deal. Shares of Charter One surged 22 percent overnight to \$43.98, nearing the \$44.50 per-share deal price.

SABMiller said Wednesday it will offer \$553 million for China's Harbin Brewery, a move that sets up a potential takeover battle with rival Anheuser Busch.

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## Wall Street outlook - Charter One in focus, MWD and FON upgraded

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**Load-Date:** May 6, 2004



## Wall Street outlook - Charter One surges, MWD, DELL, FON upgraded - UPDATE 1

AFX.COM

May 5, 2004 Wednesday

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**Section:** MARKETS

**Length:** 855 words

**Dateline:** LONDON

### Body

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U.S. stock futures were choppy in early Wednesday trade as shares of Charter One surged 23 percent to within 30 cents of the premium offered by Royal Bank of Scotland overnight in a \$10.5 billion cash acquisition.

Intel Corp. was among the more active, last down 3 cents at \$26.25. The stock notched a 1 percent gain Tuesday.

The Dow industrials futures were up 4 points at 10,282 ahead of 8:30 a.m. Eastern. The dollar was under renewed pressure vs. the Europeans as the markets continue to position for rising U.S. rates, but perhaps not at a speed that will give the dollar a big lift.

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**Load-Date:** May 6, 2004



## UK low-cost airline Duo calls in administrators as competition intensifies

AFX.COM

May 3, 2004 Monday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 177 words

**Dateline:** LONDON

### Body

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Duo Airways Limited on Saturday called in administrators, as it became the latest casualty of the increasingly cut-throat competition facing Europe's low-cost airline industry.

In a statement issued on its website, Duo said two partners of accountancy firm Deloitte had been appointed joint administrators of the no-frills airline based in Birmingham, central England.

"Following this appointment, Duo has ceased to trade and there will be no further flights," it said.

The company's demise comes less than a fortnight after the head of Europe's biggest low-cost carrier gave a dire about the damage being inflicted by continuing fare wars.

"Some (airlines) will not survive ... There will be casualties this winter," Ryanair Holdings PLC chief executive Michael O'Leary warned.

Duo had been trading for less than a year, offering return flights to more than a dozen European destinations from Birmingham and Edinburgh.

rhb/jsa

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**Load-Date:** May 4, 2004



## Ryanair flight makes emergency landing in Brussels shortly after take-off

AFX.COM

April 29, 2004 Thursday

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**Section:** GENERAL

**Length:** 101 words

**Dateline:** BRUSSELS

### Body

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A Ryanair Holdings PLC flight from Brussels to Dublin was forced to make an emergency landing shortly after take-off due to apparent mechanical problems, Agence France-Presse reported, citing passengers.

The plane took off at 5.55 pm local time but was forced to land some 10-15 minutes later, a French TV journalist on board the flight told AFP.

The journalist said that during the descent, "one of the tyres was clearly on fire."

120 passengers were on board the flight.

lb/wf/pav/

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 30, 2004



## Ryanair's O'Leary reaffirms FY guidance; sees 'awful' winter for EU airlines

AFX.COM

April 21, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 198 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC CEO Michael O'Leary reaffirmed the carrier's full year net profit guidance as he warned that the next winter season will be "awful" in the European airline sector in general.

"We will be helping to make it awful," he was quoted as saying by the Financial Times.

Amid continuing fare wars, a shake-out among the recent start-up low-cost airlines is likely. "Some will not survive ... There will be casualties this winter," he added.

The most difficult markets are Germany and the UK regions, he said.

Ryanair yields or average fare levels could fall by between 5-20 pct this year following a fall of 15 pct in the year to March, he said.

With a 20 pct decline in yields Ryanair would only break even, O'Leary added.

The group is due to report full-year results on June 1. These will be in line with current guidance for a 10 pct fall in net profits, he said.

O'Leary said he was unable to give profit guidance for Ryanair for the year to March 2005 because the outlook is so uncertain.

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**Load-Date:** April 22, 2004



## AFX UK at a glance share guide

AFX.COM

April 14, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 549 words

### Body

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#### MARKETS

FTSE 100 4,515.8, up 26.1

FTSE 250 6,348.4, up 7.2

DJIA 10,381.28, down 134.28

Nasdaq Comp 2,030.08, down 35.40

S&P 500 1,129.44, down 15.76

Tokyo: Nikkei closed at 12,098.18 down 29.64

Hang Seng at midday 12,846.79, down 185.02

Gold 408.00 usd (420.25 usd)

Oil - Brent May 33.19 usd (33.34 usd)

#### BREAKING NEWS

\* Britain's rail network faces a showdown with the unions over pay, pensions and benefits, after the RMT union announces a ballot threatening national strike action by key workers - FT

\* First-time buyers facing the steepest rise in house prices, according to official figures; house price inflation for new buyers was an annual 12 pct in February, well above 8.7 pct for those already owning a home, according to the Office of the deputy Prime Minister

\* GLAXOSMITHKLINE takes advantage of the bid battle for Aventis to pick up two heart disease drugs and a manufacturing plant from Sanofi-Synthelabo for 297 mln stg

\* RYANAIR to launch its appeal against the European Commission early next month over the company's illegal state aid at Belgium's Charleroi airport - FT

\* APOLLO METALS, the engineering group taken private in a 52 mln stg management buy-out in 2000, in advanced talks to be bought by Murray Metals Group, a business controlled by David Murray, owner of Glasgow Rangers football club

#### PRESS COMMENT

FT



## AFX UK at a glance share guide

THE LEX COLUMN comments on Merrill Lynch, Philips (overall, trends in its core businesses offer few pointers to a quick upturn), CANARY WHARF (Friday's auction deadline will reveal the better bid, but, assuming neither withdraws, both will be put to shareholders), Asset managers - ACAMBIS (Merrill Lynch says the best-case scenario values Acambis shares at 362 pence but if the side-effects translate into lower stock maintenance, sales and a failure to break into non-US markets, they are only worth 213 pence)

### Express

Who's dealing? SCOTT TOD (director sells 25,000 shares at 63-1/4 pence) - Share whisper: TRIPLEARC (gossips expect another deal) - Broker's view: EXEL (Investec buy)

### Times

DIRECTORS' DEALINGS: KUJU (directors buy stock) - RUMOUR OF THE DAY: BIG FOOD GROUP (talk it will report a fall in fourth-quarter sales at Iceland) - SMALLER STOCK: GRIFFIN MINING (Charles Stanley predicts further growth) - Tempus: BAA (buy and keep), ACAMBIS (avoid), PIXOLOGY (one to keep an eye on)

### Independent

THE INVESTMENT COLUMN: SHELL (worth holding for recovery), BP pick of the sector), BG (potential takeover candidate and the growth story of the three), CAPITAL & REGIONAL (buy), URBIUM (still undervalued at 564 pence on eight times current year earnings)

### Guardian

EDINBURGH OIL & GAS (suggestions that its 5 pct stake in the Buzzard, the largest North Sea oil find in 25 years, could be worth 200 pence a share)

### Telegraph

QUEENS MOAT (bid hope rekindled) - QUESTOR: Fresh breeze blowing through commercial property

### Mail

STANELCO (whispers of a contract with a big supermarket chain)

### Mirror

COMPASS GROUP (Hilary Cook, director of investment strategy at Barclays Stockbrokers, reckons Compass is a tasty morsel for investors)

END

fjb/vjt/

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**Load-Date:** April 15, 2004



## **Ryanair to appeal EU Commission's Charleroi ruling 'early next month' - report**

AFX.COM

April 14, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 128 words

**Dateline:** BRUSSELS

### **Body**

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Ryanair Holdings PLC will launch "early next month" its appeal against the European Commission's ruling that it received illegal state aid at Charleroi airport, according to a report in the Financial Times, citing Ryanair.

The commission ruled in February that approximately 4 mln eur out of 15 mln eur of incentives paid to Ryanair by Charleroi airport, which is owned by the local Walloon government, amounted to illegal state aid.

Ryanair will appeal the decision in the European Court of First Instance, a process which could take up to two years, in the hope of avoiding having to repay the subsidies, said the report.

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**Load-Date:** April 15, 2004



## Brussels shares AFX at a glance outlook

AFX European Focus

April 14, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 120 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open slightly lower after falls on Wall Street last night, brokers said.

At the close yesterday, the Bel 20 was up 32.56 points or 1.32 pct to 2501.08, with UCB at over 18-month highs at 34 eur, up 2.33 eur or 7.36 pct.

#### FORTHCOMING EVENTS

##### TODAY

-Umicore AGM

##### TOMORROW

-Omega Pharma Q1 operating income statement

##### TODAY'S PRESS

-Ryanair to appeal EU Commission's Charleroi decision "early next month" (FT)

##### COMPANY NEWS

-UCB spokesman denies talks with Pfizer over possible sale of Zyrtec rights

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**Load-Date:** April 15, 2004



## EU Commission awaiting details of Ryanair-Charleroi deal; urges Belgium to act

AFX.COM

April 13, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 329 words

**Dateline:** BRUSSELS

### Body

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The EU Commission said it was still waiting for the details of a new deal between Charleroi Airport and Ryanair, and urged the Belgian government to implement its February decision, which imposed a fine on Ryanair for receiving illegal state subsidies.

Ryanair had threatened to pull out of the regional airport, 46 km from Brussels, after the commission ruled in February that about 4 mln eur of subsidies received from the local Wallonia government were illegal.

A new deal struck between the Charleroi airport, owned by the Wallonia government, and Ryanair was announced over the weekend, and is now the subject of another commission probe.

Asked to comment on a claim by Ryanair that it could maintain the same cost base as prior to the February decision, commission spokesman Gerassimos Thomas replied that the deal would be investigated when details were received.

"We are not aware of the arrangement agreed between the Waloon government as announced in the press," said Thomas.

He added: "What we are expecting, in line with the February decision, is a plan from Federal Belgian authorities about how they plan to move on with the application of this decision," he added.

"As long as this kind of arrangement is agreed between Ryanair and the Waloon government, we will have to examine it as and when we receive the detail," he said.

According to press reports, by adjusting local taxes for all carriers arriving at Charleroi, Ryanair will pay no more than the 5 eur per passenger it is currently charged for its 11 routes into the airport.

The deal will have to be renegotiated once passenger volumes exceed 2 mln a year, because beyond this point airport subsidies must end, according to EU rules on state aid.

Last year, 1.8 mln passengers flew via Charleroi.

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EU Commission awaiting details of Ryanair -Charleroi deal; urges Belgium to act

[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 14, 2004

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End of Document



## **Ryanair reaches agreement on Charleroi Airport; low fare services to continue**

AFX.COM

April 13, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 201 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it has reached an agreement with Brussels Charleroi Airport and the Walloon Authorities which will enable all of its eleven existing low fare routes served from Brussels Charleroi to continue with no change to its cost base, it said.

Under the agreement, the existing airport and handling charges will continue until the airport reaches 2 mln passengers per year -- when 3rd party competitive handling will be introduced.

In addition, legislation will be enacted by the Walloon Authorities in order to make the Ryanair discounted arrangements available to other airlines operating at Brussels Charleroi Airport.

Thirdly, Ryanair have agreed to actively explore possibilities for basing more aircraft at, and opening new routes from, Brussels Charleroi Airport, subject to a new terminal being constructed.

The airport will provide a competitive cost offer for these new routes which would be similar to the other lower cost offers presently available from a number of other privately and publicly owned airports, it said.

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 14, 2004



## Brussels shares AFX at a glance outlook

AFX European Focus

April 13, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 217 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open slightly higher after Europe's extended Easter holiday following gains in the US yesterday, brokers said.

At the close last Thursday, the Bel 20 was up 13.15 points or 0.54 pct at 2,468.52.

#### FORTHCOMING EVENTS

##### TODAY

-nothing scheduled

##### TOMORROW

-Umicore AGM

##### WEEKEND PRESS

-Dexia CEO Pierre Richard says half of local government loans to be in US without additional acquisitions (De Tild)

-Dexia CEO Pierre Richard says "door is always open" to Ethias, a Belgian insurer, to start negotiations for a closer relationship (De Tild)

-EU Commission to probe Walloon government deal with Ryanair over Charleroi (FT, L'Echo, Le Soir)

-Electrabel criticises CO2 reduction plan for Flanders; says 700 jobs would go due to closure of coal-fired power stations (Le Soir)

##### TODAY'S PRESS

-KBC Biotech fund predicts another "record year for biotechnology" (L'Echo)

##### MARKET SENTIMENT

"I expect us to go slightly higher as a result of the US. Nothing new in Belgium, so anything that comes along is by definition unexpected," said a KBC dealer.

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## Brussels shares AFX at a glance outlook

adp/cml

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## Air Berlin says no plans to leave Berlin despite easyJet subsidies row

AFX.COM

April 13, 2004 Tuesday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 359 words

**Dateline:** BERLIN

### Body

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German budget airline Air Berlin said it has no plans to leave Berlin as its hub and headquarters, despite comments by its managing director suggesting it would quit the capital in a row over subsidies paid to its UK-based competitor easyJet PLC.

"As before, we are annoyed about the subsidy policy and are suing against it too. But we are not planning to leave Berlin," said a spokesman for the airline, Peter Hauptvogel.

Air Berlin managing director Joachim Hunold told the Super-Illu magazine at the weekend that if the Berlin city government continues with its current airport policy, "we really have to think hard if it (Berlin) is still the place for us to be, and if Berlin is the right name for our airline."

Air Berlin recently sued Berlin-Brandenburg Flughafen Holding (BBF), the company running the former East German airport of Berlin-Schoenefeld, in which the federal government and the states of Berlin and Brandenburg all have stakes, for luring easyJet to the airport by offering reduced landing fees and a marketing subsidy.

The case is expected to be heard by a court in Potsdam next month.

BBF spokeswoman Rosemarie Meicksner said a similar offer had been made to Air Berlin but turned down.

"It is now up to Hunold if he wants to return to the negotiating table," said Meicksner.

The subsidy row between Air Berlin, BBF and easyJet is the latest surrounding the no-frills airline industry in Europe.

Earlier today, Ryanair Holdings PLC said it has reached agreement with Brussels Charleroi Airport and the Walloon regional government which will enable

Air Berlin says no plans to leave Berlin despite easyJet subsidies row

all of its 11 existing low fare routes served from Brussels Charleroi to continue with no change to its cost base.

Ryanair said in February it was terminating its route between London Stansted and Brussels Charleroi after a ruling by the European Commission that part of the subsidies the low-cost carrier received from the Walloon government were illegal.

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dpa/pav/rhb

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## AFX UK at a glance share guide

AFX.COM

April 13, 2004 Tuesday

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**Section:** MARKETS

**Length:** 824 words

### Body

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#### BREAKING NEWS - BANK HOLIDAY MONDAY

\* J SAINSBURY accused of repackaging a private medical insurance policy provided by another insurer and selling it on at up to twice the price; the supermarket launched its health insurance policy last month; it is modelled on the Healthnow private medical insurance scheme offered by insurer AIG, the underwriter of the Sainsbury's product, but is much more expensive - Telegraph

\* MAYFLOWER CORPORATION, the bus maker and manufacturer of motor vehicle components that went into administration last month, failed for four years to make full payments to HSBC, which was operating an invoice-discounting scheme on its behalf - FT

\* Lord Kirkham, chairman of DFS FURNITURE, set to promise shareholders a portion of any future VAT rebates as he seeks to get board approval for a 465 mln stg offer to take the business private; negotiations focused at the middle of a price range of 430 pence-435 pence a share, an improvement on the initial offer of 415 pence - Independent

\* European Commission to probe a deal struck between RYANAIR and the Walloon government to keep the Irish low-cost carrier flying to South Brussels' Charleroi airport; the Walloon government said on Friday that it and Ryanair had reached an agreement over subsidies - FT

\* Sir Richard Branson's Virgin train companies have, in effect, been taken over by the state and are receiving more than 1 bln stg in subsidies from taxpayers - Independent

\* Competition regulator, Paul Geroski, to launch an immediate review of conditions placed on mergers in an attempt to find more sophisticated ways of allowing contentious deals to progress - FT

\* Carmakers welcome a technological development by Umicore, a Belgian metals group, that should reduce the cost of autocatalysts for diesel engines; Umicore has developed a way to use palladium - about a third of the price of platinum - in the process - FT

\* EUROTUNNEL approached two British candidates to join its new board following the ousting of its former directors; Herve Huas, deputy chief executive, said the pair had been sounded out before the Paris coup - Mail

\* Corporate America at last believes in the economic recovery, according to evidence from early returns in the first-quarter earnings season; sustained profit rises are encouraging executives to hire workers, increase advertising and order new equipment - FT

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- \* More than 4,000 employees of the Co-operative Bank will have to pay contributions into the group's pension scheme for the first time in the company's history, as it battles to cut a 140 mln stg deficit - Independent
- \* WS ATKINS to focus on high-value consulting services - FT
- \* JJB SPORTS vows to fight on if its appeal against an 8 mln stg fine levied by the Office of Fair Trading for price-fixing of replica kits is unsuccessful - FT
- \* Ping An to press ahead with a 2 bln usd initial public offering that will value China's second-largest life assurer at more than 6 bln usd - FT
- \* UK buy-out market makes robust start to 2004, with 155 deals worth 5 bln stg completed in the opening quarter
- \* Number of UK companies issuing profits warnings rose by more than a third in the first three months of the year, with the retail and computer services sectors the biggest contributors
- \* Three, the new entrant mobile operator controlled by Hutchison Whampoa of Hong Kong, hit new records in sales of mobile phones over the past weeks; two weeks ago, handset sales broke through the 20,000 weekly sales barrier for the first time, buoyed by strong sales of Nokia's "7600" 3G phone being sold exclusively through CARPHONE WAREHOUSE
- \* RMC has had to construct three enormous ice-making machines to fulfil its latest and largest-ever contract; the ready-mix concrete group has invested 2 mln stg in the purpose-built machines to help it make 2.4 mln cubic metres of concrete for the new airport extension being built in Dubai, United Arab Emirates - Mail
- \* Terry Sadler, the man behind boom and bust biotech Bioglan Pharma, testing investors' credulity by bringing his latest venture to the stock market; Sadler is raising 1 mln stg for his start-up York Pharma in a flotation on AIM, set to value the company at 2.25 mln stg - Mail

### MONDAY PRESS COMMENT

FT

THE LEX COLUMN comments on music industry (cuts so far have bought time for music groups; but there could well be more restructuring to come as the shape of the new industry becomes clearer), Trading places (there are substantial problems in moving a primary listing; it can crystallise huge capital tax liabilities, as a change of domicile is considered a transfer of assets; a move can also, in effect, disenfranchise many shareholders), Corporate bonds (the long decline in corporate bonds is not yet ready to reverse direction)

... more to follow:

fjb/jlw

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**Load-Date:** April 14, 2004



## Ryanair to maintain Charleroi ops despite EU ruling - report

AFX.COM

April 12, 2004 Monday

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**Section:** COMPANY NEWS

**Length:** 285 words

**Dateline:** BRUSSELS

### Body

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Irish no-frills airline Ryanair Holdings PLC is to maintain its operations at Belgium's Charleroi airport despite a European Commission ruling against it over illegal subsidies there, the regional government was reported as saying Friday.

Cited by the Belga news agency, local Wallonia economy minister Serge Kubla said he had signed an accord with Ryanair boss Michael O'Leary in Dublin guaranteeing that the low-cost pioneer would stay at Charleroi.

The deal, for a "transition period," would allow Ryanair to pay exactly the same costs as it had before the February ruling the European Commission, which ordered the Irish airline to reimburse some money it had received.

The terms of the deal would last "between a few months and a maximum of about a year," said Kubla.

The Walloon minister said the deal was in line with the commission ruling, which found that Ryanair had benefitted unfairly from secret clauses in its contract with the Wallonia regional government, which owns Charleroi.

The European Commission ordered the airline to repay millions of euros it received due to the contract, which enabled it to receive steep discounts on landing fees and ground-handling charges, as well as help marketing and training costs.

Ryanair is appealing against the Commission's decision in the European Court in Luxembourg.

Ryanair said after the February ruling that it would close its route from London to Charleroi on April 29, but said it was ready to negotiate a new deal with airport and regional authorities allowing it to keep its costs low.

bur/mt/lt/jlw

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**Load-Date:** April 13, 2004



## AFX UK at a glance share guide

AFX.COM

April 12, 2004 Monday

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**Section:** MARKETS

**Length:** 819 words

### Body

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#### BREAKING NEWS - BANK HOLIDAY MONDAY

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**Load-Date:** April 13, 2004



## Malaysia's AirAsia says new budget airlines will 'not hurt' its business

AFX - Asia

April 9, 2004 Friday

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**Section:** GENERAL

**Length:** 548 words

### Body

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KUALA LUMPUR (AX-ASIA) - Malaysian budget carrier AirAsia said it is unfazed by a looming dogfight over Southeast Asian skies as rivalry heats up after Australia's Qantas entered the fray this week.

The airline's executive director Kamarudin Meranum told Agence France Presse that the emergence of other budget carriers will not hurt its business despite the possibility of fierce competition.

Qantas Airways Ltd said on Tuesday it has teamed up with the Singapore government and two other investors to set up a low-cost airline, which is yet to be named, and is due to start operations in May.

Two other low-cost carriers, which are also expected to enter the market by year-end, are Singapore Airlines' 49 pct-owned unit Tiger Airlines and privately-owned Valuair.

"I don't see them as a threat. Instead it is a honor for AirAsia that others are following our success story," he said.

Kamarudin said AirAsia will not rush into expansion plans, including a planned initial public offering (IPO) later this year as other budget carriers appear.

"We will proceed with our development programs as planned. We will do it at our own pace. We are confident, these new set-ups will not hurt our business," he said.

Citing an example, Kamarudin said its maiden flight to Indonesia's capital on Saturday from the southern Johor state is completely booked. "Even our flight on Sunday is full."

AirAsia charges just half of the 820 rgt fare imposed by national carrier Malaysia Airlines and Garuda Indonesia. Some AirAsia tickets for Indonesia start as low as 23 usd.

"We are doing our best. God willing we will succeed in Indonesia too," Kamarudin said.

AirAsia already flies to Thailand and Singapore.

AirAsia had named BBMB Securities as a third bookrunner for its IPO, expected to be launched in September, after earlier appointing Credit Suisse First Boston and RHB Sakura Merchant Bankers.

AirAsia plans to invest 228 mln rgt as it builds up its fleet to 30 aircraft by year-end from the current 14.

The two-year-old Malaysian company has become Southeast Asia's version of European budget carrier Ryanair. It has carried more than four mln passengers since it was launched in Dec 2001.

Azrul Azwar, economist with MIDF Sisma Holdings Sdn Bhd told AFP that despite emerging competition from low-cost airlines, AirAsia holds the high ground since they are already operating their business with success.



Malaysia 's AirAsia says new budget airlines will 'not hurt' its business

"I think AirAsia will fly well ahead of others. Others have not even began their operations" he said.

Azrul said he expects AirAsia's IPO to do well although Asian skies will be crowded.

"Their IPO will command a good take-up. The company is the pioneer in low cost airlines in Asia," he said.

Azrul said AirAsia's efficient management and rich cash base stand it in good stead.

"Definitely, Indonesia is a lucrative market. Imagine there are some one million Indonesians working in Malaysia. It means they already have a captive market and with their low rates, there will be a scramble for its seats," he said.

(1 usd = 3.8 rgt)

jsm/dv/swp

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**Load-Date:** April 10, 2004

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## AFX UK at a glance share guide

AFX.COM

April 8, 2004 Thursday

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**Section:** MARKETS

**Length:** 641 words

### Body

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#### MARKETS

FTSE 100 4,468.7 down 4.1

FTSE 250 6,323.1 up 14.8

DJIA 10,480.10 down 90.70

Nasdaq Comp 2,050.24 down 9.66

S&P 500 1,140.55 down 7.60

Tokyo: Nikkei 12,092.59 up 72.97

Hang Seng 12,882.2 down 37.85

Gold 422.75 usd (417.75 usd)

Oil - Brent May 32.45 usd (31.35 usd)

#### BREAKING NEWS

\* New EUROTUNNEL board to seek review of 6 bln stg debt; shareholder revolt installs French directors; chairman's strategy looks likely to see banks take over troubled group - FT

\* Takeover Panel moves to end the 10-month battle for CANARY WHARF by setting a firm timetable for final offers for the London Docklands development company - FT

\* J SAINSBURY pulls out of talks to buy the 1,200-strong TM Retail convenience and confectionary store chain and is understood instead to have made an offer for fewer than 100 of the outlets - Guardian

\* Cable TV and phone supplier NTL to axe 1,500 jobs in a huge shake-up of its UK call centres - Express

#### PRESS COMMENT

FT

THE LEX COLUMN comments on interest rates, Japanese equities, Aero engines, Deutsche Telekom - AUSTIN REED (trading on a forward p/e of 22; investors that have already bought for recovery or a bid should stay put, but others might think that, at this level, the risk outweighs the potential reward) - BRAMMER (on a forward p/e of 10.5; a justified discount to the support services sector given the hostile UK environment) - JAMES BEATTIE (on a lfty p/e of more than 18; investors can take comfort, however, that strong cash generation - backed up by management assurances - should mean that the yield remains close to its attractive level of 9 pct)

## AFX UK at a glance share guide

### Independent

THE INVESTMENT COLUMN: RIO TINTO (a solid buy), PHS (continue to look unattractive to us), BRAMMER (hold)

### Guardian

RYANAIR (ABN Amro turns positive) - EASYSCREEN (market gossips concerned that there are a large number of speculative positions in the stock and note that sizeable trades are being rolled over almost every day) - JOHN DAVID SPORT (rumours of improved trading) - HIGHLAND GOLD (acquisition talk)

### Times

DIRECTORS' DEALINGS: TELECOM PLUS (chief executive buys 40,000 shares, mostly at 315 pence) - RUMOUR OF THE DAY: RETAIL DECISIONS (set to make Daniel Stewart its stockbroker beside Oriel Securities) - Tempus: PHS (hold), AUSTIN REED (hold), TITAN EUROPE (buy)

### Telegraph

QUESTOR: EASYJET (good value), SKYEPHARMA (only for the brave who believe that the Skye's the limit), PHS (hold)

### Mail

ARMOUR GROUP (cheap)

### Express

VIROTEC (talk that its Bauxsol manufacturing unit is about to win two major contracts in Russia and Australia) - Who's dealing? ASTON VILLA (Jack Pechey now has 17.17 pct) - Share whisper: ZYZYGY (Swiss investment firm Billam AG, which on Tuesday bought 500,000 shares, said to be keen to reverse its part-owned systems-biology business Physiomics into the firm) - Broker's view: PHS (neutral from buy - Merrill Lynch)

### The Shares Magazine

Plays of the Week: HUNTING (buy), EARTHPORT (buy); Updates: MELROSE RESOURCES (buy), ITRAIN (buy), CLARITY COMMERCE SOLUTIONS (buy), AEROBOX (sell), SOPHEON (sell), TISSUE SCIENCE LABORATORIES (hold)

### Investors Chronicle

Turning Penny Shares into Pounds: VIRTUE BROADCASTING, CATER BARNARD, CARBO, STANELCO, MATRIX, VIANET, DIGITAL CLASSICS, HEALTHCARE, ITRAIN, MOS INTERNATIONAL, CHELFORD, CROMA, CYC, FUNDAMENTAL-E, HERWARD VENTURES, MULTI, NETB2B2, PRIME PEOPLE, SIRVIC IT, TOP TEN - Tips: XANSA (buy), MOLINS (buy), STRAIGHT (buy), BIRSE (buy), ALBERMARLE & BOND (buy), BRADFORD & BINGLEY (sell; Updates: NORTHERN ROCK (buy), HIT ENTERTAINMENT (buy), DFS FURNITURE (hold), CORAL PRODUCTS (hold), SYNERGY HEALTHCARE (fairly priced)

fjb/rn

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**Load-Date:** April 9, 2004



## Ryanair says Easter traffic up 51 pct on yr-ago

AFX.COM

April 8, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 31 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said traffic over the Easter period is up 51 pct on a year earlier.

bam

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## easyJet March passengers 2.0 mln, up 16.6 pct vs last year

AFX.COM

April 7, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 300 words

**Dateline:** LONDON

### Body

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easyJet PLC, the Luton-based no-frills airline, said it carried 2.0 mln passengers in March, a rise of 16.6 pct on the same month last year.

Load factor -- the number of passengers as a proportion of the number of seats available -- was up 1 pct at 87 pct.

The rolling 12 months passenger total was 21.8 mln, with a load factor of 84.5 pct.

The load factor compares well with that reported by rival Ryanair Holdings PLC on Monday.

The Dublin based carrier reported a March load factor of 78 pct, reflecting its struggle to fill the extra capacity it has added.

"Both our passenger numbers and load factor continue to show steady improvement, reflecting the reliability and sustainability of our low-cost model in a growing and competitive market," said easyJet chief executive Ray Webster.

He noted that throughout March the airline took delivery of four Airbus A319 aircraft, bringing the total Airbus fleet to 10.

"These aircraft are supporting our need for increased capacity and have consistently outperformed our expectations in terms of reliability and passenger popularity."

easyJet has previously stated that for the year to end-Sept 2004 it expects slightly improved load factors and a similar yield to last year.

It has said load factors and yields for the first half to end-March were anticipated to be above last year. But, reflecting the seasonal nature of its business it expects to report a loss in the first half.

Last year the airline reported an interim pretax loss pre-goodwill and non-recurring items of 24 mln stg.

easyJet shares closed yesterday at 302-1/4, valuing the airline at 1.2 bln stg.

jdd/bam

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easyJet March passengers 2.0 mln, up 16.6 pct vs last year

[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 8, 2004

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## Paris shares AFX at a glance outlook

AFX European Focus

April 7, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 433 words

**Dateline:** PARIS

### Body

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Share prices are expected to open slightly higher but little changed overall, as yesterday's surprise sales warning from Nokia prompts caution ahead of the upcoming first quarter earnings season, dealers said.

The CAC-40 index yesterday closed 35.09 points or 0.93 pct lower at 3,746.11, after a profit warning from Nokia and subsequent dip in US stocks took the shine of a market boosted by recent upbeat US data.

On the Matif, April CAC-40 futures were trading 3 points firmer at 3,752 ahead of the official opening, while the euro stood at 1.2064/68 compared with 1.2070/75 usd late yesterday.

#### FORTHCOMING EVENTS

##### TODAY

- Eurotunnel AGM, 1.30 pm
- Carrefour Q1 sales, conference call, after market close
- L'Oreal Q1 sales, after close

##### TOMORROW

- Arcelor to announce results of business review
- L'Oreal conference call
- Clarins Q1 sales after close
- Bonduelle H1 results
- Klepierre AGM

##### TODAY'S PRESS

- Alcatel, Finmeccanica's Alenia Spazio to sign tie-up agreement this month (La Tribune)

##### COMPANY NEWS

-Eurotunnel says chance of management resisting ousting 'quite slim', as dissident shareholders have received proxy statements of support from investors representing 20 pct of share capital, compared to just 8 pct for current management.

- France Telecom buyout offer for Orange minorities to close April 16 - AMF
- CDC has no plans to increase stake in Sanpaolo IMI

## Paris shares AFX at a glance outlook

- Altran sees double-digit opg margin as FY net loss narrows
- Ryanair ends London-Brest service says local chamber of commerce
- Air France March passenger traffic up 5.2 pct
- Lafarge ratings outlook raised to stable, short-term ratings to A-2 by S&P
- BoF to hold in reserve 34.7 mln eur FY profit to boost 2004 accounts-source
- Sodexho Alliance H1 sales 5.89 bln eur vs 6.17 bln; focus on organic growth
- Veolia wins 110 mln eur water treatment contract from US Virgin Islands
- Pernod Ricard wins approval for acquisition of Framingham Wine in New Zealand
- Thomson to buy Canada's Command Post for maximum 18 mln cad
- Havas's Arnold Partners to sell 75 pct of its WCRS agency to management
- Vinci, Renault, UBS seek to jointly take over SKorea's Dongah Construction

### MACROECONOMIC NEWS/POLITICS/MISCELLANEOUS

- EDF unions call strikes for Thursday, protesting govt move to open capital

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sr/cml

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## TBI says traded 'in line with expectations' in H2 - UPDATE

AFX.COM

April 6, 2004 Tuesday

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**Length:** 487 words

**Dateline:** LONDON

### Body

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(Updating to add more detail from TBI statement)

TBI PLC, the airport operator, said it traded "in line with expectations" in its second half to end-March as low-cost travel to domestic and European destinations continued to grow.

The group's four European airports -- London Luton Airport, Belfast International, Cardiff International and Stockholm-Skavsta -- handled a total of 2.98 mln passengers during the Jan 1 to March 31 2004 period (TBI's fourth quarter), an increase of 13.2 pct over the same period last year.

For the six months to March, passenger numbers rose 15 pct to 6.1 mln.

Low-cost traffic continued to drive growth across the portfolio, increasing by 17 pct to 2.5 mln passengers, while full service fell 19 pct and charter increased 13 pct.

The growth in low-cost was principally driven out of Cardiff and Skavsta, which increased passenger numbers by 28 pct and 215 pct respectively as a result of the growth in operations by bmibaby (Cardiff) and Ryanair Holdings PLC (Skavsta).

During the second half TBI continued to attract additional low-cost traffic.

In November 2003 Luton became the first destination to be served out of easyJet PLC's new Schonefeld base in Berlin, followed in February 2004 by the announcement of a new route to Budapest International in Hungary.

Also, WIZZ Air will start a new route to Katowice in Poland in May and easyJet will begin services to Dortmund in September, both of which will be served out of Luton.

In March, easyJet announced the further expansion of its operations out of Belfast with the launch of new direct scheduled services to key destinations in France and Spain, plus an additional daily London Gatwick service, bringing the total destinations served by easyJet from Belfast to 13.

This came on top of the announcement by Jet2 of two new services to Prague and Brussels.

At Skavsta, work on the new terminal building has been completed with full commercial operation scheduled to begin later this month. In January Ryanair added two new daily routes to Rome and Milan.

Outside Europe, Orlando Sanford continues to see a recovery in domestic traffic which will be further boosted this month when Vacation Express returns its Caribbean hub operations to this airport. Under a seven-year agreement, flights will operate three days a week to 11 Caribbean destinations.

TBI will announce its year to March 31 2004 results on June 10.

## TBI says traded 'in line with expectations' in H2 - UPDATE

Prior to today's statement analysts were forecasting a pretax profit before amortisation of goodwill and exceptional items of 22.3-25.0 mln stg versus 23.3 mln stg last time and EPS on the same basis of 2.5-3.0 pence versus 2.86 pence.

Shares in TBI closed Monday at 67 pence, valuing the group at 374 mln stg.

jdd/ak

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**Load-Date:** April 7, 2004

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End of Document



## Ryanair ends London-Brest service, says local chamber of commerce

AFX.COM

April 6, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 81 words

**Dateline:** BREST, France

### Body

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Ryanair Holdings PLC has stopped its London-Brest service because of its "uncertain profitability," said Jean-Luc Pelletier, a director with the Brest Chamber of Commerce and Industry.

The line had been run by Buzz until March 2003 and relaunched by Ryanair the following May. Some 60,000 passengers used it last year, Pelletier said.

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bur/pn/clc/ach/pav/jsa

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**Load-Date:** April 7, 2004



## London shares outlook - higher on strong Wall Street

AFX.COM

April 5, 2004 Monday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 902 words

**Dateline:** LONDON

### Body

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Leading shares are expected to open slightly higher this morning buoyed by Wall Street's positive performance on Friday, although trading will be subdued ahead of the long Easter holiday weekend.

The domestic market is closed on Good Friday and Easter Monday.

Geopolitical concerns may however take the shine off proceedings after violent clashes in Iraq between coalition forces and followers of a radical Shiite leader left at least 30 people dead.

On Friday, the DJIA ended up 97.26 points at 10,470.59 and the tech-rich Nasdaq Composite rallied 42.16 points or 2.1 pct to 2,057.17 after a stronger-than-expected March employment report.

In Asia, the Nikkei 225 Index closed up 170.87 points at 11,986.82 while Hong Kong's Hang Seng was closed for a bank holiday.

The macroeconomic calendar on both sides of the Atlantic is pretty quiet this week, after last week's flurry which culminated in the US monthly nonfarm payrolls on Friday.

The Bank of England's MPC interest rate decision on Thursday heads up the domestic economic calendar, with analysts forecasting a rate hike by the closest of margins.

Seventeen of the 31 forecasters polled by AFX News expect the rate-setting MPC to raise the benchmark repo rate to 4.25 pct from 4.00 where it has stood since the last increase in February.

Even the 14 who believe the BoE will hold its fire rate the chances of a hike this week at a minimum of 40 pct.

And the only items on today's macroeconomic calendar are UK February industrial production and manufacturing output due at 9.30 am BST and ISM non-manufacturing index for March in the US later this afternoon.

And the corporate calendar looks equally sparse, with no blue-chip or mid-cap companies due to publish earnings reports today.

Airlines will attract attention with BA and Ryanair releasing March traffic statistics.

The only earnings reports are due from small caps Burren Energy, Havelock Europa and Zi Medical.

Focus will likely turn to the usual smattering of weekend speculative press reports.

## London shares outlook - higher on strong Wall Street

In M&A action, the Sunday Telegraph reported that GlaxoSmithKline and US peer Pfizer are a group of pharma companies lining up initial bids of about 1 bln stg for the consumer health brands division of their Swiss rival Roche Holding.

The auction comes after Roche's chief executive, Franz Humer, admitted earlier this year that the future of the consumer division, which had sales of 750 mln stg in 2003, was being reviewed as it was deemed to be too small.

A spokesman for GSK declined to comment.

Initial bids for the over-the-counter medicines business, which includes such well-known brands as Rennie indigestion tablets and Berocca vitamin supplments, are due before Easter. The portfolio also includes consumer health supplements such as Elevit, Redoxon and Supradynbid.

GSK and Pfizer will face stiff competition from the German chemicals and pharmaceuticals group Bayer, which is also set to submit an offer for the business.

And the long-running takeover battle for Canary Wharf could be nearing an end. According to the same paper, the UK Takeover Panel is expected to announce this week that it will finally wrap up the long-running bid battle for Canary Wharf by imposing a quick-fire auction.

The novel procedure, which would see rival bidders making new offers within a defined period, has never been used in a UK takeover.

The decision follows a week of intense lobbying by lawyers for both Canary Wharf, which is anxious to see a quick resolution, and the rival bidders.

Meanwhile shareholders in high-street retailer Marks & Spencer may be rattled by reports in the Sunday Times and Sunday Telegraph that the group's trading update due next Thursday will show that growth has stalled.

Fears of further bad news from M&S - one of the worst performing FTSE100 companies last year - increased last Monday when the retailer launched a mid-season sale that included discounts of up to 50 pct. And shares in small-cap Ashtead may come under pressure on a Sunday Telegraph report that the tool and equipment hire company dropped PwC as its auditor.

According to the report, the auditor refused to sign off accounts that were to have formed part of the offer document in a 137 mln stg junk bond issue designed to bail out the troubled tool-hire company.

Ashtead has abandoned the idea of raising the debt in the US because the SEC requires three years of accounts to be included in the offer document and last March the company was forced to admit that its US arm had overstated profits.

Elsewhere, the Business reported that Eurotunnel faces a meltdown where creditors seize control of the company, if dissident French shareholders succeed in ousting the largely British board of the Channel tunnel operator at the AGM this week.

The report, which does not name its sources, said the rebel shareholders, led by Nicolas Miguët, a French investment adviser and would-be right-wing politician, have proposed the motion to sack the board.

The rebels claim they could do a better job of restructuring the company's huge debt mountain and boosting its income than the present board.

jcm/rn

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**Load-Date:** April 6, 2004



## Ryanair March passengers 2.14 mln, up 51 pct

AFX.COM

April 5, 2004 Monday

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**Section:** COMPANY NEWS

**Length:** 138 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based airline, said it carried 51 pct more passengers in March this year compared with the same month last year.

The no-frills carrier said it had 2.14 mln passengers in March, up from 1.42 mln last time, bringing the rolling 12 month total to 23.1 mln.

The March load factor -- the number of passengers as a proportion of the number of seats available -- was 78 pct, the same as March last year, bringing the 12 month figure to 81 pct.

Internet sales in March totalled 97 pct of all seats sold.

Last month, Ryanair reported February passenger growth of 45 pct and a load factor of 77 pct.

At 1.29 pm, shares in Ryanair were down 6 cents at 4.84 eur.

jdd/jc

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**Load-Date:** April 6, 2004



## Hahn airport owners to invest 42 mln eur, to expand runway; Hesse takes stake

AFX.COM

April 5, 2004 Monday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 197 words

**Dateline:** FRANKFURT

### Body

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The shareholders of Hahn airport have agreed to infuse fresh capital totalling 42 mln eur in 2005-2009, partly for use in expanding the runway, according to airport operator Flughafen Frankfurt-Hahn GmbH (FFHG).

It said under a new agreement signed today, the federal state of Hessen will become a shareholder in FFHG from next year.

Currently, Fraport AG holds a 73.07 pct and the state of Rhineland-Palatinate the remainder. From next year, Fraport will hold 65 pct stake while Rhineland Palatinate and Hesse each own 17.5 pct.

Hesse itself will contribute 20 mln eur in the capital infusion while about 22 mln will come from the two other shareholders, a spokeswoman said.

Hahn Airport is located 80 kilometres northwest of Frankfurt and is used as the hub of Ryanair Holdings PLC in Germany.

The spokeswoman said part of the capital injection would be used in expanding the runway, which she said is estimated to cost around 42 mln eur.

Hahn airport is about 100 km away from Frankfurt airport, which is being operated by Fraport.

mog/lam

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**Load-Date:** April 6, 2004



## **Euroshares opening - seen buoyed by Wall Street; mmO2, France Telecom in focus**

AFX European Focus

March 31, 2004 Wednesday

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**Section:** MARKETS

**Length:** 667 words

**Dateline:** LONDON

### **Body**

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Wall Street's positive performance overnight is expected to give Europe's leading bourses a moderate boost at the opening bell, with the telecom sector in focus ahead of mmO2's trading statement and following France Telecom's wide-sweeping structural changes announced earlier, dealers said.

Trading on Wall Street overnight was a little brighter, with the indexes closing at their best level in three weeks. The DJIA rose 52.07 points to 10,381.70 and the Nasdaq Composite climbed 8.06 points to 2,000.63 -- its first close above 2,000 since March 8.

In Asia, the Nikkei 225 ended the morning down 18.67 points at 11,675.01 while the Hang Seng had dropped 27.23 points to 12,614.16 by the end of the morning.

The OPEC meeting in Vienna today will take the spotlight on the world business stage today, with analysts largely predicting the committee will stick to its plan to cut output by 1 mln bpd. The cut was agreed at its last meeting in February and is due to come into effect tomorrow.

The reduction in production is expected to push oil prices even higher than their already historically high levels. Average oil prices in the first quarter, which ends today, have been the highest in a first quarter in recorded history.

On the macroeconomic calendar, investors can expect indicators for euro zone business climate, economic sentiment, industrial confidence and consumer confidence for March as well as the euro zone "flash estimate" for inflation for March.

Economists reckon euro zone inflation may have edged up slightly in March from the four-year low of 1.6 pct reached in February.

The data comes just a day ahead of the ECB rate decision and the euro zone manufacturing survey.

On the other side of the Atlantic, February's factory orders report and March's Chicago purchasing managers' index are both due at 4.00 pm BST.

The Chicago index will be watched closely for hints about the national March ISM number tomorrow. Economists expect a dip to 61.5 pct from 63.6 pct.



Euroshares opening - seen buoyed by Wall Street; mmO2, France Telecom in focus

On the corporate calendar, travel-related stocks will be in focus this morning as both Alitalia and German tour operator TUI report earnings and both low-cost airline Ryanair and Air France host separate press briefings in Paris.

TUI is forecast to post full-year earnings before tax and amortisation (EBTA) of 936-953 mln eur, up from 608 mln last year, despite an expected drop in sales to 19.1-19.5 bln from 20.3 bln.

While the divestment of the group's energy operations in 2003 reduced sales, it has boosted profits in what was a tough year for Europe's largest tourism company.

Ryanair's briefing starts at 8.00 am BST and the French flag carrier's conference kicks off at 11.00 am BST.

A trading statement from mmO2 will also attract attention amid takeover speculation, after Dutch telecom incumbent KPN owned up to an aborted offer last month.

The UK-based mobile operator is expected to paint a rosy picture of its prospects for the coming year, confirming it met its targets for the year to end-March. The company has guided UK service revenue growth of over 10 pct for the year.

Elsewhere in the telecom sector, France Telecom will be in focus as investors digest the implications of the French telecom incumbent's broad structural and managerial changes announced earlier.

The company is to split its business into five operational and five performance divisions under an executive committee headed by CEO Thierry Breton.

It also announced that Sol Trujillo is stepping down as CEO of its Orange unit, to be replaced by current chief operating officer Sanjiv Ahuja.

The aim of the restructuring is to provide clients with "a broad and consistent range of communication services, independently of the various types of networks (they) use," it said in a statement.

jcm/jsa

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**Load-Date:** April 1, 2004



## Paris shares AFX at a glance outlook

AFX.COM

March 31, 2004 Wednesday

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**Section:** MARKETS

**Length:** 401 words

**Dateline:** PARIS

### Body

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Share prices are expected to open higher, tracking a recovery on US stock markets yesterday, with activity seen limited ahead of tomorrow's ECB meeting and key US jobs data on Friday, dealers said.

The CAC-40 index yesterday closed down 14.08 points at 3,620.10 on profit-taking after a weak early performance on Wall Street.

On the Matif, March CAC-40 futures were trading 20 points firmer at 3,640 ahead of the official opening, while the euro stood at 1.2243/44 compared to 1.2180/84 at market close yesterday.

#### FORTHCOMING EVENTS

##### TODAY

- Bull FY results
- Feb unemployment (8.45 am)
- Ryanair press briefing Paris (9.00 am)
- Air France press briefing (midday)
- Rhodia AGM
- Unibail AGM

##### TOMORROW

- March consumer confidence survey, (8.45 am)
- French manufacturing PMI data (9.50 am)
- French March new car registrations
- PPR to launch offer for remaining Gucci shares
- PPR's Gucci Q4 results
- Scor FY results

##### TODAY'S PRESS

- 3i to take 60 pct stake in SNCF's Keolis (Le Figaro)
- EU Commission pushes Alstom to sell assets after receiving state aid (Financial Times)

#### COMPANY NEWS

- Air France says offer period for KLM merger to start beginning of April
- France Telecom restructures operations; Orange CEO Trujillo steps down
- Alcatel closes 2006 bond exchange offer; 36.7 pct tendered
- Banca Intesa sold 1.2 pct in Credit Agricole in 2003, capital gain 53 mln eur
- PPR says not to sell loss-making brands within Gucci Group; aims to improve operating profitability
- Rhodia to raise 1.05 bln eur by end-June via share, bond issues
- Sanofi-Synthelabo says US offer period for Aventis imminent

#### MACROECONOMIC NEWS/POLITICS/MISCELLANEOUS

- French H1 GDP growth forecast cut to 1.4 pct from 1.7 pct - Insee
- French regulator AMF raided by judges investigating Vivendi Universal's financial reporting.
- President Jacques Chirac expected to announce reshuffle of government ministers today, in wake of defeat for ruling UMP party in Sunday's regional elections.

#### MARKET NEWS/SENTIMENT

- Danone cut to 'underweight' from 'equal-weight' at Morgan Stanley

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**Load-Date:** April 1, 2004



## Brussels shares AFX at a glance outlook

AFX European Focus

March 31, 2004 Wednesday

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**Section:** MARKETS

**Length:** 148 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open higher on the back of Wall Street's overnight rally, brokers said.

Last night, the Bel 20 closed down 0.85 points or 0.04 pct at 2,369.42.

#### FORTHCOMING EVENTS

##### TODAY

-nothing scheduled

##### TOMORROW

-Belgian Jan retail sales (midnight)

##### TODAY'S PRESS

-Charleroi court bans Ryanair night flights (Le Soir)

-Kredietbank Luxembourg, a unit of Almanij, is tipped to acquire privately-held Bank Puilaetco (L'Echo)

#### COMPANY NEWS

-GBL FY dividend 1.49 eur/shr, up 5 pct yr-on-yr

-GBL FY net profit 210 mln eur vs loss 238 mln

-GBL net asset value/shr on March 29 55.71 eur

#### MARKET SENTIMENT

-Colruyt upgraded to 'buy' from 'add' by ABN Amro

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vm/ra

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**Load-Date:** April 1, 2004





## Early signs of airline strength - UPDATE 1

AFX.COM

March 30, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 632 words

### Body

---

ANNANDALE, Va. For the first time in a long time, an investment adviser with a good record has something positive to say about an airline stock.

Over the last six months, of course, the airline sector has been one of the more notable market laggards. The AMEX Airline Index has lost 22 percent since October, in contrast to a more than a 5 percent gain over the same period for the Dow Jones Industrials Average and more than 2 percent for the Nasdaq Composite.

In large part because of this sector's weakness, furthermore, the Dow Jones Transportation Average has been significantly weaker than the Dow, leading at least one Dow theorist to declare that a bear market signal has been triggered (see my ).

The bullish straw in the wind for the airlines was detected by Michael Burke, editor of Investors Intelligence. He notes that at least two airline stocks in the past week experienced a technical pattern he refers to as a selling climax.

And since all airline stocks are heavily influenced by the same underlying factors -- overall economic strength and the price of oil, to name two -- can strength in other airline stocks be far behind?

According to Burke, a selling climax occurs whenever a stock registers a new 52-week low during a given week and then closes the subsequent Friday with an overall gain for the week. That low represents the emotional, even panic, selling on the part of inexperienced investors. The quick recovery from that low represents the passage of those shares from those weaker hands to stronger ones.

A selling climax therefore suggests that a substantial base may be forming on which sizeable gains can be built.

The two airline stocks that experienced a selling climax in the past week are Delta Air Lines and Ryanair. In Delta's case, the new 52-week low occurred at \$7 per share on March 24, only to close the week at \$7.67. (It gained another 23 cents on Monday.)

In Ryanair's case, the new 52-week low was registered at \$30.12 on March 22, followed by a close on Friday of \$34.14. (This stock lost 16 cents on Monday, to close at \$33.98.)

In each case, the gain from the new yearly low to Friday's close was substantial, nearly 10 percent in the case of Delta and more than 13 percent in the case of Ryanair.

## Early signs of airline strength - UPDATE 1

Making these selling climaxes even more noteworthy is that there have been relatively few of them in recent months. In fact, in virtually every week since this stock market rally began a year ago, there have been many times more buying climaxes than selling climaxes.

Buying climaxes are the reverse of selling climaxes, and are bearish. Last week, according to Burke's count, there were 72 buying climaxes and just 15 selling climaxes.

Among other newsletters on the Hulbert Financial Digest's monitored list, only the Prudent Speculator currently has a position in Delta Airlines, pursuant to a purchase executed in December 2001. None has a position in Ryanair.

New feature: Hulbert Interactive

A new CBS MarketWatch feature lets you research stocks and mutual funds using the same in-depth data we use: The Hulbert Financial Digest database. After 20 years of compiling this data, we're excited to now be able to share it with you.

Editor's note: The most recent edition of the Hulbert Financial Digest is available by e-mail or regular mail. Highlights this month include:

Performance scoreboard for mutual fund letters

Profiles of Coolcat Stock Report, Equity Fund Outlook, Fidelity Monitor and Growth Stock Outlook

For more information or to subscribe to the Hulbert Financial Digest, .

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**Load-Date:** March 31, 2004



## Early signs of airline strength - UPDATE 2

AFX.COM

March 30, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 632 words

### Body

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## Early signs of airline strength - UPDATE 2

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Performance scoreboard for mutual fund letters

Profiles of Coolcat Stock Report, Equity Fund Outlook, Fidelity Monitor and Growth Stock Outlook

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**Load-Date:** March 31, 2004



## Paris shares AFX at a glance outlook

AFX.COM

March 30, 2004 Tuesday

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**Section:** MARKETS

**Length:** 332 words

**Dateline:** PARIS

### Body

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Share prices are expected to open higher after a triple-digit leap on Wall Street overnight, dealers said.

The CAC-40 index yesterday closed up 41.79 points or 1.2 pct at 3,634.18, tracking an early rally on Wall Street, led by advances in technology blue chips, dealers said.

On the Matif, March CAC-40 futures were trading 7.5 points higher at 3,642.5 ahead of the official opening, while the euro was at 1.2203/07 usd compared with 1.2157/59 usd at market close yesterday.

#### FORTHCOMING EVENTS

##### TODAY

- Feb PPI, 8.45 am
- March business climate indicator 8.50 am
- Neopost FY results
- Prosodie FY results
- Peugeot CEO Folz press briefing, 12.45 pm

##### TOMORROW

- Feb unemployment, 8.45 am
- Ryanair press briefing, Paris, 9.00 am
- Bull FY results
- Rhodia AGM
- Unibail AGM
- Air France press briefing, 12.00 pm

##### TODAY'S PRESS

- Alstom banks likely to offer waiver of several months on covenants (La Tribune)

##### COMPANY NEWS

- Alstom set to win Beijing-Shanghai train contract by yr-end - Fontaine
- Alstom state aid to be approved by EU after consultants' findings - sources

## Paris shares AFX at a glance outlook

- BNP Paribas to acquire Banque Sudameris LatAm ops from Banca Intesa
- Credit Suisse's Winterthur insurance sells Rhodia Assurances, exits France
- Credit Agricole buys 14.5 pct of Finaref from PPR for 371.6 mln eur
- COB accused of 'failing in job' in Vivendi 'share manipulation' case -- APPAC shareholders organisation
- Aventis employee shareholders group favours 'friendly' tie-up with Novartis
- Renault to employ extra 330 workers at Douai site in 2004 for Megane orders
- Linedata sees 2004 organic growth 5 pct or more as FY net beats forecasts
- GE wins wind turbine contracts in France, Canada

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sr/jad/wf

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**Load-Date:** March 31, 2004

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End of Document



## Wall Street - European ADRs Banks end lower on Credit Suisse overstatement

AFX European Focus

March 26, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 324 words

**Dateline:** SAN FRANCISCO

### Body

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- Shares of Credit Suisse fell after it admitted to overstating fourth-quarter profit, while European airlines got a lift from interest in the sector during U.S. trading Friday.

The Bank of New York European ADR Index slipped 0.39 points to close at 107.56.

Credit Suisse dipped 86 cents, or 3 percent, to \$33.62 after it said that it had made an accounting error in its fourth-quarter earnings report that caused it to overstate profits by \$156 million. The Swiss bank also said it was combining management of its private banking business with its corporate and retail banking business in order to strengthen distribution.

Other European banks were also lower. HSBC was down \$1.39 at \$73.50 and Lloyds slipped 35 cents to \$30.20.

British Airways climbed \$1.45, or 3 percent, to \$51 amid overall gains for stocks in the airline sector in the U.S. The company was also helped by a note from Credit Suisse First Boston, which said that the company's "overly cautious" outlook appears to be fully priced in to the stock. Elsewhere in the sector, KLM Royal Dutch Airlines tacked on 52 cents, or 3 percent, to \$20.07 and Ryanair Holdings rose 69 cents to \$34.14.

Aventis edged up 22 cents to \$74.75 after its CEO met with the French prime minister to discuss the possible acquisition of the Franco-German firm by Swiss drugmaker Novartis.

The French government has indicated that it would oppose the merger, but Aventis has already rejected an earlier bid from France's Sanofi-Synthelabo and the company is hoping that a merger with Novartis can save it from a hostile takeover. Shares of Novartis slipped 37 cents to \$42.33 and Sanofi shares were down 23 cents at \$32.71.

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**Load-Date:** March 27, 2004

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End of Document



## Spanish airport slot requests for summer season rise 14 pct

AFX European Focus

March 26, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** ECONOMIC NEWS

**Length:** 122 words

**Dateline:** MADRID

### Body

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The number of requests being received for aircraft take-off and landing slots in Spain for the summer season is 14 pct higher than in the year-earlier period, airport authority AENA said.

In a statement, AENA said the increase in the number of slot requests indicates a total of 1.11 mln aircraft take-offs and landings for the summer period, or 133,210 more than a year earlier.

The largest increases were registered at regional airports like Girona, where they doubled, and Valladolid, up 69 pct.

Both Girona and Valladolid are key airports from which low cost carrier Ryanair Holding PLC flies.

jr/tg/fb/wf

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**Load-Date:** March 27, 2004



## Ryanair may set up base in Norway

AFX European Focus

March 25, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 113 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC is considering setting up a base in Norway as a result of growing traffic to the country, the Norwegian regional newspaper Stavanger Aftenblad reported, citing deputy chief executive Michael Cawley.

Cawley told the paper the Oslo-Torp airport would be the most likely choice for a Norwegian base, although Haugesund and the current military airport at Rygge may also be considered.

Cawley also said Ryanair may increase the number of flights between London Stansted and Haugesund from one to two daily departures.

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**Load-Date:** March 26, 2004



## Singapore's Tiger Airways to take delivery of four new Airbus A320s in H2

AFX - Asia

March 24, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 215 words

**Dateline:** SINGAPORE

### Body

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Budget carrier Tiger Airways said it expects to take delivery of its first four new Airbus A320s for its fleet in the second half of this year.

It added that the four aircraft will be leased, but did not name the lessor.

"The Airbus A320 was the clear choice for Tiger's operations and low fare offering. With the new aircraft, we will benefit from simplicity in operations, better fuel efficiencies and lower maintenance costs," Tiger chief executive Patrick Gan said in a statement.

"These cost savings will be passed on to our customers. Tiger will offer the lowest possible fares across its network," Gan added.

Tiger, which will be based at Singapore's Changi Airport, also said its application for an Airline Operators Certificate (AOC) is currently being processed.

Tiger Airways, which was formed late last year, counts the Singapore government's investment arm, Temasek Holdings among its shareholders, along with Indigo Partners, Irelandia Investments Ltd and Singapore Airlines.

Irelandia Investments is the private investment arm of the Ryan family, founders of Dublin-based low-cost carrier Ryanair.

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**Load-Date:** March 25, 2004





## Ryanair launches new route from Ireland to Spain

AFX.COM

March 22, 2004 Monday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 39 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC announced a new daily flight from Dublin to Reus (Salou) in Spain.

The service will commence on April 29.

rn

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** March 23, 2004



## Malaysian budget carrier AirAsia says open to joint ventures

AFX.COM

March 19, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 370 words

**Dateline:** KUALA LUMPUR

### Body

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Malaysian low-fare carrier AirAsia said today it is talking to several airlines, including Australian flag-carrier Qantas, for possible joint ventures as part of its regional expansion.

AirAsia is on the lookout for new ventures after teaming up last month with Shin Corp Plc, the family company of Thai Prime Minister Thaksin Shinawatra, in its first overseas foray to launch a Bangkok-based budget carrier, executive director Kamarudin Meranun told Agence France-Presse.

"We are always talking to various people. Qantas is one of them, so long as it makes a lot of sense to do a joint venture. We are always open," he said.

Kamarudin declined to confirm a report in the Australian media that Qantas is considering a tie-up with AirAsia to form a Singapore-based, budget airline to service the booming Southeast Asian market.

Australian reports said Qantas is considering the move as a back-up if regulators blocked a proposed tie-up with Air New Zealand.

AirAsia has applied for an air operator's license from the Singapore government to operate from the city-state, but this has yet to be approved.

Two Singapore-based no-frills airlines are expected to take off this year -- Singapore Airlines-backed Tiger Airways and ValuAir.

AirAsia was expected to unveil details later today on its planned initial public offering to finance its expansion plans, but Kamarudin said the company is still evaluating proposals and will make an announcement at the "appropriate time."

Local reports said the profit-making carrier will appoint a local and a foreign bank for the share offer expected to be launched in September.

AirAsia, Southeast Asia's most successful budget carrier so far, plans to increase its fleet to 30 aircraft from 14 now as it flies to more destinations.

Reports have said it will invest 228 mln rgt on its fleet expansion.

The two-year-old Malaysian company, dubbed Southeast Asia's version of European budget carrier Ryanair, already flies to Singapore, Thailand and will spread its wings to Indonesia in April.

mba/en/bmm/ds

Malaysian budget carrier AirAsia says open to joint ventures

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**Load-Date:** March 20, 2004

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End of Document



## Ryanair says union cancels plans for Dublin airport strike on March 18

AFX.COM

March 16, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 255 words

**Dateline:** LONDON

### Body

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Irish trade union SIPTU has backed down from plans to hold a strike at Dublin airport on Thursday, said Ryanair Holdings PLC, the airport's biggest customer.

The move came ahead of a High Court hearing in Dublin of an application from the no-frills airline to block the strike and followed the involvement of the Taoiseach (Prime Minister) Bertie Ahern.

The airline had gone to court because this week is one of the busiest of the year, with the St Patrick's Day celebrations, thousands of Irish people visiting the Cheltenham horse racing festival, and the European Presidency meeting in Dublin.

SIPTU is protesting against plans to break up Aer Rianta, the state company responsible for running Ireland's three main airports -- Dublin, Shannon and Cork.

"By SIPTU's last minute backing down this morning, the travel plans of over 50,000 people have been saved," said a Ryanair spokesman.

"It is bizarre that Ryanair, a customer of the airport, has taken this court action to prevent the closure of the airport while the airport owner/operators Aer Rianta have done nothing and have no contingency plans in place to deal with these threatened closures."

He called on the government to immediately proceed with independent competing terminals at Dublin airport "to avoid the country being held to ransom again."

At 1.55 pm shares in Ryanair were down 0.07 eur at 4.54 eur.

jdd/rhb

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**Load-Date:** March 17, 2004

Ryanair says union cancels plans for Dublin airport strike on March 18

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End of Document



## Singapore's no-frills Tiger Airways applies for license to fly - officials

AFX.COM

March 16, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 284 words

**Dateline:** SINGAPORE

### Body

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Singapore's upcoming low-fare airline Tiger Airways has applied for an operating license, company officials said today amid media reports that it will also go head-to-head with major carriers.

Tiger Airways will fly to destinations up to five hours from Singapore and is "possibly looking at the big cities and leisure points as well," the Straits Times quoted the airline's adviser, Charlie Clifton, as saying.

However, a spokesperson from the airline told Agence France-Presse it is not ready to disclose specific destinations yet.

The Singapore Government is already laying out plans to accommodate the operations and possible expansion of low-cost carriers (LCCs), such as Tiger Airways.

A terminal specifically tailored to meet the needs of budget airlines will be added to Singapore's Changi Airport, Transport Minister Yeo Cheow Tong said in parliament yesterday.

"This way, we will ensure that we are well prepared should the LCCs take off in a big way in Asia," he said.

Tiger Airways filed its license application with the Civil Aviation Authority of Singapore.

The airline, jointly owned by Singapore Airlines, the founders of European no-frills carrier Ryan Air, state-owned investment agency Temasek Holdings and American investors Indigo Partners, said it expects to start flights in the fourth quarter of this year.

It will face competition from a number of Southeast Asia-based budget airlines, such as market leader AirAsia of Malaysia, as well as upcoming carriers ValuAir from Singapore and Nok Air from Thailand.

str/rc/bmm/ds

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**Load-Date:** March 16, 2004

Singapore 's no-frills Tiger Airways applies for license to fly - officials

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End of Document



## Ryanair to relocate Birmingham Airport services to Nottingham

AFX.COM

March 16, 2004 Tuesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 198 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the no-frills airline, said it plans to relocate the majority of its operations from Birmingham Airport to Nottingham East Midlands International Airport in response to Birmingham's decision to raise runway charges by 100 pct.

With effect from April 29 the airline will transfer 70 pct of its Birmingham operations to Nottingham. Services to be relocated include three daily Dublin flights and daily flights to Barcelona Girona and Murcia.

Birmingham will for the moment retain two daily flights to Dublin.

"This reduction in operations is bad news for Birmingham but great news for Nottingham East Midlands International Airport," said Michael Cawley, Ryanair's deputy chief executive.

"By increasing its cost by 100 pct Birmingham is denying its passengers the opportunity to take advantage of Ryanair's low fares."

Birmingham Airport is owned by Australian firm Macquarie Airports Ltd, while Nottingham East Midlands is owned by Manchester Airport.

At 12.37 pm shares in Ryanair were down 0.9 eur at 4.52.

jdd/rn

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**Load-Date:** March 17, 2004





## NZealand shares close lower; Fisher and Paykel Appliances reaches new high

AFX.COM

March 15, 2004 Monday

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**Section:** MARKETS

**Length:** 280 words

**Dateline:** WELLINGTON

### Body

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Share prices closed lower on featureless trading which saw Fisher and Paykel Appliances reach a new high, dealers said.

The key NZSX-50 index was down 10.37 points or 0.41 pct at 2504.21 on turnover of just 75.7 mln nzd.

"In general, the market was a bit soft, volumes were light -- a reasonably typical Monday with Fisher and Paykel Appliances standing out as bucking the trend," said UBS Warburg's Richard Leggat.

Fisher and Paykel Appliances stretched another 0.13 nzd up to a new high of 4.53 with investors welcoming a profit upgrade by the white goods company.

They said investors were keen on buying the stock before it goes ex-dividend next week.

The stock has risen 19 pct since announcing the sale of the stake in conjunction with the profit upgrade earlier this month. It is up 90 pct on a year ago.

One stock to have even outperformed Appliances this year, Mooring Systems, added another 0.45 to 3.35. The US Navy announced it was considering using its system for linking up ships at sea.

The hardest hit stock today was Infratil which took a 0.10 nzd tumble to 2.60 after it announced its 77 pct owned subsidiary, Glasgow Prestwick International Airport, would be "materially below expectations".

It said profit at the Ryanair airport would fall 10 pct.

Market leader Telecom, which finished last week on a 34-month high, fell back 0.03 to 5.87.

Fishing company Sanford, mulling a merger with privately held Sealord because of problems in the industry, fell 0.30 to 4.80 on low turnover.

mjf/dv/ng

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NZealand shares close lower; Fisher and Paykel Appliances reaches new high

**Load-Date:** March 16, 2004

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End of Document



## Wall Street - European ADRs European ADRs fall in wake of Madrid bombing

AFX.COM

March 11, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 360 words

**Dateline:** SAN FRANCISCO

### Body

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U.S.-listed shares of European stocks turned south along with major domestic indexes Thursday after deadly bombings in Madrid spurred terror concerns.

The Bank of New York European ADR Index fell 2.34 points, or 2.1 percent, to close at 109.9. The Nasdaq Composite ended the day down 20 points, or 1 percent, at 1,944. .

The sell-off gathered momentum ahead of the bell after reports in an Arabic newspaper tied the terrorist attacks to al-Qaida. The blasts in Spain killed at least 190 people and wounded 1,200 others.

Spain's busiest issue Banco Santander , which is based in Madrid, lost 31 cents, or 2.8 percent, to close at \$10.90.

Airline stocks sold off across the board with British Airways leading the way, down \$4.41, or 8 percent, at \$50.95.

KLM Royal Dutch and Ryanair fell 3.4 percent and 1.8 percent, respectively.

Once again, shares of Senetek were the group's most active, but that's where the similarities to Wednesday's session end. The small biopharmaceutical firm announced "uniformly positive" results of a study on its Zeatin skin product Wednesday, triggering a 127 percent surge on volume of almost 75 million shares. .

The stock ended up giving back 22 percent of its value to close at 79 cents on nearly 15 million shares changing hands Thursday.

Another leading percentage decliner, Royal & Sun Alliance shares plummeted \$1.44, or 15 percent, to finish at \$8.11, after the British insurer's operating profits missed Wall Street forecasts. The company also bolstered reserves against claims.

Nokia trailed only slightly in terms of volume, ending down 65 cents, or 3 percent, at \$21.12 while cell phone rival Ericsson fell even further, off \$1.73, or 6.1 percent, to close at \$26.58.

Performances were only slightly better on the oil front where Royal Dutch lost \$1.15, or 2.3 percent, to end at \$48.62. BP shed 56 cents, or 1.1 percent, to \$48.81.

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Wall Street - European ADRs European ADRs fall in wake of Madrid bombing

**Load-Date:** March 12, 2004

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End of Document



## Malaysia's AirAsia to invest 228 mln rgt to increase fleet size to 30 - UPDATE

AFX - Asia

March 11, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 497 words

**Dateline:** KUALA LUMPUR

### Body

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(Updating with other details, background)

Budget carrier AirAsia Sdn Bhd, which is going ahead with its initial public offering (IPO) in September, will invest 228 mln rgt to increase its fleet to 30 before year's end from 14 now, The Financial Daily reported.

It quoted AirAsia chief executive officer Tony Fernandes as saying the company has identified one local and one foreign bank for its listing exercise and that it will make an announcement on the IPO next week.

"Some negotiations (are) taking place and we will make an announcement next Friday," Tony Fernandes, AirAsia's chief executive officer told Agence France-Presse.

Fernandes said the announcement will be related to identifying the banks to underwrite the IPO and the timing of the issue.

The banks are likely to be Commerce International Merchant Bankers Bhd and Credit Suisse First Boston, an analyst close to the deal said.

Asked about the valuation of the IPO, he said: "We will look at it at a later stage."

An analyst with a local brokerage said AirAsia's rapid expansion to regional destinations is turning up the heat on larger carriers.

"It is obvious, they are turning up the heat," he told AFP on condition of anonymity.

The analyst said it is vital AirAsia expands quickly to enjoy the economics of scale and boost revenue.

"If it don't, it may have difficulties paying off its debts," he said.

The analyst said, since AirAsia has a healthy cash flow, the IPO will enjoy a favorable response.

"It is clear, the IPO is to help the carrier fund its capital expenditure -- fleet expansion," he said. "It is fast and cheapest way to raise funds."

Fernandes attributed the company's run-away success to good staff, hard work and costing.

The two-year-old Malaysian company has become Southeast Asia's version of European budget carrier Ryanair.

From its humble beginning with just two Boeing 737-300 jets in 2001 plying Malaysia's domestic routes, AirAsia has expanded at a furious pace under the helm of Fernandes, an accountant by training, who previously had no experience in running an airline.

## Malaysia's AirAsia to invest 228 mln rgt to increase fleet size to 30 - UPDATE

It already flies to Singapore, Thailand and will spread its wings to Indonesia next month.

AirAsia will commence daily flights from Kuala Lumpur to Bandung on April 12, to Surabaya on April 15 and from southern Johor state and neighboring Singapore to Jakarta on April 10.

With ticket prices as low as 23 usd, Fernandes said the airline targets a load factor of 70 pct at least.

Besides the three destinations, the airline also plans to fly to Denpasar, Bali from Kuala Lumpur this year.

On Thailand, Fernandes said the carrier has enjoyed a load factor of 85 pct since it was launched last month.

(1 usd = 3.8 rgt)

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jsm/dv/clf/ds

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**Load-Date:** March 12, 2004

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## Ryanair to open new London Stansted-Brindisi Italy route

AFX.COM

March 11, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 53 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will open a new route from London Stansted to Brindisi in Italy from April 29.

It also announced extra flights to attractive Summer destinations in Europe.

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slm/

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**Load-Date:** March 12, 2004



## Ryanair Holdings announces new route from Frankfurt to Jerez, Spain

AFX.COM

March 11, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 70 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC has announced a new route from Frankfurt-Hahn to Jerez in Spain.

The new daily route will begin on April 29 with one-way fares from 29.99 eur including tax.

Earlier, the low fair airline said it will open a new route from London Stansted to Brindisi in Italy, also beginning April 29.

bam

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**Load-Date:** March 12, 2004





## Minardi's Stoddart hopes to launch new Australian budget airline before X'mas

AFX.COM

March 7, 2004 Sunday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 243 words

**Dateline:** MELBOURNE

### Body

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Formula One Minardi team boss Paul Stoddart said he hopes to have a new budget airline called OzJet flying Australia's east coast by Christmas.

Stoddart was confident his planned airline would survive in the increasingly competitive Australian market. "We'll start off with about half a dozen aircraft, probably launching in about October," he told Channel Ten yesterday. "We're hoping to get in just before Christmas."

OzJet will face stiff competition as a price war has already broken out in the Australian market between Virgin Blue, launched by British tycoon Richard Branson in 2000, and flag carrier Qantas' budget offshoot Jetstar, due to launch in May.

Stoddart said his planned airline would fly to major cities on the east coast, using secondary suburban airports rather than the large international airports favoured by most competitors.

"We are trying to serve a different niche market and I think it will work really well," Stoddart said.

He will present his plans to officials in New South Wales and Victoria states this week.

Stoddart, who bought Italian-based racing team Minardi in 2001 and lives in England, built his fortune in the airline industry with the European Air Charter Company.

He said OzJet would be based on European cut-price success stories Eurojet and Ryanair.

ns/br/rc

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**Load-Date:** March 8, 2004



## easyJet Feb passengers 1.86 mln, up 17.4 pct vs last year UPDATE

AFX.COM

March 5, 2004 Friday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 225 words

**Dateline:** LONDON

### Body

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(Updating to add more detail from easyJet statement, background)

easyJet PLC, the Luton-based no-frills airline, said it carried 1.86 mln passengers in February, a rise of 17.4 pct on the same month last year.

Load factor -- the number of passengers as a proportion of the number of seats available -- was maintained at 89 pct.

The figures contrast with those issued by rival Ryanair Holdings PLC on Wednesday.

The Dublin based carrier reported a 4 pct slip in its February load factor to 77 pct as it struggles to fill the extra capacity it has added.

"These figures confirm our comments at our recent AGM regarding both the performance of the company and the outlook," said chief executive Ray Webster.

At the Feb 26 meeting easyJet said it was "cautiously optimistic" regarding its performance for the year to end-Sept 2004. For the year it expects slightly improved load factors and a similar yield.

It said load factors and yields for the first half to end-March were anticipated to be above last year. But, reflecting the seasonal nature of its business it expects to report a loss in the first half.

easyJet shares closed yesterday at 334-1/4, valuing the airline at 1.3 bln stg.

jdd/rn

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**Load-Date:** March 6, 2004



## Ryanair Feb passenger numbers 1.88 mln vs 1.29 mln

AFX.COM

March 3, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 118 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it carried 45 pct more passengers in February than it did the same time last year.

It carried 1.88 mln passengers last month, up from 1.29 mln in February 2003, giving a rolling 12 month passenger total of 22.41 mln.

Load factor -- the number of passengers as a percentage of available capacity -- was 77 pct in February, down from 81 pct last year, bringing the rolling 12 months total to 81 pct.

About 97 pct of all ticket sales were made over the internet, up from 94 pct in February 2003.

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**Load-Date:** March 4, 2004



## Singapore's Tiger Airways hits legal snag over name

AFX European Focus

March 2, 2004 Tuesday

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**Section:** GENERAL

**Length:** 227 words

**Dateline:** SINGAPORE

### Body

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Singapore's low-fare airline Tiger Airways has hit a legal snag over its name, months before its planned takeoff later this year, a spokesman for the company said.

A small British company with the same name offering flying lessons in vintage bi-planes is laying claim to the Tiger Airways name.

"Our lawyers are in discussions with them," a spokesman for the Singapore-based Tiger Airways told Agence France Presse. "We are cooperating with them. They had been in contact with us."

The company based in Gloucestershire, England, said on its website, [www.tigerairways.co.uk](http://www.tigerairways.co.uk), that it takes its name from the Tiger Moth, which it describes as probably the best known of all the 1930s vintage bi-planes.

Singapore's Tiger Airways, owned by Singapore Airlines and the founders of European no-frills carrier Ryanair, said last week it expects to start flights in the fourth quarter of this year.

Its other owners are the government's investment vehicle, Temasek Holdings, and American investors Indigo Partners.

Tiger Airways will compete with a growing number of Southeast Asia-based budget carriers, including market leader Malaysia-based AirAsia and upcoming rivals ValuAir of Singapore and Nok Air of Thailand.

mba/bh/bmm/swp

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**Load-Date:** March 3, 2004



## Brussels shares AFX at a glance outlook

AFX European Focus

February 27, 2004 Friday

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**Section:** MARKETS

**Length:** 269 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open little changed on the back of Wall Street's mixed close overnight, the trade seen remaining subdued in the run-up to today's fourth quarter US GDP numbers, brokers said.

Car distributor D'Ieteren will be in focus after posting worse than expected full-year results ahead of the market open, they added.

Last night, the Bel 20 closed down 3.72 points or 0.15 pct at 2,472.68.

#### FORTHCOMING EVENTS

##### TODAY

- Electrabel Q4
- D'Ieteren Q4, FY
- Innogenetics Q4
- Real Software Q4
- Euro zone Feb economic sentiment indicator (1100 GMT). AFX consensus

forecast 95.9

- Euro zone Feb business confidence indicator (1100 GMT). Forecast minus 7
- Euro zone Feb consumer confidence indicator (1100 GMT). Forecast minus 15
- Euro zone Feb business climate indicator (1100 GMT)
- Euro zone Jan HICP (1100 GMT). Forecast down 0.1 pct month-on-month; forecast up 1.9 pct year-on-year
- Euro zone provisional Feb HICP (1100 GMT). Forecast up 1.7 pct

##### MONDAY

- Euronext reshuffles Bel 20
- Euro zone Feb manufacturing PMI (0900 GMT)

## Brussels shares AFX at a glance outlook

### TODAY'S PRESS

-Electrabel gives up plan to buy Distrigas, Fluxys gas assets (Le Soir)

### CORPORATE NEWS

-Charleroi Airport hoping to change Ryanair's mind about London route closure

Interbrew, Carlton & United Breweries sign new Australia distribution deal.

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jms/jfr

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**Load-Date:** February 28, 2004

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End of Document



## Planestation signs pact for EUjet to use Kent International Airport Manston

AFX.COM

February 26, 2004 Thursday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 239 words

**Dateline:** LONDON

### Body

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Planestation Group PLC, the airport owner and operator, said it signed a conditional agreement with Irish airline company EUjet with the intent of Kent International Airport Manston becoming EUjet's hub in the UK.

EUjet are in negotiating arrangements with other airports intended to form part of the EUjet route structure.

EUjet chief executive PJ McGoldrick, who was formerly CEO of Ryanair said: "During my time at Ryanair I identified the potential and negotiated the arrangement which resulted in Ryanair making Stansted Airport its UK hub. I foresee a similar opportunity at Kent International Airport Manston."

EUjet was formed as venture between its shareholders and debis AirFinance, part of the DaimlerChrysler group.

It is anticipated that by the end of this year 29 routes will be served from Kent International Airport, Planestation said.

EUjet is in the process of raising additional capital to allow the company to expand over the next three years, it added.

EUjet anticipates that its decision to create a new regional airline service will result in an estimated 300,000 passengers using Kent International Airport Manston during the first year of operation, growing to about 2 mln passengers by the end of the third year of the operation.

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**Load-Date:** February 27, 2004



## Ryanair to close London-Charleroi route in response to EU ruling - UPDATE

AFX.COM

February 26, 2004 Thursday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 273 words

**Dateline:** LONDON

### Body

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(Updating with more comment on closure)

Ryanair Holdings PLC said it is terminating its route between London and Charleroi airport in Belgium from April 29.

The closure of the service is in response to the recent ruling by the European Commission that part of the subsidies the low-cost carrier received from Belgium's Walloon regional government, which owns Charleroi airport, were illegal.

Ryanair warned that it will carry out more flight reductions and route closures at Charleroi unless forthcoming talks with Charleroi Airport and the Walloon authorities result in a new agreement with a similar low cost base as before.

Ryanair said the termination of the Charleroi-London route, which operates up to eight daily flights and carries over 360,000 passengers annually, will represent a 10 pct reduction in daily flights from the Belgian airport.

Ryanair chief executive Michael O'Leary said: "These capacity reductions are bad news for customers at Brussels Charleroi, but good news for other lower cost airports. As the Brussels-London route had the lowest fares, this route cannot be sustained if costs are to be increased as a result of the Commission's decision to increase ticket prices by 6 eur to 8 eur per ticket.

"These flights will now operate on lower cost routes between private airports such as London Stansted, Glasgow Prestwick, Stockholm Skavsta and London Luton."

Ryanair is appealing the EU decision to the European Court in Luxembourg.

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ak/

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** February 27, 2004



## Ryanair to close London-Charleroi route in response to EU ruling - UPDATE

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End of Document



## Singapore's Tiger Airways appoints William Franke chairman, Gan CEO - UPDATE

AFX.COM

February 26, 2004 Thursday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 284 words

**Dateline:** SINGAPORE

### Body

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(Updating with other details)

Budget carrier Tiger Airways said it has appointed William Franke, one of its shareholders, its chairman and Singaporean Patrick Gan chief executive officer.

Franke is managing partner and co-founder of Indigo Partners, a US-based investment firm, while Gan has spent 18 years in the pharmaceutical industry.

The shareholders of Tiger Airways, formed late last year, are Singapore Government investment arm Temasek Holdings, Indigo Partners, Irelandia Investments Ltd and Singapore Airlines.

Irelandia Investments is the private investment arm of the Ryan family, founders of Dublin-based low-cost carrier Rynair.

Franke said the airline expects to start operations either late in the third quarter or early in fourth of this year, depending on the approval of its Airline Operators' Certificate (AOC).

He said Tiger Airways is likely to announce a decision on its fleet type and size soon and named Boeing 737 and Airbus A320 as possible aircraft for the airline.

Tiger Airways is likely to start flying with five or six aircraft, he added, but declined to comment on possible destinations in Southeast Asia.

Gan said the airline plans to employ 35 pilots and 40 cabin crew, but has not done any hiring as yet.

When asked how much cheaper Tiger Airway's tickets will be, compared to Valuair, Franke said, "Hopefully, we'll do better (lower) than Valuair."

Valuair said yesterday that its tickets are likely to be 40-50 pct cheaper than those of a full-service airline.

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nj/rg/ds

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Singapore's Tiger Airways appoints William Franke chairman, Gan CEO - UPDATE

[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** February 27, 2004

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End of Document



## **Charleroi Airport hoping to change Ryanair's mind about London route closure**

AFX.COM

February 26, 2004 Thursday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 151 words

**Dateline:** BRUSSELS

### **Body**

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Officials at Charleroi Airport south of Brussels said they are hoping to change Ryanair Holdings PLC's mind about closing the London-Charleroi route in response to a European Commission subsidy ruling.

Airport spokesman Pierre Fernemont said the airport hopes to "discuss calmly" and "as soon as possible" with Ryanair "to see if nothing can be done" to persuade the Irish low-cost carrier to stay.

He said officials are hoping to get Ryanair to reconsider its decision or "create other routes with higher added value than London" from Charleroi.

The European Commission early this month ruled that part of the subsidies received by Ryanair from the Walloon regional government, Charleroi Airport's owners, were illegal and had to be repaid.

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**Load-Date:** February 27, 2004



## Singapore's Tiger Airways appoints William Franke chairman; Patrick Gan CEO

AFX.COM

February 26, 2004 Thursday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 129 words

**Dateline:** SINGAPORE

### Body

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Budget carrier Tiger Airways said it has appointed William Franke, one of its shareholders, its chairman and Singaporean Patrick Gan chief executive officer.

Franke is managing partner and co-founder of Indigo Partners, a US-based investment firm, while Gan has spent 18 years in the pharmaceutical industry.

The shareholders of Tiger Airways, formed late last year, are Singapore Government investment arm Temasek Holdings, Indigo Partners, Irelandia Investments Ltd and Singapore Airlines.

Irelandia Investments is the private investment arm of the Ryan family, founders of Dublin-based low-cost carrier Rynair.

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**Load-Date:** February 27, 2004



## ROUNDUP - Qantas budget carrier launches price war against Virgin Blue

AFX.COM

February 25, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 600 words

**Dateline:** SYDNEY

### Body

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A price war broke out in the cut-throat Australian domestic aviation market when Qantas Airways Ltd unveiled rock-bottom fares on its budget offshoot Jetstar designed to put the squeeze on upstart Virgin Blue.

In its long-awaited response to Virgin Blue's 34 pct share of its home market, Jetstar offered 100,000 introductory tickets at 29 aud.

Virgin Blue immediately offered 200,000 tickets at the same price, saying: "We'll match them and raise them.

"We will not be underpriced or out-stunted," Virgin Blue chief executive Brett Godfrey said.

After bouncing back from SARS and the Iraq war to post a record interim profit last week, Qantas turned its attention to Virgin Blue, which has been encroaching in its domestic market since it was launched by British tycoon Richard Branson in mid-2000.

Qantas Airways chief executive Geoff Dixon said Jetstar would make its maiden flight on May 25, operating from Melbourne, Brisbane and Sydney to 10 tourist destinations in eastern Australia, including Cairns and the Gold Coast.

Dixon said he expected a response from Virgin Blue but downplayed the prospect of a price war.

"We'll go very, very hard at each other and I believe mainly on product and capacity and on innovation," he told reporters.

Shaw Stockbroking aviation analyst Brent Mitchell said the discounts were more extensive than the market had expected and could end up eroding the profitability of both airlines.

"There will be a price war, we can safely say that looking at these fares," he said.

"How damaging it will be will depend on the extent and duration of discounting.

"Qantas is absorbing some of the cost of Jetstar trying to put financial pressure on Virgin Blue -- it will take some profitability out of the entire equation."

Ian Thomas, senior consultant at the Centre for Asia-Pacific Aviation, noted the cut price fares were lower than those being offered at the height of Australia's last price war in 2000, which resulted in domestic carrier Ansett folding and rival Impulse being swallowed by Qantas.

"It's a very aggressive strategy from Qantas, which isn't surprising and there will clearly be a response from Virgin Blue," he said. "We're looking at a tit-for-tat price war."

## ROUNDUP - Qantas budget carrier launches price war against Virgin Blue

Led by a core of executives poached from Ireland's Ryanair, one of the pioneers of the low-fare industry, Jetstar will operate as an independent business unit with headquarters at Avalon airport, about 55 kilometers from central Melbourne.

The airline will initially use 14 Boeing 717 aircraft but has ordered a fleet of 23 Airbus A320's, which will begin arriving this June and be fully operational by mid-2006.

It will expand from Australia's east coast in November this year to include destinations such as Perth and Ayers Rock.

Jetstar has secured important concessions from air industry unions that have cut costs by up to 30 pct compared to Qantas rates and made it competitive with Virgin Blue.

Dixon said earlier this month that he expected Jetstar to have a third of the domestic market by the end of its first year.

Virgin Blue, however, signalled it was not prepared to give up the market share that has generated strong profits and made it a sharemarket success, with Godfrey vowing to give seats away free rather than be undercut by Jetstar.

Qantas shares closed down 0.04 aud at 3.73, while Virgin Blue was off 0.02 at 2.59.

ns/bmm/mas

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**Load-Date:** February 26, 2004



## Boeing targeting 2004 delivery of 285 commercial aircraft

AFX European Focus

February 24, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 246 words

**Dateline:** SINGAPORE

### Body

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Boeing Co said it expects to deliver 285 commercial aircraft in 2004, slightly higher than the 281 in 2003, with Asian airlines accounting for about a third of the sales.

"We're expecting to deliver 285 commercial aircraft this year.

We're projecting Asia to represent one-third of all aircraft sold," Randolph Baseler, vice-president of marketing for the Boeing Commercial Airplanes Group, said on the sidelines of a media briefing at the Asian Aerospace event here.

However, Boeing said it will not be announcing any new orders at the event, although it is in currently in talks with all the major Asian airlines.

Last month, the company delivered 20 aircraft, 16 of which were single aisle Boeing 737s especially popular with low-cost carriers.

Ryanair, Europe's biggest budget airline, had taken delivery of three of the 16 Boeing 737s sold this year, the company said.

However, the future growth of air travel will almost entirely be taken up by aircraft that offer long-range, point-to-point services, Baseler said.

"Air travel is projected to grow 5 pct per annum. We expect almost all the increase in air travel to be taken up by non-stop, high-frequency flights," he said, adding that all of Boeing's new commercial aircraft projects are based on this philosophy.

(1 usd = 1.69 sgd)

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Boeing targeting 2004 delivery of 285 commercial aircraft

**Load-Date:** February 25, 2004

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End of Document



## **Ryanair lends name to low-cost telephone co; to undercut Eircom up to 90 pct**

AFX.COM

February 24, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 111 words

**Dateline:** DUBLIN

### **Body**

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Ryanair Holdings PLC said it is lending its name to a low-cost telephone operator in Ireland from March which aims to undercut Eircom PLC by up to 90 pct.

Neither Ryanair Holding nor its directors will own a stake in Ryanair Telecom, however.

Sean McVeigh, managing director of Ryanair Telecom, said Irish consumers have long suffered from the lack of competition in telephony.

He said the company will follow the airline's model of squeezing costs as far as possibly. Customers will be encourage to pay their bills online.

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**Load-Date:** February 25, 2004



## EasyJet plans to enter mobile phone business in Europe - report

AFX European Focus

February 23, 2004 Monday

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**Section:** COMPANY NEWS

**Length:** 237 words

**Dateline:** LONDON

### Body

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European discount airline EasyJet founder, Stelios Haji-loannou's new company, EasyTelecom, an internet-based cellphone operator, will start to offer discount mobile service in Britain some time this year, with plans to expand to the rest of Europe, International Herald Tribune reported.

"Mobile phone tariffs are too complicated and the service too costly. It is time somebody undercut them," Haji-loannou said.

Virgin Mobile, part of the Virgin Group, which owns part of Virgin Air, offers low-rate mobile phone service in Britain and is looking to expand onto the continent. And on March 1, Ryanair Telecom, the telecommunications spinoff of Ryanair, EasyJet's main discount airline competitor in Europe, plans to introduce a similar mobile service.

The low-cost providers entering the market are known as mobile virtual network operators, who buy capacity from existing operators and use the internet as their sole distribution and sales channel, allowing them to avoid the huge costs connected with running a network.

This allows virtual operators to deliver voice calls and short messaging at very cheap rates, without subscription plans. Typically, they charge a single rate for calls made anywhere in a national territory and a single rate for messages.

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**Load-Date:** February 24, 2004



## Ryanair may close Buzz after legal action fails - report

AFX.COM

February 22, 2004 Sunday

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**Section:** COMPANY NEWS

**Length:** 195 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC may close Buzz, the airline it bought a year ago from the Dutch carrier KLM, after it failed in a legal action to reduce the high cost of its aircraft leases, The Sunday Times reported citing Ryanair chief executive Michael O'Leary.

Buzz, which operates six aircraft from Stansted airport, took legal action in Dublin last week against America's International Lease Finance Corp (ILFC).

Although the companies have not divulged any details of the suit, it is understood that Buzz lost in an attempt to reduce the lease fees it pays on its Boeing 737 aircraft. It is expected to return to court with a separate claim against ILFC next week.

Ryanair chief executive Michael O'Leary said that if Buzz was unable to reduce the cost of its aircraft leases it would have to return the aircraft to the lessor. "If that happened it will have to cease trading," O'Leary is reported as saying.

Ryanair bought Buzz from KLM in February last year, paying 13.5 mln stg for an operation that was losing about 3 mln stg a month.

ml/ak

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**Load-Date:** February 23, 2004



## **Eurostar set to announce record January figures - report**

AFX.COM

February 22, 2004 Sunday

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**Section:** COMPANY NEWS

**Length:** 167 words

**Dateline:** LONDON

### **Body**

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Eurostar is starting to win the battle against cheap air fares with figures for January -- due later this week -- expected to confirm that the service has finally turned the corner, according to The Business.

The newspaper did not name its source, but said the figures for January will be a record and show that Eurostar is starting to see off competition from Ryanair Holdings PLC and British Airways PLC.

Last year's opening of the first stage of the high-speed Channel Tunnel Rail Link in the UK also allowed the service to slash journey times and increase punctuality.

The January figures are expected to show that Eurostar's share of the market will be substantially up on a year-on-year basis. BA is expected to have lost out on the London to Paris route, while Ryanair's market share will have been squeezed on the London to Brussels route, according to the article.

ml/ak

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**Load-Date:** February 23, 2004



## easyJet founder Stelios Haji-loannou sells 4 mln shares UPDATE

AFX.COM

February 19, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 295 words

**Dateline:** LONDON

### Body

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(Updating to recast, add comments from Stelios Haji-loannou)

Stelios Haji-loannou, founder and former chairman of easyJet PLC, yesterday sold a further 4 mln shares or 1 pct of the Luton-based no-frills airline to finance "a little shopping spree".

easyJet said the disposal by Haji-loannou's easyGroup Holdings Ltd vehicle took his stake down to 66.1 mln or 16.57 pct, netting him around 14.2 mln stg.

His brother Polys and sister Clelia hold a further 24 pct.

In a statement on his website Haji-loannou explained that in the last few days he has made firm commitments to buy a cruise ship capable of carrying 250 people for his easyCruise business, a 25 room hotel in London SW7 for easyHotel and a fleet of buses from Mercedes for easyBus.

"So I thought it was prudent to rebalance my portfolio a little bit by converting some easyJet stock into cash," he said.

"As I have always said, I will continue to do that from time to time at irregular intervals."

Haji-loannou is also evaluating more brand extensions in areas as diverse as pizza delivery, music downloads and telecoms.

He insisted his disposal should not be seen as a lack of confidence in easyJet.

"I remain a great believer in the scalability and sustainability of the business model I developed," he said.

"The recent EC ruling has exposed the opportunistic nature of the business model pursued by Michael O'Leary at Ryanair. I think easyJet will be the clear winner in European aviation."

At 11.01 am shares in easyJet were down 8 pence, or 2 pct, at 353-1/2, valuing the airline at 1.39 bln stg.

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jdd/rf

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easyJet founder Stelios Haji-loannou sells 4 mln shares UPDATE

**Load-Date:** February 20, 2004

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## AirAsia launches inaugural Bangkok-Singapore budget flight

AFX.COM

February 16, 2004 Monday

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**Section:** GENERAL

**Length:** 408 words

### Body

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BANGKOK (AFP-ASIA) - Budget airline AirAsia launched its Bangkok-Singapore route, with passengers vowing to regularly use the no-frills service over premium carriers despite having to pay for water.

The pioneering Malaysian airline beat a growing number of budget carriers, including one being jointly set up by Singapore Airlines, in becoming the first to offer ultra-cheap fares on the potentially lucrative route.

Passengers on the return leg from Singapore to Bangkok told an Agence France-Presse correspondent, who was on board the flight courtesy of AirAsia, they paid 80 sgd for one-way tickets.

This compared with prices quoted by a Singapore travel agent of between 250 and 350 sgd with Singapore Airlines and Thai Airways for a one-way ticket on the same route.

One of the passengers on board the Boeing 747-300, Singaporean businessman Ronald Chen, said he is impressed with AirAsia's service despite having to pay for water and snacks that normally come free on more expensive airlines.

"The price makes traveling more accessible to everybody for holidays. It will encourage young people like myself to travel," Chen, 29, said.

British tourist Alex Alden, 25, said he is happy to give up services normally seen as routine on premium carriers to get a cheaper ticket.

"The flight was good, very good. I don't care about any pampering. It's a short-haul flight," he said.

AirAsia chief executive Tony Fernandes said he was happy with the first day of flying between Bangkok and Singapore, although he was slightly disappointed with the 45-minute turnaround at Changi airport.

Fernandes was forced to use Changi after the Singapore government rejected his application to use the city-state's secondary Seletar airport, which he believed would have enabled him quicker turnarounds and flow-on cost savings.

AirAsia began in 2001 serving solely the Malaysian market but has rapidly expanded regionally over recent months with intra-Thailand flights as well as the Singapore-Bangkok route.

Industry analysts said at an aviation seminar in Singapore last week that low-cost airlines would prove as popular in Asia as they have done in Europe, where carriers such as RyanAir offer flights for far less than train tickets.

(1 usd = 1.67 sgd)

mba-kma/sls/rcw/js



## AirAsia launches inaugural Bangkok- Singapore budget flight

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**Load-Date:** February 17, 2004

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## Ryanair removes remaining 'frills' from service

AFX.COM

February 15, 2004 Sunday

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**Section:** COMPANY NEWS

**Length:** 189 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, Europe's biggest budget airline, has ordered "stripped-down" planes to further drive down costs, the Sunday Times newspaper reported, quoting the airline's chief executive Michael O'Leary.

It will be removing what it considers to be "non-essentials" like reclining seats, window blinds, head rests, and seat pockets.

Later on, passengers will also be told to bring less luggage so the airline will no longer have to store it in the hold.

"Think about it. People are happy to carry a bag onto buses so why not onto airlines? This could be revolutionary," said O'Leary, who is ordering the changes to a fleet of aircraft from Boeing.

Replacing reclining seats with non-adjustable ones will save the airline more than 1.3 mln stg, while removing window blinds could generate savings of about 130,000 stg for each plane.

Ditching seat pockets will reduce cleaning costs, while removing the Velcro headrest could save the company a further 100,000 stg, the newspaper said.

mbe/bam

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**Load-Date:** February 16, 2004



## easyJet cancels 24 flights due to French air traffic control strike

AFX.COM

February 11, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 101 words

**Dateline:** LONDON

### Body

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easyJet PLC, the Luton-based no-frills airline, said it has cancelled 24 flights in and out of Paris Orly airport today due to a strike by air traffic control staff.

Dublin-based Ryanair Holdings PLC also warned passengers that its flights to and from France and flights that fly over French airspace may be disrupted.

The CGT and CFDT unions called the strike, scheduled to run from 6.00 am until 11.00 pm, in protest at a planned reorganisation of air-traffic control in the Paris area.

jdd/rf

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**Load-Date:** February 12, 2004



## Virgin Express may seek compensation for Ryanair illegal subsidies - UPDATE

AFX.COM

February 10, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 240 words

**Dateline:** BRUSSELS

### Body

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(Updating to add comment from spokesman on how damages may be sought)

Virgin Express Holding NV said it is considering seeking compensation for the damage it suffered to its business as a result of illegal subsidies granted to its rival Ryanair Holdings PLC.

Last week, the European Commission ordered Ryanair to pay back subsidies amounting to around 4 mln eur which it received from the state-owned Charleroi airport in the south of Belgium where the company has its continental hub.

Virgin Express, which operates from Brussels National airport, said it has been "damaged by this illegal activity" and is examining all of its legal options.

It said that once the full report by the commission is published, it will "decide whether we are going to seek compensation for damages incurred during the period that the illegal subsidies were offered to Ryanair".

Virgin Express added: "We certainly do not accept that ignorance of the rules is a convincing defence."

Asked from whom the company will seek compensation, spokesman Yves Panneels said Virgin Express lawyers will look at the report and "then define our position" further.

The company declined to say the magnitude of damages that it might be able to claim as a result of the illegal subsidies.

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**Load-Date:** February 11, 2004





## Virgin Express considers seeking compensation for Ryanair illegal subsidies

AFX.COM

February 10, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 176 words

**Dateline:** BRUSSELS

### Body

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**Load-Date:** February 11, 2004



## Ryanair to cut routes if it loses Charleroi battle - report

AFX.COM

February 8, 2004 Sunday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 125 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it will be forced to cut some routes to Europe and reduce flights on others if a European Commission decision against its deal with Charleroi airport is not overturned.

In an interview with The Observer newspaper, chief executive Michael O'Leary said that if the company's appeal to the European Court of Justice fails, it will lead to closed routes and much higher fares.

O'Leary said he expected the commission to investigate all the 30 or so cut-price agreements it has with publicly owned airports in Europe, according to the paper.

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**Load-Date:** February 9, 2004



## London shares outlook - Touch firmer on New York gains ahead of US jobs data

AFX.COM

February 6, 2004 Friday

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**Section:** MARKETS

**Length:** 649 words

**Dateline:** LONDON

### Body

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Leading shares are expected to start modestly higher this morning, recovering after yesterday's falls in tandem with an overnight rally on Wall Street although trading is likely to be cautious ahead of today's key US jobs report, dealers said.

Spread betting firm Financial Spreads expects the FTSE 100 index to open around 10 points firmer today.

Yesterday the UK blue chip index finished 14.1 points weaker at 4,384.4.

Overnight on Wall Street, the DJIA closed 24.81 points higher at 10,495.55, while the Nasdaq ended 5.42 points firmer at 2,019.56 helped by fairly bullish comments from a Federal Reserve governor.

The mood was mixed today in Asia, with the Nikkei 225 index closing 3.68 points easier at 10,460.92 ahead of the start of the latest G7 meeting; while the Hang Seng ended its morning session 234.79 points firmer at 13,265.73 as bird flu worries eased.

Live chicken sales to Hong Kong's markets resumed today a week after a ban as part of measures to prevent bird flu entering the city.

The main focus today will undoubtedly be the latest US jobs report, with the market likely to be cautious ahead of this always volatile data release.

US non-farm payrolls in January are expected to have risen by 154,000 after a disappointing gain of just 1,000 in December.

But the US jobless rate is expected to remain unchanged on the month at 5.7 pct for January, with average hourly wages also set to hold steady month-on-month at 0.2 pct.

Traders are also expected to be a touch nervous ahead of the start of the first G7 meeting of 2004, taking place in Boca Raton, Florida

Meanwhile, after yesterday's as-expected quarter point hike in UK interest rates, there will be little domestic data to back up the Bank of England's decision today, with the only scheduled release being the UK Company Insolvencies report for the fourth quarter.

It will be a similar story on the corporate front, with the only event scheduled today the release of January traffic figures from low-cost airline easyJet.



## London shares outlook - Touch firmer on New York gains ahead of US jobs data

The discount carrier is expected to continue to show good traffic growth, but the recent travails of its Irish-based peer Ryanair could have an underlying impact on sentiment for the group.

On Tuesday easyJet welcomed the European Commission ruling that some of the aid Ryanair receives from Belgium's Wallonia regional government for use of Brussels' Charleroi airport is illegal and should be repaid.

Ray Webster, easyJet chief executive, said then that the ruling was good news for Europe's airlines "as it removes a very substantial degree of uncertainty that has been hanging over European aviation for some time."

Elsewhere, telecom issues should be in focus today after Swedish telecom equipment group Ericsson posted much better than expected results this morning.

Ericsson reported an adjusted fourth quarter profit after financials of 5.50 bln skr, well above average market expectations of 2.414 bln skr.

Retailer New Look could be active as well after the Financial Times reported that the group is close to agreeing a recommended cash bid that would allow Tom Singh, founder of the budget fashion retailer, to take the group private for a price of 348 pence per share.

And among the small cap, Clubhaus should be in focus after the Daily Telegraph reported that Legal & General's private equity wing, has emerged as the frontrunner to buy the debt-laden golf course operator

The Telegraph says L&G, which is backing a management buyout by Charlie Parker, the company's managing director and founder, has bid 56-57 mln stg for Clubhaus, which warned on Monday that any takeover would be well below the then prevailing share price.

jmh/rn

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**Load-Date:** February 7, 2004

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## Belgium's Walloon govt says 2 more low-cost airlines to use Charleroi

AFX.COM

February 6, 2004 Friday

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**Section:** COMPANY NEWS

**Length:** 102 words

**Dateline:** BRUSSELS

### Body

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Belgium's Walloon regional government said two other low-cost airlines -- one Polish and one Italian -- will join Ryanair Holdings PLC in operating at Charleroi airport, outside Brussels.

The region's economics minister, Serge Kubla, made the announcement in an invitation to a news conference, but did not identify the airlines.

Ryanair, which was told by the European Commission on Tuesday to repay some of its state aid received from the Walloon government, is the dominant airline at Charleroi.

vm/cmr

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**Load-Date:** February 7, 2004



## Ryanair adverts criticised by advertising watchdog

AFX.COM

February 4, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 228 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline that was yesterday ordered by the European Commission to repay around 4 mln eur in Belgian state subsidies, was today wrapped by the advertising watchdog for making misleading claims and using offensive language.

The Advertising Standards Authority upheld complaints from rival carrier easyJet PLC and six members of the public who objected to two national press advertisements which claimed Ryanair has "the lowest fares, the fewest cancellations, the best punctuality" and which called on travellers to fly with the airline if they want to avoid "delayed flights, cancelled flights".

The ASA told Ryanair to remove the claims, criticising the data the airline provided in support of them.

The watchdog also upheld complaints from 47 members of the public to an advert that appeared in the Daily Telegraph in the run-up to Nov 5 last year headlined "Fawking Great Offers!" and surrounded by illustrations of fireworks.

The ASA concluded the advert was likely to cause widespread offence to readers of the Daily Telegraph and told Ryanair not to repeat the approach.

The ASA advised Ryanair to contact the Committee of Advertising Practice before advertising again.

jdd/bam

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**Load-Date:** February 5, 2004



## AFX UK at a glance share guide

AFX.COM

February 4, 2004 Wednesday

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**Section:** MARKETS

**Length:** 443 words

### Body

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#### MARKETS

FTSE 100 4,390.6, up 9.2

FTSE 250 6,044.3, down 13.1

DJIA 10,505.18, up 6.0

Nasdaq Comp 2,066.21, up 3.06

S&P 500 1,136.03, up 0.77

Tokyo: Nikkei closed at 10,447.25, down 194.67

Hang Seng midday 13,084.67, down 5.34

Gold 403.00 usd (398.25 usd)

Oil - Brent March 29.50 usd (30.23 usd)

#### BREAKING NEWS

\* RYANAIR chief blasts EU ruling; no-frills airline says subsidy ban will be a 'disaster'; O'Leary's 'heavy-handed' criticism of probe 'has not helped'; rival EASYJET backs Commission decision - FT

\* MARKS & SPENCER launching an extensive work experience scheme for the disadvantaged in the hope that a reputation for decency will boost sales - FT

\* ROYAL BANK OF SCOTLAND enters US credit card market after agreeing to pay a 200 mln stg premium for the card operations of People's Bank

#### PRESS COMMENT

FT

THE LEX COLUMN comments on INVENSYS (clarification, not share price ramping, is needed; only then can investors assess whether they should welcome a chance to throw good money after bad), RYANAIR, Sanofi/Aventis, Wanadoo - ROYAL BANK OF SCOTLAND (on a forward p/e of 10.3 - which is at a slight discount to Barclays on 10.5 or HBOS on 10.6; deal risk worries seem slightly overdone) - CHARTER (on a p/e of 11, a deserved discount to the sector given the short-term uncertainty) - CHEMRING (looks cheap) - BOC (shares deserve to trade at discount to the industrial gas sector, but at 14 times forecast 2004 earnings after yesterday's profit-taking, a 23 pct discount looks rather pessimistic) - SURFCONTROL (look a buy on their current weakness)

Telegraph

## AFX UK at a glance share guide

PHOTO-ME (hopes of a new product shortly) - QUESTOR: AMVESCAP (no more than a hold), CHEMRING (worth a shot), HAYNES (for those who bought, it's worth holding on)

Guardian

SCOTTISH & NEWCASTLE (SABMILLER bid speculation) - EURODIS ELECTRON expected to come under pressure as the company announces a deeply-discounted 25 mln stg fundraising)

Independent

CHRYSLIS (hold), CARE UK (could prove profitable), CHEMRING (buy)

Times

DIRECTORS' DEALINGS: ARM HOLDINGS (chairman sells stock for 1.25 mln stg) - RUMOUR OF THE DAY: AUSTIN REED (talk of predatory interest) - Tempus: AMVESCAP (buy), BOC (buy), CAFFE NERO (buy)

Mail

ARGONAUT GAMES (new game)

Express

Who's dealing? NEWMARK SECURITY (directors buy) - Share whisper: IQE (rumours of a huge US contract) - Broker's view: MAJESTIC WINE (Bell Lawrie White buy) - Stock-picker Trevor Webster adds GEEST to his portfolio)

END

fjb/vjt/

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## **Ryanair sees number of months before knowing impact of EU ruling on Charleroi**

AFX.COM

February 4, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 152 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it is likely to be a number of months before it can assess the impact of the European Commission's decision on its cost base at Charleroi.

The European Commission ruled yesterday that 25-30 pct of the 15 mln eur Ryanair received from from Belgium's Wallonia regional government, which owns Charleroi airport, was illegal.

Ryanair expects the European Commission's report on the Brussels-Charleroi cost base will be published in a number of weeks. Thereafter, the government of Belgium will have 60 days to respond to it with its proposals for compliance with the decision.

In the meantime, Ryanair said this decision will be appealed to the European Court of Justice and the company is confident of overturning the decision on appeal.

newsdesk@afxnews.com

slm/

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## Ryanair family faces share sale probe - report

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 245 words

**Dateline:** LONDON

### Body

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The Irish Stock Exchange is to investigate the sale of 44 mln eur (30 mln stg) of Ryanair PLC shares by members of the founding family just two weeks before the airline's dramatic profits warning last week, according to The Daily Telegraph.

Citing Dublin-based sources, the newspaper said Shane and Cathal Ryan, two of the three sons of Tony Ryan, the airline's founder, sold 6.4 mln shares at 6.9 eur each on Jan 14.

Neither are on the Ryanair board, though their father remains a non-executive director. Cathal is a former non-executive. The sale, through the airline's house broker Davy Stockbrokers in Dublin, took place two weeks before last Wednesday's warning, which knocked almost a third off the share price, the newspaper said.

A spokesman for the Ryan family said the members of the family who sold shares are not associated with the company. "They were not in receipt of any information. The sale of that stock was in negotiation for a number of months," the spokesman is quoted as saying.

Asked about an Irish Stock Exchange inquiry, she said it was "not unusual" in a profits warning situation that the Stock Exchange will look at all recent dealings but there was no special investigation into this one.

Sources in Dublin said the deal would be scrutinised by the exchange, though that does not imply any wrongdoing.

ml/bam

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**Load-Date:** February 4, 2004



## Ryanair's Callaghan says decision on cutting routes in 'a matter of weeks'

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 228 words

**Dateline:** BRUSSELS

### Body

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Ryanair Holdings PLC's head of regulatory affairs, Jim Callaghan, said the airline will take a decision on cutting its routes out of Brussels' Charleroi airport in "a matter of weeks".

Callaghan also said Ryanair's appeal of the European Commission's state aid decision will take two to three years.

The commission ruled today that some of the aid the airline receives from Belgium's Wallonia regional government is illegal and should be repaid.

Asked if the airline hoped to obtain a stay on the commission's decision pending the outcome of its appeal, Callaghan said this usually occurred when a company was in a very bad financial state.

"We'll go through the motions and make a request," he said.

Callaghan said the EU's private market investor principle "is really the core of the appeal".

This principle is intended to ensure equal treatment between public-sector operators and private firms.

"We have an incredibly strong case on the market investor principle," Callaghan said.

He said Charleroi airport had shown the commission its business plan, what other airports were offering, and how the contract with Ryanair would translate into profit.

He said it was "not a sweetheart deal".

ed/vm/jlw

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## Ryanair's Callahan says decision on cutting routes in 'a matter of weeks'

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 227 words

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ed/vm/jlw

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**Load-Date:** February 4, 2004



## EU says Ryanair must repay at least 4 mln eur of state aid UPDATE

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 338 words

**Dateline:** BRUSSELS

### Body

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(Updates with comments by EU's De Palacio)

The European Commission said Ryanair Holdings PLC must repay at least 4 mln eur of the subsidies it received from Belgium's Wallonia regional government, which owns Charleroi airport, over 2001-2003.

The commission said it authorises certain forms of aid which permit genuine development of new routes under clearly defined conditions.

It said however that other direct aid "is incompatible with the proper functioning of the internal market and will have to be repaid".

EU transport commissioner Loyola De Palacio said 70-75 pct of the total 15 mln eur of state aid granted to the airline "is authorised" under EU rules.

The rest is illegal, De Palacio said, adding that she does not yet have exact figures.

"Whether it is 3 or 4 mln that has to be paid back, I am not going to tell you," she said.

She said the aid not allowed includes the discounts on airport charges granted at Charleroi which go beyond those already seen in Belgian legislation, the reduced ground handling fees, one-shot incentives paid when new routes were launched, and the assistance provided for the Dublin-Charleroi route.

De Palacio said that the end of the subsidies will mean an average increase of 6-8 eur per return airfare, although it is up to Ryanair whether it passes this on.

She said the commission is "clearly supporting regional airports and low-cost airlines, we are just obliging them to be more transparent and operate on a fair basis".

Asked about Ryanair's claim that the consumer will lose out, she said:

"I feel that there has been a clear lack of transparency and not all the carriers have been given the same treatment. Of course, the airline has been of benefit to consumers, but any carrier, BA, Air France, whichever, if they were given aid, they would be in a position to reduce their prices."

ed/awp/vm/cmr

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EU says Ryanair must repay at least 4 mln eur of state aid UPDATE

**Load-Date:** February 4, 2004

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## Ryanair's O'Leary says to appeal EU Commission's state aid decision UPDATE

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 295 words

**Dateline:** BRUSSELS

### Body

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(updates to add Ryanair expects to win appeal)

Ryanair Holdings PLC chief executive Michael O'Leary he will appeal the European Commission's decision today that some of the aid it received from Belgium's Wallonia regional government is illegal and must be repaid.

"This decision will be appealed to the European Court (of Justice). We believe the appeal will be supported by many other low-fare airlines, regional airports and consumer groups," O'Leary said.

"The European Commission should not be interfering in the operation of the free market," he said.

O'Leary said Ryanair will not be pulling out of Brussels' Charleroi airport, but it will be reducing business and routes there.

He said the only beneficiaries of the decision are the complainants, "Brussels' Zaventum airport and the high-fare carriers who fly there".

He said there will be reduced competition and higher fares at Charleroi "thanks to the failure of the European Commission to promote competition, lower fares and consumer interests".

The commission's decision has set a precedent for airlines across Europe and "is being pored over as we speak" by Groupe Air France, Alitalia SpA and Deutsche Lufthansa AG lawyers, he said.

The commission said earlier Ryanair will have to repay at least 4 mln eur of a total 15 mln state aid received.

But O'Leary said he expects the decision to be overturned as the commission had failed to consider all the evidence and to apply the EU's private market investor principle.

This principle is intended to ensure equal treatment between public-sector operators and private firms.

ed/vm/jfr

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Ryanair's O'Leary says to appeal EU Commission's state aid decision UPDATE

**Load-Date:** February 4, 2004

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## easyJet says EC ruling on Ryanair helps clarify airline deals with airports

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 297 words

**Dateline:** LONDON

### Body

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Low-cost airline easyJet PLC said the European Commission ruling on Ryanair Holdings PLC's use of Brussels' Charleroi airport would help clarify deals between airlines and airports.

Earlier, the Commission ruled that some of the aid Ryanair receives from Belgium's Wallonia regional government is illegal and should be repaid.

Ray Webster, easyJet chief executive, said: "Today's ruling is good news for Europe's airlines as it removes a very substantial degree of uncertainty that has been hanging over European aviation for some time."

Webster believes the Commission plans to use this ruling as a basis for uniform guidelines on airport landing charges and tariffs across the EU, thereby helping to set standards for deals between airlines and publicly owned airports.

"It also makes a very clear commitment to the development of the low-cost airline sector," he added.

"We are particularly keen to ensure that the Commission does not inhibit any airline (traditional, charter or low-cost) from seeking and obtaining differential charges -- provided that the charges relate to the cost of provision of the specific services used," said Webster.

As it currently stands, to apply the same flat rate at an airport for two airlines using very different quality services means a subsidy from the efficient to the inefficient, he added.

Webster also called on the Commission to avoid taking "any steps that strengthen the monopoly power of government-owned airports."

"At present, the gulf between competitive, privately owned airports and inefficient, publicly owned airports is excessive and unjustified," said Webster.

tf/ak

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**Load-Date:** February 4, 2004

easyJet says EC ruling on Ryanair helps clarify airline deals with airports

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## Ireland's Brennan satisfied Ryanair ruling will not unduly affect airports

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS; GOVERNMENT

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**Dateline:** DUBLIN

### Body

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Irish Transport Minister Seamus Brennan said he was "reasonably satisfied" regarding the scope of the potential impact of a European Commission ruling against Irish budget airline Ryanair Holdings PLC for receiving state aid for using Charleroi airport in Belgium.

"I am reasonably satisfied now that regional airports will not be unduly affected by this," Brennan told Agence France-Presse in an interview, stressing that the decision only concerned Charleroi airport where Ryanair serves southern Belgium.

"The decision is a more moderate one than the one expected," he said.

The European Commission ruled today that 25-30 pct of the 15 mln eur Ryanair received from from Belgium's Wallonia regional government, which owns Charleroi airport, was illegal

The minister, whose country currently holds the European Union's rotating six month presidency, said he would bring up the subject of low-cost airlines at the next transport ministers meeting in March.

The ministers would have a chance then to voice their opinions on budget airlines before the Commission draws up general rules.

For Brennan, Brussels' decision was "a setback for the airline, but not a general setback for aviation in Europe or in Ireland".

"I am also pleased that the commissioners confined themselves to dealing with a specific case and didn't make general rules," he said.

Brennan had told Brussels in a letter made public earlier Tuesday that he was "very concerned" by the ruling.

A spokesman for Brennan, who is currently chairman of the European Union Council of Ministers, said the letter was sent by the minister on Monday to EU Transport Commissioner Loyola de Palacio.

Brennan, who discussed the issue with de Palacio in Brussels last week, said in his letter that "the Irish administration is very concerned at the possible impact that this decision, if adopted, could have on Irish and European aviation both as regards airports and in particular, low-cost air services," the spokesman said.

"We are particularly concerned that the draft decision on the Charleroi case would appear to establish more general rules under which issues regarding airport charges, discount schemes and other incentives which airports may offer airlines would be judged.



Ireland 's Brennan satisfied Ryanair ruling will not unduly affect airports

ob-ab/lt/lam

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## Ireland govt very concerned about Ryanair ruling - minister

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 316 words

**Dateline:** DUBLIN

### Body

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The Irish government is "very concerned" about the potential impact of a European Commission ruling against Irish budget airline Ryanair for receiving state aid for using Charleroi airport in Belgium, Transport Minister Seamus Brennan told the EU in a letter made public today.

A spokesman for Brennan, who is currently chairman of the European Union Council of Ministers, said the letter was sent by the minister yesterday to EU Transport Commissioner Loyola de Palacio.

Brennan, who discussed the issue with de Palacio in Brussels last week, said in his letter that "the Irish administration is very concerned at the possible impact that this decision, if adopted, could have on Irish and European aviation both as regards airports and in particular, low-cost air services," the spokesman said.

"We are particularly concerned that the draft decision on the Charleroi case would appear to establish more general rules under which issues regarding airport charges, discount schemes and other incentives which airports may offer airlines would be judged.

"It is my view that general rules of this nature should be fully considered by the Transport Council before being applied.

"In these circumstances, I am concerned that the broader policy implications of the draft Commission decision may not have been fully taken into account," Brennan wrote.

The European Commission ruled today that 25-30 pct of the 15 mln eur Ryanair received from from Belgium's Wallonia regional government, which owns Charleroi airport, was illegal, EU transport commissioner Loyola de Palacio said.

She declined to confirm whether Ryanair would have to repay all of the rest, but said at least 4 mln eur was likely to have to be reimbursed.

ab-dr/nh/lam

AFP

Ireland govt very concerned about Ryanair ruling - minister

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## Wall Street - European ADRs DaimlerChrysler, Volvo fall; Ryanair gains 8%

AFX.COM

February 3, 2004 Tuesday

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**Section:** MARKETS

**Length:** 349 words

**Dateline:** SAN FRANCISCO

### Body

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- DaimlerChrysler and Volvo fell in U.S. trading Tuesday after the two European automakers reported disappointing sales.

But moves up by Ryanair and Amvescap helped push the Bank of New York European ADR Index higher by 0.65 points to close at 112.57.

DaimlerChrysler said U.S. sales for its Chrysler division rose 9 percent in January, compared with the same month in 2003. But its U.S. Mercedes-Benz sales were off 3.1 percent. Shares were down \$1.17, or 3 percent, at \$46.39. Volvo lost \$1.70, or 5 percent, to \$31.22 after the Swedish truck maker's Chairman Lars Ramquist resigned. Volvo also missed analysts' expectations for its fourth-quarter financials.

Ryanair jumped \$2.75, or 8 percent, to \$35.75. The European Union ruled that the discount airline can keep about 75 percent of the money it was given by a Belgian airport to support its service there. Investors had expected the EU to rule that all of the money would have to be paid back.

Also, the Irish Stock Exchange is set to investigate the recent sale of 44 million shares in Ryanair by the sons of the discount airline's founder, Tony Ryan, the Daily Telegraph reported Tuesday. The shares were sold two weeks before the airline's first-ever profit warning last week.

Swiss biotech Serono fell 67 cents, or 4 percent, to \$18.55 following its fourth-quarter report and forecast for 2004. Some analysts said they were skeptical that Serono would be able to meet its growth forecasts for the year. Meanwhile, the company reported a 36.8 percent rise in fourth-quarter net income.

U.K.-based fund manager Amvescap rose 43 cents, or 3 percent, to \$15.54 after it topped most analysts' estimates with its 2003 pretax profit of \$471.1 million.

Imperial Tobacco was up \$1.49, or 4 percent, to \$41.99 after it said that cost-cutting should help lift 2004 profits despite higher taxes.

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Wall Street - European ADRs DaimlerChrysler , Volvo fall; Ryanair gains 8%

**Load-Date:** February 4, 2004

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## Singapore Airlines says to stay premium carrier despite stake in budget flier

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 327 words

**Dateline:** SINGAPORE

### Body

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Singapore Airlines vowed today to remain a premium carrier, despite taking stake in the soon-to-be-launched budget airline Tiger Airways.

Chairman Koh Boon Hwee said the group will not get involved in the daily operations of Tiger Airways and stressed both Singapore Airlines and no-frills carriers can serve niches in the market.

"SIA will confine its role to being a stakeholder (in Tiger Airways)," Koh said in a speech launching the maiden voyage of SIA's first non-stop flight to the US.

"We are not planning to involve ourselves in the day-to-day low cost carrier operations. It is not within our field of expertise, nor is it something we profess to know much about."

Koh said that, like in the hotel industry, there are clients who prefer premium services and are willing to pay the price.

"We've got Tiger Airways taking care of the low-cost, no frills segment and there will be customers for that... but there will also be demand obviously for the premier services that SIA has traditionally provided," he said.

Asia has recently seen the emergence of several low-cost carriers, which, analysts say, could challenge the dominance of bigger carriers, such as SIA.

One of the most popular is Malaysian budget airline AirAsia, which has set up base at Singapore's doorstep and is negotiating to be allowed to fly from the city state.

In December, SIA announced it will set up Tiger Airways in a four-party venture that will begin flying from here this year.

SIA's partners will be Ryanair founder Tony Ryan's Irelandia Investments, the Singapore government investment arm Temasek Holdings and US private investors Indigo Partners.

ValueAir, another budget carrier that a former SIA executive set up, is set to begin operations from Singapore in the middle of the year.

mba/kma/dv/ds

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Singapore Airlines says to stay premium carrier despite stake in budget flier

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February 3, 2004 Tuesday

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FTSE 100 4,381.4 down 9.3

FTSE 250 6,057.4 up 33.5

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Nasdaq Comp 2,063.15 down 3.00

S&P 500 1,135.25 up 4.10

Tokyo: Nikkei 10,641.92 down 134.81

Hang Seng midday 13,045.51 up 45.53

Gold 398.25 usd (401.25 usd)

Oil - Brent Mar 30.23 usd (29.18 usd)

#### BREAKING NEWS

\* Boeing head, Harry Stonecipher, rejects tie-up with BAE SYSTEMS; new chief executive of US aerospace group says UK defence contractor is 'not an attractive target' - FT

\* SECURICOR and Group 4 aim for complex merger - FT

\* P&O to pull out of its container shipping joint venture with Royal Nedlloyd of the Netherlands - FT

#### PRESS COMMENT

FT

THE LEX COLUMN comments on SECURICOR/Group 4 (both trade on estimated 2004 price/earnings ratios of about 12; a deal would not transform the outlook but would offer scope to narrow the 20 pct valuation discount to Securitas), RYANAIR (given Mr O'Leary's track record in value creation, it is too early to switch pilots), BBVA/Bancomer, Henkel - LOMBARD: Martin Dickson comments on BAE SYSTEMS (four beddings and a funeral), P&O cast-off (share price fully up with events), Supermarket sector (can be in no doubt of the competition authorities' scrutiny following OFT threat to refer TESCO's acquisition of a single store in Slough from the Co-op to the Competition Commission) - RIO TINTO (not cheap, although it is line with its peers) - BAA (appears close to full value with the aviation recovery already price in)

Mail



## AFX UK at a glance share guide

STANDARD CHARTERED (rumours it is about to buy Nedcor, the troubled South African banking subsidiary of OLD MUTUAL) - HANSARD (word is that entrepreneur David Newton and leading small-cap investor NCL have taken stakes of 10 pct and 5 pct respectively in a 175,000 stg placing at 10 pence a share)

Sun

ITV (far from being a one-way bet; advertising recovery is only fragile; and new technology like Sky Plus is making it easier for viewers to skip the ads)

Telegraph

QUESTOR: RIO TINTO (could have further to go), P&O (high enough for now), FILTRONIC (a risky buy)

Guardian

CREST NICHOLSON (property speculator Jack Pechey takes holding to declarable 3.06 pct) - BRITISH ENERGY (speculation that vulture fund Appaloosa has added to its 4.6 pct holding) - ZI MEDICAL (rumours that it is putting the finishing touches to a 1.5 mln stg fundraising)

Independent

THE INVESTMENT COLUMN: BAA (worth holding), FILTRONIC (not to be sold at this stage), HORNBY (even more tempting to take profits now; keep some shares in the toy box, though)

Times

DIRECTORS' DEALINGS: NEXT (former chief executive David Jones sells stock for 2.6 mln stg) - RUMOUR OF THE DAY: JUBILEE PLATINUM (talk it is to appoint Numis Securities as broker) - CREST NICHOLSON (Heron lifts interest to 12.47 pct) - Tempus: P&O (hold), RIO TINTO (worth holding, on the assumption that world economic growth will create opportunities for Rio - but only just), FILTRONIC (avoid)

Express

INVENSYS (rumours of a 500 mln stg rights issue and possible bid interest) - GRIFFIN MINING (stock overhang cleared; dealers claim recent rumours of a discounted placing of shares are wide of the mark) - Who's dealing? INDIGO VISION (boardroom buying) - Share whisper: BIOPROJECTS INTERNATIONAL (rumours that one of its investments is about to float in the US) - Broker's view: DEAL GROUP MEDIA (Daniel Stewart says deal is perfectly placed to enlarge its share of the online adspend market)

fjb/slm/

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**Load-Date:** February 4, 2004



## Tyco, Colgate, Ryanair, ALTH

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS; ECONOMIC NEWS

**Length:** 573 words

### Body

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Chip stocks under some pressure in largely thin trade. Volatility on the currency markets helped maintain a cautious tone. Cisco Systems was marked 20 cents in euro trading in Frankfurt at \$26.39 as positioning continues in the networker's stock ahead of its quarterly results. A Goldman Sachs downgrade late Monday on some semiconductor equipment stocks triggered some sector stocks declines.

#### Global Markets

Japanese stocks struggled overnight and German stocks were lower as the dollar tumbled against the major currencies. Reports that traces of the deadly poison ricin were found in a U.S. Senate office underpinned the bearishness on the dollar, analysts said. The euro surged 1.2 percent on the dollar to \$1.2575. The British pound rose to \$1.8369 and the dollar weakened against the yen, declining as low as 105.20 - a fresh low at levels not seen since Sept. 2000.

See and and

#### Broker action

Merrill Lynch raised its rating on two oil equipment stocks, lifting Diamond Offshore Drilling and Transocean to neutral from sell amid expectations for improving demand.

#### Breaking News -

Allos Therapeutics rose 20 percent on Instinet to \$4.23. It said the Food and Drug Administration accepted its New Drug Application to market RSR13 (efaproxiral) as an adjunct to whole brain radiation therapy for the treatment of brain metastases in patients with breast cancer.

Colgate-Palmolive said: "Looking ahead to 2004, we feel strongly that we will meet global competitive requirements and at the same time deliver record sales and profits once again."

Federated Investors has set up a \$7.6 million fund to repay mutual fund investors resulting from frequent late trading activities in its funds. The Pittsburgh, Pa.-based fund company said its fourth-quarter results will include a charge of \$12.4 million for expenses related to its internal review.

## Tyco , Colgate, Ryanair , ALTH

Tyco International said its fiscal first quarter income from continuing operations rose 27 percent to \$719 million and that revenue rose 9 percent to \$9.7 billion. The impact of the weak dollar contributed 7 percentage points of the increase in sales, it said. Sales growth was led by Healthcare and Electronics divisions, it said. Looking ahead, Tyco left its outlook for earnings unchanged for fiscal 2004.

Whirlpool Corp. posted fourth-quarter net earnings of \$125 million, or \$1.76 per share. Results were a penny ahead of the average forecast, according to a Reuters Research poll. In the year-ago period, the appliances maker posted a loss amid charges. Fourth quarter sales rose 14 percent to \$3.36 billion, ahead of the \$3 billion forecast. Excluding the weaker dollar impact, net sales increased 7 percent. Looking ahead, Whirlpool said it sees "positive economic trends and the continuing momentum of our brands."

Ryanair surged 6.2 percent to \$35.05, following the London shares higher after the European Union said that 70-75 percent of the state aid it received from Charleroi, Belgium to operate flights was legal. The ruling may dispel fears Brussels is going to put an end to the benefits Ryanair receives from small regional airports.

Before the Bell is a daily e-mailed newsletter.

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**Load-Date:** February 4, 2004

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## Dow futures drift, chip equip in focus - UPDATE 1

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS; MARKETS; ECONOMIC NEWS

**Length:** 809 words

**Dateline:** LONDON

### Body

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U.S. stock futures were drifting early Tuesday with chip stocks under some pressure in largely thin trade. Volatility on the currency markets helped maintain a cautious tone.

Japanese stocks struggled overnight and German stocks were lower as the dollar tumbled against the major currencies. Reports that traces of the deadly poison ricin were found in a U.S. Senate office underpinned the bearishness on the dollar, analysts said.

The euro surged 1.2 percent on the dollar to \$1.2575. The British pound rose to \$1.8369 and the dollar weakened against the yen, declining as low as 105.20 - a fresh low at levels not seen since Sept. 2000.

G-7 ministers are gathering in Florida this week with currencies expected to be a focus. Europeans are keen to take the pressure of the euro, while U.S. officials and Japan are looking for European policies to underpin the early shoots of recovery in Europe.

Turning to stocks, the Dow industrials futures were down 22 points at 10,463 after 8 a.m. Eastern. The Nasdaq 100 tracker was off 0.2 percent on the ECNs.

Cisco Systems was marked 20 cents in euro trading in Frankfurt at \$26.39 as positioning continues in the networker ahead of its quarterly results and outlook after the close. Microsoft was also holding a few points above its close.

A Goldman Sachs downgrade late Monday on some semiconductor equipment stocks triggered some sector stocks declines, but dealers said none of the U.S. equipment stocks had been active in London.

Goldman dropped its view on the semi equipment group to neutral from attractive; analysts think "the industry has now moved beyond its normalized cash flow levels at which time cyclical stocks stop outperforming the market." The broker cut Applied Materials, Novellus Systems and Advanced Energy to in-line from out-perform. In Europe, it cut ASML.

The broker also upped what it termed "defensive names" KLA-Tencor and Formfactor to outperform from in-line.

Intel Corp. was down 0.4 percent at \$30.20. AMAT was last at \$21.20 on Instinet, down 1.8 percent.

Focus stocks

Discount airline Ryanair surged 6.2 percent to \$35.05, following the London shares higher after the European Union said that 70-75 percent of the state aid it received from Charleroi, Belgium to operate flights was legal. The ruling may dispel fears Brussels is going to put an end to the benefits Ryanair receives from small regional airports.

Sprint Corp. said its wireline phone business posted net income of \$360 million, or 40 cents a share, in the fourth quarter, up from \$294 million, or 33 cents, a year ago. Revenue fell 3.6 percent to \$3.54 billion.

Fund manager Amvescap said funds under management totaled \$370.6 billion at the end of December from \$332.6 billion a year ago. Amvescap operates the Invesco and AIM line of mutual funds.

"Investment performance of our U.S. retail funds improved during the second half of the year adding to the strength of our comprehensive range of global investment products... While the regulatory investigations will have implications for our company, we remain confident about the outlook for the asset management industry and the future for Amvescap," the company said.

Allos Therapeutics rose 20 percent on Instinet to \$4.23. It said the Food and Drug Administration accepted its New Drug Application to market RSR13 (efaproxiral) as an adjunct to whole brain radiation therapy for the treatment of brain metastases in patients with breast cancer.

German automakers on Tuesday were the worst performing sector in Europe. Volkswagen was hit 2.8 percent by its plan to give away free air conditioners to help boost sales of its struggling Golf line in Germany.

DaimlerChrysler dropped 2.6 percent as 37-percent-owned Mitsubishi Motors' capital increase will reportedly be double what had been anticipated. The weak dollar -- which last declined more than 1 percent on the day -- also contributed to the decline. BMW declined 1.6 percent as well.

Colgate-Palmolive said: "Looking ahead to 2004, we feel strongly that we will meet global competitive requirements and at the same time deliver record sales and profits once again."

Broker calls

Merrill Lynch raised its rating on two oil equipment stocks, lifting Diamond Offshore Drilling and Transocean to neutral from sell amid expectations for improving demand.

J.P. Morgan Securities raised Avid Technology to overweight from neutral, citing price as well as "the broader penetration by digital technologies of the growing professional video and audio production markets" among other issues.

See and and

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## London shares - midafternoon feature movements

AFX.COM

February 3, 2004 Tuesday

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**Section:** MARKETS

**Length:** 537 words

### Body

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FTSE 100 risers

Scottish & Newcastle 409-1/4 up 10-1/4

Bid hopes continue; recent positive data on Russian beer market

AMVESCAP 413-1/4 up 9-3/4

FY results and fund flows beat expectations; Merrill Lynch 'buy'

Imperial Tobacco 1,120 up 15

Says trading in line with expectations; 'buy' from 'neutral' - UBS

BAT 791 up 15

With Imperial Tobacco

Gallaher 620 up 9-1/2

With Imperial Tobacco

Wolseley 787 up 5-1/2

UBS repeats 'buy', raises target to 932 pence from 900

Cadbury Schweppes 409-1/2 up 2-3/4

Wrigley Q4 results

FTSE 100 fallers

BOC Group 867-1/2 down 26-1/2

Profit-taking after better-than-expected Q1 results; HSBC repeats 'sell'

mm02 82 down 2-1/2

Q3 subscriber numbers due tomorrow

BAE Systems 162-1/4 down 3-1/2

Boeing head rejects tie-up with BAE

Rio Tinto 1,396 down 28

Currency concerns counter Deutsche Bank upgrade to 'hold'

Rolls-Royce 184-1/2 down 2-3/4

## London shares - midafternoon feature movements

FY results due Feb 12  
Royal & Sun Alliance 95-3/4 down 1-1/2  
    'Sell' from 'neutral' with fair value 88 pence - Merrill Lynch  
BT Group 178 down 2  
    Q3 results due Feb 12  
    FTSE 250 risers  
Easyjet 338 up 18  
    EC ruling on Ryanair anti-state aid case proves less severe than worst fears  
Jarvis 150-1/2 up 4  
    Rally after recent profit warning  
Crest Nicholson 330 up 7  
    Bid hopes after Jack Petchey and Gerald Ronson raise shareholdings  
MFI Furniture 140-3/4 down 2-1/2  
    Smith Barney repeats 'buy', says Carpetright and DFS news not that bad  
Brixton 243-3/4 up 5  
    Buys Northfields industrial estate in London for 51.5 mln stg  
Securicor 117-1/2 up 2  
    Group 4 Falck merger talks confirmed yesterday  
Capital Radio 566-1/2 up 9-1/2  
    Says Dec quarter trading in line, advertising market improving  
SSL International 316-1/4 up 5-1/4  
    Dividend expiry tomorrow  
    FTSE 250 fallers  
Investec 1030 down 49  
    Rand stronger today  
PHS Group 92-1/4 down 3-1/4  
    Downgraded by UBS  
Cairn Energy 675 down 22-3/4  
    Profit taking  
Invensys 24-3/4 down 0-3/4  
    Profit taking after recent rally  
Filtronic 445 down 9-1/4  
    Further post-interims profit taking  
McCarthy & Stone 538 down 8-1/2  
    'Neutral' from 'buy' with 610 pence target - UBS  
DFS Furniture 366 down 4  
    Panmure reiterates 'sell' after H1 profits warning; Evolution 'reduce'  
Carpetright 890 down 10  
    Indifferently received trading update  
Hit Entertainment 288-1/4 down 5-3/4  
    Lacklustre trading statement yesterday  
    Other risers  
Charter 131-1/2 up 25

## London shares - midafternoon feature movements

Encouraging trading update; ABN ups forecasts

Hansard Group 14 up 2

175,710 stg placing provides much-needed capital injection

British Energy 7.50 up 1.00

Speculation that Appaloosa has increased stake

Forbidden Technologies 46-1/2 up 6-1/2

Mediaconcept contract

Other fallers

Henlys 59 down 42

Full-year profits warning

ZI Medical 20.50 down 2.00

1.978 mln stg share placing

Jourdan 42-1/2 down 2

Bumper interims outweighed by caution on prospects

sd/bge/rf

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## London shares - closing feature movements

AFX.COM

February 3, 2004 Tuesday

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**Section:** MARKETS

**Length:** 530 words

### Body

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FTSE 100 risers

Scottish & Newcastle 412-1/2 up 13-1/2

Bid hopes continue; recent positive data on Russian beer market

AMVESCAP 415 up 11-1/4

FY results and fund flows beat expectations; Merrill Lynch 'buy'

Imperial Tobacco 1,132 up 27

Says trading in line with expectations; 'buy' from 'neutral' - UBS

BAT 788-1/2 up 12-1/2

With Imperial Tobacco

Gallaher 620 up 9-1/2

With Imperial Tobacco

Royal Bank of Scotland 1,625 up 19

Buys US credit card ops; likelihood of Egg buy lessens

Tesco 243-1/2 up 2-1/4

CSFB reiterates 'outperform'; chairman John Gardiner buys 41,015 shares

FTSE 100 fallers

BOC Group 871 down 23

Profit-taking after better-than-expected Q1 results; HSBC repeats 'sell'

Rio Tinto 1,392 down 32

Currency concerns counter Deutsche Bank upgrade to 'hold'

mm02 82-1/4 down 1-1/4

Q3 subscriber numbers due tomorrow

BAE Systems 162-1/2 down 3-1/4

Boeing head rejects tie-up with BAE

Rolls-Royce 183-1/4 down 3-1/2

## London shares - closing feature movements

FY results due Feb 12  
BT Group 177-1/2 down 2-1/2  
Q3 results due Feb 12  
Royal & Sun Alliance 97 down 0-1/4  
'Sell' from 'neutral' with fair value 88 pence - Merrill Lynch  
FTSE 250 risers  
easyJet 333-1/2 up 13-1/2  
EC ruling on Ryanair anti-state aid case proves less severe than worst fears  
Crest Nicholson 333 up 10  
Bid hopes after Jack Petchey and Gerald Ronson raise shareholdings  
Securicor 118-1/2 up 3  
Group 4 Falck merger talks confirmed yesterday  
Jarvis 150 up 3-1/2  
Rally after recent profit warning  
MFI Furniture 140-3/4 down 2-1/2  
Smith Barney repeats 'buy', says Carpetright and DFS news not that bad  
Brixton 273 up 4-1/4  
Buys Northfields industrial estate in London for 51.5 mln stg  
Capital Radio 564 up 7  
Says Dec quarter trading in line, advertising market improving  
SSL International 315 up 4  
Dividend expiry tomorrow  
FTSE 250 fallers  
Invensys 24-1/4 down 1-1/4  
Profit taking after recent rally  
Investec 1,030 down 49  
Rand stronger today  
PHS Group 91-1/4 down 4-1/4  
Downgraded by UBS  
Cairn Energy 680 down 17-3/4  
Profit taking  
Filtronic 448 down 6-1/4  
Further post-interims profit taking  
McCarthy & Stone 538 down 8-1/2  
'Neutral' from 'buy' with 610 pence target - UBS  
Carpetright 892 down 8  
Indifferently received trading update  
Hit Entertainment 288 down 6  
Lacklustre trading statement yesterday  
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Encouraging trading update; ABN ups forecasts  
Hansard Group 14-1/2 up 2-1/2

## London shares - closing feature movements

175,710 stg placing provides much-needed capital injection

Forbidden Technologies 46-1/2 up 6-1/2

Mediaconcept contract

Newmark Security 1.92 up 0.20

Chairman Maurice Dwek buys 4.67 mln shares, now holds 10 pct

Other fallers

Henlys 59 down 42

Full-year profits warning

ZI Medical 20.50 down 2.00

1.978 mln stg share placing

Jourdan 42 down 2-1/2

Bumper interims outweighed by caution on prospects

jcm/ak

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## EU'S Busquin says Ryanair decision 'balanced'

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 95 words

**Dateline:** BRUSSELS

### Body

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EU research commissioner, Philippe Busquin said the commission's decision on state aid to low-cost airline Ryanair is "balanced".

"It's a balanced decision which allows Charleroi to continue to operate and even to develop new lines since we have accepted launch costs," he said.

Asked about whether Ryanair would leave Charleroi, the commissioner said "there is no reason for Ryanair to penalise Charleroi whatever happens".

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## Ryanair Jan passengers 1.71 mln vs 1.25 mln

AFX.COM

February 3, 2004 Tuesday

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**Section:** COMPANY NEWS

**Length:** 133 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it carried 1.71 mln passengers in January, up from 1.25 mln in the same month last year.

The rolling 12 months passenger total was 21.8 mln.

Load factor -- the number of passengers as a percentage of available capacity -- was 71 pct in January, down from 76 pct last year, bringing the rolling 12 months total to 81 pct.

Some 96 pct of all ticket sales were made over the internet.

Meanwhile, the European Commission is expected to rule today that Ryanair must partially repay the subsidies it received from Belgium's Charleroi airport.

At 10.56 am Ryanair shares were up 17 cents at 4.93 eur.

jdd/rf

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## EU asks Ryanair to partially repay Charleroi aid - EU source UPDATE

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 111 words

**Dateline:** BRUSSELS

### Body

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(Updates with information about news conference, expected repayment)

The European Commission has asked Ryanair Holdings PLC to repay some of the subsidies it received from Belgium's Charleroi airport, an EU source said.

EU transport commissioner Loyola de Palacio is due to announce details of the ruling at a news conference scheduled for 12.15 pm.

EU sources said in the run-up to the ruling that the commission was expected to order Ryanair to repay 3.0-5.5 mln eur received from the Wallonia regional government, which owns Charleroi.

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**Load-Date:** February 4, 2004



## EU confirms it is asking Ryanair to partially repay Charleroi aid

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 105 words

**Dateline:** BRUSSELS

### Body

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The European Commission confirmed it has asked Ryanair Holdings PLC to repay some of the subsidies it received from the government of Belgium's Wallonia region in respect of Charleroi airport.

EU transport commissioner Loyola de Palacio is due to announce details of the ruling at a press conference scheduled for 12.15 pm.

EU sources said in the run-up to the ruling that the commission was expected to order Ryanair to repay 3.0-5.5 mln eur received from the Wallonia regional government, which owns Charleroi.

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## EU asks Ryanair to partially repay state aid - source

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 43 words

**Dateline:** BRUSSELS

### Body

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The European Commission has asked Ryanair Holdings PLC to partially repay the subsidies it received from Belgium's Charleroi airport, an EU source said.

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## EU says Ryanair must repay at least 4 mln eur of state aid granted 2001-2003

AFX.COM

February 3, 2004 Tuesday

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**Section:** GOVERNMENT

**Length:** 97 words

**Dateline:** BRUSSELS

### Body

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The European Commission said Ryanair Holdings PLC must repay at least 4 mln eur of the subsidies it received in 2001-2003 from Belgium's Wallonia regional government, which owns Charleroi airport.

The commission said it authorises certain forms of aid which permit genuine development of new routes under clearly defined conditions.

It said however that other direct aid "is incompatible with the proper functioning of the internal market and will have to be repaid".

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## Brussels shares AFX at a glance outlook

AFX European Focus

February 3, 2004 Tuesday

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**Section:** MARKETS

**Length:** 153 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open flat after a mixed close on Wall Street, brokers said.

Last night, the Bel 20 closed up 22.12 points or 0.93 pct at 2,405.88 as Interbrew shot up over 4 pct.

#### FORTHCOMING EVENTS

##### TODAY

- EU Commission's decision on Wallonian subsidies to Ryanair

##### TOMORROW

- Spector Q4 sales
- UCB preliminary Q4

#### COMPANY NEWS

- Mobistar 2003 average revenue per user 34.68 eur/mth vs 33.47 eur
- Van de Velde wins case brought by Dewe trustee, saves 400,000 eur
- KBC Polish unit Warta's CEO to step down at next shareholders meeting
- RTL reaches agreement with audiovisual regulator, allowing Suez to exit M6

#### MACROECONOMIC NEWS

- Belgian Jan new car registrations down 6.3 pct yr-on-yr

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**Load-Date:** February 4, 2004



## EU Parliament's Cox urges EU Commission to consider impact of Ryanair decision

AFX.COM

February 2, 2004 Monday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 209 words

**Dateline:** BRUSSELS

### Body

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European Parliament president Pat Cox has urged the European Commission to consider the impact of its decision concerning state subsidies offered to Ryanair Holding PLC on future cases.

Ryanair has been in a battle with the commission for several months concerning benefits it has received as an incentive to operate low-cost flights out of Charleroi, near Brussels.

The president, who is Irish, has written to the commission expressing his concern that tomorrow's decision could have "wide-ranging implications which go far beyond the specific case of the use of Chareloi".

He said he has asked for reassurances that "an assessment has been made of the possible knock-on effects and implications that a precedent set by this particular case might have for regional airports, regional development, consumer preference and service provision".

Cox said: "I fully respect the rights of the European Commission to act on this issue. My only consideration is to ensure that the wider policy implications that could arise from this ruling on Ryanair have been fully taken into account."

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**Load-Date:** February 3, 2004



## Ryanair says EU media briefing on Charleroi case will have prejudicial effect

AFX.COM

February 2, 2004 Monday

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**Section:** COMPANY NEWS

**Length:** 399 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said the media briefing given to journalists this morning by the EU Commission on the Charleroi case - the day before the full Commission is due to take a vote -- will have a serious prejudicial effect on the Commission's vote tomorrow.

"In an unprecedented move this morning, the EU Commission's Transport Directorate gave Irish journalists specific details on the Commission's decision in the Charleroi case in advance of the full Commission's vote on the decision tomorrow morning. This will have a seriously prejudicial affect on the Commission's vote tomorrow," said a spokesman for the Irish no-frills airline in a statement.

Ryanair has been in a battle with the Commission for several months concerning benefits it has received as an incentive to operate low-cost flights out of Charleroi, near Brussels.

Earlier today, European Parliament president Pat Cox urged the EU Commission to consider the impact of its decision concerning state subsidies offered to Ryanair on future cases.

The president, who is Irish, has written to the commission expressing his concern that tomorrow's decision could have "wide-ranging implications which go far beyond the specific case of the use of Chareiroi".

The Ryanair spokesman said "This 'off-the-record' press conference shows that the Commission is aware of the negative impact of this decision on European consumers and the development of the low fares airlines at under-utilised regional airports throughout Europe."

"Otherwise, they wouldn't be going to such lengths to privately brief and leak details out before the full Commission has had the opportunity to review the facts and consider the wider implications of this case."

Strong objections to the proposed decision have already been made by the Forum of European Regional Airports, the Assembly of European Regions and this afternoon by Cox all of whom raise serious concerns over the wider implications for Europe of this negative decision, said the spokesman.

"The Commission's proposed decision will reverse 20 years of competition, deregulation and low fares air travel and consumers will suffer with higher fares, less competition and less choice," he warned.

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Ryanair says EU media briefing on Charleroi case will have prejudicial effect

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**Load-Date:** February 3, 2004

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## Brussels shares AFX at a glance outlook

AFX European Focus

February 2, 2004 Monday

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**Section:** MARKETS

**Length:** 125 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open flat to slightly higher after Wall Street closed off lows on Friday, dealers said.

On Friday, the Bel 20 closed up 1.86 points or 0.08 pct at 2,383.76.

#### PRESS HEADLINES

##### WEEKEND

- UCB's Jacobs says company eyeing targeted acquisitions, partnerships (L'Echo)
- Delhaize's Beckers says company expanding Food Lion activities (L'Echo)
- UBIDCO consortium will not make fresh offer for Ubizen following Betrusted's counterbid (L'Echo)

##### TODAY

- EU Commission will ask Ryanair to reimburse 3 to 5.5 mln eur of total state aid of 13 mln (Le Soir)

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**Load-Date:** February 3, 2004



## Ryanair mulls legal action against other airlines, EU on state aid UPDATE

AFX.COM

February 1, 2004 Sunday

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**Section:** COMPANY NEWS

**Length:** 420 words

**Dateline:** LONDON

### Body

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(Adding possible actions against other carriers, more comments)

Ryanair Holdings PLC will take legal action against other airlines, as well as against the European Commission, if the commission rules to outlaw the discounts Ryanair receives for flying to Brussels' Charleroi airport.

On Tuesday, the Commission is expected to rule that Ryanair receives an unlawful form of state aid from the Belgium government, in a decision that will have wide ramifications.

Many small, state-owned airports offer incentives to airlines in an attempt to boost tourism. The Charleroi decision is expected to put an end to the practice.

"If there is an unacceptable decision, Ryanair will not only appeal it but has instructed its advisors to initiate state aid cases and complaints against every other airline flying into every state airport which offers concessions and discounts," the Dublin-based carrier said in a statement.

Ryanair chief executive Michael O'Leary complained on Sunday that the commission was simply "interfering in the operation of a free market".

Interviewed on BBC television, O'Leary said that his carrier merely received "discounts" from Charleroi in exchange for bringing around 2.5 mln passengers a year into the region.

"The airport supports the deal, Ryanair supports the deal, the consumers -- the two and half million people a year who use it -- support the deal," he said.

"And now a bunch of bureaucrats in Brussels want to tell the airport to put up the cost, wants to tell the airline, Ryanair, to put up the fares, and expected two and a half million consumers to pay higher prices."

Separately, the Independent on Sunday O'Leary as saying: "We will challenge them in the European courts. The ruling will force us to put up fares and may make us tear up routes. A lot of regional airports will not be able to grow as a result."

The low-cost airline will go through the European Court of First Instance, said Jim Callaghan, Ryanair's head of regulatory affairs.

"We are not receiving state aid. The Commission is using the case to set a precedent in the industry, but there is no problem with it legally or factually," he was cited as saying.

## Ryanair mulls legal action against other airlines, EU on state aid UPDATE

He said the Irish and UK governments were also "very concerned about this" and may apply pressure to reverse the ruling.

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**Load-Date:** February 2, 2004

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## Ryanair to take legal action against EU Commission on state aid

AFX.COM

February 1, 2004 Sunday

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**Section:** COMPANY NEWS

**Length:** 239 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC is preparing legal action against the European Commission over its decision to outlaw the discounts it receives for flying to Brussels' Charleroi airport, the Independent on Sunday reports citing chief executive Michael O'Leary.

On Tuesday, the Commission is expected to rule that Ryanair receives an unlawful form of state aid from the Belgium government, in a decision that will have wide ramifications.

Many small, state-owned airports offer incentives to airlines in an attempt to boost tourism. The Charleroi decision is expected to put an end to the practice.

According to the report, O'Leary said: "We will challenge them in the European courts. The ruling will force us to put up fares and may make us tear up routes. A lot of regional airports will not be able to grow as a result."

The low-cost airline will go through the European Court of First Instance, said Jim Callaghan, Ryanair's head of regulatory affairs.

"We are not receiving state aid. The Commission is using the case to set a precedent in the industry, but there is no problem with it legally or factually," he was cited as saying.

He said the Irish and UK governments were also "very concerned about this" and may apply pressure to reverse the ruling.

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acb/hjp

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** February 2, 2004



## Ryanair loses case brought by wheelchair user

AFX.COM

January 30, 2004 Friday

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**Section:** COMPANY NEWS; GENERAL

**Length:** 418 words

**Dateline:** LONDON

### Body

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A disabled traveller who was forced to pay to use a wheelchair at London Stansted airport won his landmark case against the Irish budget airline Ryanair Holdings PLC today.

Ryanair was ordered by a UK court to pay 1,336 stg to Bob Ross, 54, who suffers from cerebral palsy, which makes it difficult for him to walk.

Judge Crawford Lindsay ruled that Ryanair had acted unlawfully by not ensuring that a wheelchair was provided free of charge for Ross to use at Stansted airport to the northeast of London.

Ross was charged 18 pounds for the use of a wheelchair when he travelled from London to Perpignan in southwestern France in February 2002 and again on his return journey a month later.

Ross told the court that he rarely used a wheelchair, preferring crutches or sticks instead, but that he found walking extremely painful.

Judge Lindsay said in his judgment: "As appears from the evidence, the reasons for Ryanair's policy were commercial."

"They could and, in my judgment, should have changed that policy so as to pay the cost for all passengers who required a wheelchair."

Ross told reporters outside the court: "I hope that Ryanair will see that it's wrong to charge disabled passengers for the use of wheelchairs and get rid of the charges."

But Ryanair said in a statement that it would appeal against the decision, which it criticised as "defective". It was the responsibility of the airport authorities to provide wheelchair assistance, the company argued.

"We wish to reiterate that Ryanair has never charged any wheelchair passenger for assistance at any airport including Stansted," the statement said, noting that Ross was not travelling in a wheelchair.

"In the case of wheelchair passengers, Ryanair absorbs the cost of this assistance at Stansted and the tiny minority of other airports around Europe where this service is not provided free of charge by the airport operator."

The Disability Rights Commission, which launched the case on behalf of Ross, wants Ryanair to pay compensation to 35 disabled people who have complained about paying the wheelchair charge.

## Ryanair loses case brought by wheelchair user

"Perhaps before counting their pennies, Ryanair should have considered the cost to their reputation and the distress caused to disabled people by acting in such a discriminatory way," said the commission's chairman, Bert Massie.

dr/rom/gil/cw

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**Load-Date:** January 31, 2004

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End of Document



## AFX UK at a glance share guide

AFX.COM

January 29, 2004 Thursday

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**Section:** MARKETS

**Length:** 672 words

### Body

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#### MARKETS

FTSE 100 4,468.1 up 21.1

FTSE 250 6,029.9 down 20.5

DJIA 10,468.40 down 141.50

Nasdaq Comp 2,077.37 down 38.67

S&P 500 1,128.50 down 15.55

Tokyo: Nikkei 10,779.44 down 73.03

Hang Seng midday 13,208.47 down 223.31

Gold 411.50 usd (410.25 usd)

Oil - Brent Feb 29.77 usd (30.23 usd)

#### BREAKING NEWS

\* BBC chief goes as Hutton backs government; surprise judgment by law lords clears PM and officials of improper conduct; unprecedented crisis for broadcaster as report slams it from top to bottom - FT

\* MARKS & SPENCER approaches Jane Shepherdson, boss of Top Shop, to replace David Norgrove as head of clothing - Times

\* It emerges that the Barclay brothers suggested they wanted to buy newspaper group Hollinger international for 1.1 bln usd, having already agreed a controversial deal to take over its controlling company, Hollinger Incorporated - FT

\* Arun Sarin, VODAFONE chief executive, gives a strong indication that the mobile operator might join the bidding war for AT&T Wireless - FT

\* ENTERTAINMENT RIGHTS reveals that it is considering making a 43.8 mln stg bid for CHORION

\* F&C Management, one of Britain's oldest fund management houses, set to be partially floated on a European stock exchange with a market capitalisation of 693 mln stg - FT

\* SCOTTISH & NEWCASTLE joins Carlsberg in technical support link-up - FT

\* BRITISH AIRWAYS attack on costs 'to remove a further 3,000 jobs' - FT

\* ISOFT discusses 65 mln stg sale of Torex Retail

PRESS COMMENT

FT

THE LEX COLUMN comments on RYANAIR (the sharp share price fall will alert bargain hunters but there is now better near-term visibility at EASYJET, which trades on a discount of up to 20 pct on some estimates; the profit warning will also prompt some reassessment about whether Ryanair's business model is superior to its rival's), VODAFONE (possible acquisition of AT&T Wireless looks like a step too far), NORTHERN ROCK, Federal Reserve - VEDANTA (looks like a good way to gain exposure to rising metals prices) - ML LABORATORIES (cautious investors will be keen to see how well the company's existing products are selling and whether it signs the promised licensing deals before offering (fundraising) support)

Times

DIRECTORS' DEALINGS: KENSINGTON GROUP (finance director sells 2.15 mln stg of stock) - RUMOUR OF THE DAY: INERREGNUM (word that it will next week announce the purchase of a wireless infrastructure developer; also tipped to seek 4 mln stg for future investments through a Seymour Pierce share placing) - STANLEY LEISURE (talk of overseas predatory interest) - Tempus: NORTHERN ROCK (buy on weakness), TATE & LYLE (continue to hold), SAVILLS (take profits)

Sun

TATE & LYLE (investors who like a chunky divi may want to look at it if the shares go much lower)

Mail

TENON (concern about prospects) - STANLEY LEISURE (revived takeover rumours)

Telegraph

QUESTOR: NORTHERN ROCK (risk-averse investors who have enjoyed the ride might want to take some profits), SAVILLS (buy), RAMCO ENERGY (hang on and hope)

Guardian

SECURICOR (speculation that co has received a bid approach just refuses to go away) - NSB RETAIL SYSTEMS (talk that index tracking funds will have to buy around 25 mln shares if, as expected, the company is added to the FTSE All-Share index at the next quarterly review in March)

Independent

THE INVESTMENT COLUMN: NORTHERN ROCK (sell), CAMBRIDGE SILICON RADIO (hold), SAVILLS (still tempting but remember that this is a bet on the housing market, which could falter) - STANLEY LEISURE (investors bet on Penn National Gaming takeover)

Express

STANLEY LEISURE (talk of US bid interest) - Who's dealing? KINGFISHER (chairman buys 10,656 shares at 274-3/4 pence) - Share whisper: INNOVATION GROUP (gossips believe Robert Bonnier will build on his stake) - Broker's view: CAPITA (Morgan Stanley positive)

fjb/ak

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**Load-Date:** January 30, 2004



## Ireland to rake Ryanair issue to EU transport ministers

AFX.COM

January 29, 2004 Thursday

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**Section:** GOVERNMENT

**Length:** 181 words

**Dateline:** DUBLIN

### Body

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Irish Transport Minister Seamus Brennan said he will take Ryanair Holdings PLC's problems over subsidies allegedly paid by its Charleroi hub in Belgium to the next meeting of his EU colleagues.

In a statement issued by his ministry, Brennan said the Irish EU presidency cannot intervene directly in any European Commission ruling against the budget airline, which is expected to be ordered to refund 3-10 mln eur in subsidies by the airport and the Walloon regional government.

He said it would also be inappropriate for Ireland to take a position specifically in favour of Ryanair, but that he nevertheless wants the issue discussed at the next Transport Ministers' council.

Brennan said he discussed Ryanair with Transport Commissioner Loyola de Palacio on Tuesday, making the point that any move to penalise the no-frills airline could also have implications for flag carrier Aer Lingus and regional airports in Ireland.

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ob/et/dab/pav/

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**Load-Date:** January 30, 2004



## Ryanair warns FY net profit pre-ex could fall 10 pct UPDATE

AFX.COM

January 28, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 703 words

**Dateline:** LONDON

### Body

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(Updating to add more detail from Ryanair statement)

Ryanair Holdings PLC, the Dublin-based low-cost airline, warned that if current fares trends continue, its year to end-March 2004 net profit before exceptionals will fall by up to 10 pct.

Announcing its third quarter to Dec 31 2003 results the airline, which operates 146 routes across Europe, said it remains "very cautious" in its outlook for fares and yields.

It recorded an 11 pct fall in average fares over the third quarter and based on initial bookings for the fourth quarter it now expects fares to decline by between 25-30 pct versus the comparable quarter last year. This compares with guidance last November of a 10-15 pct reduction.

"If these lower fares and yields occur (bearing in mind we have not completed even the first month of this quarter) then we would expect net profit before exceptionals for the fiscal year to reduce by up to 10 pct from a net profit of 239 mln eur last year to approximately 215 mln eur for the current fiscal year."

Ryanair said the anticipated sharp fall in yields reflects the airline's continuing substantial capacity growth, the launch in January and February of two new bases at Rome Ciampino and Barcelona Girona, the impact of sterling's continuing weakness against the euro, and intense price competition all over Europe.

"Despite this difficult market Ryanair continues to profitably develop new routes, new bases and grow market share," said chief executive Michael O'Leary.

"In many cases Ryanair is leading the downward pressure on prices and yields, but unlike our competitors we continue to generate world leading profit margins as a result of our aggressive cost management and lowest cost base."

Third-quarter traffic grew 54 pct to a record 6.1 mln, boosting revenue 37 pct to 255.0 mln eur.

Profit after tax but before exceptional items and goodwill (adjusted net profit) rose by 10 pct from 43.2 mln eur to a record 47.5 mln.

EPS pre-ex and goodwill increased 10 pct to 6.27 cents.

Operating costs rose by 42 pct -- significantly less than the rate of traffic growth -- as unit costs fell 8 pct, whilst after tax margins declined from 23 pct to 19 pct.

## Ryanair warns FY net profit pre-ex could fall 10 pct UPDATE

Ryanair ended the quarter with cash of 1.12 bln eur.

The airline expects yield decline in the year to end-March 2005 to be lower than the current year's fall.

This is because it does not expect any further weakness of sterling against the euro.

Also from May, Ryanair's rate of capacity growth will fall from over 50 pct for the past two years to just 20 pct per annum, while initial indications suggest that the two new bases (Rome Ciampino and Barcelona Girona) will be significantly stronger performers than some of the new routes and bases launched in previous years.

The airline also expects average seat costs for the coming year to continue to decline strongly.

It is initiating a detailed review and reduction of its cost base, including reducing airport, handling and maintenance costs and cutting lease costs on some of the former Buzz aircraft.

Ryanair revealed these leases are already the subject of legal proceedings. If these are not successful the aircraft will be returned and Buzz Stansted Ltd wound down, it warned. Ryanair acquired Buzz from KLM Royal Dutch Airlines NV last year.

Meanwhile, the airline expects EU Transport Commissioner Loyola de Palacio to rule on Feb 3 that substantial parts of its 25-year commercial deal with the Walloon government and the state-owned Brussels Charleroi airport constitute unlawful state aid.

It anticipates the Commission will seek repayments "in the millions of euros" and limit the length of discounted contracts with airports to just three years.

Such a ruling would effectively ban Ryanair from receiving similar subsidies in the future.

The airline plans to appeal to the European Court in Luxembourg to have the decision overturned.

Ryanair shares closed Tuesday at 6.77 eur, valuing the company at 5.12 bln eur.

jdd/ak

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**Load-Date:** January 29, 2004





## Wall Street - European ADRs Ryanair falls 29 percent after warning on profit

AFX.COM

January 28, 2004 Wednesday

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**Section:** MARKETS

**Length:** 417 words

**Dateline:** SAN FRANCISCO

### Body

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Irish discount airline Ryanair fell 29 percent in U.S. trading after the company warned that lower fares could lead to smaller profits this year.

Shares of Ryanair declined \$14.18 to \$35.13. While the company insisted it won't raise airfares, it said that profits for the year ending in March are likely to come in at \$271 million, compared with \$298.6 million a year ago.

The Bank of New York European ADR Index also ended lower down 1.20 points at 113.08. The index moved into the red shortly after the Federal Reserve announced it was leaving interest rates unchanged but hinted that an increase could be in the future.

In other stocks news: mobile operator Vodafone fell \$105, or 4 percent, to \$25.62 after a company conference call spurned fresh concerns that it may launch a bid for U.S. carrier AT&T Wireless.

On a conference call discussing key performance statistics, CEO Arun Sarin said Vodafone is eyeing developments in the U.S. but would not comment further on market speculation that the company is interested in buying AT&T Wireless, AFX reported.

The move to buy AT&T Wireless would be unpopular with investors, in part as it would require Vodafone to shed its minority stake in Verizon Wireless.

Sarin also reiterated the company's interest in buying SFR, the French mobile operator majority owned by Vivendi Universal, although he added there were no plans to enter the open market to buy Vivendi shares. Vivendi was off 77 cents, or 3 percent, at \$26.52.

Elsewhere in the sector, Ericsson lost 60 cents, or 3 percent, to \$21.72, Alcatel slipped 38 cents to \$16.43 and Nokia was down 46 cents at \$20.62.

German chip firm Infineon Technologies slipped 6 cents to \$14.83 after it said it will buy Taiwanese chip designer ADMtek for \$100 million.

Franco-German pharmaceuticals company Aventis rose \$1.46 to \$75.86. The stock is likely to remain volatile as investors wait to see if the company will welcome takeover bids from its peers, while rejecting a hostile bid from French peer Sanofi Synthelabo.

## Wall Street - European ADRs Ryanair falls 29 percent after warning on profit

In other company news, Aventis confirmed that five people in Japan have died after taking its arthritis drug Arava and said that it had warned doctors to not prescribe the drug to people with respiratory problems.

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**Load-Date:** January 29, 2004

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## Spreading flu, falling fares hit airline stocks - UPDATE 1

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 339 words

**Dateline:** SAN FRANCISCO

### Body

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- Airline stocks fell Wednesday morning amid worries about the spread of avian influenza in Asia and a warning from European discount carrier Ryanair about falling airfares.

The Amex Airline Index fell 2.4 percent to 65.42.

Reports from Asia said cases of the "bird flu" have been reported in China, pressuring stocks in the region and elsewhere.

Northwest Airlines slipped 39 cents to \$12.85.

Ryanair Holdings fell 30 percent to \$34.33 in U.S. trading after warning that low fares in Europe are hurting its profitability.

Alaska Air Group fell 40 cents to \$28.31 after reporting narrower fourth-quarter losses and its first yearly profit since 1999. Fuel and labor costs rose in the quarter, however.

Other movers included AMR, parent of American Airlines, with shares down 21 cents to \$17.17.

JetBlue fell 9.5 percent to \$23.91 ahead of Thursday's fourth-quarter report. Goldman Sachs analyst Glenn Engel downgraded the stock ahead of the results.

"Despite JetBlue's 45 percent decline since its all-time high three months ago, we believe cyclical downside risks outweigh any likely near term upside, and feel an underperform rating is more appropriate," Engel wrote. Engel's new 2004 profit estimate for 2004 is 90 cents a share, down from \$1 a share and for 2005 the new estimate is \$1.15, down from \$1.25.

A rare advancer, Atlantic Coast Airlines rose 12 cents to \$9.37. The airline, which is transforming itself from a regional airline into a low-cost carrier, reported a fourth-quarter profit of \$13.7 million, or 30 cents, reversing last year's loss of \$1 million, or 2 cents a share. Excluding items, the airline earned \$21 million, or 46 cents a share - ahead of analysts 40-cent estimate, as compiled by Reuters Research. Revenue rose 9.6 percent to \$224 million.

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# Spreading flu, falling fares hit airline stocks - UPDATE 1

**Load-Date:** January 29, 2004

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## Sector closes down after Fed; JetBlue, Alaska Air drop - UPDATE 3

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 416 words

**Dateline:** SAN FRANCISCO

### Body

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- Airline stocks closed lower Wednesday as worries over the spread of avian influenza in Asia and a warning from European discount carrier Ryanair combined with a perceived shift in the Federal Open Market Committee's willingness to raise U.S. interest rates.

The Amex Airline Index fell 5.3 percent to 63.51. In its interest-rate-policy meeting, the Fed did say it thinks the U.S. economy is getting stronger and has left rates unchanged, for now.

Reports from Asia said cases of the "bird flu" have been reported in China, pressuring stocks in the region and elsewhere.

Northwest Airlines, which flies extensively to destinations in Asia, slipped 80 cents, or 6 percent, to \$12.44.

Meanwhile, Ryanair Holdings fell 29 percent to \$35.13 in U.S. trading after warning that low fares in Europe are hurting its profitability.

Alaska Air Group fell \$2.10, or 7.3 percent, to \$26.61 after reporting a narrower fourth-quarter loss and its first yearly profit since 1999. Fuel and labor costs rose in the quarter, however.

Other movers included AMR, parent of American Airlines, with its shares down 88 cents to \$16.50.

Pre-report downgrade

Also under pressure, JetBlue Airways fell \$2.43, or 9.2 percent, to \$24 after Goldman Sachs analyst Glenn Engel downgraded his rating on the stock a day ahead of the low-cost carrier's fourth-quarter financial results.

"Despite JetBlue's 45 percent decline since its all-time high three months ago, we believe cyclical downside risks outweigh any likely near-term upside, and feel an underperform rating is more appropriate," Engel said in a research note.

His new profit estimates for JetBlue are 90 cents for 2004, down from \$1 a share previously, and \$1.15 a share, down from \$1.25, for 2005.

And Atlantic Coast Airlines fell 36 cents to \$8.89. The carrier, which is transforming itself from a regional airline into a low-cost operator, reported a fourth-quarter profit of \$13.7 million, or 30 cents, reversing the prior year's loss of \$1 million, or 2 cents a share.

### Sector closes down after Fed; JetBlue, Alaska Air drop - UPDATE 3

Excluding special items, Atlantic Coast earned \$21 million, or 46 cents a share -- ahead of analysts' 40-cent consensus estimate, as compiled by Reuters Research. Quarterly revenue rose 9.6 percent, reaching \$224 million.

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**Load-Date:** January 29, 2004

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## Sector remains weak after Fed; JetBlue, Alaska Air drop - UPDATE 2

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 405 words

**Dateline:** SAN FRANCISCO

### Body

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- Airline stocks remained in the red Wednesday as worries over the spread of avian influenza in Asia and a warning from European discount carrier Ryanair about falling fares overshadowed the Federal Open Market Committee's decision to leave U.S. interest rates alone.

The Amex Airline Index fell 3.3 percent to 64.83. In its interest-rate policy meeting, the Fed did say it thinks the U.S. economy is getting stronger.

Reports from Asia said cases of the "bird flu" have been reported in China, pressuring stocks in the region and elsewhere.

Northwest Airlines , which flies extensively to destinations in Asia, slipped 50 cents to \$12.71.

Meanwhile, Ryanair Holdings fell 29 percent to \$34.95 in U.S. trading after warning that low fares in Europe are hurting its profitability.

Alaska Air Group fell \$1.76 to \$26.97 after reporting a narrower fourth-quarter loss and its first yearly profit since 1999. Fuel and labor costs rose in the quarter, however.

Other movers included AMR Corp. , parent of American Airlines, with its shares down 35 cents to \$17.03.

Pre-report downgrade

Also under pressure, JetBlue Airways fell 8.6 percent to \$24.12 as Goldman Sachs analyst Glenn Engel downgraded his rating on the stock a day ahead of the low-cost carrier's fourth-quarter financial results.

"Despite JetBlue's 45 percent decline since its all-time high three months ago, we believe cyclical downside risks outweigh any likely near-term upside, and feel an underperform rating is more appropriate," Engel said in a research note.

His new profit estimates for JetBlue are 90 cents for 2004, down from \$1 a share previously, and \$1.15 a share, down from \$1.25, for 2005.

And Atlantic Coast Airlines fell 13 cents to \$9.13. The carrier, which is transforming itself from a regional airline into a low-cost operator, reported a fourth-quarter profit of \$13.7 million, or 30 cents, reversing the prior year's loss of \$1 million, or 2 cents a share.

## Sector remains weak after Fed; JetBlue, Alaska Air drop - UPDATE 2

Excluding special items, Atlantic Coast earned \$21 million, or 46 cents a share -- ahead of analysts' 40-cent consensus estimate, as compiled by Reuters Research. Quarterly revenue rose 9.6 percent, reaching \$224 million.

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**Load-Date:** January 29, 2004

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## German shares close higher ahead of Fed rate decision; Munich Re strong UPDATE

AFX.COM

January 28, 2004 Wednesday

Copyright 2004 AFX News Limited

**Section:** MARKETS

**Length:** 491 words

**Dateline:** FRANKFURT

### Body

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(Updating with full report)

Share prices closed higher amid expectations the US Federal Reserve will signal later today that it intends to leave interest rates unchanged at their current 45-year low of 1 pct, dealers said.

The Xetra DAX 30 index closed at 4,150.24, up 15.82 points or 0.38 pct, having traded between 4,105.97-4,157.18 this session.

The MDAX closed at 4,745.45, up 3.72 points or 0.08 pct. The TecDAX closed at 623.10, up 3.51 points or 0.57 pct.

The DAX futures contract was at 4,161.5, up 13.5 points or 0.33 pct. The bund future was at 114.66, up 0.14.

The euro last traded at 1.2627 usd, compared with 1.2585 in late London trade.

US stocks pushed higher thanks to a batch of upbeat earnings reports -- notably from household products giant Proctor & Gamble -- and on expectations that the latest FOMC meeting will leave US interest rates on hold.

Munich Re rose 1.93 eur or 2.00 pct 98.41 as investors in the insurance sector switched from Allianz -- down 1.66 to 106.49 -- on news that JP Morgan has removed the latter from its 'European Focus List'.

Bayer was the top performing stock, up 0.52 eur or 2.14 pct at 24.78 eur amid speculation surrounding consolidation within the pharmaceutical sector on the back of Sanofi-Synthelabo's 48 bln eur hostile bid for rival Aventis.

Infineon added 0.18 or 1.52 pct to 12.00 as investors greeted the strategy behind the group's planned acquisition of Taiwan's ADMtek, a unit of Accton

Technology, for 80 mln eur.

An analyst said that the deal is a "good strategic move" for Infineon, with another analyst, at Heleba Trust, noting that the step will improve the group's position in the growing market for broadband technology.

Lufthansa dropped 0.11 to 14.58 after Ryanair warned on full year earnings, and rising cases of bird flu in Asia forced European airlines investors, who had largely given a muted reaction to the outbreak up until now, to sit up and take notice.

Fellow travel stock, TUI, lost 0.65 eur or 3.35 pct to 18.75.

Deutsche Telekom dropped 0.32 eur or 1.93 pct to 16.23 even though the German finance ministry said that neither the German government nor the state-owned KfW bank have any plans to sell shares in the telecoms incumbent in the coming weeks.

Earlier Wirtschaftswoche magazine reported that the KfW plans to sell shares in the coming weeks.

WCM soared by 0.12 eur or 11.54 pct to 1.16 on the MDAX even though chairman Roland Flach denied rumours circulating the market today that he will step down, and that his company will merge with IVG Immobilien.

On the TecDAX, GPC Biotech surged by 1.05 eur or 10.26 pct to 11.28 after Goldman Sachs upgraded its view on the stock to 'outperform' from 'neutral'.

jcb/das/jlw

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**Load-Date:** January 29, 2004



## Stockholm shares slightly lower early afternoon on telecoms, SKF

AFX European Focus

January 28, 2004 Wednesday

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**Section:** MARKETS

**Length:** 299 words

**Dateline:** Stockholm

### Body

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Shares were slightly lower in early afternoon trade pressured in particular by profit taking in telecoms and SKF, but with falls extending throughout the market, brokers said.

At 1.50 pm Stockholmsboersen All-Share was down 0.26 pct at 205.72, while the Attract40 was up 0.24 pct at 59.16 and the OMX down 0.34 pct at 672.89. Total turnover amounted to 6.957 bln skr.

SKF B was down 1.90 pct at 283.50 after Deutsche Bank cut its 2004 and 2005 estimates for the company following its fourth quarter result yesterday.

Among other engineering stocks, Atlas Copco A was down 1.25 pct at 276.50, and Sandvik up 0.39 pct at 256.50.

Ericsson B was down 0.61 pct at 16.20 skr bid, and Nokia down 0.32 pct at 153.50.

In the airline sector SAS was down 2.67 pct at 73 pressured by Ryanair's profit warning, concerns over an EU ruling on airport discounts, and the threat of a strike by Swedish baggage handlers due to start this Friday.

Earlier SAS said it is proposing the merger of its Norwegian units, Braathens and SAS Norway to reduce costs as part of its 'Turnaround 2005' program. The airline said that the move would not result in any further savings than the 14 bln skr already announced on the launch of Turanround 2005.

In the forestry sector SCA B was down 1.52 pct at 291.50 and Holmen B flat at 248.50 amid concerns of the short term outlook for the forestry sector as a whole.

Among other leading shares traded Hennes & Mauritz B was up 0.88 pct at 172.50 ahead of the company's fourth quarter result tomorrow, while Skandia was up 0.30 pct at 32.90, TeliaSonera down 0.27 pct at 37.60, and SEB A down 1.85 pct at 106.

sjr/cml

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**Load-Date:** January 29, 2004

Stockholm shares slightly lower early afternoon on telecoms, SKF

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End of Document



## P&G, Time Warner, FLEX, NET, Amazon

AFX.COM

January 28, 2004 Wednesday

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**Section:** ECONOMIC NEWS; COMPANY NEWS

**Length:** 560 words

### Body

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Stocks were higher expectations the Federal Reserve will signal later today that it still plans to maintain ultra-low interest rates. Yet market tracker stocks moved off peaks after a weak durable goods in December. Total orders for durable goods were unchanged in December after falling a revised 2.3 percent in November. Economists expected a 2.2 percent gain. Communications equipment orders plunged 18.1 percent to the lowest level in seven years. Time Warner lent some early support; the media giant said it expects full-year 2004 percentage growth in operating income, excluding special items, to be in the "high-single digit to low-double digits", due to anticipated higher revenue and margins. Internet book seller Amazon.com , however, remained under pressure after gross margins fell below expectations in the latest quarter.

#### Global Markets

London stocks were higher as the judge heading the inquiry into the death of weapons expert David Kelly said that he was satisfied concluding that Kelly had taken his own life. The market advance came despite Ryanair making clear it was becoming more difficult to be a profitable discount airline.

See and and

#### Broker action

#### Breaking News -

Procter & Gamble , a Dow component, posted a 22 percent rise in net earnings in the December quarter to \$1.82 billion, saying the profits growth as "driven by unit volume growth and manufacturing cost savings, which enabled marketing investments to sustain top line growth."

Looking ahead, P&G sounded some caution, saying "the current consensus estimate is at the top end of net earnings per share expectations for the quarter" for the March quarter.

Broadcom surged close to 13.2 percent to \$45.94 after it reported overnight a fourth-quarter profit as sales of its communications chips accelerated.

LaBranche & Co. , the NYSE specialist, said fourth quarter revenue dropped 38 percent to \$70.9 million from \$113.8 million a year ago as it swung to a net loss of \$156.9 million, or \$2.62 per share on a charge.

NetBank warned that the current range of analyst forecasts for first-quarter earnings "may be high," as its mortgage business is likely to weaken due to lower production volumes and further declines in margins.

Reebok reported fourth-quarter earnings of \$28 million, or 44 cents per share, up from its year-ago profit of \$16 million, or 27 cents per share, and 2 cents ahead of the mean estimate of analysts polled by Thomson First Call. Sales jumped 11 percent in the latest three months to \$844 million from \$763 million in the same period a year earlier.

Cooper Cameron reported fourth-quarter earnings of \$4.1 million, or 7 cents per share, reversing a year-ago loss of \$2.4 million, or 4 cents per share. Revenue totaled \$443.2 million in the latest three months, a modest increase from its year-ago total of \$384.7 million. The Houston-based oil equipment firm, however, said the latest results fell short of its prior forecasts due to its failure to meet delivery schedules on certain subsea systems projects

Before the Bell is a daily e-mailed newsletter.

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**Load-Date:** January 29, 2004



## AFX UK at a glance share guide

AFX.COM

January 28, 2004 Wednesday

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**Section:** MARKETS

**Length:** 594 words

### Body

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#### MARKETS

FTSE 100 4,447.0 up 1.5

FTSE 250 6,050.4 up 14.0

DJIA 10,609.90 down 92.60

Nasdaq Comp 2,116.04 down 37.79

S&P 500 1,144.05 down 11.30

Tokyo: Nikkei 10,852.47 down 75.56

Hang Seng midday 13,561.62 down 200.26

Gold 410.25 usd (407.75 usd)

Oil - Brent Feb 30.23 usd (30.45 usd)

#### BREAKING NEWS

\* SCOTTISH & NEWCASTLE about to be on the receiving end of a bid priced at around 500 pence a share; City sources say the offer will land within days; private equity firms tipped as possible bidders - Daily Mail

\* John Ritblat, the combative head of BRITISH LAND, in detailed talks to provide up to 100 mln stg of financing to back Paul Reichmann's proposed bid for CANARY WHARF - Times

\* WEMBLEY agrees a 270 mln stg offer from Las Vegas-based MGM Mirage

\* RYANAIR will next week be banned from receiving controversial government aid, in a European Commission ruling that will have far-reaching repercussions for Europe's aviation sector - FT

\* BOC sells US packaged gases arm to Airgas for up to 200 mln usd

\* Britain's 50 bln stg endowments black hole; MPs lambast life insurance chiefs for taking huge pay rises while policyholders suffer; 70 pct of policies under water - Independent

#### PRESS COMMENT

FT

THE LEX COLUMN comments on National Bank of Australia, WEMBLEY (a take-out earnings multiple on the Lincoln Park assets of 6-7 times is not a fire sale; but it is low for the sector, leaving room for a potential counterbid), Merck, Aventis - KESA (worth a second look) - MARCONI (Commerzbank says the shares are trading

## AFX UK at a glance share guide

on an attractive 15-times earnings) - ARM HOLDINGS (look expensive) - VERNALIS (share price reflects the value of Frovatriptan royalties and little else; this looks fair for now) - GAMES WORKSHOP (high enough until the results of capital expenditure on store openings become clearer)

Guardian

SCOTTISH & NEWCASTLE (speculation of a bid from DIAGEO) - LONDON CLUBS (speculation that it is planning a 30 mln stg rights issue) - LA FITNESS (talk of strong trading) - ML LABORATORIES (talk co is preparing to launch a 15 mln stg fundraising)

Times

SMALLER STOCK TO WATCH: AUKETT GROUP (concert party of dissident shareholders speaking for 24 pct vote against the reappointment of the current management team) - DIRECTORS' DEALINGS: BIG YELLOW GROUP (property director sells 640,000 stg of stock to a non-executive) - RUMOUR OF THE DAY: LONDON CLUBS INTERNATIONAL (speculation of a 30 mln stg one-for-five rights issue) - GLAXOSMITHKLINE (suffers on worries of bid battle for Aventis) - JARVIS (fear on bank covenants) - Tempus: ARM HOLDINGS (hold), KESA (hold), KENSINGTON GROUP (investors who are unfazed by the prospect of an interest rate rise should hold; others might want to take some profits)

Express

Who's dealing? BIG YELLOW GROUP (director sells 500,000 shares at 128 pence) - Share whisper: TECTEON (talk of a big revenue-boosting deal) - Broker's view: RANK GROUP (Deutsche Bank buy)

Independent

PHOTO-ME INTERNATIONAL (speculation of director dealings) - THE INVESTMENT COLUMN: KESA ELECTRICALS (looks fully valued for now), HARVEY NASH (high enough), ARM HOLDINGS (buy)

Mail

RETAIL DECISIONS (take takeover stories with a big pinch of salt)

Telegraph

SCOTTISH & NEWCASTLE (hopes of a bid) - QUESTOR: FKI (avoid), KESA (hang on, if you think a bid will one day materialise), KENSINGTON GROUP (shares have gone far enough)

fjb/bam

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**Load-Date:** January 29, 2004





## **Euroshares turn positive midday on solid trading news ahead of FOMC meeting**

AFX European Focus

January 28, 2004 Wednesday

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**Section:** MARKETS

**Length:** 429 words

**Dateline:** LONDON

### **Body**

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Shares in Europe's leading bourses had turned positive by midday after a solid flow of positive earnings and trading news and as Wall Street futures suggest the Dow will open higher, dealers said.

At 12.01 pm, the STOXX 50 was up 18.42 points at 2,746.84 and the STOXX 600 was up 1.37 points at 238.95.

Strategists will be poring over the FOMC statement later. The Fed Reserve is not expected to lift rates after promising to keep interest rates "accommodative for a considerable period" in December.

In corporate news, another flow of sales and earnings news stole the limelight.

Building materials group Lafarge was one of the few gainers on the STOXX 50 -- up 0.22 pct -- after the group said full year sales totalled 13.658 bln eur, above consensus estimates of 13.57 bln for the year and nearly 5 pct higher than expected in the fourth quarter. Saint Gobain added 2.31 pct, still supported by hopes that asbestos liabilities are falling.

And Suez climbed 3.03 pct ahead of the utility's group's numbers tomorrow. Goldman Sachs repeated its 'outperform' rating ahead of the news.

Retailer Casino was up 0.2 pct after its in-line full year sales numbers, as some analysts said the numbers show the group clearly outperformed peer Carrefour in its hypermarkets. Carrefour was off 0.29 pct.

Chemicals group Air Liquide pulled back early losses and rose 0.67 pct thanks to the very positive outlook statement that accompanied its full year sales numbers.

UK mortgage lender Northern Rock -- rose 0.34 pct -- on its solid outlook and better than expected numbers. ABN Amro, Northern Rock's house broker, upgraded their rating on the stock to 'buy' from 'add'.

UK insurers were up also this morning, bouncing back from their pummelling yesterday, when the heads of the five main life assurers were grilled over the mis-selling of long-term investment products.

But mobile phone operator Vodafone fell 2.41 pct despite better than expected new subscriber numbers -- after strong gains yesterday -- as mobile subscriber numbers in France and T-mobile numbers beat most broker forecasts.

Airlines were in focus after Dublin-based low-cost airline, Ryanair, warned that if current fares trends continue, its year to end-March 2004 net profit before exceptionals will fall by up to 10 pct. Ryanair fell 25.04 pct.

Euroshares turn positive midday on solid trading news ahead of FOMC meeting

But British Airways added 3.95 pct after confirming plans to slash jobs.

dlh/cmr

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**Load-Date:** January 29, 2004

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End of Document



## London shares - midafternoon feature movements

AFX.COM

January 28, 2004 Wednesday

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**Section:** MARKETS

**Length:** 596 words

### Body

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FTSE 100 risers

British Airways 308 up 17

Reveals plan to further cut costs by 300 mln stg; DKW, JP Morgan positive

Friends Provident 144-3/4 up 5-3/4

Insurance sector rallies; 'endowment concerns overdone' - Smith Barney

Rexam 427-1/2 up 13-3/4

Buys Glas Moerdijk from Heineken for 43 mln eur; Morgan Stanley 'overweight'

Shire Pharmaceuticals 526-1/2 up 14-1/4

Merrill Lynch reiterates 'buy', raises price target to 600 pence

Reuters 327 up 9

Extends deal with CSFB; Fidelity Investments ups stake to 4.05 pct

BT Group 181 up 4-1/2

Rally ahead of Q3 results due Feb 12

Man Group 1,593 up 27

Rally with market

Scottish Power 360 up 6

Deutsche Bank 'buy' ahead of Q3 results due on Feb 4

Barclays 509-1/4 up 9-1/4

Added to JP Morgan's European Model Portfolio

Hays 131 up 2-1/2

CSFB reiterates 'outperform'

FTSE 100 fallers

ICI 222 down 7-3/4

Tate & Lyle warning sparks concern over ICI's National Starch unit

Vodafone Group 141-1/2 down 3-1/2

## London shares - midafternoon feature movements

Japanese subscriber numbers disappoint, US strategy uncertainty

Scottish & Newcastle 399-1/4 down 14-1/4

Bid speculation fades as DKW and Panmure downgrade; forms JV with Carlsberg

Smiths Group 621-1/2 down 8-1/2

DKW repeats 'reduce', cuts target to 610 pence

Granada 133-3/4 down 1-1/2

New-form ITV due to start trading Monday

FTSE 250 risers

Electra Investment Trust 733 up 43-1/2

Sells Vendcrow to MBNA for initial 66.6 mln stg

Stanley Leisure 428 up 19

CSFB lifts forecasts; Williams De Broe repeats 'buy', says co is bid target

Celltech Group 408-3/4 up 16-1/2

'Outperform' on hopes of positive trial data - Goldman Sachs

Premier Farnell 254-1/2 up 9-1/2

Williams De Broe repeats 'buy' in positive sector review

WH Smith 285-3/4 up 9-3/4

AGM tomorrow

Electrocomponents 369-3/4 up 8

Williams De Broe repeats 'buy' in positive sector review

FTSE 250 fallers

Tate & Lyle 274-1/2 down 29

Company warns on Amylum but sees group FY close to forecasts

Jarvis 127-3/4 down 11-1/2

Profit warning; DKW downgrades to 'hold' from 'buy'

easyJet 333 down 22

Ryanair figures hit low-cost sector, 'sell' from 'hold' - Williams de Broe

Cairn Energy 601 down 34

Profit-taking after recent Indian find

International Power 125 down 3-3/4

Company mothballs 1,100 MW Hays power station in Texas

Other risers

Coburg Group 13-1/2 up 4-3/4

Robust interim results

LPA Group 20-1/2 up 6

Narrowing full-year losses

Eckoh Technologies 16-1/2 up 1-1/2

To provide interactive telephony services to ITV

Savills 370-1/2 up 37

FY results expected to be materially above market estimates

Mano River Resources 10.25 up 1.13

Co awarded 9,700 sq km prospecting licence in Sierra Leone

Pipex 10.12 up 1.12

## London shares - midafternoon feature movements

Upbeat trading update, sees growth over next year

Manpower Software 27 up 4

Return to the black at the half-way mark

Tecton 4.12 up 0.37

Talk of big revenue-boosting deal

Royal Doulton 11.25 up 0.13

Anthony O'Reilly stakebuilding speculation revives

Other fallers

Howle Holdings 5.62 down 1.13

Sharply higher full-year losses

Retail Decisions 20-3/4 down 2

Fading bid hopes

Ryanair 5.02 eur down 1.75

FY profits warning; 'reduce' from 'hold' - Cazenove

Griffin Mining 24-1/2 down 0-3/4

Profit-taking

bge/gl/jc

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## Today's UK company results

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS; GENERAL

**Length:** 496 words

### Body

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AON Albion PLC year to Sept 30, 2003

Sales - 16.27 mln stg vs restated 17.93

Operating profit - 484,000 stg vs restated 557,000

Pretax profit - 586,000 stg vs restated 722,000

EPS - 16.42 pence vs restated 18.58p

Total div - 5.10 pence vs 5.50p

Ceva Inc fourth quarter to Dec 31, 2003

Sales - 9.6 mln usd vs 5.7 mln

Net loss - 9.6 mln usd vs 24.4 mln

LPS - 0.53 usd vs 1.80 usd

Year to Dec 31, 2003

Sales - 36.8 mln usd vs 19.2 mln

Net loss - 12.0 mln usd vs 21.9 mln

Net LPS - 0.66 usd vs 2.15 usd

CGG Coburg Group PLC six months to Oct 31, 2003

Sales - 1.25 mln stg vs 865,000

Pretax profit - 4,000 stg vs loss 24,000

EPS - 0.04 pence vs loss 0.24

Halladale Group PLC first half to Oct 31 2003 results:

Sales - 11.28 mln stg vs 17.045 mln

Opg profit - 1.52 mln stg vs 2.04

Pretax profit - 1.02 mln stg vs 952,000 stg

Total managed portfolio on proforma basis - 143 mln stg vs 133 mln

EPS - 3.80 pence vs 4.03

Interim div - 0.7 pence, up 25 pct

## Today's UK company results

### HOH Howle Holdings PLC full year to Sept 30

Sales - 11.59 mln stg vs 12.92 mln  
Opg loss - 2.56 mln stg vs profit 68,000 stg  
Pretax loss - 3.18 mln stg vs loss 1.23 mln  
Loss per share - 10.1 pence vs LPS 3.2 pence

### LPA LPA Group PLC full-year to Sept 30 2003 results:

Sales - 12.6 mln stg vs 13.8 mln  
Pretax loss - 208,000 stg vs loss 318,000  
Basic loss per share - 1.14 pence vs LPS 3.16  
Loss per share pre-goodwill - 0.28 pence vs LPS 2.17  
Final div - 0.25 pence, unchanged

### Manpower Software PLC six months to Nov 30, 2003

Revenue - 2.46 mln stg vs 870,000  
Pretax profit - 260,000 stg vs loss 1.324 mln  
EPS - 0.59 pence vs loss 2.99

### MLB ML Laboratories PLC year to Sept 30, 2003

Total sales - 6.53 mln stg vs 13.25 mln  
Sales from continuing ops - 4.93 mln stg vs 9.64 mln  
Total opg loss - 8.65 mln stg vs 8.33 mln  
Pretax loss - 2.83 mln stg vs 5.26 mln  
LPS - 1.64 pence vs 1.53 pence

### NRK Northern Rock PLC full year to Dec 31 2003

Pretax - 386.8 mln stg vs 326.2 mln  
EPS - 66.6 pence vs 55.6 pence  
Final dividend - 15.8 pence  
Total dividend - 23.3 pence vs 20.2 pence  
Analysts had forecast a pretax profit of 365-381 mln stg.

### RY4 Ryanair Holdings PLC third quarter to Dec 31, 2003

Revenue - 255 mln eur vs 185.9 mln  
Net profit before exceptionals and goodwill - 47.5 mln eur vs 43.2 mln  
EPS before exceptionals and goodwill - 6.27 cents vs 5.72

### SYI SiRViS IT PLC results for the 26 weeks to Nov 30, 2003

Sales - 528,000 stg vs 553,000  
Pretax profit - 129,000 stg vs 18,000  
EPS - 0.80 pence vs loss 0.03

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## Dow stock futures higher ahead of Fed meeting

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS; MARKETS; ECONOMIC NEWS

**Length:** 777 words

**Dateline:** LONDON

### Body

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U.S. stock futures were turning higher in pre-open trading on Wednesday amid expectations the Federal Reserve will signal later today that it still plans to maintain ultra-low interest rates.

The U.S. economy is growing at an unsustainable clip of 6 or 7 percent, but Fed officials aren't seen as nervous rates are too low.

As a result, economists don't expect any change in the FOMC's interest rate policy or in the wording of its controversial statement, which has promised for the past four meetings to keep interest rates "accommodative for a considerable period."

Dow industrials futures were up 22 points at 10,610; the S&P and Nasdaq futures were also a few points higher and coming off an overnight drift. European markets turned higher mid-morning as well.

Time Warner lent some early support; the media giant said it expects full-year 2004 percentage growth in operating income, excluding special items, to be in the "high-single digit to low-double digits" vs. \$8.8 billion in 2003, due to anticipated higher revenue and margins.

Operating income at each of its divisions except its filmed entertainment unit is expected to grow faster than in 2003. Its AOL division is expected to grow operating income in the "low-double digit" percentage range over 2003's \$1.5 billion, it said.

Internet book seller Amazon.com, however, remained under pressure. Among the few stocks trading in Frankfurt, Amazon shares were down over 3 percent at \$53.41 - roughly in line with an overnight tumble after gross margins fell below expectations in the latest quarter.

Elsewhere, the potential for large-scale M&A continued to percolate.

AT&T Wireless' banker sent a letter citing a Feb. 13 deadline to several potential bidders, including Cingular Wireless, which is owned by SBC Communications and BellSouth Corp. as well as Nextel Communications; Vodafone Group and NTT DoCoMo Inc., the Wall Street Journal reported.

Vodafone CEO Arun Sarin told reporters "we are watching developments in the U.S." when asked if Vodafone submitted a bid. "Whatever we do or not do will always be with our shareholders in mind." AFX said he declined further comment.

## Dow stock futures higher ahead of Fed meeting

Meanwhile, VOD declined 2 percent after better-than-expected subscriber growth in the December quarter and the ambiguous comments on U.S. acquisitions.

### Focus stocks

Ryanair shares dropped over 20 percent in London trade after the airline warned profits could contract in the March-ending year by as much as 10 percent because of the pressure on yields. Its bleak outlook for yields, or revenue from average fares, impacted shares of its chief rival in discount flights, EasyJet, which eased 5 percent.

Overnight, Broadcom surged close to 7 percent to \$43.35 after it reported a fourth-quarter profit as sales of its communications chips accelerated.

Electronics contract manufacturer Flextronics rose 6.4 percent to \$18.166 after topping expectations for the quarter.. reported third-quarter income of \$21.4 million, or 4 cents a share.

### Broker Calls

Merrill Lynch raised its rating on Serono, the European biotech group, to buy from neutral. "We expect Serono to meet or beat its outlook" of profits and sales growth in 2003," the broker said. "Serono is an obvious play to benefit from a rally in the U.S. sector." Serono is slated to report Feb. 2.

J.P. Morgan Securities raised its rating on Scotts Co. to an overweight from neutral. "We continue to think Scotts is well-positioned to gain share in the high growth U.S. lawn and garden category."

Mixed comment surfaced on Network Associates. Credit Suisse First Boston raised its rating on NET to outperform, saying it believes "the consumer A/V business is positioned for strong growth, given the active virus environment (specifically Mydoom), and that Sniffer has finally stabilized."

Banc of America Securities also raised its rating on NET to buy overnight. SG Cowen sounded a cautious note. "Trouble in SMB, a top fix priority and market share issues in enterprise still leave doubts," the broker said. "IntruVert (is) a bright spot but still too small to help - Sniffer possibly for sale would mean even more reliance on heavily contested AV market. All in, leaves us on the sidelines."

Elsewhere, Morgan Stanley commented on the Sprint Corp. realignment of its business model. "With this decision, we also expect the company will soon announce the recombination of the FON and PCS tracking stocks."

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## Ryanair Q3 net pre-ex pre-goodwill 47.5 mln eur vs 43.2 mln

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS

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**Dateline:** LONDON

### Body

---

Ryanair Holdings PLC third quarter to Dec 31, 2003

Revenue - 255 mln eur vs 185.9 mln

Net profit before exceptionals and goodwill - 47.5 mln eur vs 43.2 mln

EPS before exceptionals and goodwill - 6.27 cents vs 5.72

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## Spreading flu, falling fares hit airline stocks

AFX.COM

January 28, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 174 words

**Dateline:** SAN FRANCISCO

### Body

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- Airline stocks fell Wednesday morning amid worries about the spread of avian influenza in Asia and a warning from European discount carrier Ryanair about falling airfares.

The Amex Airline Index fell 2.5 percent to 65.41.

Reports from Asia said cases of the "bird flu" have been reported in China, pressuring stocks in the region and elsewhere.

Northwest Airlines slipped 22 cents to \$13.02.

Ryanair Holdings fell 27 percent to \$35.60 in U.S. trading after warning that low fares in Europe are hurting its profitability.

Alaska Air Group fell 21 cents to \$28.50 after reporting narrower fourth-quarter losses and its first yearly profit since 1999.

Other movers included AMR, parent of American Airlines, with shares down 27 cents to \$17.11.

JetBlue fell 9.5 percent to \$23.91 ahead of Thursday's fourth-quarter report.

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## AFX UK at a glance share guide

AFX.COM

January 28, 2004 Wednesday

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**Section:** MARKETS

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### Body

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#### TODAY'S EXPECTED COMPANY NEWS

##### INTERIMS

Halladale Group

Raymond

Ryanair (Q3)

##### FINALS

Fairbriar Group

ML Laboratories

Northern Rock

##### AGMs

Invesco Recovery 2005

RM Group

Thirdforce

Trivest VCT

##### EGMs

None scheduled

##### TRADING STATEMENT

Vodafone

##### OTHER

BA business plan

##### ECONOMICS

\* UK Dec BBA mortgage lending data

\* Institute for Fiscal Studies green budget

\* UK courts release Hutton Report on Iraq and Kelly Affair

##### MARKET EXPECTATIONS

## AFX UK at a glance share guide

\* Northern Rock year to December pretax profit 365-381 mln stg vs 326 mln vjt/

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## Ryanair expects EU to seek partial Charleroi aid repayment - UPDATE

AFX.COM

January 27, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 158 words

**Dateline:** BRUSSELS

### Body

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(updates with Ryanair quote, expected date of ruling)

Ryanair Holdings PLC said it expects the European Commission to seek repayments in the millions of euros for funding received by the airline to run operations from its continental hub at Belgium's Charleroi airport.

"There are portions of the arrangement that are going to be repaid. It's going to be in millions of euros," Ryanair official Jim Callaghan told journalists following a meeting with commission officials.

The commission is due to announce on Feb 3 its decision on whether Ryanair's contract with the publicly owned airport at Charleroi amounts to illegal state aid.

An EU source said the verdict will be a "balanced" one.

The airline has warned a negative ruling could harm low-cost air travel in Europe.

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**Load-Date:** January 28, 2004

Ryanair expects EU to seek partial aid repayment totalling millions of eur



## Ryanair expects EU to seek partial aid repayment totalling millions of eur

AFX.COM

January 27, 2004 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 58 words

**Dateline:** BRUSSELS

### Body

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Ryanair Holdings PLC expects the European Commission to seek repayments in the millions of euros for funding received by the airline for its operations at Belgium's Charleroi airport, a company spokesman said.

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## European no-frills airlines form lobby group

AFX.COM

January 27, 2004 Tuesday

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**Section:** COMPANY NEWS; GENERAL

**Length:** 146 words

**Dateline:** BRUSSELS

### Body

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Ten European no-frills airlines today launched a new lobby group.

The European Low Fares Airline Association (ELFAA) said it will lobby governments and authorities "to ensure that European policy and legislation promote free and equal competition to enable the continued growth and development of low fares".

The 10 ELFAA members are: Air Berlin (Germany), Basiqair/Transavia (Netherlands), FlyBE (UK), Flying Finn (Finland), Hapag-Lloyd Express (Germany), Ryanair PLC (Ireland), Sky Europe (Slovakia), Sterling (Denmark), Sverige Flyg (Sweden) and Volareweb (Italy).

"The members felt that legislation and pricing policies have not been taking low-fare airlines into account in the past," said an ELFAA statement.

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**Load-Date:** January 28, 2004

Ryanair brings forward Q3 results announcement to Jan 28 from Feb 3



## **Ryanair brings forward Q3 results announcement to Jan 28 from Feb 3**

AFX.COM

January 23, 2004 Friday

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**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it has brought forward its third quarter results announcement to Jan 28 from Feb 3.

The change in timing is due to recent media reports which indicate that the EU Transport Commission's report on Ryanair's cost base at Brussels Charleroi will now be released on Feb 3 2004 and therefore would have coincided with the

release of our quarterly results.

bam

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**Load-Date:** January 24, 2004

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## Ryanair to increase presence in Scandinavia - CEO Michael O'Leary

AFX.COM

January 22, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 123 words

**Dateline:** COPENHAGEN

### Body

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Ryanair Holdings PLC is to increase its presence in Scandinavia, daily Berlingske Tidende reported, citing the airline's chief executive Michael O'Leary.

"We are very pleased about the development of our businesses in Denmark and Scandinavia," O'Leary told the daily.

"We will open flights from at least one new airport in the region every year, the next four-five years. At the same time, we will establish a new base within two-three years. That's why Denmark is obviously very interesting for us," said O'Leary.

The Skavsta airport south of Stockholm is currently Ryanair's base in Scandinavia, said the daily.

kj/ra

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**Load-Date:** January 23, 2004



## EU to rule on Ryanair/Charleroi case on Feb 3 - sources

AFX.COM

January 22, 2004 Thursday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 56 words

**Dateline:** BRUSSELS

### Body

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The European Commission is expected to announce on Feb 3 the result of its investigation into whether Ryanair Holdings PLC's contract with the publicly owned airport at Charleroi amounts to illegal state aid, sources said.

lby/aud/na/jlw/cmr

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**Load-Date:** January 23, 2004

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## Danish shares AFX at a glance outlook

AFX European Focus

January 22, 2004 Thursday

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**Section:** MARKETS

**Length:** 170 words

**Dateline:** COPENHAGEN

### Body

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Shares are expected to open higher in line with the DJIA's higher close overnight

Yesterday, the KFX index closed 2.35 points lower at 258.69 and the KBX Benchmark index was 1.73 points lower at 223.58.

The KAX All Share index closed 1.80 points lower at 230.00 and total turnover amounted to 2.44 bln dkr.

#### TODAY'S PRESS

- Ryanair to increase presence in Nordic region - CEO Michael O'Leary (Berlingske Tidende)
- AP Moeller to build, operate container port in Iraq (Boersen)
- Financial sector expected to cut 1,200 jobs this year (Boersen)
- FLS Aerospace threatened with strike if not giving up job cuts at Stansted, Manchester airports (Boersen)
- Housing prices will increase by 4 pct this year (Boersen)

#### MARKET NEWS/SENTIMENT

-Novo Nordisk, TDC ADRs both closed at higher levels overnight compared with yesterday's closing prices in Copenhagen

kj/ra

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**Load-Date:** January 23, 2004



## Three companies apply to operate budget airlines in China - CAAC head

AFX.COM

January 15, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 471 words

**Dateline:** BEIJING

### Body

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Two private companies and one tourist agency have applied to run budget airlines in China, the head of the Civil Aviation Administration of China (CAAC) Yang Yuanyuan told reporters at a news briefing in Beijing.

Yang said: "Some private airline companies and tourist agencies are now applying to run low-cost airlines, and the CAAC is about to ratify these applications."

But the CAAC chief would not divulge the names or any details about any of the three companies, or provide a timeframe for the approvals. He said planning was still underway, and only after the CAAC has studied the plans could budget airlines be given the go-ahead.

He also said airlines in Hong Kong and Macau had expressed interest in operating budget airlines in the mainland, but would not provide further details.

Yang said there "have been a lot of discussions and trials within the industry" about these low-cost airlines.

But he warned that budget airlines looking to operate routes in the mainland would have to reach safety standards set by the CAAC before they start operations.

Asked about the CAAC's definition of a low-cost airline, he said there was still some disagreement on the issue.

Budget airlines have become enormously popular in Europe and North America, particularly on shorter routes, with carriers even grabbing market share from established national flag carriers such as British Airways, Air France and Lufthansa.

Southwest Airlines of the US, launched in 1971, was the first to make "no frills" budget airline services work profitably, discarding the "hub and spoke" business model for a "point-to-point" system that allowed them to fly passengers cheaply and quickly across short distances.

In Europe, Ireland's Ryanair and the UK's Easyjet have adopted and honed the model, largely avoiding the financial crises that have plagued the sector in recent years -- from 9/11 to the SARS outbreak and the conflict in Iraq -- by consistently and aggressively cutting prices.

In Asia, Singapore Airlines and Ryanair announced in December that they were jointly setting up Tiger Airways, which will begin flights from the Asian city-state next year.

Malaysia's AirAsia is currently the most successful and longest-established no-frills carrier in the region, and recently expanded its international routes to Thailand.

Three companies apply to operate budget airlines in China - CAAC head

Other regional players in the sector include Indonesia's Lion Air, which flies a bargain-bucket service from Jakarta to Singapore, as well as Orient Thai Airlines, Malaysia's Athena Air Services and Singapore's ValueAir, which plans to begin operating low-cost flights this year.

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**Load-Date:** January 15, 2004

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## China mulls applications from three firms to run budget airlines - UPDATE

AFX.COM

January 15, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 691 words

**Dateline:** BEIJING

### Body

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(Updating to add comments from CAAC air transport division director Li Jiangmin on companies involved)

Two private companies and one tourist agency have applied to run budget airlines in China and the feasibility of their plans are now being studied, the head of the Civil Aviation Administration of China (CAAC) Yang Yuanyuan told a news briefing this morning.

Li Jiangmin, the director general of CAAC's Air Transport Department, later told AFX-Asia that one of the companies is a Shanghai-based tour operator and that the other two companies were joint ventures, one with foreign involvement.

He would not name the companies involved, but said the budget airlines would be start-ups and would not involve existing airlines.

"We are talking about potential start-up low-cost airlines," Li said.

Earlier at the news briefing, Yang told reporters: "Some private airline companies and tourist agencies are now applying to run low-cost airlines, and the CAAC is about to ratify these applications."

But he would not name the companies or provide a timeframe for the approvals. He said planning was still underway, and only after the CAAC has studied the plans could budget airlines be given the go-ahead.

Private companies in Hong Kong and Macau have also expressed interest in operating budget airlines on the mainland, he said, but would not provide further details.

Yang said: "There have been a lot of discussions and trials within the industry" about these low-cost airlines.

But he warned that any budget airline on the mainland would have to reach safety and security standards set by the CAAC before they could start operations.

Asked about the CAAC's definition of a low-cost airline, he said there was still some disagreement on the issue.

Li said talks with the companies who want to start their airlines are still ongoing and the situation is still fluid.

"One (company) from the travel industry wants to start up a low-cost airline, but the others have more interest in setting up a commuter airline. But there may be some difference between a low-cost and commuter airline so we do not have something in a firm picture.

"But eventually, if they are successful, as we wish, there will be three separate applicants."



## China mulls applications from three firms to run budget airlines - UPDATE

But Li said the government will proceed with caution based on the experiences of European and North American countries.

"Some airlines disappear before they even start flying, so we want to be careful."

Budget airlines have become enormously popular in Europe and North America, particularly on shorter routes, with carriers even grabbing market share from established national flag carriers such as British Airways, Air France and Lufthansa.

Southwest Airlines of the US, launched in 1971, was the first to make "no frills" budget airline services work profitably, discarding the "hub and spoke" business model for a "point-to-point" system that allowed them to fly passengers cheaply and quickly across short distances.

In Europe, Ireland's Ryanair and the UK's Easyjet have adopted and honed the model, largely avoiding the financial crises that have plagued the sector in recent years -- from 9/11 to the SARS outbreak and the conflict in Iraq -- by consistently and aggressively cutting prices.

In Asia, Singapore Airlines and Ryanair announced in December that they were jointly setting up Tiger Airways, which will begin flights from the Asian city-state next year.

Malaysia's AirAsia is currently the most successful and longest-established no-frills carrier in the region, and recently expanded its international routes to Thailand.

Other regional players in the sector include Indonesia's Lion Air, which flies a bargain-bucket service from Jakarta to Singapore, as well as Orient Thai Airlines, Malaysia's Athena Air Services and Singapore's ValueAir, which plans to begin operating low-cost flights this year.

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**Load-Date:** January 16, 2004



## **\*RYANAIR ORDERS 2 BOEING 737-800 JETLINERS**

AFX - Asia

January 15, 2004 Thursday

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**Section:** COMPANY NEWS

**Length:** 30 words

### **Body**

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**Load-Date:** January 16, 2004

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## Ryanair's O'Leary aims to double passenger numbers to 50 mln by 2010

AFX.COM

January 14, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 91 words

**Dateline:** BERLIN

### Body

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The Irish low-cost airline Ryanair Holdings PLC expects to double its passenger numbers in Europe by 2010, according to chief executive Michael O'Leary.

Ryanair aims to have around 50 mln passengers by 2010, compared with an anticipated 24 mln this year, O'Leary said on a whistle-stop three-city German tour.

In Germany alone, the number of passengers is expected to rise to 5 mln from around 3.5 mln at present, O'Leary said.

spm/nh/ak

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**Load-Date:** January 15, 2004

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## **FOCUS - Budget airlines face tough future in China; Asia market has potential**

AFX.COM

January 12, 2004 Monday

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**Section:** GENERAL

**Length:** 1062 words

**Dateline:** BEIJING

### **Body**

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---- by Fang Yan ----

Market rumors that China's aviation regulators could be on the verge of sanctioning the establishment of a budget airline sector appear to be premature, aviation analysts told AFX-Asia.

Analysts said budget airline services had the potential to slash operating costs for domestic carriers, but added the caveat that the sector would only take off once the government relaxes its controls on jet fuel distribution and slashes import tariffs on regional aircraft.

The South China Morning Post reported this morning that budget airlines would be launched in the mainland "soon" -- perhaps within the year.

But Zhang Shouxin, an official with the public affairs department at the Civil Aviation Administration of China (CAAC), declined to comment on the issue, and three industry analysts contacted by AFX-Asia all deemed budget airlines a non-starter in the near term.

Budget airlines have become enormously popular in Europe and North America, particularly on shorter routes, with carriers even grabbing market share from established national flag carriers such as British Airways, Air France and Lufthansa.

Southwest Airlines of the US, launched in 1971, was the first to make "no frills" budget airline services work profitably, discarding the "hub and spoke" business model for a "point-to-point" system that allowed them to fly passengers cheaply and quickly across short distances.

In Europe, Ireland's Ryanair and the UK's Easyjet have adopted and honed the model, largely avoiding the financial crises that have plagued the sector in recent years -- from 9/11 to the SARS outbreak and the conflict in Iraq -- by consistently and aggressively cutting prices.

Peng Zhigang, an analyst with Southwest Securities, said that the main obstacle preventing no-frills airlines operating successfully in China is domestic carriers' higher jet fuel costs, and high government-imposed import tariffs on foreign-made small aircraft and regional jets.

Higher oil costs may hold back the development of a domestic budget airline sector, but prices are unlikely to fall so long as China's retail and wholesale jet fuel distribution sectors remain controlled by the monopoly China Aviation Oil Supply Corp (CAOSC), parent of Singapore-listed China Aviation Oil (Singapore) Corp Ltd.

## FOCUS - Budget airlines face tough future in China; Asia market has potential

CAOSC's monopoly results in higher jet fuel expenditure for local carriers, which typically accounts for 25-30 pct of operating costs, against 8-12 pct for foreign airlines, said Li Lei, an analyst with China Securities.

China's high import tariffs on small aircraft also impede the development of budget airlines in the country.

Domestic carriers rely heavily on foreign-made regional aircraft, even though domestic aviation equipment makers China Aviation Industry Corp I (AVIC I) and China Aviation Industry Corp II (AVIC II) have started to manufacture their own small aircraft.

The two firms have plans to launch regional jets, respectively the 70-90 seat ARJ21 and the 50-seat ERJ145, the latter developed jointly with Brazil's Embraer.

But while the first ERJ 145 model rolled off the production line in December, the mass production of both jets are still a few years away.

Until then, local carriers will continue to rely on imports of small aircraft, in particular from Canada's Bombardier and insolvent German aircraft maker Fairchild Dornier GmbH, bought last year by Chinese investor D'Long International Strategic Investment Co Ltd.

To protect domestic aircraft makers, the Chinese government has been busily imposing extra tariffs on imported regional aircraft in recent years, creating higher operating costs for local carriers, who have had no option but to buy foreign.

High operating costs have hit smaller regional carriers such as Shandong Airlines Co Ltd (SZ B 200152), which is losing money on inter-city routes, exactly the sort of short-haul service that provides the financial bread-and-butter for budget airlines the world over.

"How could you expect the low-cost model to work in China, if (the carriers) are already losing money on non-budget services?" said Peng Zhigang, an analyst with Southwest Securities.

Zhang Dingjie, an analyst with Orient Securities, also backs this viewpoint, saying: "Unless the government relaxes its control on the jet fuel sector and slashes import tariffs of foreign-made small aircraft, the takeoff of Chinese budget airlines will be feasible only in theory."

Taking a broader view of Asia's fledgling budget airline industry provides more optimism -- the sector's potential looks increasingly bright, with big global industry players set to expand into the region.

Singapore Airlines (SIA) and Ryanair announced in December that they were jointly setting up Tiger Airways, which will begin flights from the Asian city-state next year.

Malaysia's AirAsia is currently the most successful and longest-established no-frills carrier in the region, and recently expanded its inter-country routes to Thailand.

Other regional players in the sector include Indonesia's Lion Air, which flies a bargain-bucket service from Jakarta to Singapore, as well as Orient Thai Airlines, Malaysia's Athena Air Services and Singapore's ValueAir, which plans to begin operating low-cost flights this year.

But it is the major airlines' recent push to set up budget air services in the region that have convinced analysts and industry players of the sector's potential going forward.

Many major carriers, which successfully staved off competition from budget rivals in the 1980s and early 1990s, were left floundering when the sector finally found its wings during the tail-end of the last decade.

They are unlikely to be caught napping again. Australia's Qantas Airways this week announced the launch of a new budget airline, Jetstar, to counter the success of low-cost upstart Virgin Blue, which has 28 pct share of the domestic market

Flamboyant British businessman Richard Branson, who launched Virgin Blue three years ago, has said he too wants to enter the Asian market and is looking for partners.

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FOCUS - Budget airlines face tough future in China; Asia market has potential

fy/ejw/wpf

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**Load-Date:** January 13, 2004

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## Ryanair's CEO says negative EU ruling would 'devastate' low-cost air travel

AFX.COM

January 9, 2004 Friday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 343 words

**Dateline:** BRUSSELS

### Body

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Ryanair Holdings PLC's chief executive said he was concerned that the outcome of a European Union investigation into the no-frills airline's operations at Belgium's Charleroi airport would "devastate" low-cost air travel in Europe.

CEO Michael O'Leary said there was nothing to change his view of last month that the long-awaited ruling by the European Commission would go against the Irish carrier, Europe's biggest no-frills airline.

"We still understand, but we haven't seen this, that the draft decision is negative," he told reporters in Brussels after a two-day seminar organised by 27 regional airports from around the EU.

"A negative decision here will devastate Charleroi, will be bad for consumers and bad for low-cost air travel," he said.

But O'Leary added: "We still remain hopeful that the commission will formally take a decision which will be good for competition, which will be good for low-cost airports and good for consumers."

The EU's executive body is finalising a probe into whether Ryanair's contract with the publicly owned airport at Charleroi amounts to illegal state aid.

A decision is expected late this month or early next.

O'Leary said last month that a negative ruling would force Ryanair to switch to another European hub, saying two other unidentified airports were ready to take Charleroi's place.

But this week he played down the impact on his company's business model of an adverse judgement from the commission.

"It would have no impact on Ryanair, in the same way that a negative decision in Strasbourg simply meant that the route got moved to Baden-Baden, where in fact we're doing better with a lower cost base," he said.

Ryanair is appealing against a court decision in the eastern French city that barred state subsidies for its Strasbourg-London service, but in the meantime has switched to Baden-Baden over the German border.

jit-lby/nh/jc

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Ryanair 's CEO says negative EU ruling would 'devastate' low-cost air travel

**Load-Date:** January 10, 2004

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## Wall Street - European ADRs Oil stocks close lower after broker's downgrade

AFX.COM

January 7, 2004 Wednesday

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**Section:** MARKETS

**Length:** 450 words

**Dateline:** SAN FRANCISCO

### Body

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- European oil firms took a hit in U.S. trading Wednesday after they were downgraded by Citigroup Smith Barney. The Bank of New York European ADR Index closed down 1.19 points at 112.76.

Oil stocks came under pressure after the downgrades were released. Total fell \$2.78, or 3 percent, to \$91.57; Royal Dutch slipped \$1.20 to \$52.65; BP declined \$1.20 to \$49.02; and Shell Transport & Trading lost \$1.20, or 3 percent, to \$44.73.

Nokia got a nice boost after both J.P. Morgan and Dresdner Kleinwort Wasserstein upgraded the stock. Shares of the Finnish wireless phone maker climbed 48 cents, to 3 percent, to \$17.97.

British Airways climbed \$4.54, or 10 percent, to \$48.79 after several brokers said the airline's December passenger data demonstrate a recovery.

KLM Royal Dutch Airlines gained 72 cents, or 4 percent, to \$17.51 after it said that December passenger load factor improved 3 percentage points to 77.6 percent, as an 11 percent passenger capacity decline made up for a 7 percent fall in passenger traffic.

Irish discount airline Ryanair added 53 cents to \$51.33 after the company said December passenger load factor eased to 83 percent from 85 percent, while the airline reported a 53 percent rise in passengers flown, to 2 million from 1.3 million.

Sodexo Alliance climbed 85 cents, or 3 percent, to \$31.35 after the French catering firm said revenue for its quarter ending Nov. 30 rose 4.9 percent on a currency-adjusted basis. Merrill Lynch analyst Paul Steegers said the result was boosted by a one-time benefit from supplying the Rugby World Cup, which added 1.6 percentage points of growth for the quarter.

Irish pharmaceutical Elan rose 94 cents, or 13 percent, to \$8.02 after it said it expects to file an amendment to its new drug application with the U.S. Food and Drug Administration in the second quarter of 2004 for its Prialt chronic pain medication and bring the treatment to market no later than the first quarter of 2005.

GlaxoSmithKline declined 87 cents to \$45.85 after it received a claim for additional taxes from the IRS for \$2.7 billion that legacy company Glaxo Wellcome owes for the years 1989 to 1996 for Zantac profits. GSK said interest,

## Wall Street - European ADRs Oil stocks close lower after broker's downgrade

if the IRS succeeds in its claim, would total around \$2.5 billion. GSK said it plans to contest the claim for additional taxes by filing a petition in the U.S. Tax Court, where a trial is not expected until sometime in 2005-2006.

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**Load-Date:** January 8, 2004

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## Ryanair, easyJet cancel flights due to Italian air traffic controller strike

AFX.COM

January 7, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 63 words

**Dateline:** LONDON

### Body

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No-frills airlines Ryanair Holdings PLC and easyJet PLC said a strike by Italian air traffic controllers on Thursday Jan 8 has forced them to cancel flights.

Dublin-based Ryanair has cancelled 44 flights, while Luton-based easyJet has cancelled five and rescheduled six.

jdd/

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**Load-Date:** January 8, 2004

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Ryanair carries 2 mln passengers in Dec vs 1.3 mln; load factor 83 pct vs 85



## Ryanair carries 2 mln passengers in Dec vs 1.3 mln; load factor 83 pct vs 85

AFX.COM

January 7, 2004 Wednesday

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**Section:** COMPANY NEWS

**Length:** 90 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it carried 2.01 mln passengers in December, compared to 1.31 mln in the same month a year earlier.

It had 21.4 mln passengers in 2003.

The load factor was 83 pct against 85 pct a year earlier and 82 pct in the 12 months to end-December 2003.

Internet sales accounted for 96 pct of ticket sales, up 94 pct last year and compared with 95 pct during the 12-month period.

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**Load-Date:** January 8, 2004

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## **AFX at a glance - Today's UK, European broker recommendations**

AFX.COM

January 5, 2004 Monday

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**Section:** MARKETS

**Length:** 419 words

**Dateline:** LONDON

### **Body**

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UK and European brokers' recommendations issued today, as collated by AFX News from a range of market sources:

HSBC

Downgrade Add from buy BT Group in Telecom Model Portfolio review

ABN AMRO

European Strategy: Switch out of recovery plays into income and income growth plays; Upgrade Telecom sector to Overweight from neutral; Upgrade Tobacco sector to Neutral from underweight; Upgrade Electricity, Beverages, and Food Producers all to Neutral from underweight; Downgrade Neutral from overweight Insurance and Life Assurance; Downgrade Underweight from neutral Media

CITIGROUP SMITH BARNEY

Upgrade Buy from sell Daimler-Chrysler, ups target to 42 eur from 32

DRESDNER KLEINWORT

Downgrade Hold from Buy Big Food Group -- Upgrade Buy from hold Lloyds TSB, Top 10 UK pick for 2004

GOLDMAN SACHS

Telecom Services review: Upgrade sector to Attractive from neutral; Upgrade Outperform from in-line Vodafone, top mobile pick; preferred telecom incumbents Deutsche Telekom, France Telekom, and KPN (all Outperform) -- Portfolio Strategy: Downgrade European cyclical to Neutral from attractive; downgrade aerospace, autos, chemicals, and steel; European equity markets 'close to fair value, but risks remain on the upside'

JP MORGAN

Upgrade Overweight from neutral Banesto, ups sum-of-parts fair value to 10.7 eur

DEUTSCHE BANK

Downgrade Sell from hold Rhoen-Klinikum, cuts targets to 38.5 eur from 41 for ordinary shares, to 35.5 eur from 38 for preference shares, reduces current year EPS estimates by 5 pct -- Reiterate Hold WH Smith, cuts target to 230 pence from 310, cuts current year pretax profit estimate by 30 pct to 68 mln stg

MORGAN STANLEY

## AFX at a glance - Today's UK, European broker recommendations

European Model Portfolio: Add Ryanair (Overweight, 8.2 eur) and Credit Agricole (Overweight, TGT 20.5 eur), switch out of HSBC into Credit Agricole; Remove Technip (Underweight, TGT 83 eur) and BAE Systems (Underweight)

UBS

Reiterate Buy Vodafone, ups target to 166 pence from 147

MERRILL LYNCH

Upgrade Buy from neutral KPN -- Reiterate Buy Allied Irish Banks, ups target to 15.3 eur from 14.8, raises estimates

WESTLB

Downgrade Neutral from Outperform BT Group, 'take profits'

SG SECURITIES

Downgrade Hold from Buy Schneider Electric, removes from premium buy list -- Reiterate Buy SKF, adds to premium buy list

CSFB

Reiterate Neutral WH Smith, cuts target to 270 pence from 315

CAI CHEUVREUX

Upgrade Outperform from Underperform Sopra

jmh/shw

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**Load-Date:** January 6, 2004

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## Ryanair to carry 1.25 mln passengers over Christmas

AFX European Focus

December 22, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 45 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it will carry 1.25 mln passengers over the Christmas holidays, a record and a 63 pct increase on last year.

jdd/rn

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**Load-Date:** December 23, 2003



## Singapore Airlines CEO sees 5-6 pct growth next year - report

AFX.COM

December 19, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 259 words

**Dateline:** SINGAPORE

### Body

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Singapore Airlines expects its business to grow 5-6 pct next year, local TV station ChannelNews Asia quoted chief executive officer Chew Choon Seng as saying.

Speaking to the station and other local media, Chew also said his immediate priority is to negotiate a more flexible wage structure with the new leadership of the airline's pilots union.

The union's new president, Mok Hin Choon, was elected today to replace Dilip Padbidri.

Chew said he wants to increase the flexible component in general staff wages to about 30 pct from 20 pct at present and for executives to about 40 pct from 30 pct.

For senior management, including himself, Chew said he wants to make the flexible component 50 pct of wages instead of over 20 pct.

SIA earlier this year cut wages after suffering an unprecedented 312.3 mln sgd net loss in the first quarter to June 2003 as passenger traffic plunged following the war in Iraq and the SARS outbreak.

It has since rebounded to post a net profit of 305.80 mln sgd for the second quarter to September 2003.

Chew said SIA faces intense competition from full service airlines and identified Emirates as its biggest competitor.

He said budget carriers also pose new challenges for SIA, which has set up its own budget carrier, Tiger Air, in partnership with parent Temasek Holdings and the founder of Ryanair.

(1 usd = 1.70 sgd)

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jb/js/ds

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**Load-Date:** December 20, 2003



Singapore Airlines CEO sees 5-6 pct growth next year - report

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## STOCKWATCH - Singapore Airlines rebounds, market discounts news of SARS

AFX - Asia

December 18, 2003 Thursday

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**Length:** 392 words

**Dateline:** SINGAPORE

### Body

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Singapore Airlines (SIA) rebounded from its fall yesterday after the market in mid-morning trade discounted concerns arising from news that a Taiwanese man who had travelled to Singapore this month had contracted SARS, dealers said.

Singapore authorities declared the city-state was Severe Acute Respiratory Syndrome (SARS) free, easing fears the disease had re-emerged in Singapore.

"We are establishing the facts of the case but there are no suspect (cases) of SARS in Singapore," a health ministry spokeswoman told Agence France-Presse.

In addition, Singapore authorities reacted quickly to the news, placing 70 Singaporeans who had come into contact with the Taiwanese man under quarantine in their homes.

At 11.10 am, SIA was up 0.20 sgd or 1.77 pct at 11.50 sgd on volume of 724,000 shares.

The Straits Times index was down 0.37 points at 1,723.20.

ING Financial Markets analyst Philip Wickham, who has a 'buy' call on SIA and a price target of 14.00 sgd, said the recent case of SARS in Taiwan appears to be an isolated instance, and not cause for much concern.

"It's not an outbreak. It's like that case before," Wickham said, referring to the previous isolated instance when a medical researcher came down with the virus in Singapore.

The Singapore transport minister's recent announcement that budget airlines may be able to operate out of Singapore's Changi airport within 18 months using a new no-frills terminal also did not affect SIA's share price, dealers said.

Wickham said that he did not think that allowing budget airlines to fly out of Changi Airport means that they are more likely to gobble SIA's market share.

"It's going to happen anyway, even if they fly out of Seletar Airport...The low cost carriers would have preferred to fly out of Seletar because it's cheaper to operate there," he said.

Singapore Airlines has also entered into a partnership with, among others, the government's investment arm Temasek Holdings and Europe's no-frills carrier Ryanair, to set up a budget carrier, known as Tiger Airways, which will begin operations from Changi Airport in the second half of 2004.

(1 usd = 1.70 sgd)

# STOCKWATCH - Singapore Airlines rebounds, market discounts news of SARS

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dew/ds/ram

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**Load-Date:** December 18, 2003

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## STOCKWATCH Ryanair slumps after French appeals court ruling

AFX.COM

December 18, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 142 words

**Dateline:** LONDON

### Body

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Shares in Ryanair Holdings PLC, the Irish no-frills airline, slumped after a French appeals court upheld the ban on subsidies it gets for its London-Strasbourg route.

The court, in a decision announced today, backed a lower court ruling in July that considered payments by the chamber of commerce to Ryanair represented an improper use of public funds.

At 12.33 pm, Ryanair shares were down 0.14 at 6.40 eur, having fallen by as much as 0.24 at 6.30 eur.

Ryanair had already been denied a request to have the Nancy court suspend its decision pending the appeal.

Two days ago, Ryanair said it will restart low fare flights on the Strasbourg-London route at 9 eur on Jan 29 if the court ruled in favour of the airline.

mbe/rn

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**Load-Date:** December 19, 2003



## French appeals court upholds ban on Ryanair Strasbourg subsidies

AFX.COM

December 18, 2003 Thursday

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**Section:** COMPANY NEWS

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**Dateline:** NANCY, France

### Body

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A French court in Nancy barred subsidies received by Irish budget airline Ryanair Holdings PLC from the Strasbourg chamber of commerce, a court document showed.

The court upheld a lower court decision that payments by the chamber of commerce to Ryanair represented an improper use of public funds to support the carrier's Strasbourg-London service.

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## Ryanair to appeal French court ruling on Strasbourg aid

AFX.COM

December 18, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 166 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will appeal the latest French court ruling barring the subsidies it gets for its London-Strasbourg route.

"Ryanair is committed to restoring its low fares Strasbourg-London service, and will be appealing this decision, if necessary all the way through the French courts and to the European Court in Luxembourg itself," said chief executive Michael O'Leary.

"We are confident that the European courts will in time recognise the benefits for consumers and the regions of low cost air travel between Strasbourg and London," he added.

O'Leary said the court's verdict "flies in the face" of the findings of the courts own appointed Commissaire de Government who said in his submission that the administrative court in Strasbourg "did not have the competence" to make a finding on the commercial agreement between Ryanair and Strasbourg Airport.

mbe/cw

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**Load-Date:** December 19, 2003



## STOCKWATCH - Singapore Airlines falls on report of Taiwan SARS case

AFX - Asia

December 17, 2003 Wednesday

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**Dateline:** SINGAPORE

### Body

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Singapore Airlines shares lower in late trading after health authorities in Taipei said a Taiwanese man who traveled to Singapore earlier this month had contracted SARS, dealers said.

At 11.55 am, SIA was down 0.30 sgd at 11.40, off a low 11.30, on volume of 1.90 mln shares.

The Straits Times Index was down 18.66 points at 1,710.38.

According to an Agence France Presse report, the man was working at a military medical research institute in Taiwan and may have contracted the virus in the laboratory during an experiment on SARS on December 5.

The patient, a lieutenant-colonel working at the Institute of Preventive Medicine of National Defense Medical Center, developed a fever during the night of December 10 on returning from Singapore where he attended a medical seminar, the report added.

SARS emerged in south China's Guangdong province at the end of last year and eventually struck 32 countries, infecting some 8,000 people and killing close to 800 before subsiding in the summer. China was the worst hit country, accounting for 349 fatalities and 5,327 infections.

The SARS outbreak forced many airlines to scale down flights as passengers canceled travel plans for fear of contracting the disease.

Kim Eng Securities research Seah Hing Hong said SIA has yet to restore fully its capacity to pre-SARS levels and another outbreak of the disease may set back its plans to do so.

"Hopefully, this will turn out to be an isolated incident," Seah said.

Seah said he is keeping his "hold" recommendation on SIA on concerns that the emergence of budget carriers in the region will constrain the airline's operating performance.

SIA announced last week that it is, in partnership with parent Temasek Holdings and the founder of Ryanair, setting up a Singapore-based budget carrier to be called Tiger Airways.

(1 usd = 1.70 sgd)

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jb/ds

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## STOCKWATCH - Singapore Airlines falls on report of Taiwan SARS case

**Load-Date:** December 17, 2003

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## easyJet, Ryanair welcome second runway for Stansted

AFX.COM

December 16, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 209 words

**Dateline:** LONDON

### Body

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No-frills carriers easyJet PLC and Ryanair Holdings PLC both welcomed the government's decision to allow a second runway at Stansted.

The government's aviation White Paper chose Stansted as the site for a new runway to meet the demands of expanding air traffic in the southeast but left the door open for a third runway at Heathrow from 2015.

"Of all the places where a new runway could have gone in the near term in the southeast of England, Stansted is the most obvious choice. It is the airport that has been identified for long-term expansion and will avoid the constraints particular to Heathrow Airport," said Ray Webster, chief executive of Luton-based easyJet.

Dublin-based Ryanair airline welcomed a second runway for Stansted as "good news for consumers".

"By allowing for growth where the low fares airlines are, means millions more ordinary people can benefit from low fares air travel," it said.

Stansted and Heathrow are both owned by BAA PLC.

At 3.03 pm shares in easyJet were up 1/4 pence at 285-1/4, shares in Ryanair were down 7 cents at 6.40 eur while BAA was down 1-3/4 pence at 472-1/2.

jdd/shw

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**Load-Date:** December 17, 2003



## ROUNDUP UK govt opts for second Stansted runway

AFX.COM

December 16, 2003 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

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**Dateline:** LONDON

### Body

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Transport Secretary Alistair Darling today opted for a second runway at Stansted in Essex as the government's choice for the location of the south-east of England's next runway but left the door open for a third runway at Heathrow from 2015.

As had been expected Darling chose Stansted over Heathrow, the home of flag carrier British Airways PLC and the UK's major hub, because further development of the west London airport would likely fall foul of a European Union directive on air quality.

But in a move that will be seen as a sop to BA and the other traditional carriers but outrage environmentalists the Transport Secretary set out proposals to find ways to increase capacity at Heathrow using existing facilities.

Stansted and Heathrow are both owned by BAA PLC.

Outlining his White Paper on the future of air transport in the UK to Parliament, Darling said Stansted had seen "very substantial" growth in passengers in recent years but that if this continued at current rates the airport's capacity would be used up quickly.

"A second runway at Stansted would provide very substantial runway capacity in the south-east and generate large economic benefits," he said.

Darling maintained the government's case for Stansted was bolstered by the fact that the local economy is already set to grow strongly and further expansion of the airport would complement plans for regional economic development.

"On balance, we have therefore concluded that the first new runway in the south-east should be developed as soon as possible at Stansted, expected to be opening around 2011 or 2012," he said.

His decision was warmly welcomed by no-frills carriers Ryanair Holdings PLC and easyJet PLC, who both have expanding operations at Stansted.

Darling acknowledged there was a strong case for a third runway at Heathrow, but this had to be reconciled with the "difficult issue" of keeping air quality and noise levels at an acceptable level at the airport -- a situation further complicated by a mandatory EU requirement on air pollution from 2010.

He said the government believes "there is a substantially better prospect of achieving this condition" between 2015 and 2020 "provided that we take action now to tackle the nitrogen dioxide problem."

## ROUNDUP UK govt opts for second Stansted runway

"We will therefore institute immediately with the airport operator and relevant bodies and agencies a programme of action to consider how these conditions can be met to enable the addition of a third runway," Darling said.

The White Paper also set out proposals to find ways to increase capacity at Heathrow using existing facilities -- effectively a review of the rules prohibiting the simultaneous use of Heathrow's two existing runways.

Currently Heathrow has to alternate its two runways each day, using one for take-offs and one for landings.

As an insurance for Heathrow failing to meet the conditions for a third runway the government plans to safeguard land for a second runway at Gatwick, also owned by BAA. This cannot be built before 2019 under an existing agreement with local authorities in the area.

BAA welcomed the White Paper.

"Aviation is vital to the economic and social well-being of the UK and we are pleased that the government has taken such a long-sighted, strategic view," said chief executive Mike Clasper.

It said it would "press ahead" with the development of Stansted and "work urgently" to resolve the air pollution issues at Heathrow. This will require action on motor vehicle emissions, as well as aircraft and airport ground vehicles.

BA, which along with Virgin Atlantic had threatened legal action if Heathrow was frozen out in the White Paper, said it was pleased Darling acknowledged the strong case Heathrow has for further expansion.

"We congratulate the government on recognising the enormous benefits that a third runway at London Heathrow airport will bring to Britain," said chief executive Rod Eddington.

"For the first time, we have an effective forward-looking aviation policy which recognises Heathrow's key role as Britain's main gateway airport."

The BA chief said the company will work with the government and local authorities to establish an immediate programme of action that addresses the environmental issues at Heathrow.

Darling also backed proposals to make best use of other existing runways in the south-east, including development to maximise capacity of a full length single runway at Luton airport, owned and run by TBI PLC.

TBI did not call for a second runway at Luton because it does not believe it will generate greater economic benefit and instead would like to see the existing runway lengthened. This view is supported by the government conditional on controls on environmental impact.

The government rejected outright the option of building a new airport for the south-east at Cliffe in Kent and proposals for a brand new site between Coventry and Rugby in the Midlands.

But acknowledging that traffic in the Midlands is set to grow, the government supported the case for a second runway at Birmingham, expected to be built by 2016, and expansion of traffic within existing resources at East Midlands airport.

Turning to Scotland, the government plans to set aside land at Edinburgh and Glasgow airports for possible new runways and terminal expansion.

In the south-west the government backed a runway extension and new terminal at Bristol Airport but rejected the option of a new airport north of Bristol.

Darling decided against increasing Air Passenger Duty (APD) from its current rate of 5 stg per passenger for flights to UK and continental European destinations. Instead he said the government will press for an EU-wide emissions trading scheme to address the impact of aviation greenhouse gases.

The Stock Market's reaction to the widely leaked White Paper was muted. BAA closed down 2 pence at 472-1/4, while BA was down 1-3/4 pence at 227-1/2.

TBI closed unchanged at 68-1/2 pence, Ryanair was down 5 cents at 6.42 eur and easyJet was down 1/2 pence at 284-1/2.

## ROUNDUP UK govt opts for second Stansted runway

jdd/slm/

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## Hong Kong's Cathay Pacific considers low-cost airline subsidiary -report

AFX.COM

December 16, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 214 words

**Dateline:** HONG KONG

### Body

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Hong Kong's Cathay Pacific Airways is evaluating plans to set up a low-cost airline subsidiary as it reviews options on how to deal with the region's increasing interest in budget travel, a newspaper report said.

The recent flurry of low-cost start-ups in Australia, Malaysia, Singapore and Thailand has led Hong Kong's flag-carrier to reassess its operations, Cathay Pacific corporate development director Tony Tyler told the South China Morning Post.

"We will do something to respond to what is going on in the market. (Launching a low cost carrier) is just one of the options we are looking at -- but it is too early to say what we will go for," Tyler said.

Rival Singapore Airlines (SIA) is the latest regional carrier to jump aboard the no-frills bandwagon, joining forces with the founder of successful European budget airline Ryanair to set up Tiger Airways, scheduled to start flying in the second half of 2004.

Tiger Airways will compete against AirAsia of Malaysia, currently the most successful no-frills carrier in Southeast Asia, with competition set to hot up when Valuair takes to the skies by the second quarter of 2004.

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**Load-Date:** December 16, 2003



## London shares stay fractionally lower midafternoon; New York up, data mixed

AFX.COM

December 16, 2003 Tuesday

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**Section:** MARKETS

**Length:** 1278 words

**Dateline:** LONDON

### Body

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UK blue chips hovered fractionally below opening levels in very dull trade midafternoon, with gains from a firm opening performance on Wall Street following a batch of mixed US data offset by some disappointing blue chip trading statements, dealers said.

At 3.09 pm, the FTSE 100 index was 0.5 points lower at 4,347.5, well off an opening low of 4,331.4 but unable to reach back to a post-Wall Street open peak of 4,351.0.

All the broader FTSE indices remained weaker, with the FTSE 250 index the worst off -- down 47.4 points at 5,666.9.

Volume was moderate, with 1.76 bln shares changing hands in 143,014 transactions.

In early trade on Wall Street, the DJIA bounced 56.30 points higher to 10,079.10 recovering after a late sell-off yesterday, but the Nasdaq composite index only managed to add 1.68 points to 1,919.94.

Traders in New York had a mixed batch of US economic data to digest today, with US inflation proving tamer-than-expected but US industrial production stronger-than-expected in November.

Earlier today, the latest UK inflation figures showed a bigger than expected drop last month under the new CPI reading.

On the corporate news front, airport and airline issues were in focus midafternoon following the lunchtime publication of the Government White Paper on the expansion of air traffic in the UK.

As expected, transport secretary Alastair Darling announced that the government has chosen BAA's Stansted airport as the site for a second runway to meet the demands of expanding air traffic in the southeast of the country.

However, the government rejected calls for a third runway in the near future at BAA's flagship London Heathrow airport, said the transport secretary.

In reaction to the unsurprising news, shares in BAA fell back 1-3/4 pence to 477-3/4 although the airport operator officially welcomed the news.

Meanwhile Luton airport owner and operator TBI saw its shares ease back 0-1/4 pence to 68-1/4. TBI has threatened legal action if Luton airport was frozen out of the White Paper.

London shares stay fractionally lower midafternoon; New York up, data mixed

And some airline groups expressed disappointment at the limited runway expansion, with British Airways losing 2-1/2 pence to 225-3/4, while Ryanair shed 0.7 eur at 6.40 as Germany's TUI confirmed the launch of a new UK 'no-frills' airline today, to be called Thomsonfly.

But Easyjet managed to edge up 0-1/2 pence to 285-1/2, relieved by the lack of a feared hike in Air Passenger Duty, which some commentators said could have accompanied the runway expansion moves.

Elsewhere, online travel companies were big mid cap casualties midafternoon, reflecting the limited UK air traffic expansion plans as well as fading sub-sector bid hopes. Lastminute.com shares shed 15-1/2 pence at 215, while Ebookers lost 13 pence at 390.

Meanwhile, the tech sector remained under pressure, hit by a profit warning from French IT consultancy Cap Gemini this morning.

The French news unsettled investors and overshadowed better-than-expected results from database group Oracle after-hours in the US last night. Oracle shares moved higher today.

Blue chip Sage Group traded 2-1/4 pence lower to 173-1/4, while second liner LogicaCMG lost 7-1/4 pence at 255-3/4, and Misys shed 10 pence at 281 ahead of a trading update from the software firm due midday tomorrow.

Otherwise a batch of trading updates from blue chip companies continued to attract attention.

FT publisher Pearson remained a big blue chip faller, losing 19-1/4 pence at 611 as the market digested a rather uninspiring trading update.

The group guided investors towards lower revenue growth of 4-6 pct at its US college business next year and stuck to earlier guidance of 5-7 pct revenue growth for its US Higher Education business.

Fellow media blue chip was weak in sympathy, losing 6-3/4 pence at 229.

Packaging blue chip Bunzl was also weak in the wake of an unexciting trading update today, with its shares losing 3-1/2 pence at 420-1/4.

Bunzl said its overall results for 2003 will be in line with market expectations after taking account of the effect of the weak dollar.

Elsewhere, blue chip mortgage bank HBOS continued to be knocked by profit-taking after the firm's pretty encouraging trading statement this morning.

The bank confirmed that full-year results are on target to meet market consensus. HBOS shares dropped 13-1/2 pence to 704-1/2.

The rest of the financial sector remained mixed, with Alliance & Leicester losing 2-1/2 pence at 888, while Abbey National shedding 1-1/4 pence at 528.

But LloydsTSB managed to stay 4 pence higher at 420 after the bank's own update yesterday prompted JP Morgan to upgrade its rating to 'neutral' from 'overweight'.

Elsewhere on the upside, sentiment in the tobacco sector improved following the hefty losses yesterday on news of the OFT's probe of the industry for possible price fixing, helped by Gallaher's in-line trading statement.

Gallaher confirmed that current trading remains in line with expectations. In response, Gallaher shares added 7-1/2 pence at 590, while Imperial Tobacco shares gained 24 pence at 1,080.

UK brokers reassured investors that yesterday's sell-off in the tobacco sector was overdone and the impact on Imperial Tobacco and Gallaher will be minimal.

GKN was another firm blue chip feature midafternoon, adding 2-1/4 pence at 259-3/4 after the automotive and aerospace engineering group said it expects its full-year results to be in line with current market expectations.

And news of management changes helped Whitbread shares take on 8 pence at 714, with the hotel and leisure group appointing Alan Parker as its new chief executive.



London shares stay fractionally lower midafternoon; New York up, data mixed

Meanwhile, positive broker comment sent shares in National Grid Transco 7-1/2 pence higher to 392-3/4, with Dresdner Kleinwort upgrading the group to 'add' from 'hold', the first time it has been positive on the stock.

And 3i Group shares took on 5-1/4 pence to 599 after UBS turned buyer of the stock today, upgrading from 'neutral'.

On the second line, Carpetright remained the best performer, jumping 38 pence higher to 804 after releasing better-than-expected interim results and giving an upbeat outlook for the second half.

Fellow furnishings retailer MFI Furniture benefited in sympathy, adding 5-1/4 pence at 137-3/4.

Davis Service Group shares were also in demand, gaining 14-3/4 pence at 358-1/4 after the group this morning announced the sale of HSS, its tool hire business, for 145 mln stg.

In response, Oriel Securities upgraded its stance on David Service to 'add' from 'reduce'

Meanwhile housebuilder Persimmon took on 8-1/2 pence at 477-1/2 after a reassuring trading update. The company said results for the current financial year will exceed current market forecasts.

Premier Oil shares advanced 7 pence higher to 440 after news of the drilling of a successful well in the Chinguetti field in Mauritania.

And Interserve continued to move higher, up 3-3/4 pence higher at 255 after its Interserve Project Services won a contract worth 13 mln stg to design and construct new facilities as well as refurbish existing buildings at Friarage Hospital in North Yorkshire.

But on the downside with mid caps, shares in FKI were under pressure after news debt ratings group Moody's has put the engineering firm on 'CreditWatch' with a view to downgrading to junk status.

jmh/ra

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## London shares close weak near lows on mixed Wall Street, trading news - UPDATE

AFX.COM

December 16, 2003 Tuesday

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**Section:** MARKETS

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**Dateline:** LONDON

### Body

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(Updating with full details)

Leading shares closed weaker today, ending just above late session lows as Wall Street put in a mixed performance following uncertain US data, and after some disappointing blue chip trading statements, dealers said.

At the close, the FTSE 100 index was 15.0 points lower at 4,333.0, just easing off a late afternoon low of 4,329.0 and well below an early afternoon peak of 4,351.0.

All the broader FTSE indices were all weak, with the FTSE 250 index easily the worst off -- down 58.1 points at 5,656.2.

Volume was solid, with 2.94 bln shares changing hands in 197,602 transactions.

On Wall Street, by London's close, the DJIA was 56.50 points higher at 10,079.30, recovering after yesterday's late sell-off, but the Nasdaq composite index was weak, losing 13.11 points to 1,905.06.

Traders in New York had a mixed batch of US economic data to digest today, with US inflation proving tamer-than-expected, but US industrial production stronger-than-expected in November.

Earlier today, the latest UK inflation figures showed a bigger than expected drop last month under the new CPI reading.

On the corporate news front, airport and airline issues were following the lunchtime publication of the Government White Paper on the expansion of air traffic in the UK.

As expected, transport secretary Alastair Darling announced that the government has chosen BAA's Stansted airport as the site for a second runway to meet the demands of expanding air traffic in the southeast of the country.

However, the government rejected calls for a third runway in the near future at BAA's flagship London Heathrow airport, said the transport secretary.

In reaction to the unsurprising news, shares in BAA fell back 2 pence to 472-1/4 although the airport operator officially welcomed the news.

Meanwhile Luton airport owner and operator TBI saw its shares end flat at 68-1/2. TBI has threatened legal action if Luton airport was frozen out of the White Paper.

## London shares close weak near lows on mixed Wall Street, trading news - UPDATE

And some airline groups expressed disappointment at the limited runway expansion, with British Airways losing 1-3/4 pence to 227-1/2, while Ryanair shed 0.5 eur to 6.42, and Easyjet eased back 0-1/2 pence to 284-1/2, impacted as well as Germany's TUI confirmed the launch of a new UK 'no-frills' airline today, to be called Thomsonfly.

Elsewhere, online travel companies were the biggest mid cap casualties today, reflecting the limited UK air traffic expansion plans as well as fading sub-sector bid hopes. Lastminute.com shares shed 16-1/2 pence to 213-1/2, while Ebookers lost 28 pence to 375.

Meanwhile, the tech sector came under pressure, hit by a profit warning from French IT consultancy Cap Gemini this morning, and weakness from the Nasdaq composite index.

The French news unsettled investors and overshadowed better-than-expected results from database group Oracle after-hours in the US last night.

Blue chip Sage Group traded 4-3/4 pence lower to 170-3/4, while second liner LogicaCMG lost 8-1/2 pence to 254-1/2, and Misys shed 12 pence to 288 ahead of a trading update from the software firm due midday tomorrow.

Otherwise a batch of trading updates from blue chip companies provided the main attraction.

FT publisher Pearson was a big blue chip faller, losing 7-3/4 pence to 617 as the market digested a rather uninspiring trading update.

The group guided investors towards lower revenue growth of 4-6 pct at its US college business next year and stuck to earlier guidance of 5-7 pct revenue growth for its US Higher Education business.

Fellow media blue chip Reuters was weak in sympathy, and suffered with the Nasdaq fall -- losing 7-3/4 pence to 228.

Packaging blue chip Bunzl was also weak in the wake of an unexciting trading update today, with its shares losing 5 pence to 419.

Bunzl said its overall results for 2003 will be in line with market expectations after taking account of the effect of the weak dollar.

Elsewhere, blue chip mortgage bank HBOS was knocked by profit-taking after the firm's pretty encouraging trading statement this morning.

The bank confirmed that full-year results are on target to meet market consensus. HBOS shares dropped 15 pence to 703.

The rest of the financial sector remained mixed, with Alliance & Leicester losing 5 pence to 885-1/2, while Abbey National shed 1-1/4 pence to 528.

But LloydsTSB managed to move 4 pence higher to 420 after the bank's own update yesterday prompted JP Morgan to upgrade its rating to 'neutral' from 'overweight'.

Elsewhere on the upside, sentiment in the tobacco sector improved following the hefty losses yesterday on news of the OFT's probe of the industry for possible price fixing, helped by Gallaher's in-line trading statement.

Gallaher confirmed that current trading remains in line with expectations. In response, Gallaher shares added 5-1/2 pence to 588, while Imperial Tobacco shares gained 20-1/2 pence to 1,076-1/2, and BAT firmed 6 pence to 751-1/2.

UK brokers reassured investors that yesterday's sell-off in the tobacco sector was overdone and the impact on Imperial Tobacco and Gallaher will be minimal.

GKN was another firm blue chip feature today, adding 1-1/2 pence to 259 after the automotive and aerospace engineering group said it expects its full-year results to be in line with current market expectations.

And news of management changes helped Whitbread shares take on 9 pence to 715, with the hotel and leisure group appointing Alan Parker as its new chief executive.

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Meanwhile, positive broker comment sent shares in National Grid Transco 9 pence higher to 394-1/4, with Dresdner Kleinwort upgrading the group to 'add' from 'hold', the first time it has been positive on the stock.

And 3i Group shares took on 4-3/4 pence to 598-1/2 after UBS turned buyer of the stock today, upgrading from 'neutral'.

On the second line, Carpetright was the best performer, jumping 39 pence higher to 805 after releasing better-than-expected interim results and giving an upbeat outlook for the second half.

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Premier Oil shares advanced 9 pence to 442 after news of the drilling of a successful well in the Chinguetti field in Mauritania.

And Interserve moved 4-3/4 pence higher to 256 after its Interserve Project Services won a contract worth 13 mln stg to design and construct new facilities as well as refurbish existing buildings at Friarage Hospital in North Yorkshire.

But on the downside with mid caps, shares in FKI were under pressure after news debt ratings group Moody's had put the engineering firm on 'CreditWatch' with a view to downgrading to junk status.

FKI shares lost 3-1/4 pence to 108-1/2.

jmh/slm/

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**Load-Date:** December 17, 2003



## TUI's Thomson to launch new budget airline in UK, create 200 jobs

AFX.COM

December 16, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 307 words

**Dateline:** LONDON

### Body

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Thomson Holidays, owned by Germany's TUI AG, said it will launch a new low-fare airline "Thomsonfly.com" on March 31, based at Coventry Airport.

Thomsonfly.com will run direct services from Coventry to 10 European destinations: Palma, Valencia, Rome, Naples, Nice, Malaga, Venice, Pisa, Ibiza, Marseilles and Jersey.

One-way fares will start at stg 17.99 to Jersey, stg 19.99 to Rome, Pisa, Venice, Nice and Marseilles, stg 22.99 to Naples, Valencia, Palma and Ibiza and stg 24.99 to Malaga, inclusive of taxes and charges.

Aircraft and flight staff will be supplied by Britannia Airways, also owned by TUI, and TUI Airline Management will be responsible for aircraft procurement.

Thomson said the new airline will create around 200 new jobs in its first year of operation.

"The growth in this market has been driven by an increased demand for self-planned and flight only breaks. Thomson expects this growth to continue and forecasts a further 50 pct growth over the next four years."

"Coventry Airport's position in the heart of England makes it the ideal base for the new services being launched by Thomsonfly.com with over 15 mln people living within a two hour drive," it said.

Chris Mottershead, managing director of TUI UK said: "The travel market is changing as we see trends towards self-packaging, shorter breaks and a demand for greater flexibility. We want to take advantage of the huge growth

TUI 's Thomson to launch new budget airline in UK, create 200 jobs

in the flight only business using the power of the Thomson brand and build a business that caters for all our customers' leisure travel needs."

TUI already operates budget carrier Hapag-Lloyd Express from Germany.

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## **STOCK ALERT - Singapore Asiatravel down despite positive budget airline talk**

AFX - Asia

December 16, 2003 Tuesday

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**Length:** 144 words

**Dateline:** SINGAPORE

### **Body**

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Travel portal Asiatravel.com Holdings Ltd was lower on profit-taking in early morning trade, in line with the broader market, even though the company said the emergence of budget airlines in Asia should have a positive impact on its on-line travel booking operations, dealers said.

Asiatravel was down 0.005 sgd or 1.053 pct at 0.47.

There are two budget carriers emerging in Singapore -- Valuair, which is partly owned by Asiatravel.com, and Tiger Airways, which is jointly owned by Singapore Airlines, parent Temasek Holdings and the founder of Ryanair.

In Malaysia, budget carrier AirAsia is now preparing to expand into regional routes after initially offering domestic flights.

(1 usd = 1.70 sgd)

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**Load-Date:** December 16, 2003





## Singapore's Asiatravel.com sees positive impact from Asian budget airlines

AFX.COM

December 15, 2003 Monday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 297 words

**Dateline:** SINGAPORE

### Body

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Asiatravel.com Holdings Ltd said the emergence of budget airlines in Asia should have a positive impact on its online travel booking operations.

"Asiatravel is well positioned to capture both the short and longer term benefits arising from the advent of budget airlines in Singapore and throughout the Asia Pacific region," it said.

There are two budget carriers emerging in Singapore. These carriers include Valuair, which is partly owned by Asiatravel.com, and Tiger Airways, which is jointly owned by Singapore Airlines, its parent Temasek Holdings and the founder of Ryanair.

In Malaysia, budget carrier AirAsia is now preparing to expand into regional routes after initially offering domestic flights.

"As the leading Internet hotel reservation company in this region, we have the experience and capacity to handle the online needs of air travelers in all the travel nodes of the region," Asiatravel.com said.

"We believe that the growth of budget carriers will have a positive impact on our online business," it added.

"The entry of budget airlines will stimulate new demand and generate considerable growth in any market they enter. It will induce an increase in the frequency of trips for people who travel, and it will attract people who would otherwise find it expensive to make airplane trips," it said.

"This market stimulation will benefit not only the short-range haul but also the medium to long-range airline trips. Budget carriers' main source of bookings will have to be from online reservations, as it is the cheapest form of distribution," it said.

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Singapore 's Asiatravel.com sees positive impact from Asian budget airlines

**Load-Date:** December 17, 2003

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December 15, 2003 Monday

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Singapore 's Asiatravel.com sees positive impact from Asian budget airlines

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## FOCUS - Singapore Air planned budget carrier seen as defensive move

AFX - Asia

December 10, 2003 Wednesday

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**Dateline:** SINGAPORE

### Body

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-- Daryl Loo --

National carrier Singapore Airlines' (SIA) long-awaited decision to launch its own budget airline is largely a defensive measure to protect its share of the short-haul flights market, analysts said.

While analysts, AFX-Asia spoke to, felt it was too early to tell what kind of financial impact the investment would have on SIA -- in part because the airline provided scant details in that regard -- they agreed it should not be significant regarding SIA's asset levels.

SIA announced yesterday that it has formed a partnership to set up a budget airline, to be named Tiger Airways, which will begin operations out of Changi Airport in the second half of next year.

The national carrier plans to take a 49.0 pct stake in the venture, with the government's investment arm Temasek Holdings taking 11.0 pct, Irelandia Investment Ltd, the holding company of European no-frills carrier Ryanair, taking 16.0 pct and US-based investment firm Indigo Partners 24.0 pct.

OCBC Securities analyst Jesvinder Sandhu said not enough details were provided to allow a judgment to be formed on whether SIA's move is positive or negative, although she feels SIA had "little choice but to proceed with a budget carrier, given the growing competition from existing and potential new players".

In a research report, ING Financial Markets regional aviation analyst Philip Wickham viewed SIA's decision to form the no-frills alternative as a move to protect its market share.

"This is nothing new. We view the development as a defensive strategy by SIA to protect its market share to and from Singapore on short-haul flights," Wickham said.

"If low-cost carriers are going to cannibalize a portion of SIA's short-haul network, an associate of SIA should be involved, rather than ValuAir or AirAsia," he added.

AirAsia is the Malaysian budget carrier, which has been trying to win approval to fly out of Singapore, and Valuair is another Singapore carrier, formed by a former SIA executive, which plans to start operations next May.

Financially, SIA's investment in Tiger is not expected to cause a strain on the company's resources, analysts said.

"It is ... too early to assess the financial impact on SIA at this stage but we do not expect start-up losses to be material, relative to the profits of the SIA Group," GK Goh analyst Teo Hiang Boon said.

## FOCUS - Singapore Air planned budget carrier seen as defensive move

Meanwhile, ING estimates that the investment required from SIA is modest, and may be less than 50.0 mln sgd, meaning that any potential revision to its forecasts for the company will be minor.

OCBC's Sandhu added that "this deal will not stretch SIA's financials given its net gearing of only 10.0 pct."

Kim Eng Securities head of research Seah Hiang Hong said that while SIA's decision to launch a budget carrier space was largely expected, "the surprise here is that they're taking just 49.0 pct stake."

"It seems they want Tiger Airways to be independent from SIA," he said, adding that this may turn out to be a good move since some European airlines that have tried to do both - that is, run a premium airline along with a budget carrier - have failed.

In his research note, GK Goh's Teo agrees with that view and believes "SIA has made the right choice by taking an associate stake and bringing in partners who have experience in (the) no-frills airline business model."

Ireland's Ryanair is seen as one of the most successful budget airlines, and SIA is hoping to emulate its business model by bringing in Charlie Clifton, Ryanair's former director of operations, to set up Tiger Airways.

However, opinions differ as to the impact another carrier will have on SIA's own flight services, particularly those of its regional unit SilkAir.

SIA CEO Chew Choon Seng, who had earlier ruled out the possibility of transforming SilkAir into a budget airline, said yesterday that Tiger Airways will fly to destinations within four hours of its home base Singapore, almost the same time it takes SilkAir to fly to some of its current regional locations such as Langkawi in Malaysia, Seim Reap in Cambodia and Cebu in the Philippines.

OCBC's Sandhu said the launch of Tiger will have a negative impact on SilkAir's revenue as Tiger Airways may fly the same routes.

"It's not possible to run away from the new service eating in on either SilkAir or Singapore Airlines' revenues. There are not that many routes in the region," Kim Eng's Seah said.

Wickham of ING was not concerned, saying, "It is unlikely that SilkAir and Tiger Airways will fly the same routes. SilkAir flies mainly to secondary destinations in Asia."

On the other hand, likely destinations for Tiger Airways to operate are between Singapore and popular locations like Bali, Bangkok, Hong Kong, Jakarta, Manila and Phuket, Wickham said.

"It's more likely there will be some impact on Singapore Airlines rather than SilkAir," he added.

(1 usd = 1.71 sgd)

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**Load-Date:** December 11, 2003



## Singapore shares outlook - Lower on Wall St losses; focus on SIA

AFX - Asia

December 10, 2003 Wednesday

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**Section:** MARKETS

**Length:** 276 words

**Dateline:** SINGAPORE

### Body

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Share prices are expected to open lower after Wall Street's losses overnight, but Singapore Airlines is expected to be in focus after the company announced a partnership to start a new budget airline, dealers said.

Yesterday, the Straits Times Index closed down 7.97 points at 1,711.36, off an intraday high of 1,726.08 and a low of 1,709.98.

Volume reached 369.49 mln shares worth 376.84 mln sgd.

Gainers led decliners 187 to 100 with 342 stocks unchanged.

A dealer at a foreign brokerage firm said that he expects the market to return to normal after the US FOMC meeting overnight.

"I think the selling should be done. I don't see any dark clouds in the immediate future," the dealer said.

However, the index will now return to tracking Wall Street's trends, he added.

Singapore Airlines may gain after it said it has entered into a partnership with, among others, the government's investment arm Temasek Holdings and Europe's no-frills carrier Ryanair, to set up a budget carrier which will begin operations from Changi Airport in the second half of 2004.

SIA said it will take a 49.0 pct in the budget airline, known as Tiger Airways, which will fly to destinations in Southeast Asia.

Shares of real estate investment trust (REIT) CapitaMall Trust (CMT) may fall after it said it is issuing 45.0 mln new units at 1.33 sgd per unit to finance a 58.0 mln sgd investment in a private retail property fund, CapitaRetail Singapore.

(1 usd = 1.71 sgd)

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Singapore shares outlook - Lower on Wall St losses; focus on SIA

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**Load-Date:** December 10, 2003

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## STOCKWATCH - Singapore Airlines flat on news of tie-up for own budget carrier

AFX - Asia

December 10, 2003 Wednesday

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**Length:** 463 words

**Dateline:** SINGAPORE

### Body

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Singapore Airlines (SIA) shares were flat midmorning after the national carrier said yesterday that it had formed a partnership to set up a budget airline, dealers said.

SIA said the budget airline, to be named Tiger Airways and in which the national carrier will take a 49.0 pct stake, will begin operations out of Changi Airport in the second half of next year.

However, analysts AFX-Asia spoke to feel it is too early to judge the merits of the move as SIA has not provided any financial information related to the investment.

At 10.25 am, SIA was flat at 11.90 with 470,000 shares traded.

The Straits Times Index was down 3.80 points at 1,707.56.

SIA said Tiger Airways which will fly to destinations in Southeast Asia.

Government investment arm Temasek Holdings has taken an 11 pct in Tiger, Irelandia Investment Ltd, holding company of European no-frills carrier Ryanair, 16 pct and US-based investment firm Indigo Partners 24 pct.

OCBC Securities analyst Jesvinder Sandhu said there are not enough details made available to judge SIA's move as being either positive or negative.

In a research note, she said SIA "has little choice but to proceed with a budget carrier, given the growing competition from existing and potential new players."

The deal is not expected to stretch SIA's financials, however, given the company's net gearing of only 10 pct, she said.

"We are maintaining our 'market perform' rating with fair value pegged at 12.80 sgd," Sandhu said.

She added there is a possible negative impact on SIA regional subsidiary SilkAir's revenue, as Tiger Airways may fly the same routes.

SIA chief executive officer Chew Choon Seng said yesterday Tiger Airways will fly to destinations within four hours of home base Singapore. SilkAir flies to regional locations, such as Langkawi in Malaysia, Seim Reap in Cambodia and Cebu in the Philippines.

ING Financial Markets regional aviation analyst Philip Wickham said it is unlikely that SilkAir and Tiger Airways will fly the same routes.

## STOCKWATCH - Singapore Airlines flat on news of tie-up for own budget carrier

"SilkAir flies mainly to secondary destinations in Asia. We expect Tiger Airways to serve cities like Bangkok and Manila," he told AFX-Asia.

"It's more likely there will be some impact on Singapore Airline rather than SilkAir," he added.

However, Wickham said he is maintaining a "buy" call on the stock with a fair value of 14.00 sgd as he sees SIA's move as a defensive strategy to protect its short-haul network from other budget airlines, such as Malaysia's AirAsia and Singapore's ValuAir.

(1 usd = 1.71 sgd)

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## Asia's budget airline industry lifts off, but no Europe-type prices - analysts

AFX.COM

December 10, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 646 words

**Dateline:** SINGAPORE

### Body

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The future of Asia's fledgling budget airline industry is looking increasingly bright with the entry of big players, but massive European-style price cuts are unlikely, analysts said.

Singapore Airlines (SIA) and the founder of successful European budget airline Ryanair became the latest to stake their claim with an announcement yesterday of their coming together to set up Tiger Airways, which will start flying from the city-state next year.

Malaysia's AirAsia is currently the best established and most successful no-frills carrier in the region and expanded its intra-country routes to Thailand on Monday.

Other players in the industry include Indonesia's Lion Air, which flies a no-frills service from Jakarta to Singapore, Orient Thai Airlines, Malaysia's Athena Air Services and Singapore's ValueAir, which expects to start flights next year.

However, it is the major airlines' recent rush to set up no-frills services that analysts and industry players believe has confirmed the future of low-cost carriers in Asia, which will lead to stronger competition.

Aside from SIA and Ryanair founder Tony Ryan, Australia's Qantas Airways this week named its new budget airline, Jetstar, to counter the success of low-cost upstart Virgin Blue, which has 28 pct share of the domestic market.

Flamboyant British businessman Richard Branson, who launched Virgin Blue three years ago, has said he too wants to enter the Asian market and is looking for partners.

Peter Harbison, the Sydney-based managing director of the Center for Asia Pacific Aviation, told the Agence France Presse news agency he is "extremely bullish" on the future of the region's low-cost airline industry, especially following the announcement of Tiger Airways' establishment.

"I think this significantly steps up the level of competition and the importance of this type of model in the region," Harbison said.

"The low carrier model works best in... the short-haul point-to-point market, where pricing is extremely important and the deciding factor is price."

Jimmy Lau, a spokesman for Singapore's ValueAir, also said SIA's decision to set up a no-frills airline will ease concerns there are too many obstacles for budget carriers to succeed in Asia.

## Asia's budget airline industry lifts off, but no Europe-type prices - analysts

"More importantly for us internally, what SIA is doing has validated our business model. It means the model can work in Asia," he said.

Some of the reasons previously cited for Asia being unable to replicate the European no-frills success include the relatively long distance of the routes and the lack of cheap alternative airports away from the main ones.

Europe is also regarded as having a far bigger surplus of pilots that drives the cost of salaries down and Asia does not have a common market.

Hong Kong-based ING Financial Markets aviation analyst Philip Wickham said these factors mean passengers in Asia are unlikely to enjoy the ultra-cheap flights available in Europe, where tickets can sometimes cost less than a pint of beer.

"I think you will see some cheaper flights (in Asia), but you may not see anything dramatic," Wickham said.

He also pointed out the lack of a common market means it is highly unlikely a budget airline will be able to operate as a pan-Asian service.

Instead, Wickham said the low-cost airlines in Asia will generally only be able to fly routes that begin or end at their own airport.

Nevertheless, passengers can expect to pay hundreds of dollars less for many popular destinations that no-frills airlines currently do not serve, analysts said.

For example, Wickham said Tiger Airways' destinations will include Bali, Bangkok, Hong Kong, Jakarta, Manila and Phuket.

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**Load-Date:** December 11, 2003



## Singapore stocks to watch Wednesday

AFX - Asia

December 10, 2003 Wednesday

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**Length:** 388 words

**Dateline:** SINGAPORE

### Body

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The following are key news overnight and other AFX-Asia market leads that might feature in today's trading:

Singapore Airlines may gain after it said it has entered into a partnership with, among others, the government's investment arm Temasek Holdings and Europe's no-frills carrier Ryanair, to set up a budget carrier which will begin operations from Changi Airport in the second half of 2004.

Shares of real estate investment trust (REIT) CapitaMall Trust (CMT) may fall after it said it is issuing 45.0 mln new units at 1.33 sgd per unit to finance a 58.0 mln sgd investment in a private retail property fund, CapitaRetail Singapore.

Conglomerate Keppel Corporation Ltd may gain after it said it has secured several contracts amounting to about 110 mln sgd through its wholly-owned subsidiary Keppel Offshore & Marine.

Oil and gas equipment supplier KS Tech Ltd may gain after GK Goh Securities said it is initiating coverage on the company with a "buy" rating and a target price of 1.14 sgd per share on expectations of robust future earnings growth.

Land transport company ComfortDelgro may gain after it said its unit ComfortDelGro (China) Pte Ltd has formed a joint venture with Shenyang Taxi Co Ltd (STC) with an initial registered capital of 135.0 mln yuan.

Defense contractor and aircraft maintenance company ST Engineering may gain after its electronic arm's unit CET Technologies Pte Ltd (CET) increased its investment in InfoWave Pte Ltd to 2.58 mln sgd from 2.15 mln sgd. Shares of automotive tyres and alloy wheels distributor YHI International Ltd may fall after it said it has completed the full placement of 15 new shares at 1.095 sgd each.

Tech Group Asia Ltd, an integrated precision plastic component supplier, may gain after its first quarter to September net profit rose 66 pct to 2.57 mln sgd due to better demand at its China subsidiary.

Neptune Orient Lines (NOL) may gain after news of a new agreement liberalising maritime trade between the US and China, which the company said will enhance growth in the transpacific trade and benefit its APL liner unit.

(1 usd = 1.71 sgd, 8.3 yuan)

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## Singapore stocks to watch Wednesday

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**Load-Date:** December 10, 2003

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## Ryanair, Mondial Assistance to provide low-cost travel insurance in Europe

AFX.COM

December 10, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 57 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it has teamed up with Mondial Assistance Group to provide low cost travel insurance to consumers in France, Germany, Italy, Spain and Belgium.

Prices for up to 31 days cover will cost 14 eur, the company said.

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## STOCK ALERT - Singapore Airlines lower on news of budget Tiger Airways

AFX - Asia

December 10, 2003 Wednesday

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**Length:** 151 words

**Dateline:** SINGAPORE

### Body

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National carrier Singapore Airlines (SIA) shares were slightly lower in early morning trade after announcing yesterday that it has entered a partnership to set up a budget carrier, to be named Tiger Airways, which will begin operations from Changi Airport in the second half of 2004, dealers said.

SIA was down 0.10 sgd or 0.84 pct at 11.80 with 96,000 shares traded.

SIA said it will take a 49.0 pct in Tiger Airways, which will fly to destinations in Southeast Asia.

Government investment arm Temasek Holdings is taking 11.0 pct in the budget airline, Irelandia Investment Ltd, holding company of Europe's no-frills carrier Ryanair, will take 16.0 pct, and US-based investment company Indigo Partners will take 24.0 pct.

(1 usd = 1.71 sgd)

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**Load-Date:** December 10, 2003





## Singapore Airlines, Temasek, Ryanair to launch new budget airline - UPDATE

AFX.COM

December 9, 2003 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 472 words

**Dateline:** SINGAPORE

### Body

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Singapore Airlines said it has entered into a partnership with, among others, the government's investment arm Temasek Holdings and Europe's no-frills carrier Ryanair, to set up a budget carrier which will begin operations from Changi Airport in the second half of 2004.

SIA said it will take a 49.0 pct in the budget airline, known as Tiger Airways, which will fly to destinations in Southeast Asia.

Indigo Partners LLC, the aviation partnership of David Bonderman and Bill Franke and Irelandia Investments Ltd, the Ryan family's investment vehicle are the other partners in Tiger Airways, SIA said.

"Singapore Airlines and Temasek will own a majority of the new airline, but Tiger will be separately certificated and operated independently by a team specially recruited for the low cost airline," SIA said in a statement.

"Tiger has engaged Charlie Clifton, former director of operations at Ryanair, to establish the base in Singapore and to set up outstations throughout South East Asia over the coming months," it added.

In a speech to staff, SIA chief executive officer Chew Choon Seng said the capital structure for the new airline is being determined and it will have borrowings.

"(But) the SIA investment in it is likely to be immaterial relative to SIA's asset base," Chew said.

SIA also said Tiger will operate a substantial fleet of single type, narrow body aircraft but no firm decision has yet been made on aircraft types.

SIA's Chew said in his speech that the airline decided to set up a low-cost carrier after studying the growth of low fare airlines in US and Europe.

"Our conclusion is that it can succeed here as well. It will open up and serve a new segment of the market making air travel accessible for more people and encouraging more trips," Chew said.

"It will complement SIA's premium service and product offering and SilkAir's regional operations," he said.

He added that SIA has decided not to operate Tiger as a wholly-owned subsidiary in the light of the unsuccessful attempts by almost all full service network airlines that had tried to operate wholly-owned low fare carriers.

Chew also told staff that SIA remains committed to growing its full service network airline and its regional arm SilkAir.

## Singapore Airlines , Temasek , Ryanair to launch new budget airline - UPDATE

"I want to emphasise that we will continue to build and grow SIA's success as a premium full service network airline through product innovation, route expansion and an unwavering focus on customer service," Chew said.

"Likewise, we will grow SilkAir as SIA's regional wing, as both serve quite different market segments from that of the new airline," he added.

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**Load-Date:** December 10, 2003

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## Ruling in Ryanair appeal of Strasbourg subsidy case due by year-end

AFX.COM

December 9, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 155 words

**Dateline:** PARIS

### Body

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An appeals court in Nancy said it will announce before the end of this year its ruling on an appeal lodged by Ryanair Holding PLC against the court's decision to prevent it from receiving subsidies for its London-Strasbourg route.

The court ruled in July that subsidies received by the low-cost carrier from the Strasbourg Chamber of Commerce, used to purchase advertising space, amounted to illegal aid.

Ryanair had already been denied a request to have the Nancy court suspend its decision pending the appeal.

Ryanair chief executive Michael O'Leary said he is "very hopeful" about the outcome of the ruling.

"We believe the court supports low fares. Flying must be for everybody. We are fighting for the low fares revolution," he said after the court's announcement.

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**Load-Date:** December 10, 2003



## **Ryanair founder says open to raising stake in Singapore's new budget carrier**

AFX.COM

December 9, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 168 words

**Dateline:** SINGAPORE

### **Body**

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The founder of European budget carrier Ryanair, Thomas Anthony Ryan, said he is open to raising his stake in Tiger Airways, Singapore's latest budget carrier.

"We are happy with the investment we have right now.

If an opportunity comes up to increase it, I'm sure we'll look at it very seriously," Ryan said.

But he added that he is currently not in any discussions to raise his shareholding in Tiger.

The Ryan family investment vehicle Irelandia Investments Ltd now has a 16 pct stake in Tiger Airways.

However, Ryan declined to provide the value of his investment in Tiger.

Tiger Airways is 49 pct-owned by Singapore Airlines, 11 pct by government investment arm Temasek Holdings and 24 pct by Indigo Partners LLC.

According to Ryan, the partners have come to an agreement that Tiger "has to be majority owned by local people".

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**Load-Date:** December 10, 2003



## Ryanair in Boeing sale, leaseback deal with RBoS

AFX.COM

December 9, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 80 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC has agreed a sale and leaseback agreement for up to ten Boeing 737-800 next generation aircraft with RBS Aviation Capital a unit of Royal Bank of Scotland.

The 10 aircraft have a total value of 518 mln usd and will be delivered between December 2003 and March 2004.

Under the terms of the agreement the aircraft will be leased back for 7-years.

rn

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**Load-Date:** December 10, 2003

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End of Document



## Madrid shares AFX at a glance outlook

AFX European Focus

December 5, 2003 Friday

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**Section:** MARKETS

**Length:** 497 words

**Dateline:** MADRID

### Body

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Share prices are expected to open flat to lower, with a solid performance from US markets offset by overnight losses in Tokyo and Hong Kong and weakness in TMTs on negative news from Nokia and Intel, which released some disappointing earnings forecasts late last night, dealers said.

Yesterday, the IBEX-35 index ended down 17.2 points at 7,367.1, after trading in a range of 7,318-7,384, on turnover of 1.4 bln eur, with put-throughs accounting for about 17 pct.

The IBEX-NM shed 11.1 points to 1,765.8.

The LatIBEX added 2.6 points to 737.2.

#### FORTHCOMING EVENTS

##### TODAY

- Spain Oct industrial output
- Banco Atlantico bidding period ends

##### TODAY'S PRESS

- Cvne invests 40 mln eur in new winery (Expansion, Cinco Dias, La Gaceta de los Negocios)
- Gas Natural to swap 20 pct of Gas de Euskadi for 8.4 pct of Naturcorp (Expansion, Cinco Dias)
- Ryanair to invest 190 mln eur to convert Girona Airport into base (Cinco Dias, La Gaceta de los Negocios)
- 4,000 cancer victims to take legal action against Spanish state (Expansion)
- ACS' Perez raises stake in ACS to 9.09 pct vs 9.01 ahead of Dragados merger (Expansion, Cinco Dias, La Gaceta de los Negocios, El Mundo)

-Carrefour invests 12 mln eur in new hypermarket (La Gaceta de los Negocios)

-Acciona's Jose Manuel Entrecanales appointed chairman of EHN(Expansion, La Gaceta de los Negocios)

#### LATE CORPORATE NEWS

- Repsol YPF's Cortina sees FY net 'in line' with 9 mths results
- Cortefiel signs agreement for 200 new Springfield franchises in China
- Abertis sees Retevision Audiovisual FY EBITDA 45.4 mln eur, 55.3 mln in 2004

#### MACROECONOMIC NEWS

## Madrid shares AFX at a glance outlook

- Spain Sept trade deficit 4.850 bln eur, up 12.4 pct
- Spain Nov unemployment 8.9 pct vs 8.8 in Oct
- Spain 2004 electricity tariffs 'well below' 2 pct inflation target - Folgado

### MARKET SENTIMENT

-Equities are expected to open flat to lower, with gains capped by overnight losses in Tokyo and Hong Kong and TMTs under pressure after some negative news from Nokia and Intel, which released some disappointing earnings forecasts late last night

-Arcleor and Acerinox could extend gains after the US confirmed expectations by lifting its tariffs on steel imports, but dealers said the news has been largely discounted.

-Trading should be fairly quiet ahead of a slew of US data later in the session including Oct consumer credit and Nov non-farm payrolls.

"We should be fairly quiet this morning, drifting lower a little before the US data comes out," a dealer at a local brokerage said.

"Players tried to push Telefonica up to 11 eur per share yesterday, they didn't manage and I don't think they will today unless the US data is very good," he said.

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**Load-Date:** December 6, 2003



## Ryanair to launch 2 new bases in Rome, Barcelona

AFX.COM

December 4, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 93 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will launch two new bases in Rome from Jan 28 and Barcelona from Feb 5.

Rome Ciampino will have 4 aircraft serving 8 routes as follows, while Girona Barcelona will have 5 aircraft serving 16 routes.

Chief executive Michael O'Leary said: "Rome and Barcelona will be our 10th and 11th European bases and Ryanair will invest 540 mln usd in new Boeing 737-800 aircraft for these 2 new bases."

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**Load-Date:** December 5, 2003





## Brussels shares AFX at a glance outlook

AFX European Focus

December 4, 2003 Thursday

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**Section:** MARKETS

**Length:** 97 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open flat to lower after Wall Street's lacklustre performance overnight, brokers said.

Last night, the Bel 20 closed up 17.18 points or 0.78 pct at 2,206.30.

#### FORTHCOMING EVENTS

-Umicore to offer 400,000 shares

#### TODAY'S PRESS

-SNCB Q1 costs exceed budget by 9.5 mln eur (L'Echo)

-Ryanair to launch second Spanish route from Charleroi, drops planned Liverpool flights (L'Echo, Le Soir)

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**Load-Date:** December 5, 2003



## European budget airlines to form association - sources

AFX.COM

December 4, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 136 words

**Dateline:** HAMBURG

### Body

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Several European budget airlines plan in December to form an association in order to improve their lobbying activities, reported DPA news agency, citing industry sources.

Initially, Ryanair, Volare Web, Sky Europe, Sterling and TUI AG unit hlx will combine to form the ELFAA, the European Low Fair Airline Association, a source said.

"A company standing alone is not listened to," said a source, adding that the airlines have recognised there are common issues between them despite the tough competitive conditions.

Charter airlines in Germany are already represented by the ADL association, while in Europe there is the more established Association of European Airlines (AEA).

DP/vs/das/rf

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**Load-Date:** December 5, 2003



## Oslo shares AFX at a glance outlook

AFX European Focus

December 4, 2003 Thursday

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**Section:** MARKETS

**Length:** 181 words

**Dateline:** OSLO

### Body

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Shares are expected to open flat to slightly lower after a mixed performance on Wall Street overnight.

Yesterday, the OSEBX Benchmark index closed 0.16 points higher at 164.37 on turnover of 2.43 bln nkr.

#### FORTHCOMING EVENTS

##### TODAY

- Norway November jobless (noon)
- Norsk Hydro, Agri Capital Markets Day, London

##### TODAY'S PRESS

- Tax cuts on low wages could help prevent state pension crisis - Norway Statistics (Dagens Naeringsliv)
  - Stolt Offshore sells off vessels to reduce debts (Dagens Naeringsliv)
  - Minister of Oil and Energy denies Government Pollution Authorities to comment on potential oil operations outside Lofoten (Aftenposten)
  - Roekke's Aker Finnyards wins 19.6 mln eur MTB contract (Aftenposten)
  - Credit Authority to evaluate marketing of hedgefunds in Norway by early 2004 (Finansavisen)
  - Ryanair close down its Oslo-Stockholm route (Finansavisen)
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**Load-Date:** December 5, 2003



## Singapore's ST Engineering unit says in good position to win Valuair deal

AFX.COM

December 3, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 203 words

**Dateline:** SINGAPORE

### Body

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Defence contractor and aircraft maintenance company ST Engineering's aerospace arm said it is in a good position to win an aircraft maintenance contract from Singapore budget carrier Valuair.

"We are in a good position to win the contract.

We expect Valuair to award the contract as early as the first quarter of next year," unit Singapore Technologies Aerospace's head of corporate communications, Audrey Tan, said.

However, ST Aerospace is not in talks with Valuair currently, but, given the company's track record with low cost carriers like Malaysia's AirAsia and Ireland's no-frills carrier Ryanair Holdings Plc, it is in good stead to win the contract, Tan said.

Instead, ST Aerospace is in talks with Indonesian budget carrier Lion Air and another European low-cost carrier easyJet Plc for contracts to service their aircraft.

"We are strategically located in Singapore to service the region and the world and we are also the largest independent MRO (Maintenance, Repair and Overhaul service provider)," she added.

(1 usd = 1.71 sgd)

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**Load-Date:** December 4, 2003



## Ryanair launches 9 new routes, with 4 new routes from London Stansted

AFX.COM

December 3, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 169 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will launch nine new routes, of which four new routes will be added from London on Jan 15, 2004 and five routes from Brussels, Stockholm & Frankfurt.

The four new daily routes from London Stansted to Linz in Austria, Bari in Italy, Erfurt in Germany and Jerez in Spain will increase passenger traffic through Stansted airport by about 400,000.

The new routes will also create 400 jobs in the regional economies.

Ryanair has launched two new routes from Stockholm Skavsta to Rome and Milan in Italy, two new routes from Frankfurt Hahn to Spain and Finland, and a new route linking Brussels to Spain.

Following on-going reviews, the airline also said several routes will cease from Jan 14, 2004. These routes are London to Ostend, Maastricht, Reims, Clermont Ferrand; Stockholm to Oslo Torp, Tampere, Aarhus; Frankfurt to Malmo and Brussels to Liverpool.

jc

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**Load-Date:** December 4, 2003



## Ryanair Nov passenger traffic up 60 pct to over 2 mln

AFX.COM

December 3, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 74 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it carried 2.001 mln passengers in November, a rise of 60 pct from 1.249 mln in the same month last year.

The no-frills airline said its load factor was 83 pct, slightly down from 84 pct in November 2002.

Internet sales accounted for 96 pct of ticket sales, up 94 pct last year.

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ak/

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**Load-Date:** December 4, 2003



## EU Commission sees no ruling on Ryanair/Charleroi case until at least January

AFX.COM

December 3, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 137 words

**Dateline:** BRUSSELS

### Body

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The European Commission said it does not expect to issue a judgement on the aid granted to Ryanair Holdings PLC concerning Charleroi airport, near Brussels, until January if not before.

"We will try to reach a decision in the coming weeks, but there is no precise date," said Gilles Gantelet, spokesman for EU Transport commissioner Loyola de Palacio.

The issue is "still under discussion" and it is "possible it will finally be decided in January, or even after," he said.

The commission has been investigating for a year what it claims could be illegal state subsidies like reduced landing charges and financial help in marketing, staff training and recruitment received by Ryanair at Charleroi.

lby/wf

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**Load-Date:** December 4, 2003



## SAS to slash costs, divest noncore ops

AFX European Focus

November 28, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 318 words

**Dateline:** STOCKHOLM

### Body

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Scandinavian Airline Systems AB chief executive Joergen Lindegaard said the group is to divest noncore units and slash costs in its bid to become a 'low service - low price' operator, reported Dagens Industri.

Lindegaard said the company's IT operations will soon be sold, after which it may focus on divesting its hotel division.

"The hotels are noncore activities for SAS. It does add a value to the SAS-group but when the timing is right we can imagine selling out or putting the hotel-group on the stock market", said Lindegaard, according to Dagens Industri.

In a further bid to increase competitiveness Lindegaard said SAS is to raise the daily flight time of its aircraft to 8.5 hours a day, from the current 7.5 hours.

"We don't have any choice. We have to cut prices so that we can have low service and low prices within Scandinavia," said Lindegaard.

Lindegaard added however that SAS does not intend to fully mimic the Ryanair model and will remain 'full service airline', and a service that provide for basic levels of customer comfort. As such, he expects SAS to continue charging a premium relative to Ryanair.

"Ryanair has a product model which isn't comfortable for passengers. Amongst other things (it has) airports that are far away from the cities,

and un-civilised (departure and arrival) times. We adjust our product to demand, we fly during peak-times, we handle luggage, and transfer and a lot of other things.

Therefore we charge more", said Lindegaard.

Lindegaard said SAS will be examining all other ways of sharpening its activities and increase revenue streams. He said it is currently mulling charging passengers for credit card payments - just as Ryanair does, reported Dagens Industri.

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sjr/vs

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SAS to slash costs, divest noncore ops

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**Load-Date:** November 29, 2003

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## Brussels shares AFX at a glance outlook

AFX European Focus

November 25, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 195 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open higher on the back of overnight gains on Wall Street, with Fortis in focus after the group reported better than expected third quarter numbers but repeated its cautious outlook, dealers said.

Yesterday, the Bel 20 closed up 26.14 points or 1.22 pct at 2,177.35.

#### FORTHCOMING EVENTS

##### TODAY

- Fortis Q3, 0630 GMT
- Fortis press conference 0930 GMT
- Fortis analyst conference call 1400 GMT
- Brantano Q3 after market

##### TOMORROW

- Belgian Q3 flash GDP estimate

#### COMPANY/OTHER NEWS

Belgian Nov business confidence indicator rises to -7.9 vs -9.4 in Oct

#### TODAY'S PRESS

- Virgin Express attacks Ryanair deal with Charleroi airport (FT)
- Dexia to invest strongly in expanding Belgian insurance ops (De Tijd)

#### MARKET SENTIMENT

-A London-based dealer says Fortis beats the market consensus for third quarter net profit. But the bank's outlook remains cautious as CEO says FY profit will be no better than 'satisfactory'

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## Brussels shares AFX at a glance outlook

**Load-Date:** November 26, 2003

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## Virgin Express Q3 net falls 63 pct to 1.68 mln eur due to overcapacity

AFX.COM

November 24, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 157 words

**Dateline:** BRUSSELS

### Body

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Virgin Express Holdings PLC said it posted a "very modest" net profit of 1.68 mln eur in the third quarter, down 63 pct from a year earlier.

The company blamed the result, which it said is equivalent to 2.5 eur per passenger, on a combination of overcapacity resulting in unusually low fares, and on state subsidies which it considers illegal, said the group's chairman David Hoare, citing the example of Ryanair Holdings PLC.

Sales for the period fell 8 pct to 62.07 mln eur from 67.5 mln a year earlier, mainly due to a 52 pct decline in its charter activities, it said.

Sales on regular flights fell 6 pct due to the "continuing economic slowdown".

Operating profit totalled 1.87 mln eur, down from 4.45 mln. Costs during the period fell 5 pct to 60.19 mln eur from 63.05 the previous year, however.

siu/jkm/kl

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**Load-Date:** November 25, 2003



## UK govt to publish draft Gambling Bill tomorrow

AFX.COM

November 18, 2003 Tuesday

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**Section:** GOVERNMENT; GENERAL

**Length:** 404 words

**Dateline:** LONDON

### Body

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The government's draft Gambling Bill is due to be published tomorrow, outlining its plans to open up the casino market and establish the Gambling Commission as the industry's new regulator, officials said.

The draft bill, which contains most of the government's proposals, will undergo pre-legislative scrutiny by a joint committee of both houses of parliament.

A full Bill will then be introduced as soon as parliamentary time becomes available.

Designed to modernise all laws relating to betting in Britain, the Bill will give the Gambling Commission, the planned successor to the Gaming Board, wider functions, greater flexibility to act and stronger enforcement powers.

The first clauses of the draft Bill were published earlier this year.

The Commission will have flexibility to impose general or individual conditions on classes of licences and, where necessary, on specific operators.

It will also have powers to review licences, for example where it believes conditions have been breached or where it believes the licence holder is no longer suitable.

Big players from the US are waiting in the wings to move into the market when the Bill finally becomes law.

Harrah's Entertainment Inc has formed a joint venture with Gala Group to spend up to 1 bln stg to develop as many as eight new casinos.

Blackpool, in the northwest, has been identified as a key site for casino expansion where operators hope to turn it into a Las Vegas style centre for hotels with casinos.

If the current casino regulations are relaxed, including rules on size and membership, Harrah's and Gala will put together a "distribution network" of up to eight regional casinos, each having 30,000 to 50,000 square feet of gaming space among other entertainment and dining features.

Harrahs CEO Gary Loveman said this year his compnay is proceeding on the rough assumption that each casino could generate about 100 mln usd in revenues per year.

However, he called this estimate "highly speculative" and cautioned that it will depend both on how the regulations are changed and on what kind of competition ultimately takes shape.

Budget air carrier Ryanair Holdings PLC also launched a service to Blackpool from Stansted airport in Essex in March.

UK govt to publish draft Gambling Bill tomorrow

fp/ra

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**Load-Date:** November 19, 2003

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## Ryanair seeks meeting with UK transport minister ahead of Charleroi ruling

AFX.COM

November 17, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** GENERAL; COMPANY NEWS; GOVERNMENT

**Length:** 374 words

**Dateline:** LONDON

### Body

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Michael O'Leary, chief executive of Dublin-based budget airline Ryanair Holdings PLC, has asked to meet UK government Transport Secretary Alistair Darling in a bid to ward off a potentially damaging ruling by the European Commission on the airlines use of Belgium airport Charleroi.

"We requested a meeting with Alistair Darling last week," O'Leary told reporters at a news conference.

The move is part of Ryanair's lobbying of European governments to enlist support ahead of the commission's ruling on subsidies received by Ryanair at Charleroi.

Recent press reports suggest the commission will decide the 25-year commercial deal included unlawful state aid.

If it goes against Ryanair it will mean higher fares and reduced competition and impact other publicly-owned airports and low-cost airlines in Europe, said O'Leary.

"There is no doubt that a draft decision is floating around that rules a significant part of our cost base at Charleroi represents state aid and therefore those costs should go up and fares should go up massively," he said.

"I have not seen the decision. I don't know what is in it," he added.

Ryanair has a range of options it can take, depending on what the commission decides, said O'Leary.

They range from negotiating with the Commission to closing its base at Charleroi and appealing the decision, he added.

"Until we know what is in the decision we don't have a clue what the negative impact is going to be," said O'Leary.

If the commission rules against Ryanair, O'Leary said it would represent a victory for the powerful lobby of high-fare airlines like Air France and high cost airports such as Zaventem.

"Its their last desperate gasp to bring in the lobbyist and lawyers," said O'Leary.

The commission has been investigating for a year what it claims could be illegal state subsidies like reduced landing charges and financial help in marketing, staff training and recruitment received by Ryanair.

EU transport commissioner Loyola de Palacio is expected to rule by the end of this month or in early December.

tf/lam

Ryanair seeks meeting with UK transport minister ahead of Charleroi ruling

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**Load-Date:** November 18, 2003

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## AFX UK at a glance share guide

AFX.COM

November 17, 2003 Monday

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**Length:** 3073 words

### Body

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#### MARKETS

FTSE 100 4,397.0 up 24.0

FTSE 250 5,779.4 down 0.5

FTSE techMARK 100 1,026.65 down 3.72

Long gilt/equity yield ratio 1.56 (1.57)

FTSE Eurotop 300 939.99 up 4.61

DJIA 9,768.68 down 69.26

Nasdaq Comp 1,930.26 down 37.09

S&P 500 1,050.35 down 8.06

usd/stg 1.686; stg/euro 0.698

usd/euro 1.177; yen/usd 108.3

Gold 397.25 usd (395.65 usd)

Oil - Brent Dec 29.56 usd (29.30 usd)

Yield on US Gov 30-yr 5.06 pct

#### WEEKEND TAKEOVER NEWS & GOSSIP

\* Haim Saban, the man behind television heroes Power Rangers, close to securing finance for a deal that could lead to a bid for a merged ITV; a colleague and adviser of Saban tells Financial Sunday Express the billionaire is "determined to buy ITV" and is considering making a full bid for the merged company "if the price is right"

\* BP hit by investors fury over pipeline; threat of revolt casts shadow on 1.8 bln stg deal; powerful investors say the pipeline's success depends on BP addressing serious environmental and human rights issues surrounding the 1,100-mile pipeline that will run from Azerbaijan's Caspian Sea oilfields in Central Asia through Georgia to Ceyhan on Turkey's Mediterranean coast - Mail on Sunday

## AFX UK at a glance share guide

- \* New chief executive of VODAFONE, Arun Sarin, will this week disappoint investors who are hoping for a multi-billion pound share buy-back from the mobile phone giant - Sunday Times
- \* VODAFONE preparing to buy back 4 bln stg of its shares, analysts say; the move, which could come as early as this week, might be on top of a dividend hike of at least 25 pct - Sunday Express
- \* Ireland plans to stick a tax on chewing gum; proposals spark alarm at the world's two biggest gum manufacturers, America's Wrigley's and the UK's CADBURY SCHWEPES, which between them control almost half the global market - The Business
- \* A bitter battle over a 13 bln stg contract to supply air tankers to the Royal Air Force will intensify this week when President Bush throws his weight behind a bid led by Boeing and BAE SYSTEMS during his talks with the prime minister, Tony Blair
- \* RYANAIR faces new EC investigation; commission asked to investigate all present and future tie-ups between low-cost carriers and state-aided secondary airports near primary hubs that receive no government aid - The Business
- \* Board of AOL Time Warner sets this Thursday as a deadline to decide whether to sell its music business, Warner Music, to one of the two competing parties - or hold on to it; sources in New York say that a proposal by EMI to buy the unit for 650 mln stg in cash - plus a 25 pct stake in the merged company, worth 420 mln stg more - is the favoured option - The Business
- \* Fresh controversy for BSKYB'S chief; Financial Mail learns that Rawkus, the hip-hop record label co-founded by James Murdoch, is embroiled in a lawsuit alleging the company stole music from artists, including Eminem, for six years
- \* Paris Moayed, chairman of JARVIS, preparing to step down after nine years at the helm of the company; Jarvis's senior non-executive director and the Conservative party candidate for Mayor of London, Steven Norris, approached by at least one institutional shareholder as a replacement - Independent on Sunday
- \* Flamboyant Indian entrepreneur Anil Agarwal about to become one of the wealthiest businessmen on the London stock market; it will emerge this week that he will have a paper fortune of at least 800 mln stg when he floats his mining company Vedanta - Sunday Times
- \* Recent MARKS & SPENCER price-cutting on women's knitwear was prompted by a near-40 pct drop in sales in that department, compared with a year before, according to leaked figures - Sunday Times
- \* Sir Peter Davis, chief executive of J SAINSBURY, faces mounting pressure to abandon plans to become the next chairman - Mail on Sunday
- \* Sir Peter Davis, chief executive of J SAINSBURY, will receive a rare

## AFX UK at a glance share guide

declaration of support from members of its founding family this week ;

Sunday Telegraph also learns that Sainsbury is close to appointing a new chief executive, who will succeed Davis when he becomes chairman in March; frontrunner thought to be Justin King, head of food at MARKS & SPENCER, who initially turned down the job but is thought to have reconsidered following an improved offer - Sunday Telegraph

\* Jeff Banks, the fashion designer, to deliver an ultimatum this week to J SAINSBURY; he says he will take legal action unless the supermarket group either drops an attempt to scrap his adult clothing ranges or pays him 15 mln stg - Sunday Telegraph

\* KINGFISHER finance director Helen Weir quit because she was blocked from the top job at B&Q, says company insiders - Mail on Sunday

\* Contract for HAYS chief angers National Association of Pension Funds; NAPF advising members to abstain from voting on the re-election of director Xavier Urbain, head of the haulage and logistics division - Independent on Sunday

\* ARM plans to open R&D laboratory in India or China - Sunday Telegraph

\* WIGGINS, the troubled airports and property group, expected to announce this week that it has refinanced the business with a 47 mln stg placing of shares and convertible debt - Sunday Telegraph

\* Channel 4's departing chairman , Vanni Treves, emerges as a leading contender to become chairman of ITV - Mail on Sunday

\* Rupert Murdoch routs rebel investors over son; Murdoch tells those who do not like BSKYB or its corporate governance to go sell their shares as he brushes aside complaints of undue influence by News Corp, the Murdoch-led media group that controls 35.4 pct of BSKYB - Saturday FT

\* BSKYB will pay its recently-departed chief executive, Tony Ball, than 10 mln stg for agreeing not to work for a competing media firm - Sunday Telegraph

\* Rolf Stahel, who was ousted as boss of SHIRE PHARMACEUTICALS a year ago, seeking an equity stake worth up to 27.5 mln stg in ACAMBIS as a condition of joining the vaccines company as its next chief executive - Sunday Telegraph

\* Tony Ball, former chief executive of BSKYB, stands to receive at least 5 mln stg in return for not joining a rival TV company during the next two years - Saturday Guardian

\* MARKS & SPENCER believed to have appointed headhunters to search for a senior clothing retailer to strengthen its executive team - Saturday Telegraph

\* Leading Scotch whisky firms to meet on Tuesday to consider suing DIAGEO, the drinks giant, after accusing it of undermining the industry with its controversial distilling policy - Observer

\* NATIONAL GRID TRANSCO will next week launch the formal process for

## AFX UK at a glance share guide

selling some of Britain's biggest regional gas pipeline networks, valued at more than 6 bln stg - Saturday FT

\* Formal agreement to merge the London Clearing House and Clearnet, the European clearing service, contains a little-noticed clause allowing the merger to be terminated if the LONDON STOCK EXCHANGE withdraws its business - Saturday Times

\* Plans to cut more than 1 bln stg of excess profits of UK banks by reforming their outdated practices to be unveiled in the Queen's Speech - Saturday Times

\* Warrants held by Paul Reichmann in CANARY WHARF mean that he might be happy if no takeover bid succeeds for the London Docklands property company - Saturday FT

\* MANCHESTER UNITED seeking a meeting with Malcolm Glazer, the US corporate raider, in a bid to determine the reason behind his recent stakebuilding, which has refuelled takeover speculation in the football club - Saturday FT

\* Government clears way for the 4.7 bln stg merger of CARLTON and GRANADA

\* QUEENS MOAT selling its 263-room Moat House hotel in central Liverpool for 20 mln stg because it is in a redevelopment area and subject to a compulsory purchase order from Liverpool City Council

\* GRESHAM HOTELS receives a potential bid approach

\* BOOTS agrees a deal with US retailers Target and CVS to sell Boots toiletries in 32 stores in Denver and the East Coast - Saturday Mail

\* WILSON BOWDEN buys Ward Homes for 28.6 mln stg

\* FIRST CHOICE HOLIDAYS sells its Spanish retail and business travel operations to Barcelo, a private Spanish leisure group, for 30 mln stg

\* JJB SPORTS will announce this week that it has sold TJ Hughes, the discount retail chain, to PPM Ventures for 55 mln stg - Sunday Telegraph

\* HIGHBURY HOUSE in talks to sell its business-to-business arm to its management - Independent on Sunday

### SATURDAY PRESS COMMENT

FT

THE LEX COLUMN comments on BSKYB (James Murdoch is no monkey; but investors will have to wait before they can judge the prince's true ability), Volkswagen (investor expectations may be too high for a market showing few signs of life), Allianz (objective for banking - earning its cost of capital in 2005 - still looks out of reach), Tiscali (not even cheap compared with the pricey sector; in the longer term, it is always worth remembering that share prices one day end up reflecting real profits) - Weekend share watch: REXAM (on a forward undemanding 10.5 times; but investors should be warned that the group does plan further acquisitions and could require more funds), COLEFAX GROUP (until there

## AFX UK at a glance share guide

are signs of the rich starting to decorate again, there will be little of interest from investors), MEGGITT (on a forward multiple of 13, a small but undeserved discount to the sector on 14 times, given the highly-rated management and attractive market positions) - HORNBY (prospective multiple on the upwardly revised forecast is 20, which indicates that a good Christmas has already been built into the price) - ALEA (as a small and relatively new operation, Alea will struggle to attract a higher rating)

### Mail

INVESTMENT EXTRA: HAMMERSON (if it turns into a REIT - real estate investment trust - the 2.9 pct dividend yield could top 4 pct) - HILTON GROUP (rumours that Ladbroke may have reached an agreement with the government on fixed-odds betting terminals) - HEADLAM (whispers of a pending bullish circular) - AEROBOX (speculation that a leading airline has agreed to use containers made from the group's patented lightweight material, which is ideal for air freight)

### Express

BAE SYSTEMS (hopes fade of a transatlantic merger or acquisitions to boost its presence in the US defence market) - HILTON GROUP/STANLEY LEISURE/RANK GROUP (expectations that the government's draft gambling Bill could be published as early as next week) - GUS (mounting speculation it is about to dilute its 77 pct stake in BURBERRY) - HAMMERSON (vague bid speculation) - Who's dealing? DICOM GROUP (director buys 3,250 shares at 705 pence each) - Share whisper: MICE GROUP (news of acquisitions in North America could be on the cards when the company unveils what gossips believe will be solid half-year figures on Monday) - Broker's view: JARVIS (add from hold - Altium Capital)

### Guardian

HILTON GROUP (hopes that Ladbroke's will benefit from the gambling deregulation bill, a draft version of which could be published as early as next week) - BTG (US regulators stop Phase 11 clinical trials of its treatment for varicose veins, Varisolve) - CRODA (dealers realise the company provides a key ingredient for BTG's varisolve) - HELPHIRE (whispers of strong current trading) - UK BETTING (rumours it will announce a 10 mln stg acquisition next week) - SWAN HILL (COUNTRY & METROPOLITAN declares a 1.5 pct holding) - ZOO DIGITAL (speculation it has raised 5 mln stg via a placing of new shares at 10-1/2 pence) - ASK CENTRAL (market gossips believe CITY CENTRE RESTAURANTS will offer 185 pence for ASK in a mixture of cash and shares) - GUS (speculation that the retail conglomerate is poised to sell a sizeable chunk of its 77.5 pct holding in BURBERRY)

### Telegraph

STANDARD CHARTERED (traders speculate that the company may take a

## AFX UK at a glance share guide

significant holding in KorAm Bank, the Korean bank) - QUESTOR COLUMN: SCOTTISH & SOUTHERN ENERGY (buy), BABCOCK INTERNATIONAL (an interesting play), RAMCO ENERGY (well worth a look)

### Times

MONSOON (director sells 75,000 shares at 155 pence) - UKBETTING (talk it is to buy Oddscheckers, a rival betting site, in a deal accompanied by a 10 mln stg Collins Stewart fundraising) - ZOO DIGITAL (word that Noble & Co, its stockbroker, has closed the book on a 5 mln stg fundraising at 10-1/2 pence, the proceeds from which will be used to develop its DVD Extra system) - Tempus: BOOTS (hold), ISIS ASSET MANAGEMENT (before investors put any more money into the company, which is 67 pct-owned by Friends Provident, they must take a view on whether it will emerge as one of the sector's champions; otherwise hold), HORNBY (investors who have enjoyed the ride so far should consider taking some profits)

### Independent

SPIRENT (director sells 2.3 mln shares at 69 pence) - DICOM (director picks up 22,000 stg worth of shares) - INDEPENDENT MEDIA DISTRIBUTION (non-executive Charles Dunstone buys 1 mln shares at 52 pence) - NEWSPLAYER (talk that the company will soon receive a cash injection) - NO PAIN, NO GAIN: Derek Pain adds PREZZO to the portfolio and says he will be happy to hold on to AVON RUBBER if its results meet tipster Tom Winniffrith's profit expectations of 10.3 mln stg

### SUNDAY PRESS COMMENT

#### The Business

BENCHMARK: Neil Thapar comments on markets (it will take more than hawkish talk on interest rates to stop the bull market in equities, but the writing is already on the wall for bonds), Bank of England (Europe's most flexible economy could be condemned to slower growth rate than it is capable of, unless the Bank starts to think a bit harder), Total and Eni (Russia likely to become an exporter of not only crude oil, but also its refined derivatives; that may well drive to two companies into each other's arms), CORUS (savvy investors are betting on the disposal of Corus's aluminium business, a move once blocked by the firm's Dutch supervisory board; but laws to be brought in next year will weaken the power of these boards) - SMALL-CAP INVESTOR: VTR (buy for continued recovery) - AIM INVESTOR: OMG (a speculative buy)

#### Mail on Sunday

COMPANIES AND MARKETS: VODAFONE (set to boost dividend), NATIONAL GRID TRANSCO (tipped to set a dividend at about 8 pence) - SECRET DEALINGS: CRC GROUP (Patrick Evershed buys shares in a market leader cheaply for his New Star Select Opportunities fund, which now holds 1.04 pct of the 32.7 mln stg company) - REGUS (Merrill Lynch quits as stockbroker,

## AFX UK at a glance share guide

claiming the office rental group is too small to deal with, according to City sources; Regus denies Merrill's exit was linked to its rights issue) - MIDAS: THE FUTURE NETWORK (a buy) - MIDAS update: REXAM (rights issue deserves your backing) - TAKING STOCK: Simon Watkins comments on the ASK CENTRAL/CITY CENTRE RESTAURANTS talks about a possible merger

Sunday Telegraph

BRITANNIC Group wants to swallow ailing life insurers; its CEO says the right decisions have been taken to cope with a difficult market (BUSINESS p.2) - BLUE CHIP VALUES: CELLTECH (sell), MFI (keep selling) - SMALL CAP COMMENT: HORNBY (lock in some profits now), BEMA GOLD CORPORATION (for those willing to bet on continued strength in the gold price, this is worth a punt), ASK CENTRAL (sell), WELLINGTON UNDERWRITING (buy) - Look who's trading: LIONTRUST ASSET MANAGEMENT (investors should follow the directors and take some profits) - TAKING STOCK: Edmond Jackson comments on SWAN HILL, IFX (the board ought to deliver value on a two-year view; recognising this, plus the events at Swan Hill, reminds me not to lose patience), HARDMAN RESOURCES (if I were not exposed already to west Africa via DANA PETROLEUM, I would be considering investing in Hardman), placings in ADVANCED TECHNOLOGY and SUPERSCAPE

Independent on Sunday

Punting in the City: EMAP (look cheap but could look even cheaper if the advertising market picks up)

Sunday Times

JUDGMENT DAY: GAMES WORKSHOP (buy on a setback, says Andrew Brough, fund manager at Schroders; one stock to rule them all - buy, says Tim Steer, fund manager at New Star) - SHAREWATCH: Paul Durman comments on J SAINSBURY (compared with TESCO, the shares look cheap at 291-1/4 pence; but there is a good reason for that; sell), INTERNATIONAL POWER (too risky an investment) - MARKET MOLE: RICARDO (Andrew Green bought 300,000 shares for the GAM International Growth unit trust in October, which took his holding to 350,000)

Observer

THROG STREET: Richard Wachman comments on INVENSYS (some shareholders are talking about ditching (chief executive Rick Haythornthwaite), but changing the captain at Invensys never seems to make the slightest difference), KINGFISHER, VODAFONE

### OTHER WEEKEND NEWS ITEMS

\* Bank rate rise 'was mistake'; Item Club says tightening the monetary policy screw too early could throttle fragile economic recovery -

Observer

\* Slower sales give shops a festive scare; official sales data due on Thursday likely to show a slowing in growth from 0.6 pct in September to

about 0.3 pct during last month - Sunday Express

\* Brussels in fresh bid to harmonise company tax - The Business

\* BBC in talks with BT and internet provider YAHOO to allow free web access to 50 years of BBC programmes - The Business

\* Wealthy farmers set to win in CAP reform 'failure'; Britain's farmers set to keep the lion's share of the country's 2 bln stg-a-year farm subsidies, in a setback for the reform of agriculture promised by the government earlier this year - Saturday FT

\* A report says the solvency of many UK life insurers has not improved much this year, in spite of stock market recovery; Ned Cazalet, an independent analyst, also accuses the UK life industry of being "woefully inefficient" because of its "staggering" overheads - Saturday FT

\* US Federal Reserve officials say interest rate rises are unlikely for some time - Saturday FT

\* Ofgem stepping up its investigation of wholesale gas prices - Saturday FT

\* Exxon Mobil ordered to pay 11.9 bln usd in damages to the state of Alabama - Saturday FT

\* Businesses expect to pay an extra 200 mln stg a year under a new form of stamp duty - Saturday FT  
fjb/rn

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**Load-Date:** November 18, 2003





## Madrid shares AFX at a glance outlook

AFX European Focus

November 17, 2003 Monday

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**Section:** MARKETS

**Length:** 593 words

**Dateline:** MADRID

### Body

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Share prices are expected to open lower on Wall Street's losses Friday and sharp declines this morning in Tokyo, dealers said, with TMTs, blue chips and other recent outperformers under pressure, and FCC seen active on corporate activity hopes.

Friday, the IBEX-35 index was up 35.0 points at 7,293.8, after trading in a range of 7,251-7,311, on turnover of 1.670 bln eur, with put-throughs accounting for about a quarter.

The IBEX-NM gained 1.9 points to 1,815.6.

#### FORTHCOMING EVENTS

##### TODAY

- Sol Melia 9 mths results

##### TODAY'S PRESS

- Fomento de Construcciones' Koplowitz offers 960 mln eur for Veolia's stake (El Mundo)
- Indra joins consortium bidding for 3 bln eur NATO contract (La Gaceta de los Negocios)
- Gas Natural to swap assets for 50 pct of Repsol YPF's Gastream (La Gaceta de los Negocios)
- Fenosa shelves plan to sell stake in Palos plant to Enel (Expansion, El Pais)
- Iberia's Mullor sees European airlines with both US, Asian partners (Expansion)
- Advent has acceptances from shareholders with 57 pct of Parques Reunidos (La Gaceta de los Negocios)

##### WEEKEND PRESS

- Telefonica sees 350 mln eur pretax gain on sale of Antena 3 (Expansion)
- Ryanair plans to operate 55 daily flights from Gerona in 2005 (Expansion)
- Iberdrola sells Valencia HQ to Navisa for 24 mln eur (Expansion)
- Boeing's Condit sees recovery in global aviation industry (Expansion)

##### LATE NEWS/RESULTS

- Antena 3 9 mths net loss 105.2 mln eur vs loss 50.7 mln on one-time charges
- Iberpapel 9 mths net shrinks to 7.15 mln eur vs 13.97 mln on weak paper mkt

## Madrid shares AFX at a glance outlook

- Repsol YPF to invest 5.7 bln usd over next 5 yrs in Argentina
- Zaragozano shares to be delisted - bourse
- Azkar 9 mths net 13.17 mln eur vs 11.62 mln

### MACROECONOMIC NEWS

- Spain Aug current account deficit 266 mln eur vs surplus 396 mln yr-earlier

### MARKET SENTIMENT

-The broad market is expected to open lower, depressed by Friday's losses on Wall Street and sharp declines on the Tokyo exchange, with blue chips like Telefonica, SCH and BBVA, as well as TMTs like Sogecable under pressure.

"With the Nikkei below the key 10,000 level and the dollar weakening, we'll be lower at the opening and I'd be looking to sell into any bounce, though the odds of any are limited," a trader at a local brokerage said.

-FCC is likely to be well bid on reports that shareholder Esther Koplowitz is seeking to buy Veolia Environment's 26 pct of the Spanish constructor for 960 mln eur, in a move which would give the businesswoman control as well open the company up to a merger.

The report said Veolia is expected to seek a higher price than the 28 eur per share Koplowitz has offered, while the most likely merger candidates are Acciona, which recently bought 8.6 pct of FCC, and Ferrovial.

"The report should add a bit of heat to the sector as such a move would open the door to further consolidation, but I can't see Veolia settling for less than 30 eur a share and will probably be asking for more," the trader said.

- Other defensives like Altadis should outperform as investors focus on less risky plays.

-Sol Melia will also be in focus ahead of the hotel group's nine months results, while Arcelor is likely to see some profit-taking after Friday's over 5 pct gain.

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**Load-Date:** November 18, 2003



## Ryanair plans to operate 55 daily flights from Gerona in 2005

AFX.COM

November 17, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 111 words

**Dateline:** MADRID

### Body

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Ryanair Holdings PLC plans to operate 55 daily flights from Gerona, near Barcelona, in 2005, Expansion reported Saturday, citing a pre-agreement between the Irish low cost carrier and the Catalan local government.

As part of the agreement, the number of passengers transported by Ryanair from Gerona is set to triple in 2004, with the number of routes operated doubling.

By 2005, Ryanair is expected to operate 55 daily flights from Gerona to destinations such as Liverpool, Stockholm, Rome and Valencia, Expansion reported.

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**Load-Date:** November 18, 2003



## **Ryanair offers to pay 1 stg towards passengers' airport, government charges**

AFX.COM

November 17, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 62 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it will offer to pay 1 stg towards passengers' airport and government charges under its latest offer.

The offer, which is available on all routes, will run from today to midnight on Nov 20 and will be valid for travel between Nov 20 and Dec 20.

jc

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**Load-Date:** November 18, 2003



## Ryanair offers free flights, to pay 1 stg towards airport tax UPDATE

AFX.COM

November 17, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 78 words

**Dateline:** LONDON

### Body

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(Adds that the offer is in conjunction with free flights offer)

Ryanair Holdings PLC said as well as free flights it will offer to pay 1 stg towards passengers' airport and government charges under its latest offer.

The offer, which is available on all routes, will run from today to midnight on Nov 20 and will be valid for travel between Nov 20 and Dec 20.

jc

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**Load-Date:** November 18, 2003

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## Ryanair faces new EU probe - report

AFX.COM

November 16, 2003 Sunday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 113 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC is facing fresh investigation from the European Commission, this time addressing the no-frills carrier's deals with little-used airports across Europe, the Business newspaper reported citing industry sources.

The EU has been asked to investigate all present and future tie-ups between low-cost carriers and state-aided secondary airports near primary hubs that receive no government aid, the newspaper said.

The probe was requested by an unnamed aviation company.

Both the EU and Ryanair declined to comment, the article said.

mbe/pav/

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**Load-Date:** November 17, 2003



## Ex-EU commissioner Van Miert sees Ryanair Charleroi case ending in EU court

AFX.COM

November 16, 2003 Sunday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 175 words

**Dateline:** BRUSSELS

### Body

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Former EU Competition Commissioner Karel Van Miert said he hopes the European Commission will take a "balanced" decision on the case of budget airline Ryanair Holdings PLC's use of Charleroi airport near Brussels but warned it is likely to end up in the European Court of Justice anyway.

"We must hope the decision is sufficiently balanced" to show the Commission will not tolerate illegal state aid on the one hand, but on the other that is not out to "make life impossible" for budget airlines, Van Miert told the French-speaking Belgian public radio channel RTBF.

He noted creating wider access to cheap flights had been one of his commission's objectives in seeking to liberalise the European airline market.

However, "it is probable that the decision is going to be attacked by one party or another, and it will most likely end up before the judges" of the European court, he said.

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**Load-Date:** November 17, 2003



## AFX UK at a glance share guide

AFX.COM

November 13, 2003 Thursday

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**Section:** MARKETS

**Length:** 554 words

### Body

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#### MARKETS:

FTSE 100 4,371.2, up 26.1

FTSE 250 5,789.5, up 31.2

Long gilt/equity yield ratio 1.58 (1.58)

FTSE Eurotop 300 932.13, up 0.27 pct

DJIA 9,848.83, up 111.04

Nasdaq Comp 1,973.11, up 42.36

Tokyo: Nikkei closed at 10,337.67, up 111.45

Hang Seng midday 12,121.61, up 150.13

usd/stg 1.674; stg/euro 0.694

usd/euro 1.164; yen/usd 108.7

Gold 392.75 usd (388.25 usd)

Oil - Brent Dec 28.88 usd (28.98 usd)

Yield on US Govt 30-yr 5.22 pct

#### TAKEOVER NEWS & GOSSIP

\* BAE SYSTEMS and Boeing have signed an agreement giving BAE more than 400 mln stg of work on all future 767 manufacturing if the Royal Air Force picks the US group's aircraft for a new air refueling fleet - The Financial Times

\* A crucial contract for armoured vehicles from the Ministry of Defence was in turmoil last night after the bidders for the 1 bln stg deal were told to re-submit offers - The Times

#### PRESS COMMENT

FT

THE LEX COLUMN comments on CORUS (Arcelor and ThyssenKrupp might not offer the same turnaround potential, but they offer a purer bet on an improving global market) - FORD (This week's decision to increase incentives on the heavily promoted new F-150 truck is a worrying sign), RYANAIR (This is a headache that could



## AFX UK at a glance share guide

last a while), CABLE & WIRELESS (So far so good? Next time, to please investors will require outstanding, rather than merely good news)

### Times

TEMPUS: CANARY WHARF (Shares could lose value if all these bids are turned away - but that eventuality should be seen as providing investors with an opportunity to buy) - RUMOUR OF THE DAY: WIGGINS (could return from suspension before the end of next week, its followers hear)

### Telegraph

QUESTOR: CABLE & WIRELESS (There's no point selling out now and it would be better to give the new management the benefit of the doubt and see if they deliver on their promises), DAIRY CREST (look high enough for now, take profits), RYANAIR (Until the uncertainty clears, the shares are high enough)

### Independent

MARKET REPORT: EMI (is in pole position to win the race for control of Time Warner's recorded music unit, according to sources on Wall Street), CELLTECH (boosted by speculation of an offer from Serono)

THE INVESTMENT COLUMN: DAIRY CREST (Should have further to go) ANTISOMA (drugs can give it new life), BUSINESS POST (offers first class prospects)

### Guardian

GUS (gains amid speculation that the group could distribute its 77.5 pct stake in Burberry to shareholders) - UNILEVER (speculation of cash return to shareholders) - REXAM (speculation that the group is to announce a 3 pct rise in prices) - OSMOTECH (talk that current trading is ahead of expectations and a couple of big deals are in the pipeline) - NEWSPLAYER (Market gossips believe that the online newsreel company will announce that the Strategic Investment Trust of Japan has purchased a 5 pct stake)

### Express

Who's dealing? REED HEALTH GROUP (non-executive chairman Barry Hartop bought 30,294 shares at 100-1/2 pence each) - Share whisper: BELL GROUP (talk that the debate over ID cards could alert predators to the group) - Broker's view: BOOTS (Investec maintained its buy rating)

... more to follow

gl/vjt/

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**Load-Date:** November 14, 2003

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## ROUNDUP P&O's ferries woe drags shares lower

AFX European Focus

November 13, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 951 words

**Dateline:** LONDON

### Body

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Shares in Peninsular & Oriental Steam Navigation Co were nearly 10 pct lower in early afternoon trading after the group revealed a disappointing performance from its ferries division in the peak third quarter season and warned the outlook for the business remains unfavourable.

This, coupled with news that P&O's logistics division saw further competitive pressure in the US in the third quarter, prompted sector analysts to cut current year profit forecasts for the group by some 6 pct.

The ferries and logistics woe was partly offset by a robust performance from P&O's core ports division and a return to operating profit at P&O Nedlloyd Container Line -- P&O's 50:50 container shipping joint venture with Royal Nedlloyd Group NV.

The ferries division saw tourist vehicle carryings fall 7 pct in the three months to end-September compared to the same period last year, while passenger carryings were 9 pct down -- reflecting the weak market conditions in the travel industry that have existed since the outbreak of the Iraq war together with increased competition from the no-frills airlines, notably easyJet and Ryanair.

"There was a reluctance to go abroad which was exacerbated for once by the rather glorious summer we experienced over here," said Russ Peters, managing director of P&O Ferries.

"There has been, there is no question, pressure on what we do caused by the increased range of options offered by the low cost airlines."

On the Short Sea (Dover-Calais) route, P&O's tourist vehicle carryings were 3 pct down, rates were 6 pct down and passenger carryings were 10 pct lower -- the latter factor reflecting a 14 pct decline in the overall coach market as operators moved to focus on UK holidays for the 2003 season.

On P&O's other ferry routes (North Sea, Irish Sea and the Western Channel) there was a 12 pct decline in tourist vehicles carryings and an 8 pct decline in passenger carryings. Rates were similar or ahead of last year.

The freight business continued to experience steady volume growth -- 4 pct ahead of 2002, but rates were slightly down.

Although P&O is examining ways to improve the ferry performance, such as taking on the airlines with better marketing, Peters warned investors not to expect a swift turnaround.

"We do think it is a trend that is probably going to affect us for the next couple of years," he said.

## ROUNDUP P&O's ferries woe drags shares lower

For the full year he forecast total vehicle carryings down 7-8 pct and passenger carryings down 10 pct.

During the third quarter P&O's cold logistics business continued to experience competitive pressures, with California particularly hit by low fish and strawberry volumes.

CSFB reacted by downgrading its investment rating for P&O to 'neutral' from 'outperform' and its 2003 EBIT (earnings before interest and tax) forecast by 7.4 pct to 206.5 mln stg -- reflecting a reduction in its ferries EBIT forecast from 18.6 mln stg to 2.5 mln, partly offset by a modest upgrade in cargo shipping (plus 2.6 mln stg).

After adjusting for a slightly lower interest charge the broker's pretax profit forecast falls from 117.2 mln stg to 104.6 mln, giving EPS of 9.2 pence, down from 10.4 previously.

The ferries disappointment overshadowed another robust performance from P&O's core ports business. This saw container volumes increase 24 pct in the third quarter with 13 pct attributable to organic or like-for-like growth.

Year to date growth is 26 pct, with 20 pct attributable to organic growth.

Asia, where half of P&O's ports business is located, saw third quarter organic growth of 20 pct, powered by its ports in China and India.

In China, the next phase of Qingdao, roughly the size of Southampton, is about to be handed over, while in India, P&O's new terminal at Mundra near Delhi, is now fully operational.

But analysts cautioned that stronger volume growth may not translate into higher profits due to pressure from a weaker dollar.

Meanwhile, P&O Nedlloyd reported its best quarterly operating performance for nearly three years.

Operating profits (before restructuring costs) were 56 mln usd, compared to analysts' forecasts of 30-60 mln usd and versus a loss of 46 mln last time, reflecting an 18 pct improvement in average revenue per teu (twenty foot equivalent unit).

The joint venture flagged that the positive trend is being maintained in the fourth quarter.

"Despite new building orders, the supply/demand balance in the industry is expected to remain favourable until at least the end of 2005, with an increasingly positive outlook for 2004," it said.

P&O's long-standing strategic objective is to reduce its investment in P&O Nedlloyd but there was no news on this today.

The group's "preferred option" is to bring a third party to the joint venture, a move that would provide the opportunity for significant cost savings. Less favoured options include a demerger or an independent listing for P&O Nedlloyd.

"The key fact is that for P&O Nedlloyd the tide is turning and we've seen steady improvements in the third quarter but we're not quite there yet and resolving the present structural issues is a top priority both for ourselves and for Royal Nedlloyd," said Peter Smith, director, communications and strategy.

"One can't anticipate at this stage precisely what the outcome will be nor the timescale."

At 1.01 pm deferred shares in P&O were down 27 pence at 258-1/2, valuing the group at 1.9 bln stg.

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jdd/shw

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**Load-Date:** November 14, 2003

ROUNDUP P&O's ferries woe drags shares lower

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End of Document



## Danish shares close higher, but tempered by US key data UPDATE

AFX European Focus

November 13, 2003 Thursday

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**Section:** MARKETS

**Length:** 648 words

**Dateline:** COPENHAGEN

### Body

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(Updating with full report)

Share prices closed higher, but they were kept in check this afternoon by the key US data, which revealed an unexpected growth in the trade deficit, possibly indicating that the US economy may be weaker than earlier believed, brokers said.

The KFX index closed 2.11 points higher at 253.33 and the KBX benchmark index was 1.58 points higher at 217.76.

The KAX All Share index closed 1.53 points higher at 221.41 on turnover of 2.37 bln dkr.

AP Moeller-Maersk A closed 300 higher at 45,200 and the B-shares rose 300 to 47,100 after peer P&O Nedlloyd Container Line posted a third-quarter operating profit of 56 mln usd - up from a loss of 46 mln usd the year earlier - and said the positive trend is being maintained in the fourth quarter.

DSV added 0.5 to 240.5, extending yesterday's rise after it retained its full-year guidance after posting a nine-months EBITA of 607 mln dkr, slightly down from the 619 mln dkr posted a year earlier, but in line with the SME consensus of 607 mln dkr, brokers said.

DFDS shed 1 to 181.

SAS AB fell 0.5 to 59.5. Scandinavian Airlines System plans to launch a new independent low-priced airline group in Scandinavia, daily Boersen reported without citing sources.

SAS chief executive officer Joergen Lindegaard said to Boersen that SAS in Scandinavia will in future operate a "one-class, more low-price oriented product."

The plan is to put all Norwegian and Swedish domestic flights together with the significant traffic between the three Scandinavian capitals into a low-price airline group, which will have the freedom to set costs on the same terms as competitors such as EasyJet and Ryanair, the daily said.

GN Store Nord was up 0.9 at 39.6, extending yesterday's rise following news that Siemens has appointed GN Store Nord as a supplier of Siemens' second-generation Bluetooth headsets.

NKT Holding added 1 to 117, while TDC closed 0.5 lower at 212.

## Danish shares close higher, but tempered by US key data UPDATE

B&O Holding B shed 3 to 245. The group is considering moving some of its component production to Eastern Europe in an attempt to reduce costs, chief executive officer, Torben Ballegaard Soerensen, said to Danish Radio local station DR Midt & Vest. Some 1,300 jobs may be affected, the radio station said.

Radiometer B added 9.5 to 408.5 and Vestas Wind Systems rose 1.5 to 122.5.

NEG Micon was 1.5 higher at 63. It has reached a settlement in a legal dispute regarding the Le Nordais project in Canada.

Lundbeck was up 4.5 at 1025, recovering from recent falls. Brokers said investors ignored a downgrade to 'reduce' from 'accumulate' by Jyske Bank, which also cut the 12-months price target cut to 105 dkr from 140 dkr, after last week's very disappointing interim report.

Novo Nordisk B added 4 to 237.5 and NeuroSearch rose 3 to 167, while Novozymes B shed 3.5 to 215.5.

Coloplast B closed 9 higher at 539. Analysts polled for RB-Boeresen expect it to post full-year net profit of 563 mln dkr, compared with 605 mln a year ago, on Tuesday.

FLS Industries B was down 0.5 at 75. Its FL Smidth unit has received an order worth about 20 mln eur for production equipment from Syria. The new order will make a positive contribution to the group's earnings in 2004 and 2005, but does not affect the forecast for this year, which was a disappointment to investors, brokers said.

Danisco added 3 to 259 on news its venture fund Danisco Venture has invested in US-based Linguagen, which develops ingredients used to improve the taste of food, beverages and pharmaceutical products.

Carlsberg B shed 3.5 to 261.5 and Chr Hansen Holding B fell 7 to 343, while East Asiatic Co added 2 to 235.

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**Load-Date:** November 14, 2003



## SAS plans launch of new Scandinavian low-priced airline group - report

AFX European Focus

November 13, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 160 words

**Dateline:** COPENHAGEN

### Body

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Scandinavian Airlines System plans to launch a new independent low-priced airline group in Scandinavia, daily Boersen reported without citing sources.

The daily said SAS chief executive officer Joergen Lindegaard has proposed to the board that the home market must be defended at any costs.

Lindegaard said to Boersen that he would not comment on any plans he has now, "because they are only plans".

But the paper said Lindegaard admitted that SAS in Scandinavia will in future operate a "one-class, more low-price oriented product."

The plan is to put all Norwegian and Swedish domestic flights together with the significant traffic between the three Scandinavian capitals into a low-price airline group, which will have the freedom to set costs on the same terms as competitors such as EasyJet and Ryanair, said the daily.

kj/jfr

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**Load-Date:** November 14, 2003



## EU Commission says Ryanair threat to close Charleroi will not effect decision

AFX.COM

November 12, 2003 Wednesday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 268 words

**Dateline:** BRUSSELS

### Body

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The European Commission said the threat by Ryanair Holdings PLC to close Charleroi airport if subsidies the low-cost carrier has received are declared illegal state aid will have no effect on the decision on the case.

Earlier, Ryanair chief executive Michael O'Leary said the company will appeal immediately if the commission rules that the subsidies are unlawful state aid and will explore if Chareloi airport -- the company's continental European hub -- could be privatised.

If privatisation is not possible, O'Leary said the company would be forced temporarily to close its base at Charleroi while its appeal is pending and transfer its aircraft and routes to another privately-owned European city airport.

Commission spokesman for air transport Gilles Gantelet said: "We have to take a legal decision. This cannot be affected by outside declarations."

In response to claims by Ryanair that it has seen a draft of the commission's decision on the state aid probe, Gantelet said: "The decision has not been taken. These are only rumours and are not based on reality. We are still discussing the case in the commission."

The commission has been investigating for 11 months what it claims could be illegal state subsidies, such as reduced landing charges and financial help in marketing, staff training and recruitment.

EU transport commissioner Loyola de Palacio is expected to rule by the end of this month or in early December.

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**Load-Date:** November 13, 2003



EU Commission says Ryanair threat to close Charleroi will not effect decision

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## Ryanair says draft EU report to find against Charleroi deal - UPDATE

AFX.COM

November 12, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 314 words

**Dateline:** LONDON

### Body

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(Updating to add more detail, background)

Ryanair Holdings PLC said it has learned that a draft report from the European Commission indicates that substantial parts of its 25-year commercial deal at Brussels Charleroi airport will be found to be unlawful state aid.

The Dublin-based no-frills airline said that should this be confirmed by the Commission it would immediately appeal to the European Court in Luxembourg to have the decision overturned given that the package offered by Charleroi to Ryanair was offered to several other airlines.

In the event of an unlawful state aid ruling Ryanair would also immediately enter into negotiations with both Brussels Charleroi and the regional government of Wallonia to explore the possibility of the airport being privatised and a similar long term, low cost, arrangement being put in place.

Ryanair warned that if this is not possible it would be forced, temporarily, to close its base at Charleroi, while the appeal is pending, transfer its aircraft and the routes to another privately-owned European capital city airport, and then return if the negative decision can be overturned on appeal.

"A negative decision by the Commission in this case will be manifestly in error and will do untold damage to the growth of low fare air travel and competition in European air transport," Ryanair chief executive Michael O'Leary warned.

The Commission has been investigating for 11 months what it claims could be illegal state subsidies, such as reduced landing charges and financial help in marketing, staff training and recruitment.

EU transport commissioner Loyola de Palacio is expected to rule by the end of this month.

At 11.31 am Ryanair shares were down 35 cents at 6.47 eur.

jdd/shw

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**Load-Date:** November 13, 2003

Ryanair says draft EU report to find against Charleroi deal - UPDATE

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End of Document



## Ryanair says draft EU report to find against Charleroi grant; co will appeal

AFX.COM

November 12, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 162 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it has learned that a draft report from the European Commission indicates that substantial parts of Ryanair's arrangements at Brussels Charleroi airport will be found unlawful.

As a result the low-cost airline said it would immediately appeal to the European Court in Luxembourg to have such a decision overturned.

Ryanair will also immediately enter into negotiations with both Brussels Charleroi and the Walloon government to explore the possibility of the airport being privatised and a similar long-term, low-cost arrangement being put in place.

Ryanair warned it may be forced, temporarily, to close the base at Brussels Charleroi, while the appeal is pending. It would then transfer the aircraft and the routes to another privately owned European capital city airport, and then return if an appeal is successful.

rn/ak

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**Load-Date:** November 13, 2003



## Brussels shares AFX at a glance outlook

AFX European Focus

November 12, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 114 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open lower, depressed by Wall Street's overnight falls, brokers said.

Yesterday, the Bel 20 closed down 5 points or 0.23 pct at 2,195.78.

#### EVENTS SCHEDULED

##### TOMORROW

- Belgian Sept industrial output
- Agfa-Gevaert Q3 results
- Deceuninck Q3 results

#### PRESS HEADLINES

-Ryanair's Michael O'Leary threatens to cut flights from Charleroi airport, outside Brussels, if the European Commission asks it to reimburse state aid (Le Soir)

-Belgian company executives remain cautious about economic outlook (L'Echo)

vm/jlw

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**Load-Date:** November 13, 2003



## Ryanair says any EU moves to rule against airline will damage competition

AFX.COM

November 7, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 273 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said moves by the EU Commission to rule against it in the Charleroi case will be damaging for competition and low fare air travel.

Referring to a Financial Times report that the European Commission is expected to take a tough line in a state-aid case against Ryanair, by ruling that several of the benefits granted to the Irish low-cost airline are illegal, the low cost carrier said any ruling against it may result in it withdrawing altogether from Brussels Charleroi Airport, close down 10 routes and remove low fare air services that are presently used by 2 mln passengers a year.

Ryannair may also have to appeal to the European Court, it added.

According to the FT, the final decision in the case is expected this month but people familiar with the preliminary ruling say the carrier will also be ordered to repay some of the benefits it received in return for setting up a base in Charleroi.

Ryanair's chief executive, Michael O'Leary said: "It is wrong that the EU Commission in Brussels can impose artificial constraints on the growth of low fare air travel and/or competition in Europe simply to appease high fare airlines and high cost airports such as Zaventem.

"If these findings as leaked in the Financial Times are correct - it would appear that bureaucrats in Brussels wish to prevent privately owned airlines

developing low cost arrangements at publicly owned airports for the benefit of consumers, lower fares, growth and jobs.

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ra/bam

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**Load-Date:** November 8, 2003

Ryanair says any EU moves to rule against airline will damage competition

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## London shares outlook - higher after Wall St recovery, payroll data seen key

AFX.COM

November 7, 2003 Friday

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**Section:** MARKETS

**Length:** 480 words

**Dateline:** LONDON

### Body

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Leading shares are expected to open higher this morning, lifted by a late recovery by Wall Street last night, although concerns over yesterday's interest rate rise and caution ahead of this afternoon's key US jobs data looks like limiting gains, dealers said.

According to spread betting firm, IG Index, the FTSE 100 index is expected to open around 25 points higher at 4,350, after closing yesterday at 4324.2.

On Wall Street last night, the DJIA closed 36.14 points higher at 9856.97, while the Nasdaq ended the day 17 points higher at 1976.37, as upbeat economic news and Wednesday's better than expected earnings from Cisco lifted sentiment, traders noted.

Looking ahead to this afternoon however, investors will be eagerly awaiting what is expected to be an upbeat October non-farm payroll report.

Economists believe US businesses added around 40,000 jobs in October, a bit less than the 57,000 added in September. It would be the first back-to-back gains in payrolls in nearly a year, another hopeful sign better times are just ahead, dealers said.

Also due later today, US October wholesale inventories and September consumer credit data should provide further clues as to the health of the world's largest economy.

In Asia overnight, the Nikkei 225 index closed 76.68 points higher at 10,628.98, while the Hang Seng ended its morning session 40.10 points higher at 12,190.19.

In company news, Cookson is due to issue a third quarter trading update later this morning, with the market looking for signs of improvement in the group's key markets.

Cookson announced yesterday that it had completed the sale of its loss-making electronics equipment business, Speedline, to KPS Special Situations Fund II for 6 mln stg.

Away from earnings news, EMI looks like remaining in focus after

Sony Music announced yesterday that it is planning to link up with Bertelsmann.

The deal could put pressure on the remaining competitors EMI, Universal and Warner Music to merge, according to dealers.



London shares outlook - higher after Wall St recovery, payroll data seen key

However, EMI declined to comment yesterday on reports it has secured up to 1 bln usd in bank loans to fund a bid for Warner Music.

Ryanair could suffer after the Financial Times reported that the European Commission is expected to take a tough line in a landmark state-aid case against the company, by ruling that several of the benefits granted to the Irish airline are illegal.

BAT should also be in focus after the group ruled out the possibility of improving its offer for the tobacco business of Turkish state group Tekel after being trumped by lone rival Japan Tobacco.

Japan Tobacco gave the highest bid of 1.15 bln usd for Tekel's cigarette arm, Sigara Sanayi Isletmeleri.

gl/slm/

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**Load-Date:** November 8, 2003

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## AFX UK at a glance share guide

AFX.COM

November 7, 2003 Friday

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**Section:** MARKETS

**Length:** 516 words

### Body

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#### MARKETS

FTSE 100 4,324.2, up 20.8

FTSE 250 5,757.1, up 28.7

Long gilt/equity yield ratio 1.58 (1.55)

FTSE Eurotop 300 932.53, up 0.54 pct

DJIA 9,856.97, up 36.14

Nasdaq Comp 1,976.37, up 17.0

Tokyo: Nikkei closed at 10,628.98, up 76.68

Hang Seng midday 12,190.19 up 40.10

usd/stg 1.669; stg/euro 0.684

usd/euro 1.141; yen/usd 110.2

Gold 381.50 usd (382.75 usd)

Oil - Brent Dec 28.41 usd (28.60 usd)

Yield on US Govt 30-yr 5.25 pct

#### TAKEOVER NEWS & GOSSIP

\* BRITISH AMERICAN TOBACCO pulls out of Burma, selling its 60 pct stake in Rothmans of Pall Mall Myanmar to Distinction Investment Holdings

\* European Commission expected to take a tough line in a landmark state-aid case against RYANAIR, by ruling that several of the benefits granted to the Irish low-cost airline are illegal - FT

\* LONDON STOCK EXCHANGE under investigation by OFT over level of fees

\* CANARY WHARF'S independent directors could recommend a 1.5 bln stg offer from a Morgan Stanley-led consortium as early as today or Monday - FT

\* Brascan, the Canadian conglomerate involved in a bidding war for CANARY WHARF, says it has no intention of selling its 9 pct stake in the London property company to the rival bidder Morgan Stanley - Times

#### PRESS COMMENT

FT

## AFX UK at a glance share guide

THE LEX COLUMN comments on monetary policy committee's interest rate decision, Music mergers, Vedanta, BARCLAYS (corporate governance) - 3I (looks reasonably attractive) - TATE & LYLE (unlikely to get a re-rating until the end of the pricing negotiations set the scene for the coming months) - MAN GROUP (looks like a fair buy as a medium-term investment) - SCOTTISH & SOUTHERN ENERGY (worth holding) - MCCARTHY & STONE (well deserved premium to the sector)

### Times

DIRECTORS' DEALINGS: ARM HOLDINGS (chairman sells 1.5 mln shares at 114.59 pence) - RUMOUR OF THE DAY: PATIENTLINE (talk of deal with Sega of Japan) - Tempus: MAN GROUP (hold), SCOTTISH & SOUTHERN ENERGY (should be bought), 3I (buy)

### Telegraph

QUESTOR: PUNCH TAVERNS (relatively cheap compared with other managed pub companies such as JD WETHERSPOON), TATE & LYLE (hold on until after the sweetener pricing round), MCCARTHY & STONE (worth hanging on to if you believe the housing market is secure)

### Independent

THE INVESTMENT COLUMN: BG (worth holding), MCCARTHY & STONE (hold)

### Guardian

KINGFISHER (fears the company could report flat like-for-like sales at its B&Q unit next week) - UNILEVER (speculation of cash return to shareholders)

### Express

Who's dealing? AIR PARTNER (chairman sells 335,000 shares at 360 pence) - Share whisper: ADVANCED TECHNOLOGY (rumours it is close to a major contract win in Ghana) - Broker's view: CHEMRING (Dryden Financial positive)

### Mail

AMBIENT (Oriol Securities highlights value of Moneybox)

### Investors Chronicle

AVOCET MINING (buy), CELLTECH (sell), HOME ENTERTAINMENT (buy), DS SMITH (buy), SVB INSURANCE (buy), VANTIS (buy)

... more to follow:

fjb/vjt/

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**Load-Date:** November 8, 2003



## Ryanair Oct passengers 2.07 mln vs 1.38; load factor 84 pct vs 89

AFX.COM

November 5, 2003 Wednesday

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**Length:** 82 words

**Dateline:** LONDON

### Body

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Dublin-based no frills carrier Ryanair Holdings PLC said it carried 2.07 mln passengers in October, a 50 pct increase on the 1.38 mln carried in the same month of last year.

Load factor -- the number of passengers as a proportion of the number of seats available for passengers -- was 84 pct compared with 89 pct last year.

And sales over the internet rose to 95 pct from 92 pct.

el/ak

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**Load-Date:** November 6, 2003



## AFX UK at a glance share guide

AFX.COM

November 4, 2003 Tuesday

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**Section:** MARKETS

**Length:** 588 words

### Body

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#### MARKETS

FTSE 100 4,332.6, up 45.0

FTSE 250 5,768.2, up 43.8

Long gilt/equity yield ratio 1.59 (1.55)

FTSE Eurotop 300 937.87, up 1.66 pct

DJIA 9,858.46, up 57.34

Nasdaq Comp 1,967.70, up 35.49

S&P 500 1,059.00, up 8.30

Tokyo: Nikkei closed at 10,847.97, up 288.38

Hang Seng midday 12,531.87, up 145.06

usd/stg 1.676; stg/euro 0.683

usd/euro 1.146; yen/usd 111.2

Gold 378.25 usd (387.25 usd)

Oil - Brent Dec 26.72 usd (27.70 usd)

Yield on US Govt 30-yr 5.18 pct

#### TAKEOVER NEWS & GOSSIP

\* Dismay as Murdoch son lands BSKYB job; investors want assurances that top appointment will not compromise corporate governance guidelines - FT

\* Goldman Sachs withdraws from CANARY WHARF race - FT

\* CANARY WHARF agrees to hold exclusive negotiations with a consortium led by Morgan Stanley and US diamond magnate Simon Glick; under the terms of the proposed deal, which could result in a formal offer being tabled this week, shareholders would get 255 pence per Canary Wharf share - Express

\* Concerns raised about EBOOKERS' corporate governance after it emerges that the wife of the online travel agency's chief executive had been awarded an 880,000 stg cash bonus - FT

\* SSL sells its industrial gloves business to Comasec of France in a deal worth up to 22 mln stg

## AFX UK at a glance share guide

\* Rumours persist that ROYAL BANK OF SCOTLAND is preparing a 4.5 bln stg bid for Pennsylvania's Sovereign Bank - Mail

\* Premier Foods creams off Ambrosia from UNILEVER in 105 mln stg deal - Independent

PRESS COMMENT

FT

THE LEX COLUMN comments on RYANAIR (O'Leary has shown he can make the low-cost model work, but the key to maintaining this is finding further profitable routes across Europe), CANARY WHARF bid situation, Enel - SURFCONTROL (good reason to accumulate)

Express

ALLIANCE & LEICESTER ("play potential consolidation through Alliance" - Credit Suisse) - Who's dealing? SOUTHAMPTON LEISURE (chairman buys 350,000 shares at 35-1/2 pence) - Share whisper: INVENSYS (further disposal hopes) - Broker's view: ARC INTERNATIONAL (Evolution Beeson Gregory reiterates reduce and says a break-up of the business could be required)

Mail

ARC INTERNATIONAL (Evolution Beeson Gregory says investors should demand a radical shake-up) - J SAINSBURY (Sainsbury family stake sale speculation)

Times

DIRECTORS' DEALINGS: SOUTHAMPTON LEISURE (chairman and joint managing director buys 350,000 shares at 35-1/2 pence) - RUMOUR OF THE DAY: JARVIS HOTELS (talk that chairman may succumb to pressure for an independent valuation of Jarvis's assets) - Tempus: RYANAIR (hold), SSL INTERNATIONAL (investors should continue to hold and hope for a decent take-out premium), THUS (buy)

Telegraph

QUESTOR: SSL (looks undemanding but if you have made some profits, it might be worth your while to crystallise them), EBOOKERS (buy), THUS (might be worth dialling up your profits)

Guardian

CORUS (speculation that heavily indebted steel group is plotting a rights issue)

Independent

THE INVESTMENT COLUMN: EBOOKERS (sell), SURFCONTROL (sell), THUS (hold) - HSBC (investors bank on HSBC making a fresh acquisition) - OXUS GOLD (talk that the group will soon issue some upbeat newsflow regarding its assets in Kyrgyzstan, Central Asia) - NEW MEDIA SPARK (speculation it may float Price Runner, an internet business in which it holds a 40 pct stake)

... more to follow:

fjb/vjt/

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**Load-Date:** November 5, 2003



## London shares - late feature movements

AFX.COM

November 4, 2003 Tuesday

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**Section:** MARKETS

**Length:** 608 words

### Body

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FTSE 100 risers

Rexam 422 up 17

Ongoing positive response to Brazilian buy on Friday

Royal Bank of Scotland 1,584 up 38

Reported interested in Germany's Falke bank

Compass Group 350-1/2 up 7

Dresdner Kleinwort 'buy' with 380 pence target

Shire Pharmaceuticals 448-3/4 up 7-1/2

Figures due tomorrow

BOC Group 831 up 11-1/2

Williams de Broe 'buy'

Smith & Nephew 475-1/2 up 6-1/2

Bid speculation persists

Whitbread 768-1/2 up 4

HSBC 'buy'

FTSE 100 fallers

EMAP 804-1/2 down 17-1/2

In-line with weak media sector; interims Tuesday Nov 11

BSkyB 656 down 7-1/2

'Neutral' from 'buy' at Panmure, James Murdoch appointment unnerves

Scottish & Southern Energy 612-1/2 down 6

In-line with weak utility sector

Next 1,167 down 13

With Marks & Spencer

Associated British Foods 558 down 3-1/2

## London shares - late feature movements

Profit taking after top-of-the-range FY results

Marks & Spencer 285 down 2-1/4

Merrill Lynch reiterates 'sell'; in-line H1 trading update

Scottish Power 353-3/4 down 2

Post-interims profit taking; concern over level of capital investment

FTSE 250 risers

Randgold 1,338 up 58

Rally after recent gold price weakness

Big Food Group 119 up 4-1/2

Q2 results due Thursday; DKW repeats 'buy'

Taylor Woodrow 235 up 8

Director Graeme McCallum buys 15,440 shares at 243-1/2 pence each

Travis Perkins 1,234 up 37

Smith Barney upgrades to 'buy' from 'hold'

Carphone Warehouse 133 up 3-1/4

H1 results beat expectations, outlook confident

Kidde 104-3/4 up 2-1/2

Analysts' meeting yesterday; ABN Amro 'buy', raises target

Singer & Friedlander 208 up 2-1/4

Kaupthing-Bunadarbanski hikes stake to 9.48 pct

FirstGroup 303-1/4 up 1-3/4

Preferred bidder for Thames Trains franchise; interims due tomorrow

FTSE 250 fallers

Acambis 345 down 19-1/2

Vague bid speculation fades

Celltech Group 418-3/4 down 25-1/4

'Neutral' from 'buy' with 480 pence target - UBS

Thus Group 32-1/2 down 1-1/2

Profit taking after Q3 yesterday

Ebookers 482-1/2 down 20-1/2

Profit taking after Q3 yesterday

Easyjet 273-1/4 down 10

With Ryanair

Taylor & Francis 517 down 18

Buys Swets & Zeitlinger Publishers for 16.75 mln eur

Go-Ahead Group 1,028 down 29-1/2

FirstGroup preferred bidder for Thames Trains franchise

Electrocomponents 245 down 8

H1 earnings due tomorrow

Other risers

Hawthorn Holdings (suspended) up 3.00

Confirms it has held preliminary reverse takeover talks

Akaei 21.0 up 5.0



## London shares - late feature movements

Speculative interest intensifies in 'shell' company

Lok'n Store 97-1/2 up 19

Bid approach

Reflec 1.22 up 0.17

Expects "small profit" in second half

Corpora 40 up 5

G&H International deal signed

Tecteon 5.12 up 0.50

Company awarded initial 40,000 usd contract by Korea's KT Corp

Morse 135 up 14-1/2

Says trading has been in line with expectations

Mano River 6.37 up 0.25

Company scaling up surface exploration programme at Yirisen gold project

Other fallers

Clinical Computing 38-1/2 down 9-1/2

FY sales to fall short of market expectations

White Knight 2.50 down 0.50

Profit taking after yesterday's rally

Danka 40-1/4 down 5-3/4

Slips into H1 loss, warns on FY EBITDA

BPP Holdings 297 down 18

Company forecasts static full-year profits

Microgen 42-1/2 down 3-1/2

Claims 81.5 pct acceptance rate from MMT Computing shareholders

jcm/ra

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**Load-Date:** November 5, 2003



## London shares - feature movements at 3.00 pm

AFX.COM

November 4, 2003 Tuesday

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**Section:** MARKETS

**Length:** 593 words

### Body

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FTSE 100 risers

Rexam 417-3/4 up 1-3/4

Ongoing positive response to Brazilian buy Friday

Royal Bank of Scotland 1,580 up 34

Reported interested in Germany's Falke bank

Whitbread 770 up 5-1/2

HSBC 'buy'

Compass Group 350-3/4 up 7-1/4

Dresdner Kleinwort 'buy' with 380 pence target

BOC Group 831 up 11-1/2

Williams de Broe 'buy'

Shire Pharmaceuticals 446-3/4 up 5-1/2

Figures due tomorrow

Smith & Nephew 475 up 6-1/4

Bid speculation persists

FTSE 100 fallers

Associated British Foods 557-1/2 down 4

Profit taking after top-of-the-range FY results

BSkyB 653-1/2 down 10

'Neutral' from 'buy' at Panmure, James Murdoch appointment unnerves

Marks & Spencer 283-1/2 down 3-3/4

Merrill Lynch reiterates 'sell'; in-line H1 trading update

Next 1,165 down 15

With Marks & Spencer

EMAP 803-1/2 down 18-1/2

London shares - feature movements at 3.00 pm

Interims Tuesday Nov 11

Scottish Power 350-1/4 down 5-1/2

Post-interims profit taking; concern over level of capital investment

Abbey National 557-1/2 down 3-3/4

Fading bid hopes

FTSE 250 risers

Big Food Group 118-3/4 up 4-1/4

Q2 results due Thursday; DKW repeats 'buy'

Travis Perkins 1,237 up 40

Smith Barney upgrades to 'buy' from 'hold'

Kidde 105-1/2 up 3-1/4

Analysts' meeting yesterday; ABN Amro 'buy', raises target

Carphone Warehouse 134 up 4-1/2

H1 results beat expectations, outlook confident

Randgold 1,320 up 40

Rally after recent gold price weakness

Singer & Friedlander 211 up 5-1/4

Kaupthing-Bunadarbani hikes stake to 9.48 pct

Taylor Woodrow 232-1/4 up 5-1/4

Director Graeme McCallum buys 15,440 shares at 243-1/2 pence each

FTSE 250 fallers

Celltech Group 417 down 27

'Neutral' from 'buy' with 480 pence target - UBS

Easyjet 271-1/4 down 12

With Ryanair

Go-Ahead Group 1,027 down 30-1/2

FirstGroup preferred bidder for Thames Trains franchise

Taylor & Francis 520 down 15

Buys Swets & Zeitlinger Publishers for 16.75 mln eur

Electrocomponents 245 down 8

H1 earnings due tomorrow

Thus Group 33 down 0-3/4

Profit taking after Q3 yesterday

Ebookers 492-1/2 down 10-1/2

Profit taking after Q3 yesterday

Corus Group 23-1/2 down 0-1/2

FT suggests no decision imminent on Teesside plant; cash call rumours

Other risers

Hawthorn Holdings (suspended) up 3.00

Confirms it has held preliminary reverse takeover talks

Reflec 1.37 up 0.32

Expects "small profit" in second half

Lok'n Store 98-1/2 up 20

London shares - feature movements at 3.00 pm

Bid approach

Akaei 19.50 up 3.50

Speculative interest intensifies in 'shell' company

Corpora 40 up 5

G&H International deal signed

Tecton 5.12 up 0.50

Company awarded initial 40,000 usd contract by Korea's KT Corp

Morse 134 up 13-1/2

Says trading has been in line with expectations

Mano River 6.37 up 0.25

Company scaling up surface exploration programme at Yirisen gold project

Other fallers

Clinical Computing 38-1/2 down 9-1/2

FY sales to fall short of market expectations

Danka 38-3/4 down 7-1/4

Slips into H1 loss, warns on FY EBITDA

BPP Holdings 296 down 19

Company forecasts static full-year profits

Microgen 42-1/2 down 3-1/2

Claims 81.5 pct acceptance rate from MMT Computing shareholders

White Knight 2.62 down 0.38

Profit taking after yesterday's rally

dlh/bge/sd/shw

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**Load-Date:** November 5, 2003



## Ryanair H1 profits top expectations - UPDATE

AFX.COM

November 3, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 522 words

**Dateline:** LONDON

### Body

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(Updating to add more detail from Ryanair's interim statement)

Ryanair Holdings PLC, the Dublin-based no frills airline, reported better-than-expected profits for its first half, predicted strong traffic growth for the balance of the year but said it remained cautious on fares and yields.

For the six months to Sept 30 Ryanair saw adjusted profit after tax rise 16 pct to 175.5 mln eur, a record, on revenue up 28 pct to 596.4 mln eur.

Adjusted profit after tax excludes exceptional costs of 5.4 mln eur and a goodwill charge of 1.2 mln eur. Adjusted EPS was 23.21 cents, up 16 pct.

The performance reflected a 45 pct increase in passenger numbers to 11.3 mln.

However, average fares declined by 12 pct for the half year as the airline cut prices to fill the extra capacity it has added. The group increased seat capacity by 50 pct over the summer. Operating costs rose 32 pct.

After tax margins declined, as predicted by the company, from 32 pct to 29 pct.

"These results demonstrate another strong performance from Ryanair's low fares model which continues to grow profitably in adverse market conditions across Europe," said chief executive Michael O'Leary.

"During a period impacted by a war in Iraq, high oil prices, and a depressed economic environment in Europe, Ryanair has taken delivery of 18 new Boeing aircraft, acquired, restructured and relaunched Buzz, opened two new bases in Milan Bergamo and Stockholm Skavsta, and launched over 50 new routes."

O'Leary said that with most of the new routes performing well, the airline is running slightly ahead of its expectation of a 5 pct load factor decline for the year.

"Looking forward for the remainder of the fiscal year, we remain confident that traffic growth will continue to be strong, but cautious about fares and yields," he said.

"We expect that average yields will continue to decline by between 10 and 15 pct compared to those charged last year, and remain equally determined that Ryanair will continue to be the lowest fare airline in every market in which we operate.

"Accordingly we expect profits to grow materially, as we continue to maintain our margins in excess of 20 pct."

## Ryanair H1 profits top expectations - UPDATE

The European Commission launched a formal investigation into Ryanair's financial relationship with both Charleroi and the regional government of Wallonia last December. It is investigating what it claims could be illegal state subsidies.

"We continue to await a final decision of the European Commission on the Charleroi investigation, but remain confident that Commissioner de Palacio will put in place a framework that will encourage and enable publicly owned airports such as Charleroi and Strasbourg to compete on a level playing field with the many privately owned airports around Europe," added O'Leary.

To "celebrate" its interim results Ryanair is offering 1 mln seats at 1 stg each (plus taxes and charges).

Ryanair shares closed Friday at 7.24 eur.

jdd/shw

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**Load-Date:** November 4, 2003

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## ROUNDUP Ryanair predicts reprimand from EU over Charleroi

AFX.COM

November 3, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 945 words

**Dateline:** LONDON

### Body

---

Ryanair Holdings PLC expects the outcome of the European Commission's investigation into its financial relationship with Charleroi airport in Belgium to be no more than a slap on the wrist.

News of its expectations from the 11-month inquiry came as the Dublin-based no-frills airline reported a better-than-expected rise in first half profits, predicted strong traffic growth for the balance of the year but remained cautious on the outlook for average fares or yields.

Michael Cawley, joint deputy chief executive, told AFX News in an interview that Ryanair anticipates a reprimand over its 25-year deal with Charleroi airport and the regional government of Wallonia but no financial penalties.

The Commission is investigating what it claims could be illegal state subsidies, such as reduced landing charges and financial help in marketing, staff training and recruitment. EU transport commissioner Loyola de Palacio is expected to rule by the end of November.

"We're as confident as ever," said Cawley. "We think we're probably going to get a bit of a reprimand about maybe the length of the deal".

He said it is possible the Commission may force Ryanair to reduce the length of the contract but expressed confidence the airline would not have to pay back any subsidies.

He reiterated Ryanair's view that the deal fulfills all the criteria to rebut the charges of state aid.

"It's not an exclusive arrangement, it was open to the other airlines if they were prepared to fly to Charleroi and the deal offered by Charleroi is not as good as many private airport deals we have."

He maintained the airline has proved both these points to the Commission.

"We also believe that no European Commission is going to roll back the benefits of low fare air travel and nor are they going to prevent publicly owned airports from competing," he said.

"A template will come out of this for our future deals and we've already discussed this with many of our partners. We don't think there will be any difficulty with that."

His comments came as Ryanair reported a 16 pct rise in adjusted profit after tax to a record 175.5 mln eur - ahead of sector analysts' consensus expectations of around 168 mln, and a pretax profit of 187.5 mln eur up from 168.7 mln on revenue up 28 pct to 596.4 mln.

## ROUNDUP Ryanair predicts reprimand from EU over Charleroi

Adjusted profit after tax excludes exceptional costs of 5.4 mln eur (relating to the acquisition of rival Buzz from KLM Royal Dutch Airlines NV as well as aircraft depreciation charges) and a goodwill charge of 1.2 mln eur. Adjusted EPS was 23.21 cents, up 16 pct.

The performance reflected a 45 pct increase in passenger numbers to 11.3 mln at lower average fares and continued tight cost control.

Operating costs rose 32 pct and after tax margins declined, as predicted by the company, from 32 pct to 29 pct.

Although average fares declined by 12 pct in the half year as the airline cut prices to fill the 50 pct extra capacity it added over the summer, the fall was less than analysts had expected. Also 40 pct of the yield decline was due to the weakness of sterling versus the euro.

"These results demonstrate another strong performance from Ryanair's low fares model which continues to grow profitably in adverse market conditions across Europe," said chief executive Michael O'Leary

"During a period impacted by a war in Iraq, high oil prices, and a depressed economic environment in Europe, Ryanair has taken delivery of 18 new Boeing aircraft, acquired, restructured and relaunched Buzz, opened two new bases in Milan Bergamo and Stockholm Skavsta, and launched over 50 new routes."

With the vast majority of the new routes performing well, the airline is running slightly ahead of its expectation of a 5 pct load factor (the number of seats sold as a proportion of available seats) decline for the year. Of its two new bases Milan is performing better than Stockholm.

Three Scandinavian routes to Aarhus, Oslo and Tampere are under plan as are some Stansted-France routes. Ryanair signalled it will axe them if performance does not improve during the winter season.

The airline flagged that costs at Dublin airport will rise substantially next year and once again called on the Irish government to increase competition.

It also said it is in talks with financial institutions for lower cost financing for some of its new Boeing 737-800 series deliveries.

"Looking forward for the remainder of the fiscal year, we remain confident that traffic growth will continue to be strong, but cautious about fares and yields," said O'Leary.

"We expect that average yields will continue to decline by between 10 and 15 pct compared to those charged last year, and remain equally determined that Ryanair will continue to be the lowest fare airline in every market in which we operate.

Ryanair expects to maintain margins in excess of 20 pct and year to end-March 2004 profits "to grow materially". Deutsche Bank is forecasting a pretax profit of 291.9 mln eur and a net profit of 263.3 mln, up from 264.5 mln and 239.4 mln respectively.

Having carried 16 mln passengers last year the airline is targeting 24 mln this year.

To "celebrate" its interim results Ryanair is offering 1 mln seats at 1 stg each (plus taxes and charges). This is on top of 3 mln 'free' seats already offered for the winter season.

At 3.14 pm shares in Ryanair were down 17 cents at 7.07 eur.

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**Load-Date:** November 4, 2003







## Virgin Express rejects Charleroi offer; says does not want 'illegal' subsidies

AFX.COM

November 3, 2003 Monday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 221 words

**Dateline:** BRUSSELS

### Body

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Virgin Express Holdings PLC said it has rejected the offer to operate from Charleroi airport with the same contractual terms and conditions offered to Ryanair Holdings PLC, saying it does not wish to receive what it believes to be illegal subsidies.

Virgin Express wrote to EU transport commissioner Loyola de Palacio to express its concerns about the subsidies offered by Charleroi airport, south of Brussels, to Ryanair.

Following publication of this letter, Charleroi issued a press release offering Virgin the opportunity to operate from there with the same terms and conditions which apply to Ryanair.

Virgin said: "Virgin Express, along with almost every other airline in Europe, believes that the subsidies being given to Ryanair are contrary to EC rules. If this is correct, they are, quite clearly, illegal."

The company added that it has "no wish now and never has had any wish to receive illegal subsidies and furthermore does not wish any other airline to receive them".

It said it wants to see an end to unfair competition and illegal payments to competitors and that it "certainly does not wish to be party to increasing the unfairness".

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## STOCKWATCH Ryanair flat on cautious outlook for yields

AFX.COM

November 3, 2003 Monday

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**Section:** MARKETS; COMPANY NEWS

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### Body

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Shares in Ryanair Holdings PLC were flat in morning trading after better-than-expected first-half profits from the Dublin-based no-frills airline were offset by cautious comments on fares and yields for the balance of the year.

At 10.15 am, the shares were up 0.1 cent at 7.25 eur.

For the six months to Sept 30, Ryanair saw adjusted profit after tax rise 16 pct to 175.5 mln eur, a record, on revenue up 28 pct to 596.4 mln eur.

Adjusted profit after tax excludes exceptional costs of 5.4 mln eur and a goodwill charge of 1.2 mln eur. Adjusted EPS was 23.21 cents, up 16 pct.

The performance reflected a 45 pct increase in passenger numbers to 11.3 mln.

Operating costs rose 32 pct and after tax margins declined, as predicted by the company, from 32 pct to 29 pct.

Although average fares declined by 12 pct for the half year as the airline cut prices to fill the 50 pct extra capacity it added over the summer, the fall was less than analysts had anticipated.

For the balance of the year, Ryanair expects average fares to continue to decline by between 10 and 15 pct compared to those charged last year.

It expects profits to grow "materially" and margins to be maintained in excess of 20 pct.

Merrill Lynch reiterated its 'neutral' recommendation and reckons the shares are up with its 7 eur fair value assessment.

"This assumes a P/E (price/earnings ratio) of 20 times the current year (EPS) estimate (of 0.35 cents), a year in which the medium term growth rate may be disrupted by Buzz integration and above average capacity growth," it told clients.

The broker believes there is a risk that the current year slow down in earnings growth versus previous years could develop as a more durable feature and hold back the shares' rating in the medium term.

However, looking to the long term Merrills sees Ryanair's business model as robust, with the company likely to remain a winner in European short haul as the lowest cost producer of a commodity product.

Citigroup Smith Barney reiterated its 'hold' stance, Dresdner Kleinwort Wasserstein its 'reduce' stance and 5.0 eur target price and Deutsche Bank its 'sell' recommendation and 5.9 eur target.

## STOCKWATCH Ryanair flat on cautious outlook for yields

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## London shares outlook - weaker on mixed Wall Street Friday, UK rate hike fears

AFX.COM

November 3, 2003 Monday

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**Section:** MARKETS

**Length:** 1030 words

**Dateline:** LONDON

### Body

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Leading shares are expected to drift lower in early trade this morning, starting the first session of November in the same fashion they left October following a mixed showing from Wall Street on Friday, with all eyes directed to this week's decision on UK interest rates, dealers said.

Spread betting firm City Index expects the FTSE 100 index to open just 5 points easier.

The UK blue chip index ended 13.3 points lower on Friday at 4,287.6.

Pre-weekend on Wall Street, the DJIA closed 14.51 points higher at 9,801.12 helped by some encouraging US data at the end of a hectic month, but the Nasdaq composite index missed out, ending 0.48 points easier at 1,932.21.

In Asia today, the Tokyo market is closed for a public holiday, while the Hang Seng index ended its morning session 169.09 points higher at 12,359.19 bolstered by hopes for the US economy.

The main focus this week will undoubtedly be the November meeting of the Bank of England's Monetary Policy Committee, with the vast majority of forecasters predicting a quarter point hike in UK interest rates on Thursday.

After the revelation two weeks ago that October's decision by the MPC to keep monetary policy on hold was much closer than expected, most economists have been predicting that UK rates will be raised this month, with recent bullish economic data also adding weight to the case.

But there will be few key pointers to provide the MPC with any further information this week.

Today's only interest will be the October UK CIPS manufacturing sector PMI report, and the latest CBI monthly distributive trades survey.

Meanwhile, in the US this week, all roads will lead to the key October jobs report, to be published on Friday, although today's October ISM manufacturing report will provide some distraction, as will September construction spending figures.

The UK corporate diary contains some fairly important earnings news later this week -- including interims from blue chips such as Marks & Spencer, Boots, BAA, and BG Group -- but today's batch of results are unlikely to set the market aflame.

## London shares outlook - weaker on mixed Wall Street Friday, UK rate hike fears

Irish airline Ryanair reported first-half results early on this morning, with adjusted net profit after tax increasing to 175.5 mln eur, up from 150.9 mln previously, on revenues of 596.4 mln eur against 464.6 mln.

The discount carrier said it expects average yields to decline by 10-11 pct over the rest of the year but still expects full year profits to 'grow materially'.

Meanwhile, on-line travel firm ebookers will release third-quarter numbers later today, providing another barometer of the health of the industry.

Aside from the results, however, investors will also be looking for any hints about any possible bids for the group, with US media entrepreneur Barry Diller having recently stated an interest in acquiring an on-line travel firm.

Elsewhere, fellow second liner Thus will report its first-half numbers today, and broker Investec is looking for strong growth, with EBITDA seen up 78 pct to 19.4 mln stg

However, as Thus released a pre-close statement at the end of September stating it was on track to meet expectations for the full year, the broker is expecting few surprises from the alternate carrier's results.

And first-quarter results from internet security firm Surcontrol should also contain few surprises, with the small cap group having pre-announced the figures in October.

Arbutnot anticipates Surfcontrol reporting revenue for the three months to September 2003 of 19.4 mln usd, up 24 pct year-on-year from 15.4 mln, but down sequentially from 20.4 in Q4.

However the broker sees EBITDA at 3.8 mln, up from 1.8 mln a year ago and up from 3.2 mln in Q4.

Away from results, second line consumer products firm PZ Cussons will host its AGM today, with investors looking for news on current trading.

Among reports in the weekend press, second line real estate firm Canary Wharf will remain in focus amid continuing talk that a bid for the Docklands developer is imminent, with reports suggesting that a Morgan Stanley-led consortium could table a 1.5 bln stg offer as early as today.

A report in the Sunday Telegraph also suggested that Canadian firm Brascan, and Canary Wharf's chairman Paul Reichmann were also discussing a joint offer for the group, which saw its bid auction close last week.

In other possible M&A deals, blue chip Sainsbury could be active after The Mail on Sunday newspaper suggested that US break-up specialists KKR have been running an eye over the under pressure food retail group.

The newspaper reported that the US firm had engaged former Asda boss Archie Norman to consider bidding for the firm, although KKR denied such talk.

Earlier this year KKR had indicated an interest in joining the five-way bid battle for Safeway, but withdrew its interest after news of an OFT probe in to the situation.

Meanwhile Safeway could also be active after weekend press reports suggested that William Morrison -- now the blue chip firm's only potential bidder after retail entrepreneur Philip Green ruled out an offer last Friday -- has now got OFT approval to proceed with its bid.

In the banking sector, RBoS could be active after The Business newspaper suggested the firm recently made a 4.5 bln stg bid approach to Sovereign Bancorp of Philadelphia, which was rebuffed by the US firm.

Confectionery blue chip Cadbury Schweppes may also attract attention after the Sunday Telegraph reported that the group is considering spinning-off its US soft drinks business, Dr Pepper-Seven Up

And blue chip satellite broadcaster should be active after confirmation that a key board meeting this afternoon will make a decision as to who will become the firm's new chief executive.

James Murdoch, son of BSkyB's founder and chairman Rupert Murdoch remains favourite to secure the position in spite of some institutional disquiet about his appointment.

jmh/ak

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London shares outlook - weaker on mixed Wall Street Friday, UK rate hike fears

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## Today's UK company results - UPDATE

AFX.COM

November 3, 2003 Monday

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**Section:** COMPANY NEWS; GENERAL

**Length:** 344 words

### Body

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(Updating with table from World Careers Network)

ARK ARC Risk Management Group PLC six months to Sept 30, 2003

Sales - 507,000 stg vs 132,000

Pretax loss - 328,000 stg vs loss 189,000

Loss per share - 0.26 pence vs loss 0.33

Interim div - nil vs nil

EBR ebookers PLC third quarter to Sept 30, 2003.

Sales - 144.8 mln stg vs 77.9 mln

Adj Pretax profit - 1.3 mln stg vs loss 0.8 mln

Operating loss including acquisitions - 3.1 mln stg vs 2.1 mln

Net loss - 3 mln stg vs 2 mln

Adj earnings per share - 1.95 pence vs loss 1.54

RYA Ryanair Holdings PLC six months to Sept 30, 2003

Revenues - 596.4 mln eur vs 464.6 mln

Pretax profit - 187.5 mln eur vs 168.7 mln

Net profit pre-ex, goodwill, aircraft retirement costs - 175.5 mln eur vs 150.9 mln

Net EPS pre-ex, goodwill, aircraft retirement costs - 23.21 cents vs 19.99

EPS - 22.34 cents vs 19.99

SRF Surfcontrol PLC first quarter to Sept 30 2003

Turnover - 19.7 mln usd vs 15.7 mln usd

Pretax - 3.4 mln usd vs 943,000 usd

EBITDA - 3.7 mln usd vs 1.8 mln

EPS - 8.25 cents vs 1.44 cents

Arbuthnot had forecast Q1 pretax of 3.5 mln stg

THUS Thus Group PLC six months to Sept 30 2003



Today's UK company results - UPDATE

Turnover - 157.5 mln stg vs 143.0 mln

Pretax loss - 10.2 mln stg vs loss 30.8 mln

LPS - 0.78 pence vs LPS 2.33 pence

Transport Systems PLC six months to Sept 30, 2003

Sales - 1.5 mln stg vs 1.3 mln

Pretax profit before goodwill - 101,507 stg vs loss 181,181 stg

Pretax profit after goodwill - 59,957 stg vs loss 222,734

EPS before goodwill - 0.7 pence vs loss 2.0

EPS after goodwill - 0.4 pence vs loss 2.5

WOR World Careers Network PLC year to July 31 2003

Turnover - 1.7 mln stg vs 1.52 mln

Pretax profit - 143,629 stg vs loss 185,023 stg

EPS - 1.73 pence vs LPS 2.29

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## Ryanair H1 net profit pre-ex, goodwill 175.5 mln stg vs 150.9 mln

AFX.COM

November 3, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 80 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC six months to Sept 30, 2003

Revenues - 596.4 mln eur vs 464.6 mln

Pretax profit - 187.5 mln eur vs 168.7 mln

Net profit pre-ex, goodwill, aircraft retirement costs - 175.5 mln eur vs 150.9 mln

Net EPS pre-ex, goodwill, aircraft retirement costs - 23.21 cents vs 19.99

EPS - 22.34 cents vs 19.99

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**Load-Date:** November 4, 2003



## AFX UK at a glance share guide

AFX.COM

November 3, 2003 Monday

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**Section:** MARKETS

**Length:** 99 words

### Body

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#### TODAY'S EXPECTED COMPANY NEWS

##### INTERIMS

ebookers (Q3)

Ryanair

Surfcontrol

Thus Group

##### FINALS

None scheduled

##### AGMs

PZ Cussons

##### EGMs

None scheduled

##### ECONOMICS

\* UK CIPS Oct manufacturing sector PMI (0930 GMT)

\* UK CBI Oct monthly distributive trades (1100 GMT)

##### MARKET EXPECTATIONS

\* Surfcontrol PLC. George O'Connor of Arbuthnot forecasts first quarter to September pretax profits 3.5 mln stg vs 1.2 mln.

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## Ryanair to launch 2 new routes from Scotland to Italy and Ireland

AFX.COM

October 29, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 51 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will launch two new routes from Glasgow Prestwick to Milan and Shannon.

The route to Shannon will start on Dec 4 and the route to Milan Bergamo will start on January 7, 2004.

jc

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**Load-Date:** October 30, 2003



## AFX UK at a glance share guide

AFX.COM

October 27, 2003 Monday

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**Section:** MARKETS

**Length:** 60 words

### Body

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#### TODAY'S EXPECTED COMPANY NEWS

##### INTERIMS

ebookers (Q3)

Ryanair

Thus Group

##### FINALS

None scheduled

##### AGMs

PZ Cussons

##### EGMs

None scheduled

##### ECONOMICS

\* UK manufacturing sector PMI

\* UK CBI monthly distributive trades

vjt/

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**Load-Date:** October 28, 2003



## Ryanair's O'Leary defends legality of airport subsidies

AFX.COM

October 26, 2003 Sunday

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**Section:** GOVERNMENT

**Length:** 240 words

**Dateline:** PARIS

### Body

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Michael O'Leary, the chief executive of low-cost airline Ryanair Holdings PLC, has subsidies paid by Belgium's Charleroi airport that are being probed in an EU anti-trust investigation.

O'Leary told France's Le Monde newspaper that the subsidies paid by the airport south of Brussels for the carrier to use the airport were legal.

"The subsidies paid by the airport of Charleroi are not state subsidies," he said, according to the text in French.

"These advantages are therefore not incompatible with the smooth functioning of the domestic market," he added.

The EU's executive arm is planning to conclude an anti-trust investigation into the Ryanair-Charleroi link-up by the end of the year.

Ryanair has warned that the future of low-cost air travel in Europe is at stake. The decision by the European Commission will also set out the principles to be applied by all European airports where Ryanair is present and receives subsidies.

O'Leary stressed that negotiations had been held with Charleroi airport and not with the regional Belgian authorities.

The same conditions were offered to seven other companies who refused, he added.

"Low-cost airlines are the only ones which contribute to the development of secondary airports and local tourism," he told the newspaper.

fol/kjm/sjw/ak

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**Load-Date:** October 27, 2003







## Ryanair says will not compromise on low cost, low fares

AFX.COM

October 24, 2003 Friday

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**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 250 words

**Dateline:** LONDON

### Body

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Irish no-frills airline Ryanair Holdings PLC said it will not compromise on the issue of low costs or low fares, should the European Commission's ruling on the alleged subsidies the airline received for flying into Charleroi airport "alter Ryanair's cost base and low fares at Charleroi or any other low fare airport by so much as one centime."

Ryanair said it "remains confident that the low-cost base negotiated at Brussels Charleroi Airport complies with the state aid rules in that it was/is similar to the low-cost base offered to Ryanair at other privately owned airports".

The low-cost base, said Ryanair, "was non-exclusive on the basis that it was offered to a number of other airlines, all of whom refused to take up the enormous risk of developing new routes and traffic at Brussels Charleroi".

Ryanair said it has no idea what the form or content of the final Commission decision will be.

To the extent that the Commission's final decision focuses on issues of time periods, or transparency, or the availability of low-cost arrangements to other competing airlines, then Ryanair would support any rules or framework which will allow publicly owned airports to compete with privately owned airports all over Europe.

"However, there will be no compromise on costs, or low fares and jobs at Charleroi," said Ryanair.

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**Load-Date:** October 25, 2003



## AFX UK at a glance share guide

AFX.COM

October 24, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 489 words

### Body

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#### MARKETS

FTSE 100 4,240.2, down 45.4

FTSE 250 5,630.7, down 82.7

Long gilt/equity yield ratio 1.52 (1.53)

FTSE Eurotop 300 895.95, down 0.7 pct

DJIA 9,613.13, up 14.89

Nasdaq Comp 1,885.51, down 12.56

S&P 500 1,033.77, up 3.40

Tokyo: Nikkei closed at 10,335.70, up 0.54

Hang Seng at midday 11,641.90, down 95.28

usd/stg 1.695; stg/euro 0.696

usd/euro 1.178; yen/usd 109.7

Gold 383.75 usd (374.45 usd)

Oil - Brent Dec 28.63 usd (28.28 usd)

Yield on US Gov 30-yr 5.19 pct

#### TAKEOVER NEWS & GOSSIP

\* Network Rail takes 1.3 bln stg annual UK rail maintenance business in-house - FT

\* CANARY WHARF poised to terminate negotiations with potential buyers - Times

\* UNILEVER loses European Union court case on whether it was wrong to exclude rival ice cream from its freezer cabinets - FT

\* PROCTOR & GAMBLE loses out to Tchibo in the bid battle for Nivea - FT

\* ASTRAZENECA defends Crestor after The Lancet criticised the drug's marketing - FT, others

\* BSKYB faced with 10 chief executive candidates - FT

\* Virgin Express urges European Commission to force RYANAIR to scrap its deal with Charleroi airport, claiming it distorted competition - FT

## AFX UK at a glance share guide

- \* CARLTON and GRANADA's institutional shareholders urge more radical cost-cutting - FT
- \* RANDGOLD set to raise its offer for Ashanti Goldfields, sources say - FT, others
- \* SAFEWAY puts 53 of its stores on the market without waiting for Morrison to bid - Daily Mail, Guardian
- \* TOTTENHAM HOTSPUR finance director Paul Viner quits abruptly - Daily Mail, others
- \* Bankers for ML LABORATORIES have sold the 34 pct stake once held by bankrupt millionaire Kevin Leech - Independent
- \* 3I GROUP suffers departure of four directors to set up a rival investment fund - Times

### PRESS COMMENT

#### FT

The Lex Column: Google, SHELL (attractive over the longer term, but lacking short-term catalysts), BIERSDORF, RESONA

#### Mail

PROACTIVE SPORTS (says outlook positive)

#### Express

Who's dealing? MURGITROID (exec sells) - Share whisper: CYBIT (H1 to exceed forecasts, gossips say) - Broker's view: JD WETHERSPOON (Arbuthnot negative)

#### Times

Directors' Dealings: JARDINE LLOYD THOMSON (CEO sells) - Rumour of the Day: INVENSYS (talk close to 800 mln usd disposal of its application controls arm to Danaher Corp) - Smaller stock to watch: PROACTIVE SPORTS - Tempus: SHELL (hold), WITAN (buy), ASTRAZENECA (sell)

#### Telegraph

Questor: MARCONI (only for the brave), SHELL (a buying opportunity), ASTRAZENECA (worth taking some profits)

#### Guardian

Market Forces: EXEL (talk of a bid from Deutsche Post), AVANTI CAPITAL (Laxey Partners build stake), HIT ENTERTAINMENT (bid rumours)

#### Independent

The Investment Column: MARCONI (sell), DURLACHER (buy), SPORTINGBET (avoid)

... more to follow:

bge/vjt/

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**Load-Date:** October 25, 2003



## Ryanair's Charleroi subsidy worth 30 eur/passenger: Virgin Express - UPDATE

AFX.COM

October 23, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 259 words

**Dateline:** BRUSSELS

### Body

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(updates with Virgin's estimate of value of subsidy; further quotes)

Virgin Express Holdings PLC alleged Ryanair Holdings PLC is benefiting from subsidies worth 30 eur per passenger at its at continental European hub at Charleroi airport south of Brussels.

In an open letter to EU transport commissioner Loyola de Palacio, Virgin Express managing director Neil Burrows urged the Commission to take a tough line in its ongoing antitrust probe into Ryanair.

The commission is due to conclude its investigation into the Ryanair-Charleroi link-up by the end of the year.

Virgin Express is based at Zaventem airport, the main facility serving Brussels.

Burrows said airlines operating out of Zaventem had to pay much higher charges while Ryanair benefits from subsidises from the Wallonian regional government.

Ryanair argues its use of Charleroi has revitalised the neglected airport and brought hundreds of jobs to the local economy.

"Everyone knows that this is nonsense," Burrows said. "In the case of Charleroi, real job creation for local people has been very limited."

The subsidies come to 30 euros per passenger, giving Ryanair a major edge over other budget airlines, he said.

"Those responsible for providing subsidies to an airline that is clearly not in any need of them are acting contrary to the interests of fair competition," Burrows added.

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jit/vm/jms

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**Load-Date:** October 24, 2003

Ryanair 's Charleroi subsidy worth 30 eur/passenger: Virgin Express - UPDATE

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End of Document



## Virgin asks EU Commission to take tough line with Ryanair

AFX.COM

October 23, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 141 words

**Dateline:** BRUSSELS

### Body

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Virgin Express Holdings PLC has asked the European Commission to take a tough line in its antitrust probe into Ryanair Holdings PLC.

In an open letter to EU transport commissioner Loyola de Palacio, Virgin Express managing director Neil Burrows said Ryanair was unfairly benefiting from subsidies at Charleroi airport, an hour's drive south of Brussels. The commission is due to conclude its investigation into the Ryanair-Charleroi link-up by the end of the year.

Virgin Express is based at Zaventem airport, the main facility serving Brussels.

Burrows said airlines operating out of Zaventem had to pay much higher charges while Ryanair benefited from subsidises from the Wallonian regional government.

jit/vm/wf

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**Load-Date:** October 24, 2003



## Sharjah to launch first low-cost Mideast airline

AFX.COM

October 21, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 202 words

**Dateline:** SHARJAH

### Body

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The Gulf emirate of Sharjah, part of the United Arab Emirates (UAE), will launch its own airline next week, billing it as the first low-cost carrier in the Middle East, said Ali Fairuz, sales and marketing director for Air Arabia.

"This is the first no frills, low-cost airline in the Middle East," he said.

Air Arabia will inaugurate its first flight on October 28 to neighbouring Bahrain.

"People used to flying once a year will now fly more often," he said, adding that the government-owned Air Arabia was modelled after private discount carriers such as Britain's Easy Jet and Ireland's Ryanair.

In addition to its low cost mandate, Fairuz said the new airline will promote Sharjah as a tourist and business destination.

Air Arabia will initially fly to Bahrain, Beirut, Damascus, Kuwait, Muscat and Tehran.

The ruler of Sharjah, Sheikh Sultan bin Mohammed al-Qassimi, said in February the new company would operate with an initial capital of 10 mln dirhams (2.7 mln usd) and would "contribute to the development of the air transport sector" in the UAE.

sd/fm/al/rf

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**Load-Date:** October 22, 2003



## Australia's Qantas to launch low cost domestic carrier in May 2004

AFX.COM

October 16, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 231 words

**Dateline:** SYDNEY

### Body

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Qantas Airways Ltd said its board has approved the launch of a new low cost domestic carrier in May 2004.

The yet-to-be named carrier will operate as a separate business with its own management and brand, chief executive Geoff Dixon said in a statement.

Dixon said it will be established using the operation of the former low cost carrier Impulse, which was acquired by Qantas in May 2001, or by using a new 'greenfield' company with a decision be made within six weeks on which option will be taken.

"This will be a true low cost carrier - lean, highly competitive and with the standards of safety and reliability associated with Qantas," Dixon said.

Negotiations are underway with Boeing, Airbus and aircraft lessors for the acquisition of 737-800 or A320 aircraft that will see the new carrier have a minimum of 23 planes by mid-2005.

The current Qantas domestic operation will continue as is with an even greater focus on business market, he said.

Alan Joyce has been appointed executive general manager of the new low cost carrier.

Dixon said a small team, including a number of former senior executives from European low cost carrier Ryanair, will assist Joyce to establish the new airline.

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**Load-Date:** October 17, 2003



Australia's Qantas to launch low cost domestic carrier in May 2004

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End of Document



## Ryanair launches London-Barcelona route

AFX.COM

October 16, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 57 words

**Dateline:** LONDON

### Body

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Low-fares airline Ryanair Holdings PLC announced a new twice-daily route between London and Reus-Barcelona, with fares starting at 19.99 stg one-way including taxes.

The daily flights will begin on Nov 6.

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pav/

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**Load-Date:** October 17, 2003

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## Helsinki shares AFX at a glance outlook

AFX European Focus

October 8, 2003 Wednesday

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**Section:** MARKETS

**Length:** 273 words

**Dateline:** HELSINKI

### Body

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Share prices are expected to open flat to slightly higher on the back of overnight gains on Wall Street, but in cautious trade impacted by continued dollar weakness ahead of third quarter earnings, dealers said.

Yesterday, the HEX All-share index closed down 0.64 pct at 5,837.21 points on turnover of 388 mln eur. The HEX-portfolio index closed 0.37 pct lower at 2,654.79 pts, and with the HEX-25 index down 0.39 pct at 1,402.39 pts.

#### FORTHCOMING EVENTS

Today

-no events scheduled

#### TODAY'S PRESS

-Kesko targets 38 pct markets share in Finland from current 36 pct -Kesko CEO Matti Honkala (Kauppalehti)

-Ryanair's sales in Finland higher than Finnair's within 5 years - Ryanair CEO O'Leary (Taloussanomat)

-OMHex to cut 50 jobs, final organisation ready this fall - OMHex' Jukka Ruuska (Taloussanomat)

-Parliament to discuss state's ownership in Fortum on Friday (Kauppalehti)

#### COMPANY NEWS

\*FINNAIR SEPT PASSENGER LOAD FACTOR 69.5 PCT, DOWN 1.4 POINTS YR-ON-YR

Nokia confirms purchase of 13.2 pct Symbian shares from Motorola for 39.6 mln stg

#### MARKET NEWS/SENTIMENT

-Yesterday in New York, Nokia's ADRs closed down 0.18 pct at 16.85 usd, the equivalent of 14.32 eur, 0.12 eur higher than the shares closed in Helsinki.

-Among other Finnish shares traded in New York, Metso closed 0.20 eur higher compared with Helsinki closing levels, UPM-Kymmene 0.06 higher and Stora Enso R 0.02 eur lower.

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Helsinki shares AFX at a glance outlook

am/jms

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**Load-Date:** October 9, 2003

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End of Document



## Ryanair targets higher sales than Finnair in Finland in 5 years - CEO O'Leary

AFX.COM

October 8, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 133 words

**Dateline:** HELSINKI

### Body

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Ryanair Holdings PIC chief executive officer Michael O'Leary said his no-frills airline is targeting higher sales in Finland than those of the national carrier Finnair Oyj within five years, reported financial newspaper Taloussanomat.

In five years, O'Leary said he sees only four big airlines in Europe, namely British Airways PLC, Air France, Lufthansa AG, and Ryanair, the report said.

O'Leary said he expects SAS' and Finnair's independence to be eroded or ended altogether.

"It does not matter if BA buys Finnair or whether it will be cross-ownerships. The key issue is that alliances lead to higher prices," O'Leary was quoted as saying.

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**Load-Date:** October 9, 2003



## Ryanair introduces new London-Spain route

AFX.COM

October 3, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 55 words

**Dateline:** LONDON

### Body

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Low fare airline Ryanair Holdings PLC said it has introduced a new twice-daily route between London and Valladolid, in Spain, with fares starting from 29.99 stg including taxes.

The daily flights will begin Nov 6 this year.

bam

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**Load-Date:** October 4, 2003



## Ryanair Sept passengers up 49 pct to 2.02 mln

AFX.COM

October 2, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 79 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it carried 2.02 mln passengers in September, an increase of 49 pct on the same month last year.

Load factor -- the number of passengers as a proportion of the number of seats available for passengers -- was 85 pct versus 89 pct last time.

Sales over the internet represented 94 pct of total sales.

jdd/ak

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**Load-Date:** October 3, 2003

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End of Document



## Ryanair to repay 4.8 mln eur if EC rejects Charleroi deal

AFX.COM

October 1, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 100 words

**Dateline:** LONDON

### Body

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Irish airline Ryanair said in a Securities and Exchange Commission filing that it would have to pay 4.8 million euros to Belgium's Charleroi Airport if the European Commission rules that the subsidies and incentives it received to fly into the airport were illegal, Ireland's Business World said.

It already has suspended services to Strasbourg after a French court ruled the subsidies were illegal.

This story was supplied by CBSMarketWatch. For further information see [www.cbsmarketwatch.com](http://www.cbsmarketwatch.com).

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**Load-Date:** October 2, 2003





## EU says no deal with Ryanair over Charleroi probe

AFX.COM

September 29, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 196 words

**Dateline:** BRUSSELS

### Body

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The European Commission denied a report that it has reached a deal with Ryanair Holding over the Charleroi state aid probe.

Yesterday, the Sunday Times reported that Ryanair has reached a working agreement concerning the support given to Ryanair at Charleroi airport.

Commission spokesman for airlines Gilles Gantelet told AFX News: "The European Commission has to decide on legal grounds. We do not have to have an agreement."

"The point is to define on legal grounds what is acceptable. This is not a business agreement. There is no negotiation," said Gantelet.

He added that the commission will make its decision in October to mid-November.

Gantelet denied that there is any agreement on how contracts between airports and airlines should be negotiated in the future.

The newspaper reported that airports will have to put time limits on deals with airlines and publish the terms of deals.

"This is something we were considering," said Gantelet but he added there is no decision yet.

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ed/vs

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**Load-Date:** September 30, 2003



## Air France's Brit Air to resume Strasbourg-London route Oct 20 UPDATE

AFX.COM

September 29, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 153 words

**Dateline:** STRASBOURG, France

### Body

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(Updating with information about Ryanair service cessation)

Groupe Air France SA unit Brit Air will resume flights between Strasbourg and London Gatwick on Oct 20 after rival low-cost airline Ryanair Holdings PLC stopped services as a result of a court decision.

Brit Air, which suspended the flights on May 17, will provide three daily flights between Strasbourg and London's Gatwick airport, Brit Air chairman Marc Lamidey said.

In May, Brit Air complained of unfair competition from Ryanair, which had obtained subsidies from the local chamber of commerce to keep down its fares.

A Strasbourg court earlier ruled the subsidies illegal earlier this month, prompting Ryanair to switch its operation from Strasbourg to the nearby German airport of Baden Baden.

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**Load-Date:** September 30, 2003



## Ryanair strikes deal with EU in airport subsidy row - report

AFX.COM

September 28, 2003 Sunday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 198 words

**Dateline:** LONDON

### Body

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Budget airline Ryanair has reached a working agreement with the European Commission on a dispute that threatened its European flights from the UK, said the Sunday Times newspaper in an unsourced report.

The deal centres on the support given to Ryanair at Charleroi airport, near Brussels.

The compromise should be announced within the next three weeks, said the paper, adding that it is expected airports will have to put time limits on deals with airlines and publish the terms of deals.

No one at Ryanair could be reached immediately to comment.

In 2001 Ryanair agreed a 15-year contract with Charleroi to have reducing landing fees and an airport contribution to advertising campaigns for new routes.

The local authorities claimed it was legitimate to use taxpayers' money to attract Ryanair as it revived a deprived area where industries had collapsed.

Charleroi also gave Ryanair hotel subsidies that it passed on to passengers.

The commission has yet to decide whether the airline should return the accommodation subsidies.

tf/hjp

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**Load-Date:** September 29, 2003



## FOCUS Budget airlines alliance a possibility long term; might threaten SAS

AFX.COM

September 25, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 465 words

**Dateline:** COPENHAGEN

### Body

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---- by Karin Jensen ----

Scandinavian budget airline Sterling European's talks with rivals on creating an international alliance of low-price carriers could bear fruit in the long term, though cost and logistics problems would be need to be overcome, sector experts said.

And if centred on the nordic region, such a tie-up could pose a potential threat to Scandinavian Airlines System, they said.

Speaking after Sterling European managing director Torben Anker Soerensen referred to the talks in daily Berlingske Tidende, Jyske Bank analyst Brian Boersting agreed there is at least the potential for a low-price alliance.

"But it will mean a different way of working," said Boersting, noting that budget carriers currently offer only point-to-point services, and that major players such as Ryanair and EasyJet would be unlikely to participate.

"Today, it's very simple, flying from A to B. If they expand by flying to point C, then it will mean more administration and a more complicated operation. The entire administration side will have to be rearranged (for the low-price carriers)," said Boersting.

"I think, perhaps, it will be (possible) in the longer term, perhaps in two to four years ... But the low-price companies are not big enough (right now) to expand their routes in order for it to pay off."

Sterling European's Soerensen told AFX News there is "nothing concrete yet" emerging from the talks.

"We always have close, informal dialogues with a number of low-price groups. Therefore it is also natural to discuss how we can do things better for our customers," he said.

Soerensen denied that an alliance and an expanded air route network will lead to higher costs and thereby higher ticket prices.

"This is an expression of a classical way of thinking and it is not in accordance with the way low-price companies think," said Soerensen

Soerensen declined to name the carriers he is in talks with or provide a timeframe as to when an alliance might be formed.

## FOCUS Budget airlines alliance a possibility long term; might threaten SAS

Boersting said he would not expect the bigger budget airline groups such as Ryanair and EasyJet to join a tie-up as their air route network is already large enough.

Participants in the alliance would therefore be limited.

In addition, the high load factors that low-price airlines are operating with today would be difficult to maintain if the route networks were expanded.

A new low-price alliance could, however, be a threat to Scandinavian Airlines System, especially if the regional carrier fails to bring down its cost base over the next few years, said Boersting.

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**Load-Date:** September 26, 2003

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End of Document



## Ryanair comfortable with FY expectations but sees margins depressed

AFX.COM

September 24, 2003 Wednesday

Copyright 2003 AFX News Limited

**Length:** 348 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is comfortable with the range of analyst expectations for the year, saying its business continues to be robust, with stronger traffic numbers.

But it cautioned that yields are lower than expected, adding it believes that the yield environment this Winter will continue to be depressed.

In a statement prepared for its AGM, it said costs remain under strict control and it therefore remains comfortable - given no changes in present circumstances - with the consensus range of analyst expectations for the fiscal year.

Ryanair also hit back at speculation that recent adverse rulings regarding subsidies could damage its business model.

It said: "There has been some ill founded speculation that this decision may adversely damage Ryanair's business model. This is not the case.

"Publicly owned airports, particularly in the regions of Europe, will continue to compete aggressively to win the low fare, high volume business which Ryanair generates and no EU ruling could ever prohibit or constrain publicly owned airports from competing with the many privately owned airports which Ryanair operates to.

Referring to an EU probe into subsidies at Charleroi it said: "Ryanair continues to work closely with the EU Commission, in order to expedite their investigation of our Charleroi agreement.

"We remain confident that Commissioner de Palacio will in her decision formulate a framework which will not just allow but encourage all publicly owned airports to compete on a level playing field with privately owned airports all over Europe.

Referring to Ireland it said the situation "remains pitiful".

"Whilst we welcomed the Government's decision to break up the Aer Rianta monopoly, the slow pace of change, and the continuing failure to adopt and approve competing terminals at Dublin Airport is hindering competition, choice and lower access fares into Ireland," the statement read.

rn

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Ryanair comfortable with FY expectations but sees margins depressed

**Load-Date:** September 25, 2003

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End of Document



## Ryanair sees 5 mln eur FY charge from early retirement of 2 additional jets

AFX.COM

September 19, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** GENERAL; COMPANY NEWS

**Length:** 248 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC expects to incur an exceptional charge of approximately 5 mln eur in the fiscal year to March 31 2004 as it plans to retire nine - rather than the initially planned seven - of its 21 Boeing 737-200 jets this winter.

A recent scheduled aircraft overhaul showed some scratches to the outer skin of a 737-200 series aircraft, which indicated that an inappropriate procedure may have been undertaken during the jet's last full repainting which was undertaken by FLS Aerospace in the UK, the airline said.

A subsequent inspection of 10 further jets of the same type which had undergone the repainting showed that a total of nine were affected.

"Given the planned retirement of the 737-200's, and the cost of repairing any affected aircraft, the board of Ryanair have decided that it would not be economically viable to carry out these repairs, and any of these aircraft - so affected - will be retired," the group said in a statement, adding it is examining the remainder of its 21-strong 737-200 fleet.

Ryanair is currently taking delivery of 15 new Boeing 737-800 aircraft over the next six months, with a further 29 aircraft due for delivery in the 12 months thereafter.

This delivery program was designed to facilitate the growth of the company and the retirement of its 21 737-200 series aircraft.

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lam

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**Load-Date:** September 20, 2003





## AFX UK at a glance share guide

AFX.COM

September 19, 2003 Friday

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**Section:** MARKETS

**Length:** 512 words

### Body

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#### MARKETS

FTSE 100 4,314.7, up 21.7

FTSE 250 5,709.5, up 19.7

Long gilt/equity yield ratio 1.48 (1.48)

FTSE Eurotop 300 916.63, up 2.30

DJIA 9,659.13, up 113.48

Nasdaq Comp 1,909.55, up 26.45

S&P 500 1,039.55, up 13.60

Tokyo: Nikkei 225 at midday 11,080.01, up 46.69

Hang Seng at midday: 11,049.39, down 19.83

usd/stg 1.6171; stg/euro 0.6961

usd/euro 1.1256; yen/usd 116.1

Gold 377.5 usd (+1.9 usd)

Oil: Brent Oct 25.52 usd

#### TAKEOVER NEWS & GOSSIP

\* KPN is likely to announce today that the Dutch government is selling the bulk of its 31 pct shareholding in the company in a deal worth up to 5 bln eur - Guardian

\* Administrative receivers from KPMG, the accountancy firm, are poised to take over at British Energy next month if the company fails to persuade its creditors to sign up to a new financing package - Times

\* ABBEY NATIONAL is heading for a crunch meeting with banking unions over controversial plans to axe UK jobs and relocate them to India - Daily Mail

#### PRESS COMMENT

FT

The Lex Column: WM MORRISON (In the shorter term, the risks it will face in running Safeway's struggling stores and then integrating them into Morrison have not disappeared); RYANAIR (Michael O'Leary, chief executive, faces an uncomfortable ride towards his ambition of dominating Europe's skies); BEAR STEARNS (The simple logic that

## AFX UK at a glance share guide

says Bear's stock should trade in inverse relation to Treasury yields looks flawed); NYSE (Other reforms and the wholesale modernisation of the NYSE will take time; taking the regulated off the board of the regulator would be a good start)

### GUARDIAN

Market Forces: BRAMBLES (Talk of bid from GE Capital)

### TIMES

Tempus: NEXT (At almost 14 times next year's earnings, it looks fairly valued); WH SMITH (Hold); PREMIER OIL (Only for the adventurous)

### TELEGRAPH

Questor Column: NEXT (The shares aren't cheap, Hold); MORRISON SUPERMARKETS (Its more expensive than Tesco, but on a long term view worth holding); ALVIS (At its current level it is unlikely to gallop higher, but Alvis remains a solid exposure to the defence sector)

### MAIL

Market report: ALKANE ENERGY (Dealers expect some action soon at the company)

### THE INDEPENDENT

The Investment Column; NEXT (The shares look attractive despite a strong run); International Energy (The company is quietly ambitious and worth backing at these levels); COX INSURANCE (The shares are worth a punt)

### EXPRESS

Share Whisper: MEDISYS (rumours of a full scale commercial launch of its Futura safety syringe through marketing partner Smiths Group) -- Who's dealing?: FUTURE NETWORK (non-executive director John Mellon increased his stake in the group, buying 15,000 shares at 62.8 pence); SVB HOLDINGS (new finance director Oliver Corbett buys shares) -- Broker's view: SMITHS GROUP (CSFB sees strong growth potential for its detection business should encourage investors to buy aerospace group)

more to follow...

gl/vjt/

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**Load-Date:** September 20, 2003



## **AFX UK at a glance share guide**

AFX.COM

September 19, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 124 words

### **Body**

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#### OTHER NEWS ITEMS

\* Kohlberg, Kravis Roberts, the global buy-out firm is preparing an initial public offering of Alea, the reinsurer, in what would be one of the few new issues this year - FT

\* RYANAIR expressed total dismay yesterday as it was forced to close its popular route to France's Strasbourg airport for at least a year - The Express

\* The governor of the Bank of England, Mervyn King, dismissed mounting City speculation about an imminent rise in interest rates - Guardian

\* The IMF warned yesterday that a housing crash could tip the UK economy into reverse and undermine the fragile global recovery - Independent

END

gl/vjt/

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**Load-Date:** September 20, 2003



## Ryanair appeal in Strasbourg case rejected by French court - UPDATE

AFX.COM

September 18, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 267 words

**Dateline:** NANCY, France

### Body

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(Updates with further background on other pending cases)

A French appeal court today rejected a plea by Irish low-cost airline Ryanair Holdings PLC and the operator of the Strasbourg airport for suspension of a court ruling against subsidy payments to the carrier.

The previous court ruling had found that payments by the airport operator, the local chamber of commerce, to the airline in the form of advertising to promote the London-Strasbourg route amounted to an improper subsidy.

Ryanair, and the chamber of commerce which had funded the advertising with help from local authorities, argued that the payments were part of a legitimate commercial contract.

The contract was legitimate to offset Ryanair's costs to open the service and to exploit the potential of the airline to bring people to the Strasbourg region of eastern France, they argued.

Strasbourg was being served by Brit Air, a subsidiary of Air France, but it suspended its service in May complaining that the Ryanair arrangement distorted competition.

Ryanair, which has warned that such opposition to its business model threatens fast-growing low-cost air travel in Europe, is waiting for a key ruling by the European Commission over similar arrangements at Charleroi airport south of the Belgian capital Brussels.

In Denmark, civil aviation authorities have threatened to revoke the operating licence of Tistrup airport near the Danish city of Aarhus for the same reason.

bur/hd/lt/cw

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**Load-Date:** September 19, 2003



## Ryanair to go ahead with Strasbourg flight suspension after court ruling

AFX.COM

September 18, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS; GOVERNMENT

**Length:** 268 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will go ahead with its plans to suspend flights between London Stansted and Strasbourg from Sept 24 after a French court today rejected its plea for a stay on a court ruling against subsidy payments to the low-cost airline.

Instead, Ryanair will proceed with its previously announced plans to fly to Baden Baden in Germany, 40 km from Strasbourg.

The previous court ruling, by the Administrative Tribunal in Strasbourg, had found that payments by the airport operator, the local chamber of commerce, to the airline in the form of advertising to promote the London-Strasbourg route amounted to an improper subsidy.

Ryanair has appealed against the tribunal's decision, but the full appeal could take over a year to be heard, according to Jim Callaghan, Ryanair's head of regulatory affairs.

"We are dismayed with the court's decision rejecting our application for a stay on the tribunal's decision, which would have enabled us to reinstate our highly successful London-Strasbourg route. Ryanair was forced to announce the temporary suspension of the route following Air France's attempt to use the state aid rules to force us off the route.

"We will now have to suspend the route pending the outcome of the appeal, which could take over a year to be heard," Callaghan said.

He said Ryanair will continue to work with its partners in the Strasbourg chamber of commerce to appeal the decision of the tribunal.

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**Load-Date:** September 19, 2003

Ryanair to go ahead with Strasbourg flight suspension after court ruling

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End of Document



## **French court to rule on Ryanair appeal against decision on financial aid Thurs**

AFX.COM

September 17, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 76 words

**Dateline:** NANCY, France

### **Body**

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The Nancy Court of Appeal will make a decision tomorrow at 2.00 pm on Ryanair Holdings PLC's request for a suspension of the decision to prevent it from obtaining subsidies for its twice daily route between Strasbourg and London.

The French court ruled July 27 that aid granted by the Strasbourg Chamber of Commerce to Ryanair was illegal.

vmt-ab/jkm/kl

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**Load-Date:** September 18, 2003



## Stockholm shares AFX at a glance outlook

AFX European Focus

September 16, 2003 Tuesday

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**Section:** MARKETS

**Length:** 231 words

**Dateline:** STOCKHOLM

### Body

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Share prices are expected to open flat to slightly lower on profit-taking, dealers said.

Yesterday, the Stockholmsboersen All-Share index closed up 0.20 pct at 183.20, while the Attract40 closed up 0.72 pct at 53.33.

The OMX index closed up 0.16 pct to trade at 603.71. Total turnover amounted to 10.030 bln skr.

#### SCHEDULED EVENTS

##### TODAY

- July industrial orders (1.00 pm)
- July industrial output (1.00 pm)
- Alfa Laval capital markets day in Copenhagen

#### PRESS HEADLINES

-Company bosses calling for resignation of anti-euro Industry Minister Leif Pagrotsky after "Yes" defeat (Dagens Industri)

-Liechtenstein trusts linked to businessman Johan Bjoerkman raided (Dagens Industri)

-Ryanair's deal with Nykoeping municipality illegal, says court (Dagens Industri)

#### BROKER RECOMMENDATIONS

-Danske Equities reiterates Hold rating on Eniro

#### MARKET SENTIMENT

-Among Swedish shares traded on Wall Street yesterday, Ericsson B closed flat compared with Stockholm closing levels, AstraZeneca around 1 skr lower, SKF B around 1 higher, Swedish Match flat, and Electrolux B around 1 higher.

-Nokia A closed around 2 skr lower in New York than it did in Stockholm.

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## Stockholm shares AFX at a glance outlook

hc/cmr

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**Load-Date:** September 17, 2003

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## Ryanair's 55 mln skr advertising deal with Sweden's Nykoeping ruled illegal

AFX.COM

September 16, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS; GENERAL

**Length:** 111 words

**Dateline:** STOCKHOLM

### Body

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Ryanair Holding PLC's 55 mln skr advertising deal with Sweden's Nykoeping municipality has been ruled illegal by the county administrative court, since the deal was not put out to open tender, the newspaper Dagens Industri reported.

Nykoeping was to have paid Ryanair 55 mln skr during 10 years for the company's planes to carry advertising for the municipality.

"It is not permitted for the municipality to set up the tendering process in such a way that only one supplier has a chance," the court said, ordering the tendering process to be redone.

hc/vs

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**Load-Date:** September 17, 2003



## **Ryanair to launch daily direct route between London-Stansted to Tampere Oct 30**

AFX.COM

September 16, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 74 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it is starting a new daily route direct between London-Stansted and Tampere in Finland from Oct 30, with fares starting from 29.99 stg, including taxes.

Its sales manager for Scandinavia, Lotta Lindquist said the airline expects to carry 80,000 passengers annually on the new route.

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**Load-Date:** September 17, 2003



## Iberia to charge economy passengers for meals on European flights - report

AFX European Focus

September 15, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 128 words

**Dateline:** MADRID

### Body

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Iberia, Lineas Aereas de Espana SA plans to charge economy class passengers for meals and beverages on all European flights from 2004, El Pais reported Saturday, without naming a source.

According to El Pais, the measure is aimed at accelerating its cost-cutting plan in the face of increasing price competition from low cost carriers.

The decision is similar to that taken by domestic competitor Air Europa, as well as budget carriers like Ryanair Holdings PLC and easyJet PLC, El Pais reported.

The newspaper added that management is due to present a revised cost saving plan to the trade unions next week.

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**Load-Date:** September 16, 2003



## Air France, KLM merger would pressure BA to find partner - report

AFX.COM

September 14, 2003 Sunday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 276 words

**Dateline:** LONDON

### Body

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A tie-up between KLM Royal Dutch Airlines NV and French operator Air France would send shock waves through the airline industry and put pressure on British Airways PLC to find a partner, The Sunday Telegraph reported citing aviation analysts.

The move would also kick-start a round of consolidation among European flyers, which aviation analysts say is long overdue, the article added.

Talks between KLM and Air France are at an advanced stage and could lead to a merger as early as this week.

"We are in advanced stage talks with Air France and we are making good progress," a spokesman for KLM is reported as saying.

Separately, French daily Le Monde quoted labour union sources as saying Air France and KLM have both scheduled works council meetings for this Wednesday to present plans on an alliance between the two carriers.

KLM is worth around 500 mln eur, while Air France is valued at 3.3 bln eur and is controlled by the French government.

The talks come against a background of financial pain throughout the airline industry, caused by the post 9/11 hangover, the SARS crisis and the success of low-cost carriers, such as Ryanair PLC.

Six months ago, a merger between KLM and Air France would have been seen as a blow to British Airways, which has long viewed KLM as its natural partner in Europe.

However, at BA's AGM in July, Rod Eddington, the chief executive, said that he now regarded Iberia, the Spanish airline, as its closest partner in Europe.

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Air France , KLM merger would pressure BA to find partner - report

**Load-Date:** September 15, 2003

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## Ryanair in 2 mln free seat sale

AFX.COM

September 11, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 48 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is offering 2 mln free seats on routes across Europe.

There seats are available for travel between Sept 23 and Dec 17, it said.

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**Load-Date:** September 12, 2003



## Wall Street - European ADRs Euro tech ADRs close lower; KLM, biotechs shine

AFX.COM

September 10, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 298 words

**Dateline:** SAN FRANCISCO

### Body

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- U.S.-listed shares of European companies joined Wednesday's steep tech downturn as chip stocks led the widespread retreat

The Bank of New York European ADR Index lost 0.83 points, or 0.89 percent, to finish at 93.31. The Nasdaq Composite fared much worse, off 50 points, or 2.6 percent, at 1,824.

The Dow Jones Industrial Average dipped 87 points to close at 9,420. .

Texas Instruments' third-quarter update left investors unsatisfied as they took the stock down 7.5 percent to \$23.42.

The disappointment spilled over, with European chip stocks getting hammered. Shares of ASML were the most active in the group, plummeting \$1.13, or 6.9 percent, to close at \$15.26. STMicroelectronics dropped \$1.45, or 5.5 percent, to \$25 and Infineon shed 94 cents, or 6.1 percent, to \$14.41.

On a positive note, the Netherlands' KLM Royal Dutch Airlines was one of the NYSE's largest percentage gainers, rising 75 cents, or 6.7 percent, to finish at \$11.99. Dutch newspaper De Telegraaf reported the air carrier and Air France would announce an alliance in two weeks.

Consequently, the French government is expected to swap part of its stake in Air France into KLM shares. KLM called the report "speculation," but did acknowledge again it has been in talks with Air France. .

Irish airline carrier Ryanair wasn't as fortunate, ending the day down 85 cents, or 1.9 percent, at \$43.79.

Over in the biotech sector, bellwether GlaxoSmithKline jumped \$1.19 to \$41.72. Xenova was the biggest winner in the segment, surging 19 percent to close at \$2.47.

This story was supplied by CBSMarketWatch. For further information see [www.cbsmarketwatch.com](http://www.cbsmarketwatch.com).

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Wall Street - European ADRs Euro tech ADRs close lower; KLM , biotechs shine

**Load-Date:** September 11, 2003

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End of Document



## **Six Ryanair passengers held at Stansted after knives found in 2 men's luggage**

AFX.COM

September 9, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** GENERAL

**Length:** 109 words

**Dateline:** LONDON

### **Body**

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Two men booked to board a Ryanair Holdings PLC flight to Oslo, Norway, were stopped at Stansted Airport, northeast of London, after they were found to be carrying knives in their hand luggage, police said.

A total of six men have been prevented from boarding the plane after the knives were discovered.

Police have declined to say whether they suspect any terrorist link.

The arrests come amid heightened security fears days ahead of the second anniversary of the Sept 11 attacks in the US.

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**Load-Date:** September 10, 2003



## Danish authority warns airport against 'favoritism' in taxes for Ryanair

AFX.COM

September 9, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** ECONOMIC NEWS

**Length:** 178 words

**Dateline:** COPENHAGEN

### Body

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The Danish civil aviation authority has threatened to revoke the operating license of Tistrup airport near the central city of Aarhus because it allegedly favors Irish low-cost carrier Ryanair Holdings PLC over its competitors, the authority said.

It ordered the third biggest airport in Denmark to end by Oct 1 a practice of taxing Ryanair 35 dkr per passenger, half the rate charged to other airlines.

"We warned the Aarhus airport several times this summer, and we will revoke its operating license if it does not conform to international rules to treat all companies equally," said Tina Larsen, spokeswoman for the aviation authority.

"This practice represents an obstacle to competition and constitutes unjustifiable favoritism."

Ryanair is already facing European Commission scrutiny and a court ruling against its commercial practices at Charleroi airport south of Brussels and in the eastern French city of Strasbourg.

sa/wai/jlw/cmr

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**Load-Date:** September 10, 2003



## Ryanair's O'Leary says Charleroi contract not state aid

AFX.COM

September 4, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 400 words

**Dateline:** BRUSSELS

### Body

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Ryanair Holdings PLC chief executive Michael O'Leary said the contract offered to his airline to operate out of Charleroi near Brussels "is not state aid".

O'Leary was speaking to journalists after talks with the European Commission, which has launched a state aid probe into the terms and conditions offered to the low-cost airline by Charleroi.

He said he has presented documents to the commission which prove that the terms and conditions do not amount to state aid and show that any private investor would have offered the same terms.

"We have shown documents to the commission to confirm that Charleroi operates with the private investor principle," said O'Leary.

Nonetheless, O'Leary said there are no signs that the commission will drop its investigation on the back of this evidence produced by Ryanair.

"The European Commission is not going to back down from the probe but we welcome that probe," said O'Leary.

He said he also does not have any indication yet as to whether or not the commission will accept his company's argument that the Charleroi contract is not state aid.

However, he added: "We remain confident that the commission finding will not affect our cost base or traffic at Charleroi."

Instead, he said, it will actually result in a clarification of how such contracts should be made and these can then be replicated by other low-cost airlines.

Concerning the contract, O'Leary said he does not expect the commission to demand changes. If this happened then O'Leary said his company will not accept the decision.

"We are confident the commission will not require changes to the contract in Charleroi. However, if we were our first instinct would be to appeal the decision," said O'Leary.

The decision had been expected in Oct but may now be earlier according to O'Leary.

"We hope for an early decision. The earlier the better. Our last indication was for September," he said.

Charleroi airport approached Ryanair six years ago, asking it to set up services. The company operates the Brussels-Stanstead route and will shortly start flights to Skavsta, Stockholm.

Ryanair 's O'Leary says Charleroi contract not state aid

O'Leary said: "We would not be operating more routes if we were not confident."

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**Load-Date:** September 5, 2003

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## Ryanair offers 100,000 'free' flights to publicise success of Belgium ops

AFX.COM

September 4, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 109 words

**Dateline:** BRUSSELS

### Body

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Ryanair said it will offer 100,000 'free' seats to publicise the fact that 3.5 mln passengers have flown from Belgium's Brussels-Charleroi airport to various European destinations using its services.

Passengers taking up the offer will only have to pay taxes and charges.

Ryanair did not specify how high these charges would be.

The free offer is available on routes from Brussels-Charleroi to London, Liverpool, Stockholm-Skavsta and Milan-Bergamo.

The offer is also available on flights from Ostend-Bruges to London.

mc/jc

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**Load-Date:** September 5, 2003



## Ryanair adds new route from Germany to Italy

AFX.COM

September 4, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 58 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it has added a new Germany-Italy route, going from Frankfurt-Hahn to Algheroa.

Daily flights on this route will commence on Oct 30. It expects to carry 100,000 passengers on it annually.

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**Load-Date:** September 5, 2003



## EU decision on Ryanair-Charleroi probe not until Oct-Nov - EU sources

AFX.COM

September 4, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 193 words

**Dateline:** BRUSSELS

### Body

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The European Commission will not make its decision on its probe into Ryanair Holdings PLC's contract with Charleroi airport until October or November, EU sources said.

Earlier, Ryanair chief executive Michael O'Leary said he expects the decision to come in September. He was talking to reporters following meetings with commission officials.

O'Leary told journalists his low-cost airline has not been a recipient of state aid from Charleroi and that other operators, including those flying from Brussels-National airport, now face more competition with Ryanair operating out of Belgium, and thus have cut prices.

Commission spokesman for airlines Gille Gantelet told AFX News: "Loyola de Palacio (EU transport commissioner) has nothing against low costs".

However, he added: "The commission must ensure rules are not broken."

He said the probe "is a leading case which will drive the need to define clear rules for airports which allow more transparency and no discrimination."

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**Load-Date:** September 5, 2003





## Ryanair Aug passengers 2.14 mln vs 1.49 mln; load factor 90 pct vs 95

AFX.COM

September 2, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 105 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Luton-based no-frills airline, said it carried 2.14 mln passengers in August, up from 1.49 mln a year earlier, bringing the total number of passengers to 18.56 mln for the past 12 months.

The airline's load factor -- the number of passengers as a proportion of the number of seats available -- fell to 90 pct from 95 pct.

Internet sales accounted for 94 pct of tickets sold, compared with 92 pct in the same month last year and 93 pct in the 12 months to end-August.

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**Load-Date:** September 3, 2003



## Ryanair may drop several international routes after French ruling

AFX.COM

August 28, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 218 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the no-frills airline, may have to drop many international routes following defeat in a French legal battle, the Financial Times newspaper reported citing chief executive Michael O'Leary.

It is to suspend flights between Stansted and Strasbourg from Sept 24 because of a dispute with Groupe Air France over payments Ryanair receives to fly to secondary European airports.

"If we continue to have rulings against us, growth will be confined to privately owned airports so it would exclude development of low-cost routes in France. Pulling out would be one of the options," O'Leary said.

He added the airline was ready to stop using Charleroi airport in Belgium if a European Commission finding -- due in the autumn -- goes against him.

"Strasbourg is nothing more than a skirmish. It would not have happened if it was not against the background of alleged state aid at Charleroi. Charleroi is our Waterloo," he said.

Aside from Strasbourg, the group flies to 18 regional French airports from London including Biarritz, Montpellier and Perpignan, and France represents 3 mln of the company's 24 mln passengers, contributing about 12 pct of turnover.

mbe/ak

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**Load-Date:** August 29, 2003



## AFX UK at a glance share guide

AFX.COM

August 28, 2003 Thursday

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**Section:** MARKETS

**Length:** 618 words

### Body

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#### MARKETS

FTSE 100 4,206.4, up 29.0

FTSE 250 5,575.2, up 12.3

Long gilt/equity yield ratio 1.45 (1.43)

FTSE Eurotop 300 902.29, up 0.77 pct

DJIA 9,333.79, down 6.66

Nasdaq Comp 1,782.13, up 11.48

S&P 500 996.79, up 0.06

Tokyo: Nikkei closed at 10,225.22, down 83.77

Hang Seng midday 10,720.88, up 42.33

usd/stg 1.572; stg/euro 0.692

usd/euro 1.088; yen/usd 117.4

Gold 372.75 usd 9362.45 usd)

Oil - Brent Oct 29.18 usd (29.77 usd)

Yield on US Govt 30-yr 5.31 pct

#### TAKEOVER NEWS & GOSSIP

\* WILLIAM MORRISON understood to be considering lowering the price of its takeover offer for SAFEWAY if it is given clearance by the Department of Trade & Industry to proceed with a bid - FT

\* RYANAIR concedes it might have to axe many international routes following defeat in a French legal battle - FT

\* PRUDENTIAL set to expand in China after venture's success - FT

\* More than half of new issues sponsored by COLLINS STEWART since the start of 2001 have underperformed benchmark indices, according to a study by the Financial Times

\* KLM suspends talks with BRITISH AIRWAYS about a possible alliance and is now talking only to Air France about a tie-up, a spokesman for the Dutch airline says - FT

\* Row at COLLINS STEWART takes another twist after it emerges that the stockbroking firm offered to pay 457,000 stg to sacked 'whistleblower' James Middleweek if he retracted his explosive allegations - Mail

## AFX UK at a glance share guide

\* Millions of doses of a new smallpox vaccine ordered by the US government delayed because of a dispute over what sort of glue to be used to stick labels on the drug vials - Guardian

### PRESS COMMENT

#### FT

THE LEX COLUMN comments on Basel 11 rules for bank capital adequacy, Dividends, Euro/yen - JOHNSTON PRESS (investors should expect another acquisition by the end of the year; the market is consolidating, and Johnston will not wish to be left out) - WILSON BOWDEN (slight discount to the sector average of 7 comes from nagging concerns about the company's small commercial arm, and is a little severe) - AGGREKO (p/e of just over 16 times looks expensive) - BODYCOTE (look more than fully valued for the time being)

#### Times

Directors' dealings: CARPHONE WAREHOUSE (former founding director sells stock) - Rumour of the day: BRITISH ENERGY (speculation that the company is closer to reaching agreement with creditors on its restructuring) - Tempus: WILSON BOWDEN (investors who rent might consider buying the stock, others should hold), JOHNSTON PRESS (worth a look), JAMES FISHER & SONS (a dividend yield of 3.7 pct, three times covered, provides comfort for anyone willing to embark at this stage)

#### Mail

SIGNET (growing optimism that the company will produce a 24-carat set of interim results next week) - GRIFFIN MINING (dealers say company plans to raise a further 1.75 mln stg to help finance Chinese expansion)

#### Independent

THE INVESTMENT COLUMN: AGGREKO (avoid), BODYCOTE (hold), JAMES FISHER (buy) - BRITISH ENERGY (hopes of improved refinancing) - GX NETWORKS (rumours that the company has tied up a placing to fund a big acquisition)

#### Guardian

UNITED UTILITIES (powers up on cash call) - ROYAL & SUN ALLIANCE (neutral from buy - UBS) - ML LABORATORIES (rumours of a licensing deal for Budesonide clickhaler)

#### Express

STANLEY LEISURE (speculation of bid from WILLIAM HILL) - Who's dealing? GENETIX (director buys 50,000 shares at 55 pence each) - Share whisper: SCIPHER (hopes of imminent disposals) - Broker's view: JAMES FISHER (Evolution Beeson Gregory profits upgrade)

... more to follow:

fjb/vjt/

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**Load-Date:** August 29, 2003



## AFX UK at a glance share guide

AFX.COM

August 28, 2003 Thursday

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**Section:** MARKETS

**Length:** 618 words

### Body

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#### MARKETS

FTSE 100 4,206.4, up 29.0

FTSE 250 5,575.2, up 12.3

Long gilt/equity yield ratio 1.45 (1.43)

FTSE Eurotop 300 902.29, up 0.77 pct

DJIA 9,333.79, down 6.66

Nasdaq Comp 1,782.13, up 11.48

S&P 500 996.79, up 0.06

Tokyo: Nikkei closed at 10,225.22, down 83.77

Hang Seng midday 10,720.88, up 42.33

usd/stg 1.572; stg/euro 0.692

usd/euro 1.088; yen/usd 117.4

Gold 372.75 usd 9362.45 usd)

Oil - Brent Oct 29.18 usd (29.77 usd)

Yield on US Govt 30-yr 5.31 pct

#### TAKEOVER NEWS & GOSSIP

\* WILLIAM MORRISON understood to be considering lowering the price of its takeover offer for SAFEWAY if it is given clearance by the Department of Trade & Industry to proceed with a bid - FT

\* RYANAIR concedes it might have to axe many international routes following defeat in a French legal battle - FT

\* PRUDENTIAL set to expand in China after venture's success - FT

\* More than half of new issues sponsored by COLLINS STEWART since the start of 2001 have underperformed benchmark indices, according to a study by the Financial Times

\* KLM suspends talks with BRITISH AIRWAYS about a possible alliance and is now talking only to Air France about a tie-up, a spokesman for the Dutch airline says - FT

\* Row at COLLINS STEWART takes another twist after it emerges that the stockbroking firm offered to pay 457,000 stg to sacked 'whistleblower' James Middleweek if he retracted his explosive allegations - Mail

## AFX UK at a glance share guide

\* Millions of doses of a new smallpox vaccine ordered by the US government delayed because of a dispute over what sort of glue to be used to stick labels on the drug vials - Guardian

### PRESS COMMENT

#### FT

THE LEX COLUMN comments on Basel 11 rules for bank capital adequacy, Dividends, Euro/yen - JOHNSTON PRESS (investors should expect another acquisition by the end of the year; the market is consolidating, and Johnston will not wish to be left out) - WILSON BOWDEN (slight discount to the sector average of 7 comes from nagging concerns about the company's small commercial arm, and is a little severe) - AGGREKO (p/e of just over 16 times looks expensive) - BODYCOTE (look more than fully valued for the time being)

#### Times

Directors' dealings: CARPHONE WAREHOUSE (former founding director sells stock) - Rumour of the day: BRITISH ENERGY (speculation that the company is closer to reaching agreement with creditors on its restructuring) - Tempus: WILSON BOWDEN (investors who rent might consider buying the stock, others should hold), JOHNSTON PRESS (worth a look), JAMES FISHER & SONS (a dividend yield of 3.7 pct, three times covered, provides comfort for anyone willing to embark at this stage)

#### Mail

SIGNET (growing optimism that the company will produce a 24-carat set of interim results next week) - GRIFFIN MINING (dealers say company plans to raise a further 1.75 mln stg to help finance Chinese expansion)

#### Independent

THE INVESTMENT COLUMN: AGGREKO (avoid), BODYCOTE (hold), JAMES FISHER (buy) - BRITISH ENERGY (hopes of improved refinancing) - GX NETWORKS (rumours that the company has tied up a placing to fund a big acquisition)

#### Guardian

UNITED UTILITIES (powers up on cash call) - ROYAL & SUN ALLIANCE (neutral from buy - UBS) - ML LABORATORIES (rumours of a licensing deal for Budesonide clickhaler)

#### Express

STANLEY LEISURE (speculation of bid from WILLIAM HILL) - Who's dealing? GENETIX (director buys 50,000 shares at 55 pence each) - Share whisper: SCIPHER (hopes of imminent disposals) - Broker's view: JAMES FISHER (Evolution Beeson Gregory profits upgrade)

... more to follow:

fjb/vjt/

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**Load-Date:** August 29, 2003



## Ryanair suspends Strasbourg-London route from Sept 24

AFX.COM

August 26, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 224 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is suspending its Strasbourg-London route from Sept 24 as a result of a dispute with an appeals court in France.

Earlier this month, the Dublin-based low cost airline lodged a request, along with Strasbourg Airport and the Strasbourg Chamber of Commerce, with the Nancy Court of Appeal for a stay on its decision in July requiring the regional Chamber of Commerce to terminate its commercial agreement with the airline on Sept 24.

The French court ruled July 27 that aid granted by the Strasbourg Chamber of Commerce to Ryanair was illegal.

Ryanair said it still had not received confirmation from the court on the stay.

"In order to give passengers at least four weeks notice, Ryanair has been forced to confirm that with effect from Sept 24 next, the two daily Strasbourg-London flights will be suspended and will operate instead to Baden

Baden Airport in Germany," the airline said.

"If and when we receive a stay on the judgement (or win the appeal), then Ryanair will make arrangements to recommence flights on the London-Strasbourg route," it said, adding that it expects to obtain a stay on the judgement and to overturn the original decision of the Strasbourg Court.

bam

NN

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**Load-Date:** August 27, 2003



## Ryanair says will carry 100,000 passengers on Pau-London route in first yr

AFX.COM

August 26, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 121 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based low cost airline,

said it will carry 100,000 passengers in the first full year on its new Pau, France to London route.

Speaking in Pau today, Ryanair chief executive, Michael O'Leary said the airport competed for Ryanair's business with 20 other airports, including nearby Tarbes.

He said Ryanair chose to partner Pau because of "its efficient facilities, low costs and progressive management."

O'Leary dismissed an allegation from the Tarbes Chamber of Commerce that Pau had paid "considerable sums of public money" to secure Ryanair's business as "untrue".

jdd/bam

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**Load-Date:** August 27, 2003





## AFX UK at a glance share guide

AFX.COM

August 21, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 574 words

### Body

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#### LONDON (AFX)

##### MARKETS

FTSE 100 4,217.4, down 33.4

FTSE 250 5,536.8, up 40.3

Long gilt/equity yield ratio 1.44 (1.44)

FTSE Eurotop 300 899.46, down 0.36 pct

DJIA 9,397.51, down 31.39

Nasdaq Comp 1,760.54, down 0.57

S&P 500 1000.30, down 2.05

Tokyo: Nikkei closed at 10,362.69, up 70.63

Hang Seng midday at 10,596.86, up 121.53

usd/stg 1.595; stg/euro 0.698

usd/euro 1.113; yen/usd 118.2

Gold 364.30 usd (359.00 usd)

Oil - Brent Sept 28.60 usd (28.47 usd)

Yield on US Govt 30-yr 5.29 pct

##### TAKEOVER NEWS & GOSSIP

\* GLAXOSMITHKLINE & BAYER have won approval from US regulators to sell a new impotence drug in competition with Pfizer for the crucial US market - The FT

\* TESCO & J SAINSBURY could see their credit ratings damaged if they buy any part of the Safeway supermarket chain said Standard & Poor's ratings agency - FT

\* DEBENHAMS considering releasing exceptional year end trading update as bid battle reaches critical stage

\* SCOTTISH & NEWCASTLE's pubs estate is expected to attract at least seven bidders when second round bid are submitted tomorrow - Independent

\* PO NA NA has attracted the interest of fledgling private equity group, Avanti Capital which has financed the acquisition of 28 of the group's bars

## AFX UK at a glance share guide

\* CHESTERTON shareholders have received offers for their stakes from the Manchester & Metropolitan investment fund - Times

\* HUTCHISON WHAMPOA's 3UK is expected to scrap its target to win 1 mln customers to its videophone service as it has gained less than a fifth of that number to date - TELEGRAPH

### PRESS COMMENT

#### FT

The Lex Column: NESTLE (There are glimmers of hope company can achieve real cost savings while maintaining revenue growth but the Swiss group remains a long way from proving it can match Unilever's record).

ZURICH FINANCIAL SERVICES - Business looks in much better shape than last year but one problem remains - Zurich's structured finance unit has had to make further provisions which may swallow up proceeds from asset sales). GROUP 4 FALCK (Discount to Securitas looks harsh)

TIMES Tempus: RYANAIR - (Recent underperformance may be a short-term setback, the ride will be bumpy but investors will reach their destination safely) Buy on weakness. ALKANE ENERGY - (High risk investment but shares should benefit from government green targets) Buy. LONDON FORFAITING - (investors may want to wait a few more weeks to see how fight for control plays out)

#### TELEGRAPH

Questor: SINGER & FRIEDLANDER (Shares are cheaper than rivals such as Rathbone and a yield of 7 pct is not to be sniffed at - if there ever was a time to buy it is now). DOMNICK HUNTER (The price may be a little high but is unlikely to disappoint - wait for the price to compress before buying). BEALE (Given bid interest for department stores, worth a speculative punt for those who can take the heat)

#### INDEPENDENT

The Investment Column: YELL (unattractive)

#### GUARDIAN

CREST NICHOLSON (Gerald Ronson's Heron International could be preparing a bid)

#### EXPRESS

Share Whisper: NSB RETAIL (6 mln shares changed hands on rumours of deals with major companies on both sides of the Atlantic) -- Who's dealing? (HOT GROUP Non-executive director James Hanson paid 212,500 stg for 1.25 mln shares)

... more to follow:

dlh/vjt/

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**Load-Date:** August 22, 2003



## Madrid share market data at 10.04 am - Telefonica, BBVA slip; TelePizza up

AFX European Focus

August 20, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 303 words

**Dateline:** MADRID

### Body

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Market data at 10.04 am

Major indices:

IBEX-35 index	7,171.9, down 20.5 points
IBEX-35 Sept future	7,189.0, down 23.5 points
IBEX-NM	1,858.3, down 3.3 points

Major losers:

-Blue chips on light profit-taking, with Telefonica down 0.07 eur at 10.92, near a low of 10.9, on turnover of 3.2 mln shares, BBVA off 0.06 at 9.97 and SCH 0.05 lower at 7.86.

-Repsol YPF slipped 0.04 to 15.1 and Endesa shed 0.06 to 14.47.

-Selected TMTs, with Terra down 0.04 at 5.07 and Amadeus lost 0.03 to 5.96 after failing to make a convincing breakout from its recent recent trading range.

-Iberia, down 0.01 at 1.94 after Ryanair announced plans to open two new routes to Spain from its Birmingham hub.

-Arcelor, down 0.06 at 12.13 as investors locked in some of their recent gains.

Major gainers:

-TelePizza, up 0.03 or 2.33 pct at 1.32 on heavy turnover of 2 mln shares extending yesterday's 6 pct gain as takeover bid speculation continued to lift the stock.

-Altadis, up 0.08 at 21.5 after ABN Amro upgraded the stock to 'add' from 'hold.'

-Gamesa, up 0.25 at 20.25 as gains in Danish peer Vestas offset competition worries from the latter's plans to expand in Spain with the construction of a wind turbine generator plant.

-Sogecable, up 0.14 at 19.9, lifted by news that it has acquired league and cup football broadcasting rights for Atletico de Bilbao.

Most active:

Madrid share market data at 10.04 am - Telefonica , BBVA slip; TelePizza up

-Jazztel, flat at 0.40 on heavy turnover of 10 mln shares after yesterday's losses on profit-taking following confirmation Monday that the company is in merger talks with other sector operators.

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fb/jc

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**Load-Date:** August 21, 2003

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## Ryanair adds two new routes from Birmingham to Spain

AFX.COM

August 20, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 81 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is adding two new routes from Birmingham to Spain, one going to Barcelona (Girona) and the other to Murcia.

The company expects to carry 100,000 passengers on each Birmingham to Spain route annually.

The low cost airline said it is also increasing frequency on its Birmingham to Dublin route to five flights from three, starting Oct 30 this year.

bam

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**Load-Date:** August 21, 2003

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## Ryanair to launch Brussels-Charleroi to Stockholm-Skavsta route

AFX.COM

August 19, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 49 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is to start flying between Brussels-Charleroi and Stockholm-Skavsta from October.

Fares for the new routes start at 39.99 eur. The new route starts on Oct 16.

rn

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** August 20, 2003

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## Fraport chairman sees Hahn airport breaking even in 2006

AFX European Focus

August 14, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** ECONOMIC NEWS

**Length:** 180 words

**Dateline:** FRANKFURT

### Body

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Fraport AG expects its airport in Hahn to break even in 2006, chairman Wilhem Bender said.

"We expect a break-even at Hahn, with 5 mln passengers per year. We expect this figure in 2006," said Bender.

Apart from Hahn, which is about 80 km northwest of Frankfurt, Fraport also runs the Frankfurt, Antalya, Hannover, Lima and Saarbruecken airports.

In the first six months of this year, Hahn, which is an important hub for no-frills airline Ryanair Holdings PLC, had 1.08 mln passengers travel through it.

Bender added that Fraport will at the end of August start proceedings against the Philippine government if an agreement has not yet been reached by then on damages for his company over the failed Terminal 3 project in Manila.

Bender said the deadline for an agreement runs out at midnight tonight. However, Fraport spokesman Wolf-Dieter Schaller added Fraport, as a sign of good will, will give the Philippines another two weeks.

so/das/pav/

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**Load-Date:** August 15, 2003



## Ryanair lodges appeal with French court over financial aid ruling

AFX.COM

August 13, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 304 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based low cost airline, Strasbourg Airport and the Strasbourg Chamber of Commerce today lodged a request with the Nancy Court of Appeal for a stay on its decision last month requiring the regional Chamber of Commerce to terminate its commercial agreement with the airline on Sept 24.

Ryanair warned that if the stay was not granted by August 24 the partners have agreed that the airline's twice daily route between Strasbourg and London Stansted would be terminated on Sept 24.

It said alternative arrangements would be made for passengers with bookings after that date.

"Ryanair and our two partners remain committed to the London-Strasbourg route," said Paul Fitzsimmons, the airline's head of communications.

"We will take every step to pursue our appeal with the utmost urgency and we are confident that if and when we win the appeal, Ryanair will restore its twice daily low fare services on the London-Strasbourg route."

The French court ruled July 27 that aid granted by the Strasbourg Chamber of Commerce to Ryanair was illegal.

Last week Ryanair's chief executive Michael O'Leary said the French court's ruling had undermined his confidence that the European Commission would exonerate the airline in its dealings with Charleroi airport in Belgium.

The Commission launched a formal investigation into Ryanair's relationship with Charleroi airport and the regional government of Wallonia in December 2002.

It is investigating what it maintains could be illegal state subsidies and is expected to report its findings in the autumn.

At 3.59 pm Ryanair shares were unchanged at 432.

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jdd/shw

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
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Ryanair lodges appeal with French court over financial aid ruling

**Load-Date:** August 14, 2003

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End of Document



## Ryanair adds 3 new routes

AFX.COM

August 13, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 141 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based low cost airline, said it has added three new routes to its existing 125 European route network.

The additional routes, commencing October, are Glasgow-Prestwick to Gothenburg, Bournemouth to Barcelona-Girona and Frankfurt-Hahn to Venice-Treviso.

The new route to Barcelona-Girona from Bournemouth replaces the existing service from Bournemouth to Frankfurt-Hahn. This means the Ryanair route network increases to 127.

Ryanair is also doubling the frequency of its Glasgow-Prestwick to Bournemouth service to two flights a day from Oct 16.

To "celebrate" the new routes Ryanair announced a 125,000 "free" seat sale.

At 10.43 am Ryanair shares were down 1 pence at 431.

jdd/rn

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**Load-Date:** August 14, 2003



## easyJet July passengers 1.89 mln, up 74.9 pct; load factor 85.6 pct UPDATE

AFX.COM

August 7, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 373 words

**Dateline:** LONDON

### Body

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(Updating to add more detail from easyJet statement, background)

easyJet PLC, the Luton-based no-frills airline, said it carried 74.9 pct more passengers in July compared to last year.

Its monthly traffic report revealed it carried 1.89 mln passengers in July versus 1.08 mln last year, bringing the total number of passengers to 19.8 mln for the last 12 months.

The airline's load factor -- the number of passengers as a proportion of the number of seats available -- fell 2.3 pct to 85.6 pct from 87.9 pct last July, and was down 20 basis points from June. The rolling 12 month load factor was 83.8 pct.

The July figures include those for Go Fly, acquired by easyJet last Summer.

"easyJet's performance during July continues the trend predicted in our Summer trading statement," said chief executive Ray Webster.

"Particularly pleasing is the achievement of load factors in the mid eighties, which confirms the appeal to passengers of our combination of attractive fares and convenient airports."

easyJet's July 22 update revealed forward bookings to the end of September were showing "strong growth".

The airline said it was filling a similar share of its available seats as last year although with "marginally lower average yields".

But it stressed the full year outcome is highly dependent on the final quarter from July to September.

easyJet's third quarter yields, or average fares, fell 2.8 pct -- an improvement on the 10.7 pct decline of the first half. The slower rate of capacity increase contributed to reduced pressure on yields.

Prior to today's statement sector analysts were forecasting a year to end-Sept pretax profit of around 50 mln stg, down from 71.6 mln last time.

Earlier this week easyJet's fierce rival Ryanair Holdings PLC revealed a July load factor of 85 pct, up 6 points on June. The Dublin-based airline reiterated it expects its yields to fall 10-15 pct in the year to end-Sept.

At 7.51 am easyJet shares were unchanged at 232 pence, valuing the airline at 908.7 mln stg.

easyJet July passengers 1.89 mln, up 74.9 pct; load factor 85.6 pct UPDATE

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jdd/slm/

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**Load-Date:** August 8, 2003

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## AFX UK at a glance share guide

AFX.COM

August 6, 2003 Wednesday

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**Section:** MARKETS

**Length:** 458 words

### Body

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#### MARKETS

FTSE 100 4,121.0, up 20.9

FTSE 250 5,355.1, up 13.1

Long gilt/equity yield ratio 1.41 (1.39)

DJIA 9,036.32, down 149.72

Nasdaq Comp 1,673.50, down 40.56

S&P 500 965.46, down 17.36

Tokyo: Nikkei closed at 9,323.91, down 58.67

Hang Seng 10,020.77, down 156.61

usd/stg 1.613; stg/euro 0.706

usd/euro 1.138; yen/usd 119.9

Gold 349.50 usd (349.30 usd)

Oil - Brent Sep 29.93 usd (29.53 usd)

Yield on US Gov 30-yr 5.39 pct

#### TAKEOVER NEWS & GOSSIP

\* UNILEVER turns the corporate governance debate on its head by asking 10 of its major shareholders to account for their failure to register their votes at its last annual meeting - FT

\* Tim Radford and Richard Cunningham - the chief executive and finance director of PROJECT TELECOM to make 56 mln stg between them after the company they founded 16 years ago receives a 70 pence a share cash offer from VODAFONE

#### PRESS COMMENT

FT

THE LEX COLUMN comments on Credit Suisse, ROYAL BANK OF SCOTLAND (good value), RYANAIR (Ryanair's plans to dominate the skies are becoming costlier; they could soon face turbulence), Toyota - LOMBARD column comments on LASTMINUTE (even if bid speculation dissipates, investors can at least feel sure they are

## AFX UK at a glance share guide

backing a real business), BOC, Base rates - NCIPHER (shares continued ascent might not be sustainable in the short term)

### Mail

MITCHELLS & BUTLERS (prospect of healthy drinks sales in the hot weather)

### Express

J SAINSBURY (bid talk) - Who's dealing? MERCHANT HOUSE (directors buy stock) - Share whisper: GX NETWORKS (thought to be gearing up for a large purchase) - COMPASS (Morgan Stanley increase price target to 384 pence from 365 pence)

### Guardian

INTERCONTINENTAL HOTELS (Merrill Lynch buy)

### Independent

CARPHONE WAREHOUSE (director's sell-off sparks worries over retail margins) - THE INVESTMENT COLUMN: ROYAL BANK OF SCOTLAND (a core holding), BELLWAY (hold), NCIPHER (not exciting enough for new investors)

### Times

Directors' dealings: FIRST TECHNOLOGY (chairman sells stock for 228,000 stg) - Rumour of the day: WILINK (talk that first-half results on September 2 could reveal an upturn in trading) - INTERCONTINENTAL HOTELS (sell-off talk) - Tempus: ROYAL BANK OF SCOTLAND (hold), BOC (buy), ENODIS (investors who have the stock might as well continue to hold; others should avoid it)

### Telegraph

QUESTOR: ROYAL BANK OF SCOTLAND (Questor tipped them at 1,394 pence in February, so if you took our advice take some profits), BOC (worth hanging on for when the economy puts its foot on the gas), RYANAIR (about right for now)

... more to follow:

fjb/vjt/

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**Load-Date:** August 7, 2003



## **CORRECTION - Ryanair Q1 profit in line; repeats FY guidance**

AFX.COM

August 5, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 500 words

**Dateline:** LONDON

### **Body**

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(Correcting currency in third para to euro from sterling)

Ryanair Holdings PLC, the Dublin-based low cost airline, reported first-quarter profits in line with market expectations and reiterated guidance that it expects yields, or average fares, this year to be 10 to 15 pct lower than last year.

The airline also repeated its prediction that year to end-March 2004 profits will grow "materially" and that it will maintain net margins in excess of 20 pct.

For the first quarter to June 30 2003 Ryanair saw adjusted profit after tax (adjusted net profit) -- excluding 2.7 mln eur of exceptional costs arising from the re-organisation of Buzz and a 0.6 mln eur goodwill charge from the Buzz acquisition -- of 43.8 mln eur, a performance in-line with sector analysts' expectations and a 12 pct increase on last year's 39.0 mln eur.

First-quarter revenue increased 26 pct to 245.2 mln eur.

Passenger traffic grew by 45 pct to 5.1 mln, although both average load factors -- the number of passengers as a proportion of the number of seats available -- and yields declined by 5 points to 78 pct and by 14 pct to 41.71 eur respectively.

"These predicted reductions were due to the launch of 50 new routes and two new bases (Milan-Bergamo and Stockholm-Skavsta); the weakness of sterling to the euro; the closure of Buzz for the month of April and Ryanair's commitment to offer the lowest fares in every market it serves," the airline said.

Ryanair's operating costs rose by 29 pct and after tax margins declined from 20 pct to 18 pct.

Of the 14 pct decline in yields during the quarter, 6 pct was due to the weakness of sterling. This yield dilution was partially offset by sterling cost savings.

The airline's margins have also been diluted by the operation of less efficient Buzz BAe146 aircraft on some routes, but these will be replaced by larger and lower cost 737-800s in October following the next set of deliveries from Boeing.

Yesterday Ryanair reported its July traffic statistics -- traffic was up 40 pct versus last year and load factor was 85 pct, up 6 points on June.

CORRECTION - Ryanair Q1 profit in line; repeats FY guidance

Michael O'Leary, chief executive, said the only "grey cloud" on Ryanair's commercial horizon at present is the continuing EU investigation of its operation at Brussels Charleroi Airport.

He called on the European Commission to send a "strong signal" to the market that it will not allow political lobbying or local court orders to prevent Ryanair making air travel more affordable.

"We remain confident that Commissioner de Palacio will support competition and low fare air travel and will support the right of publicly owned airports to compete on an equal basis with privately owned airports for this business," O'Leary said.

Ryanair shares closed in London on Monday at 418 pence, valuing the airline at 4.62 bln stg.

jdd/slm/ak

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and

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**Load-Date:** August 6, 2003

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## ROUNDUP Ryanair Q1 net profit up 12 pct; price war to continue

AFX.COM

August 5, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 891 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based low cost airline, has reported a 12 pct increase in first-quarter adjusted net profit and signalled the price war in European air fares is set to continue by reiterating guidance that it expects its yields, or average fares, this year to be 10 to 15 pct lower than last year.

The airline also repeated its prediction that year to end-March 2004 profits will grow "materially" and that it will maintain net margins in excess of 20 pct.

But chief executive Michael O'Leary cautioned the European Union's continuing investigation into assistance Ryanair received in setting up operations at Brussels Charleroi Airport in 2001 represents a "grey cloud" on its commercial horizon.

For the first quarter to June 30 2003 Ryanair notched up an adjusted profit after tax (adjusted net profit) of 43.8 mln eur -- a performance in-line with sector analysts' expectations and a 12 pct increase on last year's 39.0 mln eur.

The figure excluded 2.7 mln eur of exceptional costs arising from the reorganisation of Buzz following its purchase from KLM Royal Dutch Airlines NV in the spring and a 0.6 mln eur goodwill charge relating to the same deal.

Revenue was up 26 pct to 245.2 mln eur, operating profit increased 17 pct to 53.1 mln eur and adjusted EPS increased 12 pct to 5.8 cents. Operating costs rose by 29 pct and after tax margins declined from 20 pct to 18 pct.

Passenger traffic grew by 45 pct to 5.1 mln, although both average load factors -- the number of passengers as a proportion of the number of seats available -- and yields declined by 5 points to 78 pct and by 14 pct to 41.71 eur respectively.

"These predicted reductions were due to the launch of 50 new routes and two new bases (Milan-Bergamo and Stockholm-Skavsta); the weakness of sterling to the euro; the closure of Buzz for the month of April and Ryanair's commitment to offer the lowest fares in every market it serves," the airline said.

Of the 14 pct decline in yields during the quarter, 6 pct was due to the weakness of sterling. The yield dilution was partially offset by sterling cost savings.

The airline's margins were also diluted by the operation of less efficient Buzz BAe146 aircraft on some routes, but these will be replaced by larger and lower cost 737-800s in October following the next set of deliveries from Boeing.

## ROUNDUP Ryanair Q1 net profit up 12 pct; price war to continue

Ryanair's deputy chief executive Michael Cawley told AFX News the airline is determined to keep up the pressure on the flag carriers and other low fare carriers such as easyJet PLC, while at the same time deterring new entrants, by aggressively promoting low fares.

Yesterday Ryanair reported its July statistics -- passenger traffic was up 40 pct versus last year and load factor was 85 pct, up 6 points on June.

Cawley said he expected a load factor of over 80 pct for August and September.

"Through the rest of the year, we're not sure. But we will certainly have very high load factors, perhaps high 70s," he said, adding he is hopeful the full-year load factor will touch 80 pct versus the 84 pct achieved last year.

He anticipates Ryanair will carry over 23 mln passengers this year, up from 15.7 mln last.

Turning to the Charleroi issue, which has acted as a drag on Ryanair's share price, O'Leary called on the European Commission to send a "strong signal" to the market that it will not allow political lobbying or local court orders to prevent Ryanair making air travel more affordable.

"We remain confident that Commissioner de Palacio will support competition and low fare air travel and will support the right of publicly owned airports to compete on an equal basis with privately owned airports for this business," he said. News on the EU's investigation is not expected until October.

Last month, following a complaint from Air France, an administrative court in Strasbourg ruled illegal a funding package granted to Ryanair by the city's Chamber of Commerce for services to Entzheim airport. Ryanair is appealing the decision.

Meanwhile, Cawley said the airline plans to open another European base in February next year.

The new hub will be announced in October or November and will be in the UK, Spain, Germany, France or Italy.

Merrill Lynch repeated its 'buy' stance and 7 eur target price.

It noted that Ryanair's first quarter operating profit was some 6.6 mln eur better than its expectation, reflecting better cost control than it had assumed.

Nevertheless, the broker said it was unlikely to change its full year to end-March 2004 operating profit forecast of 301.5 mln eur.

"There is clearly a risk that 'fallen angel' status could stick to Ryanair, and that the current slowdown in earnings growth could emerge as a defining moment in the progression of the shares," Merrill noted.

"But we believe the business model is increasingly different from competitors, is a proven one, and we are still looking at an airline operator which looks set to deliver net margins of 20 pct consistently going forward."

At 12.12 pm Ryanair shares were down 1/2 pence in London at 417-1/2.

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**Load-Date:** August 6, 2003



## AFX UK at a glance share guide

AFX.COM

August 5, 2003 Tuesday

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**Section:** MARKETS

**Length:** 210 words

### Body

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#### TODAY'S EXPECTED COMPANY NEWS

INTERIMS

BOC (Q3)

Danka Business (Q3)

Enodis

Infast Group

lastminute.com (Q3)

Ncipher

Pharmagene

Quantica

Royal Bank of Scotland

Ryanair (Q1)

XP Power

FINALS

Murgitroyd Group

AGMs

Invesco Asia Trust

Mean Fiddler

EGMs

Parkdean Holidays

ALSO EXPECTED

British Airways July traffic figures

ECONOMICS

\* UK June industrial/manufacturing production

\* UK CIPS July services PMI

## AFX UK at a glance share guide

\* UK National Institute of Economic and Social Research monthly GDP estimate    \* US July ISM services

### MARKET EXPECTATIONS

\* BOC third quarter to June pretax pre-ex profit 105-114 mln stg vs 119 mln

\* Enodis third quarter to June. Arbuthnot Securities forecasts pretax profit of 15.6 mln stg vs 20.4 mln

\* Lastminute.com third quarter EBITDA around 4 mln stg vs loss 1.9 mln; pretax profit 1.3 mln stg vs loss 4 mln

\* Quantica six months to May pretax profit 700,000 stg

\* Royal Bank of Scotland Group first half pretax profit before goodwill and NatWest related integration costs of 3.3 bln-3.5 bln stg vs 3.151 bln

\* Ryanair Holdings first quarter to June pretax profit 47-54 mln eur vs 43.4 mln

vjt/

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End of Document



## AFX UK at a glance share guide

AFX.COM

August 5, 2003 Tuesday

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**Section:** MARKETS

**Length:** 494 words

### Body

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#### MARKETS

FTSE 100 4,100., up 1.7

FTSE 250 5,342.0, down 3.1

Long gilt/equity yield ratio 1.39 (1.41)

FTSE Eurotop 300 865.57, down 0.81 pct

DJIA 9,186.04, up 32.07

Nasdaq Comp 1,714.06, down 1.56

S&P 500 982.80, up 2.65

Tokyo: Nikkei closed at 9,382.58, down 70.21

Hang Seng (early session) 10,222.88, up 39.74

usd/stg 1.610; stg/euro 0.704

usd/euro 1.136; yen/usd 120.4

Gold 349.30 usd (353.90 usd)

Oil - Brent Sept 29.53 usd (29.99 usd)

Yield on US Govt 30-yr 5.29 pct

#### TAKEOVER NEWS & GOSSIP

\* Tom Singh, the biggest shareholder in NEW LOOK, is the latest founder seeking to take his retail company private again - FT

\* CAIRN ENERGY buys SHELL's Bangladeshi upstream assets for 50 mln usd

\* MARKS & SPENCER poaches a new children's clothing boss, Anthony Thompson, from rival retailer Gap, filling the vacuum left when it ousted Michele Jobling last October - Mail

\* John Clare, chief executive of DIXONS, received a total of 1.43 mln stg last year in salary, bonuses and share awards, despite the electrical retailer issuing a severe profits warning in January - Telegraph

#### PRESS COMMENT

FT

## AFX UK at a glance share guide

THE LEX COLUMN comments on HSBC (with lacklustre growth, it is hard to justify its chunky premium to faster-growing UK peers such as ROYAL BANK OF SCOTLAND), Merrill Lynch board changes, Alstom, Japanese bonds - LOMBARD column comments on NEW LOOK (like many of his customers, Singh could find that it is easy to change your mind between trying an outfit on, and paying the bill), EBOOKERS (probably have little upside in the short term), INCHCAPE (p/e of 9.5 is not expensive for a company that has delivered on its promises so far) - ULTRA ELECTRONICS (a p/e of 14 seems enough for the moment)

Sun

XANSA (takeover talk)

Express

MATALAN (Asda bid talk) - Who's dealing? SPORTINGBET (director buys 4,879 shares at 30-1/2 pence) - Share whisper: DOMNICK HUNTER (hopes of upbeat results) - Broker's view: SHIRE PHARMACEUTICALS (ING downgrade)

Mail

WHITBREAD (Spanish expansion) - ULTIMATE LEISURE (earnings-enhancing deal)

Telegraph

QUESTOR: INCHCAPE (buy), MAYFLOWER (only gamblers should consider the shares), FERRARIS (one for the brave)

Guardian

XSTRATA (bond welcomed)

Independent

THE INVESTMENT COLUMN: RYANAIR (too high), INCHCAPE (hold), ULTRA ELECTRONICS (not worth chasing)

Times

Smaller stocks to watch: EUROPEAN COLOUR (Shelby Corporation acquires a 29.7 pct holding from Jarvis porter) - Directors' dealings: STAGECOACH (directors sell stock) - Rumour of the day: ULTIMATE LEISURE (talk the the Rankin family has sought interest for its 50 pct stake refuse to subside) - Tempus: XSTRATA (speculative buy for investors keen to extract the most from the mining sector), EBOOKERS (sell), INCHCAPE (hold)

... more to follow:

fjb/vjt/

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**Load-Date:** August 6, 2003



## Wall Street - European ADRs Credit Suisse gains, but other European banks slip

AFX.COM

August 5, 2003 Tuesday

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**Section:** MARKETS

**Length:** 316 words

**Dateline:** SAN FRANCISCO

### Body

---

- Better-than-expected results helped shares of Credit Suisse Group on Tuesday, but other European banks didn't fare as well in U.S. trading.

Credit Suisse shares rose 63 cents to \$32.05 after the Swiss investment-banking group announced a second-quarter profit that exceeded analysts' expectations and said it's on track to meet its full-year profit outlook.

But a warning of an uncertain full-year outlook from the Royal Bank of Scotland helped to keep the rest of the banking sector in check. HSBC Holdings fell \$1.10 to \$61.88, while Barclays closed down 72 cents at \$29.12.

Overall, U.S.-listed shares of European companies fell. The Bank of New York European ADR Index closed down 0.29 at 89.22.

Dutch insurer Aegon was off 16 cents to \$12.59 after it sold most of its Transamerica Finance unit to General Electric's GE Commercial Finance for \$5.4 billion.

Shares of French engineering group Alstom rose a penny to \$3.58 after the company postponed an announcement on how it will shore up its liquidity. The French government may take a 30 percent stake in the company to help bail it out, media reports said.

Mobile operator Vodafone Group fell 9 cents to \$18.75 after it said it would buy Project Telecom, a corporate telecom provider, in a cash deal that values PT at \$249.4 million.

Online travel group Lastminute.com climbed \$3.02, or 17 percent, to \$20.77 after it posted a third-quarter profit and said it was confident of a "positive outcome" for the full year.

Low-fare airline Ryanair Holdings rose 65 cents to \$41.65 after it said operating revenue for the quarter ending in June rose 26 percent to \$278 million.

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Wall Street - European ADRs Credit Suisse gains, but other European banks slip

**Load-Date:** August 6, 2003

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## Ryanair Q1 adjusted net profit 43.8 mln eur vs 39.0 mln

AFX.COM

August 5, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 113 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC first quarter to June 30 2003

Revenue - 245.16 mln eur vs 194.26 mln

Adjusted net profit - 43.8 mln eur vs 39.0 mln

Profit after tax - 40.52 mln eur vs 38.96 mln

Pretax profit - 45.06 mln eur vs 43.36 mln

Adjusted EPS - 5.80 cents vs 5.16

EPS - 5.37 cents vs 5.16

NOTE: Adjusted profit after tax and EPS, excludes the exceptional costs arising from the re-organisation of "Buzz" in April 2003 of 2.7 mln eur (net of tax) and the goodwill charge from the "Buzz" acquisition of 600,000 eur.

vjt/

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**Load-Date:** August 6, 2003



## Wall Street - European ADRs HSBC, Infineon help lift shares higher

AFX.COM

August 4, 2003 Monday

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**Section:** MARKETS

**Length:** 404 words

**Dateline:** SAN FRANCISCO

### Body

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- HSBC's report of better-than-expected profit helped U.S.-listed shares of European companies start the week on a positive note Monday.

The Bank of New York European ADR Index closed up 0.59 at 89.51.

HSBC rose \$1.64, or 3 percent, to \$63 after reporting that its first-half pretax profit rose 21 percent to \$6.11 billion. Looking ahead, the company said it was positioning itself for a modest and uneven economic recovery and said that its prospects for the rest of 2003 are "reasonable."

Memory chip maker Infineon Technologies climbed 41 cents or 3 percent, to \$13.49 after its chairman told a German newspaper that Infineon is mulling a dividend payment in 2004 due to the firm's increasing profitability.

French engineering group Alstom edged higher by a penny to \$3.58. The company suspended trading of its stock in Europe earlier, saying it is in advanced negotiations to strengthen its balance sheet, refinance debt, and ensure its liquidity. The company said it will issue a press release following a board meeting on Tuesday.

Dutch mail and logistics group TPG rose 33 cents to \$18.80 as investors weighed the details of the company's restructuring plan. Earlier, TGP said net income in the first half eased 1.7 percent to \$321.5 million, or 283 million euros. The company also said it would promote an executive from within the company to head its logistics division.

German pharmaceutical Altana fell \$2.75, or 5 percent, to \$57.70 after it reported first-half pre-tax profit had come in slightly below what most analysts were expecting. Profit increased 25 percent to \$373.8 million, or 329 million euro. Altana also reiterated its sales and profits forecasts for the full year.

Shire Pharmaceuticals lost 15 cents to \$22.65 after Credit Suisse First Boston downgraded its stock from "outperform" to "neutral." CSFB said while it approves of Shire's new strategy, that strategy also involves meaningful execution risk.

Deutsche Bank fell 60 cents to \$62.17. The bank's stock has fallen since it reported disappointing earnings last week.

Shares of Ryanair were down 81 cents at \$41. The company is scheduled to report its quarterly results Tuesday.

This story was supplied by CBSMarketWatch. For further information see [www.cbsmarketwatch.com](http://www.cbsmarketwatch.com).

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Wall Street - European ADRs HSBC , Infineon help lift shares higher

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**Load-Date:** August 5, 2003

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End of Document



## **Ryanair July passengers 2.04 mln vs 1.46 mln; load factor 85 pct vs 93 UPDATE**

AFX.COM

August 4, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 163 words

**Dateline:** LONDON

### **Body**

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(Updating with further comments from Ryanair)

Ryanair Holdings PLC, the Luton-based no-frills airline, said it carried 2.04 mln passengers in July, compared with 1.46 mln a year ago, bringing the total number of passengers to 17.91 mln for the past 12 months.

The airline's load factor -- the number of passengers as a proportion of the number of seats available -- fell to 85 pct from 93 pct.

Internet sales accounted for 94 pct of tickets sold, compared with 92 pct in the same month last year and in the 12 months to end-July.

Ryanair's head of communications, Paul Fitzsimmons, said the figure of 2 mln passengers in a month is a new record for Ryanair, and for a low fares airline outside the US.

"This strong growth confirms that Ryanair is on track to carry 24 mln passengers in a full year," he said.

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**Load-Date:** August 5, 2003



## Ryanair offering self-catering cottages for customers

AFX.COM

July 31, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 49 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is from today offering customers self-catering cottages in England, Ireland, Scotland, Wales and France, to be booked through its website.

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lam

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**Load-Date:** August 1, 2003



## Ryanair threatens to halt Strasbourg-Stansted route UPDATE

AFX.COM

July 29, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 314 words

**Dateline:** PARIS

### Body

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(Updating with further comments by O'Leary from 4th para)

Ryanair Holdings PLC, the Dublin-based no-frills airline may suspend its Strasbourg-London Stansted route after a French court ruled as illegal aid a funding package granted to Ryanair for its services from London to the city's Entzheim airport, chairman Michael O'Leary said.

"The big question for us over the next two weeks will be whether we will suspend flights to Strasbourg while we launch our appeal, or whether we will continue to operate the route during the appeal," O'Leary said.

"There is a real possibility, or a real danger, that we will simply pull out of Strasbourg," he added.

O'Leary said that while Ryanair's appeal is pending, the subsidy payments will be suspended, meaning that the airline will have to either raise fares or cut service.

Prices could jump by as much as 10 stg per passenger, making Strasbourg "one of the most expensive airports for Ryanair in Europe," O'Leary said.

But he said he is not concerned by the possibility that the ruling of the Strasbourg court may be confirmed and become law, thereby threatening payments made by other French communities to Ryanair.

"We have 40 other airports all over Europe who want us to fly there," he said.

"It will simply mean that in France there is no competition, there are no low fares."

On the formal inquiry by the European Union's executive commission into assistance it received in setting up operations in Charleroi, Belgium in 2001, O'Leary said: "I believe we will win the Charleroi case."

However, he added that he is now "more worried" about the outcome following what he describes as the "bizarre, stupid, crazy" decision of the Strasbourg court.

dd/paj/jlw/jkm/cml

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**Load-Date:** July 30, 2003

## Ryanair threatens to halt Strasbourg-Stansted route UPDATE

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End of Document



## Ryanair to immediately appeal Strasbourg court ruling on aid

AFX.COM

July 24, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 318 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no-frills airline, said it will mount an immediate appeal against the judgement made by the local court in Strasbourg concerning Ryanair and Strasbourg airport.

A Strasbourg administrative court ruled as illegal aid a funding package granted to Ryanair by the local Chamber of Commerce for its services from London to the city's Entzheim airport.

"We are extremely disappointed that the court did not follow the opinion of the government appointed commissioner to the court. It is beyond belief that the court sees no benefits to Strasbourg or the region in terms of tourism, jobs and promotion of the region from the massively increased passenger numbers that Ryanair has delivered to Strasbourg and the region," Ryanair's head of regulatory affairs, Jim Callaghan, commented.

The case against Ryanair was brought by Air France's Brit Air subsidiary, who claimed that the decision by the local Chamber of Commerce to grant Ryanair a payment of 560,000 eur per year to buy advertising space to publicise the route is tantamount to illegal aid rather than a commercial transaction.

"The fact that Air France carried the same numbers of passengers on the route before Ryanair arrived as they did after Ryanair arrived has been totally ignored by this court," said Callaghan.

Since commencing the route in November 2002, Ryanair has delivered an additional 110,000 passengers to Strasbourg and the region.

"Air France claimed unfair competition forced them off the London-Strasbourg route, however they have also terminated seven other routes from Strasbourg, which do not compete with Ryanair, confirming that Air France has no commitment to Strasbourg or indeed the region," he said.

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**Load-Date:** July 25, 2003



Ryanair to immediately appeal Strasbourg court ruling on aid

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## **Ryanair adds extra daily flights on London-Dublin and Dublin-Manchester routes**

AFX.COM

July 24, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 68 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it has added extra daily flights to its Dublin to London (Gatwick) and Dublin to Manchester routes.

Ryanair's Paul Fitzsimmons said: "From August 14, we expect an extra 70,000 passengers will be flying with Ryanair on each of these new routes."

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**Load-Date:** July 25, 2003

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## French court rules Ryanair funding package for Strasbourg is illegal aid

AFX.COM

July 24, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 103 words

**Dateline:** STRASBOURG

### Body

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A Strasbourg administrative court has ruled as illegal aid a funding package granted to Ryanair Holdings PLC for its services from London to the city's Entzheim airport.

The decision by the local Chamber of Commerce to grant Ryanair a payment of 560,000 eur per year to buy advertising space to publicise the route is tantamount to illegal aid rather than a commercial transaction, the court heard.

The case against Ryanair was brought by Air France's Brit Air subsidiary.

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**Load-Date:** July 25, 2003



## Ryanair ordered to drop Duesseldorf name from Niederrhein destination

AFX.COM

July 23, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 111 words

**Dateline:** COLOGNE

### Body

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A German court has ordered Irish airline Ryanair Holdings PLC to stop describing flights to Niederrhein airport in Germany as flying to

Duesseldorf.

Ryanair had advertised the destination as Niederrhein (Duesseldorf) but the court ruled the name was misleading as the Niederrhein airport is 70 kilometres from Duesseldorf.

The ruling confirms a provisional order handed down in May 2003.

Ryanair flies three times daily from Niederrhein to London-Stansted airport, putting it in competition with German carrier Lufthansa.

bur-loc/dlc/sk/rn/ak

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**Load-Date:** July 24, 2003



## EasyCar flotation put on hold - report

AFX.COM

July 21, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 186 words

**Dateline:** LONDON

### Body

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Stelios Haji-loannou, founder of the EasyJet PLC airline, has been forced to overhaul his EasyCar car rental business as it continues to lose money and confirmed that the company's flotation would be delayed, the Financial Times reported citing the businessman.

Haji-loannou said EasyCar should aim to replicate the business model of Ryanair, its rival. "EasyCar should try to be the absolute lowest cost producer in the car rental business, so I think it aspires to be closer to Ryanair than EasyJet," he is reported as saying.

Ryanair has stuck to the no-frills model of using secondary airports, while EasyJet flies to more costly mainstream airports.

Haji-loannou founded EasyJet in 1995. Although he is still the biggest shareholder, he stepped down as chairman last year, and is no longer involved in the running of the airline.

A flotation of EasyCar has been put on hold until 2005 "at the earliest". Originally Haji-loannou had planned to bring the business to market next year.

ml/slm/

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**Load-Date:** July 22, 2003



## Asian budget airlines will not find it easy to succeed - SIA's former CEO

AFX European Focus

July 16, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 244 words

**Dateline:** SINGAPORE

### Body

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Singapore Airlines Ltd's (SIA) former chief executive officer Cheong Choong Kong said budget carriers may struggle to succeed in Asia unlike their counterparts in US and Europe.

"Asia is very unlike the homogenous, unregulated markets of the US and European Union in which (the US') Southwest Airlines and (Ireland's) Ryanair thrive," Cheong said in a recent speech before the Singapore Institute of International Affairs.

"I cannot think of any clearly successful low-cost, no-frills airlines other than these two, and aviation history is littered with the carcasses of those who attempted the same model and died an ignominious death," he said.

The success story of Malaysian budget carrier AirAsia has prompted SIA to consider the possibility of entering the low-cost airline market.

On June 12, SIA said it is studying the possibility of starting a new budget airline in the region, with the company expecting to make a decision this year.

Meanwhile, former SIA managing director Lim Chin Beng, alongwith a group of other Singapore businessmen, has announced plans to launch a no-frills airline called ValuAir.

"SIA has never shied away from a fight; if a threat emerges on its home ground, it should not hesitate to deliver a swift response. Go for the knock-out," said Cheong.

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**Load-Date:** July 17, 2003



## BA's Marshall says Q1 results to 'reflect' troubles of global aviation market

AFX.COM

July 15, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 545 words

**Dateline:** LONDON

### Body

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Lord Marshall, chairman of British Airways PLC, has reiterated that the company's first quarter results will continue to mirror the difficulties faced by the the world aviation industry.

"The result for the first quarter of the current financial year will not be known until the end of this month, but it can be expected to reflect a continuing, difficult situation for the world air transport industry," he told shareholders during the company's annual meeting.

The industry, he stressed, is in a state of "despair and disarray", having gone through a series of catastrophes over the past two years, with 2002 going down as the "worst ever" for airlines.

"Already weakened by the lasting effects of 9/11 and persistent economic decline, the threat of war in the Middle East emerged to bring further uncertainty and reduced demand in the global market place," he said.

The US-led invasion of Iraq had "inevitable consequences" for the industry, particularly for BA which has significant Middle East networks.

"As if this was not enough, the last month of a fateful financial review saw the disastrous occurrence of the Severe Acute Respiratory Syndrome," he stressed.

Rod Eddington, the chief executive, stressed that the outlook for the market remains uncertain.

"While loads are improving, yields are still under pressure," he added.

The group's efforts will continue to focus on reducing costs, which have resulted in 10,000 job cuts across its operations. A further 3,000 jobs are to go later this year.

It has so far achieved annualised savings of 570 mln stg, against its target of 450 mln.

Executives noted that initial outcome of its efforts to compete with no-frills airlines like Ryanair, which have thrived during these uncertain times, has been encouraging.

Last year, it rolled out a new short-haul low fares model in the UK domestic market, scrapping traditional restrictions on tickets. This was eventually extended across Europe on 6,500 flights a week on 180 routes.

"The traffic levels since tell us that the new fares have been a big success... They also show that we can take on the no-frills carriers and compete effectively with them," Eddington said.

BA 's Marshall says Q1 results to 'reflect' troubles of global aviation market

BA.com, its new on-line booking website, has doubled its share from 20 pct to 40 pct of its short-haul "non-premium" bookings, he said.

"We now sell over 50 pct of this market through our direct channels."

BA.com is currently generating daily revenue of over 1 mln stg a day. Last April, that level of turnover was achieved on a weekly basis.

On-line bookings have also increased by 10-30 pct per country after it launched four new languages on the website two months ago, he added.

Amid the uncertainty, BA had declined to commit when dividend payments will be restored.

"The best long-term interests of this company and shareholders' investments in it, call for cash to be retained in these uncertain times," Marshall said.

"The payment of dividends in the future will be kept under review by your board and will depend on results and prospects," he said.

mbe/

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**Load-Date:** July 16, 2003

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End of Document





## BA's Marshall says Q1 results to reflect troubles of aviation industry UPDATE

AFX.COM

July 15, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 731 words

**Dateline:** LONDON

### Body

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(To add comments on partnership with Spain's Iberia)

Lord Marshall, chairman of British Airways PLC, has reiterated that the company's first quarter results are to continue to mirror the difficulties faced by the the world aviation industry.

"The result for the first quarter of the current financial year will not be known until the end of this month, but it can be expected to reflect a continuing, difficult situation for the world air transport industry," he told shareholders during the company's annual meeting.

The industry, he stressed, is in a state of "despair and disarray", having gone through a series of catastrophes over the past two years, with 2002 seen to go down as the "worst ever" for airlines.

"Already weakened by the lasting effects of 9/11 and persistent economic decline, the threat of war in the Middle East emerged to bring further uncertainty and reduced demand in the global market place," he said.

The US-led invasion of Iraq had "inevitable consequences" for the industry, particularly for BA which has significant Middle East network.

"As if this was not enough, the last month of a fateful financial review saw the disastrous occurrence of the Severe Acute Respiratory Syndrome," he stressed.

Rod Eddington, the chief executive, stressed that the outlook of the market remains uncertain.

"While loads are improving, yields are still under pressure," he added.

The group's efforts will continue to focus on reducing costs, which have resulted in 10,000 job cuts across its operations.

A further 3,000 jobs are to go later this year.

It has so far achieved annualised savings of 570 mln stg, against its target of 450 mln.

Executives noted that initial outcome of its efforts to compete with no-frills airlines like RyanAir, which have thrived during these uncertain times, has been encouraging.

Last year, it rolled out a new short-haul low fares model in the UK domestic market, scrapping traditional restrictions on tickets. This was eventually extended across Europe on 6,500 flights a week on 180 routes.

## BA 's Marshall says Q1 results to reflect troubles of aviation industry UPDATE

"The traffic levels since tell us that the new fares have been a big success... They also show that we can take on the no-frills carriers and compete effectively with them," Eddington said.

BA.com, its new on-line booking website, has doubled its share from 20 pct to 40 pct of its short-haul "non-premium" bookings, he said.

"We now sell over 50 pct of this market through our direct channels."

BA.com is currently generating daily revenue of over 1 mln stg a day. Last April, that level of turnover was achieved on a weekly basis.

On-line bookings have also increased by 10-30 pct per country after it launched four new languages on the website two months ago, he added.

Amid the uncertainty, BA had declined to commit when dividend payments will be restored.

"The best long-term interests of this company and shareholders' investments in it, call for cash to be retained in these uncertain times," Marshall said.

"The payment of dividends in the future will be kept under review by your board and will depend on results and prospects," he said.

Commenting on the consolidation of the European airline industry, Eddington highlighted the significant role that Iberia Lineas Aereas de Espana SA, the Spanish flag carrier, could play in BA's attempt to be part of that process.

BA owns a 10 pct stake in Iberia.

"Iberia is our major European partner and we will continue to find ways to build on the relationship," Eddington said.

Iberia will be a key candidate should BA decide to "seek a partner" in taking part in the consolidation process in Europe, he told shareholders.

Iberia's operations are "highly complementary" to BA, and the Spanish carrier "will not be a burden" to the British airline should they decide to "extend (their) partnership" in the future, he added, failing to elaborate.

At the moment, however, BA's strategy is to focus on "restoring (its) fortunes" following the losses it made last year, Eddington said.

Early this year, BA and Iberia, also its One World Alliance partner, extended their code-sharing arrangements.

mbe/mcc/

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**Load-Date:** July 16, 2003



## LSE opening - Ryanair seen hurt by JP Morgan ratings, earnings cut

AFX.COM

July 15, 2003 Tuesday

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**Section:** MARKETS

**Length:** 109 words

**Dateline:** LONDON

### Body

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Shares in Dublin-based no-frills airline Ryanair could fly into trouble this morning as JP Morgan cut its ratings and earnings estimates amid concerns about weaker earnings growth year due to excessive capacity expansion.

The broker, which is trimming its EPS estimates for this year by 4 pct, cut its stance on the airline from 'overweight' to 'neutral'.

"We believe longer term investors should consider using any price weakness over the coming months to add to holdings below our preferred entry level of 5.5 eur," the broker concluded.

nm/vjt/

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**Load-Date:** July 16, 2003



## Ryanair offers 35p one-way flights

AFX.COM

July 15, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 106 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is offering one-way tickets at 35 pence, excluding taxes and charges, for flights between London Stansted airport and several European destinations.

The destinations include Blackpool, Reims and Strasbourg in France; Ostend (Bruges) and Brussels (Charleroi) in Belgium; Maastricht and Eindhoven in Holland; Milan in Italy and Niederrhein (Dusseldorf) in Germany.

The tickets are available for July 22 to Oct 22, and the offer closes at midnight on July 17, it said.

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## AFX UK at a glance share guide

AFX.COM

July 14, 2003 Monday

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**Section:** MARKETS

**Length:** 340 words

### Body

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#### MARKETS

Tokyo: Nikkei midday 9,673.85 up 38.50

Hang Seng midday 10,1079.03 up 167.53

#### MONDAY TAKEOVER NEWS & GOSSIP

\* Royal Navy may have to accept a sharp reduction in the size of its two new aircraft carriers after BAE SYSTEMS warns it cannot build the designs to budget; company tells Ministry of Defence that it would cost up to 4 bln stg to construct the pair, compared with the 2.8 bln stg costing in January - FT

\* HANOVER INTERNATIONAL, the hotels group, asks its advisers NM Rothschild to seek a buyer which may pay a higher price than the one offered last week by Jack Petchey - FT

\* Battle for CORDIANT COMMUNICATIONS moves into a bitter end game as Publicis turns down yet another proposal from Active Value - Times

#### MONDAY PRESS COMMENT

FT

THE LEX COLUMN comments on stock market volatility, US pensions, BAE SYSTEMS (by fudging the original (carrier) contract, the government has given BAE plenty of ammunition to transfer much of the project's risk from its shareholders to the UK taxpayer)

Times

Smaller stock to watch: STANELCO (new technology development reportedly attracts the attention of J SAINSBURY and MacDonald's, while stakebuilding by Richards & Appleby, the cosmetics firm, suggests that Stanelco's shares could have further to rise) - Rumour of the day: RECKITT BENCKISER (reportedly considering making a bid for SSL INTERNATIONAL; it is thought that Reckitt might be prepared to pay up to 330 pence a share) - Corporate profile: RIO TINTO (Miner may have dug itself into a hole; Carl Mortished finds doubts beginning to surface over the future - BUSINESS p.23)

Express

The investment strategist: Hilary Cook, director of investment strategy at Barclays Private Clients, says sell MARKS & SPENCER, whose price, with its low dividend yield, looks expensive against the rest of the sector; RYANAIR and EASYJET look more enticing propositions than BRITISH AIRWAYS

## AFX UK at a glance share guide

fjb/shw

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**Load-Date:** July 15, 2003

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## Wall Street - European ADRs Insurers, airlines boost European stocks

AFX.COM

July 11, 2003 Friday

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**Section:** MARKETS

**Length:** 274 words

**Dateline:** SAN FRANCISCO

### Body

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- U.S.-listed shares of European companies couldn't keep pace with major indexes but still managed to end the week in positive territory, bolstered by strength in insurers and airlines.

The Bank of New York European ADR Index gained 0.80 to finish at 88.24.

The Nasdaq Composite rose 18 points, or 1.1 percent, to close at 1,734 while the Dow Jones Industrial Average added 84, 0.9 percent, points to 9,120.

Shares of Royal & Sun Alliance put a positive finish on the week, rising 52 cents, or 4.6 percent, at \$11.85. The company's insurance financial strength rating was downgraded last week by Moody's to "Baa2" from "Baa1," as the rating agency noted concerns that it may have to inject capital into its U.S. operations.

Elsewhere in the insurance arena, Aegon jumped 25 cents, or 2.3 percent, to \$11.10 as it unveiled a new organization structure for its Dutch operations that it said was aimed at streamlining business groups.

Prudential also entered the weekend on a high-note, up 49 cents, or 3.8 percent, at \$13.54.

Separately, New Skies Satellites ended a volatile week as the index's top advancer. The provider of video, Internet, voice and data communications services soared 63 cents, or 14 percent, to \$5.14 but still down from Monday's opening level of \$5.46.

Finally, Ryanair paced upbeat action in the airline segment, surging \$1.82, or 4.5 percent, to \$41.84. British Airways flew 2.5 percent higher, closing at \$28.52 while KLM Royal Dutch added 21 cents, or 2.4 percent, to \$9.11.

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**Load-Date:** July 12, 2003



## easyJet June passengers 1.75 mln, up 82.7 pct year-on-year - UPDATE

AFX.COM

July 7, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 244 words

**Dateline:** LONDON

### Body

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(Updating to add background)

easyJet PLC, the Luton-based no-frills airline, said it carried 82.7 pct more passengers in June year-on-year.

Its monthly traffic report revealed it carried 1.75 mln passengers in June versus 958,857 last year, bringing the total number of passengers to 18.94 mln for the last 12 months.

The airline's load factor -- the number of passengers as a proportion of the number of seats available -- fell to 85.8 pct from 86.6 pct last June.

The figures include those for Go Fly, acquired by easyJet last August.

"These figures are in line with our own expectations," said chief executive Ray Webster.

"We are pleased with easyJet's June performance, given the events that have adversely affected the airline market recently. These results demonstrate, for both business and leisure customers, the continuing attractiveness of our fare structures and the airports selected for our network."

easyJet will issue a trading update on July 22.

Last week Ryanair Holdings PLC, easyJet's fierce rival, revealed a 9 pct fall in its June load factor to 79 pct, sending its share price down 6.5 pct.

easyJet shares, which have come off a 2003 high of 298 pence, closed Friday at 242 pence, capitalising the airline at 948 mln stg.

Ryanair shares closed Friday at 406 pence.

jdd/ak

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**Load-Date:** July 8, 2003



easyJet June passengers 1.75 mln, up 82.7 pct year-on-year - UPDATE

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End of Document



## TBI says April-June quarter airport traffic up 19.5 pct to 3.6 mln passengers

AFX.COM

July 7, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 203 words

**Dateline:** LONDON

### Body

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TBI PLC said its four European airports handled 3.6 mln passengers in the April-June quarter, a rise of 19.5 pct from 3 mln in the same period last year, driven by growth in low-cost traffic.

TBI operates the London Luton, Belfast International and Cardiff International airports in the UK and Stockholm-Skavsta in Sweden.

The company said low-cost traffic increased by 37.1 pct to 2.6 mln passengers. Full-service traffic fell to 233,600 passengers, in line with expectations, while charter reduced by 2.1 pct to 791,300 passengers.

"The charter figures are particularly respectable given the pressures facing this market during the period under review including the Gulf War and the weakening pound," said TBI.

The Cardiff and Stockholm airports achieved the highest growth rates during the quarter. Traffic at Cardiff International rose 35.6 pct, boosted by bmibaby's establishment of its second UK base at the airport. Stockholm-Skavsta saw traffic surge by 260.5 pct, primarily through Ryanair Holdings PLC launching its Scandinavian base at the airport.

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ak/

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**Load-Date:** July 8, 2003



## EasyJet 'disappointed' in EU parliament airline compensation approval

AFX.COM

July 4, 2003 Friday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 243 words

**Dateline:** LONDON

### Body

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easyJet, the Luton-based no frills airline, said it is disappointed that the European Parliament rejected three principal recommendations to improve legislation for victims of overbooking and cancellations.

While easyJet said it supports the aim of the legislation, it believes that the precise legislation is misguided. The airline group believes that compensation should be related to the fare that a passenger paid, rather than a flat rate fine, and said it contravenes the EU's own legislation as it applies to only one form of transport, and not to rail services, coaches, ferries etc.

easyJet added that it is "very disappointed" that the European Parliament has voted not to compile and publish league tables showing the different service standards of each European airline in a verified and audited format.

"What the European Parliament has voted through today is a nonsense," said Ray Webster, easyJet chief executive.

Yesterday, the European parliament approved tough new rules forcing airlines to make generous compensation payments for victims of overbooking and cancellations.

The legislation will force airlines to pay passengers 250 eur for flights of less than 1,500 km, 400 eur for flights between 1,500-3,500 km, and 600 eur for flights longer than 3,500 km.

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el/kl

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**Load-Date:** July 5, 2003



## EU parliament approves higher compensation for bumped-off airline passengers

AFX.COM

July 4, 2003 Friday

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**Section:** GOVERNMENT; COMPANY NEWS

**Length:** 207 words

**Dateline:** LONDON

### Body

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The European parliament approved tough new rules forcing airlines to make generous compensation payments for victims of overbooking and cancellations, the Financial Times reported.

The legislation will force airlines to pay passengers 250 eur for flights of less than 1,500 km, 400 eur for flights between 1,500-3,500 km, and 600 eur for flights longer than 3,500 km.

The measures strengthen EU legislation covering compensation and extend it to include charter flights.

Airlines will also be forced to provide passengers affected by significant delays with refreshments, meals and even hotels in cases where they are stranded in an airport overnight.

Most full-service airlines already operate such schemes on a voluntary basis.

But the International Air Transport Association said the measures could be "counter-productive", forecasting that budget fares could well rise, the newspaper reported.

EasyJet chief executive Ray Webster described the legislation as "nonsense", adding that "levels of compensation should be related to the fares passengers have paid."

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**Load-Date:** July 5, 2003



## London shares outlook - seen higher on Wall Street rise, ahead of US jobs data

AFX - Asia

July 3, 2003 Thursday

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**Section:** MARKETS

**Length:** 466 words

**Dateline:** LONDON

### Body

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Leading shares are expected to open higher this morning following the sharp gains on Wall Street, although activity will be limited ahead of this afternoon's key US labour market report, dealers said.

According to spread betting firm City Index, the FTSE 100 will open 25 points higher at around 4,031.

Overnight, the DJIA gained 101.89 points to close at 9,142.84, while the Nasdaq composite ran up 38.60 points to end the day at 1,678.73.

And the buying spree continued in Asia. The Nikkei 225 index went into the afternoon session 148.98 points higher at 9741.22, while the Hang Seng finished the morning up 32.66 points at 9,635.28.

The market's main focus will be this afternoon's US labour market report, although, with most US investors having already packed their bags for the Independence Day weekend, the numbers will have to be dramatically out of kilter to have an impact on equity markets.

Economists are looking for June payrolls to be unchanged from the previous month, when the payroll fell by 17,000, while the jobless rate is expected to have risen slightly to 6.2 pct from 6.1 pct.

After that attention will shift to the June ISM survey of the US services industry, whose June headline index is expected to have risen to 55.0, from 54.5 in May.

This morning, the UK's CIPS service-sector index is forecast to tick up to 52.2 in June, from 51.9 in May.

In the financial sector, HSBC is expected to open higher after the financial services group announced late yesterday that it will shed 1,400 jobs in the UK by the end of the year.

Most of the cuts will be at branches in London, Southampton and Birmingham, it added.

Airlines stocks will be in focus after solid gains from their US counterparts overnight following a positive Merrill Lynch research note. There will also be a raft of June traffic statistics from some of Europe's biggest players -- KLM, BA and Ryanair are also expected to deliver new numbers on passenger traffic in June.

But sector followers warned that gains may be capped by caution ahead of a key ruling in the UK Court of Appeals today on Deep Vein Thrombosis. Should the Court rule that DVT is an accident, rather than just a naturally occurring phenomenon, it would clear the path for billions of pounds of claims against the major carriers under the Warsaw Convention governing airline liability.

London shares outlook - seen higher on Wall Street rise, ahead of US jobs data

Elsewhere, UK engineering and semiconductor ceramics maker Cookson's second quarter trading update is expected to reveal further progress year-on-year.

In other scheduled news, Greene King and Heiton Group are expected to release full-year results this morning.  
sd/rn

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**Load-Date:** July 4, 2003

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## AFX Europe Summary - midday

AFX.COM

July 3, 2003 Thursday

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**Section:** COMPANY NEWS; GENERAL; MARKETS

**Length:** 535 words

**Dateline:** LONDON

### Body

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Leading shares slipped back from their early highs by midmorning, with weak oil stocks offsetting firm financials, while investors were unwilling to take positions ahead of this afternoon's key US labour market report, dealers said.

By 10.10 am, the FTSE 100 was 6.3 points higher at 4,014.2, while the broader indices were mixed.

Share prices moved lower in midday trade as weaker utilities and banking stocks offset firmer industrials, with autos again standing out particularly strong, dealers said.

At 11.51 am, the DAX 30 was at 3,227.71, down 13.33 points or 0.41 pct, having traded in a range of 3,226.51-3,237.05 this session.

The MDAX was at 3,531.36, up 4.37 points or 0.12 pct, while the TecDAX was at 429.51, up 0.06 points or 0.01 pct. The DAX future was at 3,247.0, down 8.5 points or 0.28 pct, while the bund future was at 115.73, down 0.56.

Share prices were slightly lower at midday as the market continues to drift lower after the strong rally seen in the second quarter, dealers said.

At 12.24 pm, the Mibtel was down 0.36 pct at 18,152 points and the Mib30 fell 0.42 pct to 24,735.

#### Top stories

Ryanair Holdings PLC said it carried 1.83 mln passengers in June, up from 1.25 mln in the same period last year, and compared with 17.3 mln in the 12 months to end-June.

The euro zone purchasing manager index for the services sector rose to 48.2 in June, from 47.9 in May, indicating a slower pace of contraction in overall business activity, according to the Reuters/NTC Research monthly survey.

Euro zone retail sales in April rose 1.5 pct from March, and were 2.2 pct higher from a year earlier, EU statistics office Eurostat said.

The president of the European Parliament, Pat Cox, said he hopes the row involving Italian prime minister Silvio Berlusconi will not drag the European Union into long-term crisis.

KLM Royal Dutch Airlines NV said its passenger load factor fell to 79.7 pct in June compared to 80.3 pct a year earlier, with revenue passenger-kilometres down 9 pct to 4.544 bln and available seat-kilometres falling 9 pct to 5.702 bln.

## AFX Europe Summary - midday

Soldier Ltd, the acquisition vehicle of a management buyout (MBO) team backed by Icelandic retailer Baugur Group Hf, has raised its offer for toy store Hamleys PLC to 254 pence a share, trumping a 230 pence offer from Tim Waterstone's Childrens Stores Holdings.

Gareth Jones, the former head of Abbey National PLC's troubled wholesale banking division, is in discussions with venture capitalists about mounting a bid for Somerfield PLC, The Times reported citing sources close the former banker.

Greene King PLC, the East Anglian pubs group and brewer, said it weathered the generally dour market conditions affecting the rest of the sector to post an 8 pct rise in annual profits.

British Biotech PLC and Vernalis PLC announced that they have unanimously agreed the terms of a recommended merger to create a group with a pro forma market capitalisation of 90.9 mln stg.

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**Load-Date:** July 4, 2003

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## Ryanair slammed by lower June load factor

AFX.COM

July 3, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 67 words

**Dateline:** LONDON

### Body

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- Shares in Ryanair dropped 6.1 percent after the Irish discount airline said that its load factor in June dropped to 79 percent from 88 percent last June.

Passenger traffic increased 47 percent to 1.8 million.

This story was supplied by CBSMarketWatch. For further information see [www.cbsmarketwatch.com](http://www.cbsmarketwatch.com).

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**Load-Date:** July 4, 2003



## **Ryanair June passengers 1.83 mln vs 1.25 mln; load factor 79 pct vs 88**

AFX.COM

July 3, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 93 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it carried 1.83 mln passengers in June, up from 1.25 mln in the same period last year, and compared with 17.3 mln in the 12 months to end-June.

Load factor fell to 79 pct in the month, from 88 pct a year ago. Load factor during the 12-month period totalled 83 pct.

Internet sales accounted for 94 pct of tickets sold, compared with 91 pct last year and 92 pct in the 12 months to end-June.

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**Load-Date:** July 4, 2003



## More budget airlines in Asia seen on strong demand - industry experts

AFX European Focus

July 1, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 659 words

**Dateline:** KUALA LUMPUR

### Body

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More no-frills airlines may take off in Asia to meet increasing consumer demand following the success story of Malaysia's budget carrier AirAsia, industry experts said.

The push for countries such as China and Indonesia to set up budget airlines, such as those in the US and Europe was fuelled by market demand and profitability, analysts told Agence France-Presse.

Asia could be next in line for the budget boom, Peter Foggin, London-based senior vice-president of DVB Bank AG, said.

"That would not surprise me at all because of the success of the USA's Southwest Airlines, the UK's EasyJet and Ireland's RyanAir. And now you see the success of AirAsia in the last 18 months. People will say if they (AirAsia) can do it, I can do it also," he said.

Commenting on plans by Singapore Airlines (SIA) to possibly launch a budget carrier, Foggin said: "They see the success of AirAsia. They know how big the market is and how good the opportunity is in Asia."

SIA has this year floated plans to enter the budget carrier market, mulling the idea of converting its regional wing, SilkAir, or establishing a separate airline.

SIA said on June 12 it would make a decision by the end of the year after a task force set up to look into the feasibility of a low-cost outfit completed its study.

Former SIA managing director Lim Chin Beng has also begun moves to set up a regional budget airline in potential competition with his former employer.

AirAsia Friday named three foreign partners who will inject 26 mln usd to enable the 18-month old profit-making carrier to buy new aircraft to expand its business.

The investors are the Bahrain-based Islamic Development Bank (IDB), Gulf-linked Crescent Venture Partners and Deucalion Capital, a Frankfurt-based global private equity fund.

Foggin said besides Singapore, budget carriers are expected to emerge in China and Indonesia.

"China, Indonesia, definitely, we will see low-cost carriers taking off," he said.

Azrul Azwar, an economist with MIDF Sisma Holdings Sdn Bhd, expressed similar sentiments, saying the huge populations and large geographical areas of the two countries were encouraging factors for budget airlines.

## More budget airlines in Asia seen on strong demand - industry experts

"I think there seems to be a new trend in Asia to jump onto the bandwagon. There is big potential in China and Indonesia for this business," he told AFP.

AirAsia chief executive Tony Fernandes said the region offered vast opportunities for budget carriers.

"I think there is a lot of potential. Sure some countries will start low-cost business carriers," he said.

But Foggin cautioned potential players, saying that AirAsia entered the business with many advantages which new individuals may not have.

"AirAsia has built a great platform with a low-cost base which appeals to passengers to fly. It has a large domestic market as only 6.0 pct of the 23 mln population have flown," he said.

Azrul said AirAsia's impressive start could be challenged by new budget carriers if it does not move faster to expand regionally.

"It has raised new funds to acquire new aircraft, it could add regional destinations before competition comes in," he said.

Azrul also said that AirAsia could form strategic alliances with foreign carriers.

"AirAsia could fly the foreign tourists when they arrive in the country directly to under-served and remote areas in Malaysia or in the region," he said.

But Fernandes maintained that AirAsia was unfazed by the possibility of competition from SIA or other countries, saying it would not be rushed into going regional.

"I am very surprised SIA is going budget. I think they are losing focus. It is like Rolls Royce saying it will launch mini cars. I am in no rush to go regional," he said.

jsm/lb/bjn/wpf

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**Load-Date:** July 2, 2003



## AFX UK at a glance share guide

AFX.COM

June 30, 2003 Monday

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**Section:** MARKETS

**Length:** 270 words

### Body

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#### MARKETS

Tokyo: Nikkei 9,083.11 down 20.95

Hang Seng 9,620.82 down 36.39

#### MONDAY'S TAKEOVER NEWS & GOSSIP

\* Tim Waterstone acquires a 13.5 pct stake in HAMLEYS

\* Paragon, the specialist mortgage lender, expected to announce this week that will buy the lending arm of BRITANNIC, the ailing life insurer, for about 20 mln stg - FT

\* SABMILLER expected to announce today that it has spent just over 50 mln stg taking a minority stake in Harbin Brewery Group, China's fourth-largest beer maker - FT

\* A takeover of SAFEWAY by either TESCO or Asda/Wal-Mart faces huge opposition from suppliers, a Competition Commission survey finds - Mail

#### MONDAY'S PRESS COMMENT

FT

THE LEX COLUMN asks what is an investor to do in a world where nominal and real interest rates have fallen so low?, comments on RYANAIR (Ryanair has little choice but to keep on running; its whole story is built on ambitious growth targets; but perpetual motion - or in this case, keeping returns up while deploying ever-increasing quantities of capital - is hard to achieve)

Express

The investment strategist: Hilary Cook, director of investment strategy at Barclays Private Clients, comments on STANDARD CHARTERED (given the bank's exposure to the growth prospects of the South-East Asian economies, the shares are a potentially exciting investment - one to add to your portfolio) - MILESTONE (Aim float tomorrow)

Times

Smaller stock to watch: JENNINGS BROTHERS (co expects a positive 2003 trading picture)

fjb/rn

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## AFX UK at a glance share guide

**Load-Date:** July 1, 2003

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End of Document



## AFX UK at a glance share guide

AFX.COM

June 30, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 270 words

### Body

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#### MARKETS

Tokyo: Nikkei 9,083.11 down 20.95

Hang Seng 9,620.82 down 36.39

#### MONDAY'S TAKEOVER NEWS & GOSSIP

\* Tim Waterstone acquires a 13.5 pct stake in HAMLEYS

\* Paragon, the specialist mortgage lender, expected to announce this week that will buy the lending arm of BRITANNIC, the ailing life insurer, for about 20 mln stg - FT

\* SABMILLER expected to announce today that it has spent just over 50 mln stg taking a minority stake in Harbin Brewery Group, China's fourth-largest beer maker - FT

\* A takeover of SAFEWAY by either TESCO or Asda/Wal-Mart faces huge opposition from suppliers, a Competition Commission survey finds - Mail

#### MONDAY'S PRESS COMMENT

FT

THE LEX COLUMN asks what is an investor to do in a world where nominal and real interest rates have fallen so low?, comments on RYANAIR (Ryanair has little choice but to keep on running; its whole story is built on ambitious growth targets; but perpetual motion - or in this case, keeping returns up while deploying ever-increasing quantities of capital - is hard to achieve)

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Times

Smaller stock to watch: JENNINGS BROTHERS (co expects a positive 2003 trading picture)

fjb/rn

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## AFX UK at a glance share guide

**Load-Date:** July 1, 2003

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## **Ryanair fined 20,000 dkr in Danish court for misleading advertising - UPDATE**

AFX.COM

June 27, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 264 words

**Dateline:** COPENHAGEN

### **Body**

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(Updating to add Ryanair's comments)

Ryanair PLC has been fined 20,000 dkr by a Danish court in Aarhus, Denmark, for having infringed the law when advertising its fares.

Ryanair was charged with advertising in the press on 11 occasions two different airfares -- one without including taxes, and the other including taxes, but in small print.

The government consumer protection agency filed the suit against Ryanair after complaints by some of its competitors, including Scandinavian Airlines System.

The court did not include advertisements dating from more than two years ago.

Ryanair lawyer Kim Ulrich said he was satisfied with the ruling, saying "it shows that this is a matter between SAS and Maersk Air on one side and Ryanair on the other, and not consumer dissatisfaction."

The carrier's deputy director, Warrick Brady, was quoted by Danish news agency Ritzau as saying that management would study the ruling before deciding whether to file an appeal.

"We were given a symbolic fine because our advertisements were not detailed enough, but this whole affair is an attempt by SAS and Maersk Air to limit the competition from low-cost airlines," he said.

Three Danish newspapers, Jyllands-Posten, Aarhus Stiftstidende and Nordjyske Stiftstidende, also faced charges for publishing the ads, but the court acquitted them on the grounds that newspaper editors' responsibilities could not be extended to advertisements.

sa/po/wai/ra

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 28, 2003





## Ryanair faces passenger downturn; overstated 2001-2 free cashflow - report

AFX.COM

June 22, 2003 Sunday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 85 words

**Dateline:** LONDON

### Body

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The US Center for Financial Research and Analysis (CFRA) has issued a report on Ryanair Holdings PLC's accounts, warning that the company faces a downturn in demand and declining free cashflow, the Sunday Times reported.

The CFRA, which the newspaper described as one of the US' top independent analysts, also said that Ryanair overstated operating cashflow in its 2001-2 results, the paper added.

ijl/jsa

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 23, 2003



## Ryanair charged in Danish court for misleading advertising

AFX.COM

June 20, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 242 words

**Dateline:** COPENHAGEN

### Body

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The Irish low-cost airline Ryanair was charged in a Danish court for misleading advertising and illegal business practices, a judicial source said.

A Danish state consumer protection agency filed the charges in Aarhus, central Denmark, following complaints by several companies including Scandinavian Airlines System (SAS).

The Irish carrier had published 112 advertisements offering rock-bottom prices that did not include value-added taxes or airport taxes and which were therefore said to be in violation of Danish laws.

Three Danish newspapers -- Jyllands-Posten, Aarhus Stiftstidende and Nordjyske Stiftstidende -- have been charged with carrying advertising that did not clearly indicate product prices.

Ryanair has acknowledged responsibility in 13 cases and subsequently changed its ads to respect Danish legislation.

A Ryanair lawyer, Kim Ulrick, told the court that the company "had received no complaints from customers concerning the advertising practices and that only SAS and other companies had complained".

Ryanair representative Jim Callaghan said the practices corresponded to those used by the Irish carrier elsewhere in Europe.

A verdict is expected within two weeks, but Ryanair also faces similar charges in Sweden brought by the Swedish consumers council and SAS.

sa/wai/vs/mcc/cmr

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 21, 2003



## AFX UK at a glance share guide

AFX.COM

June 20, 2003 Friday

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**Section:** MARKETS

**Length:** 669 words

### Body

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#### MARKETS

FTSE 100 4,131.5, down 75.5

FTSE 250 5,048.8, down 36.1

Long gilt/equity yield ratio 1.31 (1.32)

FTSE Eurotop 869.23, down 1.69 pct

DJIA 9,179.53, down 114.27

Nasdaq Comp 1,648.64, down 28.50

S&P 500 994.70, down 15.35

Tokyo: Nikkei closed at 9,120.39, up 9.88

Hang Seng midday 9,924.50, down 55.61

usd/stg 1.679; stg/euro 0.697

usd/euro 1.173; yen/usd 118.3

Gold 361.75 usd (358.75 usd)

Oil - Brent Aug 26.29 usd (26.26usd)

Yield on US Govt 30-yr 4.42 pct

#### TAKEOVER NEWS & GOSSIP

\* BSKYB risks losing its stranglehold on live top-flight English football after a decision by the Premier League to split its main media rights package

\* WPP victorious in CORDIANT fight with 260 mln stg offer - FT

\* WPP's attempted 266 mln stg takeover of stricken advertising group CORDIANT appears to be in jeopardy as a 10 pct stake in Cordiant changes hands in a move that could block the deal; it is thought the buyer was Active Value - Independent

\* MYTRAVEL launches a landmark lawsuit against European regulators, demanding damages totalling 518 mln stg in the wake of their decision to block its bid for FIRST CHOICE, the rival UK travel group - FT

\* US regulators warn against use of GLAXOSMITHKLINE's Paxil for minors

\* RYANAIR to reject American Express cards over 'excessive' interchange fees - FT

## AFX UK at a glance share guide

- \* AMP, the struggling Australian insurer, within weeks of closing its UK life insurer NPI to new business - Telegraph
- \* BLOOMSBURY considering legal action against the New York Daily News for copyright infringement after the tabloid published excerpts of Harry Potter and the Order of the Phoenix this week - FT
- \* Independent directors of DEBENHAMS, which has received a 1.54 bln stg indicative offer from Permira, order a "desk-top" revaluation of its property assets - FT
- \* CAMBRIDGE MINERAL bid talks end

### PRESS COMMENT

#### FT

THE LEX COLUMN comments on WPP's acquisition of CORDIANT COMMUNICATIONS, bid for CENTERPULSE, Lehman, Norsk Hydro - PPL THERAPEUTICS (in the absence of any guidance about when Fibrin might deliver some revenues, investors should stay away) - AEA TECHNOLOGY (have upside in the medium term) - DART GROUP (rating looks a bit on the high side) - BELHAVEN BREWERY (prospective multiple of slightly more than 10 does not look too demanding)

#### Independent

THE INVESTMENT COLUMN: BENFIELD (interest in the float has pushed Benfield too high; investors will be able to pick it up cheaper later on), DART GROUP (hold), GW PHARMACEUTICALS (still worth a gamble)

#### Guardian

QUINTAIN ESTATES (Jack Petchey sells remaining 4 pct holding; has he got a new target in his sights?)

#### Telegraph

QEUSTOR: GW PHARMACEUTICALS (there are bargains to be had in this sector, but GW isn't one of them), REGENT INNS (hold on), TOREX (look eminently healthy)

#### Times

LOGICACMG (uncertainty over the group's strategy in winning healthcare work from UK government) - Tempus: Life assurance still a risky policy (investors tempted to buy into this sector should pick companies with large overseas earnings such as PRUDENTIAL and AVIVA), DEBENHAMS (buy), REGENT INNS (take profits)

#### Mail

DIXONS (speculation of a 10 pct share buyback with results on Wednesday) - SAMEDAYBOOKS (trading expected to improve in second half, which should be boosted by the latest Harry Potter book)

#### Express

MITCHELLS & BUTLER (talk of takeover activity) - Who's dealing? WHITEHEAD MANN (director sells 1.2 mln shares at 180 pence) - Share whisper: PROTHERICS (believed to have negotiated joint marketing deals for Voraxase) - Broker's view: LA FITNESS (WestLB Panmure raise target to 90 pence from 70)

#### Sun

CHELSEA VILLAGE (vague talk of an announcement this morning)

#### Investors Chronicle

ATA GROUP (buy), HENLYS (sell), LATCHWAYS (buy), ROLL-ROYCE (sell), SANCTUARY (buy)

... more to follow:

fjb/vjt/

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**Load-Date:** June 21, 2003



## Ryanair cutting costs by refusing to take American Express from end-June

AFX.COM

June 19, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 98 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said that with effect from June 30 it will no longer accept the American Express charge card.

In order to continue to offer even lower fares to consumers and as part of its ongoing cost reduction programme, Ryanair said it will no longer accept what it called the "excessive charges" levied by American Express.

Ryanair said American Express' charges are substantially higher than those of the other major credit card issuers.

newsdesk@afxnews.com

slm/

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 20, 2003



## easyJet starts 'beauty parade' for new European destinations

AFX.COM

June 12, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 329 words

**Dateline:** LONDON

### Body

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easyJet PLC, the Luton-based no-frills airline, has begun a Europe-wide "beauty parade" for new airports to fly to.

It said adverts have been placed in national newspapers throughout Europe asking airports to tender for its business.

easyJet, which currently flies 105 routes between 38 European airports, stressed it applies "strict criteria" to its airport development.

In a clear dig at arch rival Ryanair Holdings PLC, the airline said it is "not looking for irrelevant airstrips miles from anywhere -- we only want airports prepared to offer easy-to-use facilities with good access to a large, attractive population."

easyJet wants potential airport customers to pursue a self-selection process by checking they conform to criteria set out on the airline's website (easyJet.com).

"There are numerous opportunities for growth in Europe and at any one time we are always talking to scores of airports. Our only dilemma is narrowing down the mountain of opportunities to the one or two airports that we will select each year," said easyJet chief executive Ray Webster at the ACI Europe annual conference.

"In line with the way we run all aspects of our business, we have decided to be open with our requirements rather than doing everything behind closed-doors.

"By applying very strict criteria, we are essentially outsourcing the selection process to the airports themselves. Airports that don't conform to our requirements will not be considered in our beauty parade."

An easyJet spokeswoman added that the search is primarily focused on new destinations for next winter and summer, but did not rule out the airline adding another continental European base to its existing three of Paris, Amsterdam and Geneva.

At 12.10 pm easyJet shares were up 4-3/4 pence at 201-3/4.

james.davey@afxnews.com

jdd/ra

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easyJet starts 'beauty parade' for new European destinations

**Load-Date:** June 13, 2003

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End of Document



## Wall Street - European ADRs Busy day closes mixed for drug, telecom sectors

AFX.COM

June 12, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 444 words

**Dateline:** SAN FRANCISCO

### Body

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- Shares of European companies trading American depositary shares finished the day mostly lower Thursday, but with a few bright spots.

Nokia shares were the most active, with 16.6 million trading hands. The stock fell 53 cents, or 3 percent, to \$17.27 after HSBC cut it to "reduce."

HSBC said it is concerned that the Nokia average selling price in Europe is flat, causing the broker to doubt that handset sales will turn higher at the end of the year. Meanwhile, it believes Ericsson has room to offer upside potential from its restructuring and upgraded the shares to "add."

Ericsson shares rose 5 cents to close at \$11.82 on volume of 4.6 million shares.

Vodafone Group shares climbed 14 cents to \$21.14 with 3.4 million shares changing hands.

Telecommunications equipment maker Alcatel was off 28 cents, or 3 percent, at \$9.44.

The drug group was active, starting with GlaxoSmithKline, which agreed to pay Pozen up to \$160 million to develop combination painkillers to fight migraine headaches. Glaxo shares finished down 71 cents at \$41.80.

Novartis shares gave back 44 cents to \$40.46 after the U.S. International Trade Commission said a dispute over the antibiotic Augmentin should go to trial. That ruling reverses a prior ITC decision.

News that the Philadelphia Semiconductor Index will add STMicroelectronics along with Taiwan Semiconductor sparked interest in the stock, with some 3 million shares changing hands, but did little to help its price, down 87 cents, or 4 percent, at \$21.91. Lattice Semiconductor is being dropped from the index.

ASML moved up 18 cents at \$10.35 on volume of 3 million shares after it announced its MaskTools division is in a software licensing agreement with Nanya Technology of Taiwan.

Carnival shares gained 66 cents to \$32.46 as the tourism group benefited from the World Health Organization saying the SARS epidemic was nearing an end.

Ryanair shares were off 19 cents at \$40.64 after ABN Amro said Ryanair investors should switch into rival EasyJet. The broker said Ryanair is suffering from weak yields and traffic demand due to its acquisition of Buzz.

## Wall Street - European ADRs Busy day closes mixed for drug, telecom sectors

Explaining the day's active, but lackluster trading action, Credit Lyonnais European equities trader Shawn Diamond said: "Traders don't want to pick tops, but market conditions are such that they may be seeing one."

Shares of the Bank of New York European ADR Index closed unchanged at 93.23.

This story was supplied by CBSMarketWatch. For further information see [www.cbsmarketwatch.com](http://www.cbsmarketwatch.com).

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 13, 2003

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End of Document



## London shares - late feature movements

AFX.COM

June 12, 2003 Thursday

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**Section:** MARKETS

**Length:** 806 words

### Body

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FTSE 100 risers

Xstrata 443 up 15-1/2

Awaiting Queensland court decision on MIM; talk of broker upgrade

AMVESCAP 447-1/4 up 15-1/4

Money managers in demand amid firm market trend

Exel 681 up 21

Support services stocks in demand after upbeat Babcock figures

Smith & Nephew 375 up 10-1/2

Reviewing Swiss Takeover Board comments on Centerpulse

Royal Bank of Scotland 1,736 up 14

Morgan Stanley, Lehman 'overweight' after Churchill buy, trading update

Hays 96-3/4 up 3

Funds adjust weightings ahead of FTSE 100 demotion

Severn Trent 714 up 13-1/2

Charles Stanley reiterates 'accumulate'

FTSE 100 fallers

Tesco 205 down 7

Ahead of AGM tomorrow

AB Foods 537-1/2 down 12-1/2

Disappointing trading statement from Cadbury Schweppes on Tuesday

Rexam 378-3/4 down 6-3/4

FY profits warning from Finnish paper group Huhtamaki

Northern Rock 717 down 11

Recent Countrywide Assured profits warning

Imperial Tobacco 1043 down 17

## London shares - late feature movements

Defensives fall out of favour as market continues to rally

WPP Group 490 down 1-3/4

Question mark over Cordiant bid after shock FY alert from smaller rival

BAT 654 down 10

Defensives fall out of favour as market continues to rally

Hilton Group 188-1/4 down 1

Merrill Lynch cuts Hilton US, Starwood Hotels from 'buy' list in US

Intercontinental Hotels 444 down 8-1/2

Merrill Lynch cuts Hilton US, Starwood Hotels from 'buy' list in US

FTSE 250 risers

Shaftesbury 222 up 27-1/2

UBS Warburg ups target to 170 pence from 150; Compco bid excites interest

Matalan 191-1/4 up 21-1/4

Asda bid speculation persists, Matalna moves to play down talk

SkyePharma 72-1/4 up 7

Merrill reiterates 'buy' & ups target to 90 pence; Evolution 'outperform'

Lastminute 178 up 15-1/2

Speculative support, increasingly upbeat picture emerging for tour operators

Autonomy 211-3/4 up 14-1/2

Rally after recent Merrill Lynch downgrade

Wood Group 187 up 12-1/2

Buoyant market debut for peer Sondex

Stagecoach 57 up 3-1/2

Recovery hopes after recent disposals

Derwent Valley 591-1/2 up 26-1/2

Excited by Compco bid

SSL International 299 up 11-1/2

Kimberley-Clark bid speculation

Countrywide Assured 97 up 3-1/2

Rally after recent profits warning

EasyJet 201 up 4

Switch from Ryanair - ABN Amro; starts 'beauty parade' for new destinations

Chubb 75 up 2-1/4

Agreed 75 pence a share cash bid from United Technologies

Carphone Warehouse 100-1/4 up 2-1/4

CSFB lifts target to 90 pence from 70 pence

Jarvis 337 up 1

37 pct FY profits increase; sees further growth; brokers positive

William Hill 275-1/4 up 6-1/2

'Outperform' with target upped to 330 pence from 300 pence - Citigroup

FTSE 250 fallers

Aggreko 148-1/2 down 13-3/4

Vague profits warning talk persists

## London shares - late feature movements

Manchester United 147-1/4 down 7-3/4

Ebb and flow of rumours over Beckham move

Eurotunnel 48-3/4 down 1-3/4

Profit-taking after recent gains

British Airways 159-3/4 up 3-1/4

Misses out on FTSE 100 return, rival BMI British Midland slashes jobs

Royal & Sun Alliance 135 down 2-3/4

Profit-taking following confirmation of FTSE 100 promotion yesterday

ARM Holdings 77-3/4 down 1-1/2

'Underperform' from 'neutral' with 45 pence target - CSFB

FirstGroup 259-1/2 down 5-3/4

Co takes franchise case to High Court hearing

Other risers

Sondex closes at 114 pence

Placed at 100 pence in 1st main market IPO this year

Manpower Software 14-3/4 up 3-1/2

Chairman Robert Drummond lifts stake to 8.86 pct

Telewest Communication 1.85 up 0.35

Trading in line, sees continued strong contribution margins - AGM

Triad Group 47-1/2 up 8-1/2

Share buyback programme gets AGM go-ahead

Thomson Intermedia 20-1/2 up 3

Confident AGM statement

Advanced Medical Solutions Group 9.37 up 1.37

Technical partnership with Hardwood Products

Compco Holdings 387-1/2 up 41-1/2

Agreed 147.2 mln stg bid from City & General

Scipher 9-1/4 up 3/4

Narrowing FY losses; 7.57 mln stg placing; co sees prospects for growth

Focus Solutions 26 up 2

Confident statement offsets widening FY losses; 'outperform' - Evolution

Wintrust 470 up 12-1/2

Results; strong loan book; no provisions

Chapelthorpe 12.37 up 1.50

Management buy-out speculation

Other fallers

Yeoman Group 25 down 3-1/2

Interims, to focus on core mobile navigation business, sell other ops

Victory Corp 3.87 down 0.38

Widening FY losses; 10 mln stg open offer

Huntleigh 268-1/2 down 25-1/2

Uninspiring AGM statement

nm/slm/

## London shares - late feature movements

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**Load-Date:** June 13, 2003

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## LSE opening - EasyJet gain on ABN Amro switch advice

AFX.COM

June 12, 2003 Thursday

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**Section:** MARKETS

**Length:** 62 words

**Dateline:** LONDON

### Body

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Shares in easyJet hardened 3 pence to 200 after ABN Amro advised clients to switch from Ryanair, 2-1/2 firmer at 406-1/2. Among leading issues, Rexam were on offer and slipped 4 to 381-1/2 in reaction to a full-year profits warning from Finnish packaging group Huhtmaeki.

fjb/vjt/

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**Load-Date:** June 13, 2003

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## AFX UK at a glance share guide

AFX.COM

June 11, 2003 Wednesday

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**Section:** MARKETS

**Length:** 700 words

### Body

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#### MARKETS

FTSE 100 4,113.0, down 16.1

FTSE 250 4,982.6, down 37.0

Long gilt/equity yield ratio 1.27 (1.27)

FTSE Eurotop 300 850.21, up 0.53 pct

DJIA 9,054.89, up 74.89

Nasdaq Comp 1,627.67, up 23.70

S&P 500 984.80, up 8.90

Tokyo: Nikkei closed at 8,890.30, up 101.21

Hang Seng midday 9,736.33, up 32.61

usd/stg 1.652; stg/euro 0.709

usd/euro 1.167; yen/usd 117.8

Gold 353.50 usd (363.20 usd)

Oil - Brent July 28.08 usd (27.85 usd)

Yield on US Govt 30-yr 4.26 pct

#### TAKEOVER NEWS & GOSSIP

\* WestLB will today bow to mounting pressure and withdraw its financial support for a potential bid worth up to 1 bln stg for AWG - FT

\* TESCO gains a foothold in Japan with a 173 mln stg deal to buy a convenience store operator; the supermarket group says its acquisition of C Two-Network offers good growth prospects in spite of economic conditions and problems posed by deflation - FT

\* Treasury set to block a multibillion-pound bid by BAE SYSTEMS for a contract to supply 30 Hawk training aircraft to the Royal Air Force - Independent

\* United Technologies' board will meet today to consider whether to revise its 1 bln usd offer for CHUBB - FT

\* Michael O'Leary, chief executive of RYANAIR, raises 17 mln stg by selling shares in the low-cost airline

## AFX UK at a glance share guide

\* ROLLS-ROYCE and ROYAL & SUN ALLIANCE both return to the FTSE 100 index; CAPITA and HAYS both demoted in their place

\* Cerebus Capital Management holding up CORDIANT COMMUNICATIONS' disposal of the Financial Dynamics public relations agency in an effort to win concessions in negotiations on the fate of the advertising group - FT

\* Standard Life considering joining the rush of companies raising capital in the Far East in a bid to shore up its flagship with-profits fund - Telegraph

### PRESS COMMENT

#### FT

THE LEX COLUMN comments on Nokia, TESCO (Tesco risks damaging the halo effect it has built up by keeping a lid on its global ambitions - unless it shows it is willing to bow out of international investments that do not live up to expectations), WorldCom/MCI, Inflation targets - FIRST CHOICE (better to keep an eye on the price before buying) - WHITEHEAD MANN (looks cheap but reflect the risks in the market) - RPC (unfashionable it may be, but its long-term defensive qualities look good) - SEVERN TRENT (a yield of 6.5 pct suggest that the shares - given that values typically weaken in the run-up to a price review - are likely to mark time) - DAIRY CREST (forward multiple of 8 looks cheap)

#### Times

Tempus: SEVERN TRENT (sustainability of the 6.3 pct dividend yield is not absolutely assured, but stock is worth holding), FIRST CHOICE (buy), ELECTRA INVESTMENT TRUST (hold)

#### Guardian

HOUSE OF FRASER (fears that next week's trading statement could trigger profit downgrades) - COMPCO (talk that a bid will soon be tabled) - LONDON CLUBS INTERNATIONAL (leisure entrepreneur Trevor Hemmings increases his total holding to more than 11 pct)

#### Telegraph

RIO TINTO (company targeted as mineral margins corrode) - QUESTOR: FIRST CHOICE (worth holding on to for now), SEVERN TRENT (a hold), DAIRY CREST (Questor's last review of co recommended buying and being patient; we're not changing our tip and continue to stress patience)

#### Independent

HAYS (worries about disposal of haulage division) - THE INVESTMENT COLUMN: DAIRY CREST (buy), CHARLES STANLEY (hold), INTECHNOLOGY (looking high)

#### Mail

MANCHESTER UNITED (buyers hear that the Premier League Champions have accepted a mega bid from Barcelona for David Beckham) - PETREL RESOURCES (team will leave tomorrow for a 10-day visit to Iraq; they aim to arrange drilling in the Western desert and investigate the Subba and Luhais oilfields, which could produce 180,000 barrels a day)

#### Express

MITCHELLS & BUTLERS (eyes 1,450 pubs put up for sale by SCOTTISH & NEWCASTLE) - Who's dealing? CHARLES TAYLOR CONSULTING (deputy chairman sells 42,000 shares at 264 pence) - Share whisper: CYPROTEX (rumours of a deal in the pipeline) - COOKSON (hold from buy - Investec)

... more to follow:

fjb/vjt/

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**Load-Date:** June 12, 2003



## Ryanair CEO sells 4 mln shares

AFX.COM

June 10, 2003 Tuesday

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**Length:** 66 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said Michael O'Leary, Chief

Executive Officer of the company had sold 4,000,000 ordinary shares at a price of 5.95 eur each.

In addition, director Declan Ryan has also sold 4,000,000 ordinary shares in the company at price of 5.95 eur each.

newsdesk@afxnews.com

sk/

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and

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**Load-Date:** June 11, 2003



## London shares outlook; seen higher as US markets manage to hold on to gains

AFX - Asia

June 6, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 432 words

**Dateline:** LONDON

### Body

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Leading shares are expected to open slightly higher this morning, taking heart from another firm performance across US markets last night, although profit taking after a positive week could limit gains, dealers said.

According to spread betting firm IG Index, the FTSE 100 is seen opening around 25 points higher at around 4,135.

On Wall Street over night, the DJIA managed to hold on to its gains, closing above the 9,000 level for the second session in a row, despite weaker than expected employment data and a slew of negative news from the retail sector, traders noted.

In Asia, the Nikkei 225 index began the afternoon 16.69 points higher at 8,673.92, while the Hang Seng ended its morning session up 15.72 points at 9,654.73.

On the economic front today, a slew of US data should provide further clues as to the health of the world's largest economy, with US nonfarm payrolls and unemployment data for May both expected to be keenly followed, while April consumer credit data will also be pored over.

The May unemployment rate is forecast at 6.1 pct, up from 6.0 pct in April, while non-farm payrolls are expected to fall by 27,000 in May and average hourly earnings are expected to rise 0.2 pct, after growing 0.1 pct in April.

In company news, technology stocks could come under pressure in early deals after Intel tightened its guidance after the bell last night in its midquarter update.

The chip giant narrowed its second-quarter sales range to between 6.6 bln usd and 6.8 bln usd from an original range of between 6.4 bln and 7 bln.

The chipmaker said its main processor unit is trending toward the high end of a normal seasonal pattern while communications products sales remain soft.

Elsewhere, Xstrata should benefit from news overnight that MIM Holdings shareholders have voted in favour of accepting Xstrata's 1.72 bln aud takeover of the company.

Speaking at the shareholders meeting, MIM's chairman Leo Tutt said Xstrata's offer had received acceptances from 59.1 pct of shareholders and 88.9 pct of voting shares in proxy counting.

London shares outlook; seen higher as US markets manage to hold on to gains

The travel sector should also be in focus with Easyjet's May traffic stats expected and MyTravel's interim results both due later today.

Easyjet's comments will be eagerly awaited after rival Ryanair's comments on fares and volumes with its full year numbers earlier this week, and following words of caution from BA on Wednesday on demand in the month.

gl/slm/

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## AFX UK at a glance share guide

AFX.COM

June 4, 2003 Wednesday

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**Section:** MARKETS

**Length:** 732 words

### Body

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#### MARKETS

FTSE 100 4,115.7, down 13.6

FTSE 250 4,843.2, down 36.7

Long gilt/equity yield ratio 1.27 (1.30)

FTSE Eurotop 300 834.22, down 0.80

DJIA 8,922.95, up 25.14

Nasdaq Comp 1,603.56, up 0.81

S&P 500 971.55, up 4.55

Tokyo: Nikkei closed at 8,557.86, down 6.63

Hang Seng closed

usd/stg 1.628; stg/euro 0.719

usd/euro 1.128; yen/usd 119.2

Gold 364.75 usd (366.50 usd)

Oil - Brent 27.28 usd (27.38 usd)

Yield on US Gov 30-yr 4.36 pct

#### TAKEOVER NEWS & GOSSIP

\* CVC Capital Partners preparing a 1 bln stg bid for AWG - Times

\* Bream Investments, the bid vehicle backed by WestLB which has been stalking AWG since January, given until noon on June 18 to table a bid or withdraw

\* Savoy Group, which owns trophy hotels Claridge's and the Connaught, being quietly marketed by the New York-based private investment house Blackstone Group for over 800 mln stg - Telegraph

\* Andy Ruhan, the Midlands entrepreneur who last week acquired a portfolio of Thistle hotels from ORB for 600 mln stg, pays 167,000 stg for the secretive investment group's 29.9 pct stake in Izodia, the failed internet shell - Times

\* A leading investor in CORDIANT says it will requisition a shareholders' meeting to try to replace the advertising group's management and clear the way for a capital shake-up - FT

## AFX UK at a glance share guide

\* Retailers may have to pay millions of pounds more in VAT after a tax tribunal backs Customs & Excise efforts to close an alleged avoidance scheme worth up to 200 mln stg a year - FT

\* Amulet, the company behind The Accident Group, was forced into administration last week after HBOS withdrew financing when the bank discovered the true state of the personal injury firm's books, it has emerged - FT

\* Baugur of Iceland is preparing a bid for HAMLEYS that could value the iconic toymaker at up to 46.2 mln stg - FT

\* Tussle over the future of AUSTIN REED takes a new turn after the ailing men's wear retailer rejects a second approach from Jonathan Rowland - FT

### PRESS COMMENT

#### FT

THE LEX COLUMN comments on RYANAIR (the airline is flying into a headwind: to maintain its growth rates, it will have to deploy increasing quantities of capital and keep wielding price cuts; O'Leary's basis for confidence looks shaky), Alcatel (the new bond's gross yield of 4.75 pct to maturity assumes a return to investment grade that the company has yet to achieve), AWG despite its attractive yield, AWG seems likely to underperform until the uncertainty arising from next year's regulatory price review has been cleared up), IBM - FKI

(without the support of a 10 pence dividend, there is little reason for short-term optimism about the share price) - BARCLAY (on a forward p/e of 10.8 times - in line with the sector but an undeserved premium to ROYAL BANK OF SCOTLAND which is on 10.2 times) - MERCHANT RETAIL (in the long term, investors should look at this stock, which on forecast pretax profit of 16 mln stg this year, is trading on a forward p/e of 13)

#### Times

OXFORD INSTRUMENTS (uncertainty over future of its joint venture with Siemens - Tempus: BARCLAYS (buy), GREAT PORTLAND ESTATES (hold on), SOUTH STAFFORDSHIRE GROUP (buy)

#### Telegraph

QUESTOR: CARPHONE WAREHOUSE (buy), BAA (with government's golden share outlawed by the European courts, BAA is a theoretical takeover target; don't bank on that, but the shares are still good value), GREAT PORTLAND ESTATES (trading at a 20 pct discount to net asset value, this is a buying opportunity)

#### Guardian

GRESHAM COMPUTING (likely inclusion in FTSE All-Share index next week)

#### Independent

CAPITA (FTSE 100 demotion fears) - THE INVESTMENT COLUMN: CARPHONE WAREHOUSE (look fairly valued), VICTREX (not cheap but worth holding), NHP (a decent hold)

#### Mail

LANDROUND SQC Research raises full-year profit estimate to 1.7 mln stg and lifts its target price to 265 pence)

#### Express

ARM (renewed fears over a long-awaited recovery in the semiconductor industry) - Who's dealing? WSP (chairman sells his remaining stake) - Share whisper: LANDROUND (company believed to be closing in on a deal with a major bank or supermarket chain) - Broker's view: BLOOMSBURY (Altium Capital buy) - shares tipster Trevor Webster buys CLINTON CARDS

... more to follow:

fjb/vjt/

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**Load-Date:** June 5, 2003



## Ryanair reports in-line FY net profit; sees current yr yields down 10-15 pct

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 534 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin-based no frills airline, has reported full year net profit in line with market expectations, but cautioned average fares (yields) will likely be 10-15 pct lower in the current year.

"I personally expect no near term improvement in either the low fare environment or the strength of the euro, and believe therefore that yields for the year will continue to be 10 pct to 15 pct lower than last year," said chief executive Michael O'Leary.

However, he pointed out the negative revenue effect (of weaker Sterling) will be partially compensated by lower Sterling costs. In addition the strength of the euro against the dollar will lower costs of aircraft acquisitions, fuel and spares over the coming years.

Margins will also be diluted by the closure and relaunch of the Buzz operation (grounded for the entire month of April) and the negative impact of operating more expensive BAe146 aircraft on certain routes which will be replaced by larger and lower cost Boeing 737-800s next year.

With the launch of 50 new routes out of a total network of 125, load factors will also decline this year to about 80 pct.

For the year to March 31 2003 Ryanair saw net profit increase 59 pct to 239.4 mln eur on revenue up 35 pct to 842.5 mln eur.

Operating costs rose at a slower rate by 26 pct. As a result Ryanair's after tax margins increased from 24 pct to 28 pct.

This was achieved on the back of a 42 pct increase in passenger traffic to 15.7 mln, as average load factors increased from 81 pct to 84 pct, primarily due to a 6 pct reduction in average fares.

This reduction in yields was a result of continuing price promotions, the launch of over 20 new routes, a new base in Milan-Bergamo, and Ryanair's commitment to low fares.

Basic earnings per share increased 54 pct to 31.71 cents.

"The market has suffered from high fuel prices, the war in Iraq, the impact of SARS and the continuing effect of the economic downturn in many European countries," said O'Leary.

"Despite these difficult conditions Ryanair's continued profitability stems from the fact that we have the lowest costs and the lowest air fares which no other European airline can match."



Ryanair reports in-line FY net profit; sees current yr yields down 10-15 pct

Looking forward O'Leary expressed confidence the airline would enjoy another successful year.

"Even though we will drive down fares and yields we expect to maintain our normal profit margins of just over 20 pct and record our sixteenth consecutive year with a material increase in profits."

Ryanair also published its May traffic data.

May traffic, including the first month of the former Buzz routes, was 53 pct greater than May last year.

Yields were down 15 pct during the month, of which 5 points is due to the weakness in sterling against the euro.

Ryanair also announced another "low fares" seat Sale. It is selling 1 mln low fare seats at 19.99 stg and 29.99 stg one way for travel during the peak Summer months of June, July and August.

Ryanair shares closed Monday at 439-1/2 pence.

jdd/slm/

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**Load-Date:** June 4, 2003

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## Ryanair tumbles on lower margin outlook - UPDATE 1

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS; ECONOMIC NEWS; GENERAL

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**Dateline:** LONDON

### Body

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Shares of Ryanair Holdings, Europe's fast-growing low-fare airline, dropped as much as 14.7 percent Tuesday after the low-fare airline said it expects lower fares and yields this year will pressure its profit margin.

Ryanair's said it's not expecting "near term improvement in either the low fare environment or the strength of the euro, and believe therefore that yields for the year will continue to be 10 percent to 15 percent lower than last year."

Ryanair said it expected to return to its "normal profit margins" of just over 20 percent in the current fiscal year, down from 28 percent in the year ending in March.

"Shareholders should be aware that these results for the past 12 months have been exceptional. We have repeatedly stated that profit margins of almost 30 percent are a one off and non-sustainable," chief executive Michael O'Leary said in a statement.

Ryanair's explosive traffic growth in Europe-only flights has been the envy of Europe's airline industry. The major long-haul carriers are struggling against a drop in traffic as SARs, Middle East turmoil and the downturn in business travelers impact.

"These results prove that even Ryanair is not immune to the yield weakness being experienced by the network airlines," Dresdner Kleinwort Wasserstein said.

Shares in London were last down 64.5p at 375p.

Ryanair said revenue for the year ending in March rose 35 percent to 842.5 million euro, ahead of some forecasts from analysts. Net profit rose 59 percent to 239.4 million euro. Passenger traffic rose 42 percent to 15.7 million.

Average load factors, a measure of passengers to seats available, rose to 84 percent from 81 percent, "primarily due to a 6 percent reduction in average fares," the airline said

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## Ryanair tumbles on lower margin outlook - UPDATE 2

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS; ECONOMIC NEWS; GENERAL

**Length:** 394 words

**Dateline:** LONDON

### Body

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"These results prove that even Ryanair is not immune to the yield weakness being experienced by the network airlines," Dresdner Kleinwort Wasserstein said.

Ryanair's outlook sets expectations of a decline of at least 10 percent in average fares for fiscal 2004, Dublin-based brokers Davy said. The airline is expecting its load factor, which measures passengers relative to seats available, to drop 5 percentage points to 80 percent.

Davy cut its forecasts for this year and next year at Ryanair by 8-9 percent; it now sees earnings per share growth close to 10 percent in fiscal 2004.

Shares in London were last down 64.5p at 375p.

Ryanair said revenue for the year ending in March rose 35 percent to 842.5 million euro, ahead of some forecasts from analysts. Net profit rose 59 percent to 239.4 million euro. Passenger traffic rose 42 percent to 15.7 million.

Average load factors, a measure of passengers to seats available, rose to 84 percent from 81 percent, "primarily due to a 6 percent reduction in average fares," the airline said

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## Ryanair tumbles on lower margin outlook - UPDATE 2

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## Euroshares opening - More cautious start seen as Wall Street pares gains

AFX European Focus

June 3, 2003 Tuesday

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**Dateline:** LONDON

### Body

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European markets are expected to make a more cautious start to the session, hit by Nasdaq's reversal of fortunes overnight as US investors moved to lock in profits.

Sentiment was also hurt by news that US tech giant IBM is facing an accounting investigation by the SEC centring on its revenue-recognition practices in 2000 and 2001.

So on Monday, the Dow closed up only 47.55 points at 8,897.81, having at one point broken through the key 9,000 level, while the Nasdaq Composite ended down 5.16 points at 1,590.75. And in Asia, the Nikkei 225 index went into the afternoon session down 30.16 points at 8,517.01, while the Hang Seng closed the morning 38.44 points higher at 9,675.97. On the data front, there is little to get excited about, particularly ahead of key rate decisions in the euro-zone and UK later this week.

In Europe, French consumer confidence is expected to have improved slightly in May, but will remain soft due in part to jitters over the social unrest in France. And in the UK, the CIPS manufacturing index is expected to show a slight increase to 48.7 in May, from 48.3 in April, for the second straight monthly increase.

TMTs, which were in the vanguard of the advance yesterday, are expected to succumb to some profit-taking today as Nasdaq slipped into the red overnight, and on the back of the IBM probe. But chip stocks could find some support after TSMC chairman Morris Chang said he is "cautiously optimistic" about the company's business outlook for the three months to September.

He warned, however, that the company's prospects for the final quarter remain unclear.

UK corporate results will dominate in early trade.

UK mobile phone retailer Carphone Warehouse will face tough questions about its plans in Germany when it reports annual results this morning. In March, the company said it would either close its loss-making German business or build on it. But the group's annual figures should hold few surprises after it issued a trading update less than a week before its year-end. Analysts are looking for year to March pretax profits of 55.4-56.5 mln stg, up from 46.7 mln last time.

In the Cyclical, all eyes will be on Ryanair, the Dublin-based no frills airline, which issued a cautiously optimistic trading statement alongside its in-line full year figures. Ryanair warned that the low fare environment is set to stay, and that load factors will remain under pressure, but it is still confident of a successful full year.

## Euroshares opening - More cautious start seen as Wall Street pares gains

And at BAA, investors will focus on SARS, the debate about runway capacity in the southeast of England and the impact of possible airline consolidation, when it releases its full-year results later today. Sector analysts expect BAA, which operates seven UK airports including Heathrow, Gatwick and Stansted, to report a year to March pretax profit before exceptional items of 498-535 mln stg versus 505 mln last time. But of most importance will be BAA's view on the outlook.

In the Financials, which soared yesterday on the back of rising equity markets, UK fund management firm Schroders will be in the spotlight when it delivers a first quarter trading update this morning. Investors are hoping for evidence that the flow of funds has picked up in-line with the equity market recovery so far this year. Away from results, BA is expected to be active after the UK flag carrier finally revealed after the close last night that it has sold dba. The UK group's German ops, formerly known as Deutsche BA, to a Nuremburg-based aviation consultancy, Intro, were sold for just 1 eur. BA will invest up to 35 mln eur in dba and underwrite the German carrier's fleet of 16 aircraft for a year, at a cost of 3 mln eur a month.

But Deutsche Boerse could win fresh support in opening trades as Moody's raised its outlook on the stock to stable from negative. AGMs are also due today from Banco Zaragozano, which is currently being bid for by UK banking giant Barclays, Hermes, CNP Assurances, MG Technologies and Hunter Douglas.

nm/cmr

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**Load-Date:** June 4, 2003



## FTSE eases, as Schroders, Barclays, BAA see losses - UPDATE 5

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 937 words

**Dateline:** LONDON

### Body

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- London markets traded lower on Tuesday amid several corporate results, a weaker overnight and an IBM accounting scandal.

The FTSE 100 index eased 1.2 percent to 4,079. European markets were also lower. .

The overnight saw the Dow Jones Industrial Average retreat from gains while London markets were open on Tuesday, finishing higher by 47 points. IBM also said it was under investigation by the U.S. Securities and Exchange Commission on its revenue recognition practices. .

British bank Barclays fell 2.5 percent. The bank said its operating profits and operating income during the quarter ending March 31 are on par with last year's results. Provisions were lower in the period in Personal Financial Services and higher in Barclaycard and Business Banking, the group said. It did note that the restructuring charge for the first half of 2003 is expected to be "somewhat ahead" of the 2002 first half performance.

"The investment case remains one of low revenue growth, tight cost controls and broadly flat bad debts," said UBS Warburg analyst Ian Smillie in London.

Fund manager Schroders slid 1.8 percent as it said funds under management declined 2.3 percent during the quarter ending March 31 to 84.2 billion pounds (\$137 billion), but increased to 87.5 billion by the end of April on the back of stronger markets. The group saw inflows of 400 million pounds during the quarter, as net inflows in retail business of 1.2 billion offset 500 million pounds in outflows from institutions and 300 million in private banking.

Schroders noted that it is cautious regarding fund flows for the year.

Low-fare airline Ryanair Holdings dropped 8.9 percent as it said it expects lower fares and yields in the current fiscal year, but added "we expect to maintain our normal profit margins of just over 20 percent and record our sixteenth consecutive year with a material increase in profits." .

Ryanair said its not expecting "near term improvement in either the low fare environment or the strength of the Euro, and believe therefore that yields for the year will continue to be 10 percent to 15 percent lower than last year." It added that the impact of a weaker Sterling will be partially compensated by lower Sterling costs.

Also in the airline sector, BAA slid 0.3 percent as it said its 5.2 percent increase in group operating profit was the result of 6.5 percent growth in net retail income of 31 million pounds and a 2 percent increase in U.K. airport and other traffic charges of 13 million, partially offset by additional insurance and security costs.



"Current performance continues to be adversely affected by the recent SARS virus, conflict in Iraq and continuing terrorist threats around the globe. However, anticipated traffic growth in the medium term and the Terminal 5 development at Heathrow give us confidence in the future of the business," said CEO-designate Mike Clasper.

Nuclear electricity generator British Energy was off 4.2 percent as it warned the group may face insolvency proceedings if its restructuring effort falters.

"Significant progress has been made but the proposed restructuring remains subject to a large number of significant uncertainties. If, for any reason, British Energy is unable to implement the restructuring, it may be unable to meet its financial obligations as they fall due, in which case it may have to take appropriate insolvency proceedings," it said.

The group posted a 4.3 billion pound loss for the fiscal 2002-2003 year. The loss mainly reflects exceptional charges that included a 3.6 billion pound write-down in generation plant for nuclear assets and a 151 million pound write-down in the value of Eggborough. No dividend to shareholders was proposed, it said. It posted a 493 million loss in 2001-2002 year.

Carphone Warehouse Group, the U.K. mobile phone retailer, rose 3.6 percent as said it has an agreement to buy German mobile service provider Hutchison Telecommunications from Orange Holdings for a total 46.8 million pounds. HTG has a total of 670,000 mobile customers, it said. The acquisition "creates a reliable platform for sustained profitable growth in Germany and extends The Carphone Warehouse's recurring revenue model to that country," it said.

CWG said revenue rose 60 percent in the year ending in March to 1.8 billion pounds; earnings per share before exceptional items rose 19 percent to 5.25p. It declared a 1p dividend for the year. Looking ahead, it said: "The outlook is for continued strong growth. Coupled with the group's strong cash flows, this leads us to recommend The Carphone Warehouse Group's first dividend and to commit to a policy of dividend growth in line with earnings growth."

Engineering group Invensys rose 1 percent as it said it has an agreement to sell its Baan subsidiary, a manufacturing solutions and services supplier, to investors Cerberus Capital Management and General Atlantic Partners for \$135 million in cash. The deal had been widely anticipated. Invensys said the proceeds will be used to pay down debt. Baan generated revenue of \$265 million and an operating loss in the year to March.

Smith & Nephew eased 0.1 percent as the CEO of Zimmer, Ray Elliot, told the Financial Times that he would let S&N acquire orthopedics group Centerpulse if it outbid Zimmer. "If they go up above it by 1 pound, the business will be theirs," he said. Zimmer has already topped a 1.55 billion pound Smith & Nephew deal with a 1.8 billion pound for the Switzerland-based Centerpulse.

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## Airlines adrift after Ryanair caution - UPDATE 1

AFX.COM

June 3, 2003 Tuesday

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**Dateline:** SAN FRANCISCO

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---

- Airline stocks drifted lower Tuesday morning after leading European discount airline Ryanair disclosed that it is feeling the effects of the airline industry's historic downturn.

The Amex Airline Index traded down 0.1 percent.

Reflecting concern over Ryanair's disclosure that it faces profit margin pressure and weaker revenue, shares traded down as much as 15 percent in London action.

In New York, shares of discount specialist Southwest Airlines fell 15 cents to \$16.02.

Low-fare upstart JetBlue Airways lost 10 cents to \$33.90.

Among the larger carriers, no. 1 airline AMR Corp. was unchanged at \$6.95.

Continental Airlines' closely watched May pricing and revenue performance data was in line with what Deutsche Bank airline analysts had expected. The carrier's load factor for the month rose 2.4 points to 75.9 percent. Shares rose 26 cents to \$12.67.

"This, coupled with a solid load-factor performance supports our view that fundamentals have bottomed, supply and demand is in balance, and our universe of airline stocks is on track to either meet or beat [earnings per-share] expectations for the June quarter," wrote Deutsche Bank's Susan Donofrio.

Northwest Airlines fell 10 cents to \$9.23.

Delta Air Lines lost 16 cents to \$13.69.

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June 3, 2003 Tuesday

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**Load-Date:** June 4, 2003





## AFX UK at a glance share guide

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June 3, 2003 Tuesday

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#### TODAY'S EXPECTED COMPANY NEWS

##### INTERIMS

ITE Group

Landround

Victrex

##### FINALS

BAA

British Energy

BSS

Burtonwood Brewery

Carphone Warehouse

East Surrey Holdings

FKI

Great Portland Estates

Jarvis Hotels

Merchant Retail Group

Oxford Instruments

Ryanair Holdings

South Staffordshire Group

UMECO

##### TRADING UPDATE

Schroders Q1

AGMs

None scheduled

EGMs

None scheduled

## ECONOMICS

UK May CIPS construction PMI (0830 GMT)

BoE's George speaks to international monetary conference in Berlin (1215 GMT)

## MARKET EXPECTATIONS

\*BAA FY pretax profit before exceptional items 498-535 mln stg vs 505 mln. Total dividend 19p vs 18.3 - analysts

\*Carphone Warehouses FY pretax profits 55.4-56.5 mln stg vs 46.7 mln - analysts

\*FKI FY pretax pre-exceptionals and goodwill 80-84 mln stg vs 135 mln stg - analysts

\*Ryanair FY revenue 840.1 mln eur vs 624.1 mln; net profit of 238 mln eur vs 150.4 mln; EPS - 31.6 cents vs 20.64 - NCB Stockbrokers

\* BSS Group PLC year to March 2003 pretax profits 18.5 mln stg vs from 15.7 mln, EPS 42.0p vs 35.1.

Div - 12.0p vs 11.0 - Arbuthnot Securities

\* Landround PLC 6 months to March 2003 pretax 910,000 stg vs 270,000 stg - SQC Research

\* Merchant Retail Group PLC year to March 2003 pretax profits 13.3 mln stg vs 10.6 mln. Total div 2.35p vs 1.85. EPS 9.0p vs 7.1 - with William de Broe's

\* Oxford Instruments PLC full-year profits 5.3 mln stg. Div 8.4 p. EPS 7.4p

vs 14.6 - Williams de Broe

\* South Staffordshire Group PLC year to March pretax 44 mln stg vs 36.4 mln stg.

EPS - 45.6p vs 39.0, div - 17.8p vs 16.1 - Williams de Broe

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## Airlines shrug off Ryanair warning - UPDATE 2

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### Body

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- Airline stocks turned higher Tuesday morning after a Wall Street analyst said the worst of the industry's historic downturn may be over. But in Europe, fast-growing airline Ryanair issued a financial warning. The Amex Airline Index rose 0.2 percent.

Continental Airlines' closely watched May pricing and revenue performance data was in line with what Deutsche Bank's airline analyst had expected. The carrier's load factor for the month rose 2.4 points to 75.9 percent. Among the strongest gainers, Continental shares rose 37 cents to \$12.78.

"This, coupled with a solid load-factor performance supports our view that fundamentals have bottomed, supply and demand is in balance, and our universe of airline stocks is on track to either meet or beat [earnings per-share] expectations for the June quarter," wrote Deutsche Bank's Susan Donofrio.

Northwest Airlines fell 7 cents to \$9.26.

Delta Air Lines rose 1 cent to \$13.86.

These two airlines and AirTran Holdings are Donofrio's top picks. AirTran fell 1 cent to \$7.59.

Citing improved liquidity, Standard & Poor's took AirTran's credit rating off its CreditWatch list and assigned the debt a "stable" outlook at "B-."

Reflecting concern over Ryanair's disclosure that it faces profit margin pressure and weaker revenue, shares traded down as much as 15 percent in London action.

In New York, shares of discount specialist Southwest Airlines fell 3 cents to \$16.14.

Low-fare upstart JetBlue Airways lost 3 cents to \$33.97.

Among the larger carriers, no. 1 airline AMR Corp. rose 8 cents to \$7.03.

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## Airlines shrug off Ryanair warning - UPDATE 2

**Load-Date:** June 4, 2003

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## Airlines shrug off Ryanair warning - UPDATE 3

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 299 words

**Dateline:** SAN FRANCISCO

### Body

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## Airlines shrug off Ryanair warning - UPDATE 3

**Load-Date:** June 4, 2003

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## LSE opening reports summary

AFX.COM

June 3, 2003 Tuesday

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**Section:** MARKETS

**Length:** 907 words

**Dateline:** LONDON

### Body

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(6.53 am)

Shares in Cobham are expected to fall under pressure in opening deals as CSFB adopted a more cautious stance, largely on valuation grounds.

The broker cut the UK aerospace group to 'underperform' from the previous 'neutral', saying -- though Cobham remains a safe, high quality company with strong balance sheet and consistent delivery -- its quality is priced in at current levels.

The broker, however, upped its target price for Cobham to 1150 pence from 1100p to reflect the steady progress the business continues to make.

(7.45 am)

Shares in Great Portland Estates edged lower in early trading as the property group revealed a swing to full-year losses from profits, an 11.2 pct reduction in its year-end adjusted diluted net asset value and warned that markets remain challenging after a year of rationalisation and refocus for the group.

Following a strategic review, the group sold 216 mln stg of non-core properties, reduced gearing to 32 pct, made some solid progress on its development programme, maintained full occupancy within the portfolio and strengthened management.

Great Portland shares were 1 adrift at 235 pence by 7.40 am.

(7.51 am)

Shares in CybIT went firmer in early trading, buoyed by the company's forecast of narrowing full-year losses and news that trading in the first two months of the current year is substantially ahead of the same period of the prior year.

CybIT shares were 0.19 pence ahead at 0.77 by 7.50 am.

(8.00 am)

Shares in Ryanair, the Dublin-based no frills airline, were indicated lower in nervous pre-market trade as its cautiously optimistic trading outlook failed to calm nerves about the medium-term outlook for the airline.

The airline's comments came as it reported in-line figures for the year to March.

## LSE opening reports summary

HSBC Securities, however, remains a fan of the discount airline, continuing to rate the stock a 'buy' at current levels.

At 7.55 am, Ryanair shares were indicated 16 pence lower at 423-1/2 pence.

(8.00 am)

Shares in Redbus Interhouse moved up 0.50 pence to 4.87 as Cliff Stanford mounted a second attempt to oust the board of the data warehousing company he helped found.

Stanford, who holds just under 30 pct of Redbus, has asked for an extraordinary meeting to vote on the replacement of all the directors by himself and two colleagues - Tony Simkin and Roy Bliss. The move comes less than a year after he was defeated in a similar battle for control.

(8.00 am)

Shares in JKC Oil and Gas moved up 3/4 pence to 1.05 after the group revealed that test results from well M202 have exceeded the company's hopes.

(8.13 am)

Shares in Landround made solid progress among small-cap issues after the AIM-listed travel promotional products group revealed bumper half-yearly numbers, with pretax profits surging nearly 250 pct.

Sentiment in the stock was also given a boost by news that Statoil, the market leader in fuel and forecourt retailing in Ireland, has agreed to offer it Premium Club members the opportunity to acquire buy and fly! points.

Landround shares were 17-1/2 pence higher at 220 by 8.06 am - a near 9 pct gain.

(8.17 am)

Shares in Aortech International topped the list of worst-performing small-cap issues after the company revealed widening full-year losses and said it intends to seek permission at the AGM for a capital reconstruction.

The company, whose CEO Bill Stachan is to step down, added that following a strategic review, the board has decided that the silicone/polyurethane material Elast-Eon will form the basis of the new Aortech business.

Aortech shares were 4.5 pence adrift at 9.50 by 8.14 am - a 32.14 pct decline.

(8.19 am)

Shares in UK blue chip fund manager Schroders headed the FTSE 100 index fallers board as investors registered their dismay at its cautious comments on the outlook for fund flows for the year.

"Whilst net new business flows were marginally positive in the first four months, we remain cautious about fund flows for the year as a whole," Schroders said.

Followers had been hoping that, with equity markets rising to levels not seen for months, Schroders would be optimistic on the full year trading outlook.

Some pundits were also disappointed by news that funds under management at Schroders fell 2.3 pct in the three months to March 31 to 84.2 bln stg.

By 8.17 am, Schroders shares were down 23-1/4 pence at 662 pence.

(8.29 am)

Shares in South Staffordshire Group climbed 27-1/2 pence to 440 after the group revealed a 22 pct increase in annual profits and hiked the dividend total by 11.8 pct.

Elsewhere among mid-cap issues, Victrex shot up 17-1/2 to 317-1/2 after a near 36 pct gain in full-year numbers, while Carphone Warehouse edged up 1 to 84 after a 21.8 pct lift in annual profits.

(8.36 am)

# LSE opening reports summary

Shares in Compass Group were on offer among blue-chip issues after Dresdner Kleinwort Wasserstein downgraded the catering giant to 'add' from 'buy' and set a price target of 337 pence.

Shares in Compass, which has just snapped up 160,000 of its own shares for cancellation, were 5-1/2 pence off at 337-1/2 by 8.33 am.

END

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## Airlines shrug off Ryanair warning - UPDATE 4

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 317 words

**Dateline:** SAN FRANCISCO

### Body

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Continental Airlines' closely watched May pricing and revenue performance data was in line with what Deutsche Bank's airline analyst had expected. The carrier's load factor for the month rose 2.4 points to 75.9 percent. Among the strongest gainers, Continental shares rose 37 cents to \$12.78.

"This, coupled with a solid load-factor performance supports our view that fundamentals have bottomed, supply and demand is in balance, and our universe of airline stocks is on track to either meet or beat [earnings per-share] expectations for the June quarter," wrote Deutsche Bank's Susan Donofrio.

Northwest Airlines fell 7 cents to \$9.26.

Delta Air Lines rose 1 cent to \$13.86.

These two airlines and AirTran Holdings are Donofrio's top picks. AirTran fell 1 cent to \$7.59.

Citing improved liquidity, Standard & Poor's took AirTran's credit rating off its CreditWatch list and assigned the debt a "stable" outlook at "B-."

Reflecting concern over Ryanair's disclosure that it faces profit margin pressure and weaker revenue, shares traded down as much as 15 percent in London action.

In New York, shares of discount specialist Southwest Airlines fell 3 cents to \$16.14.

Low-fare upstart JetBlue Airways lost 3 cents to \$33.97.

Among the larger carriers, no. 1 airline AMR Corp. rose 8 cents to \$7.03.

Separately, US Airways will join the Star Alliance network of airlines. The group includes United Airlines

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## Airlines shrug off Ryanair warning - UPDATE 5

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June 3, 2003 Tuesday

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**Dateline:** SAN FRANCISCO

### Body

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- Continental Airlines led carriers higher Tuesday after a Wall Street analyst said the worst of the industry's historic downturn may be over. But in Europe, fast-growing airline Ryanair issued a financial warning.

The Amex Airline Index rose 0.2 percent.

Continental Airlines' closely watched May pricing and revenue performance was in line with what Deutsche Bank's airline analyst had expected. The carrier's load factor for the month rose 2.4 points to 75.9 percent. Among the strongest gainers at more than 4 percent, Continental gained 51 cents to \$12.92.

"This, coupled with a solid load-factor performance, supports our view that fundamentals have bottomed, supply and demand is in balance, and our universe of airline stocks is on track to either meet or beat [earnings per-share] expectations for the June quarter," wrote Deutsche Bank's Susan Donofrio.

Standard & Poor's also took the carrier's debt off of its CreditWatch list on Monday.

Northwest Airlines fell 7 cents to \$9.26.

Delta Air Lines gained 3 cents to \$13.88.

These two airlines and AirTran Holdings are Donofrio's top picks. AirTran rose 4 cents to \$7.64.

Citing improved liquidity, Standard & Poor's took AirTran's credit rating off its CreditWatch list and assigned the debt a "stable" outlook at "B minus."

Reflecting concern over Ryanair's disclosure that it faces profit margin pressure and weaker revenue, shares traded down as much as 15 percent in London action.

In New York, shares of discount specialist Southwest Airlines fell 11 cents to \$16.06.

Low-fare upstart JetBlue Airways lost 7 cents to \$33.93.

Among the larger carriers, No. 1 airline AMR Corp. rose 7 cents to \$7.02.

Separately, US Airways will join the Star Alliance network of airlines. The group includes No. 2 carrier United Airlines, which is bankrupt.

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## Airlines shrug off Ryanair warning - UPDATE 5

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## Airlines shrug off Ryanair as Continental rises - UPDATE 6

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June 3, 2003 Tuesday

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### Body

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- Continental Airlines led carriers higher Tuesday after a Wall Street analyst said the worst of the industry's historic downturn may be over. But in Europe, fast-growing airline Ryanair issued a financial warning.

The Amex Airline Index ended up 0.5 percent to 45.46, extending Monday's rally.

Continental Airlines' closely watched May pricing and revenue performance was in line with what Deutsche Bank's airline analyst had expected. The carrier's load factor for the month rose 2.4 points to 75.9 percent. Among the strongest gainers at more than 5 percent, Continental gained 70 cents to \$13.11.

"This, coupled with a solid load-factor performance, supports our view that fundamentals have bottomed, supply and demand is in balance, and our universe of airline stocks is on track to either meet or beat [earnings per-share] expectations for the June quarter," wrote Deutsche Bank's Susan Donofrio.

Standard & Poor's also took the carrier's debt off of its CreditWatch list on Monday.

Northwest Airlines fell 11 cents to \$9.22.

Delta Air Lines gained 2 cents to \$13.87.

These two airlines and AirTran Holdings are Donofrio's top picks. AirTran rose 12 cents to \$7.72.

Citing improved liquidity, Standard & Poor's took AirTran's credit rating off its CreditWatch list and assigned the debt a "stable" outlook at "B minus."

Reflecting concern over Ryanair's disclosure that it faces profit margin pressure and weaker revenue, shares traded down as much as 15 percent in London action. In New York, the stock ended down almost 6 percent.

In New York, shares of discount specialist Southwest Airlines fell 9 cents to \$16.08.

Low-fare upstart JetBlue Airways lost 1 cent to \$33.99.

Among the larger carriers, No. 1 airline AMR Corp. rose 7 cents to \$7.02.

Separately, US Airways will join the Star Alliance network of airlines. The group includes No. 2 carrier United Airlines, which is bankrupt.

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## Airlines shrug off Ryanair as Continental rises - UPDATE 6

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## Airlines shrug off Ryanair as Continental rises - UPDATE 7

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June 3, 2003 Tuesday

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**Dateline:** SAN FRANCISCO

### Body

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- Continental Airlines led carriers higher Tuesday after a Wall Street analyst said the worst of the industry's historic downturn may be over. But in Europe, fast-growing airline Ryanair issued a financial warning.

The Amex Airline Index rose 0.5 percent to close at 45.46, extending Monday's rally.

Continental Airlines' closely watched May pricing and revenue performance was in line with what Deutsche Bank's airline analyst had expected. The carrier's load factor for the month rose 2.4 points to 75.9 percent. Among the strongest gainers at more than 5 percent, Continental gained 70 cents to \$13.11.

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Separately, US Airways will join the Star Alliance network of airlines. The group includes No. 2 carrier United Airlines, which is bankrupt.

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## Airlines shrug off Ryanair as Continental rises - UPDATE 7

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## London shares - feature movements at midday

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June 3, 2003 Tuesday

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### Body

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FTSE 100 risers

Tesco 213 up 3-3/4

'outperform' - Citigroup; BNP Paribas positive

Exel 657-1/2 up 2-1/2

Rally

Scottish Power 369 up 1

'Buy' from 'neutral' with 420 pence target

Morrison Supermarkets 192-1/4 up 1/2

Defensive qualities; AGM Friday June 13

BP 429-3/4 up 1

Sanford Bernstein initiate coverage with 'outperform'

FTSE 100 fallers

Barclays 430-3/4 down 9-3/4

Uninspiring trading statement; switch to RBoS - ING; HSBC 'sell'

Schroders 670 down 15-1/4

Outlook, pension costs offset solid Q1 results

BAA 496-1/2 down 1-1/2

In-line results

AstraZeneca 2,489 down 26

HSBC 'reduce'

Old Mutual 85-1/2 down 1-3/4

Weaker market trend

Granada 87-3/4 down 2-1/4

Carlton merger doubts

3i Group 558 down 26-1/2

## London shares - feature movements at midday

Negative comment on company's remuneration policy; weak market trend

AMVESCAP 382-3/4 down 14-1/4

Weak market trend

Capita Group 224-1/4 down 11-1/4

FTSE 100 demotion fears

Friends Provident 115 down 3

Recent MSCI reshuffle

Dixons 108-3/4 down 3-1/4

Freeserve relationship doubts

WPP Group 507-1/2 down 16

Cordiant bid possibilities

British Airways 132-1/4 down 2-3/4

With Ryanair

GUS 642-1/2 down 6

'Underperform' - CSFB

Compass Group 338-1/4 down 4-3/4

'Add' from 'buy' with 337 pence target - Dresdner Kleinwort

J Sainsbury 268 down 2

'Underperform' with 265 pence target - BNP Paribas

FTSE 250 risers

South Staffordshire group 455 up 42-1/2

FY profits up 22 pct; dividend up 11.8 pct

Victrex 317-1/2 up 17-1/2

Near 36 pct interim profits increase; 'add' from 'hold' - Dresdner

Carphone Warehouse 86-1/4 up 3-1/4

22 pct FY profit increase; acquires Huchison's German business; HSBC 'add'

Tate & Lyle 321-1/4 up 6

Results due Thursday

Jarvis 314-1/2 up 3

Rally

FTSE 250 fallers

FKI 78-1/4 down 10-1/4

FY profits slump worst than feared; div cut 55 pct; Arbuthnot downgrades

Nestor Healthcare 226 down 16-1/2

Profits warning in AGM statement

easyJet 177 down 9

With Ryanair

Great Portland Estates 227-1/2 down 8-1/2

NAV down 11.2 pct; swing to FY losses; HSBC, Oriel 'reduce' advice

Interserve 238-1/2 down 7-1/2

Profit taking after contract news

Pilkington 70-3/4 down 1-3/4

'Reduce' from 'neutral' with target 55 pence; estimates cut - UBS Warburg



## London shares - feature movements at midday

Carlton Communications 135 down 5

Awaiting Granada merger developments

Invensys 18-1/4 down 1/4

Baan disposal disappoints; Goldman Sachs cuts estimates

Other risers

Landround 211-1/2 up 9

Bumper interims; SQC, Evolution Beeson Gregory upgrade full year

CyBIT 0.77 up 0.19

Upbeat trading statement

Redbus Interhouse 5.25 up 0.88

Cliff Stanford attempts second boardroom coup

Argonaut Games 8 up 3/4

Recent positive press comment on games sector

First Artist 4.75 up 0.38

Directorate change, disposal & restructuring

Toad 9.12 up 1.50

New managing director

Regus 39-1/4 up 3-1/2

US business expected to exit Chapter 11 soon

Motion Media 4 up 1/2

Cisco endorsement expected; talk of large order

Other fallers

CRC Group 79 down 67-1/2

FY profits warning

Ryanair Holdings 382-1/2 down 57

Average fares warning offsets 53 pct annual profits increase

Aortech International 10.50 down 3.50

Widening full-year losses

British Energy 4.25 down 0.55

4.3 bln stg FY loss after massive writedown

Alphameric 43 down 3

Full-year profits warning

Kewill Systems 39-3/4 down 3-1/4

Narrowing full-year losses fail to excite

Christian Salvesen 55 down 5-1/2

Negative post-results press comment

Ashtead Group 17 down 1-1/4

Profit taking after debt reshuffling

Big Food Group 75 down 6-3/4

Baugur bid doubts

fjb/rn

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London shares - feature movements at midday

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## London shares - feature movements at 10.00 am

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FTSE 100 risers

Exel 660-1/2 up 5-1/2

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Morrison Supermarkets 192-1/2 up 3/4

Defensive qualities; AGM Friday June 13

Man Group 1,234 up 1/2

Benefits of declining markets

Tesco 210-1/2 up 1-1/4

'Outperform' & switch from J Sainsbury - Citigroup Smith Barney

FTSE 100 fallers

Barclays 428-1/2 down 12

Uninspiring trading statement; switch to RBoS - ING; HSBC 'sell'

BAA 496-1/2 down 1-1/2

In-line results

AstraZeneca 2,472 down 43

HSBC 'reduce'

Old Mutual 83-3/4 down 3-1/2

Weaker market trend

Granada 87-3/4 down 2-1/4

Carlton merger doubts

3i Group 560-3/4 down 23-3/4

Negative comment on company's remuneration policy; weak market trend

AMVESCAP 382-1/4 down 14-3/4

London shares - feature movements at 10.00 am

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Recent MSCI reshuffle

Dixons 108-3/4 down 3-1/4

Freeserve relationship doubts

WPP Group 508 down 15-1/2

Fears of possible bid for Cordiant

British Airways 132-1/4 down 2-3/4

With Ryanair

GUS 638 down 10-1/2

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Near 36 pct interim profits increase

Carphone Warehouse 86 up 3

22 pct FY profit increase; acquires Huchison's German business; HSBC 'add'

Canary Wharf 181-3/4 up 2-1/2

Positive comment in Mail on Sunday supports

Stagecoach 55-1/4 up 3/4

Sale of part of loss-making Coach USA completed

Chubb 63-1/2 up 1

Awaiting bid developments

Jarvis 313-1/2 up 2

Rally

JJB Sports 210 up 1

Rally

FTSE 250 fallers

FKI 78 down 10-1/2

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Profits warning in AGM statement

easyJet 175 down 11

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London shares - feature movements at 10.00 am

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Cliff Stanford attempts second boardroom coup

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Recent positive press comment on games sector

First Artist 4.75 up 0.38

Directorate change, disposal & restructuring

Other fallers

Ryanair Holdings 398-1/2 down 41

Average fares warning offsets 53 pct annual profits increase

Aortech International 9.25 down 4.75

Widening full-year losses

Alphameric 41 down 5

Full-year profits warning

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Narrowing full-year losses fail to excite

Christian Salvesen 56 down 4-1/2

Negative post-results press comment

Ashtead Group 17 down 1-1/4

Profit taking after debt reshuffling

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## London shares - feature movements at midday

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### Body

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FTSE 100 risers

Tesco 213-1/2 up 4-1/4

Positive comments from Smith Barney

Scottish Power 373-1/2 up 5-1/2

UBS Warburg upgrades to 'buy' from 'neutral' with 420 pence target

Gallaher 611 up 2

Defensive qualities

FTSE 100 fallers

Capita Group 223 down 12-1/2

FTSE 100 demotion fears

Barclays 429-3/4 down 10-3/4

Uninspiring trading statement; switch to RBoS - ING; HSBC 'sell'

Schroders 668 down 17-1/4

Outlook, pension costs offset solid Q1 results

Old Mutual 84-3/4 down 2-1/2

Weaker market trend hits insurers

3i Group 563-1/2 down 21

Negative comment on company's remuneration policy; weak market trend

AMVESCAP 384 down 13

Weak market trend

Compass Group 338 down 5

'Add' from 'buy' with 337 pence target - Dresdner Kleinwort

ICI 136-1/4 down 3-3/4

Citigroup cuts earnings estimates across European chemicals sector

FTSE 250 risers

London shares - feature movements at midday

South Staffordshire 456 up 43-1/2

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Near 36 pct interim profits increase; 'add' from 'hold' - Dresdner

First Choice 98-1/2 up 4-1/2

BAA's bigger-than-expected rebound in May passenger volumes

Carphone Warehouse 86-1/4 up 3-1/4

22 pct FY profit increase; acquires Huchison's German business; HSBC 'add'

AWG 524 up 13

Bream takeover efforts reaching a head

Tate & Lyle 321-3/4 up 6-1/2

Results due Thursday

FTSE 250 fallers

FKI 76 down 12-1/2

FY profits slump worst than feared; div cut 55 pct; Arbuthnot downgrades

ARM Holdings 78 down 6-1/4

WSTS cuts 2003 global chip sales growth target

easyJet 175 down 11

Rival Ryanair warns low fare environment set to persist

Nestor Healthcare 232-1/2 down 10

Profits warning in AGM statement

Great Portland Estates 228-1/2 down 8-1/2

NAV down 11.2 pct; swing to FY losses; HSBC, Oriel 'reduce' advice

Interserve 238-1/2 down 7-1/2

Profit taking after contract news

Pilkington 70-1/4 down 2-1/4

'Reduce' from 'neutral' with target 55 pence; estimates cut - UBS Warburg

Carlton Communications 134-3/4 down 5-1/4

Awaiting Granada merger developments, switch advice from ABN Amro Monday

Invensys 18 down 1/2

Baan disposal disappoints; Goldman Sachs cuts estimates

Other risers

Toad 9.37 up 1.75

New managing director

Landround 210 up 8-1/2

Bumper interims; SQC, Evolution Beeson Gregory upgrade full year

CyBIT 0.70 up 0.12

Upbeat trading statement

Redbus Interhouse 5.00 up 0.63

Cliff Stanford attempts second boardroom coup

First Artist 4.75 up 0.38

Directorate change, disposal & restructuring

Regus 40 up 5-1/4

London shares - feature movements at midday

US business expected to exit Chapter 11 soon

Motion Media 43-3/4 up 1/4

Cisco endorsement expected; talk of large order

Other fallers

CRC Group 73-1/2 down 73

FY profits warning

Aortech International 10.12 down 3.88

Widening full-year losses, to restructure ops

British Energy 4.25 down 0.55

4.3 bln stg FY loss after massive writedown

Ryanair Holdings 380-1/2 down 59

Average fares warning offsets 53 pct annual profits increase

Alphameric 43 down 3

Full-year profits warning

Kewill Systems 39-3/4 down 3-1/4

Narrowing full-year losses fail to excite

Christian Salvesen 55 down 5-1/2

Negative post-results press comment

Ashtead Group 16-3/4 down 1-1/2

Profit taking after debt reshuffling

nm/sd/sk

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
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**Load-Date:** June 4, 2003





## London shares - late feature movements

AFX.COM

June 3, 2003 Tuesday

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**Section:** MARKETS

**Length:** 562 words

### Body

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FTSE 100 risers

Tesco 215-1/2 up 6-1/4

Smith Barney recommends switch out of Metro, Sainsbury

Scottish Power 376-1/2 up 8-1/2

UBS Warburg upgrades to 'buy' from 'neutral' with 420 pence target

Rentokil 185-3/4 up 2-1/4

Continues buyback programme

National Grid Transco 407 up 3

JP Morgan reiterates 'overweight', 515 pence target

Alliance & Leicester 842 up 4

Hosting analysts' meeting

mmO2 63-1/4 up 1/4

Completes sale of O2 Netherlands; Merrill Lynch 'buy'

BAA 498-1/4 up 0-1/4

FY results at top end of forecasts; WestLB upgrades

FTSE 100 fallers

Capita Group 223 down 12-1/2

Confirms 300 jobs to go at insurance division; FTSE 100 demotion fears

AMVESCAP 381 down 16

Downbeat results from peer Schroders

Granada 86-1/2 down 3-1/2

Media stocks slide to profit-taking

Reuters 175-1/4 down 7

Media stocks slide to profit-taking

WPP Group 506 down 17-1/2

## London shares - late feature movements

Media stocks slide to profit-taking

Sage Group 163 down 4

Profit taking after PeopleSoft boosts sector consolidation hopes yesterday

Boots 623-1/2 down 15

FY results due Thursday

Daily Mail 593-1/4 down 13-3/4

Media stocks slide to profit-taking

BSkyB 655 down 15

Media stocks slide to profit-taking

Schroders 670 down 15-1/4

Cautious outlook, pension costs offset solid Q1 results

Barclays 435 down 5-1/2

Uninspiring trading statement; switch to RBoS, say ING and WestLB Panmure

FTSE 250 risers

South Staffordshire 454 up 41-1/2

FY profits up 22 pct; dividend up 11.8 pct

First Choice 98-1/2 up 4-1/2

BAA's passenger volumes boost hopes ahead of H1 due June 10; bid speculation

Carphone Warehouse 86-1/4 up 3-1/4

FY profit up 22 pct, buys Huchison's German unit; Merrills, HSBC upgrade

Victrex 317-1/2 up 17-1/2

Near 36 pct interim profits increase; 'add' from 'hold' - Dresdner

AWG 524 up 13

FY results tomorrow

FTSE 250 fallers

FKI 77 down 11-1/2

FY profits slump worst than feared; div cut 55 pct; Arbuthnot downgrades

Easyjet 174-1/4 down 11-3/4

Main rival Ryanair cautions on outlook

ARM Holdings 79 down 5-1/4

WSTS cuts 2003 global chip sales growth target

Colt Telecom 71-3/4 down 3-1/4

Profit taking after broker comment yesterday

Geest 422-1/2 down 19

Bid speculation fades; recent UBS Warburg downgrade

Nestor Healthcare 236-1/2 down 6

Profits warning in AGM statement

Great Portland Estates 230-1/2 down 5-1/2

NAV down 11.2 pct; swing to FY losses

Other risers

Toad 9.25 up 1.63

Appoints new managing director

Weatherly 0.08 up 0.01

## London shares - late feature movements

To maintain listing on AIM

Cybit 0.70 up 0.12

Says to post narrower-than-expected FY loss

Redbus Interhouse 5.00 up 0.63

Cliff Stanford attempts second boardroom coup

Other fallers

CRC Group 73-1/2 down 73

FY profits warning

Aortech International 10.37 down 3.63

Widening full-year losses, to restructure ops

Booth Industries 12-1/2 down 2

To transfer to AIM

British Energy 4.35 down 0.45

4.3 bln stg FY loss after massive writedown

Ryanair Holdings 404-1/2 down 35

Average fares warning offsets 53 pct annual profits increase

bge/shw

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**Load-Date:** June 4, 2003



## Europe declines, Alcatel lower after convertible deal - UPDATE 2

AFX.COM

June 3, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 589 words

**Dateline:** LONDON

### Body

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- European markets headed lower on Tuesday amid a chip stock decline, a retreat in the overnight and an IBM accounting scandal.

The German DAX Xetra 30 index fell 1.2 percent to 3,036 while the French CAC 40 index dropped 0.8 percent to 3,024.

London markets were also lower amid results from Barclays, BAA, Schroders, Ryanair and Carphone Warehouse .

The euro eased to \$1.1717 vs. the U.S. dollar. The G-8 meeting of the world's largest economies did not end up issuing a statement on currency movements.

The overnight saw the Dow Jones Industrial Average retreat from gains while European markets were open on Tuesday, finishing higher by 47 points. IBM also said it was under investigation by the U.S. Securities and Exchange Commission on its revenue recognition practices. .

On the economic front, French consumer confidence rose from -29 in April to -27 in May, the INSEE statistics agency. The April unemployment rate in the eurozone met consensus estimates at 8.8 percent, while the April PPI eased 0.4 percent, a tick more than the 0.3 percent consensus expectation.

Of stocks in the spotlight, French telecom equipment maker Alcatel dropped 5.6 percent as it said that it will launch a 1 billion euro convertible deal, which will have a maximum dilution of 4.7 percent. The proceeds will be used primarily to the partial repurchase of three Alcatel bonds maturing in 2004 and 2005, the company said. The bonds will carry a fixed annual interest of 4.75 percent.

Microchip shares were lower in Europe following their run-up in previous sessions.

German memory chip maker Infineon Technologies shares were off 4.4 percent, Franco-Italian chip producer STMicroelectronics declined 3.1 percent, German chipmaker EPCOS fell 3.5 percent and Dutch chip equipment maker ASML was off 3.9 percent.

The World Semiconductor Trade Statistics said that the first quarter sales were below expectations and that 2002 sales were below expectations, at \$141 billion. The WSTS said chip industry should grow 11.5 percent during 2003 to \$156.9 billion worldwide, against prior estimates of 16.6 percent growth. Sensors, digital signal processors and flash EEPROMS should grow above 25 percent, it added.

## Europe declines, Alcatel lower after convertible deal - UPDATE 2

Lagardere eased 2.5 percent as the European Commission authorities have identified over 100 markets where purchase of Vivendi Universal's book business is uncompetitive, the Financial Times said Tuesday, citing people close to the division. The concern is that Hachette, Lagardere's subsidiary, would have a dominant presence in the French publishing industry.

Vivendi shares eased 1.1 percent.

Insurer AXA was upgraded by JPMorgan from underweight to overweight on the back of strong inflows in unit-linked life and asset management units. The broker saw the stock should perform strongly as soon as investors are part considering first half 2003 results, which are due August 12. AXA shares were lower by 1.2 percent in Paris.

Franco-Spanish tobacco group Altadis was lower by more than 6 percent on Tuesday, as Standard & Poor's revised its outlook to negative following Altadis' announcement of a debt-financed acquisition of 80 percent of Moroccan tobacco monopoly Rgie Nationale des Tabacs Marocains.

"The negative outlook reflects the fact that Altadis has exhausted its flexibility within its current rating," the ratings agency said, even as it said the deal should boost Altadis' profile.

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**Load-Date:** June 4, 2003

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## Europe declines, Alcatel lower after convertible deal - UPDATE 3

AFX.COM

June 3, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 667 words

**Dateline:** LONDON

### Body

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- European markets headed lower on Tuesday amid a chip stock decline, a retreat in the overnight and an IBM accounting scandal.

The German DAX Xetra 30 index fell 1.2 percent to 3,036 while the French CAC 40 index dropped 0.8 percent to 3,024.

London markets were also lower amid results from Barclays, BAA, Schroders, Ryanair and Carphone Warehouse .

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Of stocks in the spotlight, French telecom equipment maker Alcatel dropped 5.6 percent as it said that it will launch a 1 billion euro convertible deal, which will have a maximum dilution of 4.7 percent. The proceeds will be used primarily to the partial repurchase of three Alcatel bonds maturing in 2004 and 2005, the company said. The bonds will carry a fixed annual interest of 4.75 percent.

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Akzo Nobel improved 1.1 percent in a declining Amsterdam stock market on Tuesday after announcing that it will cut up to 200 jobs in its surface chemistry division amid a restructuring. In North America, the reduction of up to 120 people will be primarily in production, while in Europe, the changes will primarily occur in administration, R&D and sales, Akzo said. This story was supplied by CBSMarketWatch. For further information see [www.cbsmarketwatch.com](http://www.cbsmarketwatch.com).

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**Load-Date:** June 4, 2003



## Europe declines, Alcatel lower after convertible deal - UPDATE 4

AFX.COM

June 3, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 667 words

**Dateline:** LONDON

### Body

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- European markets headed lower on Tuesday amid a chip stock decline, a retreat in the overnight and an IBM accounting scandal.

The German DAX Xetra 30 index fell 1.2 percent to 3,026 while the French CAC 40 index dropped 0.9 percent to 3,020.

London markets were also lower amid results from Barclays, BAA, Schroders, Ryanair and Carphone Warehouse .

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On the economic front, French consumer confidence rose from -29 in April to -27 in May, the INSEE statistics agency said. The April unemployment rate in the eurozone met consensus estimates at 8.8 percent, while the April PPI eased 0.4 percent, a tick more than the 0.3 percent consensus expectation.

Of stocks in the spotlight, French telecom equipment maker Alcatel dropped 5.6 percent as it said that it will launch a 1 billion euro convertible deal, which will have a maximum dilution of 4.7 percent. The proceeds will be used primarily to the partial repurchase of three Alcatel bonds maturing in 2004 and 2005, the company said. The bonds will carry a fixed annual interest of 4.75 percent.

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**Load-Date:** June 4, 2003



## LSE opening - Ryanair indicated lower after FY figs, but HSBC still a fan

AFX.COM

June 3, 2003 Tuesday

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**Section:** MARKETS

**Length:** 104 words

**Dateline:** LONDON

### Body

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Shares in Ryanair, the Dublin-based no frills airline, were indicated lower in nervous pre-market trade as its cautiously optimistic trading outlook failed to calm nerves about the medium-term outlook for the airline. The airline's comments came as it reported in-line figures for the year to March.

HSBC Securities, however, remains a fan of the discount airline, continuing to rate the stock a 'buy' at current levels.

At 7.55 am, Ryanair shares were indicated 16 pence lower at 423-1/2 pence.

nm/rn

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** June 4, 2003



## **Ryanair launches new personal loans in Ireland with GE Capital Woodchester**

AFX.COM

May 28, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 62 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said Ryanair.com has launched new personal loans in Ireland with free travel insurance offer with GE Capital Woodchester.

The free travel insurance is available for a year for the first 500 customers who take out a loan.

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ra

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**Load-Date:** May 29, 2003

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End of Document



## UK flights to France hit by strike action

AFX.COM

May 27, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 91 words

**Dateline:** LONDON

### Body

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The majority of UK airlines' flights to and from France today have been cancelled due to general strike action by French air traffic controllers.

British Airways PLC, easyJet PLC, Ryanair Holdings PLC, and bmi british midland said they have cancelled all but a handful of services.

The strike action is expected to run from 6.00 am to 11.00 pm Tuesday. However, services are not expected to get back to normal until Wednesday.

jdd/ak

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**Load-Date:** May 28, 2003



## Oslo shares AFX at a glance outlook

AFX European Focus

May 23, 2003 Friday

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**Section:** MARKETS

**Length:** 200 words

**Dateline:** OSLO

### Body

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Shares are expected to open slightly higher after Wall Street's positive performance overnight, dealers said.

Yesterday, the OSEBX Benchmark index closed 1.81 points higher at 122.25 on turnover of 1.96 bln nkr.

#### FORTHCOMING EVENTS

##### TODAY

-Bergesen share offer from World Nordic closes

##### MONDAY

-nothing expected

##### TODAY'S PRESS

-Frontline increases state of readiness on all ships after terror threats (Dagens Naeringsliv)

-Statoil, Norsk Hydro issues travel warnings on terror fear (Dagens Naeringsliv)

-Trade unions, municipalities seek to stop KLP restructuring to plc (Dagens Naeringsliv)

-SAS reports Ryanair to Scandinavian consumer ombudsman for breach on marketing law (Dagens Naeringsliv)

-Merkantildata's Eterra sees lawsuit after 70 workers made illegal copies of movies, music (Dagens Naeringsliv)

-Tandberg said sales guidance was in krone at Q1 web conference, not in dollar (Finansavisen)

-Rig owners on Oslo Bourse has seen 3 bln nkr writedowns on rig value in 2003 (Finansavisen)

kj/rk/lam

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**Load-Date:** May 24, 2003



## Ryanair refers Easyjet to Advertising Standards Authority

AFX.COM

May 22, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 81 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it referred an Easyjet PLC ad which contains "false claims" to the Advertising Standards Authority.

In yesterday's papers Easyjet ran an ad claiming to offer the "lowest fares to the Sun", Ryanair said, adding that "this is factually untrue because Easyjet don't offer the lowest fares to the Sun, the Moon or anywhere else".

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sk/

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**Load-Date:** May 23, 2003



## Ryanair offers free flights between Finland and Sweden until June 20

AFX European Focus

May 21, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 223 words

**Dateline:** HELSINKI

### Body

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Ryanair Holdings PLC said it will offer tickets for free for all seats on its flights between Finland and Sweden until June 20, with passengers only having to pay airport taxes.

The news came after troubled Finnish flag carrier Finnair reported yesterday its largest quarterly loss in five years and said the coming quarters will also remain weak.

"Our main competitor in this market is clearly Finnair," said sales and marketing manager Sinead Finn at a news conference in Helsinki.

"As we will open new routes to Finland the customers will have a choice between Finnair and Ryanair, and we are much cheaper," she said.

In the beginning of April Ryanair opened its first route to Finland, from Stockholm to Tampere.

During April there were over 9,000 passengers on this route, and in May the target is set at 12,000 passengers, it said.

Finn said Ryanair is currently in talks with 10 possible new bases and also with about 50 new airports to open new routes to, but the decisions are expected at earliest in September.

She did not want to specify the possible destinations, but said that some of the airports and possible bases are in the Nordic region.

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**Load-Date:** May 22, 2003



## **SAS unit Snowflake April capacity usage over 72 pct, to open new routes**

AFX European Focus

May 14, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 111 words

**Dateline:** STOCKHOLM

### **Body**

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Scandinavian Airline Systems AB said its new discount unit Snowflake had a capacity usage of over 72 pct in April - its first full month of operations, and has to date sold over 200,000 seats.

The company said Snowflake now plans to commence flights to Beirut, Belgrade, and Lyon from Stockholm, and to Istanbul from Copenhagen, starting from Oct 26.

It is also looking at ways of establishing Snowflake in Norway.

SAS launched Snowflake on March 30 in a bid to counter competition from discount carriers, such as Ryanair Holdings PLC.

sjr/cml

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**Load-Date:** May 15, 2003





## London shares - feature movements at 3.00 pm

AFX.COM

May 13, 2003 Tuesday

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**Section:** MARKETS

**Length:** 608 words

### Body

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FTSE 100 risers

Marks & Spencer 311 up 9-3/4

Dresdner Kleinwort ups to 'reduce' from 'sell'

BAA 513 up 11-3/4

EU rules golden share breaches EU law, exciting bid hopes

Pearson 507-3/4 up 10

Robust Havas first-quarter figures

Dixons 123 up 2-1/2

Debenhams, Selfridges bids spark takeover hopes

ICI 132 up 4

Lehmans moves to 'overweight' from 'equal-weight', 220 pence price target

Mitchells & Butlers 224-1/2 up 4-1/2

Hopes of 300 mln stg return to shareholders

WPP 465-1/4 up 8-3/4

Encouraging Havas new business figures, outlook

BSkyB 687 up 9

Robust results, 150,000 customers added in Q3

Compass 306-3/4 up 4-3/4

Results next week

FTSE 100 fallers

Xstrata 361 down 17

ABN Amro recommends 'underweight' in mining sector

BAE Systems 129 down 3-1/4

Sentiment hit by Saudi bombings

Granada 66 down 1-1/2

London shares - feature movements at 3.00 pm

Continuing concerns over progress of Communications Bill through Parliament  
Intercontinental Hotels 415 down 8-1/2  
Saudi suicide bombings seen depressing global travel yet further  
Safeway 267-1/2 down 4  
Results due this Thursday  
BG 253 down 4  
First-quarter results  
Scottish & Newcastle 363 down 1  
Portuguese expansion move  
Cable & Wireless 81-1/4 down 1/2  
Results this Thursday  
FTSE 250 risers  
Chelsfield 246-1/2 up 14  
Hopes of sale of loss-making internet hotel division; sector bid speculation  
Dairy Crest 423 up 23  
Solid results from Robert Wiseman yesterday  
Luminar 402-1/2 up 19  
Results Monday May 19  
Xansa 85 up 3-1/2  
Nasdaq gains last night improve sentiment across IT stocks  
Matalan 206-1/4 up 2-3/4  
Bid speculation in retail sector  
FTSE 250 fallers  
Lonmin 796 down 49  
Profit taking as merger speculation dies down  
Geest 489 down 24-1/2  
'Reduce' from 'hold' with 435 pence target - ABN Amro  
Ultraframe 252 down 9  
Profit taking after interims  
Cairn Energy 298-1/2 down 9  
'Sell' from 'hold' - Williams de Broe  
Easyjet 197 down 3-1/2  
Negative comments on passenger yield from Ryanair  
Other risers  
Stilo International 5.25 up 1.25  
Speculative interest revives after recent bids in retail sector  
iRevolution Group 1.75 up 0.38  
In possible offer talks  
Sterling Publishing 10.25 up 1.25  
Trading update not as bad as feared  
Intec Telecom Systems 19-1/2 up 2-1/4  
3G mobile mediation deal with Taiwan-based Asia Pacific Broadband  
British Energy 7.40 up 09

London shares - feature movements at 3.00 pm

Restructuring approved last week

Tepnel Life 8.25 up 0.25

Peanut detection test gets Performance-Tested Method status

Retail Decisions 4.75 up 0.50

Hints of several large deals - Independent newspaper

Yates Group 87 up 32-1/2

Talk of 105 pence-a-share bid; stock overhang cleared

Empire Interactive 4.37 up 0.12

Distribution deal signed with SEGA

Other fallers

Xenova Group 10-1/4 down 9-1/2

Co halts Phase III trials of tariquidar cancer drug on safety grounds

MacFarlane Group 28-1/2 down 8

Warns on lower distribution sales

Planit Holdings 20 down 4-1/2

Sees full year profit significantly below market expectations

Cordiant 7-1/2 down 1

Arbuthnot 'sell'; company does not expect early bids to match share price

Marconi 1.01 down 0.21

Plans 717 mln usd issue of new senior notes

Manganese Bronze 69 down 21

Former chairman withdraws offer

Abacus Group 205 down 10

Lower interims

sd/gl/jmh/slm/

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**Load-Date:** May 14, 2003



## EU inquiry into alleged Ryanair aid from Charleroi prompts new complaints

AFX European Focus

May 12, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 159 words

**Dateline:** BRUSSELS

### Body

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The European Commission's investigation into Charleroi airport, which is accused of giving subsidies to Ryanair PLC, has prompted complaints from other airports, said a spokesman.

"We received complaints relating to other European airports," he said, but declined to identify the plaintiffs or the airports concerned.

He added that it is "not very probable" that another investigation will be launched before the conclusion of the Charleroi inquiry.

The commission launched a probe on Dec 11 into reductions in landing taxes and a guarantee that the costs of maintaining a hub in Charleroi would be fixed for the period of the 15 year contract with Ryanair.

Commission officials said the probe was launched because of concerns that these benefits were not offered to other airlines and were therefore anti-competitive.

mcc/jlw

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**Load-Date:** May 13, 2003



## **Ryanair says 95.62 pct of flights in April arrived on time**

AFX European Focus

May 8, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 57 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said 95.62 pct of all its 11,332 flights during April 2003 arrived on time.

Complaints registered at less than 1 complaint per 1000 passengers.

Misled baggage registered at 0.61 misled bags per 1000 passengers.

rn

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** May 9, 2003



## ROUNDUP easyJet cautious on outlook as reports hefty H1 loss

AFX European Focus

May 7, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 1166 words

**Dateline:** LONDON

### Body

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easyJet PLC, the Luton based low-cost airline whose shares fell to an all-time low last week, has slumped to a 48.1 mln stg first half loss and cautioned that with yields under pressure visibility on the full year outcome is months away.

But despite the disappointment chief executive Ray Webster remained upbeat, describing the 374 mln stg acquisition of rival Go-Fly, the abortive move to purchase British Airways PLC's Deutsche BA and the decision to buy Airbus A319 aircraft as "fundamental strategic projects that were fully justified."

He told AFX News: "I'm very confident that we're very well positioned and you'll see bottom line performance coming through to reflect that over the next two or three years."

easyJet, which operates 105 routes between 38 destinations and 11 countries, traditionally reports a small first half loss. However, losses this year were exacerbated by the later timing of Easter, weakness in fares in the build-up to and onset of military conflict in Iraq and the slowing of European economies.

For the six months to March 31 2003, easyJet reported a loss before goodwill, non-recurring items and tax of 24.4 mln stg versus a reported profit of 0.8 mln stg last time.

However, after taking account of goodwill of 8.9 mln stg, non-recurring expenses relating to the integration of Go-Fly of 5.6 mln stg and costs associated with the option (not taken up) to purchase Deutsche BA of 9.2 mln stg, the reported pretax loss was 48.1 mln stg -- a figure at the bottom end of sector analysts' forecasts of a pretax loss of 49-35.1 mln stg.

The hefty first half loss was notched-up despite record revenues of 373 mln stg for the first half, up 92 pct and reflecting last August's purchase of Go-Fly.

On a proforma basis, assuming a combined easyJet and Go-Fly in 2002, the underlying revenue increase was 25 pct.

First half passenger numbers were up 40 pct to 9.3 mln and load factor --the number of passengers as a proportion of the number of seats available -- was up 1.1 points to 82.2 pct.

However, the average fare (yield) was 37.45 stg, 10.7 pct lower than last year.

Despite the shortfall Webster maintained easyJet's business model remains robust.

## ROUNDUP easyJet cautious on outlook as reports hefty H1 loss

"It is clear, as we move towards the busy summer period, that passengers are still willing to travel within Europe and they are responsive to price."

He pointed out that April passenger traffic was up 34 pct with a load factor of 85.1 pct, while yields were down 3 pct year-on-year. The month benefited from the Easter holiday and from pent-up demand following the hostilities in Iraq.

Forward bookings indicate that revenue per flight in May is "tracking close to last year", whereas June "appears weaker", although a much lower proportion of June's seats have currently been booked.

Webster cautioned: "At this point in time it is too early to have visibility regarding the financial outcome for the full year, as the strength of fares over our crucial summer period is not likely to be clear for a couple of months.

"However, we expect to maintain high load factors, albeit with yields continuing to be under some pressure compared to last year, offset to an extent by the reduction in the rate of growth of capacity which occurs in the second half of the year."

Webster also pointed out that the low-cost sector traditionally does better than other travel sectors in a recession and suggested the negative impact SARS is having on long-haul travel could act as a boost to short-haul European routes.

He also noted that the integration of Go-Fly is proceeding ahead of plan.

"The business of putting the two companies together is now behind us and the top team is now focusing on what are the next big ideas we can implement to take costs out of the business and enhance revenues," he said.

One major initiative is to increase easyJet's share of the business market. The airline recently launched a 'Travel Manager' facility on its website which assists corporates in using the easyJet product.

Costs will still be cut aggressively, easyJet confirming today that a further 50 jobs will be axed at its Luton head office. It is also moving to outsource the management of handling companies in Geneva and Luton.

The chief executive explained that easyJet is "kick-starting" the market after the shock of the Iraq war with a 'tax free' fare promotion, effectively knocking 5 stg or 10 pct off fares.

The airline is currently engaged in a war of words with low-cost rival Ryanair Holdings PLC.

Ryanair has altered its strategy. After years of attacking national carrier British Airways PLC it is now aiming its guns at easyJet.

A current Ryanair advertising campaign compares easyJet executives to Said al-Sahhaf, the self-styled Iraqi Information Minister, who became known as 'Comical Ali' during the war due to his outrageously optimistic pronouncements on the coalition forces.

Last night Ryanair announced it will give away 1,000 'free seats' for every 1 mln eur easyJet lost in the first half.

"Nothing surprises us about Ryanair," Webster said today.

He dismissed Ryanair's campaign as a gimmick and said easyJet's own analysis suggested it is actually benefiting from the Ryanair onslaught.

By 12.35 pm easyJet shares -- which have come off a 503-1/4 pence March 2002 high and hit a historic closing low of 173-1/2 pence last Friday -- had rallied 8-1/2 pence to 196-1/4.

easyJet's lowly rating has fuelled vague rumours that the airline could be vulnerable to a takeover bid, perhaps from Southwest Airlines, the American pioneer of low-cost air travel.

"I guess anything is possible," said Webster. "But I think anyone who's got shares will be looking for a lot of upside to come through in any transaction, so I suspect that may put the dampeners on it."

Merrill Lynch said it is reviewing its current year to end-September 2003 operating profit forecast for easyJet of 70.8 mln stg. Although the broker reiterated its 'neutral' recommendation, it sees the balance of risk as on the downside due to the likelihood of further yield erosion.

## ROUNDUP easyJet cautious on outlook as reports hefty H1 loss

Citigroup's Smith Barney is maintaining its 'outperform, high risk' rating with a target price of 316 pence.

The broker expects flat average fares in the second half. It said its earnings forecast for the second half will be dependent on cost relief from lower fuel prices, the weak US dollar and a strong euro.

"We continue to believe in easyJet's business model and that these disappointing results are mainly due to excessive capacity growth (now slowed down), immaturity of the Go-Fly network, and an unhedged fuel position."

Meanwhile, Williams de Broe repeated its 'sell' stance

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jdd/kl

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**Load-Date:** May 8, 2003

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End of Document





## **Ryanair April passengers 1.474 mln vs 1.103 mln; load factor 79 pct vs 80**

AFX European Focus

May 6, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 98 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said it carried 1.474 mln passengers in April, compared with 1.103 mln in the same month last year.

Passenger numbers for the 12 months ending April 30 totalled 16.108 mln.

The load factor dropped slightly in April to 79 pct from 80 in the same month last year. For the 12 months to end-April, the load factor was 85 pct.

Internet sales accounted for 94 pct of total sales last month, up from 91 pct in April 2002.

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**Load-Date:** May 7, 2003



## **Ryanair gets German court approval to compare Frankfurt fares with Lufthansa's**

AFX European Focus

April 30, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 89 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said the Cologne Appeal Court acknowledged in an oral hearing that the low-cost airline can compare its one-way fares out of Frankfurt's Hahn airport with Lufthansa AG's one-way fares out of Frankfurt's main airport.

The court also confirmed that Ryanair can compare its services where Lufthansa gets together with another airline to offer flights on a competing route with Ryanair.

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For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
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**Load-Date:** May 1, 2003



## UK govt clears Ryanair's acquisition of Buzz Airlines from KLM

AFX European Focus

April 29, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 44 words

**Dateline:** LONDON

### Body

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The Office of Fair Trading said it has cleared the completed acquisition by Ryanair Holdings Plc of the Buzz Airlines Service from

KLM Royal Dutch Airlines.

sk/

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
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**Load-Date:** April 30, 2003



## AFX UK at a glance share guide

AFX.COM

April 28, 2003 Monday

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**Section:** MARKETS

**Length:** 1987 words

### Body

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#### MARKETS

FTSE 100 3,870.2, down 28.8

FTSE 250 4,298.2, down 38.5

FTSE techMARK 100 659.27, down 7.00

FTSE Eurotop 300 807.36, down 1.29 pct

DJIA 8,306.35, down 133.69

Nasdaq composite 1,434.54 down 22.69

usd/stg 1.591 vs. 1.592.; yen/usd 120.4 vs. 119.9.

stg/eur 0.693 vs. 0.691; usd/eur 1.102 vs. 1.104

Brent Crude: June 24.09 usd vs 24.33

Gold: 333.70 usd vs 334.25

US Long bond yield: 4.82 pct

#### WEEKEND TAKEOVER NEWS & GOSSIP

\* ALLIANCE & LEICESTER next in firing line over pay-off clauses - Sat

Independent

\* VODAFONE in talks to buy independent mobile service provider Singlepoint -

Sat Times

\* AVIVA seeking a merger of partial sale of its troubled fund manager

business, Morley - Sun Telegraph

\* ABBEY NATIONAL set to offload offshore insurers - Sun Telegraph

\* LLOYDS TSB to axe a third of its 1,800 branch advisers as sales plummet -

Mail on Sunday

\* FRIENDS PROVIDENT with-profits policyholders unlikely to see any future

bonuses - Mail on Sunday

\* SCOTTISH & NEWCASTLE seeks to raise 2 bln stg by selling pubs division -

## AFX UK at a glance share guide

### Sun Telegraph

- \* ICI boss poised to signal job cuts with results this week - Business
- \* MYTRAVEL at risk as lifeline runs out following disclosure of new financial information - Mail on Sunday
- \* POWDERJECT to agree 500 mln stg takeover by US firm Chiron Corp. - Sun Telegraph
- \* STAGECOACH could be forced to downgrade full year forecasts in trading update - Business
- \* Rivals fight French aid for RYANAIR - Mail on Sunday
- \* Doubts over new C&W chief executive's record - Sun Times
- \* HSBC new US executive Aldinger set to make 60 mln usd - Observer
- \* STANDARD CHARTERED probed over arms bribery claims - Observer
- \* SOMERFIELD stalkers plan 570 mln stg increased bid - Sun Express
- \* TESCO plans to fire first shots in new supermarket price war - Sun Express
- \* Cazenove replaces HSBC as MANCHESTER UNITED's financial adviser - Sat FT
- \* Takeover threat puts MANCHESTER UNITED fans on alert - Observer
- \* UNITED BUSINESS MEDIA has been forced to cancel a number of key exhibitions because of the SARS virus - Observer
- \* UTC moves ahead with bid talks for CHUBB - Sun Times
- \* RAC looking 'to rescue Silver Shield' - Sun Express
- \* OXFORD GLYCOSCIENCE boss quits as CELLTECH moves in - Independent on Sunday
- \* Only 10 days left to buy SELFRIDGES, bidders are told - Sun Times
- \* BRITISH LAND seeking retail partner for a possible bid for SELFRIDGES - Sun Express
- \* MATALAN threatens to blacklist any supplier that works for rival BROWN & JACKSON - Sun Telegraph
- \* INTERBREW leads bevy of bidders thirsting for HP BULMER - Sun Times
- \* HP BULMER takeover talks have lost their fizz - Independent on Sunday
- \* US firm SSA Global Technologies believed to be likely winner of bidding for INVENSYS's troubled software unit, Baan - Independent on Sunday
- \* Jan Baan considering buying back the eponymous software firm he sold to INVENSYS in 1999 - Business
- \* Peter Risdale had to go to get LEEDS UNITED investors on side for cash call - Independent on Sunday
- \* Fresh blow for ORB ESTATES as THISTLE hotels sales turns sour - Observer
- \* COLT TELECOM fails to win full backing of majority investor Fidelity for its controversial pay policies - Guardian
- \* UK Treasury stops SERCO for shipping 600 workers offshore to avoid around 1.8 mln stg in National Insurance contributions - Independent on Sunday
- \* CORUS and BAE SYSTEMS chiefs face fat-cat fury - Sat Mail
- \* PROVIDENT FINANCIAL boss could be forced to defend job at AGM this week as NAPF pushes investors to vote against pay policies - Sun Express

## AFX UK at a glance share guide

- \* FRENCH CONNECTION next in line as investors' fury rises - Sun Times
- \* Former ITV trio in talks to buy CHRYSALIS TV arm - Sat FT
- \* Broadcasters seek to stop CARLTON/GRANADA sales operations merger at Competition Commission hearings - Business
- \* Creditors back MARCONI restructuring - Sat Independent
- \* Russia's Gazprom raises stake in SOCO INTERNATIONAL - Sat FT
- \* IFAs to get 35 mln stg windfall as MISYS float network spin-off - Sun Times
- \* Entrepreneur Tom Hunter pays 15 mln stg for shoe retailer, Office - Business
- \* Venture capital-owned hotel giant, Le Meridien in crisis talks with its banks - Sun Times
- \* American Express out in front in auction for ZURICH FINANCIAL's Threadneedle Asset management arm - Business
- \* STATOIL quietly seeking bidders for its North Sea interests - Sun Times
- \* CAPIO and RHON-KLINIKUM heading potential bidders for France's largest private hospital group, Generale de Sante - Sun Times
- \* Riddle as Harrods managing director exits - Observer
- \* Sir Richard Branson's Virgin Atlantic faces industrial action by pilots - Sat Times
- \* Flights attendants accept American pay deal averting AMR bankruptcy as CEO quits - Sat FT
- \* Pratt & Whitney in frame for 400 mln eur AIRBUS engine contract - Business
- \* Private sector consortium Metronet finds 314 mln stg black hole in tube contract - Sat Times
- \* Tussards up for sale with 500 mln stg price tag - Sun Express
- \* Private equity house CVC tipped to be front-runner in race to acquire Northumbrian water from SUEZ of France - Sun Times
- \* Lakshmi Mittal's LNM makes 560 mln usd bid for Poland's largest steel-maker, Polskie Huty Stali - Independent on Sunday

### SATURDAY PRESS COMMENT

FT

Lex Column: UK equities (stock market will find it difficult to make much progress against the economic winds, but further severe losses seem unlikely); WPP GROUP (News from Europe needs to catch with the good news from the US for the shares to go further); AMR (may be opportunity for traders, but for long term investors the industry as a whole should be avoided); CREDIT SUISSE (sustainability of strong Q1 earnings from fixed income trading open to question) -- Weekend share watch: BRADFORD & BINGLEY (forward P/E the same as rivals such as Barclays but without the overseas risk); ALPHA AIRPORTS (attractive yield and prospective multiple); MELROSE RESOURCES (could see significant upside in short term if flow of good news continues; which could lead chairman to reduce holding)

Guardian

Market Forces: CARPETRIGHT (speculation next Tuesday's trading update could spark a round of profit downgrades); AXIS SHIELD (rumours Colin Blackbourn is building a position amid rumours of good impending trading update) -- Interview: Moir Lockheed (CEO of FIRSTGROUP)

## AFX UK at a glance share guide

### Times

Tempus: Dividends may be enough (SCOTTISH & NEWCASTLE offers 7.75 pct currently; 5 pct-plus from LAND SECURITIES and GALLAHER; 4 pct-plus from REXAM and SHELL) -- Rumour of the day: SCOTTISH & NEWCASTLE (rumours about to make an announcement on the future of its pubs business) -- Stock Market: HP BULMER (talk that highest offer came in at 190 pence, a price unlikely to find favour with the controlling family)

### Independent

Market Report: BRITISH POLYTHENE (whispers of corporate action)

### Daily Mail

Investment Extra: MOLINS (unlikely to double, but shares look cheap) FENNER (some sort of action seems likely) -- Market Report: GENUS (prize-winning cow, MOET Sunny Flirt named Top Lifetime Milking Cow in the UK)

### Express

A Week of Dealing: CORIN GROUP (chairman sells 1.6 mln shares); COX INSURANCE (another executive director sells shares) -- Market Report: NSB RETAIL (rehashed MBO gossip); JACQUES VERT (vague takeover talk)

### SUNDAY PRESS COMMENT

### Times

Share watch : SOCO INTERNATIONAL (buy); ALLIED DOMECQ (worth adding to the cabinet); NATIONAL EXPRESS (hang on in there, but not for hope of a bid); SANCTUARY (buy at 34 pence) -- Share of the week: AMEY (speculation a counter-bidder is in the wings unlikely) -- Share in the Boardroom: PEEL HOLDINGS (deputy chairman sells shares)

### Telegraph

Blue chip values: AB FOODS (buy); ROYAL & SUN ALLIANCE (close out any short positions) -- Small Cap comment: PROJECT TELECOM (keep on buying); BROWN & JACKSON (buy); WELLINGTON UNDERWRITING (take profits); DE VERE (buy); MEDISYS (look cheap, buy) -- Look Who's Trading: MATALAN (non-execs buy shares) -- TAKING STOCK: FKI (merits monitoring); FREEPORT (key issue for bidder is over price)

### The Business

Benchmark: ASTRAZENECA (shares look a hold for now); SHELL/BP (investors could do worse than err on the side of SHELL for now); LUFTHANSA (no one is expecting good news from passenger figures); South African rand (South Africa's central bank should reconsider cutting rates in June) -- Inside the Market: Mid Cap Investor (MISYS as cheap as it has traded in past five years); Small Cap Investor (AIR PARTNER a speculative buy for recovery) AIM Investor (ASK CENTRAL 'buy')

### Observer

Throg Street: CHRYSALIS (stripped down firm bound to catch the eye of predatory US radio groups such as Clear Channel or even a domestic broadcaster such as GRANADA); SHELL/BP (the slow, quick-quick slow of SHELL becomes more entrancing)

### Mail on Sunday

Midas Column: LOOKERS (buy); WOLSELEY (worth holding) -- Secret dealings: IDEAL SHOPPING DIRECT (Maverick investor Patrick Evershed's investment looks speculative) -- Taking Stock: Virtual bids are the latest fashion (predators face difficult task of deciding if now is the time to strike or bide their time and maybe miss the boat) -- Companies 7 Markets: STAGECOACH (trading update will see warning over SARS impact)

### Express

Share Check: RENTOKIL INITIAL (good value at 184- pence); UMECO (looks a good buy at 235 pence); SANCTUARY GROUP (reliable management team well placed to lift share price); BROWN & JACKSON (Evolution Beeson Gregory ups target to 100 pence); FORTH PORTS (Buy at 862- pence) -- Markets: ALLIED DOMECQ (the champagne remains on ice)

### Independent on Sunday

Punting in the City: DIXONS (things may not be as bad as they seem)

OTHER WEEKEND NEWS ITEMS

- \* UN heads for new rift with US over Iraq role - Guardian
  - \* Dossier reveals France briefed Iraq on US plans - Sun Times
  - \* US snubs France with low-ranking force for Paris air show - Sun Times
  - \* Iraq 'may have to quit Opec' - Observer
  - \* Bank of England set to cut growth forecast as UK and US economies falter - Sat Independent
  - \* Blair snubs Gordon Brown as successor - Sun Times
  - \* Gordon Brown faces 10 bln stg tax shortfall: ITEM - Observer
  - \* Standard Life may be forced to demutualise - Sun Telegraph
  - \* Battered life insurance giants use 4.7 bln stg solvency prop - Business
  - \* Travel insurers will not pay out over SARS - Sat Telegraph
  - \* European Commission plans help for stricken airlines - Sat Telegraph
  - \* City bets on rate cut as UK growth grinds to a halt - Guardian
  - \* Alastair Darling plans new roads and action to cut congestion - Sat FT
  - \* Harry Potter author JK Rowling is richer than the Queen: 2003 Rich List - Sun Times
  - \* Patricia Hewitt calls shareholder revolts on top pay 'justified fury' - Sat FT
  - \* Former Post Office boss Neville Bain could face questions over failed publisher, Media Scores - Sat Times
  - \* Royal Mail to outsource 1.5 bln stg IT operations - Sun Telegraph
  - \* Tetra Pak magnate, Jorn Rausing puts 15 mln stg in to Waitrose website, Ocado - Sun Telegraph
  - \* Rocketing insurance premiums hit pension trustees - Sat FT
  - \* Workers with a non-state pension fall by 1 million - Sat FT
  - \* EU merger shake-up will get go-ahead this week - Sun Times
  - \* UK housing market hit by drop in purchases - Sat FT
  - \* Public support in Sweden for joining euro has plunged as referendum nears - Sat Telegraph
  - \* London lap-dancing club Spearmint Rhino faces winding up order over unpaid debts - Mail on Sunday
  - \* Chilly prospects for French champagne after severe April frosts - Business
- more to follow...

jmh/vjt/

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[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 29, 2003





## Ryanair says CAA has approved license for Buzz to restart flights May 1

AFX European Focus

April 28, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 112 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, confirmed that the Civil Aviation Authority (CAA) has approved and issued the AOC (Aircraft Operations Certificate) allowing Buzz Stansted Ltd to restart flights on May 1.

From that date Buzz Stansted will commence 11 routes to France, Spain and Germany from London Stansted.

Ryanair said demand for the routes has been "phenomenal" with over 130,000 passengers booked to fly them in May alone.

Ryanair completed the 20.1 mln eur purchase of Buzz from KLM Royal Dutch Airlines NV on April 11.

jdd/sk

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**Load-Date:** April 29, 2003



## German shares AFX at a glance outlook

AFX European Focus

April 22, 2003 Tuesday

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**Section:** MARKETS

**Length:** 474 words

**Dateline:** FRANKFURT

### Body

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Share prices are expected to open flat to lower, as

trading after the long Easter holiday weekend should get off to a slow start, with the performance by Wall Street stocks yesterday providing few leads, dealers said.

However, Infineon is set to be a weak feature, in light of the group's wider-than-expected net loss and downbeat comments on the near-term prospects of the chipmaking industry.

At 8.17 am, Lang & Schwarz brokerage was indicating the DAX 30 index to open at around 2,895, down some 4 points from Thursday's close at 2,899.78, which had marked a gain of 75.10 points on the day.

#### FORTHCOMING EVENTS

##### TODAY

- Bundesbank monthly report (12.00 pm)

##### TOMORROW

- Buderus annual results news conference (10.30 am)
- Volkswagen supervisory board meeting

##### WEEKEND'S PRESS

- Deutsche Bahn train drivers may strike Tuesday or Wednesday (Die Welt)
- Grundig CEO to propose to Beko to buy co without pension debts (Welt am

Sonntag)

- US DoT to probe Deutsche Post's DHL Airways ownership, Airborne takeover

(Wall Street Journal online)

##### TODAY'S PRESS

- German Q1 tax revenues down 2.9 pct; 2003 budget gap seen 7-8 bln eur

(Handelsblatt)

## German shares AFX at a glance outlook

- HVB real estate unit seen posting losses till 2005 (Financial Times Deutschland)
- DZ Bank CEO wants FY risk provisions halved to 750 mln eur vs 2002 - interview (Financial Times Deutschland)
- Govt experts group mulls plans to make people work longer (Financial Times Deutschland)
- Ryanair plans 5 pct cut in prics each yr in next 5 yrs - CEO interview (Handelsblatt)
- Tele2 plans 1.5 cents/min in local call rate vs Deutsche Telekom's 1.6-6 cents (Handelsblatt)
- VW Q1 unit sales in China 162,000, up 94 pct yr-on-yr (Handelsblatt)
- Court issues restraining order for train drivers not to go on strike (Frankfurter Allgemeine Zeitung)
- Trade union IG Metall urges 2.6 mln members to join May 1 protest vs Schroeder reform plans (Bild Zeitung)

### COMPANY NEWS

- \*INFINEON Q2 SALES 1.48 BLN EUR VS 1.52 BLN IN Q1
- \*INFINEON Q2 NET LOSS 328 MLN EUR VS LOSS 40 MLN IN Q1
- \*INFINEON Q2 EBIT LOSS 223 MLN EUR VS LOSS 31 MLN IN Q1
- \*INFINEON SAYS DEMAND HAS POSITIVELY DEVELOPED IN LAST 3 MTHS
- \*INFINEON SAYS 'VISIBILITY FOR THE DRAM MARKET REMAINS POOR'
- \*INFINEON Q2 LOSS PER SHARE 0.45 EUR VS 0.06 LOSS IN Q1
- VW China Q1 sales up 86.7 pct yr-on-yr; targets 17 pct growth this yr
- SARS - Shell, Exxon Mobil, BASF say little impact on China jv projects

### MACRO-ECONOMIC/POLITICAL NEWS

- German March PPI up 0.1 pct from Feb; up 1.7 pct yr-on-yr

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**Load-Date:** April 23, 2003

Ryanair to cut prices by 5 pct each yr over next 5 yrs



## Ryanair to cut prices by 5 pct each yr over next 5 yrs

AFX European Focus

April 22, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 46 words

**Dateline:** FRANKFURT

### Body

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Ryanair wants to cut its prices by five pct every year over the next five years, CEO Michael O'Leary said in an interview with Handelsblatt.

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mog/lam

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 23, 2003

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## Ryanair in 1 mln seat sale

AFX European Focus

April 17, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 56 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC announced an offer of 1 mln free seats available on its London routes to Europe.

Passengers have to pay taxes and charges, it said.

The offer ends midnight April 21, it added.

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ak/

For more information and to contact AFX: [www.afxnews.com](http://www.afxnews.com) and  
[www.afxpress.com](http://www.afxpress.com)

**Load-Date:** April 18, 2003



## Ryanair completes Buzz acquisition for 20.1 mln eur, down from 23.9 mln

AFX European Focus

April 11, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 308 words

**Dateline:** DUBLIN

### Body

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Ryanair PLC, the no-frills carrier, said it has completed the acquisition of Buzz and has paid 20.1 mln eur to KLM to acquire 10 aircraft, up to 130 employees, and some airport facilities.

Ryanair confirmed the agreed price was reduced from 23.9 mln eur as a result of a number of issues which arose during the due diligence process.

KLM UK will retain up to 470 of its Buzz staff, as well as its headquarters in Stansted, the assets and liabilities of the legal entity KLM UK Ltd which was trading as Buzz up to 31 March 2003.

Ryanair said it has formed a new subsidiary called Buzz Stansted Ltd, which holds UK AOC approval, and will start flying on May 1.

It is intended that the company will operate its aircraft on a subservice basis flying directly for Ryanair, primarily operating on a network of 12 routes, which were formerly operated by KLM UK/Buzz, Ryanair said.

The new chief executive will be John Osborne -- former director of operations for Ryanair and former chief executive of GB Airways and Virgin Express.

But Ryanair warned that the deal has not yet been given the green light by UK regulatory authorities -- though Ireland and Germany have given approval -- and said it has advised the UK Office of Fair Trading of its intention to complete the acquisition without waiting for regulatory approval in advance.

"We will continue over the coming two weeks to liaise closely with both the CAA (Civil Aviation Authority) and the OFT and look forward to obtaining their approval in due course of the purchase and rescue of the core operation of Buzz and its successful re-launch from 1 May onwards," Ryanair chief executive Michael O'Leary said.

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el/jc

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**Load-Date:** April 12, 2003

Ryanair completes Buzz acquisition for 20.1 mln eur, down from 23.9 mln

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End of Document



## London shares outlook - lower after flat Wall Street, awaiting Budget

AFX - Asia

April 9, 2003 Wednesday

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**Section:** MARKETS

**Length:** 729 words

**Dateline:** LONDON

### Body

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Leading shares were expected to open lower, with a flat overnight performance on Wall Street likely to put economic worries to the fore as traders await news of what many expect to be a downbeat UK Budget statement, dealers said.

The FTSE 100 index was indicated to open lower by 19 points by spread-betting firm IG Index, which saw a starting range of 3,842 to 3,850.

Overnight, the DJIA closed down 1.49 points at 8,298.92, S&P 500 off 1.64 at 878.29 and the Nasdaq composite was down 6.57 at 1,382.94.

And in Asia, the Nikkei 225 index went into the afternoon session down 22.92 points at 8108.49, while the Hang Seng closed the morning session 169.11 points lower at 8,637.55.

In the US, speeches from the Fed members Poole, Snow and Ferguson will be scrutinised for further clues on the the next move on US interest rates -- particularly in the wake of the recent slew of negative economic data.

The UK's main focus, from a news if not a markets perspective, will be the budget speech due to start at 12.30 pm.

Most commentators expect little news from Chancellor Gordon Brown following his tax hikes last year. IG Index is predicting a speech lasting just 55 to 58 minutes.

Official UK GDP growth projections are expected to be cut, but most economists see a hike in borrowing requirements rather than by any significant tax rise.

Any rise in stamp duty will turn the spotlight on property firms such as Canary Wharf and Slough Estates. Recent press reports have suggested Brown may look to introduce a new band for property worth more than 1 mln stg that will be taxed at up to 6 pct.

This adds to worries voiced by the retail sector, which expects changes to the rules regarding the treatment of commercial leases.

The British Retail Consortium is worried Brown's reforms will undermine the ability of new retailers to enter the market not only by pushing up the existing cost of Stamp Duty, but also by including new up-front payments.

The abolition of stamp duty on share trades -- a long called-for measure -- is not expected.



## London shares outlook - lower after flat Wall Street, awaiting Budget

Airline stocks such as Easyjet and Ryanair could be affected by a rumoured rise in airport taxes, while Rank Group will be closely watched if Brown confirms a widely-expected new tax on bingo operators.

Ahead of the Budget, the City has a light diary of corporate news to digest.

Matalan, the rapidly expanding discount clothing and homewares retailer, is expected to report later today an annual profit of 115-120 mln stg, up from 107.6 mln stg last time.

Surprises are not expected as Matalan said on March 18 it was comfortable with this range.

However, any outlook guidance will be scrutinised as Matalan tries to reassure investors after it sacked Paul Mason as its chief executive after just 14 months in the job following a falling-out with founding chairman John Hargreaves.

The airline sector will take its latest health check with March passenger figures from BAA, Britain's largest airports operator.

News overnight from Qantas Airways could also dampen sentiment in stocks such as BA. Australia's national carrier said forward bookings for the UK were down 10 pct, with Hong Kong down 25 pct, Europe down 15-17 pct, and Japan down 20 pct.

But Qantas said it does not plan to revise down its recent profit guidance for the year to June 2003, despite the ongoing impact of SARS and the Iraq war on passenger volumes.

Elsewhere, insurance stocks could see some pressure amid growing speculation that Munich Re will launch a 3 bln eur subordinated bond as early as today. The reinsurer was known to be planning a bond issue soon, but has said nothing about the volume, exact timing and conditions.

Oil shares could match a rising Crude price on expectations that OPEC will make a production cut to avert a potential price collapse in the second quarter. The cartel is reportedly considering an emergency ministerial meeting on April 24.

Further down the market, full-year results from Austin Reed were keenly awaited. The clothes retailer has recently been the subject of bid interest, with Glasgow-based private firm Slater Menswear said to be a suitor.

bge/slm/

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**Load-Date:** April 10, 2003



## UK small caps end lower on profit taking amid war, economic concerns

AFX.COM

April 8, 2003 Tuesday

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**Section:** MARKETS

**Length:** 511 words

**Dateline:** LONDON

### Body

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UK smaller company shares closed lower, mirroring the broader market, as concerns over the global economy and the war in Iraq led to profit taking after yesterday's sharp gains, dealers said.

At the close, the FTSE Small Cap index was down 5.9 points at 1,690.3, ending in the middle of the day's tight trading range, while the FTSE 100 index was down 67.0 points at 3868.8.

In corporate news, Bespak slid 35 pence to 247-1/2 after it said it continues to experience weakness in valve sales and flagged second-half results at break-even at best in the second half. News of bid interest for the medical devices firm failed to provide support.

News that UBS Warburg downgraded Aberdeen Asset Management to 'neutral' sent the fund manager's shares down 3 pence at 36. Its move followed Aberdeen being dismissed as manager to Real Estate Opportunities Investment Trust.

Beleagured travel company MyTravel was weak, falling 0.91 pence to 11.25 amid economic concerns and fears that the SARS virus will further depress global travel.

On the upside, Tertiary Minerals gained 1.25 pence to 9.50, encouraged by an upbeat drilling report.

The mining group said a scoping study of its Ghurayyah tantalum-niobium project in Saudi Arabia has produced positive results which recommend further feasibility studies and suggest development starting in 2006 when growth in the market for tantalum is expected to have resumed.

The company added that it is investigating various sources of non-equity funding to progress the recommended work programme.

Severfield-Rowen was another firm issue, adding 22-1/2 pence to 230 after posting pleasing full-year figures and issuing an upbeat outlook.

The company said all core businesses performed profitably in 2002, with its Watson Steel unit modestly performing ahead of expectations in the period.

Chairman Peter Levine also announced that the company has been awarded the main steelwork contract for the new Terminal 5 at Heathrow.

Ryanair Holdings added 14-1/2 pence to 455-1/2 after the airline issued upbeat customer service statistics for March, noting that 91 pct of its flights arrived on time in the month.

## UK small caps end lower on profit taking amid war, economic concerns

Elsewhere Kewill Systems gained 2-1/4 pence to 31 after saying revenues in the second half are expected to be in line with management's expectations and will show growth on the first half in both its US and European businesses.

In a statement, the company said operating loss for the second half is also expected to be in line with its expectations, adding that it does not anticipate further exceptional costs.

The software minnow was one of a number of small cap technology stocks on the move, with the sector lifted by hopes of an upturn in the market.

Baltimore added 1-1/2 pence to 21-1/2, Emblaze climbed 3 pence to 93, NetBenefit gained 5 pence to 24-3/4 and CybIT moved 0.04 pence higher to 0.32.

gl/jc

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**Load-Date:** April 9, 2003

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End of Document



## Ryanair says 91 pct of its flights arrived on time in March

AFX European Focus

April 8, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 34 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said 91 pct of its 11,046 flights in March arrived on time.

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ra

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**Load-Date:** April 9, 2003

Ryanair to start daily service from London to Clermont-Ferrand on May 1



## Ryanair to start daily service from London to Clermont-Ferrand on May 1

AFX European Focus

April 7, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 43 words

**Dateline:** CLERMONT-FERRAND

### Body

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Ryanair Holdings PLC is starting a daily service between London Stansted and Clermont-Ferrand airport on May 1, the Auvergne regional council announced.

mlm/nd/ol/ak

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**Load-Date:** April 8, 2003

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## Ryanair Holdings starts operating from Stockholm-Skansta airport

AFX European Focus

April 4, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 153 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it has started operating from its 9th base in Europe, Stockholm-Skavsta, 100 kilometres from the Swedish capital and near Nykoping.

It will offer 30 daily flights on six new international routes, to Aarhus in Denmark, Oslo in Norway, Tampere in Finland, Glasgow in Scotland, Hamburg and Frankfurt in Germany and to Paris.

Chief Executive Michael Cawley said: "This is Ryanair's most successful base. We are carrying over 100,000 passengers in the first month on the new routes and will carry over 1.5 million passengers in the first year."

"Our arrival here, and the increase in tourists, will create over 1,000 jobs in the region," he said.

Ryanair added it has allocated up to 4 of its new Boeing 737-800 jets to the new base.

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**Load-Date:** April 5, 2003



## UK airlines cancel French services due to air traffic control strike

AFX European Focus

April 3, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 156 words

**Dateline:** LONDON

### Body

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UK airlines said they have cancelled services to and from France as a result of planned strike action by French air traffic controllers.

The French air traffic controllers are striking between 5.00 am and 9.00 pm today as part of a broad based action amongst public sector workers over the pensions provision.

British Airways PLC said it is likely that up to 80 pct of its services -- some 95 out of 120 individual flights -- will be cancelled during the period of the strike.

easyJet PLC, the Luton-based no frills airline, said it has cancelled some 40 flights.

Ryanair Holdings PLC said all its flights to and from France scheduled for today have been cancelled.

BA and easyJet added that due to planned industrial action in Greece on April 2 and 3 a number of flights have been cancelled.

jdd/rn

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**Load-Date:** April 4, 2003



## Ryanair fined 2,582 eur by Italian regulator on London/Turin flight price data

AFX European Focus

April 1, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 221 words

**Dateline:** MILAN

### Body

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The Italian antitrust authority, which also deals with unfair advertising, said it is fining Ryanair Ltd 2,582 eur over its internet advertising for London/Turin flights and has ordered the company to stop the advert in question within three months.

The authority investigated a complaint from a consumer that Ryanair's web site offering of a 20 eur ticket on the route failed to include costs for airport tax and other items, it said.

"The cheapest tariff - equal or below that publicised - does not represent the overall price of the ticket but only a part, to which the consumer is going to have to add further costs," said the authority.

"In particular, according to information supplied by the operator, such costs involve airport taxes, government taxes and security costs," it said.

"Overall, this can affect the price in a noticeable way, up to 13 eur on a ticket for 20 eur or less," it said.

In addition there is a 5 eur sum for those buying their ticket via a credit card, it said.

Under Italian law and court precedents, tariff conditions must be clearly and immediately intelligible to consumers and include all components of the final price, said the authority.

nt/mcc/

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**Load-Date:** April 2, 2003





## Ryanair pulls out of proposed London Stansted to Grenoble route

AFX European Focus

April 1, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 99 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it is pulling out of its proposed new route from London Stansted to Grenoble in the French Alps due to contractual difficulties with the airport.

"This route had been taken on as a result of negotiations with the airport after the announcement of Ryanair's acquisition of Buzz but recent contractual difficulties have led to Ryanair being unable to conclude an acceptable agreement with the airport," the group said in a statement.

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**Load-Date:** April 2, 2003



## German shares AFX at a glance outlook

AFX European Focus

March 31, 2003 Monday

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**Section:** MARKETS

**Length:** 435 words

**Dateline:** FRANKFURT

### Body

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Share prices are expected to open lower, in line with late losses on Wall Street on Friday, amid mounting fears that the war in Iraq will last longer than many commentators had originally expected, dealers said.

They added that the benefits of end-of-quarter window dressing would be minimal today.

At 8.18 am, Lang & Schwarz brokerage was indicating the DAX 30 index to open at around 2,487, down some 33 points from Friday's close at 2,520.84, down 63.21 points.

#### FORTHCOMING EVENTS

##### TODAY

- EM.TV annual results press conference, Unterfoehring
- D.Logistics full year results
- Commerzbank supervisory board meeting on full year result, board members
- Annual press conference German food industry, Berlin
- Wedeco full year results, press conference (10.00 am)
- Gildemeister full year results, press conference (10.00 am)

##### TOMORROW

- Retail sales February (8.00 am)
- Celanese AGM, Oberhausen (9.00 am)
- Association of electricity companies press conference, Berlin

##### WEEKEND'S PRESS

- Gerling industrial, life ops wanted by Acxit Capital-led consortium (Frankfurter Allgemeine Sonntagszeitung)
- Commerzbank to cut 3,000 jobs (The Business)

## German shares AFX at a glance outlook

### TODAY'S PRESS

- EU, IMF cut German GDP growth forecasts in 2003 to 0.4 pct (Der Spiegel)
- Ryanair to launch mobile phone services in UK, Belgium, France (Focus)
- Sixt to move unit to Switzerland to avoid German taxes (Der Spiegel)
- KirchMedia's DSF to go to EM.TV, KarstadtQuelle, Swiss businessman (Focus)
- Ifo's Sinn says German recession possible if Iraq war drags on (Focus)
- German charter airline LTU bookings down 5-6 pct vs yr-ago (Financial Times

Deutschland)

- German finance ministry sees 2003 deficit at least 3.5 pct of GDP (Der Spiegel)

-Half of SAP customers have had no return on investment, study claims (Financial Times)

- Lufthansa plans to launch 20 pct cost cuts (Financial Times Deutschland)
- HVB plans 30-40 eur/shr in IPO of Bank Austria Creditanstalt (Handelsblatt)
- Germany's BaFin allows sale of Gerling to Globale Management (Handelsblatt)
- German govt plans supplementary budget for 2003 (Die Welt)

### COMPANY NEWS

- \*BANKGESELLSCHAFT BERLIN FY NET LOSS 699 MLN EUR VS LOSS 112 MLN

### MACRO-ECONOMIC NEWS

- German Feb wholesale sales up real 0.8 pct vs Jan, up 3.1 pct yr-on-yr.

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**Load-Date:** April 1, 2003



## **Ryanair still awaiting UK OFT clearance for Buzz buy, no completion tomorrow**

AFX European Focus

March 31, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 116 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said its acquisition of Buzz from KLM Royal Dutch Airlines NV will not be completed tomorrow as expected as the deal has yet to receive clearance from the Office of Fair Trading in the UK.

The Irish low-cost airline said it has been in regular correspondence with the OFT and is seeking urgent approval "in order to save the core operation of Buzz and preserve up to 130 jobs at a time of crisis in the aviation industry".

Ryanair and KLM said they do not envisage any difficulties in obtaining the necessary clearance in due course.

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ak/

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**Load-Date:** April 1, 2003



## Ryanair to launch mobile phone services in UK, Belgium, France - report

AFX European Focus

March 30, 2003 Sunday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 137 words

**Dateline:** FRANKFURT

### Body

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No-frills airline Ryanair Holding PLC will launch at the end of May mobile phone services in the UK, Belgium and France, reported Focus magazine, citing no sources.

In an article to be published tomorrow, the magazine reported Ryanair will offer pre-paid cards worth 9.00 eur upwards.

Foreign calls within Europe will be half the price charged by competitors, while Ryanair will not charge for incoming calls when users are abroad, the magazine said.

Ryanair will launch the services in Germany and Italy at a later date, the magazine added.

"We want to finally break the European cartel for international mobile phone calls," Ryanair's head of sales, Conal Henry, told the magazine.

das/lam

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**Load-Date:** March 31, 2003



## Ryanair to offer a million flights for 9.99 eur

AFX European Focus

March 26, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 200 words

**Dateline:** REIMS

### Body

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Ryanair will offer a million flights for 9.99 eur to fight a slump in traffic stemming from the war in Iraq, the low-cost Irish airline's president said.

It will also maintain plans to buy around 250 Boeing 737-800 jets in the coming eight years and O'Leary said "we are going to keep the (airline's) schedule to all destinations."

Customers will be sold tickets to all of the carrier's destinations for 9.99 eur for between one and two months, Michael O'Leary added.

The offer "is the correct response to the reductions registered" by airlines worldwide, he said.

"We will not follow the recommendations by IATA (International Air Transport Association) to increase prices by three percent starting April 15," O'Leary said.

"On the contrary, what we have to do is to reduce them to attract people. We have to fill the seats to lose less money."

Ryanair will offer direct service between Reims and London starting April 30.

The low-cost carrier was less affected by the drop in global air traffic than long-haul companies, he acknowledged.

mgl/wai/lt/sk

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**Load-Date:** March 27, 2003



## Ryanair advertisements questioned by Finnish consumer ombudsman

AFX European Focus

March 25, 2003 Tuesday

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**Section:** GENERAL; COMPANY NEWS

**Length:** 248 words

**Dateline:** HELSINKI

### Body

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Several aspects of Ryanair Holdings PLC advertising, including the exclusion of taxes in its advertised prices, in Finland, are questioned by local consumer ombudsman.

"We have this legislation in Finland that requires the total price to be given in consumer marketing," Marianne Kajander, a legal advisor for the consumer ombudsman's office said earlier.

Ryanair now has until April 4 to answer and remedy the consumer ombudsman's complaints, when the first plane is expected to take off from Finland's second largest city of Tampere.

Ryanair starts flying next week between Tampere and Sweden's Skavsta, which has been marketed by Ryanair as "Stockholm" despite it is located 100 kilometers outside the Swedish capital. According to the consumer watchdog, Ryanair is misleading its Finnish customers by not stating the right destination in its marketing material.

The government agency is also unhappy about the fact that Ryanair has not provided a cost-free channel where its Finnish customers can put forward complaints in their own language, instead they have to call a fee-charging Swedish-speaking helpdesk in neighbouring Sweden.

Earlier this month, Ryanair was indicted by Danish police for publishing misleading price information after failing to respond to complaints from Danish consumer authorities.

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paa/tv/shw

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**Load-Date:** March 26, 2003



## Ryanair says many SAS pilots applying to Ryanair, other airlines

AFX European Focus

March 24, 2003 Monday

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**Section:** COMPANY NEWS

**Length:** 207 words

**Dateline:** COPENHAGEN

### Body

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There is currently a large exodus of SAS AB pilots to Ryanair Holding PLC and other airlines, daily Berlingske Tidende reported, citing Paul Fitzsimmons, Ryanair's communications director.

Ryanair is experiencing much interest from pilots currently flying for SAS, Fitzsimmons said. Half of the job interviews in recent weeks have been with pilots from SAS. The same is true for applications that have yet to be processed, he added.

There are 10-20 interviews a week, the daily reported.

Today there are 24 ex-SAS pilots flying for Ryanair, Fitzsimmons added.

Because of cost cutbacks, SAS has reduced capacity, mothballed aircraft, fired 300 pilots and still has a surfeit of pilots, the newspaper added.

Younger pilots, many of them paying a loan covering a 600,000 dkr bill for training, are facing an uncertain future due to new cutbacks, it said.

Ryanair pilots fly more hours than SAS pilots but get better pay, the daily added, citing Mogens Holgard, chairman of the Danish pilots' association.

Other airlines are also receiving applications from SAS pilots, it added.

mdl/jsa

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**Load-Date:** March 25, 2003





## Danish shares lower in midmorning trade, led by TDC

AFX European Focus

March 24, 2003 Monday

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**Section:** MARKETS

**Length:** 257 words

**Dateline:** COPENHAGEN

### Body

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Share prices were lower in midmorning trade, led down by TDC after its ADRs fell on Friday, and amid concern over developments in the Iraq conflict, brokers said.

At 10.30 am, the KFX index was 1.93 points lower at 189.45 and the KBX benchmark index was 1.43 points lower at 160.67.

TDC was down 5 dkr at 164.5. Its ADRs closed lower in New York on Friday, although Wall Street closed higher.

NKT was also lower, falling 1 to 78, and Radiometer shed 9.5 to 310.5.

Novozymes was up 1.5 at 148 on reports that it is seeing increasing sales to the bakery sector.

Novo Nordisk fell 4 to 231. Its ADRs closed at a higher level in New York on Friday, but were lower when converted to Danish kroner and compared with Friday's closing price in Copenhagen.

Lundbeck was down 1 at 141 after UBS Warburg cut its stance to 'reduce' from the previous 'neutral, with a maintained 100 dkr target, on valuation grounds and amid concerns about increasing generic competition.

SAS AB was 1.1 lower at 26.5 after Berlingske Tidende reported a large exodus of SAS AB pilots to Ryanair Holding PLC and other airlines. Daily Boersen added that the airline fears additional state guarantees to competitors.

Copenhagen Airports fell 7 to 440.

Index-heavyweight Danske Bank was 1.5 lower at 114, while Nordea was 0.4 lower at 30.9.

Carlsberg shed 5 to 232.

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mdl/vs

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Danish shares lower in midmorning trade, led by TDC

**Load-Date:** March 25, 2003

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## Danish shares AFX at a glance outlook

AFX European Focus

March 24, 2003 Monday

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**Section:** MARKETS

**Length:** 267 words

**Dateline:** COPENHAGEN

### Body

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Share prices are expected to open marginally higher on Wall Street's gains, but with developments in the Iraq situation weighing on investors' minds, brokers said.

On Friday, the KFX index closed 3.68 points higher at 191.38 and the KBX benchmark index was 2.70 points higher at 162.10.

The KAX All Share index closed 2.74 points higher at 161.31 on turnover of 1.23 bln dkr.

#### FORTHCOMING EVENTS

##### TODAY

-nothing expected

##### TOMORROW

-Danske Bank AGM (2.00 pm)

-Novo Nordisk AGM (4.30 pm)

-TDC AGM

-William Demant Holding AGM

##### TODAY'S PRESS

-Microsoft moves Navision sales function to Ireland -- Microsoft Denmark director (Jyllands-Posten)

-Pilot drain from SAS to Ryanair, other airlines -- Ryanair communications director (Berlingske Tidende)

-Cos selling generic copies of Lundbeck's Cipramil depression treatment demand truth from copyist India's Matrix  
-- Copyfarm managing director (Boersen)

-Norsk Hydro's Hydro Aluminium sees hard year ahead -- managing director (Boersen)

-SAS fears additional state guarantees to competitors -- information head Rasmussen (Boersen)

-Danisco looking at health food market (Boersen)

#### MARKET NEWS/SENTIMENT

## Danish shares AFX at a glance outlook

-Novo Nordisk ADRs closed at higher level in New York on Friday, but lower when converted to Danish kroner and compared with Friday's closing price in Copenhagen; TDC ADRs closed lower.

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mdl/vs

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**Load-Date:** March 25, 2003

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## Oslo shares AFX at a glance outlook

AFX European Focus

March 24, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 257 words

**Dateline:** OSLO

### Body

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Share prices are expected to open higher following Wall Street's higher close on Friday, but with investors keeping a close eye on developments in Iraq, brokers said.

Tandberg is expected to be in focus after news that Deutsche Bank has turned outright seller of the stock, they said.

On Friday, the OSEBX Benchmark index closed 1.68 points higher at 107.89.

The turnover figure was not available after 3.45 pm because of technical problems. At 3.45 pm it was about 1.25 bln nkr.

The OSEAX All Share index closed 1.85 points higher at 113.43.

#### FORTHCOMING EVENTS

##### TODAY

-Government bond auction (10.00 am)

##### TODAY'S PRESS

-Norske Skog tries again to sell forest property in Nord-Troendelag for 500 mln nkr (Dagens Naeringsliv)

-Norsk Hydro's Hydro Aluminium sees tough year ahead -- managing director (Boersen)

-SAS fears additional state guarantees to competitors -- information head Rasmussen (Boersen)

-Pilot drain from SAS to Ryanair, other airlines -- Ryanair communications director (Berlingske Tidende)

#### COMPANY NEWS

-Tandberg sees Q1 sales of 340-360 mln nkr vs 407.1

#### MARKET NEWS/SENTIMENT

-Deutsche Bank cuts Tandberg rating to 'sell', with a new 27 nkr downside target -- well below Friday's 34.8 nkr close, dealers said. Previously, the broker had rated Tandberg a 'hold'.

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## Oslo shares AFX at a glance outlook

rk/mdl

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**Load-Date:** March 25, 2003

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## Oslo shares close lower; Tandberg tumbles after forecast cut UPDATE

AFX European Focus

March 24, 2003 Monday

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**Section:** MARKETS

**Length:** 476 words

**Dateline:** OSLO

### Body

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(Updating with full report)

Share prices closed lower, with Tandberg tumbling after a reduced sales forecast for the first quarter and a subsequent Deutsche Bank downgrade, brokers said.

The OSEBX Benchmark index closed 2.66 points lower at 105.23.

For technical reasons, no updated turnover figure has been available since 3.35 pm, when turnover was 1.15 bln nkr.

The OSEAX All Share index closed 2.39 points lower at 111.04.

Tandberg closed 15.6 nkr lower at 19.2 after the company issued a first quarter sales forecast of 340-360 mln nkr, down from 407.1 mln the year earlier, and almost 100 mln lower than analysts' consensus of 430 mln, and following a downgrade by Deutsche Bank. This led to brokers predicting a share price of 18-20 nkr today.

The profit warning issued late Friday has caused Deutsche Bank to cut its estimates and downgrade the stock from 'hold' to 'sell', with a new 27 nkr downside target.

"Although we had expected a challenging first quarter, the warning was a very negative surprise," Deutsche Bank said in a research note.

Deutsche Bank said a combination of continuous negative earnings revisions, potential loss of market shares and an uncertain outlook will take the share lower despite possible support from the share buy back and dividend payment.

UBS Warburg subsequently cut its target price to 26 nkr from 57 nkr.

Tandberg is due to post its first quarter earnings figures on April 10.

Tomra Systems was pulled 2.8 down to 30 by the negative sentiment from Tandberg and Wall Street's opening falls, brokers said.

Aker Kvaerner closed 0.21 lower at 3.27. It was lifted off its low by a 1.75 bln nkr contract from ConocoPhillips' Norwegian unit to build the new Ekofisk 2/4-M platform. Its Aker Marine Contractors unit also won an 80 mln nkr contract to install subsea production systems on Statoil's Snoehvit field in the Barents Sea.

Frontline fell 1.5 to 73.5, pulled down by a further fall in charter rates for oil tankers, brokers said.

Statoil closed 1 lower at 55 and Norsk Hydro shed 1 to 278.5.

## Oslo shares close lower; Tandberg tumbles after forecast cut UPDATE

SAS was 0.8 lower at 28.2 after Berlingske Tidende reported a large exodus of SAS AB pilots to Ryanair Holding PLC and other airlines. Danish daily Boersen added that the airline fears additional state guarantees to competitors.

Schibsted added 1 to 72. Switzerland's 20 Min Holding, in which Schibsted holds a 41 pct stake, has reached an agreement for sale of the operations to the Express Zeitung AG. The initial sale of the 49.5 pct is not expected to have any accounting effects for Schibsted.

Orkla fell 1 to 109.5 and Norske Skog shed 1.5 to 95.

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**Load-Date:** March 25, 2003

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## Danish shares close lower on techs, healthcare, war concerns - UPDATE

AFX European Focus

March 24, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 525 words

**Dateline:** COPENHAGEN

### Body

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(Updating with full report)

Share prices closed lower, led down by technology and healthcare stocks on negative sentiment as war concerns haunted investors after coalition forces faced resistance by Iraqi forces, brokers said.

The KFX index closed 1.83 points lower at 189.55 and the KBX benchmark index was 1.35 points lower at 160.75.

The KAX All Share index closed 0.93 points lower at 160.38 on turnover of 1.16 bln dkr.

TDC closed 7 dkr lower at 162.5, GN Store Nord shed 0.5 to 19 and Vestas Wind Systems fell 2 to 54.5, all tracking Wall Street's opening falls on developments in the Iraq crisis, brokers said.

Healthcare stocks also tracked Wall Street, brokers said, with Novo Nordisk B falling 3 to 232 and Chr Hansen Holding B shedding 6 to 232.

Lundbeck was 1.5 lower at 140.5 after UBS Warburg cut its stance to 'reduce' from 'neutral' on valuation grounds and amid concerns about increasing generic competition. It reiterated its 100 dkr price target.

Novozymes B was 4.5 higher at 151 on reports that it is seeing increasing sales to the bakery sector.

Radiometer B was 4.5 higher at 324.5, clawing back some of its recent fall.

The AP Moeller group's stocks DS 1912 B added 1,100 to 49,400 and DS Svendborg B closed 1,400 higher at 72,700 as oil prices pushed higher after setbacks in the Iraq conflict over the weekend prompted renewed fears of disruption to the country's exports, analysts said.

The AP Moeller group is expected on Thursday to post full year 2002 net profit of about 12 bln dkr.

This is in line with the company's raised forecast from Feb 24, when it said it expects net profit, excluding financials, at its DS Svendborg and DS 1912 operating units of 10.5 bln dkr, plus a further 1.5 bln dkr in financial earnings, analysts said.

There will be some focus on the group's Maersk Sealand container line and analysts are also hoping for further information about the amalgamation of the two shares as well as news of a share split to increase liquidity.

DSV B fell 2 to 141.5. Analysts polled by RB-Boersen expect it to post full year pretax profit of 541 mln dkr on Wednesday.

Danish shares close lower on techs, healthcare, war concerns - UPDATE

East Asiatic Co shed 4 to 144 and DFDS was 1 lower at 146.

SAS AB was 0.3 lower at 27.3. Berlingske Tidende reported a large exodus of SAS pilots to Ryanair and other airlines. Daily Boersen added that the airline fears additional state guarantees to competitors.

Copenhagen Airports fell 7 to 440.

Danisco closed 0.5 lower at 229.5 after Danske Equities cut its EPS estimates for the current and next two financial years following Danisco's third quarter report recently, which contained a small downgrade in guidance because of the weaker US dollar.

Carlsberg B shed 6 to 231 and ISS was down 11 at 226.

Index heavyweight Danske Bank was also lower, closing down 1 at 114.5, and Nordea fell 1 to 30.3.

Topdanmark rose 2.5 to 191, while Codan shed 1 to 112.

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**Load-Date:** March 25, 2003

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## AFX European press summary - Monday

AFX European Focus

March 24, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** GENERAL; COMPANY NEWS; MARKETS

**Length:** 588 words

**Dateline:** LONDON

### Body

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Summary of European press headlines for today, Monday March 24:

#### GERMANY

- Deutsche Post to spend 800 mln eur to increase Asia-Pacific market share

(Focus interview)

- Saban to buy Kirch film library in next few days (Focus interview)

- Dresdner Bank to appoint two new management board members (Focus)

- Mitsubishi, DaimlerChrysler expand joint dealerships in China (Nihon

Keizai Shimbun)

- Volkswagen plans to invest 1 bln eur in China in 2003 (Zhang Suixin)

- Allianz reviews ops generating 10 bln usd/yr income; may sell (Financial

Times)

- Bertelsmann needs marked upturn to hit 10 pct profit margin goal - Thielen

(Financial Times interview)

- Fraport fails to save Manila project, may have to set aside 100 mln eur provision (Handelsblatt)

- NordLB wont sell its 10.85 pct stake in Bankgesellschaft Berlin (Die Welt)

- Deutsche Post close to deal on buying Airborne for 1 bln usd - report

(Wall Street Journal)

#### FRANCE

- EDF to post 2002 net profit of 460-500 mln eur (Le Figaro)

#### UK

- P&O Ports may win contracts to rebuild Iraq (Times)

#### ITALY

- Italy TV regulator sees end of Mediaset, RAI probe early June (Il Corriere della Sera)

SWITZERLAND

- UBS to transfer frozen Iraqi funds to US Treasury for aid, reconstruction

SPAIN

- RWE eyeing takeover targets in Spanish water sector; seeks alliances (Expansion)
- Ebro Puleva has 500 mln eur war chest to fund acquisitions (El Mundo)
- SEPI to invite offers for ENA in first half of May (El Pais)
- Fenosa unit Soluziona buys Antares' bank, insurance consultancy ops (Expansion)
- Gas Natural opens Italian representative office in Milan (Expansion)

NETHERLANDS

- Ahold hires E&Y, PriceWaterhouse to assess value of Peru, Paraguay supermarkets (Volkskrant)

SWEDEN

- Swedish airline passengers expected to fall 20 pct in March, April on Iraq war (Dagens Industri)
- Iraq war expected to cost Swedish aviation authority 150 mln skr on falling passenger numbers (Dagens Industri)
- Aimpoint, a supplier of electronic sights to the US Army, working flat out to meet orders (Dagens Industri)
- Stena buys plastic foil maker, Gislaved Folie from risk capital companies Nordico and Nordic Capital (Svenska Dagbladet)

DENMARK

- Microsoft moves Navision sales function to Ireland -- Microsoft Denmark director (Jyllands-Posten)
- Pilot drain from SAS to Ryanair, other airlines (Berlingske Tidende)
- SAS fears additional state guarantees to competitors (Boersen)
- Danisco looking at health food market (Boersen)

NORWAY

- Norske Skog tries again to sell forest property in Nord Troendelag for 500 mln nkr (Dagens Naeringsliv)
- Norsk Hydro's Hydro Aluminium sees tough year ahead (Boersen)

FINLAND

- Finnair's cost-cutting measures understood to be mainly outsourcing, flight reductions (Taloussanomat)
- UPM-Kymmene renews paper line for about 30 mln eur in Rauma, Finland (Taloussanomat)

INTERNATIONAL

- Major EU funds warn drug cos to react better to global health crises (Financial Times)
- US airlines may get govt decision on more funding today (Wall Street Journal)

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**Load-Date:** March 25, 2003



## **Danish shares AFX market data at 9.50 am - Lundbeck falls on UBS downgrade**

AFX European Focus

March 24, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 143 words

**Dateline:** COPENHAGEN

### **Body**

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Market data at 9.50 am

Major indices:

-KFX down 2.65 points at 188.73

-KBX down 1.86 points at 160.24

-KAX down 1.59 points at 159.72

Turnover 248 mln dkr

Major losers:

-Lundbeck down 2 dkr at 140 after UBS Warburg cut its stance to 'reduce' from the previous 'neutral, with a maintained 100 dkr target, on valuation grounds and amid concerns about increasing generic competition

-TDC down 4.5 at 165 after its ADRs closed lower in New York on Friday      -SAS AB 1.1 lower at 26.5 on reports of a large exodus of SAS AB pilots to Ryanair Holding PLC and other airlines

-Danske Bank down 2 at 113.5

Major gainers:

-Novozymes up 1 at 147.5

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**Load-Date:** March 25, 2003

Ryanair says 88 pct of its flights arrived on time in Feb



## Ryanair says 88 pct of its flights arrived on time in Feb

AFX.COM

March 20, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 35 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said 88 pct of its 9,895 flights in February arrived on time.

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**Load-Date:** March 21, 2003

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## Ryanair Holdings opens Brussels-Barcelona route

AFX European Focus

March 19, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 45 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it opened of a new route between Belgium and Spain with a daily flight between Brussels-Charleroi and Barcelona-Girona.

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**Load-Date:** March 20, 2003



## Ryanair to relaunch 13 of Buzz's 24 routes as 90 pct of pilots agree contracts

AFX European Focus

March 17, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 327 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said the core of Buzz's loss-making operation has been saved after 90 pct of the company's pilots accepted new contracts enabling the group to relaunch 13 of Buzz's 24 routes from May 1.

Ryanair said it expects that the rescued Buzz operation will operate 8 aircraft, with a total of over 170 people, and will carry almost 3 million passengers at an average fare of 43 eur over the first 12 months.

The routes to be relaunched are between the UK and Dusseldorf (Niederrhein), Berlin, Frankfurt (Hahn), Bergerac, Brest, Grenoble, Toulouse (Carcassonne), Tours, La Rochelle, Limoges, Poitiers, Jerez and Murcia.

Chief Executive, Michael O'Leary said "These announcements today effectively complete the turnaround and reorganisation of the loss making Buzz operation. The disposal by KLM UK is due to be completed on 1 April next, and we remain hopeful that the various regulatory authorities will grant their approval on or before that date so that the core operation and over 170 jobs can be saved."

He said Buzz is currently losing over 1 mln eur a week and KLM has confirmed its intention to close it down if the sale to Ryanair does not proceed.

"We are therefore delighted that the overwhelming majority of the people who have been offered new contracts, at significantly increased remuneration, have decided to come on board and join Europe's No.1 low fares airline," O'Leary added.

He also said Ryanair's own traffic continues to expand rapidly with the new base launched in Milan Bergamo on February 2 "enjoying record load factors", and the advance bookings on the ten routes to/from the new Stockholm Skavsta base "pouring in".

Ryanair also announced a sale of 1 million one-way seats for 10 stg across all of its 59 (non Buzz) routes to and from London.

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Ryanair to relaunch 13 of Buzz's 24 routes as 90 pct of pilots agree contracts

**Load-Date:** March 18, 2003

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End of Document



## German shares AFX at a glance outlook

AFX European Focus

March 13, 2003 Thursday

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**Section:** MARKETS

**Length:** 462 words

**Dateline:** FRANKFURT

### Body

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Share prices are expected to open higher, in line with the late rebound on Wall Street, with the easing of the eur/usd cross, amid apparently unfounded rumours of a possible coup to depose Iraqi leader Saddam Hussein, seen helping export-oriented stocks, dealers said.

At 8.21 am, Lang & Schwarz brokerage was indicating the DAX 30 index to open at around 2,238, up some 36 points from yesterday's close at 2,202.96, down 102.34 points.

#### FORTHCOMING EVENTS

##### TODAY

- Axel Springer FY
- SGL Carbon FY
- EnBW FY
- Deutsche Telekom's T-Online FY

##### TOMORROW

- Chancellor Schroeder to give speech outlining proposed economic reforms
- Jan manufacturing orders (12.00 noon)
- Feb final CPI

##### TODAY'S PRESS

- IMF lowers German 2003 growth forecast to 0.7 pct from 2.0 pct (Financial Times Deutschland)
- Pearson, Bertelsmann 1st round bidders for AOL book unit; no News Corp (Wall Street Journal)
- WestLB to restructure investment banking ops, cut 100-150 London jobs (Financial Times)

## German shares AFX at a glance outlook

-Temasek, Deutsche Bank may tie-up to bid for Bank Danamon stake (Business Times)

-Gerling sale talks with HDI collapses (Handelsblatt)

-Anti-terror insurance cos to fold up only after 1 yr due to lack of demand (Handelsblatt)

-Deutsche Bahn to launch special price offer to arrest passenger traffic fall (Sueddeutsche Zeitung)

-Ryanair wants to use ex-East German govt airport Neuhausen in Berlin (Tagesspiegel)

### COMPANY NEWS

-\*BAYER FY PRE-EX OPG FROM CONTINUING OPS 989 MLN EUR VS 1.838 BLN

-\*BAYER FY NET 1.06 BLN EUR VS 965 MLN

-\*BAYER SAYS HAS PAID 140 MLN EUR TO SETTLE WITH MORE THAN 500 BAYCOL

### CLAIMANTS

-\*BAYER SAYS LIPOBAY/BAYCOL CHARGES MAY EXCEED INSURANCE COVERAGE IN WORST CASE

-\*BAYER SAYS LIPOBAY/BAYCOL LAWSUIT FILINGS TOTAL 8,400

-\*BAYER END-2002 NET DEBT 8.9 BLN EUR; SEES NET DEBT END-2003 AT ABOUT 7 BLN

-\*BAYER SEES FY 2003 OPG FROM CONTINUING OPS HIGHER VS 2002

-\*BAYER SEES 20 PCT HEALTHCARE OPS EBITDA MARGIN BY 2006

-\*BAYER SEES 21 PCT GROUP EBITDA MARGIN BY 2006

-\*WEST EUROPEAN FEB NEW CAR REGISTRATIONS DOWN 3.5 PCT YR-ON-YR

-\*BMW GROUP FEB WEST EUROPEAN NEW CAR REGISTRATIONS DOWN 15.8 PCT YR-ON-YR

-\*SALZGITTER FY PRETAX 72.5 MLN EUR

-\*SALZGITTER FY NET 65.9 MLN EUR VS 144.3 MLN

-Marzotto simplifies group structure, switches Hugo Boss stake to other unit

### MARKET NEWS/SENTIMENT

-\*VW CUT BY DEUTSCHE BANK TO 'SELL' VS 'HOLD', 2003-04 EPS ESTIMATES LOWERED

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**Load-Date:** March 14, 2003



## Ryanair keen to use Neuhardenberg airport near Berlin - report

AFX European Focus

March 13, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 96 words

**Dateline:** BERLIN

### Body

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Ryanair Holdings PLC is interested in using the former East German government airport Neuhardenberg outside of Berlin, Der Tagesspiegel newspaper reported, citing Dieter Vornhagen, head of Eigentuemergesellschaft Grundwert Brandenburg GmbH which owns the site.

Vornhagen said German airlines have also inquired about the possibility of using the airport, which is about 70 kilometres east of Berlin and close to the Polish border.

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**Load-Date:** March 14, 2003



## Ryanair to introduce new daily route between Hamburg-Lubeck and Pisa

AFX European Focus

March 12, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 46 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will introduce a new daily route between Hamburg-Lubeck and Pisa, starting on May 1.

The cheapest fare will be 39.99 mln eur including taxes.

rn

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**Load-Date:** March 13, 2003



## Ryanair indicted for misleading airfare advertisements in Denmark

AFX European Focus

March 7, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS; GENERAL

**Length:** 166 words

**Dateline:** COPENHAGEN

### Body

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Ryanair Holdings PLC has been indicted by police in Aarhus, Denmark's second city, for publishing misleading price information, reacting to a complaint from the government's consumer agency, police said.

Ryanair is being accused of having published airfares in newspaper advertisements in 2002 without mentioning taxes and fees, as required by Danish law, thereby making prices seem lower than they really were.

This caused an outcry from Ryanair's competitors, leading to the legal moves against the airline.

"Ryanair ignored our call to respect the law for two years, refusing to respect the rules about the publication of prices," said Bent Bagge, division head at the consumer agency.

Ryanair is also being accused of charging passenger an "airport tax" of 66 dkr, but passing only half that amount on to the airport authority and keeping the other half.

sa/wf/pb

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**Load-Date:** March 8, 2003



## Ryanair launches 7 new routes from London

AFX European Focus

March 6, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 77 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it has launched seven new routes from London Stansted Airport to Ostend (Bruges) in Belgium, Groningen in Holland, Leipzig (Altenburg) in Germany, Palermo in Italy, Bergerac and Rodez in France and Blackpool.

The new routes will commence on May 1 with fares starting from 29.99 stg (including taxes).

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**Load-Date:** March 7, 2003



## Brussels shares AFX at a glance outlook

AFX European Focus

March 6, 2003 Thursday

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**Section:** MARKETS

**Length:** 192 words

**Dateline:** BRUSSELS

### Body

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Shares are expected to open higher in line with the higher close on Wall Street, brokers said.

Yesterday the Bel 20 closed at 1,608.09, down 22.87 points or 1.40 pct.

#### FORTHCOMING EVENTS

-KBC analyst meeting in London

#### PRESS HEADLINES

-Inspectors searched offices in the Antwerp town hall in relation to an alleged corruption affair involving JC Decaux (De Standaard)

-Ryanair to launch a daily flight between London and Ostend as a final agreement between the company and the Flemish government has been reached (De Standaard)

-Colruyt is in 'in theory' interested in Royal Ahold's Schuitema business (Financieel-Economische Tijd)

-Ajax to sell shares in Germinal Beerschot football club (GBA) to minority shareholders Jos Verhaegen en Rene Snelders (Financieel-Economische Tijd)

#### COMPANY NEWS

-Agfa FY net profit 194 mln eur vs net loss 288; raises dividend to 50 cents from 23 cents.

#### MARKET SENTIMENT

-Agfa will be eyed as at first impression results look good - KBC

sml/hjp

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**Load-Date:** March 7, 2003





## Ryanair Feb passenger growth 46 pct

AFX European Focus

March 4, 2003 Tuesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 119 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, said it carried 46 pct more passengers in February this year compared to last year.

Its monthly traffic statistics revealed the group carried 1.29 mln passengers, up from 886,320 last year.

This gave a load factor -- the number of passengers as a proportion of the number of seats available -- of 82 pct, up from 81.

Internet sales as a percentage of total sales increased to 94 pct from 92.

Last month Ryanair revealed passenger growth of 55 pct for January.

At 11.31 am shares in Ryanair were down 10-1/2 pence at 396-1/2.

jdd/rn

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**Load-Date:** March 5, 2003



## Danish shares AFX at a glance outlook

AFX European Focus

March 3, 2003 Monday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 197 words

**Dateline:** COPENHAGEN

### Body

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Shares are expected to open slightly higher in line with the positive close on Wall Street on Friday but with war fears still weighing on the underlying sentiment, dealers said.

Friday, the KFX index closed 1.43 points higher at 178.03 and the KBX benchmark index was 1.23 points higher at 150.23.

The KAX All Share index closed 1.49 points higher at 152.15 and total turnover amounted to 1.07 bln dkr.

#### FORTHCOMING EVENTS

Tomorrow

-NKT Holding FY results

-William Demant Holding FY results; opg forecast 813 mln dkr vs 683 mln

#### TODAY'S PRESS

-Discount airline groups Sterling, Ryanair, EasyJet have significantly more delays than SAS, Maersk Air (Jyllands-Posten)

-Arla Foods to invest 600 mln dkr in new large dairy in Stourton outside Leeds, UK (Jyllands-Posten)

-KFX lost 12 pct in first two months, the worst start of a new year ever (Boersen)

#### MARKET NEWS/SENTIMENT

-Novo Nordisk, TDC ADRs both closed at lower levels on Friday compared with their respective closing levels in Copenhagen.

kj/vs

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**Load-Date:** March 4, 2003





## Ryanair to commence new Malmo-Frankfurt-Hahn route

AFX European Focus

February 27, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 54 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said it will commence a new route from Malmo to Frankfurt-Hahn in Germany.

Ryanair said it is offering savings of up to 84 pct on SAS's fares from Copenhagen to London.

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slm/

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**Load-Date:** February 28, 2003



## OFFICIAL CORRECTION Ryanair Holdings launches new flights from Dublin

AFX European Focus

February 27, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 123 words

**Dateline:** LONDON

### Body

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(Company issued update to amend starting dates of new flights)

Ryanair Holdings PLC said it is to launch four new scheduled flights from Dublin to Barcelona, Blackpool, Faro, and Malaga, and increase services to Newcastle.

Head of Communications, Paul Fitzsimmons said: "Starting on March 30, and every Saturday and Sunday thereafter, Ryanair will have 12 flights every weekend from Dublin to Malaga, Faro, and Barcelona.

The group said that its new route from Dublin to Blackpool will commence on the May 22 2003 while the additional twice-daily service from Dublin to Newcastle will commence on the March 30 2003.

rn/kl

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**Load-Date:** February 28, 2003



## ROUNDUP Ryanair to cut 400 Buzz jobs, ground Buzz fleet for a month

AFX European Focus

February 26, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 653 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, is to axe up to 400 Buzz jobs in a radical restructuring of the loss-making rival it purchased from KLM Royal Dutch Airlines NV for 5 mln eur earlier this month.

The redundancies, which provoked a furious reaction from trade unions, will include Buzz head office and sales and administration staff, some 25 pct of pilots, up to 80 pct of cabin crew, all cargo staff, and around 50 pct of Buzz's ground operations staff at Stansted airport.

The magnitude of the job losses shocked observers, given that Ryanair had indicated around 100 positions would be lost when it announced the Buzz deal on Feb 4.

For the 200 Buzz staff retained Ryanair pledged increased pay and productivity allowances.

The restructuring will see all Buzz flights grounded for the month of April "at least" and 12 Buzz routes terminated on March 31.

Routes axed include Paris Charles de Gaulle, Amsterdam Schipol, Marseilles and Toulon.

The group will use the grounded period to effect the redundancies, re-brand the Buzz aircraft and airport facilities in Ryanair livery, provide refunds for passengers on terminated flights, and retrain all Buzz personnel and agents in Ryanair policies and procedures.

The remaining 12 Buzz routes, the most popular, will continue from May 1 with increased frequencies. These routes include Frankfurt Hahn, Bordeaux and Toulouse (Carcassonne).

The Buzz fleet will be reduced from 12 to eight aircraft -- six Boeing 737's and two BAe146's.

Ryanair said fares on all continuing Buzz routes will be 50 pct lower than current Buzz fares, with double the seat capacity.

Passengers will be able to re-book for new tickets from March 12 on existing or alternative destinations.

"These plans will be presented to the creditors and staff of Buzz over the coming days, after which a final decision will be taken on whether to restart flying as planned on May 1 2003, or close Buzz altogether," Ryanair said.

It said Buzz management will be briefing all staff this week that if agreement is not forthcoming within two weeks from the remaining 200 staff who will be offered continued employment, then Buzz will be closed on April 1.

## ROUNDUP Ryanair to cut 400 Buzz jobs, ground Buzz fleet for a month

In these circumstances Ryanair would take over the operation and flying of these routes from May 1.

The restructuring is subject to the proposed sale of Buzz by KLM proceeding as planned on April 1. The deal remains subject to regulatory approvals.

Ryanair claimed Buzz is currently losing over 1 mln eur per week.

"These losses cannot be sustained," it warned.

Trade unions reacted with anger to Ryanair's announcement.

The Transport and General Workers' Union, which represents over 150 cabin crew at Buzz, demanded an urgent meeting with Ryanair over the proposed redundancies.

"The union strongly believes that the proposal...is flawed as it falls short of legal requirements on consultation," it said.

"Ryanair is pulling the Buzz strings but the T&G are no puppets. We will make sure we stand up for the rights of our members," said Tim Lyle, T&G national secretary for civil aviation.

Pilots union BALPA also questioned the legality of Ryanair's plans.

"We are angered by Ryanair's proposals. The merger with Buzz is being approached as if it were a fire sale. Buzz employees are not damaged goods," said general secretary Jim MacAuslan.

"This is not the sort of employment practice that we expect to see in the UK. We are taking legal advice and will press the government to come clean on where it stands on this issue. We will also be raising our concerns with the regulator."

Ryanair shares closed down 4-1/2 pence at 419.

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jdd/kl

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**Load-Date:** February 27, 2003



## Ryanair to cut 400 Buzz jobs, ground Buzz fleet for a month UPDATE

AFX European Focus

February 26, 2003 Wednesday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 541 words

**Dateline:** LONDON

### Body

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(Updating to add comment from trade union)

Ryanair Holdings PLC, the Irish low-cost airline, is to axe up to 400 Buzz jobs in a radical restructuring of the loss-making rival it purchased from KLM Royal Dutch Airlines NV for 5 mln eur earlier this month.

The redundancies will include Buzz head office and sales and administration staff, some 25 pct of pilots, up to 80 pct of cabin crew, all cargo staff, and around 50 pct of Buzz's ground operations staff at Stansted.

There will be increased pay and productivity allowances for the 200 Buzz staff retained.

The restructuring will see all Buzz flights grounded for the month of April "at least" and 12 Buzz routes terminated on March 31.

Routes axed include Paris Charles de Gaulle, Amsterdam Schipol, Marseilles and Toulon.

The grounded period will allow Ryanair to effect the redundancies, rebrand the Buzz aircraft and airport facilities in Ryanair livery, provide refunds for passengers on terminated flights, and retrain all Buzz personnel and agents in Ryanair policies and procedures.

The remaining 12 Buzz routes, the most popular, will continue from May 1 with increased frequencies. These routes include Frankfurt Hahn, Bordeaux and Toulouse (Carcassonne).

The Buzz fleet will be reduced from 12 to eight aircraft -- six Boeing 737's and two BAe146's.

Ryanair said fares on all continuing Buzz routes will be 50 pct lower than current Buzz fares, with double the seat capacity.

Passengers will be able to re-book themselves with new tickets from March 12 on existing or alternative destinations.

"These plans will be presented to the creditors and staff of Buzz over the coming days, after which a final decision will be taken on whether to restart flying as planned on May 1 2003, or close Buzz altogether."

It said Buzz management will be briefing all staff this week that if agreement is not forthcoming within two weeks from the remaining 200 staff who will be offered continued employment, then Buzz will be closed on April 1.

In these circumstances Ryanair would take over the operation and flying of these routes from May 1.



## Ryanair to cut 400 Buzz jobs, ground Buzz fleet for a month UPDATE

The restructuring is subject to the proposed sale of Buzz by KLM proceeding as planned on April 1. The deal remains subject to regulatory approvals.

Ryanair claimed Buzz is currently losing over 1 mln eur per week.

"These losses cannot be sustained," it warned.

Trade unions reacted with fury to Ryanair's announcement.

The Transport and General Workers' Union, which represents over 150 cabin crew at Buzz, demanded an urgent meeting with Ryanair over the proposed redundancies.

"The union strongly believes that the proposal...is flawed as it falls short of legal requirements on consultation," it said in a statement.

"Ryanair is pulling the Buzz strings but the T&G are no puppets. We will make sure we stand up for the rights of our members," said Tim Lyle, T&G national secretary for civil aviation.

At 12.42 pm shares in Ryanair were down 4-1/2 pence at 419.

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## Ryanair to cut 400 Buzz jobs, ground Buzz fleet for a month

AFX European Focus

February 26, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 143 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, is to axe 400 Buzz jobs in a radical restructuring of the loss-making rival it purchased from KLM Royal Dutch Airlines NV for 5 mln eur earlier this month.

The restructuring will see all Buzz flights grounded for the month of April "at least" and 12 Buzz routes terminated on March 31.

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It said there will also be increased pay and productivity allowances for the 200 Buzz staff retained.

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**Load-Date:** February 27, 2003



## ROUNDUP easyJet shares slump 15 pct on fares warning

AFX European Focus

February 25, 2003 Tuesday

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**Length:** 808 words

**Dateline:** LONDON

### Body

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Shares in easyJet PLC were over 15 pct lower in afternoon trading after the Luton-based no frills airline warned average fares have declined in excess of market expectations over the last four months.

By 2.37 pm easyJet shares had been marked down 36-1/2 pence at 205-1/2 as sector analysts reacted to the news by cutting profit forecasts.

Their shock at the fares shortfall was tinged with annoyance as easyJet's trading update was buried on page five of its circular notice regarding its planned purchase of 120 Airbus A319 aircraft and the convening of an EGM for March 12 to seek shareholder approval.

easyJet said forward volumes for flights over the spring and summer periods are "encouraging".

However, it revealed that over the four months to Jan 31 2003 its average fare has been approximately 6 pct lower than the average fare generated by the proforma combined easyJet and Go Fly networks during the same period last year.

Sector analysts had anticipated a fall of around 4 pct.

easyJet attributed the yield decline to year-on-year growth in aircraft seat capacity, the sale of additional seats at lower fares to lift the load factor of the Go Fly network closer to the easyJet network level and "market and economic forces".

It warned the decrease in average fares for the half year to March 31 2003 may now be more in line with the 8 pct reduction in year-on-year yields recently announced by Ryanair Holdings PLC.

The airline also cautioned that although current forward bookings are robust, the overall profile of the last quarter's revenue, and hence the full year to end-Sept 2003 outcome, will not become apparent for "at least several months".

The current financial year will also be impacted by the cost, as previously announced, of the integration of the Go Fly operation, the costs in connection with the option over Deutsche BA and the amortisation of goodwill -- estimated to amount to approximately 18 mln stg in the first half.

The extent of the fares reduction surprised investors.

"easyJet has flagged on several occasions (including at its AGM on Feb 14) that fares were weak, but this is the first time a number has been placed on it, and it is worse than we had expected," said Schroder Salomon Smith Barney in a note to clients.

## ROUNDUP easyJet shares slump 15 pct on fares warning

The broker estimates the potential revenue shortfall at around 20 mln stg in the half year, which if taken all the way to net income (less tax) would equate to a 14 mln stg shortfall or 3.5 pence per share -- some 15 pct of its current pre-amortisation fully-diluted EPS of 23.1 pence to Sept 2003.

SSSB said it will review its forecasts, but still rates the stock 'outperform, high risk'.

Dresdner Kleinwort Wasserstein said it plans to cut its year to Sept 2003 pretax profit forecast of 130 mln stg going in to today by at least 10 pct. It still rates the stock a 'buy'.

Cheuvreux repeated its 'outperform' recommendation, but said it expects the final two months of easyJet's first half to see even greater yield pressure than the first four months, as bookings are delayed with war risk in the Middle East.

The French broker contrasted easyJet's "very poor" earnings visibility to Ryanair, which has guided full year numbers up by 50 pct over the last 18 months.

It also pointed out that easyJet's comments today are somewhat at odds with its statement just 18 days ago that "trading has been brisk" in January.

Meanwhile, easyJet reiterated that the integration of Go Fly, acquired for 374 mln stg last August, has proceeded "much faster" than originally planned with operations running well and pricing and sales now being conducted from unified systems.

easyJet also hinted it will decide not to exercise its option to acquire British Airway's PLC's loss-making German subsidiary Deutsche BA (DBA) due to negotiating difficulties with the pilots.

The airline can exercise the option, acquired last August, at any time up to April 30 this year, extendable to August 3.

"The rationale for the option to acquire DBA remains valid, but easyJet has to be certain that its business model can be fully applied before deciding whether to exercise the option," it said.

easyJet added that the list price for the 120 Airbus 319 aircraft on order is 5.3 bln usd. But it pointed out it has been granted "very substantial" price concessions by Airbus and CFM International, the selected engine manufacturer.

Airbus is owned by European Aeronautic Defence and Space Co and BAE Systems PLC. CFM is a joint venture between General Electric and Snecma of France, and International Aero Engines.

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**Load-Date:** February 26, 2003



## **Ryanair adds third aircraft to Glasgow base; to launch new Barcelona service**

AFX European Focus

February 25, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 133 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC, the Irish low cost airline, said it is adding a third Boeing 737-200 series aircraft to its Glasgow Prestwick base and, as a consequence, is launching a new direct daily service to Barcelona Girona.

The new route, commencing May 22, will be the first-ever daily year-round scheduled service to link Scotland with the Costa Brava.

Fares will start from 29.99 stg one-way including tax -- a saving of 66 pct on the next cheapest direct fare, according to Ryanair.

The airline expects 70,000 passengers to travel the route in the service's first year.

The new service will necessitate the recruitment of up to 10 new pilots and 15 new cabin crew.

jdd/kl

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**Load-Date:** February 26, 2003



## Ryanair says had 50 pct mkt share of UK-Dublin routes in Jan

AFX European Focus

February 25, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 117 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC said market share figures for January 2003 confirm that the group is flying 50 pct of all passengers on the UK-Dublin routes.

Kathryn Munro, Ryanair's sales manager for UK and Scotland, said: "Once again, Ryanair continues to dominate the most popular route, London-Dublin, carrying over 42 pct of the passengers every day.

"Ryanair have always been and will always continue to be committed to offering our consumers low fares, choice and efficient services competing with Aer Lingus, British Airways, and British Midland on these routes."

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**Load-Date:** February 26, 2003



## Macquarie Airports - Jan passenger traffic at all airports up on yr earlier

AFX European Focus

February 21, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 253 words

**Dateline:** SYDNEY

### Body

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Macquarie Airports (MAp) said January passenger traffic numbers at all its airports showed improvement on the year earlier, with European properties boosted by new low cost carriers.

MAp said traffic at Birmingham rose 26.3 pct in January from a year earlier, while traffic at Bristol was up 31.7 pct and Sydney was up 5.7 pct.

In Rome Fiumicino rose 10.7 pct, while Ciampino was up 250 pct.

"The figures for January continue to show the positive impact of the introduction of the low cost carriers to our portfolio of European airports."

"These results were particularly strong in Ciampino where Air Berlin and Ryanair have recently begun or expanded operations," it said.

MAp has also confirmed that Aeroporti di Roma SpA (AdR) has successfully completed the refinancing of its existing bank debt facilities on improved terms.

The 1.840 bln euro new debt facilities consist of 1.265 bln euro of credit wrapped and unwrapped bonds and 0.575 bln of bank debt and replace the previous 1.725 bln euro bank facilities.

The refinancing satisfies the condition precedent announced by MAp in December 2002 regarding the AdR acquisition by Macquarie Airports (Luxembourg) SA (MALSA).

"The acquisition of a 44.74 pct shareholding in AdR by MALSA is currently anticipated to reach financial close before 31 March 2003," it said.

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Macquarie Airports - Jan passenger traffic at all airports up on yr earlier

**Load-Date:** February 21, 2003

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End of Document



Ryanair says 88 pct of its flights arrived on time in January



## **Ryanair says 88 pct of its flights arrived on time in January**

AFX European Focus

February 19, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 35 words

**Dateline:** LONDON

### **Body**

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Ryanair Holdings PLC said 88 pct of its 10,039 flights during January arrived on time.

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## Ryanair to provide proof this week benefits from Charleroi are not state aid

AFX European Focus

February 18, 2003 Tuesday

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**Section:** GOVERNMENT; COMPANY NEWS; ECONOMIC NEWS

**Length:** 367 words

**Dateline:** BRUSSELS

### Body

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Ryanair Holdings PLC chief executive Michael O'Leary said he will provide evidence this week to the European Commission to prove benefits offered to the company by Charleroi airport do not constitute illegal state aid.

The commission launched a probe on Dec 11 into reductions in landing taxes and a guarantee that the costs of maintaining a hub in Charleroi would be fixed for the period of the 15 year contract with Ryanair.

Commission officials said the probe was launched because of concerns that these benefits were not offered to other airlines and were therefore anti-competitive.

Speaking to reporters here, O'Leary said he is "very confident" the commission will clear the benefits under EU state aid rules offered by Charleroi airport and the Wallonian government.

He said the company will provide documentary evidence that at the time when it selected Brussels Charleroi in February 2001, it had four other proposals from other European airports including private ones.

He said some of these offers were from private airports, and some were slightly cheaper than the Charleroi base and some slightly more expensive.

"This clearly demonstrates that Brussels Charleroi and the Wallonian government were acting in compliance with the market investor principle which takes it out of the state aid category in that they are simply doing what other privately owned airports were doing," said O'Leary.

Under state aid rules, this type of financial assistance would be permitted if the terms are the same as those offered by private operators.

Concerning whether other airlines were offered similar deals, he said: "The deal was never exclusive to Ryanair. We will be providing the commission with evidence of similar offers they (Charleroi and the Wallonian government) made to other airlines including Sabena, Virgin Express, Easyjet and Buzz."

"The fact it wasn't exclusive to Ryanair, it wasn't some private deal and was offered to other airlines takes it out of the area of state aid," he said.

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Ryanair to provide proof this week benefits from Charleroi are not state aid

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**Load-Date:** February 19, 2003

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## Ryanair cuts Shannon-Frankfurt daily service as Aer Rianta raises costs

AFX European Focus

February 13, 2003 Thursday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

**Length:** 216 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC has cut its daily service from Shannon to Frankfurt to just once a week after the Aer Rianta airport at Shannon refused to withdraw its proposed 6 eur per passenger cost increase on the route. Instead, Ryanair is introducing a daily service to Frankfurt Hahn from Kerry Airport in a long-term low cost agreement. Flights from Kerry Airport will commence on April 1.

Ryanair said it remains concerned that the Aer Rianta airport monopoly at Shannon will attempt to impose similar price increases on Ryanair's low fare flights between Shannon and Brussels and Shannon and Paris when the three year new route scheme ends on those two routes in 2004 and 2005 respectively.

"The policies of the high cost Aer Rianta monopoly are losing Shannon passengers and routes, as well as damaging Irish tourism and Irish jobs. It is time this monopoly was broken up for good, with competing multiple terminals developed at Dublin Airport and that Cork and Shannon are separated from the dead hand of Aer Rianta and allowed to develop routes and traffic in the interests of Shannon and Cork respectively," said Ryanair in a statement.

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**Load-Date:** February 14, 2003



## Euroshares in the red at midday, airlines, TMTs, insurers lead the way

AFX European Focus

February 12, 2003 Wednesday

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**Section:** MARKETS

**Length:** 1144 words

**Dateline:** LONDON

### Body

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European markets remained mired in the red at midday, still spooked by fears of renewed terrorist attacks after alleged threats from Al-Qaeda head Osama bin Laden and with the UK government tightening security massively after it received a "specific terrorist threat" yesterday, dealers said.

Sentiment was not helped either by a mixed response to Fed chairman Alan Greenspan's testimony to the Senate Budget Committee yesterday, and dire news overnight from US tech bellwether Applied Materials.

At 11.48 am, the Dow Jones Euro STOXX 50 was down 36.49 points at 2186.52, while the Dow Jones STOXX 600 index slipped 2.64 points to 184.29.

And there looks to be little respite for Wall Street this afternoon. The Dow is being indicated down 9 points and the Nasdaq down 2, with sentiment in the latter likely to be hit by the dire news from Applied Materials after-hours.

From the onset, the mood in Europe was grim as fears of an imminent terrorist attack were heightened by the new message from Osama bin Laden, and a new "ring of steel" around Heathrow airport -- which includes heavily armed troops and extra policemen.

And the deteriorating performance of leading European economies, as illustrated by this morning's "pretty ugly" French industrial production data and this morning's reduced GDP growth forecasts for the UK, only added to the bleaker tone.

Earlier, Insee reported that French industrial output slumped 1.7 percent in December from November, well above the forecast 0.3 pct fall, while the November rise was revised down to 0.9 pct from 1.2 pct. Meanwhile the Bank of England in its quarterly inflation report cut its 2003 GDP growth forecast to 2.5 pct, and warned that the outlook for inflation is deteriorating.

The European airline sector flew into trouble this morning as investors fretted about the impact of new terrorism warnings on passenger traffic. Certainly, scenes of heavily-armed troops surrounding Heathrow -- London's main hub -- and increased security at Manchester airport did little to calm these fears.

British Airways lost ground, as did the UK's two other major airlines, Easyjet and Ryanair. And BAA -- the owner of Heathrow -- was another casualty, with the stock also being impacted by further comment on Tuesday's full year figures. Air France was also on offer ahead of its third quarter numbers, which some suggest could include a French government decision to sell-off a further 5 pct stake. SAS, the Scandinavian, airline also lost ground as narrowing fourth quarter losses were offset by its refusal to give any earnings guidance for 2003.

Euroshares in the red at midday, airlines, TMTs , insurers lead the way

And Spanish travel firm Amadeus headed south, reversing opening gains, as its own lack of guidance for 2003 and fears of a war against Iraq offset stronger-than-expected fourth quarter earnings news. CSFB, however, downplayed the absence of current year guidance, repeating its 'outperform' stance and saying it would use any weakness on the back of military action in Iraq to build positions.

But KLM managed to push ahead as it revealed plans to begin buying back up to 4.5 mln of its own shares immediately.

Away from the cyclical, Axa was among the worst performers in a battered Insurance sector, down 2.52 pct at 134.87, as investors took fright at a ratings downgrade from Standard and Poor's.

The agency cut the French insurance giant's long-term credit rating to 'AA-' from 'AA', citing its doubts over whether the group will achieve its 2002 operating profit targets.

The news triggered fears of another round of ratings downgrades to the top European players -- particularly if equity markets continue on their downward trajectory.

Allianz was a notable casualty, also hurt by a grim interview with its chairman Henning Schulte-Noelle in tomorrow's Die Zeit. He warned that Allianz's 2002 results will be the "worst for a long time", and admitted that all options will be mulled should its Dresdner Bank unit fail to meet targets. He also reaffirmed the group's plans to reduce some of its stock holdings. Allianz holds hefty stakes in Munich Re, Schering, BASF, RWE and Commerzbank.

Aegon also posted sharp losses, as did Fortis and ING.

But Swedish insurer Skandia managed to defy the trend after strong fourth quarter results from the company, and news that S&P is raising its long-term counterparty credit rating to 'A' from 'BBB'.

Renault posted hefty falls in an enfeebled Autos sector, down 3 pct at 143.88, as the French carmaker's cautious outlook on operating margins yesterday and its warning of an uncertain outlook for 2003 sparked a slew of negative broker comment.

WestLB Panmure was spooked by the gloomy outlook, and put its outperform stance and 55 eur target under review, while Sanford Bernstein -- a long-time bear -- repeated its 'underperform' advice.

Rival Peugeot, however, managed to recover from its earlier lows as followers took heart from its more optimistic noises on margin growth, with this morning's in-line results. Sentiment received a further boost later on as news emerged from its conference call that it is mulling a possible share buyback. CAI Cheuvreux maintained its "buy" rating in the wake of the news.

And Deutsche Telekom managed to outperform very weak TMTs, which were spooked by yesterday's dire after-hours first quarter numbers and gloomy outlook statement from US chip equipment making giant Applied Materials.

Sentiment in the German incumbent was boosted by an upgrade from Dresdner Kleinwort Wasserstein, and positive noises from Merrill Lynch on the European telecoms sector as a whole.

Dresdner Kleinwort upped Deutsche Telekom to 'add', with a newly-hiked 13.5 eur target amid hopes of strong earnings in 2003 and real progress in paying down its hefty debts. The broker also highlighted its attractive free cash flows and strong operational momentum, particularly in the mobile phone market.

Electrolux managed to shine as -- for once -- its fourth quarter numbers proved to be much better than many had feared. The firm was also upbeat about prospects for the current year, saying restructuring and cost cutting moves should help to boost operating profit this year and offset expected flat demand this year in both Europe and the US.

Lafarge also stood out on the upside as Merrill Lynch revealed raised its stance to 'neutral' from 'sell', citing the recent slump in the French building material group's share price. While it expects further negative news from Lafarge and earnings growth downgrades, valuations on earnings, sales and asset value all now point to Lafarge trading below average levels, the broker said. nm/vs

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Euroshares in the red at midday, airlines, TMTs , insurers lead the way

**Load-Date:** February 13, 2003

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## Ryanair to scrap Buzz flights to Germany as part of takeover

AFX European Focus

February 12, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 120 words

**Dateline:** FRANKFURT

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, wants to scrap flights to Germany operated by Buzz, the loss-making rival it agreed to buy from KLM Royal Dutch Airlines NV, said the head of Ryanair air traffic, David O'Brien in an interview with tomorrow's WirtschaftsWoche magazine. Flights from London-Stansted to Berlin, Duesseldorf and Frankfurt and back will be dropped.

"They don't fit into our concept," said O'Brien.

The three airports are too susceptible to delays and are more expensive than Ryanair's current German hubs, which are Hahn and Niederrhein, the magazine said.

das/cmr

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**Load-Date:** February 13, 2003





## Ryanair denies report to scrap Buzz services to Germany - spokeswoman

AFX European Focus

February 12, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 181 words

**Dateline:** DUBLIN

### Body

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Ryanair Holdings PLC denied reports that it will scrap all services to Germany operated by Buzz, the loss-making budget airline it is buying from KLM Royal Dutch Airlines NV, a spokeswoman said.

"The airline will not be scrapping all services to Germany operated by Buzz," the spokeswoman said.

"We have reached no final decisions as yet. Ryanair is in talks with all airports to which Buzz operates. The airline will be announcing the schedule at the end of the month," she said.

In a report to be published tomorrow, German business weekly WirtschaftsWoche cited flight operations director David O'Brien as saying that the airline would axe Buzz's services to Germany.

O'Brien said Buzz's services between London's Stansted airport and the airports of Berlin, Duesseldorf and Frankfurt "don't fit into our concept", according to the report.

However, the spokeswoman for Ryanair said: "It's inaccurate what the report is publishing."

bur-dr/cml/cmr

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**Load-Date:** February 13, 2003



## Ryanair launches credit card in partnership with MBNA

AFX European Focus

February 11, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 104 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, said it has launched a credit card in partnership with MBNA Europe Bank Limited.

The card was developed with 123.ie, the airline's on-line financial services partner.

It will allow holders to earn free Ryanair flights. Card purchases will be charged a 15.9 pct APR.

Ryanair said it will offer 250,000 seats for just 1 stg plus taxes and charges to "celebrate" the credit card's launch.

At 10.29 am Ryanair shares were up 7-1/2 pence at 430.

jdd/rn

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**Load-Date:** February 12, 2003



## London shares just higher in aimless midday trade, awaiting Powell statement

AFX European Focus

February 5, 2003 Wednesday

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**Section:** MARKETS

**Length:** 1387 words

**Dateline:** LONDON

### Body

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UK blue chips were just on positive ground at midday, treading water in quiet trade ahead of US Secretary of State Colin Powell's key address to the UN on Iraq later today, and with US markets set to open under pressure, traders said.

At 12.10 pm the FTSE 100 was up 18.3 points at 3608.4, with all other indices turning higher save the Small Cap index.

Volumes were paltry, with 738.3 mln shares changing hands in just 56,566 transactions.

In economic news, the latest Bank of England Monetary Policy Committee meeting kicked off today, while in the US the ISM January non-manufacturing index will be closely watched after the surprise strength of the ISM manufacturing index Monday.

Economists expect the non-manufacturing data to remain unchanged at 54.7.

However, the real key for sentiment today will be Powell's keynote speech on Iraq's alleged stock-piling of weapons of mass destruction which is expected at 3.30 pm GMT.

Should Powell fail to convince major world leaders that the evidence against Iraq is compelling enough, then the US will have to decide whether to seek a second United Nations resolution or launch its attack on Iraq regardless.

Blue chips remained fairly aimless awaiting some impetus from Powell's speech, with just a few corporate news items to provide direction.

Amvescap returned to take position as the biggest casualty in midday deals, extending yesterday's post-results slide as brokers piled on the cautious comment after yesterday's uninspiring full year figures, with Morgan Stanley cutting to 'underweight' from 'equal-weight', citing disappointing flows.

Amvescap shares had plunged 4 pct, or 13 pence to 310-1/2, as investors switched to Schroders voting shares, up 2 at 444-1/4, and non-voting, up 11-3/4 at 413.

British Airways was also a weak spot ahead of its latest traffic figures, particularly after KLM Royal Dutch Airlines revealed earlier a decline in overall load factor to 73.4 pct in January from 74.2 pct a year earlier.

## London shares just higher in aimless midday trade, awaiting Powell statement

War concerns added to investor caution, with British Airways down 1-1/2 to 112-1/2, Rolls-Royce down 1-1/4 at 92-3/4 and BAA losing 6 to 440-1/2. EasyJet was 1/2 pence easier at 223-3/4 while Ryanair jumped into positive territory after reporting a 55 pct increase in passengers carried in January, compared to last year.

Ryanair's load factor increased to 76 pct from 72 pct. For the rolling 12 months it was 85 pct.

Beleaguered engineer Invensys headed off lows, now down 1-1/2 pence at 45-1/2, after assuring the market that its earnings guidance remains unchanged. The firm was attempting to allay fears - reported in this morning's Times - that it is to issue a profit warning.

A spokesman for Invensys said: "We haven't changed the guidance we gave during the interim results announcement last November." At that time the group said it expects "second half trading performance in the core group to remain at best flat" with first half.

Elsewhere, auto parts manufacturer GKN was also a steep faller following on from hefty falls in US peers after yesterday's disappointing US car sales data for January. Below-consensus fourth quarter numbers from DaimlerChrysler yesterday also added to the pressure. GKN shares lost 5-1/2 to 184-1/4, also pressured by news the dollar has hit a four year low against the euro.

Other financial stocks were more mixed towards midday, with insurers recovering some ground, but banks remaining unsettled after Commerzbank's record full year losses overshadowed BNP Paribas' top-end numbers.

Banks remained mixed, with Barclays down 2-3/4 at 362-1/4, Northern Rock turning around to gain 4 to 625 and Standard Chartered up 2 at 641.

Insurers recovered some ground after tripping up on fears over one-off charges after insurance giant AIG added a massive 2.8 bln usd to its loss reserves.

Royal & Sun Alliance shed 1-3/4 to 94-1/4, while Aviva was up 8-1/2 at 421-1/2, and Friends Provident gained 3-1/4 to 94-1/2.

Amongst gainers, Scottish Power continued to top the blue chip risers board midmorning, up 15-3/4 pence to 347-3/4 in the wake of forecast-busting third-quarter results.

Williams de Broe rates the stock a 'hold' following third-quarter profit before tax, exceptionals and goodwill amortisation of 251.8 mln stg, up from 239.7 mln a year earlier, boosted by 20 mln stg of cost savings. Analysts' forecasts for the period ranged from 225-231 mln.

Mobile phone stocks were also in demand as heavyweight Vodafone gained 3 to 111-3/4 on news it has been approached by several companies including Ripplewood Holdings about the sale of its fixed-line telecom operations in Japan.

The mobile phone giant also said this morning it has finalised the terms of its proposed minority offers for the outstanding shares in its subsidiaries in Sweden and Portugal. It is to offer 47 skr for each Europolitan share and 8.50 eur per Telecel share, with the total cost of these tender offers expected to reach up to 1.2 bln eur.

Banc of America upping its stance to 'hold' today on Vodafone, and mmO2 tracked the advance, rallying 2 pence to 48-1/2 after easing back on yesterday's trading news.

Elsewhere on the upside, Compass Group benefited from switch advice and positive broker comment in the wake of a disappointing AGM update from French peer Sodexho Alliance.

Both Goldman Sachs and WestLB Panmure expressed a preference for Compass today -- its shares gained 7-3/4 at 299-3/4 -- after Sodexho reduced its full year organic growth forecast.

On the second line, housebuilders were the main feature in a quiet market. A very upbeat statement from Bellway triggered a 'buy' note from Arbuthnot -- formerly Old Mutual Securities -- and increased estimates, with its full year pretax forecast upped to 150 mln stg from 136 mln.

The group said it has already reserved, contracted or completed 80 pct of targeted output for the current financial year, and in view of this, the board anticipates that the results for the full year to July 31 could now exceed its earlier expectations.

## London shares just higher in aimless midday trade, awaiting Powell statement

Moreover it said: "Despite media speculation regarding the housing market, conditions continue to be encouraging throughout our areas of operation."

Bellway shares jumped 21 pence to 486-1/2, Westbury was up 15-1/2 at 265-1/2 and Redrow put on 6 to 246.

In other news, Rank Group edged up 6-1/2 pence to 234-4/5 as heavyweight broker Merrill Lynch added the stock to its core Europe One List, after turning outright buyer of Rank only recently.

And tech stock Autonomy plunged 9-1/2 pence to 125-1/2 after buying back shares.

But on the downside, profit takers pulled Kidde back 3-3/4 pence to 62-1/2, with the stock having been lifted yesterday by news of a UBS Warburg upgrade.

And bad news from Swiss recruitment sector peer Adecco knocked Michael Page shares back 5 pence to 96-1/2.

There were few falling small cap features, with four stocks dropping after moving ex-dividend.

Otherwise on the upside, financial services firm Kingsbridge hardened 1/2 pence to 7 after revealing it has reached agreement in principle with former director Ross Hyett and certain of his management team for the sale of IFP Investments Ltd.

But no legal agreement has been reached and no financial details were disclosed.

Elsewhere, Theratase was in demand after its Dutch joint venture partner AM-Pharma Holding BV announced yesterday the start of Phase I clinical trials for the treatment of sepsis. Shares were up 2-1/2 at 37-1/2.

In the mining sector, a Peruvian gold drilling deal provided the spur to Monterrico Metals, 4-1/2 higher at 71, while Rolfe & Nolan surged 19 to 97-1/2 in response to the 100 pence-a-share management buy-out offer.

Meanwhile, comedy and late-night bar operator, Regent Inns was firm, up 6 pence at 62-1/2, after posting in-line first-half profits and maintaining its dividend at 1.82 pence. Investors were unfazed by its comment that there has been no signs of improved trading conditions throughout January.

kgd/lam

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**Load-Date:** February 6, 2003



## Ryanair Jan passengers up 55 pct

AFX European Focus

February 5, 2003 Wednesday

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**Section:** COMPANY NEWS

**Length:** 122 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Irish low-cost airline, said it carried 55 pct more passengers in January compared to last year.

Passenger numbers totalled 1,251,641 versus 807,828, bringing the rolling 12 month total to 14,931,825.

Ryanair's load factor -- the number of passengers as a proportion of the number of seats available -- increased to 76 pct from 72 pct. For the rolling 12 months it was 85 pct.

Internet sales accounted for 94 pct of tickets sold.

Yesterday, Ryanair reported better-than-expected third quarter results.

At 11.54 am Ryanair shares were down 2-1/2 pence at 416-1/2.

jdd/kl

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**Load-Date:** February 6, 2003



## Ryanair's O'Leary says co 'relatively unexposed' to Gulf war

AFX European Focus

February 4, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 223 words

**Dateline:** LONDON

### Body

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Michael O'Leary, chief executive of Ryanair Holdings PLC, said the Irish low-cost airline is "relatively unexposed" to a military conflict in the Gulf.

He told the CNBC business news channel that Ryanair is running with much higher advanced load factors than normal with 94 pct of its February seats already sold, has fully hedged its fuel requirements, and is sitting on over 1 bln eur of cash.

"So as best we can we are relatively unexposed to a war in Iraq. But clearly we'd be concerned if it lasted a long time," he said.

"If it's short, sharp and quick then I think everybody will get back to normal. If it develops into ways we don't expect or results in terrorist attacks in major European cities then clearly we have to go back to the drawing board."

O'Leary maintained that if there is a war Ryanair's competitors would suffer "grievously more than we will".

"If the war breaks out we'll be lowering prices, we'll be dumping the fares, we'll be having seat Sales left, right and centre. The key thing is to keep people flying during periods of trauma."

O'Leary was speaking after Ryanair released third quarter results.

At 8.33 am Ryanair shares were down 6 pence at 433.

jdd/shw

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**Load-Date:** February 5, 2003



## Ryanair raises FY guidance; Q3 profit after tax up 50 pct

AFX European Focus

February 4, 2003 Tuesday

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### Body

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Ryanair Holdings PLC, the Irish low-cost airline that last week acquired loss making rival Buzz from KLM Royal Dutch Airlines NV, has raised its guidance for full year profit after tax to 235 mln eur from 230 mln after a better-than-expected third quarter performance.

For the third quarter to Dec 31 2002 profit after tax (net profit) was 43.2 mln eur, up from 28.8 mln last year. Sector analysts had forecast around 39 mln eur.

The record profit growth was fuelled by record traffic growth.

Passenger traffic for the quarter grew 46 pct to 3.9 mln and average load factor jumped from 79 pct to 86 pct, primarily due to a further 8 pct reduction in fares which had been flagged.

This reduction in yields reflects the 1 mln free seats promotion last October, the launch of four new routes from Frankfurt Hahn in December, and Ryanair's low fares policy.

Total revenues in the quarter rose 37 pct to 185.9 mln eur, however operating costs rose at a slower rate of 28 pct.

As a result Ryanair's after tax margins, during the worst quarter in the year, increased from 21 pct to 23 pct.

Basic EPS was 5.72 cents versus 3.98 cents, a rise of 44 pct.

Ryanair predicted it will carry 24 mln passengers in the year to March 2004.

jdd/slm/

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**Load-Date:** February 5, 2003





## Ryanair raises FY guidance; Q3 profit after tax up 50 pct - UPDATE

AFX European Focus

February 4, 2003 Tuesday

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### Body

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(Updating to add more detail from Ryanair Q3 statement)

Ryanair Holdings PLC, the Irish low-cost airline that last week acquired loss-making rival Buzz from KLM Royal Dutch Airlines NV, has raised its guidance for full-year profit after tax to 235 mln eur from 230 mln after a better-than-expected third quarter performance.

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As a result Ryanair's after-tax margins, during the worst quarter in the year, increased from 21 pct to 23 pct.

Basic EPS was 5.72 cents versus 3.98 cents, a rise of 44 pct.

Ryanair, which also ordered another 100 new Boeing aircraft last week, predicted it will carry 24 mln passengers in the year to March 2004 -- a figure that would see Ryanair challenge Air France for the position of Europe's third largest international scheduled airline.

"These are another good set of numbers which result from the disciplined way we are rolling out our low fares all over Europe," said chief executive Michael O'Leary.

"Ryanair's reducing cost base enables us to continue to drive down air fares. Lower fares mean higher load factors on our new larger aircraft, whose lower operating costs in turn result in increased profits. This is a virtuous cycle of lower costs, lower fares, faster growth and increasing profits."

O'Leary said Ryanair continues to be surrounded by opportunities.

He noted that the average load factor on its four new routes from Frankfurt Hahn in December was over 80 pct, advance bookings at its new Milan Bergamo base (start date Feb 6) suggest load factors for the first month of 70-80

## Ryanair raises FY guidance; Q3 profit after tax up 50 pct - UPDATE

pct, and initial customer response to its ninth European base at Stockholm Skavsta (announced last Tuesday) has been very encouraging.

The chief executive defended the purchase of Buzz for a net 5 mln eur as "an opportunity too good to miss", but acknowledged "some commentators fear that we are biting off more than we can chew."

"Fortune favours the brave, and as Warren Buffet has proven many times, the time to buy is when everyone else is selling and prices are low. I believe that this is one of those times," he maintained.

Turning to the recently announced EU investigation of Ryanair's cost base at Brussels Charleroi Airport, O'Leary reiterated his belief that the Commissioner for Transport, Loyola de Palacio will rule in favour of Charleroi and the Belgian government, as the evidence is overwhelming that there is no element of State aid in its cost base there.

Ryanair shares closed Monday at 439 pence, capitalising the airline at 3.3 bln stg.

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jdd/shw

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## Ryanair's O'Leary says would rather close Buzz than face pilots strike

AFX European Focus

February 4, 2003 Tuesday

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**Section:** COMPANY NEWS

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### Body

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Michael O'Leary, chief executive of Ryanair Holdings PLC, the Irish low-cost airline, said he would rather shut down Buzz, the loss-making rival it agreed to buy from KLM Dutch Airlines NV for a net 5 mln eur last week, than face the prospect of a pilots strike when the acquisition completes in April.

Speaking at a news briefing, O'Leary confirmed that 20 pct of Buzz's 500 strong London Stansted-based workforce will likely lose their jobs.

He said the Buzz employees who stay must agree to adopt Ryanair's labour practices quickly and warned the unions, particularly the British Air Line Pilots Association, not to cause trouble.

"If BALPA go on strike on April 1, it won't be a question of sacking pilots, we'll close down Buzz."

"It's losing 30 mln eur a year, we're not going to hang around with extensive negotiations."

O'Leary was keen to talk up the positives of the deal.

"This is about saving 400 jobs, not about 100 redundancies," he said.

He also pointed out that the airline's order for a further 100 Boeing 737-800 aircraft will create 3,000 new jobs over the nine year course of their delivery.

He was speaking after Ryanair released third quarter results.

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## Ryanair's O'Leary says would rather close Buzz than face pilots strike UPDATE

AFX European Focus

February 4, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 560 words

**Dateline:** LONDON

### Body

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(Updating to add more comments from Ryanair chief executive Michael O'Leary)

Michael O'Leary, chief executive of Ryanair Holdings PLC, the Irish low-cost airline, said he would rather shut down Buzz, the loss-making rival it agreed to buy from KLM Royal Dutch Airlines NV for a net 5 mln eur last week, than face the prospect of a pilots strike when the acquisition completes in April.

Speaking at a news briefing following the release of Ryanair's third-quarter results, O'Leary confirmed that 20 pct of Buzz's 570 strong London Stansted-based workforce will likely lose their jobs.

He said the Buzz employees who stay must agree to adopt Ryanair's labour practices quickly and warned the unions, particularly the British Air Line Pilots Association, not to cause trouble.

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O'Leary was keen to talk up the positives of the deal, maintaining that Buzz would have gone out of business if Ryanair had not stepped in.

"This is about saving 400 jobs, not about 100 redundancies," he said.

He also pointed out that Ryanair's order for a further 100 Boeing 737-800 aircraft will create 3,000 new jobs over the nine-year course of their delivery.

O'Leary intends to retain the majority of Buzz's management with the exception of Floris van Pallandt who will return to KLM.

"We have considerable faith in the management of Buzz, they just haven't been given the tools to do the job," he said.

Buzz currently operates a network of 21 routes from Stansted to points in Germany, Holland, France and Spain, as well as two French domestic routes.

Ryanair plans to rationalise Buzz's operations by closing unprofitable routes.

O'Leary said routes to be cut include those to Paris Charles de Gaulle, Schipol Amsterdam and Frankfurt Main -- primary airports that are expensive to operate out of. Slots at these airports will revert back to KLM.

## Ryanair 's O'Leary says would rather close Buzz than face pilots strike UPDATE

As part of the deal KLM has agreed to take back all of Buzz's BAe 146 aircraft by end-March 2004.

Due diligence of the Buzz deal is expected to be completed by Feb 14 and a rationalisation plan announced by the end of the month.

This will include a revised summer schedule and confirmation of routes to be cut and routes that will see increased frequency.

By April 1 the Buzz name will cease to exist and its routes incorporated into Ryanair's internet reservation system.

By cutting Buzz fares by around 50 pct, Ryanair reckons it can double the unit's passenger numbers to 4 mln in the year to end-March 2004 and deliver a 10 mln eur profit.

Deputy chief executive Michael Cawley maintained Ryanair's 5 mln eur purchase of Buzz compares very favourably to the 397 mln eur easyJet PLC paid for Go-Fly last year.

He noted that both deals delivered around 4 mln passengers and similar projected profits.

"They paid 397 mln eur funded by a rights issue. Frankly we're paying petty cash," he said.

At 2.06 pm shares in Ryanair were down 20 pence at 419.

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**Load-Date:** February 5, 2003



## ROUNDUP Ryanair threatens to close Buzz; Q3 profits top expectations

AFX European Focus

February 4, 2003 Tuesday

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**Section:** COMPANY NEWS

**Length:** 1016 words

**Dateline:** LONDON

### Body

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Michael O'Leary, chief executive of Ryanair Holdings PLC, the Irish low-cost airline, said he would rather shut down Buzz, the loss-making rival it agreed to buy from KLM Royal Dutch Airlines NV for a net 5 mln eur last Friday, than face the prospect of a pilots strike when the acquisition completes in April.

Speaking at a news briefing following the release of better-than-expected third quarter results, O'Leary confirmed that 20 pct of Buzz's 570 strong London Stansted-based workforce will likely lose their jobs.

He said the Buzz employees who stay must agree to adopt Ryanair's labour practices quickly and warned the unions, particularly the British Air Line Pilots Association, not to cause trouble.

"If BALPA go on strike on April 1, it won't be a question of sacking pilots, we'll close down Buzz."

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Routes out of Bournemouth, Dorset, and the two French domestic routes also face the chop.

As part of the deal KLM has agreed to take back all of Buzz's BAe 146 aircraft by end-March 2004.

## ROUNDUP Ryanair threatens to close Buzz; Q3 profits top expectations

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Profit after tax (net profit) was 43.2 mln eur, up from 28.8 mln last year and above the 39 mln eur sector analysts had forecast.

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He reckons Ryanair is "relatively unexposed" to a military conflict in the Gulf.

He explained that the airline is running with much higher advanced load factors than normal with 94 pct of its February seats already sold, has hedged 85 pct of its fuel requirements to December 2003 at a rate 20 pct below the current spot price, and is sitting on over 1 bln eur of cash.

"So as best we can we are relatively unexposed to a war in Iraq. But clearly we'd be concerned if it lasted a long time.

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"If the war breaks out we'll be lowering prices, we'll be dumping the fares, we'll be having seat Sales left, right and centre. The key thing is to keep people flying during periods of trauma."

At 2.59 pm shares in Ryanair were marked down 18-1/2 pence at 420-1/2.

## ROUNDUP Ryanair threatens to close Buzz; Q3 profits top expectations

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## Euroshares opening - More cautious start seen as Wall St drifts off highs

AFX European Focus

February 4, 2003 Tuesday

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**Section:** MARKETS

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### Body

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European markets are expected to open the session in more cautious mood, hit by Wall Street's late drift from highs as surprise strength of Monday's ISM report and solid construction spending data provided some comfort on the US economy, dealers said.

Sentiment will be further undermined by growing caution on Iraq, with many investors reluctant to move into the market too aggressively today ahead of expected new information on Iraq's alleged weapons of mass destruction from US Secretary of State Colin Powell tomorrow.

Overnight, the DJIA closed up 56.01 points at 8,109.82, off an intraday high of 8,152.08. The S&P 500 was up 4.62 at 860.32 while the Nasdaq composite was up 2.88 at 1,323.79.

In Asia, the Nikkei 225 index closed down 15.89 points at 8,484.90. And the Hang Seng, after the long Chinese New Year holiday, ended the morning session 1.70 points adrift at 9,257.25.

The main excitement on the economic front will be the the early estimate of euro zone inflation for January, which is forecast to show a slight easing in the annual rate.

But it will be corporate earnings news that will - yet again - dominate.

In the autos, all eyes will be on the latest results from DaimlerChrysler, due this afternoon. The car giant is expected to announce fourth quarter operating profit excluding one-offs of between 962 mln and 1.6 bln eur, compared with 564 mln last year, and full year dividend of 1.00-1.35 eur per share from 1.00 eur.

Analysts are also keen to obtain details on the fourth quarter performance of Mercedes Benz, given a softening in the overall luxury market segment, as well as in Chrysler, whose spending for incentives in the period under review would have limited upside potential in earnings.

But early sentiment in the sector could be hurt by the latest US car sales, which showed a fall in January after a strong showing in December. Some economists fear car makers are having trouble attracting buyers with their historic low interest loans that have been in place in different guises since the fall of 2001.

Domestic and imported car and light truck sales came in at a seasonally adjusted 16.2 mln unit annual rate in December, down 11 pct from an 18.2 mln unit rate in December, according to Autodata Corp.

## Euroshares opening - More cautious start seen as Wall St drifts off highs

Shares in Ryanair, the Dublin-based no-frills airline, are expected to take off in early deals as brokers cheer its strong third quarter numbers, raising full year guidance. The upbeat news comes less than a week after Ryanair went on a massive buying spree, buying rival Buzz and ordering yet more Boeing jets to expand its fleet.

In the TMTs, telecom equipment maker Alcatel is expected to be active after its full year figures and further comment on trading in the current year.

Although its full year losses were wider than the market was expecting, investors are expected to take comfort from news that it expects a narrowing first quarter loss and a return to profit in the full year, before the impact of exceptionals.

And mm02, the UK mobile phone giant, is expected to run higher after its latest update, which showed a healthy 4.3 pct increase in new customers in the three months to December, and a surge in revenues from data services.

In the Media sector, Vivendi Universal is expected to steal the limelight after the apparent departure of the head of its Canal Plus operations, dealers said. Some sector watchers suggested that his shock exit could mean that Vivendi Universal is moving closer to the sale of the business, which had initially been deferred until 2004 at the earliest.

Cordiant Communications could see an early rally after the Financial Times reported that yesterday's sale of its Australian assets sets the stage for its break-up.

In the Chemicals, Ciba could be under pressure early on as investors mull its latest full year numbers, which came in at the bottom end of the forecast range. The Swiss giant, however, did predict that 2003 sales, margins and net profit would be ahead of 2002.

Later on, UK industrial gases group BOC is expected to report first quarter pretax pre-exceptionals of 92-97 mln stg, against 97 mln last time, reflecting pension charges and continuing tough market conditions. But few real surprises are expected following its Jan 17 trading update that gave a fairly full account of the factors affecting current year's results.

Shares in E.ON are expected to fall under pressure after the Financial Times reported that the German Cartel Office has launched a fresh challenge to its planned takeover of Ruhrgas, Europe's largest gas importer.

And Credit Suisse Group could be under the cosh after its investment arm, CSFB, put its star technology banker on leave pending an internal inquiry.

Elsewhere, insurers, which were in the vanguard of the wider market advance yesterday, could succumb to some selling pressure today, though pundits will continue to take heart from further advances in equities on Wall Street Monday.

Looking ahead, French hotels chain Accor will be in focus, with the group expected to report its full year sales after-hours this evening.

nm/jms

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**Load-Date:** February 5, 2003



## London shares slip in opening deals after Wall St closed off highs overnight

AFX European Focus

February 4, 2003 Tuesday

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### Body

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London's leading shares slipped slightly in opening deals after Wall Street lost some of its firmness later in the session, though positive numbers from mmO2 and Ryanair, and news from Abbey National, enlivened the market, dealers said.

But war fears remain and many investors are likely to sideline themselves ahead of new information on Iraq's alleged weapons of mass destruction from US Secretary of State Colin Powell tomorrow.

At 9.01 am, the FTSE 100 was off 16.7 points at 3672.7, having closed up 122 points yesterday. All other indices opened lower.

Meanwhile, 169.8 shares had been exchanged in 15,199 deals.

Overnight, the DJIA closed up 56.01 points at 8,109.82, off an intraday high of 8,152.08. The S&P 500 was up 4.62 at 860.32 while the Nasdaq composite was up 2.88 at 1,323.79.

In Asia, the Nikkei 225 index closed down 15.89 points at 8,484.90. And the Hang Seng, after the long Chinese New Year holiday, ended the morning session 1.70 points adrift at 9,257.25.

On the economic front, in the UK only the January CIPS construction index is scheduled for release, while December factory orders are due later this afternoon from the US.

Turning to corporate news, mobile phone operator mmO2 put in a positive performance after it posted its third-quarter key performance indicators, which showed a total customer growth just slightly higher than expectations.

mmO2 said it added 791,000 customers in the three months to Dec 31, a 4.3 pct advance, which took its total subscriber base to 19.1 mln.

The figures were up 4.3 pct on the same three month period a year earlier and 9.2 pct higher when looked at on a 9-month basis.

According to a poll of analysts by AFX News, on a 9-month basis a 9 pct rise was expected. From the survey of six brokers' forecasts the range for net new additions was 500,000-613,000.

In addition, mmO2 said it has extended co-operation with T-mobile on the roll-out of 3G in Germany, which will result in a reduced capex on 3G there.

mmO2 shares were up 1/4 at 49 and Vodafone lost 1 to 112-1/2, with investors also eyeing full year numbers from France's Alcatel. The telecom equipment maker posted dull figures but a positive outlook.

## London shares slip in opening deals after Wall St closed off highs overnight

In the financial sector, mortgage bank Abbey National was in demand -- up 4-1/2 at 422-1/2 -- after reporting it will sell its non-core First National lending business for 848 mln stg in cash to General Electric Co unit GE Consumer Finance.

The sale, a move the firm was expected to make at some point, is in line with the firm's stated strategy of refocusing on core UK personal financial services.

Elsewhere in the sector, Anglo-American money manager AMVESCAP was under pressure in opening deals -- down 2-1/2 at 354 -- ahead of its full-year figures at midday.

The firm is expected to post a pretax profit before exceptionals of 305-380 mln stg, down from 477.9 mln in the previous year as both the ongoing volatile equity markets and a weak dollar take their toll, according to analysts.

But insurers, which led the wider market surge yesterday, succumbed to some selling pressure. Friends Provident dropped 3 to 95-1/4, Aviva lost 8 to 422-1/4, Legal & General fell 1/2 to 80 and Prudential shed 3-3/4 to 400.

And remaining with financials, small cap stockbroker Teather & Greenwood dumped 2 pence to 17-1/2 in early deals after it proposed a rights issue priced at 12 pence per share to raise 2.9 mln stg.

In its less-than-rosy update, the broker said as yet it sees no signs of an upturn other than at the fixed interest desk.

But the broker did add it has seen more competitors exit from small and mid-cap broking and it is confident it can now weather the trading conditions.

Amongst other blue-chip gainers, GUS traded higher on news that UBS Warburg has turned outright buyer, with a hiked price target. The broker previously rated the stock a 'neutral'. Shares gained 4-1/2 to 516-1/2.

Mining stock Xstrata moved on 2-1/2 to 552-1/2 after JP Morgan upped the Anglo-Swiss mining group to 'overweight' from 'neutral' on valuation grounds ahead of full-year results next week.

But UK industrial gases group BOC was one of the blue-chips to lose out early on, slipping back 40 to 740 after reporting a reduced first-quarter pretax before exceptionals of 95.4 mln stg, down from 97.1 mln last time.

The decline reflects pension charges, continuing tough market conditions and exchange rate movements, which offset improved results in every segment of its business, BOC said.

The numbers were in-line with a forecast range of 92-97 mln stg.

And BAE Systems lost 1-3/4 to 116 on a report it is actively considering closing some of its pension schemes as part of a review into how to tackle the company's rising shortfall in its funds, the Financial Times reported citing the company.

Deteriorating equity markets have led to the deficit at Europe's largest defence group growing from 1.3 bln stg -- as measured under new FRS17 disclosure rules at the end of June last year -- to anywhere between 2.3 bln and 3 bln stg, according to the recent estimates.

Elsewhere, British Airways lost 2-3/4 to 117 ahead of its January traffic figures tomorrow, and also pressured by war fears and robust third-quarter numbers from Ryanair, which knocked 4 pence from EasyJet, now at 225.

Ryanair, the Dublin-based no-frills airline slipped lower on profit-taking after it raised full year guidance for profit after tax to 235 mln eur from 230 mln after a better-than-expected third-quarter performance.

Ryanair also predicted it will carry 24 mln passengers in the year to March 2004 -- a figure that would see it challenge Air France for the position of Europe's third-largest international scheduled airline.

The upbeat news comes less than a week after Ryanair went on a massive buying spree, buying rival Buzz and ordering yet more Boeing jets to expand its fleet.

There was little in the way of news on the second line to enliven the market, though radio play Chrysalis edged up 2 to 189-1/2 after reporting in an AGM statement that current trading remains in-line with expectations.

London shares slip in opening deals after Wall St closed off highs overnight

Revenue in the radio division for the first five months from Sept 1 to Jan 31 2003 was up 18.6 pct on a like-for-like basis against the same period last year, in line with company expectations.

Peer Capital Radio gained 5 to 410.

Elsewhere, Wood Group continued to be lifted by 'buy' advice yesterday from Williams de Broe, up 6 at 140.

On the downside, Greene King shed 4 to 665 after its trading update. While the group said the 0.3 pct rise in like-for-like uninvested managed pub sales in the period was "in-line" with expectations, it represents a slight downturn from the 0.5 pct increase reported for the 31 week period to Dec 7.

Overall, however, they are still in positive territory -- unlike some other operators in the sector -- compared with the 0.4 pct decline reported in the first six months of the year.

Punch Taverns, meanwhile, lost 5-1/2 to 174-1/2.

Amongst the smaller cap shares, Eurodis dived 14 pct -- or 4 to 23-1/2 -- after revealing widening pretax interim losses of 18.9 mln eur compared with a 4.8 mln loss last time, and omitting an interim dividend.

Given the current uncertainty in the economic environment and the electronics industry, the directors believe it would be inappropriate to pay an interim dividend.

Sherwood International was also under pressure -- down 12 at 71 -- after accompanying a positive full year profit outlook with news that this will be achieved on reduced revenues.

It also warned that it still sees sales delays, and possibly further deterioration in the technology market.

IFX Power was another weak spot -- off 6 at 74 -- as investors mulled board changes, a sliding full year pretax and some cautious outlook comment.

And a slump in full year profits also saw Chemring fall 12-1/2 to 222-1/2.

But Winchester Entertainment firmed in early trading after the company said it has reached a settlement with a German tax fund which provides for the payment of the outstanding premium interest due from the fund.

A sum of 2.8 mln stg was originally under dispute. This relates to accrued premium interest on a loan to the fund, for film finance in relation to the film 'Last Orders', the capital element of which has been repaid during the year.

And Bookham Technology put in encouraging early gains -- up 3 at 80 -- as news that it hopes to breakeven by the fourth quarter of 2003 offset a widening fourth quarter net loss before exceptionals of 19.9 mln stg. This compares with a 14.1 mln stg loss last time.

The firm expects to cut about 200 jobs at its Milton facility, it said.

kgd/jc

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**Load-Date:** February 5, 2003



## AFX UK at a glance share guide

AFX.COM

February 4, 2003 Tuesday

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**Section:** MARKETS

**Length:** 945 words

### Body

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#### TODAY'S EXPECTED COMPANY NEWS

Interims

BOC (Q1) - Eurodis Electron - Fairplace Consulting - Minorplanet Systems - Ryanair (Q3) - Surfcontrol

Finals

Amvescap - Bookham Technology - IFX Power

AGMs

Allied Domecq - Cyberes

EGMs

None scheduled

#### ALSO EXPECTED

mno2 fiscal Q3 key performance indicators

#### ECONOMICS

\* No UK data scheduled

\* US Dec factory orders

#### MARKET EXPECTATIONS

\* Amvescap PLC year to December pretax profit before exceptionals 305-380 mln stg vs 477.9 mln.

\* BOC PLC Q1 pretax profit 92-97 mln stg vs 97 mln

\* Bookham Technology. Evolution Beeson Gregory forecasts year to December pretax loss 67.2 mln stg vs 47.4 mln

\* Surfcontrol PLC. Baird Equities forecasts six months to December pretax profit 3.7 mln stg vs loss 1.2 mln

vjt/

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#### MARKETS

FTSE 100 3,689.4, up 122.0

## AFX UK at a glance share guide

FTSE 250 4,071.8, up 55.4

FTSE techMARK 100 631.91, up 19.41

Long gilt/equity yield ratio 1.16 (1.13)

FTSE Eurotop 300 810.76, up 1.71 pct

DJIA 8,109.82, up 56.01

Nasdaq Comp 1,323.79, up 2.88

S&P 500 860.32, up 4.62

Tokyo: Nikkei closed at 8,484.90, down 15.89

Hang Seng at midday: 9,257.25, down 1.70

usd/stg 1.644; stg/euro 0.655

usd/euro 1.078

yen/usd 120.3

Gold 368.95 usd 9368.00 usd)

Oil - Brent Mar 30.25 usd (31.10 usd)

Yield on US Gov 30-yr 4.84 pct

### TAKEOVER NEWS & GOSSIP

\* BAE SYSTEMS considers closing some of its pension schemes - FT

\* Credit Suisse First Boston suffers further blow as it puts a star technology banker on leave pending an internal inquiry - FT

\* CORDIANT COMMUNICATIONS appears to set the stage for its break-up as it negotiates the sale of its Australian operation - FT

\* TRINITY MIRROR shareholders, who have urged the newspaper group to consider a break-up, back the board's decision to reject an informal bid valuing it at 450 pence a share - FT

\* SEYMOUR PIERCE still "carefully exploring" a bid approach made for the group last year despite continuing to sell off parts of its business - FT

\* BOOTS and J SAINSBURY ending their 'health and beauty' joint venture after a row over how to divide up the revenues from the chemist stores within the supermarket chain - Guardian

### PRESS COMMENT

FT

THE LEX COLUMN comments on Financial Services Authority's intervention, Ericsson, SCOTTISH & NEWCASTLE (heavily reliant on its dividend; Sir Brian Stewart, chairman, has staked his reputation on maintaining the payout, now yielding almost 8 pct; that should continue to lend support to the shares), US economy - SILENTNIGHT (trading on a p/e ratio of 17, making it cheap compared with rival AIRSPRUNG, on 32) - Rivals cash in as DIXONS feels the pinch; group blames slower growth on easing in consumer spending, but others are doing well in its market (p.28)

Express

Who's dealing? NHP (new director takes maiden stake of 14,705 shares at 102 pence) - Share whisper: RPC (rumours of stock overhang) - Broker's view: LOGICACMG (Dresdner Kleinwort sell)

Mail

SILENTNIGHT (fifth profits warning in less than a year)

Independent

NORTHERN FOODS (bid speculation) - THE INVESTMENT COLUMN: Hedge funds (avoid), HORNBY (a good company but it is worth locking in some profits after such a good run)

Telegraph

## AFX UK at a glance share guide

QUESTOR: SCOTTISH & NEWCASTLE (a hold), BAA (on to stash in the hold), HORNBY (trades off a forward earnings ratio of roughly nine times, and, like a treasured train set, should be tucked up in the attic for the future)

Guardian

GREAT PORTLAND ESTATES (latest theory is that LIBERTY INTERNATIONAL will use its stake to put Great Portland into play) - JOHNSTON GROUP (whispers that Anglo American is pushing for a break-up)

Times

THISTLE HOTELS (reports of predatory interest) - Rumour of the day: COLT TELECOM (hopes the company could be a takeover target for Hong Kong's PCCW) - Tempus: BT (hold), BAA (hold), ARRIVA (sell)

... more to follow:

fjb/

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### OTHER NEWS ITEMS

\* Cabinet revolt against Tony Blair over Lords reform gathers momentum, leaving the prime minister facing the real risk of a humiliating defeat in a crucial Commons vote today - FT

\* Tony Blair accelerates moves to secure a second United Nations resolution condemning Iraq, with a strong indication that formal work on the document could begin in 10 days - FT

\* Sir Richard Sykes, former chairman of GlaxoSmithKline, says small shareholders should be excluded from annual general meetings as he lambasts large shareholders for being inactive - FT

\* President George Bush launches a budget heralding a return to heavy defence spending and large government deficits, and signals his determination to take on critics of his remedy of tax cuts - FT

\* Columbia inquiry to probe Nasa management practices - FT

\* All three sides in the fire dispute meet for the first time since it began for talks that are described as constructive - FT

\* Japan says it is prepared to intervene "massively" on the foreign exchange markets to prevent sharp fluctuations in the yen

\* More changes to the government's airport expansion plans may be forced on ministers in response to flaws discovered by BAA, the UK airports group, in the blueprint for a third runway at Heathrow - FT

\* Record producer Phil Spector charged with murder in connection with the death of a woman in his Los Angeles home - FT

END

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## Wall Street shares - DJIA closes higher on positive data; Nasdaq down

AFX.COM

February 3, 2003 Monday

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**Section:** MARKETS; GENERAL

**Length:** 813 words

**Dateline:** NEW YORK

### Body

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Share prices closed just off their highs for the day on Friday on the DJIA in a technical bounce after Thursday's heavy sell-off, helped by a raft of broadly positive economic data, which tempered the impact of mixed earning news, including lowered guidance from chip equipment maker Applied Materials.

The Nasdaq composite drifted into negative territory in the last hour of trade on continuing weakness among semiconductor equipment stocks and computer hardware issues.

The DJIA closed up 108.68 points at 8,053.81, just off an intraday high of 8,089.66.

Twenty-four stocks closed higher while 6 stocks ended the day lower.

The S&P 500 was up 11.09 at 855.70 while the Nasdaq composite was down 1.44 at 1,320.91.

Dealers said there was some selling in the last hour of trade as investors remained nervous in a market dominated by concerns over geopolitical tensions.

"We had some short-covering in an oversold bounce," said Tom Schrader, head of listed trading at Legg Mason Wood Walker. "In this last half-an-hour we've been selling off a little bit because nobody wants to go home long for the weekend."

Schrader was quite dismissive of the Wall Street adage that the performance of the S&P 500 in January foreshadowed the performance of the index and the wider market as a whole.

"I give no credence to the January effect. I don't think there is any statistical proof to back it up."

But Brian Piskorowski, equity strategist at Prudential Securities said "January's direction has predicted the annual course of the stock market with a 92.3 pct accuracy."

The S&P 500 shed 2.8 pct in the month of January.

On the corporate front, Disney was the biggest gainer on the DJIA, climbing 1.15 usd or 7.03 pct at 17.50 usd after it said both its earnings before one-off items and sales rose during its first quarter to Dec 31, with its media and theme parks units leading the rise in sales despite ongoing economic weakness.

Boeing, another DJIA component, climbed 93 cents or 3.03 pct to 31.59 usd after the world's largest commercial aircraft manufacturer said that Ryanair has ordered 22 Boeing 737-800 aircraft and increased options by a further 78 aircraft, in a contract worth some 6 bln usd.

## Wall Street shares - DJIA closes higher on positive data; Nasdaq down

Honeywell ended the day up 94 cents or 4.00 pct at 24.44 usd after it said that 2003 earnings will be in line with analysts' estimates, with investors also relieved that the group is putting asbestos claims behind it, by taking a 1.9 bln usd charge in the fourth quarter to cover any compensation.

McDonald's underperformed the DJIA, down 22 cents or 1.52 pct at 14.24 usd following a downgrade of the company's senior notes to 'A' from 'A+' and a revision of the rating outlook to 'negative' from 'stable' by Fitch Ratings due to increased competition, weakened operating performance, and the maturing of the US fastfood industry.

Applied Materials was an early focus on the market as the group's share price slumped 98 cents or 7.57 pct to 11.97 usd after it said first quarter orders would fall 35 pct, well below its previous guidance of a 20 pct drop compared with the fourth quarter.

The news sent the chip sector lower, with rival chip equipment makers leading the fallers.

KLA-Tencor was down 1.11 usd or 3.29 pct at 32.64 usd while Novellus Systems fell 45 cents or 1.51 pct to 29.45 usd. Both companies were off their morning lows.

Among other technology stocks, Dell and Hewlett-Packard were both lower in morning trade after Lehman Brothers issued cautious notes on the two computer hardware makers.

Lehman said that Dell's first quarter expectations are likely to be muted by weak US demand, pricing pressure and current geopolitical tensions.

On HP, Lehman said it is lowering its revenue growth forecast for 2003 to a 1 pct growth from 2 pct on declining consumer demand attributed to worries over the geopolitical situation.

Dell was last down 32 cents or 1.32 pct at 23.86 usd while HP fell 79 cents or 4.34 pct to 17.41 usd.

In the oil sector, shares in ChevronTexaco Corp edged back into positive territory, closing up 20 cents at 64.40 usd after mixed fourth quarter results, with strong oil prices boosting upstream earnings but hitting the company's downstream operations.

ExxonMobil, which on Thursday reported forecast-beating fourth quarter earnings, was up 92 cents at 34.15 usd.

Shares of Dynegy Inc closed down 51 cents or 21.43 pct at 1.87 usd after the company said it lost 423 mln usd, or 1.15 usd per share, in the fourth quarter, mainly due to restructuring charges of 213 mln usd and the payment of preferred stock dividends of 82 mln usd.

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**Load-Date:** February 4, 2003



## Ryanair's Bonderman has considered buying Aer Lingus - report

AFX European Focus

January 31, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 307 words

**Dateline:** LONDON

### Body

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Texas Pacific, an investment company owned by Ryanair PLC chairman David Bonderman, has explored the possible purchase of Aer Lingus, the Irish Times reported in its online edition, citing "informed individuals".

The newspaper said the sources said that Texas Pacific had recently expressed tentative interest to Eire's Department of Transport in acquiring part of the state airline, although the government has not yet decided on the privatisation.

A US-based spokesman for Texas Pacific declined to comment last night, the Irish Times said.

Bonderman owns only a very small but valuable share of Ryanair. With investments worth more than 7 bln eur, including the Burger King fast food chain, Texas Pacific specialises in the purchase of troubled companies which it then revives.

In addition to Ryanair, in which it once held a significant stake, the company's other Irish interests have included AerFi Group, formerly Guinness Peat Aviation. An attempt last year to acquire Jefferson Smurfit Group PLC was unsuccessful.

The privatisation of Aer Lingus looks unlikely as long as war looms in Iraq, the newspaper said. It is also believed the government is keen to finalise the new national pay agreement with trade unions first. After making day-to-day profits in excess of 45 mln eur last year, Aer Lingus faces significant pressure on costs at the end of February when a pay freeze ends.

This has the potential to add some 34 mln eur to the bottom line this year from March, eating into the airline's low profit margin.

Because of this pressure on costs, the airline and certain Cabinet members are believed to be keen to advance the sale process in advance of any other downturn.

jsa/cmr

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Ryanair 's Bonderman has considered buying Aer Lingus - report

**Load-Date:** February 1, 2003

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End of Document



## Ryanair to buy KLM's Buzz for 23.9 mln eur UPDATE

AFX European Focus

January 31, 2003 Friday

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**Dateline:** LONDON

### Body

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(Update to add details throughout)

Ryanair Holdings PLC said it has reached agreement with KLM to take over Buzz for a total payment of 23.9 mln eur in a deal that marks a further milestone in the consolidation in the no-frills airlines industry.

"The timing of this acquisition is opportunistic. Since Ryanair is growing strongly by rolling out our lowest fare services all over Europe, the last thing we need is the distraction of an acquisition. However there are a number of features of Buzz which makes this a favourable move," said chief executive Michael O'Leary.

Buzz currently operates a network of 21 routes from London Stansted to points in Germany, Holland, France and Spain, as well as two French domestic routes. The acquisition therefore allows Ryanair to further expand at Stansted, London's third main airport, and is a timely strategic move.

Ryanair said it believes that by applying its low fares/low cost formula, the traffic in Buzz can be increased this year from under 2 mln in the year to March 2003, to over 4 mln passengers. Buzz will then no longer post an operating loss and instead turn profitable.

The acquisition is expected to make a positive contribution to Ryanair's earnings per share in the coming financial year to March 2004.

The Dublin-based airline said it will fund the deal from its own cash reserves without any recourse to the markets. Since Buzz will have 19 mln eur of cash on completion the net cost of this purchase is less than 5 mln.

Buzz operates a mixed fleet and KLM has agreed to take back all the non-Boeing Co planes - namely BAE Systems PLC's BAe 146 aircraft. These will be replaced by more efficient Boeing 737's. Ryanair also said it will significantly rationalise Buzz's operations by closing a number of high cost unprofitable routes and operating the remaining routes at increased frequency, lower fares and much lower costs.

"I am confident that this significant and timely rationalisation will eliminate these losses in Buzz over the coming year. With a change of aircraft fleet Buzz will be in a position to match Ryanair's low fare, profitable growth from 2004 onwards," commented O'Leary. "Customers of Buzz can look forward to new routes, increased frequency, larger aircraft and significantly lower air fares from April 1 onwards.

"We will be announcing details of this reorganisation including new routes, frequencies, lower fares and timetables before the end of February as we implement our plan to transform Buzz into a growing, profitable operation." Ryanair said today's deal is expected to be completed, subject to regulatory approval on April 1.

## Ryanair to buy KLM 's Buzz for 23.9 mln eur UPDATE

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## STOCKWATCH Boeing up on Ryanair order, but analysts cautious after Q4 figs

AFX - Asia

January 31, 2003 Friday

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**Section:** COMPANY NEWS

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### Body

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Shares in Boeing Co pushed higher early morning on news that the group has received a 6 bln usd aircraft order from Ryanair Holdings PLC, offsetting a raft of earnings downgrades from analysts in light of yesterday's quarterly figures, dealers said.

At 9.43 am, Boeing shares were up 0.65 eur or 2.12 pct at 31.31, while the DJIA was down 0.61 eur or 0.01 pct at 7,943.70 and the Nasdaq Composite was down 10.80 points or 0.82 pct at 1,311.55.

Sentiment towards Boeing received a boost today after the group confirmed that Ryanair has ordered 22 Boeing 737-800 aircraft and increased options by a further 78 aircraft -- with the the book value of the total order coming to some 6 bln usd.

Meanwhile, analysts had been revisiting their earnings estimates overnight for Boeing after the group's in-line fourth quarter figures.

JP Morgan said that it has lowered its 2003 EPS forecast for Boeing to 1.90 usd from 2.15, largely due to lower-than-expected margin guidance for the defensive business.

Salomon Smith Barney has cut its 2003 EPS forecast for the group to 1.90 usd from 2.10, reiterating its 'underperform' rating on the stock.

Trimming its 2003 EPS target for the group by 10 cents to 2.00 usd, Credit Suisse First Boston said: "From our perspective, the biggest surprise from yesterday's earnings report and updated outlook was the company's relatively optimistic 2004 financial guidance."

"We believe the market had been preparing for a flat-to-down set of numbers

## STOCKWATCH Boeing up on Ryanair order, but analysts cautious after Q4 figs

from management for 2004, instead, investors were presented with the flat-to-up scenario.

"Now the market will need to evaluate whether or not the company will be able to deliver on these forecasts, particularly given the precarious condition of the US airline industry and the numerous macroeconomic and geopolitical wild cards on the horizon," it said.

Dealers said that news of the Ryanair order bolstered confidence in Boeing achieving its targets for 2004 and, indeed, should send analysts again back to the drawing board.

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**Load-Date:** February 1, 2003

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## Ryanair to buy KLM's Buzz for 23.9 mln eur

AFX European Focus

January 31, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** COMPANY NEWS

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**Dateline:** LONDON

### Body

---

Ryanair Holdings PLC said it reached agreement with KLM Royal Dutch Airlines NV to take over Buzz for a total payment of 23.9 mln eur in a deal that marks a further milestone in the consolidation in the no-frills airlines industry.

Ryanair said it believes that by applying its low fares/low cost formula, the traffic in Buzz can be increased this year from under 2 mln in the year to March 2003, to over 4 mln passengers and the operating losses will be eliminated and profitability achieved.

The Dublin-based airline said it will fund the transaction from its own substantial cash reserves without any recourse to the markets. Since Buzz will have 19 mln eur of cash on completion, the net cost of this purchase is less than 5 mln.

Buzz currently operates a network of 21 routes from London Stansted to points in Germany, Holland, France and Spain, as well as two French domestic routes.

Buzz operates a mixed fleet and KLM has agreed to take back all the non-Boeing Co planes - namely BAE Systems PLC's BAe 146 aircraft. These will be replaced by more efficient Boeing 737's.

The acquisition is expected by the directors of Ryanair to make a positive contribution to Ryanair's earnings per share in the coming financial year to March 2004.

Ryanair said today's deal is expected to be completed, subject to regulatory approval on April 1 next.

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**Load-Date:** February 1, 2003



## Boeing confirms Ryanair places 6 bln usd aircraft order - UPDATE

AFX European Focus

January 31, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 271 words

**Dateline:** LONDON

### Body

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(Updating with further details)

Boeing Co confirmed that Ryanair Holdings PLC has ordered 22 Boeing 737-800 aircraft and increased options by a further 78 aircraft.

A Boeing spokesman said the book value of the total order is some 6 bln usd.

Ryanair's new aircraft order means that, since January last year, the Irish airline has committed to a total of 250 Boeing 737-800s, worth a total of 15 bln usd. Of those commitments 125 are orders and 125 are options.

Boeing is the sole supplier of aircraft to Ryanair, which is the US aircraft manufacturer's second largest 737 customer.

Both Boeing and rival European airplane builder Airbus have been criticised by analysts for selling planes on the cheap in order to gain market share.

Boeing's vice president of European sales, Marlin Dailey, declined to comment on the actual price paid by Ryanair for the planes -- normally carriers pay far less than the catalogue value given by the manufacturer -- but said he likes to think "we have struck a fair business relationship with Ryanair. We are happy with our relationship with Ryanair at current levels."

Ryanair earlier this morning said it had agreed to buy its rival no-frills airline Buzz from KLM Royal Dutch Airlines NV for 23.9 mln eur.

Buzz operates a mixed fleet which includes both Boeing 737 and BAE Systems PLC's BAe 146 aircraft and Ryanair has said it intends to replace the BAe planes with more efficient 737s.

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**Load-Date:** February 1, 2003

Boeing confirms Ryanair places 6 bln usd aircraft order - UPDATE

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End of Document



## London shares remain lower midday ahead of flat Wall St, financials weigh

AFX European Focus

January 31, 2003 Friday

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### Body

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Leading shares remained lower at midday ahead of a likely flat start on Wall Street, with financial stocks a weak sector and war fears weighing on sentiment in a very quiet market, traders said.

At 12.08pm, the FTSE 100 index was 18.1 points lower at 3,560.6, albeit off an earlier low of 3,510.6, with all the broader indices succumbing to sellers.

Volumes were modest with 834.3 mln shares changing hands in 67,852 deals.

City Index expects the DJIA to open 5 points higher at 7950 after its 165 point plunge yesterday and the Nasdaq 2 higher at 1324. But brokers are warning that any gains will be attributable to short-covering in pre-weekend trade, rather than anything more encouraging.

In economic news, a downbeat assessment of the Euro zone economies sparked talk of further future cuts to interest rates from the ECB.

The European Commission said it is sticking to its growth forecasts published in November despite today's weak euro zone confidence figures, but warned that since November it has seen "some evidence...that some of the downside risks have materialised."

On the economic calendar later, the Chicago Purchasing Managers Index is due. The index is expected to rise to 52.6, although some economists argued that there was upside to this consensus forecast given the strength of the most recent Philly Fed index.

Meanwhile, the US consumer spending data for December is seen up 0.8 pct in December, after spending rose 0.5 pct in November.

Personal income is expected to rise 0.2 pct from the previous month, when income rose 0.3 pct.

And the University of Michigan's index of consumer sentiment is expected to remain unchanged at 83.7 in the final reading for January. The preliminary reading fell from December's 86.7.

Turning to London's equities, financial stocks were a harsh place to be in midday dealing following on from yesterday's rout on Wall Street and a weak morning in the UK.

Schroders non-voting shares were off 16-3/4 at 404-1/2, Schroders voting lost 14 to 444 and AMVESCAP offloaded 8-1/2 to 337-1/4.

London shares remain lower midday ahead of flat Wall St, financials weigh

Insurers, however, were more mixed at midday, with Legal & General off 2-1/2 at 74-3/4 on solvency concerns, but Aviva now up 5-3/4 at 394-3/4 and Prudential up 1 at 376.

Elsewhere, British Airways traded 4-1/4 lower at 388-3/4 ahead of its third quarter numbers on Tuesday, while second liner Ryanair fell further, down 10-1/2 pence to 415-1/2 after announcing the purchase of rival Buzz for 23.9 mln eur from KLM. Reports that Ryanair is mulling a takeover bid for Irish flag carrier Aer Lingus were also weighing on the stock.

But analysts were largely enthusiastic on the takeover news, believing Ryanair's chief executive Michael O'Leary will be able to revive loss-making Buzz, which has never turned a profit and is viewed as one of the weaker players in the budget airline sector.

Ryanair is also scheduled to hold a joint press conference with Boeing later today, and according to a Wall Street Journal report, Ryanair will announce an order for as many as 100 Boeing 737-800 aircraft worth some 6 bln usd.

Elsewhere, BAE Systems was off 2-1/4 at 110 as investors fretted over the diminished role the aero-engineer is to take in the future aircraft carrier contract with the Ministry of Defence.

Broker Julius Baer reiterated its 'reduce' tag, saying the terms of the contract do not favour BAE Systems and, moreover, demonstrate the MoD's lack of confidence in the firm's project management skills, since it is to closely control the management of the contract.

And UBS Warburg was also a bear, repeating its 'reduce' tag as the contract is of minimal value to BAE, at just 10 pence per share, and warning of the massive and ever-increasing hole in BAE's pension fund. This has risen to 2.251 bln stg compared to the 1.3 bln mln the firm reported midway through 2002, UBS Warburg believes.

But airports operator BAA was a star performer throughout the morning, up 10 at 452 on news that Goldman Sachs initiated coverage of the airports operator's stock with an 'outperform' recommendation.

The broker feels that once the "uncertainty" surrounding Iraq dissipates, BAA's "benign" regulatory review and an unwinding of some of the construction risk will usher in a period of outperformance.

Returning to the weak areas, the chemicals sector was also largely weak after Dow Chemicals' disastrous fourth-quarter results and job cut news yesterday.

ICI fell 6-1/2 pence to 196-1/2, with Yule Catto losing 11 to 245-1/2 and Croda down 4-1/2 to 215-1/2. But BOC was higher, up 12 at 778.

On the upside, Compass Group topped the FTSE 100 -- up 7 at 296-1/2 -- after the European Commission said it has cleared the acquisition by Aldeasa and Compass Group Holding Spain of joint control of Foodlase which is presently wholly owned by Aldeasa.

Shell was also in focus, on news E.ON is to acquire its Ruhrgas stakes. The shares, however, tripped lower after a spike, down 1/2 at 366-3/4 while BP was off 1/4 at 382-1/4.

But otherwise, a severe lack of newsflow threw broker recommendations into the spotlight:

Dresdner Kleinwort Wasserstein upgraded Hays to 'hold' from 'sell' following yesterday's reports that it is sounding out potential bidders for its logistics activities. Shares gained 1-1/4 to 77-1/4.

Mining group Rio Tinto also remained higher, up 6 at 1125 on the back of a UBS Warburg upgrade to a 'buy' from 'neutral' following solid 2002 results.

Amongst second liners, house builders remained the weakest sector through the morning following on from Schroder Salomon's downgrade on the sector to 'underweight' from 'overweight'.

The broker expects that sector trends will significantly worsen this year. Persimmon and George Wimpey were both lowered to 'underperform' from 'in-line' as part of the review, while Barratt Developments, Wilson Bowden and Westbury were all moved to 'in-line' from 'outperform'.

Westbury was the weakest in the sector, off 11 at 243-1/2, Barratt Developments lost 13-1/2 to 359, Wilson Bowden lost 25 to 673-1/2, and Persimmon lost 13 to 405.

London shares remain lower midday ahead of flat Wall St, financials weigh

And the weak trend also continued amongst the minnows, with Loades offloading 20 pence to 52-1/2 after it revealed it will delay its AGM and the release of its full year results since it is in the process of selling its manufacturing operations at Abbey Panels Limited in Coventry.

It now plans to finalise the accounts in March and hold the AGM in April.

Ladieswear manufacturer Slimma was also declining, off 6-1/2 at 41-1/2, after warning that first-half profits will be lower than the year before, hit by a 350,000 stg reorganisation cost.

Alphyra Group remained off 25 at 151 after the company revealed that talks with First Data Corp have ceased, while Fairplace Consulting was down 13-1/2 pence at 83-1/2 after admitting that it is considering a mandatory 75 pence per share bid by Select Appointments for the company.

On the upside, Forever Broadcasting jumped almost 15 pct -- or 5 to 38-1/2 -- on news that bid talks with a number of parties are ongoing, and an upbeat first quarter trading statement.

Alpha Airports rose 5 to 54 after announcing that trading in the second half of the year 2003 has been in line with expectations.

Marchpole held onto 0.25 pence gains to 3.87 after unveiling a "significant" rise in operating profit and sales for the third quarter against the previous quarter.

And McInerney added 7-1/2 pence to 147-1/2 after saying that results for the year to Dec 31 2002 will exceed 2001.

kgd/rn

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**Load-Date:** February 1, 2003

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## London shares outlook - sharply lower after US overnight falls

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS

**Length:** 577 words

**Dateline:** LONDON

### Body

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Leading shares are seen opening sharply lower, taking their cue from the overnight rout on Wall Street, where investors fretted over the impact of a war with Iraq on the fragile global economy, dealers said.

Spreadbetting group CityIndex sees the FTSE 100 opening 70 points lower after closing at 3,578.7 yesterday.

Overnight, the DJIA closed down 165.58 points at 7,945.13, just off its intraday low of 7,938.62, the second time it has closed below the 8,000 level this week. The S&P 500 was down 19.79 at 844.57 while the Nasdaq composite was down 35.96 at 1,322.10.

But in Asia, there was some tentative buying and the Nikkei 225 index closed up 23.13 points at 8,339.94. The Hong Kong market was closed for the start of the long Chinese New Year holiday.

In the absence of any significant corporate leads first thing this morning, economic issues took centre stage, with the latest forecast for UK economic bound to perturb investors.

The National Institute for Economic and Social Research became the latest economic think tank to slash its UK GDP growth forecast for 2003. The respected body is now forecasting growth of 2.2 pct in 2003, down from 2.5 pct previously, as slowing exports put a drag on the relative strength of the consumer and public sectors.

Later today, all attention will shift to the Chicago Purchasing Managers Index, which is expected to rise to 52.6 in January after it fell 3 points to 1.7 in December.

Some economists, however, said that the index could come in even higher, especially after the recent strength of the Philly Fed index.

Meanwhile, the US consumer spending data for December is seen up 0.8 pct in December, after spending rose 0.5 pct in November. Personal income is expected to rise 0.2 pct from the previous month, when income rose 0.3 pct.

And the University of Michigan's index of consumer sentiment is expected to remain unchanged at 83.7 in the final reading for January. The preliminary reading fell from December's 86.7.

The chemicals sector is expected to come under intense pressure in opening trades after Dow Chemicals' disastrous fourth-quarter results and job cut news hit the US sector hard overnight.

News that Dow's Union Carbide unit was hit by asbestos claims is also likely to impact UK stocks with asbestos exposure.

## London shares outlook - sharply lower after US overnight falls

Meanwhile Ryanair will be in focus this morning after announcing the purchase of Buzz for 23.9 mln eur from KLM. The no-frills airline is also scheduled to hold a joint press conference with Boeing later today.

According to a Wall Street Journal report, Ryanair will announce an order for as many as 100 Boeing 737-800 aircraft worth some 6 bln usd.

United Business Media's will also be active after its December continuing titles share rose to 26.1 pct, compared to 24.6 pct the previous year.

And in small cap news, Osmetech is seen opening lower after announcing the purchase of Roche's US blood gas analyser unit for 2.5 mln usd.

Broker moves are likely to provide much of the stock specific direction this morning, with mmO2 likely to outperform after Deutsche Bank raised its rating on the mobile operator to 'hold' from 'sell' on valuation grounds.

The same broker is also repeated 'buy' advice on AstraZeneca and BAE Systems this morning.

sd/rn

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## London shares remain lower midafternoon as Wall Street meanders

AFX European Focus

January 31, 2003 Friday

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### Body

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Leading shares held off their worst levels but remained lower, with housebuilders and chemical issues among those to fall back after weak corporate earnings news across the Atlantic overshadowed some mixed US economic data and led Wall Street to meander, dealers said.

At 3.34 pm, the FTSE 100 index was down 18.0 points to 3,560.7. It had hit a low of 3,510.6 in early deals, and had failed to turn positive all session.

The wider indices were also negative, while volume was modest: just 1.7 bln shares changed hands in 140,155 deals.

Meanwhile, the DJIA was up 19.02 points to 7,964.72 and the Nasdaq composite had fallen back 1,307.02 as a profit warning from chip equipment maker Applied Materials weighed on the technology issues.

The fall came despite data showing US personal spending and personal income growth remained strong.

US consumer spending rose 0.9 pct in December, while personal income was up 0.4 pct -- both higher than market expectations.

The consensus of Wall Street forecasters called for a 0.8 pct increase in consumer spending, while income was expected to increase 0.2 pct.

But the University of Michigan consumer sentiment index fell by a worse-than-expected 82.4 in the final January reading from 83.7 in the preliminary reading. Analysts had expected consumer sentiment to remain unchanged.

In London, chemicals stocks were under pressure following Dow Chemicals' disastrous fourth-quarter results and job cut news yesterday.

ICI gave up 6-1/4 pence to 196-3/4 as worries continued in front of the firm's results announcement due next Tuesday.

Dresdner KW became the second leading broker in as many days to cut figures, slicing earnings and dividend expectations for the next three years -- although the broker reckoned talk of an impending profits warning is unfounded.

Yule Catto, ICI's midcap competitor, lost 11 pence to 245-1/2.

Balancing these falls, hotels issues returned to favour as investors looked for bargains in the beaten-down sector, with talk of upcoming news on Six Continents' pubs demerger adding a little excitement.

## London shares remain lower midafternoon as Wall Street meanders

Six Continents took on 34 pence to 1,149, while Hilton Group led the FTSE 100 risers with a gain of 5-1/4 to 155-1/2 following its recent upgrade by Schroder.

Ryanair's 23.9 mln stg purchase of Buzz from KLM provided the day's main corporate news, with the acquisition receiving a welcome from analysts and a cautious reception from shareholders.

The sell-side saw Ryanair's deal as boosting the Dublin-based carrier's European operations at very little cost. But some worried that, with Buzz having never turned a profit, Ryanair could be putting its premium rating in jeopardy trying to turn around one of the weaker players in the budget airline sector.

Ryanair is also announced an order for as many as 100 Boeing 737-800 aircraft worth some 6 bln usd.

Ryanair was down 4-1/2 pence to 421-1/2 by midafternoon.

Back in the blue-chips, airports operator BAA was ahead 4-1/2 pence to 446-1/2 after Goldman Sachs initiated coverage with an 'outperform' recommendation.

Once the uncertainty surrounding Iraq dissipates, BAA's "benign" regulatory review and an unwinding of some of the construction risk will allow outperformance, the broker argued. This call came before Monday's results from the firm.

GlaxoSmithKline took on 37 pence to 1,152 in anticipation of its results due Wednesday Feb 12, with confidence bolstered by AstraZeneca's well-received figures yesterday.

Yesterday's upgrade to 'hold' by Dresdner KW continued to underpin Hays, up 2 pence to 78, while BOC rallied 3-1/2 to 769-1/2 ahead of next Tuesday's first quarter earnings.

And United Utilities was boosted by news that its asset management business has been named one of the preferred bidders on a 1.8 bln stg contract to provide asset management services to Scottish Water from April 2003. Shares put on 2-1/2 pence to 579-1/2.

House builders were the midcaps' weakest sector after Schroder Salomon downgraded on the sector to 'underweight' from 'overweight'.

The US broker told clients expects that sector trends will significantly worsen this year as consumer confidence falls away. Persimmon and George Wimpey were both lowered to 'underperform' from 'in-line' as part of the review, while Barratt Developments, Wilson Bowden and Westbury were all moved to 'in-line' from 'outperform'.

Barratt Developments gave up 16 pence to 356-1/2, Wilson Bowden was weaker by 27-1/2 to 671 and Westbury fell back 8-1/2 to 246.

It was another tough day for Galen Holdings, which returned 19 pence of yesterday's rally to 320 pence as Merrill Lynch reiterated 'neutral' -- although the broker did comment that, with the generic risks now understood, the drugs developer's valuation is looking more attractive.

Profit-taking also weighed on Acambis, down 10 pence to 208-1/2 after its upbeat trading statement earlier this week.

Meanwhile, Aquarius Platinum faded 9 pence to 277-1/2 after reporting a sharp decline in profits for the first half to end-December 2002, hit by the weakening of the US dollar against the South African rand.

Stagecoach Group led on the upside with a gain of 3 pence to 33 after founders Brian Souter and Ann Gloag raised their stakes in the company by buying a total of 13.39 mln shares.

Loades was the session's worst performer, down 20 pence to 52-1/2 after the vehicle body designer delayed its AGM and the release of its full year results while it sells its Coventry-based manufacturing operations.

The firm, which built many of Jaguar's prototypes, now plans to finalise the accounts by April.

Elsewhere in the smaller caps, Blazepoint dropped 0.37 pence to 1.50 after chairman Roger Wadsworth bailed out the ruggedized equipment maker with a loan of 806,000 stg to provide additional working capital.

## London shares remain lower midafternoon as Wall Street meanders

News of a banking agreement also failed to spark interest Topnotch Health Clubs, down 0-3/4 pence to 5 after it negotiated twelve months' grace with lenders and posted a narrowing interim loss. The firm said first half trading was difficult due to the challenging market conditions.

Alphyra Group dipped 24 pence to 152 on news that bid talks with First Data Corporation have ceased, while Slimma gave up 6-1/2 at 41-1/2 after warning of a fall in first-half profits.

Meanwhile, Fairplace Consulting was down 13-1/2 pence at 83-1/2 after admitting it is weighing up a mandatory 75 pence per share bid by Select Appointments.

On the upside, Forever Broadcasting was ahead 5 pence to 38-1/2 after a bright trading statement and a reassurance that bid talks with a number of parties are ongoing.

Gladstone firmed 0-1/2 pence to 4.20 after chief executive Ben Merrett lifted his own shareholding to 1.29 pct via the purchase of 79,175 shares at 3.5 pence each. Non-executive director Jeremy Stokes was also spotted building his stake.

News that the Italian ministry of Defence had granted Gold Mines of Sardinia access to a new concession helped offset a fall in the prospector's quarterly gold production. Shares hardened a penny to 9-1/2. Alpha Airports rose 5 to 54 after announcing that trading in the second half of the year 2003 has been in line with expectations.

Designer menswear maker Marchpole held onto 0.25 pence gains at 3.87 after unveiling a "significant" rise in operating profit and sales for the third quarter against the previous quarter.

And McInerney added 7-1/2 pence to 147-1/2 after saying that results 2002 will improve on 2001.

bge/shw

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**Load-Date:** February 1, 2003



## Amsterdam shares AFX market data at 9.34 am - AEX falls on weak Wall Street

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS

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**Dateline:** AMSTERDAM

### Body

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Market data at 9.34 am

Major indices:

AEX index	286.16, down 6.78 points
AMX Midcap index	285.04, down 3.51 points
AEX All Shares index	567.36, down 12.56 points
AISX IT Sector index	155.72, down 4.49 points
AFSX Financial index	218.56, down 6.55 points
Government bond yields	flat to slightly higher

Major decliners:

- KLM was down 0.29 to 7.56. The airline said it sold its Buzz unit to Ryanair for an amount of 30 mln eur.
- Heineken fell 0.35 to 32.23. The brewer and Belgium's Interbrew have decided to end their Italian licence and distribution agreements from March 1.
- Getronics dropped 0.01 to 0.24, ASML lost 0.26 to 6.25 and Philips fell 0.26 to 15.33, unhelpt by a more than 2 pct overnight drop in the Nasdaq.
- The financials were unable to extend yesterday's sharp gains due to a weak overnight performance from their US peers. ING was down 0.51 to 13.67, Fortis dropped 0.38 to 13.85 and Aegon shed 0.40 to 11.28.
- Akzo Nobel was off 0.90 to 24.20; Royal Dutch Petroleum declined 0.89 to 37.55.

Major gainers:

- IHC Caland rose 0.21 to 44.44. The stock will be included in the AEX index from March 4.
- Among few market gainers, Imtech was up 0.15 to 11.57 and Draka added 0.10 to 8.0.

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mrk/mcc/

Amsterdam shares AFX market data at 9.34 am - AEX falls on weak Wall Street

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## London shares remain lower midmorning on Wall Street falls, Iraq war fears

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS

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**Dateline:** LONDON

### Body

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Leading shares remained lower in midmorning deals following the steep falls on Wall Street overnight, weighed down by on-going fears that a US-led war on Iraq could send the fragile global economy into recession, dealers said.

By 9.48 am, the FTSE 100 index was 31.6 points lower at 3,547.1, albeit off an earlier low of 3,510.6, with all the broader indices trading sharply lower.

Volumes were moderate with 326.6 mln shares changing hands in 26,616 deals.

There was a dearth of significant corporate leads this morning, leaving investors to mull the latest forecast cut to UK economic growth.

The National Institute for Economic and Social Research became the latest economic think-tank to slash its UK GDP growth forecast for 2003. The respected body is now forecasting growth of 2.2 pct in 2003, down from 2.5 pct previously, adding weight to arguments that the government's 2.5-3.0 pct target is overly optimistic.

Later today, attention will shift to the Chicago Purchasing Managers Index, which is expected to rise to 52.6, although some economists argued that there was upside to this consensus forecast given the strength of the most recent Philly Fed index.

Meanwhile, the US consumer spending data for December is seen up 0.8 pct in December, after spending rose 0.5 pct in November. Personal income is expected to rise 0.2 pct from the previous month, when income rose 0.3 pct.

And the University of Michigan's index of consumer sentiment is expected to remain unchanged at 83.7 in the final reading for January.

The preliminary reading fell from December's 86.7.

Insurance stocks bore the brunt of the selling in early deals, as the latest lurch downwards on global stock markets once again revived solvency fears in the sector.

Royal & Sun Alliance dropped 2-1/4 pence to 97-3/4, Legal & General slid 2-1/4 to 75 and Prudential dipped 4 to 371.

Other financial issues also suffered, with Abbey National down 10-1/2 to 392 and AMVESCAP losing 14 to 331-3/4.

## London shares remain lower midmorning on Wall Street falls, Iraq war fears

The chemicals sector was another area of weakness, still reeling from Dow Chemicals' disastrous fourth-quarter results and job cut news yesterday.

ICI fell 4-1/2 pence to 198-1/2, while Alliance Unichem dropped 12-1/4 to 403-3/4.

Second liners were even harder hit, with Yule Catto losing 11 to 245-1/2 and Croda down 5 to 215.

And Ryanair lost 6 pence to 420 after announcing the purchase of rival Buzz for 23.9 mln eur from KLM. Reports that Ryanair is mulling a takeover bid for Irish flag carrier Aer Lingus were also weighing on the stock.

The no-frills airline is also scheduled to hold a joint press conference with Boeing later today, and according to a Wall Street Journal report, Ryanair will announce an order for as many as 100 Boeing 737-800 aircraft worth some 6 bln usd.

BAA was one of a handful of blue-chip risers this morning, gaining 7-1/2 to 449-1/2 on news that Goldman Sachs initiated coverage of the airports operator's stock with an 'outperform' recommendation.

The broker feels that once the "uncertainty" surrounding Iraq dissipates, BAA's "benign" regulatory review and an unwinding of some of the construction risk will usher in a period of outperformance.

A broker upgrade also lifted Hays. Shares in the group rose 0-1/2 pence to 76-1/2 after Dresdner Kleinwort Wasserstein upgraded the support services group to 'hold' from 'sell' following yesterday's reports that it is sounding out potential bidders for its logistics activities.

Rio Tinto was another gainer, up 8 to 1127 after UBS Warburg upgraded its recommendation on the mining group to a 'buy' from 'neutral' following solid 2002 results.

On the second line, house builders were the worst performing issues after Schroder Salomon downgraded the sector to 'underweight' from 'overweight' on expectations that sector trends will significantly worsen this year. Persimmon and George Wimpey were both lowered to 'underperform' from 'in-line' as part of the review, while Barratt Developments, Wilson Bowden and Westbury were all moved to 'in-line' from 'outperform'.

Wilson Bowden lost 35-1/2 pence to 663, and Persimmon slid 17-1/2 to 400-1/2. Barratt Developments fell 15-1/2 to 357 and Westbury dropped 12-1/2 to 242.

Among the tiddlers, Alphyra Group slumped 26 pence to 150 after the company revealed that talks with First Data Corp have ceased.

Meanwhile, Fairplace Consulting lost 13-1/2 pence to 83-1/2 after admitting that it is considering a mandatory 75 pence per share bid by Select Appointments for the company.

Osmetech was another faller, losing 0.10 pence to 3.22 after buying Roche's Atlanta-based OPTI business for a net 2.5 mln usd. As part of the deal, Roche will take a 4.47 pct stake in Osmetech.

On the upside, Forever Broadcast surged 3 pence to 36-1/2 after releasing an upbeat first quarter trading statement, in which the company announced that it is in bid talks.

Alpha Airports rose 3 to 52 after announcing that trading in the second half of the year 2003 has been in line with expectations.

In other news, Marchpole rose 0.25 pence to 3.87 after unveiling a "significant" rise in operating profit and sales for the third quarter against the previous quarter.

And McInerney added 7-1/2 pence to 147-1/2 after saying that results for the year to Dec 31 2002 will exceed 2001.

sd/slm/

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London shares remain lower midmorning on Wall Street falls, Iraq war fears

**Load-Date:** February 1, 2003

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## Wall Street shares - DJIA closes higher on positive data; Nasdaq down UPDATE

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS; GENERAL

**Length:** 817 words

**Dateline:** NEW YORK

### Body

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(Updating with full report)

Share prices closed just off their highs for the day on the DJIA in a technical bounce after yesterday's heavy sell-off, helped by a raft of broadly positive economic data, which tempered the impact of mixed earning news, including lowered guidance from chip equipment maker Applied Materials.

The Nasdaq composite drifted into negative territory in the last hour of trade on continuing weakness among semiconductor equipment stocks and computer hardware issues.

The DJIA closed up 108.68 points at 8,053.81, just off an intraday high of 8,089.66.

Twenty-four stocks closed higher while 6 stocks ended the day lower.

The S&P 500 was up 11.09 at 855.70 while the Nasdaq composite was down 1.44 at 1,320.91.

Dealers said there was some selling in the last hour of trade as investors remained nervous in a market dominated by concerns over geopolitical tensions.

"We had some short-covering in an oversold bounce," said Tom Schrader, head of listed trading at Legg Mason Wood Walker. "In this last half-an-hour we've been selling off a little bit because nobody wants to go home long for the weekend."

Schrader was quite dismissive of the Wall Street adage that the performance of the S&P 500 in January foreshadowed the performance of the index and the wider market as a whole.

"I give no credence to the January effect. I don't think there is any statistical proof to back it up."

But Brian Piskorowski, equity strategist at Prudential Securities said "January's direction has predicted the annual course of the stock market with a 92.3 pct accuracy."

The S&P 500 shed 2.8 pct in the month of January.

On the corporate front, Disney was the biggest gainer on the DJIA, climbing 1.15 usd or 7.03 pct at 17.50 usd after it said both its earnings before one-off items and sales rose during its first quarter to Dec 31, with its media and theme parks units leading the rise in sales despite ongoing economic weakness.

## Wall Street shares - DJIA closes higher on positive data; Nasdaq down UPDATE

Boeing, another DJIA component, climbed 93 cents or 3.03 pct to 31.59 usd after the world's largest commercial aircraft manufacturer said that Ryanair has ordered 22 Boeing 737-800 aircraft and increased options by a further 78 aircraft, in a contract worth some 6 bln usd.

Honeywell ended the day up 94 cents or 4.00 pct at 24.44 usd after it said that 2003 earnings will be in line with analysts' estimates, with investors also relieved that the group is putting asbestos claims behind it, by taking a 1.9 bln usd charge in the fourth quarter to cover any compensation.

McDonald's underperformed the DJIA, down 22 cents or 1.52 pct at 14.24 usd following a downgrade of the company's senior notes to 'A' from 'A+' and a revision of the rating outlook to 'negative' from 'stable' by Fitch Ratings due to increased competition, weakened operating performance, and the maturing of the US fastfood industry.

Applied Materials was an early focus on the market as the group's share price slumped 98 cents or 7.57 pct to 11.97 usd after it said first quarter orders would fall 35 pct, well below its previous guidance of a 20 pct drop compared with the fourth quarter.

The news sent the chip sector lower, with rival chip equipment makers leading the fallers.

KLA-Tencor was down 1.11 usd or 3.29 pct at 32.64 usd while Novellus Systems fell 45 cents or 1.51 pct to 29.45 usd. Both companies were off their morning lows.

Among other technology stocks, Dell and Hewlett-Packard were both lower in morning trade after Lehman Brothers issued cautious notes on the two computer hardware makers.

Lehman said that Dell's first quarter expectations are likely to be muted by weak US demand, pricing pressure and current geopolitical tensions.

On HP, Lehman said it is lowering its revenue growth forecast for 2003 to a 1 pct growth from 2 pct on declining consumer demand attributed to worries over the geopolitical situation.

Dell was last down 32 cents or 1.32 pct at 23.86 usd while HP fell 79 cents or 4.34 pct to 17.41 usd.

In the oil sector, shares in ChevronTexaco Corp edged back into positive territory, closing up 20 cents at 64.40 usd after mixed fourth quarter results, with strong oil prices boosting upstream earnings but hitting the company's downstream operations.

ExxonMobil, which yesterday reported forecast-beating fourth quarter earnings, was up 92 cents at 34.15 usd.

Shares of Dynegy Inc closed down 51 cents or 21.43 pct at 1.87 usd after the company said it lost 423 mln usd, or 1.15 usd per share, in the fourth quarter, mainly due to restructuring charges of 213 mln usd and the payment of preferred stock dividends of 82 mln usd.

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## Amsterdam shares lower at midday on weak Wall Street

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS

**Length:** 396 words

**Dateline:** AMSTERDAM

### Body

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Share prices were lower at midday, tracking overnight Wall Street losses after the AEX yesterday rose nearly 4 pct, dealers said.

At 12.13 pm, the AEX index was down 6.16 points at 286.78 after opening at 286.89 and hitting an early low of 284.23.

Government bond yields were broadly higher while the euro was bid at 1.0828 usd.

Yesterday's strong gains were short-lived as Dutch shares tracked overnight losses on the DJIA and Nasdaq due to the ongoing threat of a war with Iraq, and on economic concerns following weak US GDP figures, dealers said.

With US futures slightly higher, all eyes are focused on the release of a string of US macroeconomic data later this afternoon, they said.

Stroeve analysts said the AEX index may well continue to recover if a closing level of at least 280 points remains intact. If not, they do not rule out a drop in the index to as low as 260 points.

KLM gave up yesterday's gains, down 0.40 to 7.45. The airline said it is selling its loss-making low-cost carrier Buzz to Ryanair for 23.9 mln eur. Analysts at SNS Securities said the price appears low.

Heavyweight financials were among the biggest decliners, with Aegon down 0.43 to 11.25, ABN Amro off 0.37 to 13.78 and ING down 0.51 to 13.67.

Royal Dutch Petroleum declined 0.63 to 37.81.

Philips was down 0.39 to 15.39. The company said it will restructure its European TV production operations. ASML shed 0.15 to 7.36 and Getronics dropped 0.01 to 0.24.

KPN traded 0.14 lower at 6.35 and TPG fell 0.30 to 14.06 amid speculation the European Commission is set to send a letter to the Dutch government next week in an attempt to put an end to its large stakes in the companies.

Heineken edged 0.07 lower to 32.51 after the brewer and Interbrew said they have ended their Italian licence and distribution agreements from March 1. Unilever declined 1.20 to 50.95 and Ahold was 0.36 lower at 11.31.

Among notable gainers, Wolters Kluwer gained 3 pct to 14.05 and VNU put on 0.49 to 24.0.

Vedior slid 0.09 to 5.01. The company said late yesterday that it raised its stake in UK's Fairplace to 40.5 pct and will bid 75 pence per share for all remaining shares.

Amsterdam shares lower at midday on weak Wall Street

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**Load-Date:** February 1, 2003

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## Wall Street shares AFX at a glance outlook

AFX European Focus

January 31, 2003 Friday

Copyright 2003 AFX News Limited

**Section:** MARKETS

**Length:** 855 words

**Dateline:** NEW YORK

### Body

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Share prices are expected to open higher in a technical rebound after yesterday's heavy sell-off, with better-than-expected consumer spending and personal income data for December likely to provide early support, dealers said.

Investors will be paying close attention to any news filtering out of President George W Bush's meeting with UK prime minister Tony Blair. Any suggestion that Blair will attempt to seek a second resolution on Iraq could unsettle the markets as it would prolong the period of uncertainty and any final resolution on the tense geopolitical situation, dealers said.

At 8.49 am, the DJIA March futures contract was up 45.00 at 7,945.00, with the S&P 500 March futures contract up 4.80 at 844.80, while the Nasdaq 100 March futures contract was up 2.50 at 989.50.

"We're going to need one heck of a rally today to get a bullish reading from the January barometer," said Brian Piskorowski, equity strategist at Prudential Securities. "January's direction has predicted the annual course of the stock market with a 92.3 pct accuracy. Going into the final session of the month the S&P 500 is down 4.00 pct year-to-date."

Disney is expected to post gains in early trade after it said both its earnings before one-off items and sales rose during its first quarter to Dec 31, with its media and theme parks units leading the rise in sales despite ongoing economic weakness.

Boeing is likely to move higher after the world's largest commercial aircraft manufacturer said that Ryanair has ordered 22 Boeing 737-800 aircraft and increased options by a further 78 aircraft, in a contract worth some 6 bln usd.

Gains however could be capped by JP Morgan's decision to lower its 2003 EPS estimate on the aircraft manufacturer "largely due to lower-than-expected margin guidance for the defence business."

Among biotech stocks, Biogen was trading higher pre-bourse after it said its Amevive drug for treating the skin condition psoriasis has been approved by the US Food and Drug Administration.

In technology, Dell and Hewlett-Packard are expected to come under pressure after Lehman Brothers issued cautious notes on the two computer hardware makers.

Lehman said that Dell's first quarter expectations are likely to be muted by weak US demand, pricing pressure and current geopolitical tensions.

## Wall Street shares AFX at a glance outlook

On Hewlett Packard, Lehman said it was lowering its revenue growth forecast for 2003 to 1 pct growth from 2 pct on declining consumer demand attributed to worries over the geopolitical situation.

### CLOSING LEVELS

-DJIA down 165.58 points at 7,945.13, just off its intraday low of 7,938.62.

-S&P 500 was down 19.79 at 844.57

-Nasdaq composite was down 35.96 at 1,322.10

### EARLY/OVERNIGHT NEWS (Corporate)

\*HONEYWELL Q4 EPS PRE-EX 50 CENTS VS 55

\*HONEYWELL Q4 NET LOSS/SHR 1.78 USD VS EPS 14 CENTS

\*HONEYWELL Q4 FIRST CALL CONSENSUS 50 CENTS

\*HONEYWELL SEES 2003 EPS 1.60-1.70 USD; REVENUE ABOUT 22.2 BLN USD

\*HONEYWELL 2003 FIRST CALL EPS CONSENSUS 1.66 USD

-Honeywell to sell Bendix friction materials ops to Federal-Mogul

-Disney Q1 EPS 13 cents vs 21 cents; pre-ex EPS 17 cents vs 15 cents

-Disney Q1 pre-ex EPS, sales rise despite weak economy

-Disney's Eisner 'optimistic, encouraged' Pixar pact will continue

-Disney's Eisner says theme parks already suffering from Iraq war prospects

-UAL Q4 loss/shr 20.70 usd vs loss 5.68; consensus loss 13.81

-Commerce One Q4 loss/shr 9.57 usd vs loss/shr 5.90

-Commerce One Q4 loss widens on ongoing IT spending slump; to cut to 300 jobs

-News Corp restructures integrated advertising, corporate marketing ops

-US Airways seeks to replace pilot pension scheme

-Coca-Cola to cut around 1,000 jobs as a result of N.American ops changes

-DaimlerChrysler reshuffles management board to make it 'younger, more focused'

-FOCUS Dell's foray into shops with Sears kiosks to boost printer, PC sales

### EARLY/OVERNIGHT NEWS (Political/eco/misc)

\*US DEC CONSUMER SPENDING UP 0.9 PCT VS REVISED 0.4 RISE IN NOV

\*US DEC PERSONAL INCOME UP 0.4 PCT VS REVISED 0.4 RISE IN NOV

\*US DEC CONSUMER SPENDING ON DURABLE GOODS UP 6.1 PCT, HIGHEST SINCE OCT 2001

-Four US soldiers die in helicopter accident in Afghanistan

### PRESS HEADLINES

-AOL Time Warner mulls sale of Warner Music (WSJ)

-GM board may study deal with Fiat tomorrow (Il Sole 24 Ore)

-EU's Fischler calls for truce with US over GM crops (FT)

-Merck sued for allegedly overcharging Medicaid for Pepcid drug (WSJ)

-Ford, GM raise incentives on SUVs (WSJ)

## Wall Street shares AFX at a glance outlook

### EXPECTED TODAY

- ChevronTexaco Q4 results. Consensus estimate EPS 1.27 cents vs 47 cents.
- US Jan Chicago PMI (8.45 am)
- University of Michigan Jan consumer sentiment, revised (9.45 GMT)
- Bush to meet Blair

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## AFX UK at a glance share guide

AFX.COM

January 31, 2003 Friday

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**Section:** MARKETS

**Length:** 816 words

### Body

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#### TODAY'S EXPECTED COMPANY NEWS

Interims

Osmetech - Scottish Power (Q3)

Finals

None scheduled

AGMs

Firestone Diamonds - Forever Broadcasting - Invesco Recovery 2005 - Matrix Healthcare - Second Scottish National Trust - Slimma

EGMs

None scheduled

#### ECONOMICS

\* UK NIESR quarterly economic review

\* US Dec consumer spending, personal income

\* US Jan Chicago PMI

\* University of Michigan Jan consumer sentiment, revised

vjt/

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#### MARKETS

FTSE 100 3,578.7 up 94.9

FTSE 250 4,021.6 up 35.6

FTSE techMARK 100 619.90 up 10.29

Long gilt/equity yield ratio 1.13 (1.08)

FTSE Eurotop 300 795.74 up 2.45 pct

DJIA 7,945.13 down 165.58



## AFX UK at a glance share guide

Nasdaq Comp 1,322.35 down 35.71

S&P 500 844.57 down 19.79

Tokyo: Nikkei 8339.94 up 23.13

Hang Seng closed

usd/stg 1.654; stg/euro 0.653

usd/euro 1.082; yen/usd 119.1

Gold 368.25 usd (370.00 usd)

Oil - Brent Mar 31.21 usd (31.02 usd)

Yield on US Gov 30-yr 4.88 pct

### TAKEOVER NEWS & GOSSIP

\* RYANAIR buys Buzz for 23.9 mln eur

\* Sir Ken Morrison departs from his traditional parsimony with words, describing the bid by his WILLIAM MORRISON SUPERMARKETS as the "main event" in the six-way battle to control SAFEWAY - FT

\* ASTRAZENECA admits that it expects to be fined at least 350 mln usd for its alleged involvement in a scam to defraud the US health insurance system - Times

\* HMV says it does not intend to sell the Waterstone's book chain, and rebuffs an approach from Tim Waterstone who founded the chain - FT

\* MINERVA puts Wednesday deadline on its 160 pence a share ALLDERS' bid - FT

\* Cinven thought to be on the verge of formally bidding for FITNESS FIRST - FT

### PRESS COMMENT

FT

THE LEX COLUMN comments on ASTRAZENECA (AstraZeneca's hopes for a strong earnings recovery in 2004 rest on its ability to launch drugs without cost overruns in an increasingly competitive market; GLAXOSMITHKLINE, with gaping holes in its late-stage pipeline, might envy such a problem; but at least its depressed valuation means it has more to gain if the celebratory mood continues), Boeing, BBVA, Canon - RIO TINTO (trading on a forward multiple of 14.5 times, a slight and deserved premium to the sector) - CREST NICHOLSON (5 pct dividend yield makes it attractive enough to hold, but not an immediate buy)

Express

Who's dealing? WIGGINS GROUP (director buys 1 mln shares at 2.625 pence each) - Share whisper: ARGONAUT (dealers see co as an attractive takeover target in expected industry consolidation) - Broker's view: PREMIER OIL (broker Cannacord has a value of 36 pence on the shares post-restructuring)

Mail

EVOLUTION BEESON GREGORY (upbeat trading statement)

Times

Rumour of the day: THE INNOVATION GROUP (talk the company is preparing a rights issue to raise as much as 10 mln stg) - Tempus: RIO TINTO (hold), ASTRAZENECA (hold), FITNESS FIRST (buy)

Independent

LUMINAR (buyout talk) - THE INVESTMENT COLUMN: GLAXOSMITHKLINE/ASTRAZENECA (given all the excitement around Glaxo at the moment, it probably looks the better bet in the short term), RIO TINTO (hold), CREST NICHOLSON (ongoing uncertainty in the market makes the shares a hold)

Guardian

LUMINAR (private-equity firms thought interested)

Telegraph

QUESTOR: ASTRAZENECA (buy), RIO TINTO (worth hanging on to), CREST NICHOLSON (buy)

fjb/rn

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### OTHER NEWS ITEMS

- \* Tony Blair will today press George W Bush to seek a second United Nations resolution authorising military action against Iraq, while giving the UN weapons inspectors up to six more weeks to continue their work - FT
- \* Gordon Brown's economic forecasts are too optimistic for this year and next, one of Britain's most respected think-tanks, the National Institute of Economic and Social Research, warns - FT
- \* UK head of Alstom warns he will advocate moving half its UK manufacturing operations to France or Germany if Britain fails to join the euro - FT
- \* Food companies face a ban on making "misleading" claims that their products improve health and well-being, under plans being drawn up by the European Commission - FT
- \* Richard Reid, the "shoe-bomber" who tried to blow up a transatlantic flight with explosives hidden in his shoes, sentenced to life plus 110 years in prison and fined 2 mln usd by a US federal court in Boston
- \* Biotechnology industry calls on the government to criminalise intimidation and threats by animal rights activists - FT
- \* US economy did not slip back into recession at the end of last year as feared; gross domestic product grew at an annualised rate of 0.7 pct - FT

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## Amsterdam shares close higher in late rally on PMI data, DJIA gains - UPDATE

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS

**Length:** 368 words

**Dateline:** AMSTERDAM

### Body

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(Updating with full report)

The AEX index finished the day with a small gain, as a late rally pulled the index out of negative territory following better-than-expected Chicago PMI figures and gains on the DJIA, dealers said.

The AEX index closed just off the day's high, up 2.00 points at 294.94 after opening at 286.89 and hitting an early low of 284.23.

Government bond yields were broadly higher, while the euro was bid at 1.0744 usd.

Pulling the market into the black were ABN Amro, up 0.35 eur to 14.50 and Fortis, closing 0.33 higher at 14.56.

ING fell 0.05 to 14.13, following another report the group may acquire Capitalia's online broker Entrium for around 300 mln eur.

KLM gave up yesterday's gains, finishing down 5.7 pct to 7.40. The airline said it is selling its loss-making low-cost carrier Buzz to Ryanair for 23.9 mln eur, including some 19 mln eur in cash held by Buzz.

In the tech sector, ASML was hit by a warning from rival Applied Materials that first-quarter orders will fall more than expected. ASML fell 3.5 pct to 7.25 and ASMI lost 0.55 to 10.59.

Philips closed up 0.21 to 15.80. The company said it will restructure its European TV production operations. Getronics dropped 0.02 to 0.23 and LogicaCMG fell 0.05 to 1.82.

KPN closed 0.04 higher at 6.53 and TPG fell 0.25 to 14.11 amid speculation the European Commission is set to send a letter to the Dutch government next week in an attempt to put an end to its large stakes in the companies.

Heineken added 0.97 at 33.55 after it and Interbrew said they will end their Italian licence and distribution agreements from March 1.

Unilever rose 0.15 to 52.30, while Numico added 0.55 at 10.71.

Among other notable gainers, Wolters Kluwer took back some of its recent losses on weak results earlier in the week to close up 0.20 eur at 13.85. VNU put on 0.76 to 24.27.

Royal Dutch Petroleum rose 0.13 to 87.05, undeterred by poor results from rival ChevronTexaco, while Akzo Nobel lost 0.65 to 24.45.

Amsterdam shares close higher in late rally on PMI data, DJIA gains - UPDATE

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## Ryanair sees no material financial impact from temporary Stansted closure

AFX European Focus

January 31, 2003 Friday

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**Section:** GENERAL; COMPANY NEWS

**Length:** 162 words

**Dateline:** LONDON

### Body

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The temporary closure of Stansted airport caused by the severe wintery weather conditions will have no material financial impact on Ryanair Holdings PLC, which operates 44 routes out of the airport, said sales and marketing head Sinead Finn.

Although the discomfort to passengers caused by the closure will be substantial, the effect of the closure "is insignificant in financial terms," she told AFX News at the sidelines of a press conference at which she had to stand in for Michael O'Leary, chief executive of the Irish no-frills airline.

O'Leary, who was due in London to speak about a multi-billion dollar aircraft order and the acquisition of rival low-cost airline buzz, was among the thousands of airline passengers left stranded by the bad weather as his Ryanair flight from Dublin to Stansted was cancelled.

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## Ryanair may place 6 bln usd order for 100 Boeing aircraft - report

AFX European Focus

January 31, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 108 words

**Dateline:** LONDON

### Body

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Irish no-frills airline Ryanair Holdings PLC may today announce an order for as many as 100 Boeing 737-800 aircraft worth some 6 bln usd, according to the Wall Street Journal.

Last year, Ryanair ordered 100 of the same aircraft and took options on 50 more, making it Boeing Co's single-largest order of 2002.

Boeing and Ryanair said they will hold a joint press conference today. It had been speculated that Ryanair would announce it is taking up its 50-plane option under the existing contract.

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**Load-Date:** February 1, 2003



## KLM to maintain low-cost Basiqair ops - CFO

AFX European Focus

January 31, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 136 words

**Dateline:** AMSTERDAM

### Body

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KLM Royal Dutch Airlines NV chief financial officer Rob Ruijter said the carrier will maintain its low-cost operations through Basiqair, part of KLM's 100 pct subsidiary Transavia.

This morning KLM announced the sale of Buzz to Ryanair Holdings Plc for around 30 mln eur.

"We are discontinuing the more opportunistic operations of Buzz," the CFO said following news of the sale, noting that Basiqair has a lower risk profile.

"Expansion plans (for Buzz) would have required significant investment going forward," he said, adding that the low-cost carrier never turned a profit.

The CFO declined to say whether KLM will report a book profit on the sale.

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## Boeing confirms Ryanair places 6 bln usd aircraft order

AFX European Focus

January 31, 2003 Friday

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**Section:** COMPANY NEWS

**Length:** 120 words

**Dateline:** LONDON

### Body

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Boeing Co confirmed that Ryanair Holdings PLC has ordered 22 Boeing 737-800 aircraft and increased options by a further 78 aircraft.

A Boeing spokesman said the total order is worth some 6 bln usd.

Ryanair earlier this morning said it had agreed to buy its rival no frills airline Buzz from KLM Royal Dutch Airlines NV for 23.9 mln eur.

Ryanair's new aircraft order means that, since January last year, the Irish airline has committed to a total of 250 Boeing 737-800s, worth a total of 15 bln usd. Of those commitments 125 are orders and 125 are options.

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## Amsterdam shares AFX at a glance outlook

AFX European Focus

January 31, 2003 Friday

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**Section:** MARKETS

**Length:** 178 words

**Dateline:** AMSTERDAM

### Body

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Share prices are expected to open lower, tracking overnight Wall Street losses on ongoing geopolitical and economic concerns, dealers said.

Yesterday, the AEX index closed up 10.22 points to 292.94.

#### FORTHCOMING EVENTS

Today:

- Dutch Dec PPI (9.30)

#### TODAY'S PRESS

- Telefonica CEO Alierta, former CEO Villalonga to testify before Spanish court over insider information in Endemol takeover (Financieele Dagblad)

- Dutch govt says no need to raise pensionable age as pension benefit payments not in jeopardy (Algemeen Dagblad)

#### COMPANY NEWS

- KLM to sell Buzz to Ryanair for about 30 mln eur

- IHC Caland to be included in AEX index from March 4

- Shell Canada Q4 EPS 0.89 cad vs 0.62; sees synthetic crude oil production in Q1

- Vedior increases stake in Fairplace to 40.5 pct, to bid for remaining stake

- Stern takes out 10 mln eur subordinated loan

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## Ryanair, Boeing to hold joint media conference Friday

AFX European Focus

January 30, 2003 Thursday

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**Section:** COMPANY NEWS

**Length:** 186 words

**Dateline:** LONDON

### Body

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Ryanair Holdings PLC, the Dublin based no-frills airline, and Boeing Co, the US aircraft manufacturer, are to hold a joint media conference on Friday, prompting speculation they will announce details of a new order.

Ryanair has already confirmed an order of 100 Boeing 737-800 Next Generation aircraft with an option for a further 50.

Earlier this month Ryanair took delivery of the first two planes of this order, taking its fleet size up to 50 aircraft -- 29 Boeing 737-800s and 21 Boeing 737-200s.

The remainder of the new planes are due for delivery over the next eight years.

The speculation is that Ryanair will announce it plans to exercise its option.

Yesterday, the airline's chief executive Michael O'Leary said the group is now planning for growth in passenger numbers of 30-35 pct a year for the two years to March 2005, rather than the 25 pct previously indicated.

At 12.26 pm, Ryanair shares were up 21-1/2 pence at 419.

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**Load-Date:** January 31, 2003



## Helsinki shares AFX at a glance outlook

AFX European Focus

January 29, 2003 Wednesday

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**Section:** MARKETS

**Length:** 303 words

**Dateline:** HELSINKI

### Body

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Share prices are expected to open flat to slightly higher, led up by Nokia seen tracking its higher overnight ADR closing price on Wall Street, dealers said.

Yesterday, the HEX All-share index closed down 1.28 pct at 5,271.87, with the HEX-25 index down 1.45 pct at 1,250.45.

#### FORTHCOMING EVENTS

Today

-Nordkalk FY results

Tomorrow

-Huhtamaeki Q4 results (1.00 pm), opg seen 39.1 mln eur on sales of 527 mln, news conference (3.30 pm), analyst conference (5.00 pm)

-UPM-Kymmene Q4 results (noon), EPS seen 0.52 eur on sales of 2.655 bln, conference call (4.00 pm)

-Stora Enso Q4 results, EPS seen 0.15 eur on sales of 3.210 bln

#### TODAY'S PRESS

-Sale of Telia Mobile Finland "ongoing and in final phase," said Telia's Vilhelmiina Wahlbeck (Kauppalehti)

-Ryanair to offer 85 pct cheaper ticket price on Stockholm-Tampere (Finland) route - Sean Coyle (Kauppalehti)

-Sweden's Forex to start banking operations in Finland (Kauppalehti)

-Unemployment is Finland's major problem - BoF's Matti Vanhala (STT/Kauppalehti)

#### COMPANY NEWS

\*KEMIRA ACQUIRES REMAINING 11 PCT STAKE IN CHINESE KEMWATER

#### LATE CORPORATE NEWS

-Nordea says has 3.3 mln customers using its Internet services, targets 3.7 mln customers in 2003

#### MARKET NEWS/SENTIMENT

## Helsinki shares AFX at a glance outlook

-Yesterday in New York, Nokia's ADRs closed at 13.08 eur, or 0.18 eur higher than Nokia shares' closing in Helsinki.

-Among other Finnish shares traded in New York yesterday, UPM-Kymmene closed 0.41 eur higher compared with Helsinki closing levels, Metso closed 0.22 eur higher, and Stora Enso R 0.11 eur higher.

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