

IBM EARNINGS: IBM's fourth-quarter profit fell 11% to \$2.1 billion, or \$1.12 a share, as uncertainty about the Y2K bug dampened sales of business computers. Analysts had expected IBM to earn \$1.06 a share, according to First Call. Revenue fell 4% to \$24.2 billion, dragged down by an 11% drop in computer hardware sales. (More earnings reports, 2B.)

OIL PRICES UP: Oil prices rose to nine-year highs as the Organization of Petroleum Exporting Countries keeps a tight rein on exports. Crude oil for delivery in February rose 69 cents to \$29.54 a barrel, the highest since before the Persian Gulf War.

TRADE TALKS: U.S. Trade Representative Charlene Barshefsky said prospects for another round of global trade negotiations had not improved since the World Trade Organization talks in December collapsed amid street protests in Seattle. WTO Director-General Mike Moore has been trying to restart the negotiating process.

BOEING PRODUCTION: Boeing said it may "slightly" increase its production rate for the 747 jumbo jet, its most profitable plane, late this year or early next. The news is another sign that economies are rebounding in Asia, where the 747 is favored. The 1999 rate for making 747s fell from five a month to two a month. Boeing reported that fourth-quarter profit rose 42% to \$662 million.

FEDEX'S NAME: Federal Express is changing its corporate name from FDX to FedEx in an effort to expand its services and brand. RPS, a ground-based business-to-business delivery service, will be renamed FedEx Ground. Roberts Express, which operates in the time-critical delivery sector, will be renamed FedEx Custom Critical. The company also plans to add a home-delivery service in March to compete directly against UPS.

PENSION PLANS: About 400 public comments on cash-balance plans have been received by the IRS, which had requested input on the pension plans by Jan. 18. Meetings are under way to determine what steps the agency might take following the public comment period, a spokesman said. Hundreds of companies have converted from traditional pensions to cash-balance plans, which older workers say deprive them of expected retirement benefits.

HOUSING STARTS: Housing construction rates increased by 7.1% in December despite rising mortgage rates, capping the best year for builders since 1986. The Commerce Department said builders, aided by better-than-normal weather, worked at a seasonally adjusted annual rate of 1.71 million units. That was the largest monthly increase in housing starts since October 1998. For all of 1999, builders started construction on 1.66 million units, up 3% from 1998.

Written by Sara Nathan from staff and wire reports

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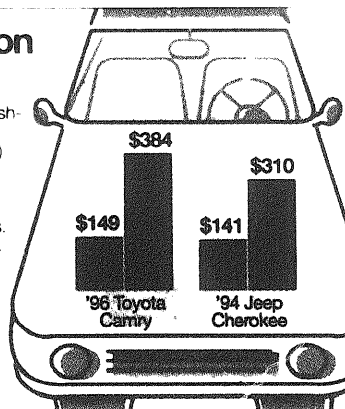
A look at statistics that shape your finances

Comparison shopping

About 15% of all crash-repair parts used (fenders, hoods, etc.) are generic — not made by the original automakers or their designated suppliers. Price of a generic vs. original hood for these cars:

■ Generic
■ Manufacturer's

Source: National Association of Independent Insurers



By Anne R. Carey and Qun Tian, USA TODAY



By Paul White, AP for USA TODAY

'Room to attack': CEO Juan Perea says the big players on the Internet have not sufficiently addressed the Hispanic market. He's trying to change that with Terra Networks.

COVER STORY

Net company Terra aims for Hispanic connection

By David J. Lynch
USA TODAY

MADRID, Spain — If Juan Perea is right, the next new thing to hit the Internet won't come from a garage in Silicon Valley. It'll spring from a turquoise-accented, faux Greek temple in an office park outside Spain's capital.

This is the home of Terra Networks, Europe's answer to Internet fever and the continent's largest Net company in terms of market capitalization.

With only 9% of Spaniards online, Spain is about the last place you'd look for an Internet powerhouse. After all, this is a country known for Picassos, not portals.

But when Terra went public in November, brokers dubbed the resulting uproar the *terramoto*, or earthquake. The tiny company, whose Nasdaq shares have more than quadrupled in value since, is valued at more than \$27 billion. Pretty good for a 14-month-old outfit that won't see its first dollar of profit for at least three years.

What are investors thinking? Just that Terra could be the play on bringing the Internet to folks who speak something other than English. The company, a spinoff from Spanish and

Terra Networks

Headquarters: Madrid, Spain

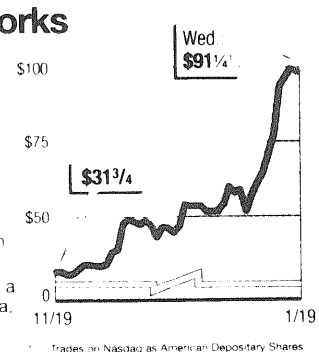
CEO: Juan Perea, 36

Employees: 1,200

Founded: November 1998

Status: Went public in November 1999, launched U.S. effort on Wednesday

Major backer: Terra is a subsidiary of Telefonica, the Spanish and Latin American phone giant



Sources: USA TODAY research

By Grant Jelling, USA TODAY

► Cultivating a market, 3B

Latin American telecommunications giant Telefonica, is targeting the 550 million Spanish speakers worldwide — including an estimated 31 million in the U.S.

"The big players have not addressed in a big way the U.S. Hispanic segment," says Terra CEO Perea, who was in New York on Wednesday to officially launch the U.S. network. "We feel there's still room for us to attack."

Over the next decade, Hispanics are expected to be the fastest-growing slice of the American pie. By 2010, they will be nearly

Please see COVER STORY next page ►