

YESTERDAY: Four out of 10 Britons aged 18 to 30 will delay having children until they can buy their first house, a survey by YouGov Plc for the National Housing Federation showed

TODAY: Friends First quarterly economic outlook

http://breaking.tcm.ie/business

Tuesday 23.03.2010

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Irish Examiner

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Market down as heavyweights lose

THE market had a poor start to the week yesterday as many of the larger stocks lost ground. Bourses across Europe were also invariably down on the day. The ISEQ index shed 28.73 points to close at 3,094.76.

The financial sector was weak as the state's largest bank AIB gave up 8c to €1.49. Bank of Ireland followed the general trend by sliding 3.8c to €1.24, while Irish Life and Permanent remained flat at €3.

Construction stocks were mixed, as CRH lost 27c to €18.60. Grafton Group & Kingspan on the other hand managed to make slight gains to finish the session at €3.07 and €6.11.

European stalemate over Greek bailout continues as Trichet opposes plea for low-interest loans

by Andrew Davis and James G Neuger
Bloomberg

EUROPE'S stalemate over possible aid for debt-encumbered Greece deepened yesterday as European Central Bank president Jean-Claude Trichet spoke out against offering low-interest loans for which the Greek government has pressed.

Trichet's demand for stringent terms and German Chancellor Angela Merkel's push for sanctions against nations that breach deficit limits heightened the chance that Greece will leave a March 25-26 summit empty handed.

That could force Prime Minister George Papandreou to decide whether he's ready to fulfill his threat and turn instead to the International Monetary Fund.

"There shouldn't be any subsidy element, no concessionary element" in a potential loan to Greece, Trichet told lawmakers in Brussels.

Merkel said in Berlin that there's no need for EU leaders to make any "concrete decisions" on Greek aid this week.

Conflicting signals from European capitals before the summit of EU leaders triggered three days of declines in Greek debt that pushed the yield on 10-year bonds to 6.44% yesterday, the highest since February 25.

The surge in financing costs led Papandreou to say on March 19 that his country, which needs to sell about 10 billion euros (\$14 billion) of bonds in coming weeks, is one step away from not being able to borrow.

Greece must finance €20 billion of securities

maturing in April and May.

Papandreou wants EU leaders to provide specifics of an aid package that will help him steer the country's borrowing costs lower and avoid the need for a bailout. The EU should place "the gun on the table, so that the speculators can leave us at peace," he said on March 20.

Trichet yesterday rejected Papandreou's call for help in reducing borrowing costs, saying "a level of spreads" is "not part" of the precondition for any loan. He indicated a package may only be justified if the euro region's stability faces a "grave and immediate" threat.

Luxembourg Prime Minister Jean-Claude Juncker, said "there is no urgent need to have a decision" at the Brussels meeting while assuring Greek policy makers that the EU will not "abandon" them.

Papandreou may not be willing to wait that long. Last week he said he may seek help from the IMF if Europe didn't act quickly to backstop Greece, a move opposed by French President Nicolas Sarkozy.



Jean-Claude Trichet: Demanded stringent terms.

■ The ISEQ closing prices are unavailable today due to a technical error. Apologies.

ISEQ INDICES					
	ISEQ Overall	ISEQ Financial	ISEQ General	ISEQ Small Cap.	ISEQ IEX
Index Value	3,097.86	1,083.19	3,790.57	1,646.43	1,697.03
Change	-25.63	-33.21	-23.02	18.78	19.32
Change %	-0.82%	-2.98%	-0.60%	1.15%	1.15%
Index High	3,492.14	2,522.50	3,854.87	1,745.93	1,920.48
(12 Months to Date)	17/09/2009	17/09/2009	17/09/2009	18/01/2010	22/09/2009
Index Low	2,092.85	395.93	2,681.09	819.03	997.56
(12 Months to Date)	25/03/2009	25/03/2009	25/03/2009	23/03/2009	23/03/2009
Market Cap. (m)	46,240.61	3,788.96	42,451.65	2,265.67	1,677.82
ISEQ Return	5,657.81	2,587.17	5,775.00	2,060.88	1,729.40
Turnover (m)	127.46	27.69	99.78	4.54	2.38

IRISH INTEREST INTERNATIONAL STOCKS					
Company	Price	Chng	Company	Price	Chng
3Com	USD 7.65	-0.01	IBM	USD 128.00	0.29
Abbott Labs	USD 54.03	0.57	Johnson & Johnson	USD 65.36	0.25
ADC Telecom	USD 7.47	0.19	Johnston Press	GBP 27.25	-0.75
African Diamonds	GBP 44.00	0.00	Kedco	EUR 0.10	0.00
Alcatel-Lucent	USD 3.25	0.00	Lundin Mining	CAD 4.87	0.01
Allergan	USD 64.59	0.59	McAfee	USD 41.40	0.27
AIB	USD 4.09	-0.08	Medtronic	USD 45.97	1.18
American Intl	USD 33.49	-1.31	Merck & Co.	USD 38.74	0.68
Amgen	USD 60.31	0.31	Microsoft	USD 29.63	0.04
Analog Devices	USD 30.10	0.35	Minco	GBP 3.25	0.00
Apple	USD 225.39	3.14	Misys	GBP 243.60	-0.10
B of I	USD 6.81	-0.27	Molex	USD 21.20	0.11
Boston Sc.	USD 7.02	-0.11	Motorola	USD 7.26	0.08
Bristol-Myers Squibb	USD 26.56	0.55	Novartis	CHF 58.05	-0.20
Ceva	USD 12.17	-0.30	Oracle	USD 25.66	0.47
Coca-Cola	USD 54.42	-0.33	Pan Andean Res	GBP 15.00	0.00
Colgate-Palmolive	USD 85.00	0.16	Pepsico	USD 66.27	-0.29
Dana Petrol.	GBP 1188.00	-18.00	Petrol Res	GBP 25.50	-1.50
Danone	EUR 43.50	-0.08	Petrocellic Intl	GBP 12.25	0.25
Dell	USD 14.66	0.25	Pfizer	USD 17.24	0.33
Ebay	USD 27.18	-0.01	Ryanair	USD 26.27	-0.17
Elan	USD 7.54	0.21	Skillssoft	USD 10.65	0.00
Eli Lilly &	USD 36.78	0.61	Standard Life	GBP 206.00	-1.60
EMC	USD 18.76	0.15	State Street	USD 45.69	-0.26
Ericsson	SEK 77.25	0.40	Stryker	USD 56.94	0.30
Google-CI A	USD 555.99	-4.01	Time Warner	USD 31.30	0.06
Great-West Lifeco	CAD 27.80	-0.15	Trend Micro	JPY 3260.00	0.00
Heineken	EUR 38.44	0.45	Trinity Bio.	USD 5.10	0.01
HP	USD 52.92	0.43	Trintech	USD 4.48	0.00
Icom	USD 25.05	0.12	Tyco Intl	USD 37.02	0.23
Intel	USD 22.15	0.16	Vodafone	GBP 147.90	-0.30

Kentz aims for €740m in orders

by Geoff Percival

CONSTRUCTION and engineering services group, Kentz is targeting new business orders of about \$1 billion (about €740m) in value this year and the expansion of its international presence to four new territories.

The Clonmel-headquartered company's core business is in infrastructural support services for major oil and gas exploration

companies around the world. The likes of Qatar Petroleum and ExxonMobil are major clients and Australia, the Middle East and Africa are among its prime locations.

On the back of a strong set of financial results for 2009, published yesterday, Kentz said that its backlog of work — as of the end of December — sat at record levels, at just under \$1.5bn in value. That figure has

risen to \$1.6bn since the beginning of this year.

Kentz's latest annual figures show that it made a pre-tax profit of \$44.5 million in 2009 — up from \$40.7m the previous year. Group revenue rose by 9.5% to \$704.7m, while earnings per share rose by 5.5% to 26.46c. Cash balance at the end of the year stood at \$180.3m — nearly 17% higher than 2008's end of year total.

Management has also proposed a final dividend per share of 4c; giving shareholders a total dividend of 6c for the year; up from the 5.7c paid in 2008.

The company's chief financial officer Ed Power said, yesterday, that Alaska, Iraq, Syria and Papua New Guinea are being targeted as new locations for this year; to add to the 26 countries in which Kentz has a presence. He added that "future

prospects" for the company — or the value of potential new business contracts — exceed \$2.95bn. The firm expects "a number" of positive decisions on these prospects, "within the next six months".

Two multi-million contract wins — one in Qatar and the other in Mozambique — have been announced since the start of the year.

However, one move not

on the agenda is a secondary stock market listing on Dublin's IEX; to complement its AIM quote in London. The latter has been a strong generator of institutional investment for Kentz and, while it remains open-minded to an Irish listing, one is not on the cards at the moment, given the doubt that such a move would enhance the company's investor base all that much.

Call for 'industry relevant' college courses

by Joe Dermody

FUNDING priority should be given to industry-relevant Masters programmes in universities, developed by businesses rather than by academic bodies, argues a report by the Advisory Council on Science, Technology and Innovation.

The advisory council's survey of industry leaders identified a shortage of relevant quality industry skills, the perception of a high cost of research, and the ineffectiveness of current interactions between third level institutions and enterprise as major obstacles to company-led R&D activity.

Science experts at the advisory council now want industry leaders to develop their own sector specific world class masters programmes.

They are also proposing industrial postgraduate programmes, based on the Danish model whereby 8% of PhD students are people already working in industry returning to advanced part-time studies.

Council chairman Dr Tom McCarthy explains: "The Danes want 10% of all PhDs to be people up-skilling from within enterprise.

"These are people doing studies based on their jobs, bringing commercial activity into line with academic studies.

"We are also looking at the US model, whereby Stanford University lecturers are encouraged to create their own commercial businesses outside of the university.

"They do this without losing their security of tenure, or their capacity to develop their academic careers."

Industry respondents to the survey accepted that third level institutions have tried to make their masters studies more industry relevant.

However, they also said greater consultation with industry would lead to invaluable tweaking for courses, making masters students far more employable.

"We are looking out for the low-hanging fruit," said Mr McCarthy.

"We want to get rid of the immediate barriers to R&D, to get a quicker economic turnaround. Ireland has been investing heavily in science.

"We want to turn that investment into jobs.

"We are also calling for a tweaking of the tax credit system. As a lot of start-up R&D companies may not be generating profits, giving them a tax credit on profits is of little benefit.

"We want to bring that credit above the line. To give it against payroll would be more effective in creating research jobs. KPMG has made the same argument."

The findings of this science council report has fed into the deliberations of the Innovation Taskforce whose report was published by Taoiseach, Brian Cowen.

● www.sciencecouncil.ie.



eBay site director Andrew Pease at the eBay European headquarters in Blanchardstown in west Dublin at the announcement of the company's plan to create 150 additional jobs here.

Picture: James Horan/Photocall Ireland

eBay to 'build on already impressive presence' here with creation of 150 jobs

by Ed Carty

ONLINE auction site eBay is to expand its European headquarters in Dublin, creating 150 jobs.

Taoiseach Brian Cowen announced the investment, which takes the company's workforce in the customer service centre it shares with PayPal to more than 1,750.

"This builds on the already impressive presence both eBay and their partner

operation PayPal have in Blanchardstown, where 1,600 jobs are already located," the Taoiseach said.

"eBay is now a global brand name and we are delighted that our capital can provide the flexible and skilled workforce necessary to help this brand grow further in the period ahead."

Staff will be recruited to meet demand in customer service, personal account management and pro-

cess enhancement.

Site director for eBay Dublin Andrew Pease said: "The decision to expand eBay Dublin is a reflection of our confidence in the standard of skilled workforce within the Irish market."

The expansion was supported by the Government with the aid of IDA Ireland. IDA chief executive Barry O'Leary said: "The announcement of a further 150 jobs from a company of

such high technological calibre as eBay demonstrates Ireland's continued ability to provide a nurturing environment where leading-edge corporations can continue to expand.

"eBay's Irish operation has gone from strength to strength since its establishment here in 2004 and, on behalf of IDA Ireland, I look to facilitating continued development at the Irish facility."

Doubt over future of building firm

by Gordon Deegan

AUDITORS for a Co Galway construction firm claim a material uncertainty exists that casts significant doubt about the company's ability to continue as a going concern.

Luxury Homes (Galway) Ltd came to prominence a number of years ago after it emerged that it paid €107,930 and gave two free sites to Vincent and Ann Coffey to allow the couple to withdraw an objection against a planned €20 million development in Ennis.

At the time, the Coffeys maintained they never approached the developers with the intention of securing payment of money, gifts, or consideration of any other inducement by any person.

As a result of the housing downturn, losses at the firm increased more than fourfold from €670,102 to €2.98m to the end of December 2008.

In accounts filed with the Companies Registration Office by the Tuam-based firm, the company's auditors, P McNena & Co state that the company's deficiency of €5.1m in assets, along with other matters explained, "indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern".

The company had accumulated losses of €5.1m at the end of December 2008.

Under the heading of "going concern", the directors state that "due to the trading conditions in the residential housing market sales were greatly reduced in the accounting year".

They stated: "This trend may continue for the foreseeable future. However, costs are expected to reduce accordingly and the company should be able to operate within its bank overdraft and loan facilities and with the continued financial support of the company's promoters."

The abridged accounts show that after recording an operating profit of €195,574 in 2007, the company recorded an operating loss of €1.95m in 2008. During 2008, the company paid €1m bank interest charges.

The accounts do not provide turnover figures. However, they do show the company recorded a gross loss in 2008 of €585,375 after recording a gross profit of €1.4m in 2007.

The company has bank loans of €15.3m. The accounts also outline the various guarantees to the firm's directors and confirm that Ulster Bank has personal guarantees from Sean Cleary and Michael Farragher for €2m and a floating charge over all of the company's assets.

Supply chain firm signs €7.5m deal

by Joe Dermody

SUPPLY chain management company, Advanced Innovations, has secured a \$10 million (€7.5m) contract with US firm Open Mobile to develop low-cost mobile phones for the Puerto Rico market.

The Limerick-based firm is working with designers to create physical models of the new handsets, with big screens to facilitate texting and a menu of age-appropriate colour options.

Puerto Rico has a population of more than four million people and is an emerging phone market. Advanced Innovations vice president, Simon O'Keefe, explains: "We are developing the future road map for Open Mobile, and other clients in other markets. People are looking for more out of their phones than before. They want more services, more applications."

"We orchestrate the supply chain networks. Open Mobile gives us a list of requirements, and we manage all the bits in between. Our engineers project manage the design, though we don't actually design it ourselves."

"We get it manufactured at competitive costs. We get it packaged in Spanish and English, and delivered into Puerto Rico."

The agreement covers three devices initially, with further products likely to follow. Advanced Innovations has US offices in Alexandria, Virginia, and Huntsville, Alabama, and also in Shenzhen, China.

Chief executive Robert O'Donnell, said: "If you come to us with an idea for a new electronic product, we'll get it designed for you, we'll get it prototyped for you. When you're happy with the product, we'll then make you 500,000 of them. We manage the activities of partners throughout the world to do it all for you."

The partnership was formally unveiled in Washington DC at an Enterprise Ireland trade mission attended by Taoiseach, Brian Cowen. The Limerick firm is also poised to benefit hugely from the Obama administration's "green environment" stimulus plan, developing a suite of new smart meters and energy-saving technologies for US-based utilities firms.

Advanced Innovations recorded revenues of €34m last year, an increase of 36% on the previous year. It also provides technology solutions in education, food chain protection and avionics.

It serves software providers for applications like the smart grid, RFID technologies, cellular services and medical devices.

IRISH ACCOUNT

Approval for oil company takeover

Dublin/London: Shareholders in Irish oil and gas exploration company, Pan Andean have voted overwhelmingly in favour of the acquisition of the company by Canadian company, Petrominerales.

The AIM-listed Pan Andean is expected to be de-listed on April 14, with share trading in the company ceasing two days previously.

Petrominerales is buying Pan Andean's assets in Peru and Colombia.

The deal includes the de-merger of Pan Andean's North American and Bolivian interests to a new entity called Hydrocarbon Exploration.

'€12bn shortfall in county's GNP'

Dublin: County Dublin's GNP would be €12 billion larger than its present €60bn value had Dublin City Council previously been in favour of higher density commercial development, according to the Dublin Chamber of Commerce's submission in response to the Dublin City Development Plan 2011 — 2017.

The chamber argues the development plan, in its current state, has insufficiently focused on supporting economic growth in the city, with only a sixth of the draft plan being focused on employment and business related issues.

Credit Union chiefs at Dáil hearings

Dublin: Representatives from the Credit Union Managers Association (CUMA) appear before the Oireachtas Joint Committee on Economic Regulatory Affairs today, to discuss the impact of financial regulation on credit unions.

Chair of the committee Michael Moynihan said: "The committee is undertaking to examine the impact of any proposed overhaul of the regulatory regime for the Irish financial services sector on credit unions and to determine what model of regulation would be appropriate for the sector, but which at the same time would be robust enough to protect consumers."

"The meeting will provide CUMA's representatives with the opportunity to outline their views on the system of regulation that they would like to see introduced for the sustainable development of the credit union movement in Ireland and to safeguard the interests of credit union members."

Technology bosses grow more upbeat

Dublin: Two-thirds of senior global technology executives are more confident about prospects for the sector over the next 12 months, according to the latest annual IT confidence survey conducted by Eurocom Worldwide, the global PR network, in association with Dublin-based Simpson Financial & Technology PR.

Last year just 13% were more optimistic about prospects, with almost half (48%) less confident facing into 2009.