

International Business News

Britain's GSK buys US skincare firm Stiefel in \$3.6b deal

AFP, London

British pharmaceutical giant GlaxoSmithKline said Monday that it has agreed to buy US-based skincare group Stiefel Laboratories in a deal worth up to 3.6 billion dollars (2.7 billion euros).

The deal for Stiefel, a maker of anti-itching creams, acne treatments and other skincare products, had been widely expected after US media reports over the weekend.

"GSK and Stiefel Laboratories today announced that they have signed an agreement to create a new world-leading specialist dermatology business," the pair said in a joint statement.

"Under the terms of the agreement GSK will acquire the total share capital of Stiefel for a cash consideration of 2.9 billion dollars."

"GSK also expects to assume 0.4 billion dollars of net debt upon closing. A potential further 0.3 billion dollars cash payment is contingent on future performance."

Stiefel is part-owned by US buyout firm Blackstone Group and was put up for sale earlier this year.

"This transaction will create a new world-leading, specialist dermatology business and re-energise our existing dermatology products," said GSK Chief Executive Andrew Witty in the statement.

China state companies report profit surge

AFP, Beijing

Companies controlled by China's central government saw profits grow 86 percent in March over February as Beijing's infrastructure-focused stimulus package kicks in, state media reported Monday.

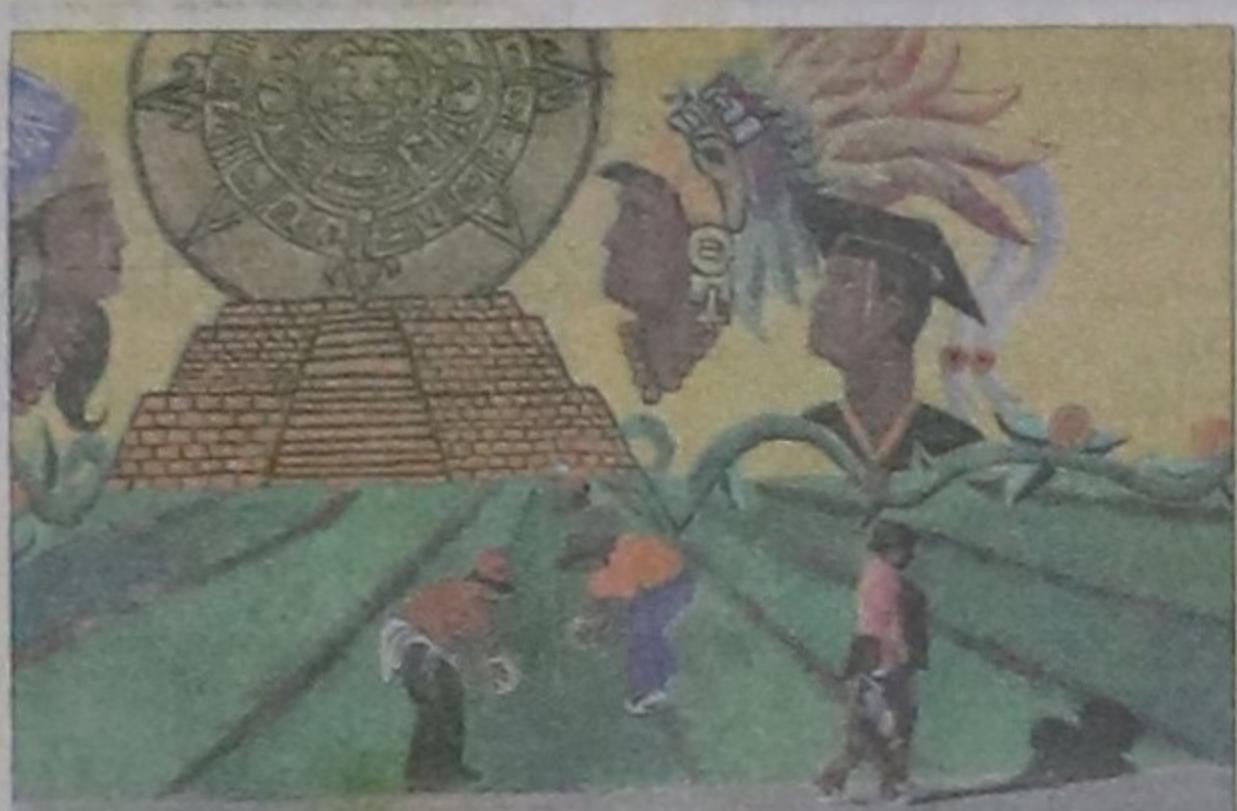
Li Rongrong, head of the State-owned Assets Supervision and Administration Commission, was quoted by the China Securities Journal as saying profits were also 26 percent higher than a year ago, although he gave no absolute value.

Speaking Sunday at a regional forum on the southern island province of Hainan, Li said government measures to tackle the financial crisis had shown effects and that he was "cautiously optimistic about the future."

China unveiled a four-trillion-yuan (585 billion dollars) stimulus package in November which focused heavily on investment in road and railway projects, a sector where state-owned companies dominate.

While acknowledging central government-controlled companies did not lack cash, Li warned that they should not rush to acquire overseas assets.

"I think the biggest problem with Chinese companies' going abroad" (activities) is management," Li said at the forum in a video clip posted on the website of the official Xinhua news agency Monday.



A mural mixes imagery of modern farm labourers with that of the ancient Aztecs from whom many local farm workers descended Saturday in the farming town of Mendota, south of Firebaugh, California. Central Valley farmers and farm workers are suffering through the third year of the worsening California drought with extreme water shortages and job losses.

Hong Kong's unemployment rate rises to 5.2pc

AFP, Hong Kong

Hong Kong's jobless rate jumped to 5.2 percent in the three months ending March, government statistics showed Monday, the highest level in three years.

The figure increased from 5.0 percent in the three months ending February, as the construction, finance and transportation sectors were hit by a reduction in work, the Census and Statistics Department said in a statement.

The number of unemployed increased by around 15,200 to 187,200 over the period, while the workforce increased to an all-time high of 3,694,900, the figures showed.

Secretary for Labour Matthew Cheung said the job market would continue to suffer in the near term, but insisted the government was doing all it could by providing extra training.

"We will... make the best of the current adversity to re-equip and upgrade our workforce as well as enhance their employability," he said in a statement.

US govt considers becoming bank shareholder

AFP, Washington

US President Barack Obama's economic advisers have determined that they can shore up top US banks without asking Congress for more money by converting loans into stock, The New York Times reported Monday.

Citing unnamed administration officials, the newspaper said the move would convert the US government into part owner of some key banks.

White House and Treasury Department officials now say they can stretch what is left of the 700 billion financial bailout fund further than they had expected a few months ago, the report said.

They believe this could be achieved simply by converting the government's existing loans to the nation's 19 biggest banks into common stock, the paper noted.

But converting those loans to common shares would turn the federal aid into available capital for a bank -- and give the government a large ownership stake in return, The Times pointed out.

COLUMN

Women at the helm

MAMUN RASHID

Women in the workplace were most-talked-about when PepsiCo named Indra Nooyi as the chief executive officer (CEO) to succeed Steve Reinemund, putting her among the leading women in corporate America. Indian-born Nooyi, who was ranked "No. 11" in Fortune's list of the most powerful women in business, joined the company in 1994 and was named chief financial officer (CFO) in 2001 and CEO in 2006.

Is it only Indra Nooyi who is a pride to many Indian women? I believe not.

Recent examples of many women professionals in Bangladesh may deserve equal respect and recognition. Greater educational and employment opportunities for women, influence of western media and particularly the growth of individualism combined with self-confidence and earnest desire to win over adversities have brought the discussion of "women breaking the barriers" to the forefront. In our country as well, some women have had the courage and ability to lead an institution both home and abroad.

For a multinational bank operating in a country like Afghanistan, finding customers is one thing; finding bankers to serve them is something else. And for a woman it is even worse, especially when she sees some of her male colleagues in other banks or institutions resigning and going back to the home country. In a rigidly conservative Afghanistan, Nasreen Sattar, currently CEO of a foreign bank, has quite competently marked her presence while leading the bank. Quite apprehensive about how the Afghan men would react, she has broken barriers by successfully managing the bank's growth.

She has taken a bold step to take up this challenging position and proved her leadership in many aspects. The first Bangladeshi woman to take up a topmost position in a country like Afghanistan has truly made a difference in the society and can be cited as a role model for many. Nasreen and I worked together for more than 8 years and what made her different from the crowd is her commitment to continuous customer solutions building and respect for co-workers.

Today I am very proud that my former colleague, Humaira Azam has become CEO of IPDC of Bangladesh Ltd. Humaira made her way through hard work, commitment and talent. This lady proved that she can work at par



PepsiCo Chief Executive Officer Indra Nooyi

even in the world of finance or hard core numbers, which was predominantly a male-dominated area in the past. Today she has reached the top because she was determined to be there. She overcame every barrier that came along in her journey. It was not because of her influential family background or favourable fate that helped her to become the CEO; she made it with her hunger for learning and fortitude, ability to look beyond the boxes.

A critical element in making it to the top is being in the pipeline to do so - here women hold only very few key line jobs that make up the pipeline in most corporations. Aside from being in the pipeline, women in our country also have to believe they can make it.

My own experience confirms that it is hard for women or for other minorities to believe they can progress if they cannot look up and see faces like their own at the top. When highly educated women perceive a dearth of viable options and leave the workforce, the pipeline narrows even further. This creates the possibility of a

vicious cycle - a cycle in which a woman's desire to make it to the top is sapped by the very paucity of other women who have done so.

So how do women balance careers with their responsibilities as mothers and wives? Often it takes energy, patience, hard work and creativity. Millions of women around the world, however, somehow manage to do it all, often at the cost of their own personal time. Perhaps this is nothing to worry about, since it reflects choices made by women clearly in advantageous positions.

But the concern is over the best and brightest women, those future leaders, to leave - not just because it's not what PepsiCo CEO, Indra Nooyi, or Nasreen Sattar or Humaira Azam of a multinational bank has done or other successful women leaders in other parts of the world but because of the ever-increasing need for a highly skilled workforce. It is in everyone's interest to redouble our efforts to help women rise to the top and help close the leadership gap.

And why not? I have seen many of my junior female colleagues,

newly married ones, expecting ones, and aged ones not leave their work until or unless they can finish it properly. Some of them went home after midnight, some of them stayed up the whole night, just to ensure last minutes details for a morning event and some of the expecting women worked until the last day of their delivery.

I personally feel, women always like to protect whatever she does. As a mother she protects her child, as a wife she takes care of her husband and similarly, as a professional she protects her work ethics, reputation and in turn, the organisation.

When I joined my present organisation, the gender balance was around 5 percent in favour of my 'she colleagues'. Today it has reached 20 percent, 3 of them occupying very important positions in the 8-member management committee.

I thought I should be very happy about this, until my boss questioned me - why not 50 percent?

A male colleague of mine whispered - "you don't even see 50 percent."

percent females in the university classes, besides the usual comments about ladies taking 4 months maternity leave, young ladies getting married and leaving the job and ladies' inability to stay late in the work. My boss came back pretty strong - "how many of your lady colleagues nag about higher pay, better work-life balance and inappropriately but regularly contribute in the office politics and thereby spend their energy in the undesirable way?"

Very few, or almost none, which is quite contrary to the opposite gender.

Given the right environment, women can continuously contribute to the "positive energy" in the work place by finishing their work more efficiently. We believe that the future of corporations lie in how best they can utilise their women force and create an atmosphere for them to excel.

None of us is as strong as all of us.

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TECHNOLOGY

With IBM out, Oracle jumps in to buy Sun

AP, New York

Oracle Corp pounced on Sun Microsystems Inc. in a \$7.4 billion deal Monday after rival IBM Corp. abandoned its bid to buy Sun, a server and software maker that had a 27-year run as Silicon Valley's brash independent.

Redwood Shores, California-based Oracle said it will pay \$9.50 in cash for each Sun share. The price represents a 42 percent premium to Sun's closing stock price of \$6.69 on Friday, and is nearly twice what Sun was trading for in March, before word leaked that IBM and Sun were in buyout negotiations. Net of Sun's cash and debt, the transaction is valued at \$5.6 billion, Oracle said.

IBM had offered to buy Sun for \$9.40 per share, but acquisition talks fell apart this month in a disagreement over price and the extent to which IBM was willing to see the deal through an antitrust review.

Oracle expects the purchase to add at least 15 cents per share to its adjusted earnings in the first year after the deal closes. The company estimated Santa Clara, Calif.-based Sun will contribute more than \$1.5 billion to Oracle's adjusted profit in the first year and more than \$2 billion in the second year.

Sun, which invented the Java programming language used to develop applications for Web sites and mobile phones, had been reluctant to sacrifice its independence, even as it reported big losses. Despite billions in sales - \$13.3 billion over the last four quarters - the company has not been able to turn a consistent profit, losing \$1.9 billion in the same period.

Analysts have long said the company cannot stand on its own and many were sceptical the company would be able to find another buyer after talks with IBM broke down.

A deal with Oracle might not be plagued by the same antitrust issues, since there is



In this file photo, attendees of Oracle's OpenWorld make their way to Moscone Centre in San Francisco. Oracle is buying Sun Microsystems in a cash deal the company valued at \$7.4 billion.

significantly less overlap between the two companies. Still, Oracle could be able to use Sun's products to enhance its own software.

Oracle's main business is database software. Sun's Solaris operating system is a leading platform for that software. The company also makes "middleware," which allows business computing applications to work together. Oracle's middleware is built on Sun's Java language and software.

Shares of Sun jumped \$2.46, or 36.8 percent, to \$9.15 in premarket activity while shares of Oracle fell 68 cents, or 3.6 percent, to \$18.38.

Sun's takeover is a reminder that a few missteps and bad timing can cause a star to come crashing down.

Sun was founded in 1982 by men who would become legendary Silicon Valley figures: Andy Bechtolsheim, a graduate student whose computer "workstation" for the Stanford University Network (SUN) led to the company's first product; Bill Joy, whose work formed the basis for Sun's Unix-based operating system; and Stanford MBAs Vinod Khosla and Scott McNealy.

Sun was a pioneer in the concept of networked computing, the idea that computers could do more when lots of them were linked together. Sun's computers took off at universities and in the government, and became part of the backbone of the early Internet. Then the 1990s boom made Sun a star. It claimed to put "the dot in dot-com," considered buying a struggling Apple Computer Inc. and saw its market value peak around \$200 billion.

But Sun was slow to react when the bottom fell out in 2001. Its high-end products, built on Sun's proprietary systems and its own microprocessors, suffered against less-expensive rivals that used industry-standard technologies such as chips from Intel Corp. and Advanced Micro Devices Inc. and software from Microsoft. Sun lost more than \$5 billion in the first five years after the bubble burst.