Electronics giant Philips to split in historic move

AFP, *The Hague*

Philips said Tuesday it would split the 120-year-old Dutch giant in two, separating its healthcare-lifestyle division from the historic lighting business in a dramatic streamlining move.

"We're preparing Philips for the next century," CEO Frans van Houten told a telephone press conference.

"Giving independence to our lighting solutions business will better enable it to expand its global leadership position and venture into adjacent market opportunities," Van Houten said.

"I do appreciate the magnitude of the decision we are taking, but the time is right to take the next strategic step for Philips."

Shares in Philips, the inventor of the compact disc, were up 3.26 percent to 24.27 euros immediately following the announcement, which analysts said could herald the selling off of the lighting business.

Both companies will continue to use the Philips name, the company said in a statement, noting that its HealthTech business had sales of 15 billion euros ($19 billion) in 2013 and its lighting business sales of seven billion euros.

Details on how its lighting business will be split off into a separate legal structure are to be announced in 2015.

"Both companies will be able to make the appropriate investments to boost growth and drive profitability, ultimately generating significantly more value for our customers, employees and shareholders," Philips said.

The companies will be based in the Netherlands, Van Houten said, adding that it was too early to say how many job losses might be involved.

The global HealthTech is worth more than 100 billion euros and the lighting business worth more than 60 billion euros, Philips said.

The new structure should result in savings of 100 million euros in 2015 and another 200 million in 2016.

The move will also incur annual restructuring costs of around 50 million euros up to 2016, the company said.

Analyst Jos Versteeg from Theodoor Gilissen private bank said: "It was a big announcement and quite a surprise."

The move could herald the sale of Philips lighting -- the business started by Philips in the southern Dutch city of Eindhoven in 1891.

"Yes, it is the end of Philips as we know it," Versteeg told AFP.

"Both companies will keep the brand name Philips, but it's only a question of time... It's quite clear that it will be completely split and in the end have two different owners."

"The end result will be the sell-off of Philips lighting," he said, adding Tuesday's announcement was a "logical step."

Philips announced in June that it was creating a separate company for some of its lighting activities, notably in the auto and mobile phone sectors, and it said this activity was benefiting from demand for energy efficiency.

The split comes after German engineering and technology giant Siemens in July last year separated the activities of its lighting company Osram, the world's second largest.

Osram, with about 40,000 staff worldwide, restructured after suffering a net loss of 378 million euros in 2012.

Philips, Osram and fellow lightbulb market leader General Electrics are facing stiff competition from players such as Samsung and LG as the market has shifted toward low-energy bulbs and light-emitting diodes.

Philips, a household name around the world for home appliances, has already in recent years stripped down its business to focus more on advanced lighting technology and on medical technology where margins are strong and less vulnerable to competition from emerging markets.

Last year, Philips announced the sale of its lifestyle entertainment branch, which makes stereos and DVD players, after selling its troubled TV-making arm in 2012.

Founded in 1891, the company employs around 112,000 people worldwide.

AFP

Philips' headquarters in Amsterdam. The 120-year-old Dutch giant will be split in two, separating its healthcare-lifestyle division from the historic lighting business in a dramatic streamlining move.

Alibaba's Jack Ma rises to top of China rich list as tech tycoons gain

REUTERS, *Beijing*

Jack Ma, executive chairman of Alibaba Group Holding Ltd, has become China's richest man with a fortune estimated at $25 billion, underscoring the ascension of tech tycoons over real estate peers in the world's second biggest economy.

Ma knocked Wang Jianlin, head of the Wanda property group, into second place with $24.2 billion, according to this year's list of China's super-rich published by Hurun Reports Inc.

Tech billionaires accounted for half of the top 10 names and included Tencent Holdings Ltd founder Pony Ma in fifth place with a $18.1 billion fortune and Baidu Inc CEO Robin Li in sixth position with $17.5 billion.

Making the top 10 for the first time were cellphone company Xiaomi Inc co-founder Lei Jun and e-commerce entrepreneur Liu Qiangdong who led JD.com to a New York listing this year - in ninth and tenth position respectively. While six real estate developers occupied the top 10 places in 2013, just two made the cut this year, a reflection of a Chinese housing market that has stalled for several quarters.

Although the vast majority of the roughly 1,100 people tracked by Hurun saw their wealth grow, it's tense times for the Chinese elite as President Xi Jinping's administration continues its far-reaching corruption crackdown in both the public and private sectors.

According to Hurun, five members of its rich list are under investigation, two have been imprisoned, two are awaiting sentencing, one has been sentenced to death, while one - the flamboyant Sichuan businessman Li Yan - has disappeared altogether.

Hurun said it counted a record 354 US dollar billionaires in mainland China, up 13 percent from last year and which compares with just 65 billionaires in 2012.

"The entrepreneurial spirit that has caught China seems not to be abating, with eight self-made individuals born in the eighties making the list," said British accountant Rupert Hoogewerf, Hurun Report chairman and chief researcher.

Hurun said its rankings were accurate as of mid-August. It was not immediately clear what valuation it used for Alibaba. A record-setting IPO this month catapulted Alibaba's valuation to well over $200 billion. Ma owns 7.8 percent of Alibaba and also made gains of some $850 million by selling shares in the offering.

Despite the size of Alibaba's IPO, only one other Alibaba shareholder, Simon Xie, made Hurun's list, coming in at No. 177. Xie is an Alibaba vice president and co-founder who holds significant shares in the company alongside Ma.

BANK ASIA

A Rouf Chowdhury, chairman of Bank Asia, poses with the participants of a foundation training course at its concluding ceremony, at the bank's training institute in Tejgaon, Dhaka yesterday. Md Sazzad Hossain, executive vice president, was also present.

PUBALI BANK

Hafiz Ahmed Mazumder, chairman of Pubali Bank, attends the opening of the relocated premises of the bank's Satmasjid Road branch in Dhanmondi, Dhaka yesterday. Helal Ahmed Chowdhury, managing director, was also present.

BlackBerry sets new phone launch in revival bid

AFP, *Montreal*

BlackBerry is set to unveil its latest smartphone Wednesday, in a move aimed at reviving the fortunes of the struggling Canadian tech group.

The BlackBerry Passport with a square 4.5-inch screen and physical keyboard will be priced at $599 without a contract in the United States, chief executive John Chen told the Wall Street Journal.

The price is slightly below the contract-free price of Apple's new iPhone and high-end smartphones from Samsung.

It will be launched at events in Dubai, London and Toronto, before launching in stores 15 days later, he said.

The Passport launch follows the failure of devices on the BlackBerry 10 platform to gain traction, and a management shake-up last year aimed at stemming massive losses.

The Waterloo, Ontario-based company helped create a culture of mobile users glued to smartphones, but lost its luster as many moved to iPhones or devices using Google's Android software.

Last December, BlackBerry unveiled a manufacturing partnership with Taiwan-based Foxconn and a revamped organizational structure.

The deal transfers to Foxconn the manufacturing and inventory management and allows BlackBerry to focus on software and services.

The company is scheduled to release its second quarter results on Friday, which are expected to show the company slowly climbing back from the brink.

In May, BlackBerry launched a new budget handset in Indonesia, one of its last bastions, in the hope it will take off in emerging markets and stem a decline in the smartphone maker's fortunes.

The touchscreen Z3, the first to be produced from the Canadian firm's partnership with Foxconn, is aimed mainly at Asian markets and especially Indonesia, where the company maintains a loyal following, thanks in part to the popularity of its BBM messaging service. The device was launched at a price of under $200 without a contract.

Jimmy Choo unveils London IPO to fund Asia expansion

AFP, *London*

Shoemaker to the stars Jimmy Choo unveiled plans Tuesday for a London stock market float valuing it at up to £800 million ($1.3 billion, 1.0 billion euros) to fund expansion in Asia.

The company said in a statement that its owner, investment firm JAB Luxury, has agreed to float a 25-percent stake in a partial initial public offering (IPO) on the London Stock Exchange next month.

The top-end luxury brand, whose shoes retail at beween £350 and £2,100 per pair, counts Kate Middleton, Nicole Kidman, Victoria Beckham and Lady Gaga among its celebrity fans.

The company is seeking to tap further into booming Asian demand for luxury goods, particularly in China and Japan.

"Jimmy Choo is an outstanding business operating in one of the fastest growing segments of the luxury market," said Pierre Denis, chief executive of Jimmy Choo, in Tuesday's statement.

"Jimmy Choo is a clear success story with strong momentum and I am confident that our future as a public company can only extend our reputation and position in this attractive sector."

A source close to the matter told AFP that the group was seeking to raise up to £200 million from the IPO in late October.

brand was founded by Malaysia-born Jimmy Choo in 1996 with British socialite Tamara Mellon.

It became a household name after repeatedly featuring on high profile TV shows including "Sex and the City", and was worn by celebrities and royalty, including Britain's Princess Diana.

Jimmy Choo has since developed into a luxury fashion brand encompassing shoes, handbags, leather goods, scarves, eye wear and fragrances.

Since the opening of its first store in London in 1996, the company has grown to become a leading global luxury brand with 120 shops worldwide and annual sales of £282 million.

Revenues jumped 9.4 percent to £150.2 million in the first half of this year, or six months to the end of June, compared with a year earlier. Shoes are widely regarded as one of the fastest growing segments of the global luxury goods market.

The company added on Tuesday that it would continue to open 10 to 15 stores a year, with growth in Asian markets a key target.

"Since JAB Luxury acquired Jimmy Choo in 2011, the business has undergone significant investment and is now comprehensively scaled for growth," added the group's non-executive chairman Peter Harf.

London-based haute couture designer Jimmy Choo sold his interest in the luxury goods firm that bears his name in 2001.

It has since been owned by various private equity firms until 2011, when German-owned JAB acquired the business.

India withdraws regulator's power to set prices of non-essential drugs

REUTERS, *New Delhi/Mumbai*

India's drug pricing authority said the government has withdrawn its power to set prices of non-essential medicines, but price caps on over 100 non-essential drugs that drew the industry's ire in July will remain.

The withdrawal, announced by the authority in a statement late on Monday, is on a prospective basis and so does not affect the July caps, a senior official at the National Pharmaceutical Pricing Authority (NPPA) told Reuters on Tuesday.

The NPPA capped prices of 108 non-essential drugs in July to improve affordability in a country where more than four-fifths of its nearly 1.3 billion people have no health insurance, and where 70 percent of the population lives on less than $2 a day.

But the decision was greeted with protests and has been challenged in courts in India, where prices of generic drugs are already low compared with other markets.

The July decision is likely to hit the profit margins of drugmakers such as Ranbaxy Laboratories Ltd and the local subsidiaries of Sanofi SA, Merck & Co Inc, Pfizer Inc and Abbott Laboratories.

"The basis to proceed further has been withdrawn. We are not saying anything on the past," the NPPA official said, declining to be named due to the sensitivity of the matter. "The government always has an overriding power."

The official did not elaborate on the reason the Department of Pharmaceuticals instructed the NPPA to revoke guidelines issued on May 29 that gave it the power to fix prices of drugs that are not on the national list of essential medicines.

A director at the Department of Pharmaceuticals, under the Ministry of Chemicals and Fertilizers, declined to comment as he was not authorised to speak to the media. Aradhana Johri, the secretary of the department, was not available to comment.

Last week, the NPPA added 36 drugs to the list of 348 medicines deemed essential and so subject to price caps. The list covers around 30 percent of medicines sold in the country. The 108 nonessential drugs subject to July's price caps are separate from the essential medicines list.

The government's decision to curb the power of the pricing authority comes days before new Prime Minister Narendra Modi visits the United States for the first time since taking office.

Ties between India and the United States have been strained in recent years because of trade policies and patent disputes.

Facebook to introduce new advertising platform

REUTERS

Facebook Inc is set to unveil a new advertising platform to improve effectiveness of online ads, the Wall Street Journal reported on Monday citing people with knowledge of the matter.

The product is a redesigned version of Atlas Advertiser Suite, an ad management and measurement platform that Facebook bought from Microsoft Corp last year.

It is expected to help marketers target Facebook users more effectively by measuring which users have seen, interacted or acted upon ads that appear on Facebook's services and on third-party websites and apps.

The product will also provide a tool for marketers to buy ads to target Facebook users across the Web.

Microsoft took on Atlas with its $6.3 billion acquisition of digital ad agency aQuantive in 2007. Unable to make it work for its own purposes, Microsoft wrote off $6.2 billion of the aQuantive deal's value in 2012.

Wafi SM Khan, chief executive of Green Delta Securities, a subsidiary of Green Delta Insurance, poses with the Best Stockbrokerage in Bangladesh award, given by the Capital Finance International, at a programme recently.

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