



A copy of the Financial Times newspaper is seen alongside other British newspapers displayed for sale at a newsagent in London yesterday.

Nikkei to buy Financial Times for \$1.3b

BLOOMBERG

Japanese publisher Nikkei Inc agreed to acquire Pearson Plc's FT Group for 844 million pounds (\$1.3 billion) to gain control of the Financial Times newspaper.

The sale doesn't include Pearson's 50 percent stake in the Economist Group and some London property, Pearson said Thursday. Axel Springer SE, publisher of Germany's Bild-Zeitung tabloid, was also in talks over the assets, according to people familiar with the matter.

"We've reached an inflection point in media, driven by the explosive growth of mobile and social," Pearson Chief Executive Officer John Fallon said in a state-

ment. "In this new environment, the best way to ensure the FT's journalistic and commercial success is for it to be part of a global, digital news company."

A sale of FT Group would allow Fallon to focus on tackling a slowdown in the education unit weighed on by declining U.S. college enrollments and falling textbook sales. The FT Group had 2014 revenue of 334 million pounds and 24 million pounds in adjusted operating profit.

Pearson shares rose 2.2 percent to 1,235 pence at 3:28 p.m. in London, valuing the company at 10.1 billion pounds. Springer fell 0.2 percent to 50.56 euros in Frankfurt for a market capitalization of 5 billion euros (\$5.5 bil-

lion).

Pearson said it plans to put about 90 million pounds of the proceeds into its pension plan.

First published in 1888 as a four-page newspaper, the FT's circulation reached 720,000 last year, with digital subscriptions accounting for 70 percent of the total. In a move to make more money from online readers, the newspaper in February tweaked its paywall system, moving away from a metered model that allows readers to view a few free articles every month before requiring them to pay.

Evercore, Goldman Sachs and JP Morgan Cazenove acted as financial advisers to Pearson. Rothschild Group assisted Nikkei.

FT: a reference point for global business

AFP, London

The Financial Times has been an indispensable guide for the business world for a century and with its digital and foreign editions is a truly international newspaper.

It started life in 1888 as a four-page publication targeted at readers in the City of London and has distinguished itself from its rivals since 1893 by its salmon pink paper -- a bold innovation that still makes it stand out on the newsstands today.

The paper's founding motto was to be a friend to the "Honest Financier" and the "Respectable Broker" in the British capital's financial trading hub and it takes an unashamedly free-market position.

It now sells more copies overseas than in Britain and reaches more than two million people each day around the world, although it has struggled in the United States.

The newspaper's website, FT.com, launched in 1995, and digital subscriptions now account for 70 percent of the total circulation of 720,000.

"The FT is the premier business newspaper in the world, with a global reach that exceeds its main rival, the Wall Street Journal," Steve Schifferes, financial journalism professor at London's City University, told AFP.

"Its strength lies in its excellent sources and strong commentary and analysis, which covers both markets and economic and political developments."

In 1945 the paper merged with the less successful Financial News and was acquired by its current owner, Pearson in 1957.

Since then it has broadened its coverage to include business, financial, economic and political news, as well as comment and analysis, exemplified by its Lex column.

The paper has also maintained a strong network of foreign correspondents where other rivals have cut their overseas staff, evidence of its international approach.

In 1979, the European edition started printing in Frankfurt and the newspaper now prints all over the world, including in New York, Tokyo, Hong Kong and Dubai -- all on pink paper.

There are currently five editions of the Financial Times -- the UK, Europe, US, Asia and Middle East -- and a Chinese version, although a German language edition closed in 2012.

Under the masthead, it proudly describes itself as a "World Business Newspaper".

The paper publishes six days a week including a Saturday weekend edition, and employs about 2,000 people, including 600 working in editorial.

In an age of widespread free content, it insists that quality journalism must be paid for, keeping the cover price high and being among the first to introduce a paywall for its website, in 2001.

Subscription is not cheap, costing £13.50 a week for the print and online editions in Britain, \$11.77 in the United States, 19.55 euros in Germany and \$100.54 in Hong Kong.

But much can be derived about its target audience by the luxury lifestyle showcased in its monthly magazine "How to Spend It".

Hyundai Motor earnings down

AFP, Seoul

Hyundai Motor Co said Thursday its second-quarter net profit plunged 23.8 percent from a year earlier, due to a strong won and increased competition at home and abroad.

The largest South Korean automaker's net profit came to 1.79 trillion won (\$1.55 billion) during the April-June period, down from 2.35 trillion won a year earlier, the company said in a regulatory filing.

"Despite the strong dollar, the (South Korean) won gained strength by a great margin against other currencies", the company said in a statement.

"Mounting competition among automakers also contributed to the fall in earnings".

Operating profit was also down 16.1 percent on-year to 1.75 trillion won, sales inched up 0.3 percent to 22.82 trillion won.

Sales in China and the United States fell as the won's strength over a weakened Japanese yen undercut Hyundai's competitiveness against rivals like Toyota Motor Corp.

"With unfavourable economic situations, such as a stronger won, poised to continue, it seems unlikely that Hyundai's sales will drastically improve anytime soon," Lee Sang Hun, an analyst at IBK Securities Co., told Bloomberg before the earnings announcement.

The company announced its first-ever interim dividend earlier Thursday -- a move aimed at appeasing shareholders still upset by the company's purchase last year, for \$10 billion, of a plot of land in downtown Seoul for its new headquarters.

Japan trade deficit narrows 92pc on jump in exports

AFP, Tokyo

Japan's trade deficit narrowed sharply last month as exports of automobiles and electronic parts picked up while a sky-high energy import bill continued to fall, finance ministry data showed Thursday.

The country's trade deficit came in at 69.0 billion yen (\$556 million), plunging 91.7 percent from a 834.0 billion yen deficit a year ago, and offering some good news for an economy struggling to gain traction.

In June, the value of imports jumped 9.5 percent while imports were down 2.9 percent.

Over the six months through June the deficit shrank 77.4 percent as weak commodity prices helped bring down Japan's energy bill, which soared after it had to replace nuclear power in the aftermath of the Fukushima nuclear crisis.

Oil prices fell Wednesday after US government data showed higher crude stockpiles -- cheaper energy is generally good news for resource-poor Japan. "Exports will gradually regain strength toward the second half of this year," said Akiyoshi Takumori, an economist at Sumitomo Mitsui Asset Management. "External demand will support the economy."

The relatively upbeat data lent support to Tokyo stocks with the benchmark Nikkei 225 index finishing 0.44 percent higher.

Japan's exports to the key North American market were up 16.9 percent over the first half of the year, 5.1 percent to European Union countries while exports to China rose a less robust 2.2 percent since January, the data showed.

But export volumes barely budged and there



Trucks wait to load containers from a cargo ship at a pier in Tokyo yesterday. Japan's trade deficit narrowed sharply last month as exports of automobiles and electronic parts picked up while a sky-high energy import bill continues to fall.

are fears about a slowdown in China, a major trading partner with Japan. "China will continue to pose a risk to Japan's economy," said Atsushi Takeda, an economist at Itochu Corp.

Japan's central bank this month cut its annual growth and inflation forecasts for the world's third-largest economy, with analysts warning weaknesses remained and the downgrade hinted at a disappointing second quarter.

The economy expanded 1.0 percent in January-March after limping out of recession in the last three months of 2014, and business confidence remains strong.

But consumer spending has struggled after a sales tax rise last year and economists widely expect the Bank of Japan to ramp up its monetary easing programme, likely later this year, to bring Japan closer to its inflation target.

Syngenta spars with suitor Monsanto over takeover

REUTERS, Zurich

Syngenta and unwanted suitor Monsanto squabbled over an earnings report from the Swiss pesticides maker on Thursday, with both sides claiming it strengthened their case in a \$45 billion takeover battle.

Monsanto wants to combine its world-leading seeds business with Syngenta's own seeds and pesticides. Syngenta has rejected the proposal and refused to open its books, despite the offer of a \$2 billion cash payment should the transaction fail to win regulatory approval.

Both sides found fodder in the first half earnings report to press their argument.

Adjusted earnings per share from Syngenta fell 6 percent and sales fell 10 percent in the first six months of the year but still exceeded average estimates in a Reuters poll. Adjusted for currency swings, sales rose 3 percent.

"Syngenta is in a strong position for negotiations on a combination with any other player in the industry. We consequently confirm our 'Outperform' rating," analyst Bernd Pomrehn of MainFirst bank wrote in a note.

Syngenta said it did not need to do a deal. "I completely reject any suggestion that the company is incomplete in any way."

Syngenta shares fell 1.4 percent to 397.90 francs by 0840 GMT, a discount to the price of the Monsanto approach.

"Syngenta's earnings announcement

confirms it still does not have a long-term vision or plan that would create the same value as Monsanto's very attractive 449 Swiss franc [per share] proposal," Monsanto Chairman Hugh Grant said in an emailed statement.

"Monsanto remains ready to discuss with Syngenta a combination that would provide highly attractive returns to shareholders and would represent a transformational opportunity for global agriculture to meet the needs of farmers and broader society. The ball remains in their court."

Last week, Monsanto said it was far from going hostile for Syngenta, saying the U.S. firm was focused on trying to secure a negotiated deal.

Syngenta is under pressure from shareholders to explain its stance.

Hedge fund Paulson & Co has taken a stake in Syngenta, sources have said, and one of its top 20 investors, Henderson, criticized the company for limiting communication with all but the biggest investors to a YouTube video.

Mack claimed that Syngenta's management was supported in rejecting Monsanto's bid by a broad base of important investors.

"We did talk to quite a few more than our top five shareholders, some of which are also shareholders of Monsanto... They are absolutely supportive of what we are embarking on here," he told Reuters.

Unilever warns of 'challenging markets'

AFP, The Hague

Dutch food and cosmetics giant Unilever said Thursday that while it had managed to increase sales, consumer demand is weak both in emerging and industrialised markets.

It put an 11 percent drop in net profit to 2.66 billion euros (\$2.9 billion) and a 13 percent fall in operating profit to 3.8 billion in the first half of this year due to results last year being inflated thanks to sales of several brands.

The company that makes Knorr soup, Ben & Jerry's ice cream and Lipton tea, as well as Omo laundry detergent and Dove soap said core operating profit rose by 16 percent.

Sales, at 27.0 billion euros, rose by 2.9 percent when corrected for currency fluctuations and other changes, beating the 2.5 percent increase expected by

analysts surveyed by Bloomberg.

Unilever put this down to the efforts it has made to cut costs, increase its margins, and develop innovative products.

"We plan for another year of volume growth ahead of our markets, steady improvement in core operating margin and strong cash flow," Chief Executive Paul Polman said in a statement.

The company's shares were showing a 1.66 percent gain to 41.44 euros in late morning trading on the Amsterdam stock exchange, which was up 0.18 percent overall.

However, Unilever's outlook for consumer markets was not cheerful, just when the recovery in the global economy was supposed to be gaining traction.

"Consumer demand remains weak and in the markets in which we operate volumes are flat," a company statement said.

Nearly half of China's population now online

AFP, Beijing

China has 668 million Internet users, accounting for 48.8 percent of the country's total population, as e-commerce boomed in the world's second-largest economy, authorities said.

A total of 18.94 million new users -- more than the population of Chile -- were added in the first six months of this year, the semi-official China Internet Network Information Center (CNNIC) said in its biannual report.

"Mobile business applications grew rapidly as Internet applications developed in an experience-improving and economics-relevant way," CNNIC said in a statement.

China, which already had more web users than any other country in the world, defines its online population as those who have used the Internet at least once in the last six months.



A sign of Swiss farm chemicals powerhouse Syngenta is seen at the company's headquarters in Basel yesterday.