

# PFIZER EARNINGS FALL BUT TOP STREET 4Q FORECASTS

**NEW YORK:** Pfizer Inc reported that its fourth-quarter profit fell by half due to higher costs for production, administration and restructuring, yet the world's second-biggest drugmaker topped Wall Street expectations.

The New York-based company's revenue rose by 7 percent, ending a long stretch of declining sales due to generic competition to one-time blockbusters. Pfizer benefited from growing sales of its newest products, as well as the additional of injectable medicines made by Hospira, which it acquired last September. The maker of Viagra and pain treatment Lyrica said yesterday that net income was \$613 million, or 10 cents, per share. A year earlier, its net income was \$1.23 billion, or 19 cents per share.

Adjusted for non-recurring costs, including a charge for currency devaluation in Venezuela, income in the latest quarter was 53 cents per share. The average estimate of 10 analysts surveyed by Zacks Investment Research was 52 cents per share.

Like many rival drugmakers, Pfizer lost patent protection over that last several years on many of its biggest drugs, which had raked in billions annually. Those are led by cholesterol fighter Lipitor, which lost patent protection in November 2011 after nearly a decade as the world's top-selling drug.

But in the fourth quarter, the drugmaker posted revenue of \$14.05 billion in the period, up from \$13.12 billion a year earlier. Analysts surveyed by Zacks expected \$13.61 billion. The total included \$1.51 billion in sales of injectable medicines. In addition, sales of Lyrica rose 6 percent to \$955 million, and sales of the Plevnar vaccine against pneumonia and other bacterial infections surged 43 percent to \$1.86 billion. Pfizer is in the process of buying Irish drugmaker Allergan for \$160 billion in a deal that would move Pfizer's official headquarters for tax purposes from New York to Allergan's base in Ireland. The strategy, called a tax inversion, would sharply decrease Pfizer's income tax bill compared to current US

tax rates, though the drugmaker's operations would still be run from New York.

"I believe that we are well positioned to deliver another strong year in 2016," Pfizer CEO Ian Read said in a statement. "The integration of Hospira is well under way and we now look forward to completing the combination with Allergan, which we still expect to occur during the second half of this year. We see this transaction as a very effective driver of accelerating the growth potential of our innovative business, strengthening our established business and more efficiently allocating our capital globally." Pfizer expects full-year earnings in the range of \$2.20 to \$2.30 per share, with revenue in the range of \$49 billion to \$51 billion. Pfizer shares slipped 52 cents, or 1.7 percent, to \$29.65 in premarket trading ahead of the market open. They have declined 6.5 percent since the beginning of the year, while the Standard & Poor's 500 index has declined 5 percent. The stock has declined 3.5 percent in the last 12 months. — AP



The Pfizer logo is displayed at world headquarters, in New York. Pfizer reports financial results yesterday. — AP

# OIL SLIPS TOWARDS \$33 AS HOPES FOR OUTPUT CUT FADE

'HIGHLY UNLIKELY' OPEC, RUSSIA WILL COOPERATE: GOLDMAN

**LONDON:** Oil prices fell around 3 percent yesterday, dented by worries about the demand outlook and rising supply, while hopes for a deal between OPEC and Russia on output cuts faded.

Brent for April delivery was down \$1.01 at \$33.23 a barrel by 1120 GMT, after settling down \$1.75, or 4.9 percent, in the previous session. The front-month contract for West Texas Intermediate (WTI) was down 89 cents at \$30.73 after falling \$2.00, or 5.9 percent, the session before.

Russia's energy minister and Venezuela's oil minister discussed the possibility of holding joint consultations between OPEC

and non-OPEC countries in the near future, the Russian Energy Ministry said on Monday. But Goldman Sachs said it was "highly unlikely" the Organization of the Petroleum Exporting Countries would cooperate with Russia to cut output, saying such a move would also be self-defeating as stronger prices would bring previously shelved production back to the market.

"It's hard to see a successful agreement between OPEC and Russia to cut production and people are starting to see that," said Andy Sommer, senior energy analyst at Axpo Trading in Dietikon, Switzerland. He said there was a good chance that oil

could fall back below \$30 per barrel this month.

Underlining the well-supplied nature of the market, Russia's oil output rose to 10.88 million barrels per day (bpd) in January, from 10.83 million bpd in December, Energy Ministry data showed yesterday.

Stockpiles are still on the rise, leading many to speculate that global storage may be close to capacity, Sommer said. US commercial crude oil inventories likely rose by 4.7 million barrels last week to a new record of 499.6 million barrels, a Reuters survey taken ahead of industry and official data showed.

The American Petroleum Institute, an industry group, releases its weekly inventory report later on Tuesday, while data from the US government's Energy Information Administration is due today.

Investors await economic data later in the week, including US nonfarm payroll and unemployment figures and producer prices from the eurozone.

The tumbling crude price has hit oil majors, with BP slumping to its worst annual loss in more than 20 years last year, its results showed yesterday, pushing its shares down more than 6 percent. Other oil companies also fell sharply. — Reuters

## SLOWDOWN LEADS TO EXODUS OF LAW FIRMS FROM ABU DHABI

**DUBAI:** Simmons & Simmons is the latest in a wave of Western law firms to shut their offices in Abu Dhabi in the last year as low oil prices put a damper on business.

London-based Simmons & Simmons plans to close its office in the United Arab Emirates capital by the end of April, a spokeswoman said.

It follows US-based law firms Latham & Watkins and Baker Botts, as well as London and Sydney co-headquartered Herbert Smith Freehills (HSF) in announcing plans to close offices in Abu Dhabi over the past 12 months. Many international law firms had piled into the capital in the past five years, hoping to bag lucrative contracts linked to the government, in particular the energy sector and the launch of a new financial free zone.

"That hasn't happened as planned and adding to that is the uncertain times we are in now with oil prices around \$30," said a source familiar with the matter.

The retreat underscores growing pressure on international law firms for billable hours, prompt-

ing a review of their need to have a presence in the capital.

Simmons & Simmons, which decided to close its Abu Dhabi office after a review, said in an emailed statement it would serve its clients through its office in Dubai, moving its Abu Dhabi-based partners to Dubai or London. Abu Dhabi has cut back or slowed spending on non-essential projects and has lifted subsidies on petrol to ease finances as state revenues decline due to cheap oil.

The International Monetary Fund has cut its growth forecast for the UAE to 2.6 percent in 2016. Abu Dhabi is more reliant on the energy sector and government contracts, whereas Dubai has a more diversified economy propelled by a larger private sector. HSF said it closed its Abu Dhabi office in the middle of last year and transferred its five resident lawyers to its offices in Dubai or Doha.

Latham & Watkins said in March 2015 it was closing its Abu Dhabi and Doha offices, consolidating the Abu Dhabi office with its office in Dubai. Baker Botts said it closed its Abu Dhabi office in January 2015. — Reuters

## MERGED AL-NOOR/MEDICLINIC TO LIST ON FEB 15, EYES EXPANSION

**ABU DHABI:** Mediclinic International Plc, which is being created by the merger of Al-Noor Hospitals Group and Mediclinic International Ltd, will be listed in London on Feb. 15, the chief executive of Al-Noor said yesterday.

The combination, announced in October, will create the third-largest international healthcare group outside the United States, according to Al Noor CEO Ronald Lavater, after South Africa's Mediclinic agreed to buy United Arab Emirates-based Al Noor for 1.4 billion pounds (\$2.2 billion).

The deal was structured as a so-called reverse takeover with Mediclinic set to take on Al Noor's London listing as its primary listing. Current Al Noor shareholders have until Feb. 12 to decide whether to swap their shares under a tender offer which will see Mediclinic ultimately own between 84 and 93 percent of the combined company.

"All approvals are done, all paper work signed and the listing and final change of control is on Feb. 15," Lavater told Reuters. The integration process will start soon after listing and will be done in phases, with the first wave focused on achieving synergies in purchases and service contracts, he said.

The next phase would look at synergies in clinical practice and medical services, locations for hospitals and deployment of capital. "From the growth perspective, each

of us were looking at growth in each other's markets," said Lavater. He declined to outline the new growth strategy but said that in the Middle East, the combined company would focus on expansion in the UAE.

Mediclinic has been on an acquisition spree - it bought almost a third Britain's Spire Healthcare in June - as it seeks to diversify outside its home market where a government probe into private hospitals and a mooted national health insurance plan is limiting growth opportunities.

Like much of the Gulf region, the UAE healthcare market is booming due to an increasingly-wealthy population being burdened by high levels of lifestyle diseases, such as diabetes.

Both Al Noor and Mediclinic had been expanding in the UAE, building new hospitals and clinics, and this will continue under the combined entity, according to Lavater.

"There are lots of opportunities for high-quality healthcare in the UAE and unmet needs in Saudi Arabia, Oman and Qatar that could be expanded by the enlarged group in the future," he said.

In the UAE, both the Al Noor and Mediclinic brands will be retained on their existing centres. The merged company will have 73 hospitals, 35 clinics, over 10,000 beds and around 35,000 employees across South Africa, UAE and Switzerland. — Reuters

## News

in brief

### OPEC basket price up to \$29.69 pb

**VIENNA:** The OPEC daily basket price rose by 58 cents to \$29.69 a barrel on Monday, compared with \$29.11 pb on Friday, the OPEC said yesterday. The annual average of the OPEC basket price hit \$49.64 pb, it added. The new OPEC Reference Basket of Crudes (ORB) is made up of the following: Saharan Blend (Algeria), Girassol (Angola), Oriente (Ecuador), Iran Heavy (Islamic Republic of Iran), Basra Light (Iraq), Kuwait Export (Kuwait), Es Sider (Libya), Bonny Light (Nigeria), Qatar Marine (Qatar), Arab Light (Saudi Arabia), Murban (UAE) and Merey (Venezuela). During their recent meeting in Vienna in late 2015, OPEC member countries had decided to maintain their production at 30 million barrels per day (bpd) despite a surplus in the market estimated at over a million barrels.

### Dubai's Nakheel awards \$381m deal to China State

**DUBAI:** Dubai's Nakheel has awarded a 1.4 billion dirham (\$381.19 million) contract to China State Construction Engineering Corp and Korea's Ssangyong Engineering and Construction to build a three-tower complex. The Palm Gateway will include 1,265 residential units as well as shopping and leisure facilities. Work is scheduled to start in the first quarter of 2016 and will take about two years to complete, Nakheel said in an emailed statement yesterday. Ssangyong is part-owned by state-run Investment Corporation of Dubai (ICD).

### Egyptian pound steady at forex sale

**CAIRO:** The Egyptian pound held steady against the dollar at an official foreign currency auction yesterday but strengthened on the black market. Egypt, which depends on imports for its food and energy, is facing a foreign currency crisis and authorities are under increasing pressure to devalue the pound. But the central bank surprised markets when it strengthened the pound by 20 piasters in November and has held it steady ever since. The central bank sold \$39.4 million at a cut-off price of 7.7301 pounds to the dollar yesterday, unchanged from the previous auction.

### Union Properties says talks with banks to borrow \$202m

**DUBAI:** Dubai's Union Properties is in talks with banks to borrow about 740 million dirhams (\$202 million) to help fund some of its projects, the developer said in a bourse statement yesterday. The company hopes to borrow 300 million dirhams for a residential building, 70 million dirhams for staff accommodation, 50 million dirhams to expand a shopping mall and 320 million dirhams for a mixed-use retail and hospitality project, it said without providing further details.

### Jordan Housing Bank reports net profit of 124.7m dinars

**AMMAN:** Jordan's Housing Bank for Trade and Finance reported a 2015 net profit of 124.7 million dinars (\$175 million), up slightly from 123.9 million a year earlier. The country's second-largest lender said total assets stood at 7.9 billion dinars at the end of 2015, up 4.3 percent from a year earlier.

## EXCHANGE RATES

### AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES	
Japanese Yen	2.519
Indian Rupees	4.468
Pakistani Rupees	2.889
Sri Lankan Rupees	2.110
Nepali Rupees	2.801
Singapore Dollar	213.590
Hongkong Dollar	39.997
Bangladesh Taka	3.864
Philippine Peso	6.352
Thai Baht	8.518

GCC COUNTRIES	
Saudi Riyal	80.923
Qatari Riyal	83.359
Omani Riyal	788.202
Bahraini Dinar	805.900
UAE Dirham	82.621

ARAB COUNTRIES	
Egyptian Pound - Cash	31.400
Egyptian Pound - Transfer	38.801
Yemen Riyal/for 1000	1.416
Tunisian Dinar	149.260
Jordanian Dinar	427.330
Lebanese Lira/for 1000	2.022
Syrian Lira	2.163
Morocco Dirham	31.108

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	303.300
Euro	332.420
Sterling Pound	437.970
Canadian dollar	217.260
Turkish lira	102.810
Swiss Franc	298.820
Australian Dollar	216.100
US Dollar Buying	302.100

GOLD	
20 Gram	229.820
10 Gram	117.580
5 Gram	59.640

### UAE EXCHANGE CENTRE WLL

CURRENCIES	TELEX TRANSFER PER 1000
Australian Dollar	202.46
Canadian Dollar	220.16
Swiss Franc	302.09
Euro	334.12
US Dollar	303.50
Sterling Pound	439.85
Japanese Yen	2.55
Bangladesh Taka	3.869
Indian Rupee	4.473
Sri Lankan Rupee	2.109
Nepali Rupee	2.794
Pakistani Rupee	2.889
UAE Dirhams	0.08259
Bahraini Dinar	0.8066
Egyptian Pound	0.03866
Jordanian Dinar	0.4317
Omani Riyal	0.7881
Qatari Riyal	0.08368
Saudi Riyal	0.08090

### DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	303.550
Canadian Dollar	218.730
Sterling Pound	438.130
Euro	332.540
Swiss Franc	310.155
Bahrain Dinar	803.055
UAE Dirhams	82.885
Qatari Riyals	84.100

Saudi Riyals	81.625
Jordanian Dinar	427.615
Egyptian Pound	38.655
Sri Lankan Rupees	2.111
Indian Rupees	4.467
Pakistani Rupees	2.890
Bangladesh Taka	3.861
Philippines Peso	6.354
Cyprus pound	578.165
Kenyan Shilling	3.510
Syrian Pound	2.375
Nepalese Rupees	3.785
Malaysian Ringgit	72.865
Chinese Yuan Renminbi	46.480
Thai Bhat	9.495
Turkish Lira	103.060

### BAHRAIN EXCHANGE COMPANY

CURRENCY	BUY	SELL
Europe		
British Pound	0.429986	0.438986
Czech Korune	0.004214	0.016214
Danish Krone	0.040248	0.045248
Euro	0.325288	0.333288
Norwegian Krone	0.030777	0.035977
Romanian Leu	0.073058	0.073058
Slovakia	0.009048	0.019048
Swedish Krona	0.031472	0.036472
Swiss Franc	0.291074	0.301274
Turkish Lira	0.097125	0.107425

Australasia		
Australian Dollar	0.206029	0.217529
New Zealand Dollar	0.191416	0.200916

America		
Canadian Dollar	0.211174	0.219674
US Dollars	0.299200	0.303700

US Dollars Mint	0.299700	0.303700
-----------------	----------	----------

Asia		
Bangladesh Taka	0.003509	0.004109
Chinese Yuan	0.044558	0.048058
Hong Kong Dollar	0.036897	0.039647
Indian Rupee	0.004194	0.004584
Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002428	0.002608
Kenyan Shilling	0.002959	0.002959
Korean Won	0.000241	0.000256
Malaysian Ringgit	0.069092	0.075092
Nepalese Rupee	0.002875	0.003045
Pakistan Rupee	0.002584	0.002864
Philippine Peso	0.006268	0.006548
Sierra Leone	0.000070	0.000076
Singapore Dollar	209.440	0.215440
South African Rand	0.012942	0.021442
Sri Lankan Rupee	0.001758	0.002338
Taiwan	0.008941	0.009121
Thai Baht	0.008179	0.008729

Arab		
Bahraini Dinar	0.797621	0.805621
Egyptian Pound	0.034876	0.039212
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000200	0.000260
Jordanian Dinar	0.423784	0.431284
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000150	0.000250
Moroccan Dirhams	0.021436	0.045436
Nigerian Naira	0.001252	0.001887
Omani Riyal	0.781372	0.787052
Qatar Riyal	0.082598	0.083811
Saudi Riyal	0.079993	0.080943
Syrian Pound	0.001285	0.001505
Tunisian Dinar	0.146300	0.154300
Turkish Lira	0.097125	0.107425
UAE Dirhams	0.081596	0.082745
Yemeni Riyal	0.001371	0.001451