

Hungary A.M.

Fri, Aug. 15, 2003

Est. 1998

EXCHANGE

FIXED MIDDLE RATE In forints	
Aug 14, 2003 National Bank of Hungary	
EUR	1 260.85
USD	1 230.37
GBP	1 371.17
CHF	1 167.67
JPY	100 193.00
CZK	1 8.12
PLN	1 59.51

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WEATHER

Weekend: sunny
High 30°C (86°F)
Low 13°C (55°F)

NAME DAY

Today **Mária** celebrates her name day.

resource

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IN ADDITION

A convict who escaped from the Kozma utca prison in June has been caught on tram No. 50 by a police commando unit. The man escaped by climbing over the prison fence during an exercise period, in the process losing his shoes and trousers. His plans were to leave Hungary and he may have been assisted by another person also arrested during the tram raid. (Nv) P.P.

NUMBERS IN THE NEWS

39.4° C - yesterday's temperature, a Budapest record. (MTI)

2 police officers have died in a road accident caused by a wild boar. (MH) P.P.

Top Story

Matáv net income drops a fifth in Q2

Matáv Rt, Hungary's largest telecom, posted a bigger Q2 profit drop than expected by analysts. Net income fell by a fifth to Ft 14.23 billion from Ft 17.8 billion a year earlier. Matáv, which is majority owned by **Deutsche Telekom AG**, has said sales and profit growth will slow this year, as GSM subsidiary **Westel Mobile Communication Rt** will have to step up advertising and reduce fees in order to retain its client base. (Bloomberg; MH 1, Nv 5, NG 11, Vg 20)

Business

Tesco proved cheapest

Business daily *Napi Gazdaság* has conducted a price test among the major hypermarket chains active in Hungary, using as a reference a basket of goods containing food for a hypothetical garden party. The test found **Tesco-Globál Stores Rt** the cheapest, with the basket costing Ft 2,586. **Auchan Hungary Kft** came in a close second with Ft 2,669 and **Hungarian Hypermarket Kft (Cora)** finished last with a price of Ft 2,958 for the goods. (NG 1) A.K.

Semiconductor co to boost capacity

Semiconductor-maker **Eupec Hungária Kft** is set to invest some Ft 2 billion into building a new assembly hall, warehouse and production line in a bid to boost capacity, managing director József Bodor said. Eupec Hungária, owned entirely by German investors and based in Cegléd, central Hungary, got a Ft 100 million non-refundable grant for the project through the state's Smart program. If completed, the new plant will create some 120 long-term jobs. (Vg 1) S.F.

Xetra finally debuts on BÉT

After months of delay, the Budapest Stock Exchange (BÉT) finally launched the Xetra trading system yesterday, allowing clients to purchase stocks quoted on the German exchange Deutsche Börse. Currently **Buda-Cash Rt**, **ConCorde Rt**, **Erste Bank Rt**, **ING Bank Rt** and **Inter-Európa Bank Rt** have licenses to trade via Xetra. The high transaction costs associated with Xetra limit its use for local brokerages, according to industry sources, but Xetra is expected to be popular with new foreign players on the Ft 200 billion market. (NG 11; Vg 10, MH 13) A.K.

Nabi shares slump on losses

Shares in **Nabi Rt**, the third-largest supplier of city transit buses to the U.S., dropped after the company reported a net loss in H1, down from a profit last year. Nabi

tumbled Ft 160, or 6.9%, its biggest drop since July 15. The company had a net loss of \$9.8 million in the first half, compared with net income of \$6.2 million in the same period last year. (Bloomberg; Vg 11, NG 12)

Postabank loans up nearly 50% in H1

Postabank Rt's outstanding loans rose 46% yr/yr to Ft 252 billion in H1 2003, the bank announced in an unconsolidated unaudited report based on HAS, released yesterday. Retail loans rose the most, by 48% yr/yr to Ft 53.5 billion, while corporate loans rose by 46% to Ft 136 billion. Postabank had total assets of Ft 422.1 billion, up 15% on the previous year. Revenues from interest and related items totaled Ft 15.7 billion for the period. (Econews)

HVB Bank to launch farm mortgages

Under an agreement signed recently with the National Land Fund Management Organization (NFA), **HVB Bank Hungary Rt** will offer mortgages on agricultural land from the beginning of September, the bank announced yesterday. HVB will focus on companies in the food industry and agriculture, the bank said. The new mortgage will be added to the bank's line of products for farmers, which includes new low-interest loans for farmers hard hit by frost and drought. (Econews; NG 5)

Raiffeisen reports best ever profit figures

The Hungarian **Raiffeisen** banking group had pre-tax profit of Ft 8.2 billion in H1 2003, up from Ft 5.6 billion a year earlier, according to the firm's preliminary HAS report, released yesterday. Both pre-tax profits and after-tax profits, which totaled Ft 6.7 billion, were Raiffeisen's best ever. The group's total assets rose 46% to Ft 742.6 billion, fuelled by lending activity. Loans to individual and corporate clients rose 48.3% to Ft 566.6 billion, while deposits from individual and corporate clients boomed 58% to Ft 435.6 billion. (Econews)

Humet signs contract with US partner

Vitamin and mineral supplement manufacturer **Humet Rt** has signed an exclusive distribution contract with **Allvia Integrative Pharmaceuticals Inc.** under which Allvia will market Humet products in the U.S. until 2008. As part of the deal, Allvia is guaranteeing turnover of \$4.8 million to Humet for the duration of the contract. Humet is the only company on the Budapest Stock Exchange (BÉT) that failed to publish an H1 flash report by the deadline. (NG 13) A.K.

Westel follows others with flat-rate plan

GSM service provider **Westel Mobile Communication Rt** will introduce a new flat rate pre-paid plan on Sept. 1 in order to compete with Hungary's two other GSM companies, Westel announced yesterday. The plan will have

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