

Pan European Weekly



Overview

- European equities posted their largest weekly gain in eight months, on encouraging US jobs data and hopes that the European Union will assist Greece with its debt woes. Confidence was also bolstered by Greece's €5 billion bond issue.
- Eurozone inflation slowed in February, as rising unemployment and weaker growth hurt consumer spending. During the same month, manufacturing activity accelerated to its fastest in more than two years from a month earlier.
- Germany's retail sales were flat in January from a month earlier, owing to poor weather.
- In the UK, producer prices rose in February from a year earlier because of higher commodity prices, whereas house prices saw their first monthly decline since last June because of increased supply, the end of stamp duty relief and adverse weather conditions.
- The Bank of England continued to keep interest rates at a record low of 0.5%. Meanwhile, consumer confidence rose to a two-year high after the economy emerged from recession.

Sector News

Basic resources: Full-year profits were mixed: **John Wood Group** was hurt by lower oil & gas investment, while **Arkema** saw volumes decline sharply. Conversely, **Linde's** margins improved.

Consumer goods: **Adidas'** full-year profits disappointed because of weak economic conditions and competition from discount brands.

Financials: Full-year results were upbeat: UK insurer **Prudential** was driven by its performance in Asia. Meanwhile, it has made an agreed bid for AIG's Asian arm AIA Group and plans to list in Hong Kong ahead of a US\$20 billion rights issue to fund the acquisition; **Aviva** and credit provider **Provident Financial** gained from cost cuts; **Standard Chartered** and **HSBC Holdings** were driven by improved loan impairments and strengthened capital positions, while asset management company **Schroders** reported a strong investment performance and record net inflows.

Healthcare: **Care UK** agreed to be acquired by private equity group Bridgepoint.

Industrials: Full-year earnings were solid: UK's **Cobham** was helped by its defence and security businesses as well as its streamlining efforts. Swiss cement maker **Holcim** benefited from cost-cutting and capacity management, amid difficult market conditions.

Telecommunications: **Portugal Telecom's** full-year results were boosted by sales growth in its Brazilian unit Vivo, which offset the weakness in its domestic mobile business, and the disposal of its stake in Moroccan mobile operator Meditel.

Utilities: **Centrica** is selling its European operations to fund investments in the US. France's **GDF Suez** signed a deal with Russian gas monopoly Gazprom to buy a 9% stake in the Nord Stream gas pipeline.

We hold all the companies highlighted above.

Pan European Weekly

Indices Performance Table

Index	WOW	YTD	WOW (US\$)	YTD (US\$)	05/03/2010
FTSE All Share	4.5%	3.6%	3.7%	-3.0%	2861.1
FTSE 100	4.6%	3.5%	3.8%	-3.2%	5599.8
FTSE 250	4.6%	5.0%	3.8%	-1.7%	9774.7
FTSE 350	4.6%	3.6%	3.8%	-3.0%	2926.6
FTSE Small Cap	2.6%	3.1%	1.8%	-3.5%	2864.0
FTSE Europe	4.8%	1.1%	4.8%	-20.1%	320.9
FTSE Europe ex UK	4.9%	0.0%	4.9%	-25.8%	301.9
Germany - DAX	5.0%	-1.3%	5.0%	-6.4%	5877.4
France - CAC 40	5.4%	-0.7%	5.5%	-5.7%	3910.4
Spain - IBEX 35	6.6%	-7.7%	6.7%	-12.4%	11019.8
Italy - FTSE MIB Index	5.7%	-4.2%	5.8%	16.0%	22278.1
Netherlands - AEX	6.6%	1.0%	6.7%	-4.1%	338.7
Portugal - PSI 20	5.4%	-5.9%	5.4%	-10.6%	7965.5
Ireland - ISEQ	4.8%	1.2%	4.9%	-3.9%	3011.2
Switzerland - SMI	2.0%	4.6%	2.1%	0.9%	6847.8
Sweden - OMX 30	5.3%	4.9%	5.5%	5.5%	998.1
Denmark - OMX 20	4.6%	10.2%	4.7%	4.6%	371.1
Finland - OMX 25	4.8%	6.8%	4.9%	1.4%	2171.4
Norway - OBX	5.7%	-1.1%	6.1%	-2.8%	335.7
FTSE EPRA	4.7%	1.5%	4.7%	-2.1%	1274.88
FT350 Real Estate	5.9%	-1.4%	5.0%	-7.7%	342.31

Source: Aberdeen Asset Managers Limited, Bloomberg, Reuters, IRESS.

For more information

Client Services Team

Tel: +65 6395 2701

Fax: +65 6438 0743

Aberdeen Asset Management Asia Limited

21 Church Street

#01-01 Capital Square Two

Singapore 049480

Tel: +65 6395 2700

Fax: +65 6535 7159

www.aberdeen-asia.com

Important information

The above is strictly information purposes only and should not be considered an offer, or solicitation, to deal in any of the mentioned funds. Any research or analysis used to derive, or in relation to, the above information has been procured by Aberdeen Asset Management Asia Limited ("Aberdeen Asia") for its own use, without taking into account the investment objectives, financial situation or particular needs of any specific investor, and may have been acted on for Aberdeen Asia's own purpose.

Aberdeen Asia does not warrant the accuracy, adequacy or completeness of the information herein and expressly disclaims liability for any errors or omissions. The information is given on a general basis without obligation and on the understanding that any person acting upon or in reliance on it, does so entirely at his or her own risk. Any projections or other forward-looking statements regarding future events or performance of countries, markets or companies are not necessarily indicative of, and may differ from, actual events or results. Aberdeen Asia reserves the right to make changes and corrections to the information, including any opinions or forecasts expressed herein at any time, without notice.

Aberdeen Asset Management Asia Limited, Registration Number 199105448E