

CITY SPY

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Split loyalties for Tate & Lyle aren't so sweet

CAN the tide turn for Tate & Lyle, the sugars and sweeteners group whose performance has been so sour this year that the City has been calling for the head of chief executive Iain Ferguson? The first step in the right direction may be the reappointment of the stately old house of Hoare Govett as its joint broker alongside Citigroup.

Insiders believe much of Tate & Lyle's woes during 2007 — four profit warnings and a halving of the share price — is down to the quality of advice and communication since Hoare Govett was ditched and Citigroup appointed as sole broker.

Hoare Govett, which is currently changing ownership from the Dutch of ABN Amro to the Scots of RBS, has under chief executive Paul Nicholls prided itself on its "relationship broking" as opposed to the "transaction-motivated" broking

of the American houses like, er, Citigroup.

That, of course, has not stopped Hoare Govett from losing clients, notably when its own Nigel Mills defected to Citigroup two years ago, taking Tate & Lyle with him.

Having joint brokers is always a curious arrangement. How much of Tate & Lyle's time will be needed to manage the history between Hoare Govett and Citigroup?

■ **IAIN Ferguson, the bearded boss of Tate & Lyle, is defiantly ignoring demands for him to go. He says: "The board has expressed total confidence in the management team." When City Spy points out that experience might suggest that is not always necessarily a good thing, Ferguson growls: "It's better than the alternative."**

City turns out for the Saudis

HOW intriguing to see which leading City figures were invited along to the state banquet at Buckingham Palace for King Abdullah of Saudi Arabia.

The select group included Shell chief executive Jeroen van der Veer; HSBC boss Michael Geoghegan, BMI chairman Sir Michael Bishop and — last but not least — Richard Olver, chairman of BAE Systems.

It was Olver's company that was involved in the infamous

Al-Yamamah deal to sell jetfighters to the Saudis, and those unfortunate allegations about \$1 billion (£483 million) of sweetener payments made to Prince Bandar.

Happily, since our Government decided to call a halt to the inquiry by the Serious Fraud Office into the BAE deal, there was no problem about also inviting Prince Bandar along to the Palace banquet to dine with the Queen.

■ **COULD Wife Swap be the saviour of TV firm RDF Media after the fiasco of a Year with the Queen? RDF says in its annual results that revenue from its US operations has more than doubled to £9.5 million in the six months between February and July of this year. Wife Swap, in particular, is a big hit in the States, where it is on only its fourth series — apparently it "rates strongly with a female audience and as a re-run". Over here, where viewers have endured eight series' worth, Wife Swap looks rather more passé.**



Legal minefield: Dame Judith Mayhew Jonas knows hazards of employment law

Nothing like a Dame for Merrill

DAME Judith Mayhew Jonas, who has the unenviable job of being a non-executive director at Merrill Lynch, can't have had the easiest of weeks with the board haggling over the departure of CEO Stan O'Neal — he eventually walked away with a whopping \$161 million (£78 million) retirement package. The Merrill board was advised by top law firm Cravath, Swaine & Moore, but

Dame Judith may have had some useful advice too. She used to be a top employment lawyer with Clifford Chance here, and has her own experience of negotiating a departure package, after she abruptly left as provost of King's College, Cambridge, last year. Given O'Neal has landed such a gigantic payday — after presiding over \$7.9 billion of subprime losses — it sounds like his employment lawyer is the one worth knowing.

■ **SOME decidedly plum City slickers pitched up at Boisdale of Bishopsgate and tucked into the Haggis canapés at a charity auction, appropriately enough for Action Against Hunger, raising £19,000. Food writer Bill Knott made a rousing speech, standing on a makeshift podium constructed out of Château Pichon-Lalande 1982 wine boxes. Sadly, in an exuberant state during the standing ovation (there were no chairs), he overlooked the limited space available and stepped to one side — to discover he could not walk on thin air. Crash. Knott blamed the Charles Heidsieck champagne as being "not as light as it tasted".**

Zut alors! The French are taking over

THE foie gras and bubbly were in bountiful supply last night at Club Gascon, courtesy of chef Pascal Aussignac, for the Français Of The Year Awards — a lavish backslapping event organised by France's high-flying London expats. Morgan Stanley's Franck Petitgas, head of European investment banking, took top honours with the title Best French Financial Exec — beating brothers Yoel and Michael Zaoui, rival bigwigs at Goldman Sachs and Morgan Stanley.

The other business gong went to Vincent de Rivaz, London-based chief executive of EDF Energy, who was named Best Chief Executive, beating GlaxoSmithKline's JP Garnier.

■ **JARGON-BUSTER: What do you call an outdoor space at a nightclub where punters can still puff their fags, thus avoiding the smoking ban? Luminar chief executive Stephen Thomas calls it a "smoking solution". Despite the upbeat reports from other pub and drinks businesses, Thomas is in no doubt that his customers are unhappy if they can't smoke. The boss of the Liquid, Oceana and Lava & Ignite clubs says: "If you've got a less-than-great nightclub and you don't have a solution for smoking, the business does get affected." So the solution is let 'em keep smoking — outdoors, of course.**

■ **MORE takeover talk about Tottenham Hotspur: City Spy reported yesterday that the club reintroduced a "nil cost" share-dealing facility, allowing small shareholders to sell their stake back to the club without paying dealing costs. Now star American baseball player Steve Nash has admitted an interest — although he ruled out rumours of a takeover bid: "I don't have a spare £300 million in my back pocket so it's not going to happen." The guidance is that Spurs is not for sale. But at any price?**

■ **EARLY warning sign: A black-cab driver tells City Spy: "Business is down. Things changed about a month ago."**

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