

# Fresh job worries at Aughinish

Unease as stake in 600-job Limerick plant is hawked around world markets by unhappy 35% Dutch shareholder

By Douglas Dalby

THE workforce of the beleaguered Aughinish Alumina plant in Co Limerick were given more bad news earlier this week. At an emergency meeting, man-

agement informed them that Billiton, which owns 35% of the company, had put its stake up for sale in an effort to stem heavy losses.

"We are doing a normal day's work," according to Aughinish spokesman Pat

Lynch. "We have no control over what they do, so the meeting was to tell the workforce first before they heard it in the media."

Mr Lynch also said that he did not expect any more lay-offs in the immediate

future but negotiations were continuing with the unions and he expected to reach agreement on terms for around 30 voluntary redundancies among the 630 staff. A similar number left in a similar package earlier this year.

Given current market conditions it will be very difficult for Billiton to sell its stake. A company spokesman would not say how long it would continue to suffer losses before total withdrawal.

Billiton, the Dutch metal and mining subsidiary of the Shell oil company, announced a loss of \$35m for the first half of 1992. This compares with a total loss of \$12m for the whole of 1991.

Aughinish produces alumina for smelters in the UK and Europe but a world recession combined with increased production in the CIS countries have sent prices tumbling. In contrast, the UK smelters that Aughinish supplies

are among the most cost-inefficient in the world.

Since the 1970s, aluminium production in North America has fallen by 12% and Japanese smelters have been largely wiped out.

Earlier this year, managing director of Aughinish, Frank McGravie, admitted that the plant would have to expand its output by 40% to have any chance of survival.

## HEADLINES

### New facility

■ Sisco Turbine Components Ltd, which manufactures and repairs thermal barrier coatings for commercial aircraft engines will open its new facility at Carrigtwohill in Cork tomorrow. The company services more than 40 of the world's major airlines.

### Paper expansion

■ Multiprint Labels Limited will open new premises at the Dublin Industrial Estate in Glasnevin tomorrow. The company was founded in 1968 and since 1989 has invested over €5.5m in new plants and machinery. The company currently employs 40 people here.

### Draft plan

■ A draft plan for development in tourism in the south-east of Ireland was launched in Waterford last week. The plans which cover the 1993-1997 period call for an investment of €58.5m supported by €31.5m in EC funding and an extension of the Business Expansion Scheme for Tourism.

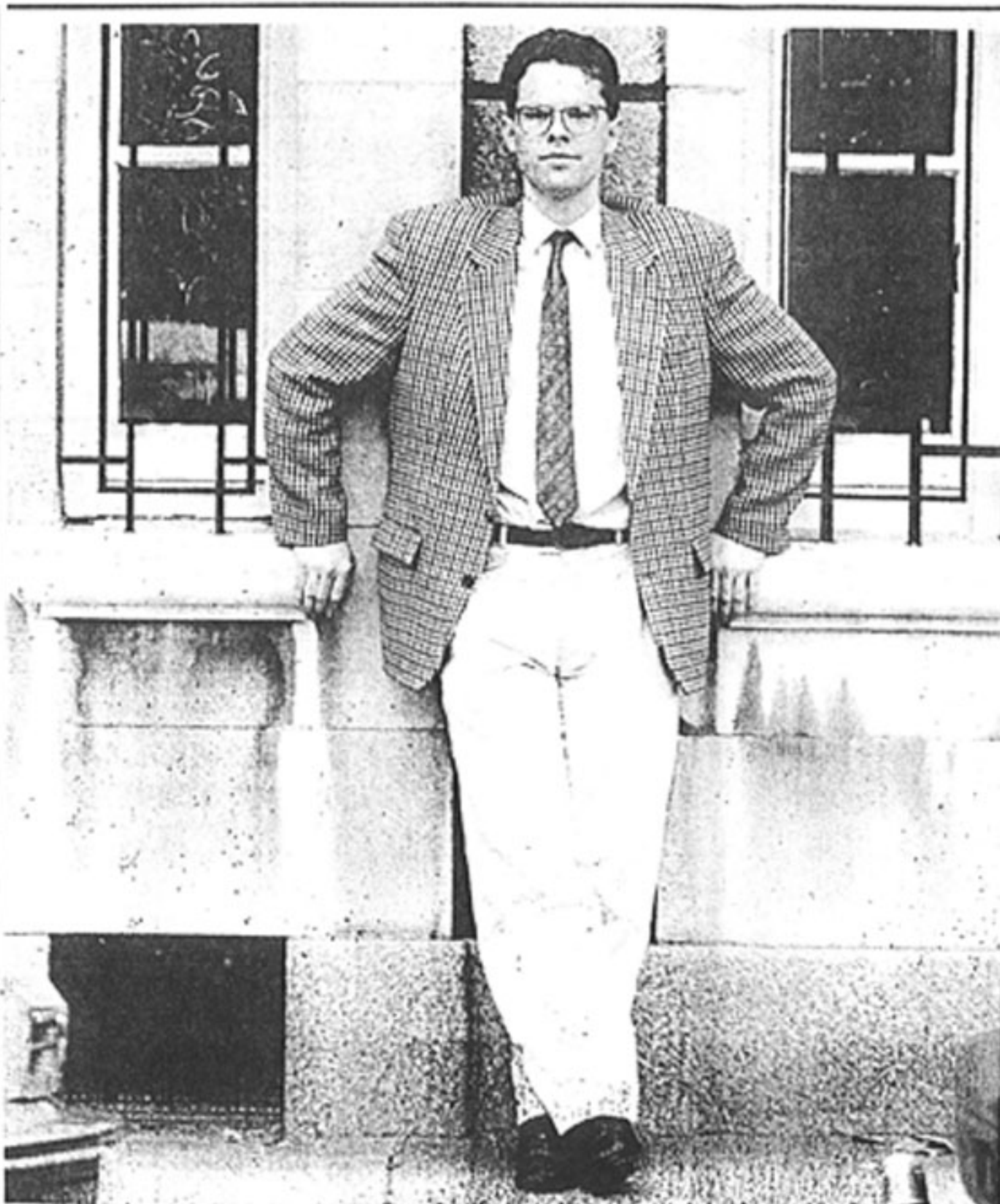
### Job losses

■ Twenty-one jobs may be lost at the Inis Meain Knitwear company if Aer Arann withdraws its services to the Aran Islands next week. The company which has already exported €500,000 of knitwear to Europe and Japan this year is almost totally dependent on the air service provided by Aer Arann. Aer Arann was due to cease services on 5 October but will continue to operate, pending negotiations with two interested parties.

### Ticket service

■ A 24-HOUR ticket service was launched last week by record shop HMV. Tickets for concerts, theatre and other events will be available in 50 outlets throughout the country via a computer link to Dublin. 24-hour telephone bookings can also be made through the system, which cost €1.2m.

Compiled by Niamh J. King



## Yuppie hell for former whizz kid

By Douglas Dalby

THE message "E.C. is terminated" on his computer monitor signalled the end of a promising career in the City of London for Legal & General fund manager Eoin Costello. It was as good a confirmation as any that his €35,000 per year plus company car lifestyle had come to an abrupt end.

Costello, from Bray, was sacked following the publication of an article he wrote in a light-hearted vein for a specialist financial magazine. The piece was entitled "How to spot a company going bust".

His bosses, however, failed to see the funny side of the piece. It was illustrated by one company that L&G had lost €5m on an investment as a consequence of its demise.

Some of the top 10 warning signs in the *Investor's Chronicle* article included dickie bows, gold ID bracelets, toupees and suntans. Costello also advised investors to beware of sumptuous HQ buildings, bullies holding the position of chairman and chief executive and reliance on creative accounting.

"I was not being flippant," Trinity College graduate Costello insists. "There is a strong case for dickie bows and toupees are a close second. Guys who wear them are very superficial. It is a statement to the world that I am extraordinary, that my ability is above the ordinary."

Costello says that he cleared the article through proper channels and that it was the magazine editor's fault that his and L&G's name had appeared with it. She has acknowledged this and apologised.

Bray-born and bred, 26-year-old Costello finished Trinity College in 1987 with a first class honours in business and was widely regarded as

one of the bright young things in the City of London.

He joined L&G as a trainee analyst in 1988 and became a fund manager for small companies after only 18 months. He was responsible for the recovery trust, L&G's best-performing unit trust.

The company has since claimed that his dismissal was not as a result of the article but the view is widely held in the city that Costello is a victim in the Terry Smith mould. Smith, is the financial analyst who was suspended from his €250,000 post following the publication of his controversial book on creative accounting techniques.

Costello received a 25% salary increase in March.

Certainly, his letter of dismissal from his group director indicated that the article was at least a factor.

"The mutual confidence necessary between you and us if you are to be fully effective no longer exists, and on mature reflection I can see no prospect of it being rebuilt."

Costello says that he will probably never find another job in London and he has taken legal advice on unfair dismissal. He has received numerous letters of support from influential businessmen such as David Coleridge, ex-chairman of Lloyds Insurance.

"I have read the article and could find nothing offensive in it whatsoever," he wrote. "I have no doubt that with your knowledge and expertise you will hopefully be back soon."

The plush pad in Fulham has now been exchanged for the family home in Bray and an unpaid job in his father's jewellers shop. He says he is determined to put his experience in the market to good use and he now intends to turn his article into a book.

Back home: Eoin Costello lost his job in London following the publication of a humorous article on investment

JOHN CARLOS