

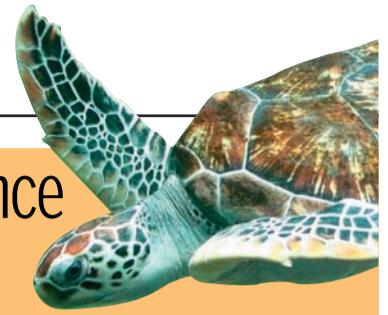


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Pension trustees threaten to scupper Qatari bid for Sainsbury

► RETAIL

By DANIEL McALLISTER

J SAINSBURY pension fund trustees last night threatened to torpedo a deal to take over the supermarket chain unless the bidder laid out plans to protect members' benefits.

In a scenario reminiscent of private equity firm CVC's failed bid for Sainsbury's in April, the pension trustees told City.A.M. that the Qatari bidder Delta Two must outline its business plans for the retailer in order to get their support.

"There's going to be uncertainty surrounding the deal until they [Delta Two]

speak to us," a spokesman for Sainsbury's pension trustees told City.A.M.

Commenting on the scheme's need for a £3bn injection, the spokesman said: "I can't put a precise figure on it but it's going to have to be a big number, unless we get assurances to the contrary."

Sources close to Delta Two yesterday said

the pension fund was unlikely to be a stumbling block to a deal going through as the scheme, which was £477m in deficit in April, had now swung into surplus.

However, the pension trustees said this was "irrelevant" as it is an accounting standard surplus, which still left a deficit

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Comcast in Virgin Media buyout plot

American cable giant weighing up benefits of bid for troubled British television company

► MEDIA

By KATE WALSH

AMERICA'S largest cable group Comcast has joined the list of potential bidders for British TV company Virgin Media.

A source close to Virgin's sale negotiations said Comcast — where Virgin Media boss Steve Burch worked for 17 years — is among a small group of trade buyers, including media and entertainment group Time Warner, interested in buying Virgin Media.

Nasdaq-listed Virgin Media, which is Britain's only cable TV company, was put up for sale at the beginning of this month after it received an unsolicited £11bn bid from American private equity group Carlyle.

Since then it has received up to 11 expressions of interest, predominantly from the

private equity sector including firms Providence, Blackstone, Cinven and Kohlberg Kravis Roberts (KKR).

The 11 bidders have been told to file indicative offers by 8 August when Virgin Media issues its second-quarter results.

Virgin Media, formerly NTL:Telewest, has had a tumultuous time since its February launch, including a public spat with rival BSkyB over the carriage of Sky's core channels and then an exodus of customers after those channels were removed.

Sources familiar with the firm conceded it would "make sense" to take it private but a takeover by Comcast would also have its advantages as it operates in the same market as Virgin Media but on a far larger scale.

Comcast, which has 24.2 million cable subscribers, refused to comment.

TOWER OF POWER: Dubai skyscraper becomes world's tallest



A 1,680 ft skyscraper in Dubai has become the tallest building in the world, according to its developers. The Burj Khalifa is still being built and its final height, on completion in 2008, has been kept secret, but the development firm Emaar Properties said Burj Khalifa would reach at least 2,275ft, nearly three times the height of Canary Wharf Tower.

Picture: REUTERS

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MARKETS

	Level	Wk chg
FTSE 100	6585.20	-131.50
DOW	13851.08	-56.17
NASDAQ	2687.60	+443.95
£/\$	2.06	-0.03
£/€	1.49	+0.01
£/Yen	249.92	+2.09

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