

# Business & Finance

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## M and M profits soar as web shopping booms

**Rush hour:** Hundreds of extra staff have been taken on to ensure Christmas orders are sent out on time



Phil Pees

DISCOUNT fashion and lifestyle retailer M and M Direct says it is on course to sell £110million of goods this year and make more than £14million profit. Mike Tomkins, the non-executive director, said the company had grown about 20 per cent in a year, 'despite the terrible economy'. It specialises in offering end-of-line branded fashions at knock-down online prices. The company, based in Leominster, Herefordshire, has taken on 280 temporary staff this Christmas to help with orders at its 450 employee-strong call centre. Profits stood

at about £4million on £40million sales when Mr Tomkins led a management buyout in 2004. Meanwhile, there is no sign of slowing in the lure of net shopping, with latest figures showing Britons spent 25 per cent more on the web last month compared with October. Shoppers spent £5.3billion online in November, an 11 per cent rise on the same month last year, the IMRG Capgemini e-Retail Sales Index showed. Commentators said many late, late deals and deliveries guaranteed up to Christmas Eve were still drawing many shoppers.

# Warning over more jobs to go next year

WORKERS should be braced for more job losses and pay freezes next year in a 'fragile' recovery from recession, the CBI warns today.

Unemployment will peak at 2.8million next autumn – lower than first feared – with very constrained wage growth, according to the business organisation's latest predictions.

'We will need to keep our nerve during early 2010, and there is no sign of a clear driver of strong economic growth,' said deputy director-general John Cridland.

'In the spring, many staff will face another cycle of wage freezes, and job losses will continue rising until the autumn.'

Britain will finally pull out of recession during the final quarter of this year with 0.5 per cent growth, the group predicted. But the economy will advance at a far more sluggish rate during the first half of 2010.

'The British economy faces a number of structural hurdles over the coming

By **Jayne Atherton**

two years and this recovery – like that of the 1980s – will be relatively drawn out,' said chief economic adviser Ian McCafferty.

'Credit conditions will remain difficult as the banks slowly nurse themselves back to health, consumer spending will be shaped by the need to rebuild savings and the public sector will soon have to tighten its belt.

'All three factors will act as headwinds to growth.'

The organisation predicted net borrowing of £180.8billion in the current financial year, rising to £184.1billion in 2010/11. The forecast is in contrast to official predictions of a slight fall from this year's peak of £178billion.

The public sector net borrowing hit a record high of £20.3billion for last month. Net debt stands at £844.5billion or 60 per cent of economic output.

## Business Bites

■ **Citigroup is lining up potential buyers for EMI amid fears the record company is about to go bust. The US bank is owed £2.6billion by the label's owner Terra Firma and it is concerned the private equity firm will not be able to make its loan repayments this month. Meanwhile, Terra Firma is suing Citigroup for £1.5billion claiming it artificially inflated the price of EMI during a takeover two years ago.**



■ The London Stock Exchange is reportedly preparing to take over its loss-making rival, Turquoise. The LSE is to take a 60 per cent stake in the share trading platform, set up by nine investment banks in an attempt to force the LSE to lower trading fees. The LSE is likely to invest £20million in Turquoise, helping mend relationships with major banks. It will keep the brand but combine it with its 'dark pool' Baikal business, allowing for anonymous trading.

■ Royal Dutch Shell is set to sell oilfields worth up to £3.1billion in Nigeria, it has been reported. The oil giant is looking to scale down operations in the west African country as the government wants to hand greater control to domestic companies.

The oilfields are mainly in western areas and include some shut because of violence.

Meanwhile, it has also been reported a group led by Shell has signed a deal to develop Iraq's giant Majnoon oilfield.

■ **Teenager Matt Lovett has gone from selling sweets in the school playground to building an internet company worth £1million in less than five years. The 18-year-old (pictured) from Birmingham set up online marketing firm WOW Media UK two years ago and the company now operates more than 20 websites, employs six people and has a monthly turnover in excess of £25,000.**

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