

Tesla hit with big loss as car deliveries sputter

New York, United States

Electric carmaker Tesla on Wednesday announced a heavy loss in the first quarter as car deliveries sputtered overseas and a US tax credit that made its prices more attractive was reduced.

The California-based company reported a loss of \$702 million in the first three months of this year after two consecutive quarters of profit. Tesla produced about 63,000

Model 3 vehicles in the period, an increase of three percent from the same quarter a year earlier but fewer than had been anticipated.

The company attributed its disappointing financial results to Model 3 shipping delays, particularly in Europe and China.

Overall company revenue in the period rose 33 percent to \$4.5 billion in a year-over-year comparison, but fell far short of Wall Street forecasts.

Boeing says suffering \$1 bn hit from 737 crisis

New York, United States

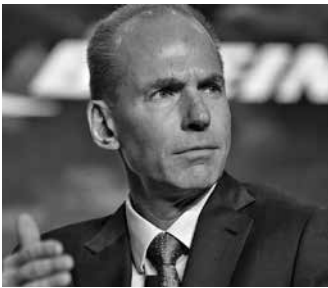
Aviation giant Boeing has suffered a \$1 billion hit to its bottom line amid the crisis over its 737 MAX aircraft, grounded worldwide after two deadly crashes, the company said Wednesday.

In its first quarterly earnings report since entering crisis mode, Boeing also withdrew its 2019 profit forecast due to continued uncertainty about when the grounded jets will return to the skies.

Boeing has been under scrutiny since the March 10 crash of an Ethiopian Airlines jet, which along with an October Lion Air crash, claimed 346 lives.

Regulators grounded the plane worldwide following the second crash, a move that also forced the company to halt new deliveries of its most-ordered plane, denting revenues.

Asked pointedly during a conference call with analysts for an explanation of what happened, the executives defended Boeing's design and



Chief Executive Dennis Muilenburg engineering practices despite negative news exposes criticizing the company's operations and commitment to safety.

"I can tell you with confidence that we understand our airplane, we understand how the design was accomplished, how the certification was accomplished and we remain fully confident in the product that we put in the field," Chief Executive Dennis Muilenburg said in a conference call with analysts.

"There was no surprise, or gap or unknown here, or something that somehow slipped through a certification process."

Microsoft surges toward trillion-dollar value as profits rise



Satya Nadella

Washington, United States

Microsoft said profits climbed in the past quarter on its cloud and business services as the US technology giant saw its market value close in on the trillion-dollar mark.

Profits in the quarter to March 31 rose 19 per cent to \$8.8 billion on revenues of \$30.8 billion, an increase of 14 percent from the same period a year earlier.

In third quarter, Microsoft showed its reliance on cloud computing and other business services which now drive its earnings, in contrast to when it focused on consumer PC software.

"Leading organizations of every size in every industry trust the Microsoft cloud," chief executive Satya Nadella said in a statement.

Commercial cloud revenue rose 41pc from a year ago to \$9.6 billion, which now makes up nearly a third of sales, Microsoft said.

Some \$10.2bn in revenue came from the "productivity and business services" unit which includes its Office software suite for both consumers and enterprises, and the LinkedIn professional social network.

The "more personal computing" unit which includes its Windows software, Surface devices and gaming operations generated \$10.6 billion in the quarter.

Maruti Suzuki India to phase out diesel cars

Reuters | New Delhi/Bengaluru

Maruti Suzuki India Ltd said yesterday it would stop making all diesel cars beginning April next year and forecast a weak rate of growth for the current fiscal year, blaming uncertain fuel prices and the onset of stricter emission norms.

Carmakers will need to invest in upgrading their technology, including for diesel cars, to meet India's stricter emission norms that come into effect next year.

"From April 1, we will have no diesel car on sale. Depending on how customers react... if we find there is a market for diesel cars (after the new emission norms kick in) we will develop it in a reasonable amount of time," Chairman R. C. Bhargava told reporters at a press conference in New Delhi.

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CHAIRMAN R. C. BHARGAVA

The country's biggest automaker, majority owned by Japan's Suzuki Motor Corp, said it expected production and sales to grow between 4 percent and 8 percent for the financial year started in April.

Last year, the company targeted a 10 per cent rate of growth for sales but actual sales grew by just 6.1pc, the company said in a statement.

While Maruti Suzuki's growth forecast is in sync with the broader industry outlook, high levels of discounting by Maruti had resulted in "disappointing" quarterly margins, said analyst Ashutosh Tiwari of Equirus Securities in Mumbai.

"It looks like the (margin) trend will continue this year," Tiwari said.

Maruti Suzuki saw fourth-quarter EBITDA margins falling to 10.8pc from about 12.5pc in the same quarter last year. EBITDA margins for the year fell to 14pc from 15.9pc year ago.

The carmaker said it sold 458,479 vehicles in the three months ended March 31, down 0.7pc.



Batelco, a leading digital solutions provider in Bahrain, hosted a lunch gathering for members of the media recently at Batelco Headquarters, Hamala. The lunch was hosted by Batelco to extend their appreciation to the media for the vital role they play in all sectors in the Kingdom

Japan court grants Carlos Ghosn \$4.5 million bail

● Ghosn has already been granted bail once, posting \$9 million and vowing not to leave Japan

● Last time he left the detention centre in northern Tokyo, he was dressed in a cap, face mask and workman's uniform

Tokyo, Japan

A Japanese court granted Carlos Ghosn bail Thursday, meaning the former Nissan boss could soon walk out of his Tokyo detention centre to prepare his defence against multiple charges of financial misconduct.

The Tokyo District Court set bail at 500 million yen (\$4.5 million) as the 65-year-old auto sector titan faces four charges ranging from concealing part of his salary from shareholders to syphoning off Nissan funds for his personal use.

Prosecutors quickly appealed the court's decision, delaying his immediate release but public broadcaster NHK said he could walk out of his detention centre "as early as Thursday".



Former Nissan Chairman Carlos Ghosn (2nd L) and his wife Carole (2nd R) leave the office of his lawyer Junichiro Hironaka in Tokyo

The court temporarily suspended the bail process as it considered the appeal.

According to conditions set by the court, Ghosn cannot leave Japan and is subject to other restrictions to prevent him from attempting to flee or destroy evidence relating to the case.

Ghosn denies all the charges, with a spokesperson for the

executive saying on Monday he would "vigorously defend himself against these baseless accusations and fully expects to be vindicated".

The spokesperson said Ghosn was being detained "under cruel and unjust conditions, in violation of his human rights, in an effort by prosecutors to coerce a confession from him".

On Monday, he was hit with what experts have described as the most serious charges yet as prosecutors accused him of syphoning off \$5 million of Nissan cash transferred from the company to a dealership in Oman.

He also faces two charges of deferring some \$80 million of his salary and hiding this in official documents to shareholders,

and seeking to shift personal investment losses to the firm during the 2008 financial crisis.

A Nissan spokesman said in a statement that the company's "internal investigation has uncovered substantial evidence of blatantly unethical conduct".

"Further discoveries related to Ghosn's misconduct continue to emerge," he added.

Ghosn has already been granted bail once, posting \$9 million and vowing not to leave Japan and to live in a small court-appointed apartment in central Tokyo -- a far cry from his former luxury suite.

Last time he left the detention centre in northern Tokyo, he was dressed in a cap, face mask and workman's uniform in an apparent attempt to evade dozens of journalists from around the world hoping to snap a picture of the fallen tycoon.

The bizarre stunt was cooked up by one of his lawyers, Takashi Takano, who later apologised for "tainting" the reputation of his client who usually appears in public in sharp suits.

'Tell the truth'

Ghosn was preparing to hold a much-anticipated news conference to "tell the truth" about his case but he was re-arrested shortly beforehand to face questioning about the alleged \$5

million embezzlement.

Clearly aware he was about to return to custody, Ghosn pre-recorded a video in which he attacked "backstabbing" Nissan executives of a "plot" against him, as they feared closer ties with French partner Renault.

Japanese media reported on Tuesday that the French firm had offered a "management integration proposal" to Nissan, which was poised to reject it as they believe it does not provide equality to the Japanese company.

Unless re-arrested over further allegations, Ghosn will be free to organise his defence ahead of a possible trial that is likely to take months to prepare.

Ghosn's lead lawyer Junichiro Hironaka has told reporters that a trial as early as the autumn was "not possible for various reasons".

His lawyers have demanded he be tried separately from Nissan, which also faces charges for submitting the suspect financial documents, and have voiced fears he will not receive a fair trial.

The dramatic case has thrown the international spotlight on the Japanese justice system, derided by critics as "hostage justice" as it allows prolonged detention and relies heavily on suspects' confessions.