NEW BURLESQUE
A FEMINIST SIDE TO STRIPTEASE
PAGE 10 | CULTURE

KATHIMERINI
INSIDE: Greece's leading newspaper | English Edition

THE HIT MAKER
STAR SPOTTING AT SONY MUSIC
PAGE 14 | BUSINESS WITH REUTERS

International Herald Tribune

WEDNESDAY, NOVEMBER 9, 2011 | THE GLOBAL EDITION OF THE NEW YORK TIMES | GLOBAL.NYTIMES.COM

Berlusconi sets conditions to quit

ANDREW MEDICHINI/THE ASSOCIATED PRESS

Silvio Berlusconi on Tuesday at the lower house of Parliament, where his coalition received 308 votes in favor of a routine budget vote while 321 lawmakers — a majority — abstained.

ROME

He says he'll step down when Parliament passes E.U. austerity package

BY RACHEL DONADIO AND ELISABETTA POVOLEDO

Prime Minister Silvio Berlusconi offered a conditional resignation Tuesday, agreeing to step down but only after Parliament passes an austerity package demanded by the European Union, a move that could bring the country closer to early elections.

Mr. Berlusconi's resignation, if it happens, would end a reign in which the billionaire media baron — more salesman than statesman, a rake given to titillating scandals — held a country under his spell. From the moment he first entered Italy's political stage in 1994 — with a televised address in which he cast himself as a reformer who would modernize Italy — to his agreeing to step down amid the European debt crisis, no one since the Fascist dictator Benito Mussolini has so totally dominated Italian politics.

In the end, economics have had as much to do with Mr. Berlusconi's downfall as politics. His departure would come in the face of an escalating debt crisis that has hobbled Greece, poses severe threats to Italy and risks infecting the rest of Europe.

Mr. Berlusconi met Tuesday evening with the President Giorgio Napolitano. There was no timetable fixed to Mr. Berlusconi's resignation. But once the prime minister formally stepped down, the president would begin talks with various parliamentary leaders to decide whether to call elections or to try and form a new government with the existing political assembly.

A statement issued by the president's office after the meeting said that the prime minister had acknowledged "the implications of the result of the day's vote in the lower house" — a budget vote Tuesday that revealed Mr. Berlusconi no longer had majority support in the chamber.

ITALY, PAGE 4

U.N. TEAM FINDS EVIDENCE OF AN IRAN BOMB PLAN

Work toward a device could be continuing, nuclear regulator says

BY DAVID E. SANGER AND WILLIAM J. BROAD

U.N. weapons inspectors released a trove of new evidence Tuesday that they said made a "credible" case that "Iran has carried out activities relevant to the development of a nuclear device" and that the project might still be under way.

The long-awaited report, the harshest judgment that the International Atomic Energy Agency has issued in its decade-long struggle to pierce the secrecy surrounding the Iranian program, has already rekindled a debate among the Western allies and Israel about whether increased diplomatic pressure, sanctions, sabotage or military action could stop an Iranian program.

In anticipation of the report, Iranian officials had said the evidence was fabricated, and some have warned that any attempt by the West to stop its program, by any means, could invite retaliation.

The report offered no estimate of how long it would be until Iran could produce a nuclear weapon. But it laid out the case that Iran had moved far beyond the blackboard to create computer models of nuclear explosions in 2008 and 2009, and conducted experiments on nuclear triggers. The report said that starting in 2000, the Iranians constructed a vessel to conduct those tests, which was not shown to inspectors who visited the site five years later.

Those tests "are strong indicators of possible weapon development," it said.

The detailed disclosures represent a reversal of roles from 2003, when the United States and Britain claimed that Iraq was seeking to rekindle its nuclear program. In that case the I.A.E.A. warned that the Bush administration's case was weak, and some of the evidence forged. In the case of Iran, it is the normally cautious agency that is taking the lead, arguing that years of study had led it to the conclusion that, despite Iran's denials, it engaged in an active program to design nuclear warheads, among other technologies.

In his report to the agency's board of governors, Yukia Amano, a former Japanese diplomat who has run the I.A.E.A. for nearly two years, said the agency had amassed "over a thousand pages" of documents, presumably leaked out of Iran, showing "research, development and testing activities" on a range of technologies that would be useful only in designing a nuclear weapon.

It said it had also received intelligence information from "more than 10" other countries — which it did not name — including some demonstrating Iranian "manufacturing techniques for certain high explosive components." The agency, he added, had interviewed "a number of individuals" who were involved in Iran's activities, who provided information it described as "consistent" with the intelligence data that other countries provided.

Mr. Amano said the agency had "tried without success to engage Iran in discussions about the information." But he said that "Iran continued to conceal nuclear activities," including its effort to construct a secret enrichment facility near Qum.

Iran told the nuclear agency about that facility days before President Barack Obama and European leaders reported its existence two years ago, and Iran has recently said it is moving some of its nuclear activity to that underground facility, at a well-defended military base.

A Western diplomat familiar with the agency's report said it was "much more detailed and far more confident than anything they have done before."

JEWEL SAMAD/AFP

SARKOZY SAID TO CALL NETANYAHU A 'LIAR' Nicolas Sarkozy was overheard telling Barack Obama that he could no longer bear the Israeli prime minister. *PAGE 5*

For reeling debtors, Germany becomes a lightning rod

BERLIN

A backlash as Berlin steadfastly holds to its insistence on austerity

BY NICHOLAS KULISH

If Germany had a motto for the debt crisis it would certainly be, "No pain, no gain." Its cash-strapped partners are increasingly asking, "What about you?"

Throughout the crisis in the euro zone, as governments have fallen, debt burdens have mounted, and economies have stagnated or shrunk, Germany has steadfastly insisted that the path to redemption for the debtors lies in austerity and suffering. Time and again the Germans have vetoed monetary measures that might have relaxed the pressure on indebted states like Greece and Italy but might also invite what for Germans is the deepest-seated dread: inflation.

And all the while, Germany itself has not shared in the suffering, as its economy has seemed to defy the gravity of the European slump. On Tuesday German exports rose unexpectedly for the month of September, up 10.5 percent compared with the year before.

Indeed, the German economy seems lately to have reaped strength — rising employment, an unexpected burst of tax revenue, even a surprise windfall from a $76 billion accounting error — while others have harvested only weakness.

This contradiction has fueled growing anger in countries like Greece, Spain and increasingly Italy against what is viewed as harsh German domination. More and more Berlin is cast in the role of the villain whether by protesters on the streets in Athens or exasperated politicians in the halls of the Group of 20 meeting in Cannes last week.

"The Germans often don't sufficiently appreciate how wrenching the economic changes are that they're prescribing," said Philip Whyte, senior research fellow at the Center for European Reform in London. Germany, he said, was trying to remake all of Europe after its competitive, export-driven eco-

GERMANY, PAGE 4

JEWEL SAMAD/AFP

Chancellor Angela Merkel says Germans will not see taxpayer money squandered.

NO END YET IN GREEK POLITICAL DRAMA The opposition leader bristled over a euro zone demand while others were ducking cabinet jobs. *PAGE 4*

Promises, promises: Wall St. gets some slack on fraud laws

WASHINGTON

BY EDWARD WYATT

When Citigroup agreed last month to pay $285 million to settle civil charges that it had defrauded customers during the housing bubble, the U.S. Securities and Exchange Commission wrested a typical pledge from the company: Citigroup would never violate one of the main antifraud provisions of U.S. securities laws.

To an outsider, the vow may seem unusual. Citigroup, after all, was merely promising not to do something that the law already forbids. But that is the way the commission usually does business.

It also was not the first time for the firm to make that promise.

Citigroup's main brokerage subsidiary, its predecessors or its parent company agreed not to violate the very same anti-fraud statute in July 2010. And in May 2006. Also as far as back as March 2005 and April 2000.

Citigroup has a lot of company in this regard on Wall Street. According to an analysis by The New York Times, nearly all of the biggest financial companies — Goldman Sachs, Morgan Stanley, JPMorgan Chase and Bank of America among them — have settled fraud cases by promising that they will

BANKS, PAGE 16

BUSINESS

Merger fees hid big losses

After weeks of denying any wrongdoing, the Japanese company Olympus, said Tuesday that more than $1 billion in merger payouts had been used to hide losses on investments. The company's new president, Shuichi Takayama, bowed in apology, saying, "Our previous statements were in error." *PAGE 14*

SPORTS

Joe Frazier, boxing champ, dies

Joe Frazier was a bull-like man of few words with a blue-collar image and a glowering visage who in so many ways could be on an equal footing with his bitter rival — Muhammad Ali — only in the ring. Frazier was 67. *PAGE 12*

Penn State weighs Paterno exit

Joe Paterno's tenure as Penn State's coach will soon be over in the wake of a sex-abuse scandal that has implicated university officials, according to people briefed on conversations among the university's top officials. *PAGE 12*

WORLD NEWS

REBECCA BLACKWELL/THE ASSOCIATED PRESS

Vote boycott in Liberia A worker at a polling place Tuesday in Monrovia. A ballot intended to solidify peace was marred by dismal turnout. **global.nytimes.com/africa**

Spying in phone-hacking case

News Corp. admitted "deeply inappropriate" surveillance of two lawyers representing victims. *PAGE 4*

Cain faces new allegation

The Republican presidential aspirant issued a denial after a fourth woman accused him of misconduct. *PAGE 6*

VIEWS

David Brooks

Mitt Romney's commitment to tackling entitlement reform demonstrates his awareness of the issues that need to define the 2012 presidential election in the United States. *PAGE 9*

A leader in waiting

There are more than enough good reasons for Israel to free the Palestinian leader Marwan Barghouti, who has the trust of his people and many Israelis, writes Avinoam Bar-Yosef. *PAGE 8*

PAGE TWO

Cuba's imprint on Haiti

Since October 2010, cholera has killed 6,600 people and sickened nearly half a million more, in what United Nations officials call the world's highest rate. As the epidemic continues, the Cuban medical mission that played an important role in detecting it presses on, winning accolades for staying on the front lines and trying to remake Haiti's shattered health care system.

9 771108 980136 45

NEWSSTAND PRICES
Greece € 2.50
Cyprus €2.90

FOR SUBSCRIPTION INFORMATION: +30 210 48 08 222
TO RECEIVE THE IHT AT YOUR NEWSSTAND: +30 210 48 08 224
E-mail: subsgr@ekathimerini.com

IN THIS ISSUE
No. 40,018

CURRENCIES NEW YORK, TUESDAY 1:30PM

				PREVIOUS
▲	Euro	€1=	$1.3780	$1.3770
▲	Pound	£1=	$1.6080	$1.6050
▲	Yen	$1=	¥77.790	¥78.050
▲	S. Franc	$1=	SF0.8970	SF0.9010

Full currency rates Page 19

STOCK INDEXES TUESDAY

▼	The Dow 1:30pm	12,036.34	-0.27%
▲	FTSE 100 close	5,567.34	+1.03%
▼	Nikkei 225 close	8,655.51	-1.27%

OIL NEW YORK, TUESDAY 1:30PM

▲	Light sweet crude	$96.14	+$1.09

World News

EUROPE

Germany holds to its demands for austerity

GERMANY, FROM PAGE 1

nomic model, without understanding the connection between that model and foreign indebtedness in countries like Greece, which for years used borrowed funds to purchase German goods.

"Not everyone can be like Germany. The world as a whole doesn't trade with the moon," Mr. Whyte said.

And European partners have taken notice of the yawning divide between their struggles and Germany's strength. Greeks in particular have been outraged at what they see as terms dictated by Berlin amounting to a loss of sovereignty. Protesters there carry red Nazi flags with a euro symbol in place of the swastika and compare the debt deals to the occupation of Greece during World War II.

Chancellor Angela Merkel and other top politicians have held a hard line on the international stage, well aware that their constituents at home do not want to see taxpayer money squandered by countries they view as inefficient and uncompetitive.

The European crisis often has been likened to a morality play — sinful southerners, austere northerners — but in Germany it is taking the shape of Wagnerian opera, with Germany cast as the dragon guarding its hoard of gold.

Even as the rest of the world awaited news over the weekend on whether the prime ministers of Greece and Italy would resign, Germany was awash with media reports of a proposal floated at the Group of 20 meeting that might have allowed the International Monetary Fund to draw on German gold reserves to bolster the European rescue fund.

The condemnation was swift and disproportionately harsh for a suggestion that was basically a nonstarter. "The German gold reserves must remain untouchable," Philipp Rösler, the economy minister and vice chancellor, said Monday. A cartoon in the daily Süddeutsche Zeitung showed three men trying to crack a bank safe marked "Bundesbank gold and foreign currency reserves."

The masked man attacking the safe with a drill had the German abbreviation for the European Central Bank on his back, while the with the dynamite bore the letters for the I.M.F. Holding a flashlight was the president of the European Council, Herman van Rompuy. Politicians here defended the independence of the Bundesbank, but also took the opportunity to call for Italy to sell off its own gold reserves, at $155 billion the fourth-largest in the world after the United States, Germany and the International Monetary Fund.

"I am of the opinion that a country should do everything in its power to help itself," Gunther Krichbaum, chairman of the committee on European affairs in the German Parliament, said in favor of Italy selling gold to help with its more than $2.5 trillion debt, "and in this regard Italy is far from exhausting its options."

The rising borrowing costs for heavily indebted countries have received a great deal of attention, but the flip side of the coin is that Germany, viewed as a safe bet in a sea of risk, can borrow money cheaply. Tax receipts keep exceeding government projections. Mrs. Merkel's coalition even agreed over the weekend to cut taxes by more than $8 billion. Unemployment, meanwhile, fell to 6.5 percent in October, down 0.1 percentage points from the previous month and from 7 percent the year before.

The overall health of Germany's economy and its fiscal position have only widened the rift with Europe's poorer periphery, where the continent's largest

Germans respond that they've made the structural changes.

economy is viewed as a cruel taskmaster, profiting mightily by selling goods to the poorer members and then dictating harsh austerity terms when the laggards have trouble paying their bills.

But Germans respond that they made the structural changes in workforce rules and pensions that they are now recommending for the slow-growth countries and that, by the way, they actually pay their taxes. If the laggards want Berlin's money, they have to play by its rules.

"We believe this success is because we have certain criteria around which we organize our economic policies and these are the criteria we want other countries to comply with if they ask for our money," said Tanja A. Börzel, a professor of European Union politics at the Free University in Berlin. "When you put national taxpayer money on the line the people have a say, and that is if we have to eventually pay for economic sins of others that they at least change their policies if we bail them out."

Guntram B. Wolff, the deputy director of Bruegel, a research group in Brussels, said Berlin had played a more assertive role in the crisis in part because the European Commission had not. "The shift of power is clear and you see that it is Berlin that has been gaining power," said Mr. Wolff, who has worked at both the European Commission and the Bundesbank.

Stefan Pauly contributed reporting.

KOSTAS TSIRONIS/BLOOMBERG

Prime Minister George Papandreou, center, heading to a cabinet meeting on Tuesday in Athens. He met with the opposition to work out who will next lead Greece's government.

No end to Greek political drama

ATHENS

Opposition leader bristles over euro pledge while others duck cabinet jobs

BY SUZANNE DALEY

Lucas Papademos, a respected economist, seemed on the verge Tuesday night of being named Greece's next prime minister, Greek news outlets reported, but party leaders were still engaged in a bitter and drawn-out fight over the makeup of his cabinet.

By late afternoon, Greece seemed to face yet a new set of troubles as Antonis Samaras, the leader of the main opposition party, New Democracy, balked at a demand by Eurogroup, the euro zone's group of finance ministers, that several top Greek leaders give a written commitment to the terms of an expanded bailout hammered out with Europe's leaders last month.

"There is such a thing as national dignity," Mr. Samaras said in a statement. "I have repeatedly explained that, in order to protect the Greek economy and the euro, the implementation of the October 26 agreement is inevitable."

He added: "I won't allow anyone to question the statements I have made."

His statement came just a few hours after Finance Minister Evangelos Venizelos told a cabinet meeting that five top Greek officials were being asked to co-sign the letter — a demand made on Monday by the chief of the Eurogroup, Prime Minister Jean-Claude Juncker of Luxembourg — reaffirming their commitment to Greece's bailouts deals and economic reforms before the next tranche of aid to Greece would be released.

The demand landed in the middle of byzantine negotiations that dragged on through yet another day.

The choice of Mr. Papademos, a former vice president of the European Central Bank, came after more than two days of intense wrangling here and growing fear that Greece's political class will be unable to stop feuding — and positioning themselves for the next elections — long enough to agree on a unity government.

In the through-the-looking-glass world of Greek politics, the argument was not over who could claim the cabinet positions but who could avoid taking them, particularly the Finance Ministry.

Prime Minister George A. Papandreou, who will resign when the new government is formed, was repeatedly rebuffed when he offered positions in the new government, reports said, because nobody wanted to be associated with the unpopular measures that Greece will be forced to impose to qualify for new loans from Europe.

In particular, Mr. Samaras, who has his eye on the next elections, did not see any reason for his party to participate. But other smaller parties also refused.

Mr. Papademos has also played a role in the delays by demanding the right to appoint some key ministers, including the finance minister.

In one of the stranger twists, Mr. Papademos is apparently insisting that Mr. Venizelos, who will likely run for prime minister in the next elections, step down. But Mr. Samaras, who would like to run against him, is demanding that he stay, some local news media outlets have reported.

Greece's new administration has a difficult road ahead. Its first job will be to secure the next installment of aid that had been promised to Greece before Mr. Papandreou raised the notion of a referendum on a loan deal worked out with Europe's leaders in October. That proposal triggered a political firestorm that was, in the end, his undoing.

Nevertheless, the money is needed by December, Greek officials say, or the country will be unable to pay its bills.

But it must also secure approval of the loan deal, which requires that the Greek Parliament pass a new round of austerity measures, including layoffs of government workers, in a climate of growing social unrest.

It also calls for permanent foreign monitoring in Greece to ensure that it delivers on promised structural changes, a move that many Greeks see as an affront to national sovereignty.

Berlusconi says he'll resign if austerity package is passed

ITALY, FROM PAGE 1

ber. At the same time, the statement said, the prime minister had expressed "concerns" about the need to pass the urgent economic reforms demanded by Italy's "European partners."

The prime minister said he would resign when the measures had been passed, the statement said. The measures Italy has pledged to the European Union have not been presented to Parliament yet, though Mr. Berlusconi has said that they would arrive in the Senate by mid-November.

After meeting with the president, Mr. Berlusconi conceded late Tuesday that he had lost his parliamentary majority and that "things like who leads or who doesn't lead the government" were less important than doing "what is right for the country."

As the opposition called on him to resign, Mr. Berlusconi wrote his options on a piece of paper captured by a photographer. "Resignation," was one. He also wrote "eight traitors" about the lawmakers who failed to support him.

It was unclear last evening how the opposition would respond. In theory, they could bring down the government during the vote on the economic program, which if passed would bring years of austerity to Italy. But failure to pass that package could pose its own hardships. With a staggering debt load, and borrowing costs reaching unsustainable levels, Italy is at risk of a major run by investors — a panic that at this stage a change of government might be the only way to avoid.

By linking his fortunes to the austerity bill, Mr. Berlusconi may have pulled off a coup, effectively blocking both the opposition and dissidents in his own party from bringing him down in a confidence vote over the measures. If he steps down after the vote he would have more leverage to call for elections instead of creating the conditions for an interim government.

Mr. Berlusconi's announcement on Tuesday does not prevent him from presenting himself as his party's candidate in future elections. Yet his political viability may be unlikely, with Italy's borrowing costs spiking to record highs and European leaders increasingly viewing him as a liability.

Speaking after a meeting of E.U. finance ministers in Brussels on Tuesday, Olli Rehn, the commissioner for economic and monetary affairs, said Italy's economic and financial position was "very worrying." He added that the Union was "concerned about the situation and we following the situation very closely."

The budget vote came hours after Umberto Bossi, a key ally in Mr. Berlusconi's center-right coalition, publicly asked him to step aside for the sake of the country, the euro zone's third-largest economy and a new epicenter of a crisis that has raised investor anxiety in markets around the world.

Mr. Bossi asked the prime minister to relinquish his post in favor of Angelino Alfano, the secretary of Mr. Berlusconi's Peoples of Liberty Party, but political commentators said such a government would be seen as a weaker Berlusconi government and hence even less credible. Mr. Berlusconi's coalition received 308 votes in favor of passing the bill, but 321 lawmakers did not vote — a clear sign that "Mr. Berlusconi no longer has a majority," said Pier Luigi Bersani, the leader of the opposition Democratic Party. He also called on the prime minister to immediately hand in his resignation to President Napolitano.

Expressing alarm about Italy's rapidly rising borrowing costs, a reflection of investor fears over the country's economic future, he said: "We all know that Italy runs the real risk of not being able to access the financial markets in the next few days."

The vote came after yields on 10-year Italian government bonds — the price demanded by investors to loan Italy money — approached 7 percent, the highest levels since the adoption of the single euro currency 10 years ago. Fearing that contagion from debt-wracked Greece could spread to Italy, a delegation from the European Commission was to arrive in Rome on Wednesday to step up surveillance of Italy's reform program.

TONY GENTILE/REUTERS

Umberto Bossi, leader of the Northern League, has abandoned his old ally.

"It is either European institutions, accountable to our own rules, procedures and accountability, or market forces that will do this," Mr. Rehn said, referring to the monitoring mission. While the visit evoked comparisons to Greece's so-called troika of foreign lenders, the fundamentals of Italy's economy are much stronger than those of Greece. But the country has the highest public debt in the euro zone after Greece and structural problems that lead to low growth.

"'The problem in Italy is not primarily the real data," German Finance Minister, Wolfgang Schäuble, said in Brussels on Tuesday. "The debt is high, the deficit is not — economic data are not that bad. The problem is a lack of trust from the financial markets and that of course is a realistic situation. And this trust has to be strengthened."

Mr. Berlusconi had said earlier that he would decide his political future based on the outcome of the vote, a routine verification of the 2010 budget. The vote had taken on immense political importance for the prime minister after the defection in recent days of a number of lawmakers in his party.

"This agony is long because it's not the end of a government but the end of a system," said Massimo Franco, a political commentator for Corriere della Sera. "And because the person in question is someone who doesn't have a sense of the state, a person who subordinates everything to his own personal survival."

The day he stops being prime minister, Mr. Berlusconi risks losing immunity in several corruption trials.

The prime minister had reiterated that his coalition must stick together to pass a series of austerity measures that will placate the financial markets that have targeted Italy's financial vulnerabilities, just as they have done in Greece.

But critics countered that Mr. Berlusconi's lack of credibility were among the chief reasons for the financial attacks on Italy. And after months of parliamentary deadlock, Mr. Berlusconi has shown that he does not have the political backing to push through the measures that are required of Italy to remedy its financial ills.

Last summer, Italy pushed through two sets of austerity measures that financial markets nonetheless deemed insufficient to bolster the country's economy and make a dent in its huge public debt of 1.9 trillion euros. At 120 percent of gross domestic product, Italy's debt level is second only to Greece's in the euro zone.

Mr. Berlusconi pledged to the European Union last month that he would approve a new round of restructuring, including the privatization of state assets, liberalization of the labor market and a modest pension change, but his promises did little to quell anxieties. Even the decision made at the Group of 20 summit meeting last week to allow the International Monetary Fund to monitor Italy's implementation of the pledged reforms did little to bolster investor confidence.

Stephen Castle contributed reporting from Brussels.

Paper spied on lawyers of hacking victims

LONDON

News Corp. admission comes as Murdoch son faces another hearing

REUTERS

The British newspaper arm of News Corp., Rupert Murdoch's media empire, says its staff ordered surveillance of two lawyers representing victims suing over the phone-hacking scandal that has engulfed it.

The British unit, News International, acknowledged Monday that the action was "deeply inappropriate." The disclosure adds to pressure on Mr. Murdoch's son James, the chairman of News International, who is to face British lawmakers for a second time Thursday as part of an investigation to find out how much he knew about the hacking.

The BBC reported Monday that Derek Webb, a private detective, had said he was hired by The News of the World, a News Corp. tabloid, to spy on Mark Lewis and Charlotte Harris, lawyers who represent some of the most high-profile victims.

The BBC said he had covertly followed them and filmed Mr. Lewis's family on a shopping trip in early 2010. The broadcaster said the surveillance was part of efforts to suggest that Mr. Lewis was having an affair with Ms. Harris and was sharing confidential information with her.

Mr. Webb, a former police officer, said in an interview with the BBC that the investigation of the two lawyers "only stopped when News of the World closed." News International closed the tabloid in July after the disclosure that its journalists had hacked into the phone of a schoolgirl, Milly Dowler, who was abducted and murdered in 2002. Mr. Lewis represents the Dowler family.

"News International's inquiries have led the company to believe that Mark Lewis and Charlotte Harris were subject to surveillance," a News International spokeswoman said. "While surveillance is not illegal, it was clearly deeply inappropriate in these circumstances. This action was not condoned by any current executive at the company."

Until this year, News International executives said they were unaware of the extent of hacking at the newspaper, arguing that it had involved only one "rogue" reporter who was jailed along with a different private detective in 2007. But evidence has emerged from the parliamentary inquiry that senior executives were told there was a wider problem as far back as 2008.

The scandal has broadened to include allegations of bribing police officers. Top British police officials have resigned, and Prime Minister David Cameron was embarrassed for having hired a former News of the World editor as his media adviser.

Speaking on the BBC News program "Newsnight," Mr. Lewis described the investigation of his family as "horrific" and said it was an attempt to smear his private life and cause personal intimidation. "Nothing about my private life could possibly have affected anything that I was doing at work," he said.

News Corp. loses lawsuit

In a further embarrassment for News Corp., a French court ruled Tuesday that The News of the World had violated the privacy of Max Mosley, the former head of the International Automobile Federation, with an article contending that he had participated in a "sick Nazi orgy," Eric Pfanner reported from Paris.

The court ordered News Corp. to pay €32,000, or about $44,000, in fines, damages and legal fees. The company had previously lost a similar case in Britain, also stemming from the article, which was published in 2008.

"This is a new explosion in the fireworks at The News of the World," Mr. Mosley's lawyer in the French case, Philippe Ouakrat, told reporters in Paris.

News Corp. did not immediately respond to a request for comment.

Mr. Mosley, whose father, Oswald Mosley, founded the British Union of Fascists in 1932, has steadfastly denied that there was a Nazi theme to the sex party featured in The News of the World, which was secretly videotaped by one of the participants.

Mr. Ouakrat told the court that the article had "devastated" the life of Mr. Mosley, who resigned a year later from his position as president of the automobile association, the governing body of Formula One auto racing.

While The News of the World was based in London and sold largely in Britain, Mr. Mosley sued in Paris on the ground that 3,000 copies of the newspaper were distributed in this country.

While the French court found News Corp. liable for privacy breaches Tuesday, it cleared the paper's former chief reporter, Neville Thurlbeck, whom Mr. Mosley had accused of libel.

KATHIMERINI

English Edition

Established 1919 ■ No 27,905-E www.ekathimerini.com ATHENS, WEDNESDAY, NOVEMBER 9, 2011

IN BRIEF

PROPERTY TAX

PPC sets up hotline after complaints about large bills

The Public Power Corporation said yesterday that it has set up a special hotline to deal with hundreds of complaints from people around the country who have received larger-than-expected bills for an emergency property tax levied through their electricity bill. According to the majority of complaints received by PPC representatives across Greece, the area of hundreds of properties – which is one of the factors in the complex formula used to assess property tax, together with the location and age of the property, and the so-called objective value (a bracket set by the Finance Ministry to control real estate prices) – was inflated. A spokesperson for PPC said that the discrepancies in the new emergency property tax are the responsibility of the municipal authorities rather than the electricity provider, though it added that people who have any questions regarding the tax they are being asked to pay can call the toll-free hotline on 214.214.1000 for advice.

CRUEL ROBBERS

Gunmen beat elderly couple

Three masked gunmen burst into the home of an elderly couple in the village of Zagora, in the region of Magnesia in Thessaly, early yesterday, and beat the residents before grabbing what cash and valuables they could find and fleeing. The three men took some 15,000 euros in cash and a check for 5,000 euros, the couple told police. It remained unclear whether it was a targeted raid.

■ **Road deaths.** The number of deaths recorded on the country's roads between January and October this year dropped by 16.2 percent compared to the same period last year, according to official statistics. Nevertheless Greece still has the highest rate of deaths in the European Union per 1 million inhabitants, according to the Panos Mylonas Road Safety Institute.

■ **OKANA move.** The branch of the Organization Against Drugs (OKANA) in the central Athens district of Exarchia closed down yesterday and will move to the capital's Elpis Hospital, the Health Ministry said yesterday. The branch – the second OKANA facility to close in central Athens since the summer – was providing care to around 300 people who will henceforth continue receiving care at the new unit at Elpis. The ministry has pledged to relocate all OKANA centers out of central Athens as they have become the target of unscrupulous drug dealers and have spawned an illicit trade in methadone.

■ **Smuggling coup.** Police said they had traced four rackets believed to be behind the widespread smuggling of contraband cigarettes after arresting 17 suspected ring members. Officers raided a warehouse in Aspropyrgos, western Attica, and confiscated large quantities of contraband cigarettes.

■ **Graft arrests.** Two employees of the Environment Ministry have been dismissed after being caught taking bribes, the ministry said in a statement yesterday. The two employees were caught in the act of taking bribes by police who were acting on a tip-off given by a restaurant owner.

Interim agreement still in balance

With Papademos poised to become PM, Samaras objection to eurozone assurances creates new obstacle

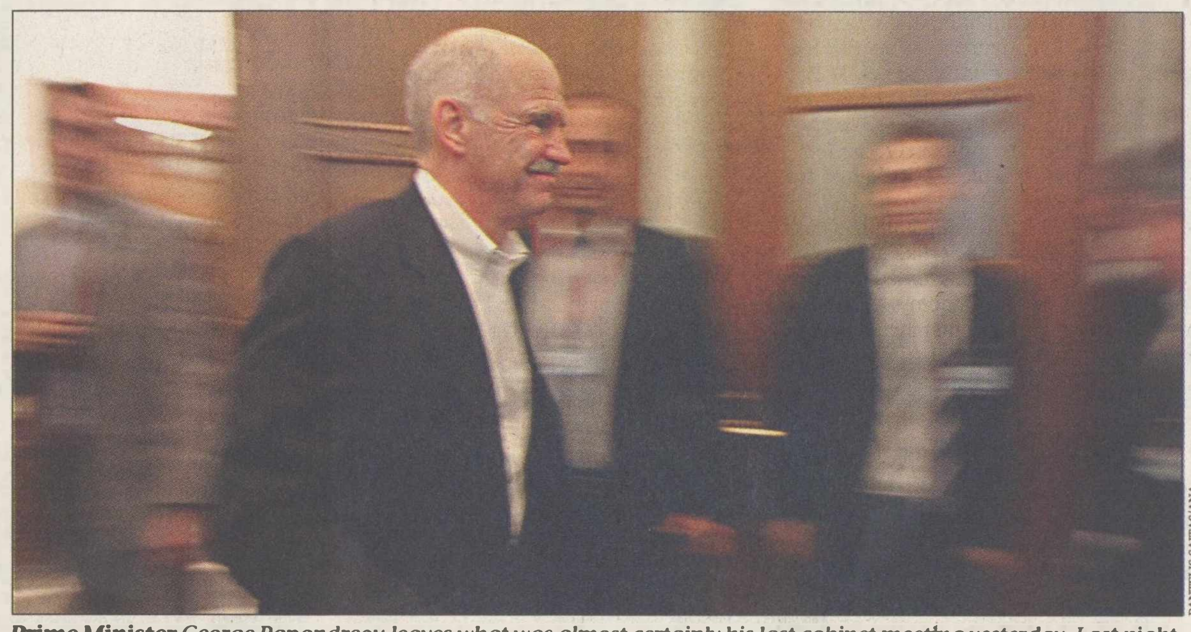
Greece appeared close to naming a new prime minister and cabinet yesterday afternoon but by late last night further doubt was heaped on proceedings after New Democracy leader Antonis Samaras balked at eurozone demands for a written commitment to the fiscal targets and measures demanded by the country's lenders.

An emergency cabinet meeting finished shortly before 3 p.m. During the talks, Prime Minister George Papandreou is said to have informed his ministers to have their resignations ready to speed up the process of forming a new government.

Ex-European Central Bank Vice President Lucas Papademos was back in the frame for the job of prime minister after speaking with Papandreou earlier in the day. He is thought to want to pick some members of the cabinet, which could include politicians from PASOK and ND. With one eye on snap elections next year, the conservatives appear reluctant to commit members to the cabinet.

However, the creation of a new cabinet appeared to be put on hold when Samaras objected to demands from Brussels for the ND leader, as well as Papandreou, Bank of Greece Governor Giorgos Provopoulos and the next prime minister and finance minister to sign a commitment to uphold existing agreements, including the new bailout agreed last month. European Economic and Monetary Affairs Commissioner Olli Rehn said without the signed documents, Greece would not receive the loan installment of 8 billion euros it is expecting.

"It is essential that the entire political class is now restoring the confidence that had been lost in the Greek commitment to the EU-IMF program," said Rehn. "It is essential that a new government will express its explicit and unequivocal commitment



PANTELIS SAITAS/ANA

Prime Minister *George Papandreou leaves what was almost certainly his last cabinet meeting yesterday. Last night, Papandreou was reported to be holding talks with Greece's representative at the IMF, Panagiotis Roumeliotis.*

in writing concerning all the decisions taken by the 17 euro area member states on October 27," he said.

The next loan tranche "can then be disbursed once there is full clarity about Greece sticking to the agreed course and policies," Rehn said.

Samaras, under pressure from elements in his party displeased with ND's involvement in the coalition, insisted his verbal commitment should be enough. "There is such a thing as national dignity," he said. "I have repeatedly explained that, in order to protect the Greek economy and the euro, the implementation of the October 26 agreement is inevitable."

Troika sources told Kathimerini that the text to be put before Greek officials has not been drafted yet but will include a commitment to apply the terms of the current memorandum of understanding between Athens and its lenders. It will also ask the signatories to commit to the drafting of the new memorandum that will accompany the bailout agreed on October 26. PASOK and New Democracy leaders will also be invited ahead of snap elections next year to commit in writing to adopting the new measures.

ND sources insisted the standoff would not damage coalition talks. Samaras is expected to write to the European Commission and eurozone officials to explain that he is committed to the existing agreements and fiscal targets but wants to reserve the right to change the policy mix.

Before elections in Portugal earlier this year, conservative leader Pedro Passos Coelho signed a document committing to the implementation of the already existing loan memorandum adopted by the outgoing Socialist government but allowing for minor policy changes, based on the troika's quarterly reports.

In emotional cabinet meeting, Papandreou takes stock of his government's efforts

Prime Minister George Papandreou's cabinet meeting early yesterday was widely expected to precede the announcement of his successor and the composition of a new interim government. In the end, it was another briefing – albeit possibly his last – and, according to some ministers, involved more ideological discussion and soul-searching than ministers have shared in the Socialist party's two years in government.

As negotiations with conservative opposition New Democracy had failed to yield a consensus on a new transitional government by the time the Cabinet convened at around 1 p.m., Papandreou did not ask his ministers to resign but said they should be on standby to quit when a decision is reached.

The premier reportedly played down divisions in the conservative party to joining a unity government, noting that "the important thing is that they accept the policy," apparently referring to one of the chief goals of the transitional administration – to implement the provisions of a new EU debt deal to Greece.

Papandreou also described the procedure that would follow the resignation of the government, noting that President Karolos Papoulis would subsequently summon the leaders of all the political parties in Parliament as well as the new prime minister.

Toward the end of the speech, taking stock of his government's efforts to fight corruption and solve enduring problems in the state system, the premier was visibly moved, ministers said. Papandreou also defended his proposal to put the EU's debt deal for Greece to a referendum – a move that caused an international outcry and roiled global markets. The referendum is a vital tool "despite all the criticism," the prime minister was quoted as saying.

Thessaloniki recycling takes off

The amount of trash ending up in Thessaloniki's rubbish dumps has dropped by about 600 tons thanks to a new recycling campaign in the northern port city, local officials said yesterday.

Thessaloniki Mayor Yiannis Boutaris and the deputy mayor in charge of sanitation, Thanasis Pappas, said that the reduction in the amount of trash that has to be processed is the equivalent of two days' collections by municipal trucks.

Boutaris said that the aim is to reduce the amount of garbage being sent to Thessaloniki dumps each month by 10 percent. The scheme, which began at the start of the year, is currently leading to a 4 percent reduction every month.

Since the beginning of the year, almost 4,200 tons of paper, glass and aluminum have been recycled. Only five trucks collect recyclable materials but the municipality plans to add another four vehicles to help increase the number of collections.

Also, municipal workers yesterday began distributing another 650 blue recycling bins around the city as part of an effort to increase the total number to some 2,000.

Boutaris said that the recycling program was a huge "bonus" for the city. "It is one of the areas the municipality is focusing on as it reduces the volume of trash [that goes to dumps] and brings in revenues [from recycling]," he told journalists.

Local authorities are planning to begin an awareness campaign in the next few days at 300 schools as well as local businesses and stores. Boutaris suggested that the municipality is examining ways to make businesses that do not recycle pay extra for their trash collection. There are also plans to arrange special recycling programs for stores in the city center. Among the materials that will be collected are paper and cooking oil.

Boutaris said that his officials were cooperating with those from the municipality of Nice in France to generate ideas about how to process waste. This includes plans for the construction of waste management centers that would generate energy.

EDITORIAL

Time for presidential initiative

The time has finally come for Greek President Karolos Papoulias to take matters into his own hands.

While, on the one hand, the country has been vilified on a global scale in the last few days, the Greek people, on the other, have been observing their political leaders play with their fate.

There are no institutional excuses for the president not to take the initiative.

Papoulias could start by addressing the nation and explaining the imperative need for immediate national understanding.

Also, like last Sunday, he could invite George Papandreou and Antonis Samaras to a joint meeting whose sole purpose would be to reach an agreement with regard to the new prime minister, as well as the composition and the aims of a national unity government.

In their distress, the people of this country are now turning to the last institution which has been left standing, that of the head of state.

Papoulias has to rise to this absolutely crucial, historical occasion.

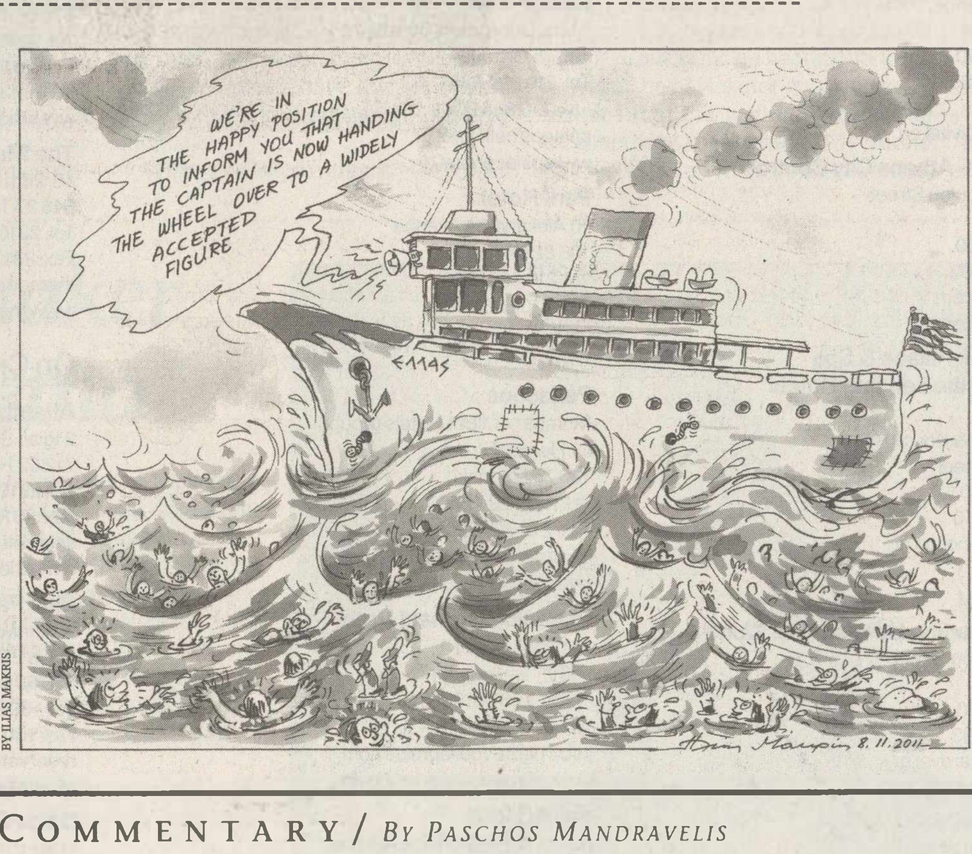
Abuse of OAED benefit system

People with up to 15 million euros in deposits have been claiming unemployment benefits from the OAED manpower organization, according to data collected by the Finance Ministry's IT department, Kathimerini has reported.

The data has been sent to Parliament and the country's chief financial prosecutor, Grigoris Peponis.

Meanwhile, an inspection by Greece's largest social security fund, IKA, has found that about 7 percent of the benefits are being claimed by people who are ineligible for assistance or have submitted counterfeit documents, the report said.

A senior OAED official who asked not to be named told Kathimerini that the granting of benefits is not tied to income criteria. Rather, people who have gathered a specific number of social security credits and have lost their jobs are entitled to the money. "The unemployment benefit does not target those who really need it," the official said. About 700,000 jobless are currently listed with OAED of whom only 200,000 receive financial aid.



BY ILIAS MAKRIS

WEATHER

Athens		10°/21°
Thessaloniki		9°/17°

RADIOTAXI

ATHENS **Athina 1** 210.921.7942 **Asteras** 210.614.4000 **Cosmos** (for all areas) 1300, (for the city center) 210.522.2218, (for the suburbs) 210.520.0020 **Enotita** 210.645.9000 **Hellas** (for northern suburbs) 210.801.4000/4 (for southern suburbs) 210.996.1420 (for downtown Athens & Piraeus) 210.645.7000 **Express** 210.993.4812 **Glyfada** 210.960.5603/5 **Icarus** 210.515.2800 **Kifissia** 210.6233.100 **Parthenon** 210.5223.300 **Protoporia** 210.222.1623. **PIRAEUS** **Hermes** 210.411.5200 **Piraeus 1** 210.418.2335. **THESSALONIKI** **Euro Taxi** 2310.866.866 **Macedonia** 2310.517.417 **White Tower** 2310.246.104

Police **100**
Ambulance **166**
Fire dpt **199**
Coast Guard **108**
Road Assist. **10400**
SOS Doctors **1016**
Directory **11888**

Η ΚΑΘΗΜΕΡΙΝΗ

Ethnarhou Makariou & 2 Falireos, Athens
185-47 Greece Tel: 210.4808000, Fax: 210.4808460

KATHIMERINI
English Edition

PUBLISHED BY I.H.T.-KATHIMERINI S.A.

Editor Nikos Konstandaras
Deputy Editor Nick Malkoutzis

E-mail: editor@ekathimerini.com

COMMENTARY / *By* PASCHOS MANDRAVELIS

Left to their own devices

The statement by the leader of the ultranationalist LAOS party outside the Presidential Palace on Monday was typical of Giorgos Karatzaferis. Among other demands (no fresh wage and pension cuts, no surrender of national sovereignty, and no squandering of public assets) he urged New Democracy leader Antonis Samaras to request the abolition of legislation on migrants' citizenship.

Sure, the law is like a red flag for Greece's conservatives and it is bound to resurface in public debate. When George Papandreou and Samaras came close to striking a unity coalition in June, the latter set it as a condition – and Karatzaferis is bringing the issue back now.

Of course, the LAOS chief is too smart to set it as a condition. Rather, he chose to expose Samaras, first in the eyes of conservative voters (a reservoir for both parties); and, secondly, in the eyes of everyone else, by reminding people of Samaras's misguided terms in June.

In any case, the issue is on the agenda and pressure to change the law will intensify. And though it may be true that Karatzaferis has scored points against Samaras, the damage is more serious for parties on the left. Whether Greece's leftist parties like it or not, a great deal is at stake at the moment. It's more than petty political bargaining ahead of the coming elections. Even if this were the intention of the two mainstream parties, political and ideological issues will emerge – possibly as pretexts in bargaining.

By saying no to everything, the left declares itself absent at a very crucial moment. Communist Party leader Aleka Papariga and SYRIZA chief Alexis Tsipras went as far as to boycott the meeting of political leaders which will decide the future of the country. Even if the future is a gloomy one in the eyes of the left, shouldn't our "progressive" party leaders use this event as a step from which to advertise their own, brighter future?

Thankfully, Samaras did not set a change in the migration law as a condition. But this did not happen because of left-wing opposition. It just happened that way. We don't know what would happen if the issue were on the table. Perhaps a desperate PASOK would have given in.

The left's all-or-nothing policy has historically left it with nothing. Worse, the left is pushing itself out of the institutions and onto the fringe. It gives the impression that all it can do is make noise. It's a shame. The country needs the left. The fertile left, not the spasmodic nihilists.

KATHIMERINI BUSINESS & FINANCE
WEDNESDAY, NOVEMBER 9, 2011
ATHENS STOCK EXCHANGE 2.44% GENERAL INDEX 779.63
EURO - DOLLAR 1.3828

Deposits shrink on Greek fears

Banks resorted to BoG scheme in September as customers withdrew over 5 billion euros in just one month

By Yiannis Papadoyiannis
Kathimerini

Deposits at Greek banks shrank in September on fears over the non-implementation of the July 21 eurozone summit agreement and increasing worries about the consequences of the fiscal crisis.

Bank of Greece data released yesterday showed that deposits in September declined by 5.46 billion euros from the month before.

At the end of September deposits amounted to 183.2 billion euros, against 188.66 billion at the end of August.

Tightening liquidity conditions have resulted in banks resorting to the emergency liquidity assistance (ELA) process, whereby the Bank of Greece secures cash flow to commercial lenders.

Central bank figures showed that the level of cash banks withdrew through the ELA process in September rose to over 20 billion euros, taking the total ELA disbursement to 26.56 billion at the end of September from 6.42 billion at the end of August. Sources suggest that all major commercial banks and a few smaller ones have boosted their liquidity levels with the scheme.

Bank officials told Kathimerini that the deposit outflow continued relentlessly in October, too, and intensified further in the last couple of weeks owing to the political instability created by Prime Minister George Papandreou's referendum announcement and the open threats by European officials regarding the country's prospects in the eurozone.

What is encouraging right now is that those pressures have eased with the announcement of the creation of a coalition government. The outflow continued on Monday and yesterday, Kathimerini understands, but at a slower pace than last week. Banks are hoping that if the transitional government is formed without any further problems, the situation could revert to normal and deposit figures will stabilize.

Sources are even eyeing a rebound in deposits if the political situation improves and worries about the country's place in the eurozone are put to rest. They note that in August, during the aftermath of the July 21 agreement, there was a 1.45-billion-euro increase in deposits on expectations created for a solution to Greece's fiscal problems.

OPAP pays VLT cash

***OPAP paid** some 474 million euros to the Greek state on Monday for the contract of licensing 35,000 video lottery terminals (VLTs), just a few days after the corporation's general meeting. The state gaming company has signed the agreement for the slot machines with the state's privatization fund and the disbursement of the aforementioned amount offered a much-needed boost to the fund that until last week had only cashed in the 10 percent stake of OTE telecom sold to Deutsche Telekom during the summer. OPAP is also set to pay another 375 million euros soon for the extension of the company's domestic monopoly for another 10 years.*

New government expectations provide boost to local stocks

The Greek stock market continued to rise yesterday on expectations of a swift end to the uncertainty of who will be next to govern the country.

The Athens Exchange (ATHEX) general index ended at 779.63 points, adding 2.44 percent to Monday's closing figure of 761.04 points. The blue chip FTSE/ATHEX 20 index grew 3.51 percent to close at 308.25.

Banks outperformed, with most recording significant gains. Hellenic Postbank led the way (up 13.41 percent), ahead of Eurobank EFG (12.16 percent), Alpha Bank (11.93 percent) and National Bank (11.86 percent). Marfin Popular Bank lost 3.06 percent.

In total, 104 stocks went up, 51 went down and 21 remained unchanged.

Turnover amounted to 69 million euros, up from Monday's 47.6 million.

Citizens uncertain and insecure

Public opinion appears reserved about the October 27 agreement for a 50 percent haircut to Greece's debt to the private sector, with many believing that the measures to stem from the new loan contract will lead to a deeper recession, according to a survey by Alco.

Most people are worried partly due to the fear of the unknown, three in every five citizens say they know nothing about the agreement, while nobody knows exactly what is in the new deal as it has not been signed yet.

The "Economic Barometer" survey, conducted for the Athens Chamber of Commerce and Industry (EBEA), showed that 53 percent of citizens argue that the October 27 deal will lead the country into a deeper recession, with only 18 percent expecting a rebound.

As for the labor market, the poll noted an unprecedented level of uncertainty, as 64 percent of respondents voiced fears of losing their job in 2012.

"Society has now experienced the negative consequences of the implementation of the austerity measures of the last few months," commented EBEA president Constantinos Michalos.

Some 53,000 stores facing specter of closing down

By Nikos Roussanoglou
Kathimerini

Focus

Traditional commercial stores and small and medium-sized enterprises in general are in dire straits as a result of the considerable drop in consumption and the constant increase in popularity that malls are enjoying.

A European Commission survey recently presented by the National Confederation of Greek Commerce (ESEE) showed that the number of small and medium-sized enterprises (SMEs) in Greece shrank by 30,000 between 2003 and 2010.

ESEE's own data showed that 68,000 SMEs were driven out of the market from 2010 to 2011, while another 53,000 are likely to close down soon. Some 67,000 jobs were lost in the sector in the first nine months of the year alone.

Shop owners are predictably downbeat as more and more stores shut down in every neighborhood in the capital due to the fact that they are unable to service their debts, pay their taxes and withstand the drop in consumption, even though in many cases rental rates have declined significantly in the last two years.

Property market experts note that in certain cases rents have gone down by as much as 50 percent. On average the decline over the last couple of years has come to 25-30 percent compared with rental rates before the crisis. This year alone the level of rents has gone down by 10-20 percent, according to Danos/BNP Paribas.

***About 68,000 stores** in Greece have shut down since the start of the financial crisis.*

Nevertheless the number of empty stores is growing by the day. ESEE data suggest that empty properties on Ermou Street and in Kolonaki, a traditionally upmarket district in central Athens, come to about 15-20 percent of the total. In the broader area of the capital's historic center, empty stores now exceed 25 percent of the total, while if one also includes arcades and stores on the first floors of buildings, the empty ones amount to 50 percent of all shops.

The most recent figures compiled by the Association of Thessaloniki Tradesmen, concerning September 2011, show that 21 percent of stores in the center of the northern port city had shut down. Obviously the situation is putting extra pressure on rental rates, especially when one considers that the existing crisis and the drop in consumption is unlikely to be reversed in the next couple of years. All the signs point to a rebound coming much later.

On the other hand, shopping centers are weathering the crisis well. The Mall Athens showed a 2 percent increase in visitors and a 1 percent increase in turnover in the July-August period compared to the same period in 2010. The newest shopping center, Golden Hall, showed 5 percent growth in turnover and a 6 percent rise in visitors during the same period.

What's more, the most recent entry into the mall market, Smart Park, opened on October 20 at Yialou near Spata, next to the McArthurGlen discount village. On its first Saturday of operation, Smart Park attracted no fewer than 15,000 visitors.

What's On

MUSIC

Maria Farantouri & Charles Lloyd
\> Athens
\> November 9
Veteran Greek singer Maria Farantouri and master saxophone player Charles Lloyd join forces at the Athens Concert Hall on Wednesday, November 9. They will be accompanied by three young American musicians, Jason Moran, Reuben R. Rogers and Eric Harland, and two local musicians, pianist Takis Farazis and Socrates Sinopoulos on the Byzantine lyra. On the program are works by Lloyd, Mikis Theodorakis, Eleni Karaindrou and Nikos Kypourgos, among others. Starts at 8.30 p.m.
Athens Concert Hall,
1 Kokkali & Vas. Sofias,
tel 210.728.2333

EDUCATION

Art Classes for Adults
\> Athens
\> November 12 - December 3
On the occasion of an exhibition of works by American artist Sol LeWitt, the Herakleidon Museum is organizing a series of art classes for adults. The classes, which will take place on November 12, 19, 26 and December 3, will focus on the exploration of LeWitt's creative world, ranging from his use of color to gouache, inks and oil pastels. For more information, contact Eleni Nomikou, Mondays to Fridays from 9 a.m. to 1 p.m. at 210.346.1981 (ext 201). The price is 20 euros.
Herakleidon,
16 Irakleidon, Thiseio,
tel 210.346.1981

EXHIBITIONS

Alex Hubbard
\> Athens
\> To November 12
The Eleni Koroneou Gallery is hosting a solo exhibition of works by Alex Hubbard. In "The Basement of Alamo," the New York-based artist presents a series of works produced in 2011, combining performance, painting and video. The show runs to Saturday, November 12, and opening hours are Tuesdays to Fridays from noon to 8 p.m. and Saturdays from noon to 4 p.m.
Eleni Koroneou Gallery,
30 Dimofontos & 7 Thorikion,
tel 210.341.1748

Thodoros
\> Athens
\> To December 4
The Benaki Museum's Pireos Street annex presents a tribute to the Greek sculptor Thodoros. The exhibition includes an installation of an emblematic new work which is located in the museum's atrium, made specifically for this space. The piece, "Tomb Tribute," is strung up on a high wire. The exhibition is on view until December 4. Opening hours are Wednesdays, Thursdays and Sundays from 10 a.m. to 6 p.m., and Fridays and Saturdays from 10 a.m. to 10 p.m. For more information, go to www.benaki.gr.
Benaki Museum,
138 Pireos & Andronikou, Gazi,
tel 210.345.3111-3

PERFORMANCE

Ennio Marchetto
\> Athens
\> November 11-13
The Athens Concert Hall is hosting "The Cartoon that Comes to Life," a performance by Ennio Marchetto for children and adults. In the show the artist uses costumes, masks and wigs to turn into the Queen of England, Freddy Mercury, the Pope, Fidel Castro, Elvis Presley and even Marilyn Monroe. Performances take place on Friday, November 11, at 9 p.m., on Saturday, November 12, at 6 p.m. and 9 p.m. and on Sunday, November 13, at 6 p.m. For more information, visit www.megaron.gr.
Athens Concert Hall,
1 Kokkali & Vas. Sofias,
tel 210.728.2333

OPERA

Siegfried
\> Athens
\> November 10
In collaboration with the Antenna Group, the Athens Concert Hall is showing a series of opera productions from the Metropolitan Opera's MET Live series. Richard Wagner's "Siegfried" is up next on Thursday, November 10. The cast includes Deborah Voigt, Patricia Bardon, Jay Hunter Morris and Gerhard Siegel. The screening will take place at 6 p.m. General admission is 25 euros. For more information, go to www.megaron.gr.
Athens Concert Hall,
1 Kokkali & Vas. Sofias,
tel 210.728.2333

In Brief

Coca-Cola HBC's Q3 profits decline 28 pct

Coca-Cola Hellenic Bottling Co SA, the world's second-biggest bottler of Coke drinks, said yesterday third-quarter profit fell 28 percent on higher commodity prices and declining sales volume. Net income in the three months to September 30 was 148.2 million euros, down from 207 million euros a year earlier, the Athens-based company said in a statement on its website. Excluding the cost of reorganization measures being carried out now, profit was 155.6 million euros, compared with 216.6 million euros, Coca-Cola Hellenic Bottling said. The company predicted savings of about 42 million euros from those measures this year and said planned restructuring should save 46 million euros a year from 2012. Input costs rose by low double digits in the third quarter and the fourth is likely to see a similar increase, CEO Dimitris Lois said in a phone interview. The rise reflected higher costs of sugar, juice concentrate and PET resin used to make plastic and "for 2012, we see input costs rising by a high single digit, mainly driven by an increase in European Union sugar and juice prices," Lois said. While cases of drinks sold fell 5 percent to 581.7 million in the third quarter, as austerity measures in countries such as Italy and Greece hit consumer spending, sales revenue per case grew by 1 percent, or 4 percent when unfavorable currency fluctuations against the euro in some countries were stripped out. That was "absolutely in line" with the aim of increasing revenue faster than volume, Lois said. "We expect a material improvement in net sales revenue per case of drinks in the fourth quarter on a currency-neutral basis," he said. In the third quarter, the company increased its market share of sparkling drinks in 23 of the 28 countries where it operates. (Bloomberg)

Nicosia plans more fiscal measures

Cyprus's government will approve additional fiscal consolidation measures this week in response to recent credit rating cuts, Finance Minister Kikis Kazamias said, without specifying their value. "This should occupy the government seriously," he said yesterday in an interview with state radio CyBC. "We may have no means to solve the negative systemic impact on the Cypriot economy from the banking system, but as far as public finances are concerned, this will have to preoccupy us." Moody's Investors Service lowered the east Mediterranean island's sovereign credit rating two levels to Baa3, the lowest investment grade, last Friday. That followed Standard and Poor's October 27 cut to BBB from BBB+ on expectations Cyprus will be forced to support its ailing banks. Moody's decision was "excessively strict and unjustified" even as the evaluation was "objective," Kazamias said. The Cypriot financial system was hit worse than that of any other country, relative to its size, after the October 26 bailout package to slash by half the value of Greek debt held by banks, he said. "In general, the situation in the euro area is very difficult," Kazamias said. "While countries with an AAA rating are concerned, it would be irresponsible for anyone else, including Cyprus, not to be concerned about the state of our economy." (Bloomberg)

T-bills. Greece sold 1.3 billion euros of 26-week treasury bills yesterday with a uniform yield of 4.89 percent, according to the Athens-based Public Debt Management Agency. Investors bid for 2.91 times the securities offered, the agency said. (Bloomberg)

E-commerce. Saving time and money are the two main advantages of electronic purchases for Greek consumers, the 10th Mastercard Barometer survey, conducted by Mastercard and Focus Bari from June to September, has found. Credit cards are the main method of payment for shopping on the Internet. Among the main advantages of online buying, the survey shows that Greek consumers consider prices and offers better (66 percent) than in stores as well as the fact that it saves time (20 percent). Another advantage is the wide variety in products available (9 percent), unlike at traditional stores.