

# WF NewsLetter



## SUMMARY

- Eurotunnel
- Drop in World's Cap
- They go clean!
- TATA Nano

**Tee off against poverty**  
PlaNet Finance had a very special guest player this year, Manuel de los Santos. Walnut Finance participated and had the grace to let the guest player win.

## End of the Tunnel?

For the first time in its history, the Eurotunnel company is going to pay a dividend to its shareholders. That, in itself, is an event. Since its start in 1986, Eurotunnel has been a loss-making machine. Why? Because initially Mrs. Thatcher was not too keen on telling the English people that linking to the French would cost a small fortune. It was agreed to underestimate the cost to a politically

correct level. Of course, construction costs overshoot the budget and the debts started to mount



Technically, and commercially, the project was on track, and this is what upset most the early

investors, 80% of which were French. Today, after a final readjustment of the debt, Eurotunnel is finally viable. In 2007 the company announced its first ever profit: € 1 million! Now it is giving its first dividend. Let us hope for the company, its shareholders, and users that the current crisis will not weigh down on this late start. The tunnel is now being used by 15 million people every year.

## 2008 Drop in World's Cap equals 50% of World's GDP

It's difficult for the average citizen/investor to assess the size of the global collapse. Big drop, huge losses, Madoff, UBS, Stanford, there are plenty of words to describe the crisis, but how do we evaluate it? You can look at it different ways: (1) your own portfolio, if it is down by about 30%-40%, you are in line, less, you are a winner, more... bad luck; (2) the drop in number and size of billionaires, especially the "new riches", only one Russian and one Indian left... and Bill (Gates) is back on top; (3) this number that was mentioned by an eminent economist: the world's capitalization has dropped by the equivalent of 50% of the global GDP. This is a big percentage!



**Planet heating: The world in 2009 will be smaller than it was in 2008. So might be most portfolios and companies assets.**

We assume that by world's capitalization the author means the sum of all the companies book values. We have seen large companies' values such as Citibank's or AIG's (but there are plenty of European ones or even Emaar in the UAE that have followed the same path) dropping by close to 90%, therefore it may not come as a surprise that the world's average would be close to 50%. Maybe a good for a bad. Most valuations were **over inflated**, every analyst or broker knew it, every investor feared it. It took the severe beating we are in to finally confirm the reality. Now there is a new consensus that current valuations are a bit too low and we should soon see buyers testing the markets.

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### QUOTE OF THE MONTH

"An eye for an eye ends up making the world blind"  
MAHATMA GANDHI

### NUMBERS THAT STRIKE

- **\$23,000,000** is the compensation money earned by Rick Wagoner for leading GM to its bankruptcy
- **-1.70%** should be the percentage of the world's economy contraction in 2009, a postwar first
- **\$2,200** will give you one Tata Nano
- **+140%** this is the one-month return for AIG shares in March 2009
- **5,470,000** jobless in the USA, a 17-year high

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Indicator	Last	Year-to-date	1-Year	5-Year
Dow Jones	7,608.92	-15.78%	-39.66%	-27.13%
NASDAQ	1,528.59	-6.35%	-35.30%	-25.54%
CAC 40	2,807.34	-16.45%	-40.17%	-22.75%
FTS 100	3,926.14	-13.88%	-33.46%	-12.52%
Nikkei 225	8,109.53	-12.49%	-37.36%	-31.42%
\$/€	1.3243	+5.10%	+15.46%	-11.85%



Finally



**Bill Gates** is back on top, and that's reassuring, real business, real money



**Richard Branson** invests in Formula 1 on March 28, wins his first race on March 29!



**Rick Wagoner** has been ousted after a life career at GM where he ended as CEO

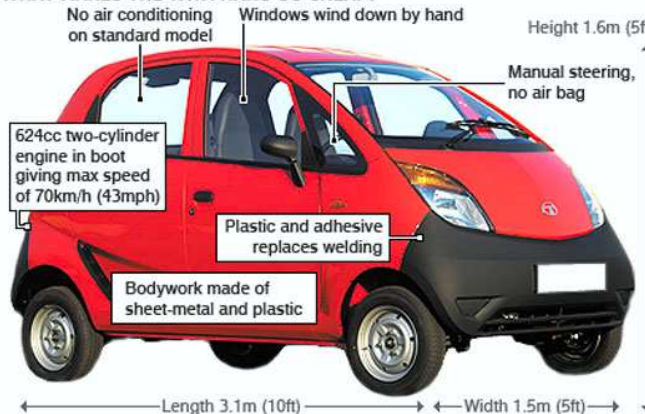
## Trouble in Secrecyland

Kingdoms, Principalities, Bailiwicks and other (Grand) Duchies are starting to feel the cold air blowing in their necks. The crisis has had this effect to focus workers and "small people" anger at so-called tax heavens. Now we hear that large European companies such as Michelin, Total or adidas have been -or still are- using tax heavens. Most of them deny. All of them are lying of course since it is well known that large companies use tax heavens as a tax optimization tool. Tax optimization there, tax evasion here. The tax heavens have been threatened by the other countries that are losing tax revenues to them, and now following the USA-UBS example, they threaten them in turn. Let us see what will come out, it might be an interesting year!



## TA TA Nano

### WHAT MAKES THE TATA NANO SO CHEAP?



That's it, it is finally hitting the markets. The no frill Indian car is now on sale for a mere **\$2,200!** It doesn't look so bad, it is simple and (hopefully) efficient. The boot doesn't open (you need to fold the rear seats to access it) and it has only 3 bolts to hold its wheels! In short, this is a well-timed **crisis car**. Some are already comparing it to the Ford T. Let us wait and see. We are now awaiting for a crisis mobile phone, a crisis computer, and maybe crisis companies...