

## Vocabulary practice

### EXTRACT 1

PROFITABLE	NET	STOCK	INCOME	VALUE
FALL	RIVALS	SALES	EARNINGS	BENEFIT

#### Microsoft sees shares tumble 11%

Software giant Microsoft saw 11% wiped off its 1. \_\_\_\_\_ on Friday after investors showed disappointment with third quarter 2. \_\_\_\_\_ announced on Thursday.

The firm said 3. \_\_\_\_\_ profits in the first three months of 2006 were \$3bn (£1.7bn), a 16% rise on the same period a year ago, but below expectations. Microsoft shares dropped by \$3.10 to \$24.16 - their biggest 4. \_\_\_\_\_ in five years. That wiped \$30bn off the 5. \_\_\_\_\_ market value of the company in a single day.

#### Money for shareholders

News that the company planned to spend more money taking on 6. \_\_\_\_\_ like Google and Yahoo also contributed to the share fall. "This is still a company that is extremely 7. \_\_\_\_\_," said Charles Di Bona, an analyst at Sanford C. Bernstein. "What people are worried about is whether that ever flows through to the 8. \_\_\_\_\_ of shareholders, or does the company spend that money." More than 50% of Microsoft's 9. \_\_\_\_\_ comes from its Windows operating system and its Office business software suite. But Vista - the first major update since Windows XP was introduced five years ago - will not be launched until 2007, instead of the second half of 2006 as planned. Until then, Microsoft will be relying on 10. \_\_\_\_\_ from its Xbox games console and SQL database software to help bolster revenues. The company is currently valued at \$250bn (£137bn).

### EXTRACT 1 KEY

#### Microsoft sees shares tumble 11%

Software giant Microsoft saw 11% wiped off its 1. value on Friday after investors showed disappointment with third quarter 2. earnings announced on Thursday.

The firm said 3. net profits in the first three months of 2006 were \$3bn (£1.7bn), a 16% rise on the same period a year ago, but below expectations. Microsoft shares dropped by \$3.10 to \$24.16 - their biggest 4. fall in five years. That wiped \$30bn off the 5. stock market value of the company in a single day.

#### Money for shareholders

News that the company planned to spend more money taking on 6. rivals like Google and Yahoo also contributed to the share fall. "This is still a company that is extremely 7. profitable," said Charles Di Bona, an analyst at Sanford C. Bernstein. "What people are worried about is whether that ever flows through...to the 8. benefit of shareholders, or does the company spend that money." More than 50% of Microsoft's 9. income comes from its Windows operating system and its Office business software suite. But Vista - the first major update since Windows XP was introduced five years ago - will not be launched

until 2007, instead of the second half of 2006 as planned. Until then, Microsoft will be relying on **10. sales** from its Xbox games console and SQL database software to help bolster revenues. The company is currently valued at \$250bn (£137bn).

## EXTRACT 2

INTEREST PERISHABLE	PRICE STEADY	BOOST RAISE	RECOVERY RISE	CONFIDENCE DEFLATION
------------------------	-----------------	----------------	------------------	-------------------------

### Japan boosted by consumer data

*Japan is showing signs of economic 1. \_\_\_\_\_ that could pave the way for a an interest rate hike in coming months.*

Japan's consumer 2. \_\_\_\_\_ index (CPI) hit eight year peaks, with previewed figures for April continuing the trend. Meanwhile, the economy got a further 3. \_\_\_\_\_ from news its jobless rate held at 4.1% - its lowest in eight years. The news came as the central bank held interest rates at zero, as expected, but experts predict it could soon raise rates after seven years of 4. \_\_\_\_\_. CPI data for March - which excludes 5. \_\_\_\_\_ foods - continued the rise seen in January and February, with the index increasing by 0.5% from a year earlier.

"The numbers show that a rising trend in the CPI is continuing and...the Bank of Japan could 6. \_\_\_\_\_ interest rates at any time from July onwards," said Mamoru Yamazaki, senior economist at HSBC securities. Though the 0.5% 7. \_\_\_\_\_ was not dramatic, it was the fifth month in a row that CPI increased. The 8. \_\_\_\_\_ rise could be viewed as a signal that the world's second largest economy could break its current 9. \_\_\_\_\_ rate explained the BBC's Rico Hizon in Singapore. In April the CPI revealed a hike in the core inflation rate of 0.3% from 0.2% in the previous two months. "This could give 10. \_\_\_\_\_ to the Bank of Japan" said Seiji Adachi, senior economist at Deutsche Securities.

## KEY EXTRACT 2

### Japan boosted by consumer data

*Japan is showing signs of economic 1. recovery that could pave the way for a an interest rate hike in coming months.*

Japan's consumer 2. price index (CPI) hit eight year peaks, with previewed figures for April continuing the trend. Meanwhile, the economy got a further 3. boost from news its jobless rate held at 4.1% - its lowest in eight years. The news came as the central bank held interest rates at zero, as expected, but experts predict it could soon raise rates after seven years of 4. deflation. CPI data for March - which excludes 5. perishable foods - continued the rise seen in January and February, with the index increasing by 0.5% from a year earlier.

"The numbers show that a rising trend in the CPI is continuing and...the Bank of Japan could 6. raise interest rates at any time from July onwards," said Mamoru Yamazaki, senior economist at HSBC securities. Though the 0.5% 7. rise was not dramatic, it was the fifth month in a row that CPI increased. The 8. steady rise could be viewed as a signal that the world's second largest economy could break its current 9. interest rate explained the BBC's Rico Hizon in Singapore. In April the CPI revealed a hike in the core inflation rate of 0.3% from 0.2% in the previous two months. "This could give 10. confidence to the Bank of Japan" said Seiji Adachi, senior economist at Deutsche Securities.

## EXTRACT 3

HEALTHY FRAUD	BALANCE GROWTH	SHRANK LINE	FREE AVAILABLE	RETAIL EXPORTS
------------------	-------------------	----------------	-------------------	-------------------

### UK trade deficit narrows sharply

*The UK's trade gap narrowed sharply in March after goods exports outstripped goods imports, according to the Office for National Statistics (ONS).*

The goods trade deficit 1. \_\_\_\_\_ to £5.45bn from £7.04bn in February, excluding exceptional items. "An improvement in the 2. \_\_\_\_\_ of trade with non-EU countries" was a major cause, said BNP Paribas' Alan Clarke. The deficit with non-EU countries was lower than expected, having fallen to £2.60bn from £3.29bn in February. While the goods deficit increased in January and February, March's figure is more in 3. \_\_\_\_\_ with figures seen for the first half of 2005. "Better news on the export side. Imports are softer, perhaps reflecting a bit of weakness in the 4. \_\_\_\_\_ sector," summed up HBOS Treasury Services economist Mark Miller. "It should augur pretty well for first quarter [economic] 5. \_\_\_\_\_."

But UK trade growth is not as 6. \_\_\_\_\_ as it might first appear since February's figures were upped to include newly 7. \_\_\_\_\_ oil trade figures and 'missing trader fraud', observed some analysts. Missing trader fraud entails UK firms importing VAT 8. \_\_\_\_\_ items and then reselling them in the UK with VAT added, while not paying VAT to HM Revenue & Customs. "On the face of it, trade is growing very strongly, with 9. \_\_\_\_\_ and imports both rising by around 8% during the first quarter of the year," explained Deutsche Bank's George Buckley. "However, some of this is the result of missing trader VAT10. \_\_\_\_\_. "Stripping this effect out, imports and exports are up by 4.7% and 6% quarter on quarter."

### KEY VESION 3

#### UK trade deficit narrows sharply

*The UK's trade gap narrowed sharply in March after goods exports outstripped goods imports, according to the Office for National Statistics (ONS).*

The goods trade deficit 1. **shrank** to £5.45bn from £7.04bn in February, excluding exceptional items. "An improvement in the 2. **balance** of trade with non-EU countries" was a major cause, said BNP Paribas' Alan Clarke. The deficit with non-EU countries was lower than expected, having fallen to £2.60bn from £3.29bn in February. While the goods deficit increased in January and February, March's figure is more in 3. **line** with figures seen for the first half of 2005. "Better news on the export side. Imports are softer, perhaps reflecting a bit of weakness in the 4. **retail** sector," summed up HBOS Treasury Services economist Mark Miller. "It should augur pretty well for first quarter [economic] 5. **growth**."

But UK trade growth is not as 6. **healthy** as it might first appear since February's figures were upped to include newly 7. **available** oil trade figures and 'missing trader fraud', observed some analysts. Missing trader fraud entails UK firms importing VAT8. **free** items and then reselling them in the UK with VAT added, while not paying VAT to HM Revenue & Customs. "On the face of it, trade is growing very strongly, with 9. **exports** and imports both rising by around 8% during the first quarter of the year," explained Deutsche Bank's George Buckley. "However, some of this is the result of missing trader VAT10 **.fraud**. "Stripping this effect out, imports and exports are up by 4.7% and 6% quarter on quarter."

### EXTRACT 4

trade	total	inflation	hit	slow
reserves	maintain	soaring appreciate		measures

#### Chinese growth to remain strong

*The World Bank has upgraded its 2006 economic growth forecast for China to 9.5%, as it said more measures were needed to cool the economy.*

It said it had upgraded its forecast from 9.2% to 9.5%, after faster than expected growth at the start of 2006. China's economy grew by a surprising 10.2% in the first quarter, after 1. \_\_\_\_\_ growth of 9.9% for all of 2005. But a state think-tank has said gross domestic product (GDP) growth should 2. \_\_\_\_\_ to 9.8% in the second quarter.

The State Information Centre also said consumer prices would grow by about 1.5% in the quarter. It has recommended tightening the money supply to cool investment in a bid to halt 3. \_\_\_\_\_ property prices. This was echoed by the World Bank on Wednesday, which also called for 4. \_\_\_\_\_ to limit credit to risk sectors such as real estate. The bank also expects 5. \_\_\_\_\_ to stay under control, with consumer price growth slowing to 1.8% in 2007 from 2.0% this year. In March the nation's central bank said GDP growth would 6. \_\_\_\_\_ a high level.

The think-tank also called for a decrease in the growing foreign exchange **7.**, which have been built up by China's large trade surpluses and foreign direct investment. "The imbalance of international payments has created pressure for the yuan to **8.** \_\_\_\_\_," it said. "Heavy foreign trade surpluses and huge foreign exchange reserves have caused frequent **9.** \_\_\_\_\_ frictions." China's foreign exchange reserves reached a world record \$875.1bn (£469bn) at the end of March, and economists say they could **10.** \_\_\_\_\_ \$1 trillion by the end of the year.

#### KEY EXTRACT 4

##### Chinese growth to remain strong

*The World Bank has upgraded its 2006 economic growth forecast for China to 9.5%, as it said more measures were needed to cool the economy.*

It said it had upgraded its forecast from 9.2% to 9.5%, after faster than expected growth at the start of 2006. China's economy grew by a surprising 10.2% in the first quarter, after **1. total** growth of 9.9% for all of 2005. But a state think-tank has said gross domestic product (GDP) growth should **2. slow** to 9.8% in the second quarter.

The State Information Centre also said consumer prices would grow by about 1.5% in the quarter. It has recommended tightening the money supply to cool investment in a bid to halt **3. soaring** property prices. This was echoed by the World Bank on Wednesday, which also called for **4. measures** to limit credit to risk sectors such as real estate. The bank also expects **5. inflation** to stay under control, with consumer price growth slowing to 1.8% in 2007 from 2.0% this year. In March the nation's central bank said GDP growth would **6. maintain** a high level.

The think-tank also called for a decrease in the growing foreign exchange **7. reserves**, which have been built up by China's large trade surpluses and foreign direct investment. "The imbalance of international payments has created pressure for the yuan to **8. appreciate**," it said. "Heavy foreign trade surpluses and huge foreign exchange reserves have caused frequent **9. trade** frictions." China's foreign exchange reserves reached a world record \$875.1bn (£469bn) at the end of March, and economists say they could **10. hit** \$1 trillion by the end of the year.

#### EXTRACT 5

anticipated	sales	shares	advertising	stake
acquisition	revenue		net	growth
				dilute

##### Hit TV shows boost Disney profits

*Walt Disney has seen its second quarter profits rise 12%, with increased strength at its TV business offsetting a decline at its film arm.*

Disney made a **1.** \_\_\_\_\_ profit of \$733m (£393m) in the three months period to the end of March 2006, up from \$657m a year earlier. Quarterly **2.** \_\_\_\_\_ rose to \$8.03bn from the \$7.83bn seen 12 months previously, but this was below analyst predictions. TV shows Desperate Housewives and Lost boosted **3.** \_\_\_\_\_ and viewer figures. Profits at Disney's theme parks rose 17% in the quarter, but consumer product income fell by 8%. Disney's film studio profits fell 39% during the quarter compared to a year ago, on lower box office results and strong **4.** \_\_\_\_\_ of DVDs for films like The Incredibles. Last week, Disney completed its \$8.1bn **5.** \_\_\_\_\_ of animation studio Pixar, giving Apple Computer CEO Steve Jobs a 6.3% **6.** \_\_\_\_\_ in the firm and a boardroom seat.

Disney finance chief Tom Staggs said the all-stock purchase of Pixar would **7.** \_\_\_\_\_ its 2006 earnings by 10 cents a share. He also said Disney expected double-digit earnings **8.** \_\_\_\_\_ in the 2006 financial year compared with a year ago, even after the Pixar effect. Disney's **9.** \_\_\_\_\_ rose 1.4% in after-hours electronic trading in New York. "We are basically there," said David Miller, an analyst with Sanders Morris Harris. Later this year "the problems at the studio... will be a foggy memory," he said, because of the **10.** \_\_\_\_\_ successes of theatrical releases of Cars and Pirates of the Caribbean: Dead Man's Chest.

## KEY EXTRACT 5

### Hit TV shows boost Disney profits

*Walt Disney has seen its second quarter profits rise 12%, with increased strength at its TV business offsetting a decline at its film arm.*

Disney made a **1. net** profit of \$733m (£393m) in the three months period to the end of March 2006, up from \$657m a year earlier. Quarterly **2. revenue** rose to \$8.03bn from the \$7.83bn seen 12 months previously, but this was below analyst predictions. TV shows *Desperate Housewives* and *Lost* boosted **3. advertising** and viewer figures. Profits at Disney's theme parks rose 17% in the quarter, but consumer product income fell by 8%. Disney's film studio profits fell 39% during the quarter compared to a year ago, on lower box office results and strong **4. sales** of DVDs for films like *The Incredibles*. Last week, Disney completed its \$8.1bn **5. acquisition** of animation studio Pixar, giving Apple Computer CEO Steve Jobs a 6.3% **6. stake** in the firm and a boardroom seat.

Disney finance chief Tom Staggs said the all-stock purchase of Pixar would **7. dilute** its 2006 earnings by 10 cents a share. He also said Disney expected double-digit earnings **8. growth** in the 2006 financial year compared with a year ago, even after the Pixar effect. Disney's **9. shares** rose 1.4% in after-hours electronic trading in New York. "We are basically there," said David Miller, an analyst with Sanders Morris Harris. Later this year "the problems at the studio... will be a foggy memory," he said, because of the **10. anticipated** successes of theatrical releases of *Cars* and *Pirates of the Caribbean: Dead Man's Chest*.

## EXTRACT 6

hitting	weakening	leading	inflation	percentage
slid	outlook	falling	impact	_trade

### Weaker dollar hits world markets

*European stock markets fell sharply on Friday, as the weaker dollar and fresh inflation fears rattled investors.*

London's **1.** \_\_\_\_\_ FTSE 100 index dropped by more than 2%, closing below 6,000 points to its lowest level since March. European shares saw their biggest one-day **2.** \_\_\_\_\_ fall in almost two years, with the Frankfurt Dax and Paris Cac indexes closing down more than 2%. The depressed **3.** \_\_\_\_\_ across Europe was mirrored in the US, where the key Dow Jones index closed down more than 1%.

Losses in London were led by major mining stocks, including Anglo-American and Rio-Tinto, as the **4.** \_\_\_\_\_ dollar took its toll on UK-listed companies which **5.** \_\_\_\_\_ in dollars. Against the pound, the dollar was down more than 0.55% at \$0.52, while against the euro it was down 0.58% at \$0.77. "There are a lot of macro risks which could have a strong **6.** \_\_\_\_\_ on the markets," said Morgan Stanley strategist Teun Draaisma. "The weak dollar, added to **7.** \_\_\_\_\_ fears, could hit European exporters - in particular autos."

London's Footsie index closed down 129.90 points at 5,912.1, Germany's Dax index finished down 138.44 points at 5,916.3, while France's Cac index closed down 112.49 points at 5,150.5. In New York, the Dow Jones Industrial Average closed down 119.74 points at 11,381. The tide of **8.** \_\_\_\_\_ stock markets in Europe followed on from earlier losses in Asia and overnight losses on Wall Street on Thursday. Japan's Nikkei 225 index **9.** \_\_\_\_\_ to its lowest close in seven weeks after the yen rose to an eight-month high against the dollar, **10.** \_\_\_\_\_ major exporters such as car giant Toyota.

## KEY EXTRACT 6

### Weaker dollar hits world markets

*European stock markets fell sharply on Friday, as the weaker dollar and fresh inflation fears rattled investors.*

London's **1. leading** FTSE 100 index dropped by more than 2%, closing below 6,000 points to its lowest level since March. European shares saw their biggest one-day **2. percentage** fall in almost two years, with the Frankfurt Dax

and Paris Cac indexes closing down more than 2%. The depressed **3. outlook** across Europe was mirrored in the US, where the key Dow Jones index closed down more than 1%.

Losses in London were led by major mining stocks, including Anglo-American and Rio-Tinto, as the **4. weakening** dollar took its toll on UK-listed companies which **5. trade** in dollars. Against the pound, the dollar was down more than 0.55% at \$0.52, while against the euro it was down 0.58% at \$0.77. "There are a lot of macro risks which could have a strong **6. impact** on the markets," said Morgan Stanley strategist Teun Draaisma. "The weak dollar, added to **7. inflation** fears, could hit European exporters - in particular autos."

London's Footsie index closed down 129.90 points at 5,912.1, Germany's Dax index finished down 138.44 points at 5,916.3, while France's Cac index closed down 112.49 points at 5,150.5. In New York, the Dow Jones Industrial Average closed down 119.74 points at 11,381. The tide of **8. falling** stock markets in Europe followed on from earlier losses in Asia and overnight losses on Wall Street on Thursday. Japan's Nikkei 225 index **9. slid** to its lowest close in seven weeks after the yen rose to an eight-month high against the dollar, **10. hitting** major exporters such as car giant Toyota.

#### EXTRACT 7

sensitive	strength	grow	revalue	gap
boost	surplus	artificially	beat	fall

#### Surprise fall in US trade deficit

*Record exports to China helped produce a surprise fall in the US trade deficit for March - hitting \$62bn (£33bn), its lowest level in six months.*

The Commerce Department said the **1.** \_\_\_\_\_ narrowed 5.6% from February, its biggest decline in a year. Market watchers had expected the trade shortfall to **2.** \_\_\_\_\_ to about \$67bn as a result of higher oil imports. The politically **3.** \_\_\_\_\_ deficit with China grew to \$15.6bn, but US exports to the country hit a record \$5bn.

The figures came on the same day that China reported a slight fall in its trade **4.** \_\_\_\_\_, from \$11.2bn in March to \$10.6bn in April. US politicians and manufacturers have been putting pressure on the Chinese government to **5.** \_\_\_\_\_ its currency, the yuan, which they say is too weak against the dollar and makes Chinese exports **6.** \_\_\_\_\_ cheap. The total US trade deficit for the first three months of 2006 was \$196.2bn, leaving it set to **7.** \_\_\_\_\_ last year's record of \$724bn. But some analysts are predicting that stronger economies in Europe and Asia, and the recent **8.** \_\_\_\_\_ in the value of the dollar, could give US exports a **9.** \_\_\_\_\_ during the summer. "There has been a clear pick-up in exports and that reflects **10.** \_\_\_\_\_ in the global economy," said Jay Feldman, an economist at Credit Suisse Holdings.

#### KEY EXTRACT 7

#### Surprise fall in US trade deficit

*Record exports to China helped produce a surprise fall in the US trade deficit for March - hitting \$62bn (£33bn), its lowest level in six months.*

The Commerce Department said the **1. gap** narrowed 5.6% from February, its biggest decline in a year. Market watchers had expected the trade shortfall to **2. grow** to about \$67bn as a result of higher oil imports. The politically **3. sensitive** deficit with China grew to \$15.6bn, but US exports to the country hit a record \$5bn.

The figures came on the same day that China reported a slight fall in its trade **4. surplus**, from \$11.2bn in March to \$10.6bn in April. US politicians and manufacturers have been putting pressure on the Chinese government to **5. revalue** its currency, the yuan, which they say is too weak against the dollar and makes Chinese exports **6. artificially** cheap. The total US trade deficit for the first three months of 2006 was \$196.2bn, leaving it set to **7. beat** last year's record of \$724bn. But some analysts are predicting that stronger economies in Europe and Asia, and the recent **8. fall** in the value of the dollar, could give US exports a **9. boost** during the summer. "There has been a clear pick-up

in exports and that reflects **10. strength** in the global economy," said Jay Feldman, an economist at Credit Suisse Holdings.

#### EXTRACT 8

volatility	upturn	prompt concern	improvement	
environment	percentage	effect	investment	growth

#### Eurozone growth picking up pace

*Growth in the 12 nations sharing the single European currency has picked up in the first three months of this year.*

First-quarter growth was 0.6% up on the previous three months, EU statistics body Eurostat said, and was 2% higher than the same period in 2005. Analysts said that the figures pointed to a continuing recovery that could well **1.** \_\_\_\_\_ the European Central Bank (ECB) to raise interest rates in June. However, further **2.** \_\_\_\_\_ depended on increased consumer spending, they said.

"Consumer spending seems to have remained relatively muted overall, despite some reported **3.** \_\_\_\_\_ in Germany," said Howard Archer, chief European economist at research firm Global Insight. "Going forward it is vitally important that consumer spending increasingly kicks in if the Eurozone **4.** \_\_\_\_\_ is to be extended and broadened." Mr Archer said he expected the ECB to raise rates by a quarter of a **5.** \_\_\_\_\_ point in both June and August, taking its benchmark borrowing cost to 3%. Earlier this week, the European Commission raised growth forecasts for the eurozone to 2.1% this year from 1.9% in 2005, citing **6.** \_\_\_\_\_, a pick up in consumer demand in Germany and an improving global business **7.** \_\_\_\_\_.

It also said the economy of the European Union would expanded by 2.3% this year from 1.6% in 2005. However, the **8.** \_\_\_\_\_ of the figures was highlighted on Thursday when a report from Germany, the biggest economy in the eurozone, showed that growth in the first quarter was a less-than-forecast 0.4%. Analysts cited the **9.** \_\_\_\_\_ of high fuel, crude oil and energy prices as a main **10.** \_\_\_\_\_ and said that should the problems continue then estimates may well need to be scaled back.

#### KEY EXTRACT 8

#### Eurozone growth picking up pace

*Growth in the 12 nations sharing the single European currency has picked up in the first three months of this year.*

First-quarter growth was 0.6% up on the previous three months, EU statistics body Eurostat said, and was 2% higher than the same period in 2005. Analysts said that the figures pointed to a continuing recovery that could well **1.** **prompt** the European Central Bank (ECB) to raise interest rates in June. However, further **2.** **growth** depended on increased consumer spending, they said.

"Consumer spending seems to have remained relatively muted overall, despite some reported **3.** **improvement** in Germany," said Howard Archer, chief European economist at research firm Global Insight. "Going forward it is vitally important that consumer spending increasingly kicks in if the Eurozone **4.** **upturn** is to be extended and broadened." Mr Archer said he expected the ECB to raise rates by a quarter of a **5.** **percentage** point in both June and August, taking its benchmark borrowing cost to 3%. Earlier this week, the European Commission raised growth forecasts for the eurozone to 2.1% this year from 1.9% in 2005, citing **6.** **investment**, a pick up in consumer demand in Germany and an improving global business **7.** **environment**.

It also said the economy of the European Union would expanded by 2.3% this year from 1.6% in 2005. However, the **8.** **volatility** of the figures was highlighted on Thursday when a report from Germany, the biggest economy in the eurozone, showed that growth in the first quarter was a less-than-forecast 0.4%. Analysts cited the **9.** **effect** of high fuel, crude oil and energy prices as a main **10.** **concern** and said that should the problems continue then estimates may well need to be scaled back.

#### EXTRACT 9

decline	sales	measure	target	increases
reinforce	inflation	recovery	come	industries

### Output rises for UK manufacturing

*The UK's manufacturing sector has seen its most dramatic rise in output in almost a year.*

The results were boosted by 1. \_\_\_\_\_ in transport and electrical equipment, according to figures published by the Office for National Statistics (ONS). March saw manufacturing levels increase by 0.7%, significantly higher than February's figure of -0.1%. 2. \_\_\_\_\_ of electrical goods, such as televisions, have increased in the build-up to the World Cup.

The figures were well ahead of expectations, and represented the biggest month-on-month rise in manufacturing output since April 2005. "The growing evidence of significant 3. \_\_\_\_\_ in the manufacturing sector will 4. \_\_\_\_\_ expectations that the next move in interest rates is up," said Howard Archer, an economist at Global Insight. The broader 5. \_\_\_\_\_ of industrial production - which includes extractive 6. \_\_\_\_\_ such as mining, oil and gas, as well as power and water utilities was also up by 0.7%. But on a year-by-year basis, oil and gas extraction and mining output dropped significantly, each falling by 8.5%.

The ONS said this was due to a general trend of 7. \_\_\_\_\_ in both industries, as extraction became harder and fewer gas and oil fields were discovered. The ONS figures 8. \_\_\_\_\_ a day after The Bank of England issued its quarterly 9. \_\_\_\_\_ projections, indicating that the UK would reach its 2% inflation 10. \_\_\_\_\_, assuming interest rates were raised slightly. Many analysts are now saying any change to the interest rate is likely to be upwards, though when remains uncertain.

### KEY EXTRACT 9

#### Output rises for UK manufacturing

*The UK's manufacturing sector has seen its most dramatic rise in output in almost a year.*

The results were boosted by 1. **increases** in transport and electrical equipment, according to figures published by the Office for National Statistics (ONS). March saw manufacturing levels increase by 0.7%, significantly higher than February's figure of -0.1%. 2. **Sales** of electrical goods, such as televisions, have increased in the build-up to the World Cup.

The figures were well ahead of expectations, and represented the biggest month-on-month rise in manufacturing output since April 2005. "The growing evidence of significant 3. **recovery** in the manufacturing sector will 4. **reinforce** expectations that the next move in interest rates is up," said Howard Archer, an economist at Global Insight. The broader 5. **measure** of industrial production - which includes extractive 6. **industries** such as mining, oil and gas, as well as power and water utilities was also up by 0.7%. But on a year-by-year basis, oil and gas extraction and mining output dropped significantly, each falling by 8.5%.

The ONS said this was due to a general trend of 7. **decline** in both industries, as extraction became harder and fewer gas and oil fields were discovered. The ONS figures 8. **come** a day after The Bank of England issued its quarterly 9. **inflation** projections, indicating that the UK would reach its 2% inflation 10. **target**, assuming interest rates were raised slightly. Many analysts are now saying any change to the interest rate is likely to be upwards, though when remains uncertain.

### EXTRACT 10

funding	cash	breach	corporate	set
raise	parent	flotation	timetable	board



## Rosneft float 'could be delayed'

*Russian oil giant Rosneft may delay its long-awaited float on the London and Moscow stock markets, reports say.*

The move could raise about £5.5bn (\$10.4bn) for the state-owned firm. But the **1.** \_\_\_\_\_ - pencilled in for July - may now be delayed till the final three months of 2006, according to one of its directors. A delay beyond the end of September would **2.** \_\_\_\_\_ the terms of a \$7.5bn loan it holds, according to reports, meaning it would have to repay it. The loan was given to Rosneft's **3.** \_\_\_\_\_ company Rosneftegaz by a consortium of large Western banks last year, and was to be paid off after the flotation. A covenant attached to it states that other means of paying off the loan must be secured if the flotation is not completed by the end of the third quarter, Reuters says.

It is understood that Rosneft has lined up other **4.** \_\_\_\_\_ - largely from Japan. The suggestion that Rosneft may delay the float came from Kirill Anosov, who is Russia's deputy economy minister as well as being on the Rosneft **5.** \_\_\_\_\_. "It is true that the dates are being shifted, but we still believe the (float) can take place before the end of the year," he said. However sources close to Rosneft have told the BBC News website that the original **6.** \_\_\_\_\_ has not been changed, and that the company is still **7.** \_\_\_\_\_ to float in the summer, possibly June or July. The company had initially set out to **8.** \_\_\_\_\_ £10.9bn from investors but earlier this month it was reported that record oil prices had reduced the company's need for **9.** \_\_\_\_\_. The flotation has attracted controversy, not least in London, where there are concerns from some quarters over the standard of Russia's **10.** \_\_\_\_\_ governance. Rosneft is one of the world's largest oil companies.

## KEY EXTRACT 10

### Rosneft float 'could be delayed'

*Russian oil giant Rosneft may delay its long-awaited float on the London and Moscow stock markets, reports say.*

The move could raise about £5.5bn (\$10.4bn) for the state-owned firm. But the **1. flotation** - pencilled in for July - may now be delayed till the final three months of 2006, according to one of its directors. A delay beyond the end of September would **2. breach** the terms of a \$7.5bn loan it holds, according to reports, meaning it would have to repay it. The loan was given to Rosneft's **3. parent** company Rosneftegaz by a consortium of large Western banks last year, and was to be paid off after the flotation. A covenant attached to it states that other means of paying off the loan must be secured if the flotation is not completed by the end of the third quarter, Reuters says.

It is understood that Rosneft has lined up other **4. funding** - largely from Japan. The suggestion that Rosneft may delay the float came from Kirill Anosov, who is Russia's deputy economy minister as well as being on the Rosneft **5. board**. "It is true that the dates are being shifted, but we still believe the (float) can take place before the end of the year," he said. However sources close to Rosneft have told the BBC News website that the original **6. timetable** has not been changed, and that the company is still **7. set** to float in the summer, possibly June or July. The company had initially set out to **8. raise** £10.9bn from investors but earlier this month it was reported that record oil prices had reduced the company's need for **9. cash**. The flotation has attracted controversy, not least in London, where there are concerns from some quarters over the standard of Russia's **10. corporate** governance. Rosneft is one of the world's largest oil companies.