
Downsizing deals - Severfield Rowen consults staff on job cuts

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It is reported that Severfield Rowen Plc, owner of Watson Steel Structures Limited, is in consultation with staff about job cuts amid a major review of costs and capacity.

As per report, Severfield Rowen Plc's underlying pre tax earnings were GBP 24.6 million, down from GBP 25.3 million, on revenue 15.4% ahead at GBP 200 million in the six months to June 30th 2009. The interim dividend is being maintained at 10 pence.

Mr Tom Haughey CEO of Severfield Rowen Plc said that margins would be hit because UK steel demand and prices were expected to remain at significantly reduced levels throughout 2010, when demand would fall to 55% of 2008 levels.

He added that "Against the backdrop of challenging UK market conditions and the requirement for competitiveness in export markets, we are concluding a major review of costs and capacity deployment and will be making an announcement, in due course, following the conclusion of the consultation process currently being conducted with our staff and workforce."

Severfield Rowen said that board expectations for 2009 would be exceeded because of projects being timed towards the end of the year and a better than anticipated financial performance.

(Sourced from www.crainsmanchesterbusiness.co.uk)

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