

Centrica business plan 'busted flush' after Moody's downgrade

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GMB has branded the Centrica's boards strategy a 'busted flush' after one of the world's top credit rating agencies downgraded the company.

Moody's has changed their rating of the business prospects for Centrica from 'stable' to 'negative', saying there is now 'uncertainty around the company's ability to sustainably improve profitability in the context of the ongoing business restructuring'.

The agency's view about further planned sales of its exploration and production businesses, along with its nuclear power holdings is it will 'erode Centrica's scale and diversification and raise doubts about its future'.

The warning follows Centrica's interim results announced on Friday 24th July. The results included notice of the sale of Direct Energy - Centrica's North American arm - for £2.8 billion.

Justin Bowden, GMB National Secretary, said:

"The plan by the Centrica Board to flog the family silver to keep the business afloat has had the thumbs down from Moody's.

"The British Gas and PH Jones workforce have had impressed upon them by the top brass of the business the importance of the credit rating and the need for massive change and cuts to protect it.

"Now one of the world's top agencies for predicting company futures says Centrica's plans for downsizing and 5,000 redundancies are effectively a busted flush.

"The credibility of the board's 'cut its way out of a crisis' plan is gone and with it the trust of the workforce.

"That strategy obviously failed in the past and will fail again in the future. The Centrica board must immediately change course, work with the workforce and invest their way out of the crisis.

"If they don't change their plans then the workforce may force them to."

