

## press release

6 February 2009

### The forward look from The Share Centre

**Nick Raynor, investment adviser at retail stockbroker The Share Centre**, gives his thoughts on what to expect from companies announcing results week commencing 9 February.

#### **Monday Barclays (finals)**

Barclays has said that it expects to announce full-year results in the region of £5bn, and that this will include some bad debts. While some analysts have abandoned their sell stance to a hold recommendation, we remain sceptical about whether the bank has come clean about the full extent of its bad debts. The question is whether Barclays can avoid further capital injection, considering they have already gone cap in hand to Middle Eastern investors twice already; it seems unlikely that they would think about doing this again. A future capital increase is likely to need UK government support, which could leave the government with a stake.

We currently list Barclays as a HOLD

#### **Randgold Q4**

Gold has recently become somewhat of a safe haven for investors, and its demand is expected to help push Randgold's profits higher for the fourth quarter. Production costs have also started to fall again as the energy needed to extract and produce the gold gets cheaper. We would expect profits to be higher than the \$4m from the previous quarter.

We currently list Rangold as a HOLD

#### **Tuesday N/a**

#### **Wednesday Reckitt Benckiser Q4**

We eagerly await Reckitt's results as other companies with similar products have had a difficult time of it recently. Both Unilever and Proctor & Gamble have had negative figures for the last quarter. We believe that if people are spending less on staples such as food, they may be unwilling to spend additional money on branded cleaning products. Despite this we expect Reckitt to announce a growth in turnover in the range of 6-7% on last year's £1.37bn turnover and £381m profit.

We currently list Reckitt's as a BUY, but this may change subject to next week's results

#### **Thursday: BT Q3**

In a recent trading statement, BT highlighted that the Q3 figures would be weaker as the

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company will take a one-off hit of £340m at its BT Global Services business. Profits for the quarter are expected to be almost completely wiped out and it is possible the share price could suffer even further.

We currently list BT as a HOLD

## **Rolls Royce (finals)**

Rolls Royce is expected to announce final results in the region of 815m. Rolls Royce has won a number of defence contracts from both the UK and US of late. In January, the Ministry of Defence awarded the engine maker a £198m contract to support Pegasus engines used by the Royal Air Force and Royal Navy's joint force Harrier fleet of aircraft.

We currently list Rolls Royce as a BUY

**Friday:**

**N/a**

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**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors and individual shares, including all of the post-privatisation/demutualization companies, on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#).

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