

press release

8 February 2010

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 w/c 8 February 2010.

■ Monday

Randgold Resources (full year results)

Randgold had a tremendous year in 2009 thanks to the rising price of gold. As such, the company was able to decrease its operating margins. Although gold has recently fallen from its highs of over \$1200, this is not likely to impact next week's results.

We currently list Randgold as a HOLD

Xstrata (preliminary results)

Commodities in general have done well. As such, we expect mining companies like Xstrata to reflect the trend in their results. However, given the commodity run we are concerned about how long it can continue and remain cautious about the sector.

We currently list Xstrata as a SELL

■ Tuesday

British Land (Q3 results)

Commercial property prices have recovered somewhat lately and as such rentals have been increasing. As British Land is a REIT the majority of its income comes from rental and not the trading of property. As such, we expect British Land's figures to show an improvement next week, which means shareholders may well benefit from a reasonable dividend.

We currently list British Land as a HOLD

TUI Travel (interim results)

So far the travel industry has managed to stay mildly positive, despite consumers tightening their belts. In order to maintain consistency within its margins, TUI has opted to reduce the number of holidays available instead of slashing prices. As such, we expect next week's results to show a possible drop in profits, but for margins to remain healthy.

We currently list TUI Travel as a HOLD

■ Wednesday

Reckitt Benckiser (full year results)

We believe next week's results should show whether Reckitt Benckiser has managed to withstand the recession. The company has rarely been a let down and we don't expect next week's results to be any different. As a global force in household, health and personal care solutions, we believe that it will show an improvement in figures.

We currently list Reckitt Benckiser as a BUY

BHP Billiton (interim results)

Unlike other mining companies in the FTSE 100 we currently list BHP as a buy, thanks to its diversity. BHP has exposure to gold, oil, iron, coal, gas, uranium and many other commodities and this gives the company its strength. We don't expect next week's results to reveal any surprises. Investors should be happy with the return they have had over the last six months.

We currently list BHP as a BUY

■ Thursday

Smith & Nephew (full year results)

Medical devices group, Smith & Nephew, have suffered this year as fewer patients opt for replacement knees and hips. Threats of job losses have seen operations delayed and its American division has suffered most. Full year figures will hopefully start to show some sign of recovery.

We currently list Smith & Nephew as a HOLD

Diageo (interim results)

Concerns have been raised within the drinks industry that the Government will introduce a minimum alcohol price level, despite Government sources saying this will not be the case. However, with an election fast approaching who knows what might happen. We expect next week's results to make for good reading as sales over the 2009 Christmas period are likely to have boosted figures.

We currently list Diageo as a HOLD

Rolls Royce (preliminaries)

Performance over the last 6 months has been good. Several new high net worth contracts have been signed and many existing contracts were renewed. We see no slowdown for Rolls Royce over the coming year and possibly even more orders than normal coming through.

We currently list Rolls Royce as a BUY

BT (Q3 results)

BT's share price has hardly moved in the last quarter and there is little to convince us that the next quarter will be any different. BT is looking to turn the heat up on BSkyB by offering premium sports channels at a lower rate. While this sounds good margins are likely to suffer.

We currently list BT as a HOLD

■ Friday - N/a

Economic diary

Economic announcements w/c 8 February 2010

9 February: Housing market survey for January from RICS

In recent months there have been indications that the dynamics between demand and supply of housing have been changing in favour of supply. New buyer enquiries have now increased for fourteen consecutive months, but in December they did so at the slowest pace since January 2009. Meanwhile, vendor instructions increased for the seventh consecutive month, and both December and November saw the fastest increase since May 2007. Will this trend continue?

10 February: Inflation report from Bank of England

Inflation has been rising in recent months, leaving many to speculate on a change in tack from the Bank of England. In its last inflation report, the Bank said it expected a slow recovery in growth, and for inflation to rise initially as the effect of falling sterling and removal of VAT fed through into prices. It then expected the spare capacity in the economy to push down on prices. Analysts will be looking for hints that the Bank of England is becoming more anxious about the threat of inflation.

Other economic announcements:

9 February

- Retail sales monitor for January, BRC
- UK Trade for December 2009, ONS

10 February

- Index of production for December, ONS

11 February

- Mortgage and landlord repossession statistics, England and Wales – Oct to Dec 2009, ONS

12 February

- Monthly review of external trade statistics – December 2009, ONS
- Flash Estimate EU and euro area GDP, Eurostat

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The bases and levels of taxation relating to ISAs, CTFs and SIPP's are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

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, individual shares and funds on 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](#).

In addition, account customers can receive individual telephone advice on UK-listed shares and on funds traded via the CoFunds trading platform.

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