

Company Comment

Augustine House

6a Austin Friars

London

EC2N 2HA

Tel +44(0)20 7448 3244

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St James's Place (STJ.L) has released full year results. The group said that it has had a strong financial performance and has increased the full year dividend by 33% to 8.0p. EEV new business profit was £246.0m (2010: £217.8m) up 13% with EEV operating profit at £371.5m (2010: £332.6m) up 12%. EEV net asset value per share was 385.0p (2010: 352.9p per share) up 9%. The company has delivered a cash result of £67.0 million (2010: £48.3 million) up 39%. Net inflow of funds under management was £3.3bn (2010: £3.0bn) up 10%. FUM at the year-end were £28.5bn up 6%. Partnership numbers were up 6% at 1,649 (2010: 1,552). The company said that excellent progress on the new regulatory qualification requirement with 80% of advisers at Diploma level and a further 11% within one or two exams.

Barratt Developments (BDEV.L) reported an 8.6% y-o-y increase in revenues and a 40.5% increase in profit from operations, resulting in H1 PBT of £21.6m. The NAV fell slightly due to actuarial losses on the pension liability. Revenues were boosted by a 4.6% rise in the average selling price of private homes and a 27% rise in volumes, while the operating margin rose from 5.0% to 6.4%. 2012 has gotten off to a good start with private reservations averaging 0.61 sales per site since Jan, up from 0.55 last year. Gross margins are expected to improve in the second half as Barratt builds out land it has acquired post credit crunch.

Galliford Try (GFRD.L) has released HY results. Group revenue grew 30% to £746.8m with PBT up 89% to £32.2m. EPS rose 110% to 31.1p. The dividend has been doubled to 9.0p. The company said that it is confident of delivering the objectives of its three year housebuilding expansion plan. Net debt of £69.8m was in line with expectations (H1 2011: £30.7m). In housebuilding, the group has seen a 59% increase in total completions to a record 1,352 units: 1,216 net of joint venture partner share (H1 2011: 851 and 779). The housebuilding margin was 11.0% (excluding a significant land sale made in the period) showing further strong progress (H1 2011: 6.5%). In construction, the group said that its margin is holding up well at 2.2% in a difficult market (H1 2011: 2.5%). The order book is in-line and the construction cash balance of £149 million is in line with forecasts (H1 2011: £174 million).

Polar Star Mining Corporation (TSX:PSR) has announced that it has executed a definitive option agreement with Kairos Capital Corporation. Under the agreement Kairos can acquire up to a 75% interest in either or both of Polar Star's Fortuna and Nancagua properties located in Region III and VI respectively, Chile. Kairos shall also have the option, until December 31, 2012, to select a third, non-core, Polar Star property in which to earn an interest. The agreement is in the form of a standard mineral industry exploration option in which Polar Star has granted four options to Kairos. The full announcement can be found [here](#).

London Capital (LCG.L) FY11 Adj BT was up 9% to £7.1m; net cash and receivables were up from £13.9m to £25.1m; the DPS was declared at 3.9p vs 1.0p last year. Revenues were up 13% thanks to a 7% rise in ARPU and 10,398 client wins. The company said it is 'confident in... our future growth plans'.

Today's Announcements:

Finals: Anglo Pacific, Filtrona, Law Debenture, Logica, London Capital, Millennium & Cophthorne, St James's Place, Travis Perkins, Yamana Gold

Interims: Barratt Developments, Galliford Try, Gleeson (M J), Hays, Mucklow (A & J), Pan African Resources, Utilico

Trading Statements: Micro Focus

AGMs: Gooch & Housego

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|-----------------------|-----------|--------|--------|
| FTSE 100 | 5,928.20 | -17.05 | -0.29% |
| FTSE 250 | 11,379.50 | -40.70 | -0.36% |
| FTSE All Share | 3,066.01 | -9.10 | -0.30% |
| AIM All-Share | 823.06 | +1.04 | +0.13% |

| | | | |
|-----------------------|----------|--------|--------|
| Dow Jones | 12,965.7 | +15.83 | +0.12% |
| Spot Gold*(\$) | 1,755.70 | +19.90 | +1.15% |

| | |
|-------------------------|--------|
| Brent Crude (\$) | 120.59 |
|-------------------------|--------|

*As at 17:18 on Tuesday

Thursday's Announcements:

Finals: Avocet Mining, Bodycote, British American Tobacco, Capita, Capital Shopping Centres, Centrica, Enesco, Informa, Jarvis Securities, Lancashire Holdings, Mondi, New World Resources, Royal Bank of Scotland, RSA Insurance, STV Group, Wentworth Resources

Interims: Ashmore, Centaur Media, Go-Ahead, Hansard, Kier, Redrow, Sinclair Pharma

Trading Statements: Lidco

AGMs: Alternative Investment Strategies, Bankers Investment, Datong, easyJet, Electra Private Equity, Jelf

M&A & Fund Raising Update

- The Competition Commission has threatened to block the £3bn merger of **Tarmac** and **Lafarge**, the cement maker; (various)
- **Anheuser-Busch InBev** is reported to be interested in buying back the owner of **Staropramen** for as much as \$3bn; (Times)
- **Peugeot** and **GM** are in talks about an alliance to join forces to build cars and components in Europe; (FT)
- **BC Partners**, the London based buy-out firm has completed a €6.5bn raise; (FT)
- **Edinburgh Woollen Mill** has emerged as an 11th hour bidder for value fashion chain **Peacocks**; (FT)
- **Everything Everywhere**, the UK joint venture of France Telecom and Deutsche Telekom, will return to the bond market this year to raise funds for the auction of the so-called 4G bandwidth needed for next-generation mobile services. (FT)

Market Column Rumours

- There was talk that **Vedanta Resources** was looking to merge its Indian-listed subsidiaries Sterlite Industries and Sesa Goa which sent the shares 7% higher; (FT)
- **Kenmare** rose on takeover rumours, again (Telegraph, FT)
- **ITV** rose slightly with some trying to attribute a bid rumour (FT)

Press Tips

The Daily Telegraph – Questor

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|---------------------|-----|
| Genus | Buy |
| Croda International | Buy |

The Times – Tempus

| | |
|----------------|-----------------------------------|
| Morgan Sindall | A long term play |
| Dragon Oil | Interesting but speculative |
| Pendragon | Further progress looks to be slow |

Broker Tips

- Investec downgraded **HSBC Holdings** from Buy to Hold, the target price cut from 800p to 600p.
- Oriel Securities upgraded **Rentokil Initial** from Hold to Add.
- WH Ireland Securities downgraded **Dechra Pharmaceuticals** from Buy to Outperform, with a target price of 600p.
- Macquarie initiated Neutral on **BowLeven**.
- Canaccord Genuity initiated Sell on **Gulf Keystone Petroleum**, with a target price of 210p
- Panmure Gordon downgraded **Communis** from Buy to Hold, the target price unchanged at 39p.
- Peel Hunt downgraded **Aberdeen Asset Management** from Buy to Hold, the target price raised from 270p to 280p.
- Investec upgraded **Standard Chartered** from Hold to Buy, the target price raised from 1550p to 1800p.
- Canaccord Genuity downgraded **CSR** from Buy to Hold.
- Merchant Securities upgraded **Misys** from Sell to Hold.
- Panmure Gordon upgraded **McBride** from Hold to Buy, the target price remained unchanged at 150p.

Source: StockMarketWire

Tuesday's Main Movers

| Risers | Mid (p) | Change (p) | Change (%) |
|-------------------|----------|------------|------------|
| Kenmare Resources | 61.50 | +5.10 | +9.04 |
| Vedanta Resources | 1,453.00 | +95.00 | +7.00 |
| Petropavlovsk | 738.50 | +42.00 | +6.03 |
| Croda | 2,123.00 | +92.00 | +4.53 |
| Fallers | Mid (p) | Change (p) | Change (%) |
| CSR | 260.90 | -14.10 | -5.13 |
| Kesa Electricals | 81.70 | -4.00 | -4.67 |
| Evraz | 412.70 | -19.70 | -4.56 |
| Home Retail | 109.00 | -4.30 | -3.80 |

Tuesday - Key Price Movements

FTSE 100 – Intraday Price Graph



FTSE 250 – Intraday Price Graph



Gold – Intraday Price Graph (\$)

