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INTERNATIONAL BUSINESS TIMES

The Intelligent Investor U.K.

The Economic Monitor Series. Free Edition.

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THE NEXT TRADING DAY

Economic Events

- **Bank of England**, Executive Director, Financial Stability, **Andy Haldane** to give speech at the **Trade Association Forum Annual Conference** at 0935 GMT.
- British Prime Minister **David Cameron** answers questions in parliament (1200).
- UK to host a conference on **Somalia**

Corporate Events

- **Ashmore Group**, engaged in providing investment management services will release its interim 2012 results on 23 February, 2012 at 7:00 am GMT.

The major recent economic events in the developed markets, Greek debt restructuring and the raising of the US debt ceiling, were predictable given the deleveraging still required to occur across the highly indebted developed world. What was not so obvious was the degree of political chaos and irresponsibility that ultimately led to the US rating downgrade. It is now no longer the emerging economies that should be described as the homes of default and fiscal irresponsibility, although some home country bias will of course persist amongst developed world politicians and investors. The global sell off resulting from these events has further reinforced the fundamental attractiveness across the emerging markets asset classes.

Emerging markets external sovereign debt is now relatively safer than it was compared to US treasuries and as a result the Group anticipates spreads over those treasuries will tighten significantly in the coming year. The opportunity for generating alpha through active management continues in this area given the variations of monetary and exchange rate policy being undertaken by different countries reflecting their different cycles. Corporate debt in emerging markets is continuing to grow strongly as companies want tenor not available from bank lending and will increasingly turn to the bond markets. Its long developed expertise in this asset class should continue to provide strong investment outperformance.

Emerging markets equities valuations suggest the upcoming quarter may represent a good entry point with earnings forecast to grow strongly over the medium term. Its alternatives theme is one of much activity at present as it continues to realise investments, find some very interesting new opportunities as a result of tightening balance sheets worldwide, within its special situations funds, as well as making new investments in its real estate joint venture funds in China and Russia. At the same time it is looking to replicate its real estate and infrastructure initiatives in other emerging economies where demand for such assets is of course significant. Its strong investment performance has continued so far, but must be maintained, and it will also need to utilise its increased product breadth and global distribution capacity on an ever more robust technology and operations

platform to succeed. The opportunity for raising AuM from both developed country and emerging markets sources as they increasingly come to realise the attractiveness of the emerging markets asset classes over developed market alternatives, remains a compelling one. Ashmore wants to be a major participant in both. To that end during this year, it would like to further develop its strategic plans in local asset management operations within the emerging markets themselves. There remains much to do to build its Company, but it is up for the challenge. **Peel Hunt** expects the Group to post revenues of £358.20 and £405.40 million for FY 2012 and FY 2013 respectively with pre-tax profits (pre-except) of £248.40 million and £285.40 million. Profits per share for the periods are expected at 24.90 pence and 28.90 pence.

- **British American Tobacco**, the tobacco company with brands sold in more than 180 markets is scheduled to report its preliminary 2011 results on 23 February, 2012 at 7:00 am GMT.

The environment continues to be challenging due to the current economic climate although there are some signs that the impact on volume is moderating. However, the expansion of illicit trade remains a threat, driven by shock excise increases and pressure on consumers' disposable income. In addition, a number of currencies weakened against sterling during the quarter. While the challenging economic conditions continued to impact consumers in some markets, other markets are showing signs of recovery. Excise-driven price increases in a few markets will continue to affect industry volumes. However, it has grown its Global Drive Brands and achieved good growth in revenue and profit. The Group is on track for another year of good earnings growth. The investors expect a 9 per cent increase in the final dividend per share to 88.3p in what is widely seen as a defensive stock during a recession. Revenue is projected by **Investec** to rise nearly £700m to £15.5bn, boosting pre-tax profits to £5.7bn, from £5.1bn in 2010. Diluted earnings per share are expected to rise 11 per cent to 194.7p, buoyed by a share buy-back plan that could see the company buying a further £1bn of shares this year. Although the company has no pending acquisition, investors are likely to want clarity on potential purchases in Asia. There is also market talk of a takeover of rival **Imperial Tobacco**, which has a strong presence in Europe, possibly in conjunction with **Japan Tobacco**. BAT generates significantly lower margins than Imperial in Europe because its volumes are spread more thinly.



- **Centaur Media**, engaged in the creation and dissemination of business specialist and professional information will release its interim 2012 results on 23 February, 2012 at 7:00 am GMT.

In the first two months of the new financial year 2011-12 the Group has seen further growth in its operations. July and August are traditionally a quieter period for its publishing and event businesses, but it has experienced an encouraging start to the year. It is already seeing the benefits of the restructuring flowing through, particularly within the Business Publishing division. Centaur's business is now more focused, higher margin, better balanced and more resilient. With an experienced and ambitious management team in place, the Board is confident that the Group is now well positioned for future growth in revenues and margins challenge. **Numis Securities** expects the Group to earn revenues of £65.90 and £70.20 million with pre-tax profits (pre-except) of £8 million and £10 million. Profit per share for the periods are expected at 4.10 pence and 5.10 pence.

- **Bodycote**, the provider of thermal processing services is scheduled to post its preliminary 2011 results on 23 February, 2012.

The first half of 2011 had seen a continued and broad-based recovery in Group revenues. The near term macro-economic indicators are mixed and year on year comparables for the Group are more challenging in the second half than the first. Nevertheless the Board's expectations for the full year headline operating profits are somewhat above the top of the range of analysts' current forecasts. The Board remains confident that the ongoing execution of the Group's strategy will continue to deliver superior through-cycle shareholder returns. Bodycote's revenues in the first six months of 2011 increased by 17% over the first half of 2010 to £288.2m, while headline operating profit grew by 92% to £43.2m. **Arden Partners** expects the Group to report revenues of £560 million for both FY 2011 and FY 2012 with pre-tax profits (pre-except) of £79 million and £77 million. Profit per share for the periods is expected at 31.00 pence and 29.50 pence.

- **Capita**, provider of business process outsourcing solutions and professional support services will release its full year 2011 results on 23 February, 2012.

Against a backdrop of trading conditions which has continued to be challenging, the business has progressed in 2011 and it is now experiencing strong major contract sales performance and high levels of acquisition activity. The Group has secured contracts and renewals totalling £1.1bn in the first half of the year, more than double the value achieved in the first half of 2010. This reflects the increasingly strong demand for outsourcing across the public and private sectors after a 2 year period of subdued sales activity. Following its recent contract wins, its bid pipeline has been rapidly replenished to its previous record level of £4.7bn of opportunities, with buoyant activity in the local government and life and pensions markets and growing activity across central government. Its pipeline of sales prospects, visibility of revenue from long term contracts and acquisition activity position it well for steady progress in 2011 and underpin strong growth prospects for 2012 and beyond. **Seymour Pierce** expects the Group to post revenues of £2,929.80 million and £3,313.10 million for FY 2011 and FY 2012 respectively with pre-tax profits (pre-except) of £382.90 million and £431.90 million. Earnings per share for the periods are expected at 47.80 pence and 53.90 pence.

- **Avocet Mining**, the gold mining and exploration company is scheduled to report its preliminary 2011 results on Thursday 23 February, 2012.

Over the third quarter Avocet continued its stated strategy of aggressively growing its asset base in West Africa, with significant resource increases in Burkina Faso and Guinea, as well as reserves at Inata. The disposal of its South East Asian asset is substantively complete, with US\$197 million received to date that will be deployed in maintain its growth in West Africa. The Group announced its decision to move to a premium listing on the official List of the main market of the London Stock Exchange, a natural progression for what is a sizable, dividend paying gold producing and exploration company, and one that should enhance shareholder value. In Guinea, the growth of resources at Koulekoun has continued with a further increase announced. Metallurgical test work is on-going, while government relations work also continues in order to better understand the impact of the new Mining Code on the intention to develop a large regional operation. All of these efforts will support Koulekoun's progress towards a definitive feasibility study in 2012. **Canaccord Genuity** expects the Group to post revenues of

£282 million and £251 million for FY 2011 and FY 2012 with pre-tax profits (pre-exception) of £119 million and £58 million.

- **The Royal Bank of Scotland Group**, the global banking and financial services group is scheduled to report its full year 2011 results on 23 February, 2012 at 7:00 am GMT.

The Group will strike a cautious note on their continuing clean-up programmes when they unveil full-year results. For RBS, the big focus will be on the planned restructuring of its investment banking division. Analysts will want more detail on how much it could cost, the impact on revenue and the chances of finding buyers for the £120bn of funded assets it wants to shift. The investment bank – where revenues are expected to be down sharply – will claim attention on the inflammatory issue of pay, as RBS reveals the overall bonus pool it paid to staff last year, estimated at about £500m. Morgan Stanley forecasts RBS to report pre-tax profits of £1.4bn, compared with a £200m loss for 2010.



- **The Go-Ahead Group**, engaged in the provision of passenger transport services will release its interim 2012 results on 23 February, 2012 at 7:00 am GMT.

The Group's bus and rail operations remain fundamentally strong and has benefited from passengers leaving their cars at home and choosing better value public transport alternatives. Whilst it is encouraged by its performance this year, it remains cautious on the medium term wider economic outlook. Its outlook for the next financial year has not changed since its trading update in June 2011. The Group is assuming that the broad underlying operating trends experienced in the financial year will continue throughout the financial year to 30 June 2012 and that around £13m of the rail contract management benefits achieved in 2011 will not recur. In bus, the Group anticipates that the performance of the business will remain strong despite the reduction in the Bus Service Operators Grant (BSOG) in April 2012 which will impact on the last quarter of the next financial year. Its fuel requirements are fully hedged for the next year at 41p per litre, in line with the cost in the financial year just ended. In rail, the Group will continue to drive revenue and control costs to help offset the challenges of reduced subsidies/increased premia in its franchises. The Group's balance sheet, cash flow and financing are strong and it continues to view the maintenance of the dividend as a priority. It has started the new financial year well and trading has been in line with the Board's expectations. **Nomura Securities** expects the Group to post its revenue for FY 2012 and FY 2013 at £2,311 and £2,368 million respectively with pre-tax profits (pre-exception) of £91 million and £95 million. Profits per share for the periods are expected at 133.95 pence and 139.67 pence.

- **Kier Group**, the construction, services and property Company is scheduled to report its interim 2012 results on 23 February, 2012 at 7:00 am GMT.

Over the last few years, the Group has positioned itself to capitalise on what it perceives as the growth markets. Whilst market conditions in 2012 will remain challenging; its order books in the Construction and Services divisions were at a healthy level of £4.3bn. The Construction order book (secured and probable) stood at £2.3bn (June 2010: £2.1bn) and represented 95% of the division's targeted revenue for 2012 and 46% of its targeted revenue for 2013, which was slightly ahead of normal, and it expects its operating margins to remain firmly above 2%. The Group's order book in Services stood at £2.0bn (2010: £2.1bn) giving good forward visibility of workload, which coupled with a strong pipeline of further opportunities will translate into revenue growth for the division in the year to June 2013. Moreover, it expects its operating margins to be maintained at a resilient 4.5%. The Property division remains a key generator of integrated opportunities for the Group. With increased scale, particularly following the acquisition of the property portfolio from Lloyds, the division is actively working on a variety of development schemes. When coupled with the recent disposals of three of its Private Finance Initiative (PFI) investments, in line with Kier's strategy of selectively disposing of its mature PFI investments, it now means that the Property division is, and will continue to be, one of the key contributors to the Group's performance. The Group refocused Homes division is continuing to pursue the growing opportunities in the mixed tenure market and it remains committed to developing and disposing of parcels of land over time in order to reduce the disproportionate size of its land bank and to realise cash, which will be invested in the Group's future growth. Kier's integrated business model continues to provide a good breadth of opportunities and, with its strong track record of delivery, the Group is well placed to make further progress in the new financial year. **Panmure Gordon** expects the Group to report revenues of £2,213 and £2,319 million for FY 2012 and FY 2013 respectively with pre-tax profits (pre-exception) of £70 million and £74 million. Profits per share for the periods are expected at 149.00 pence and 155.70 pence.

- **Redrow**, engaged in residential development, which includes mixed use development will release its interim 2012 results on 23 February, 2012 at 7:00 am GMT.

The outlook for the industry remains challenging, with the lack of mortgage supply and general economic uncertainty affecting what is undoubtedly a huge demand for new housing. The under-supply of housing in the UK is reaching chronic proportions as many recent reports have testified. The ongoing stability of house prices despite the economic conditions and the rising cost of renting property, underlines this point. Redrow has demonstrated over the last two years that it has been able to grow the business substantially by changing Group strategy and particularly the introduction of the New Heritage Collection. The nature of its land acquisitions over recent times will continue to drive the average selling price in an upwards direction. Other than a marked deterioration in the general economy and the housing market in particular, the Board is confident that Redrow will make further progress during the current year. **Shore Capital Stockbroker** expects the Group to earn revenues of £475 and £519 million for FY 2012 and FY 2013 respectively with pre-tax profits (pre-exception) of £32.00 million and £41.40 million. Profit per share for the periods are expected at 7.80 pence and 10.20 pence.

- **Capital Shopping Centres Group**, the real estate investment trust (REIT) also developer, owner and manager of pre-eminent regional shopping centers will report its preliminary 2011 results on 23 February, 2012 at 7:00 am GMT.

The Group continues to expect a low growth environment, a challenging retail market and a restricted financing market for real estate for some time in the UK, with the Eurozone crisis creating more uncertainty and impacting investment decisions. It is reassured however by the sound positioning, robust operational performance and defensive financial structure of CSC's business. As evidenced by a 97 per cent occupancy level, CSC has delivered a robust operational performance in the period in the face of a challenging economic and retail

background. CSC remains well positioned through its focus on leading and high quality regional shopping centres in the UK. **Societe Generale** expects the Group to post revenues of £521 and £573 million for FY 2011 and FY 2012 respectively with pre-tax profits (pre-exception) of £140 million and £173 million. Profits per share for the periods are expected at 16.40 pence and 20.18 pence.

• **Lancashire Holdings Limited**, the global provider of specialty insurance products will release its Q4 2011 results on Thursday.

Lancashire remains well equipped to succeed in uncertain times. Since its formation it has maintained a focused and expert team, particularly in the areas of underwriting and capital management, who are ready to respond rapidly and innovatively to events, however they may impact our business. With the announcement of its special dividend and dividend equivalent payments in its third quarter 2011, it will have returned \$1.3 billion, or 84.5%, of comprehensive income generated since inception and 96.9% of comprehensive income for the year to date. Market conditions for 2012 look like they are gradually improving, albeit not spectacularly, so at this point it is keen to hold sufficient levels of capital to allow it to take full advantage of any opportunities that come its way, while returning a prudent level of excess capital to its shareholders. As always, it will continue to actively monitor its capital levels versus underwriting opportunities. **Numis Securities** expects the Group to report revenues of \$623.60 and \$687.60 million for FY 2012 and FY 2013 with pre-tax profits (pre-exception) of \$195.10 million and \$257.50 million. Profit per share for the periods are expected at \$1.07 and \$1.43.



DAILY EARNINGS HITS & MISSES AS ON 22 FEBRUARY, 2012

COMPANY NAME	PERIOD	CURRENCY	EPS EST	EPS ACT	DIFFERENCE EPS	REV EST (mln)	REV ACT (mln)	DIFFERENCE REV (mln)
Barratt Developments	A	GBP	2.62	2.70	0.08	2070.71	2035.40	-35.31
Filtrona	H1	GBP	11.90	12.60	0.70	264.00	268.60	4.60
Galliford Try	A	GBP	31.23	31.50	0.27	1278.50	1284.20	5.70
Hays	A	GBP	5.05	5.10	0.05	3081.14	3256.00	174.86
Horizonte Minerals	A	GBP	-0.77	-0.90	-0.13	--	--	--
Logica	Q3	GBP	11.51	--	--	926.54	914.00	-12.54
Travis Perkins	H1	GBP	43.42	44.70	1.28	2352.26	2347.20	-5.06

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INTERNATIONAL BUSINESS TIMES

STOCK RECOMMENDATIONS BY BROKERAGE HOUSES

BROKERAGE/COMPANY	ACTIONS	RATING	PREV CLOSE
UBS			
AMEC	Raises price target to 1325p from 1225p	--	1111p
BBA Aviation	Cuts to neutral from buy	Neutral	208.60p
Croda	Raises price target to 2250p from 2085p	--	2123p
Hutchison China Meditech	Cuts to neutral from buy	Neutral	460p
Nomura			
AMEC	Raises price target from 1130p to 1240p	Buy	1111p
Catlin	Raises price target from 462p to 506p	--	418.10p
Numis			
Barratt Developments	Cuts to add from buy	Add	129.70p
Filtrona	Cuts to add from buy	Add	407.50p
Galliford Try	Cuts to add from buy	Add	501p
Deutsche Bank			
Cookson Group	Raises price target to 800p from 600p	Buy	637p
Croda	Raises target price to 2,450p from 2,200p	Buy	2123p
ENRC	Cuts price target to 1,209p from 1,232p	--	723p
Panmure			
Galliford Try	Raises price target to 590 from 581p	--	501p
St James's Place	Raises price target to 425p from 400p	--	373.30p
Berenberg Bank			
Astrazeneca	Cuts price target to 3060p from 3155p	--	2841.50p
GlaxoSmithkline	Raises to buy from hold	Buy	1413p
Peel hunt			
Galliford Try	Raises price target to 650p from 596p	--	501p
Micro Focus	Raises target price to 460p from 440p	--	449.40p
Mucklow	Cuts to sell from hold	Sell	349p
St James's Place	Raises price target to 450p	--	373.30p
Travis Perkins	Raises target price to 900p from 800p	--	1011p
Barclays			
Croda	Raises price target to 1889p from 1532p	--	2123p
JP Morgan			
Great Portland Estates	Raises to overweight from neutral	Over weight	348.50p
Kesa Electricals	Cuts price target to 60p from 75p	--	81.70p
Macquarie			
Barclays	Cuts to underperform from neutral	Under perform	247.75p
Collins Stewart			
Micro Focus	Raises price target by 16 percent to 539p	--	449.40p
HSBC			
BAE Systems	Raises price target to 360p from 320p	--	320.60p

Disclaimer: The views and investment tips expressed by investment experts are their own, and not that of IBTimes or its management. We advise users to check with certified experts before taking any investment decisions.

ECONOMIC INDICATOR WATCH ON 23 FEBRUARY 2012

BBA Main High Street Banking Groups Statistics (January)

Net Mortgage Lending, GBP

Forecast: N/A; Prior: 0.7Bln

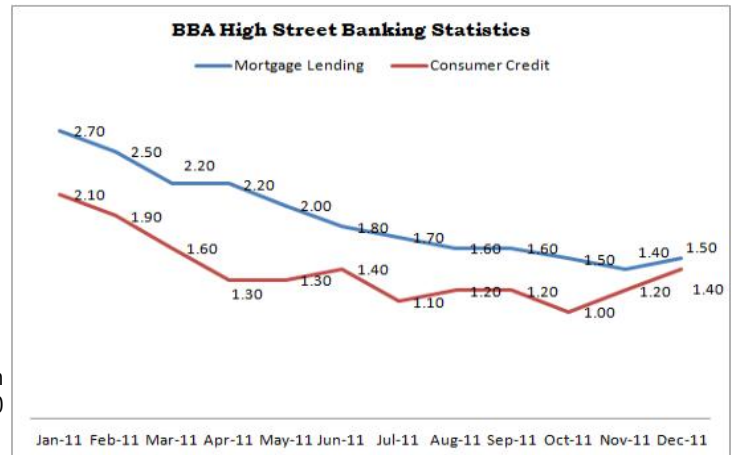
Gross Mortgage Lending, GBP

Forecast: N/A; Prior: 9Bln

Mortgage Approvals

Forecast: N/A; Prior: 36171

The **British Bankers' Association** is expected to release its statistics on main high street banking groups for the month of January 2012 at 0930/0930/0430 Local/GMT/ET on Thursday, February 23, 2012.



December's £9bn of new mortgages was the strongest month of 2011, being 12% higher than in December 2010. However, at the same time, the household sector generally is focusing on debt repayment amid inflated household expenses and a continuing air of uncertainty, so BBA sees a reluctance to let net borrowing rise, with people preferring to use their bank account cash for expenditure. Business prospects are even more attuned to the state of the economy in the UK and in overseas trading markets, with borrowing intentions for growth or investment plans generally staying on the back-burner.

Annual growth of 1.5% in the banks' **net mortgage lending** continued to outstrip annual growth of 0.6% across the whole lending market in November. **Unsecured lending** contracted by 1.4% in 2011, while **personal deposits** rose by only 2.5%. Throughout 2011, **deposits and savings** increased by a net £16bn compared with £31bn in 2010, as the incentive for holding bank deposits gave way to paying down debt and using cash for household expenditure. **Gross mortgage lending** of £9.0bn in December was the strongest month of last year, some 12% higher than in December 2010.

ANALYSIS AND VIEWS

Greece rescue deal fails to lift sceptical FTSE

By Shane Croucher, IBTimes

UK markets have brushed off the latest eurozone deal to save crisis-hit Greece as investors remain unconvinced that the country's troubles are over.

The **FTSE 100 index** of leading shares was down 0.3 percent in value before markets closed.

"Agreement of the deal was widely expected but the underwhelmed response by markets may also be an air of caution returning because we have been here on a few occasions before only for any deal to be scuppered," **David Jones**, chief market strategist at **IG Index**, told the Press Association.

Greece agreed to even tougher austerity measures to its public finances, including more pay and job cuts for public sector workers, as part of its second rescue package. The package, valued at €130m (£109bn), was imposed to save it from defaulting on its vast debts.

Under the bailout agreement the Greek government also agreed to bring down its debt from 160 percent of GDP to 120 percent before 2020.

There was also a haircut of €107bn off privately held Greek debt, meaning investors were cutting their losses in the face of getting nothing back if the country defaulted.

Some financial experts warned that a default could trigger an economic depression across the eurozone which would have global implications.

A domino effect would hit other economically struggling countries such as Italy and Portugal hardest first.

"I wonder what would have happened in Greece, in the eurozone, in Europe, and to the world economy if after 15 hours of talks and negotiations the Eurogroup didn't approve the new programme for Greece," **Evangelos Venizelos**, Greece's finance minister, said at a press conference in Athens.

"This was a significant development that gives our country a new opportunity, and we need to make the most of this opportunity."



ANALYSIS AND VIEWS

Cancer research UK claims 157,000 children start smoking every year

By Nicholas Edmondson, IBTimes

Shock figures have revealed that about 157,000 children in Britain take up smoking every year

Cancer Research UK figures have highlighted the scale of tobacco consumption by youngsters, with the equivalent of 5,200 classrooms of 11-14-year-olds lighting up.



Just under a million under-15s - 27 percent - have tried smoking at least once.

Jean King, the charity's director of tobacco control, claimed the figures point towards the importance of doing more to discourage youngsters from smoking, including selling cigarettes in plain packets.

"Far too many young people start smoking every year. We must act to bring this number down," she said.

"The tobacco industry spends a great deal of money on designing cigarettes and their packets so they seem glamorous, appealing, fashionable and attractive in an effort to recruit more customers.

"With advertising outlaws, the cigarette packet is now the most important marketing tool the tobacco industry has. Selling all cigarettes in standardised packs will help reduce the appeal of smoking and give children one less reason to start smoking."

Jim Richardson, 56, from Northumberland, started smoking at the age of 15 and is calling for young people to avoid starting.

"I started smoking because it was considered cool," he said. "Back then my friends thought it odd if people didn't smoke.

"In 2010 I woke up one morning full of aches and pains which I assumed was the start of flu. I've always been very fit, so I decided to nip it in the bud by going to the doctor.

"My GP was concerned by some blood tests so I had an X-ray which revealed a shadow on the lung and this turned out to be lung cancer.

"The toughest day of my life was sitting each of my children down and telling them I had lung cancer. I have three grandchildren too and was devastated that I might not see them growing up."

He gave up smoking immediately and started treatment for the cancer. It was progressing well and has given him a second chance, he said.

"My wife Di and I run children's day nurseries and out-of-school clubs caring for young children. I would hate to think that any of the hundreds of children we have looked after might ever go through what I have because they were tempted by one glitzy packet attempting to make smoking

look cool. "I've worked out that I've spent about £90,000 on a habit that was slowly killing me. There's absolutely nothing cool about that."

Cancer research UK took its figures from an **NHS study** into smoking in more than 7,000 young people between 2000 and 2010.

ANALYSIS AND VIEWS

UK Muslims urged to call hate crime helpline if attacked

By Shane Croucher, *IBTimes*

Muslims are being encouraged to report hate crimes against them to a not-for-profit faith group, who will offer them support as well as catalogue the incidents.



Faith Matters is hoping to collect evidence of anti-Muslim attacks in order to form a clearer picture of Islamophobia in Britain.

The project, called **Measuring Anti-Muslim Attacks**, launched on 21 February has a freephone helpline for Muslim victims of hate crime to call.

"What we are trying to do is build a more national support structure [and] a national picture of what is taking place," **Fiyaz Mughal**, director of Faith Matters, told International Business Times UK.

Mughal said that there are "a lot of anecdotes and a lot of stories" but "no real cemented, collected evidence" of the attacks.

"Beyond the police, there is very little in the community to actually statistically collect and measure it. So really we are starting from a base point," he said.

Faith Matters hopes that its data can be put with any local authority data in a "joint learning" exercise.

"If we see that there are areas, for example, where there is far-right activity and there is a cluster of attacks, clearly what we are going to say is this is not helpful for local communities, it is not helpful for local areas, and I am sure local authorities will be looking for such evidence," Mughal said.

"We will be lobbying to make sure that where there are areas like this, we work with the police and other authorities to provide them with what we are finding and also to guide in a system where they need it."

According to the **Home Office** there were 51,187 racist incidents reported to the police in England and Wales in 2010/11.

Analysis by the **Institute for Race Relations** (IRR) found that in 2009 alone there were 660 examples of racial violence in Britain.

TOP STORIES

BoE considers £75bn of QE extensions

In the **Bank of England** minutes held on 8 and 9 February 2012, the monetary policy committee voted unanimously in favour of the proposition to maintain bank rate at 0.5%. Regarding the stock of asset purchases, seven members of the Committee (the Governor, **Charles Bean**, **Paul Tucker**, **Ben Broadbent**, **Spencer Dale**, **Paul Fisher** and **Martin Weale**) voted in favour of the proposition. Two members of the Committee (**David Miles** and **Adam Posen**) voted against, preferring to increase the size of the asset purchase programme by £75 billion to a total of £350 billion.



12.76-carat pink diamond found in Australia

A rare 12.76-carat pink diamond was discovered from an Australian mine. The diamond from **Rio Tinto's** Argyle mine is regarded as the largest pink rough diamond found in the country. The diamond is light pink in color. It is similar to the Williamson Pink diamond that **Queen Elizabeth** received as a wedding gift and was subsequently set into a brooch for her Coronation. The rare diamond is estimated to be worth millions and has been named the **Argyle Pink Jubilee**. The process of cutting and polishing the stone has already started in Perth and is estimated to take about 10 days. It will be sold this year after being shown around the world, including in New York and Hong Kong. When the diamond has been cut and polished, it will be graded by a team of international experts and showcased to the world before being sold as part of the **Argyle Pink Diamonds Tender** later this year. "This rare diamond is generating incredible excitement. A diamond of this caliber is unprecedented - it has taken 26 years of Argyle production to unearth this stone and we may never see one like this again. The individual who gets to wear this remarkable pink diamond will be incredibly lucky indeed," said Argyle Pink Diamonds manager **Josephine Johnson**. Over 90 percent of the total pink diamonds found in the world has come from the Argyle mine. When a large pink diamond is found, it is often sent to museums or gifted to royalty or end up at auction houses like Christie's. Christie's has sold over 18 polished pink diamonds over 10 carats in its 244-year history.

Centrica acquires UK North Sea asset portfolio

Centrica, the parent company of **British Gas**, has reached an agreement with **Total E&P UK Ltd** to acquire their non-operated portfolio of producing oil and gas assets and associated infrastructure in the **Central North Sea** (CNS) for a total cash consideration of \$388 million (£246 million). Around 20% of the consideration is allocated to UK tax allowances. The portfolio includes seven producing fields in three major areas:

TOP STORIES (Continued...)

Greater Armada, the Alba field and the Mungo and Monan cluster. Centrica's share in these fields has an estimated 22 million barrels of oil equivalent (mboe) of 2P reserves (36% gas, 64% oil), increasing its reserves by approximately 5%, and is expected to produce 9,300 boe per day in 2012. The oil and gas is mostly un-contracted and linked directly to the UK market. The acquisition is expected to add immediate strong cash flow and increase Centrica's scale in the CNS region. The transaction will also help to maintain the mix of oil in its upstream portfolio. **Mark Hanafin**, Managing Director said, "Today's announcement marks another step in the growth of our upstream oil and gas business. This acquisition in the North Sea provides a good fit with our existing portfolio and strategy, bringing strong cash flow and adding value for Centrica. It underlines our commitment to invest where we see attractive opportunities, securing future energy supplies for the UK."

Travis Perkins reports robust earnings

Travis Perkins, a builder merchant and home improvement retailer reported that its full year Group revenue increased 52% at £4,779m, up 6% on a like-for-like basis. Adjusted operating profit increased by £74m to £313m (2010: £239m), which resulted in adjusted group operating margin of 6.6%, in line with last year on a proforma basis and adjusted profit before tax rose 37% to £297m. **Geoff Cooper**, chief executive said, "2011 was a good year for Travis Perkins. Despite a depressed construction market, we improved services to customers, gained market share, even before the expansion of our network and exceeded our targets from the integration of BSS, continued to outperform our markets, and won further market share. This meant we achieved a good set of financial results with improvements in all key figures." Like-for-like sales increased 1.8% in the first seven weeks of its new financial year.

Logica FY results in line with expectations

Logica, a business and technology service company reported that its full year orders increased 13% to GBP 4.6 billion, driven by outsourcing orders up 23% to GBP2.2 billion. Full year revenues rose 3% to GBP 3.9 billion; adjusted operating profit down significantly on last year at GBP114 million including the impact of the GBP132 million of restructuring and contract charges announced on 14 December 2011. **Andy Green**, CEO said "2011 was a more difficult year than we had expected. While our order book at GBP 4.6 billion was strong and revenue was up 3%, restructuring and contract charges resulted in a lower adjusted operating profit. Building on our successful long-term relationships with clients, we signed significant orders with clients such as **Shell** and **Michelin**. We had important wins with new clients such as **BAE Systems** and the **Swedish Pensions Agency**." Adjusted basic EPS was 4.5p and underlying adjusted basic EPS was 11.3p (2010 actual: 12.3p). The Group continues to be cautious about the economic outlook in its main markets and its guidance for 2012 remains unchanged, with revenue growth expected to be in the range of -2% to +2%. The Group's balance sheet is strong. After the 2012 cash impact of restructuring of between GBP60 to GBP70 million, the bulk of which will be in the first half, net debt/EBITDA at the end of 2012 will be around 1.0x.

Pirate Bay faces UK ban after high court ruling

Pirate Bay, the world's most resilient torrent tracking and file-sharing Web site could soon be forced to bid farewell to Britain after a court ruling upheld an **Internet Service Provider's** (ISP) decision to ban the Web site in the near future. The final judgment should be made in June when the **London High Court** is expected to give a directive to UK ISPs to block/ban the site. The torrent site has been accused by the court of violating UK copyright law, following increasing numbers of allegations of infringements from music and film industries escalating for quite some time now. **Judge Richard Arnold** declared the Web site was found to encourage users to infringe on music copyright, paving the way for broadband providers to block the service. "In my judgment, the operators of [The Pirate Bay] do authorise its users' infringing acts of copying and communication to the public. They go far beyond merely enabling or assisting," stated Justice Arnold's ruling. "I conclude that both users and the operators of [The Pirate Bay] infringe the copyrights of the claimants... in the UK," he added. Despite repeated requests from film and entertainment industries to curb the menace of piracy by filtering such contents, Pirate Bay seems to have taken its position for granted and took no initiatives whatsoever. "Despite their ability to do so and despite the judicial findings that have been made against them, the operators of [The Pirate Bay] take no steps to prevent infringement," said the judge.



Charlotte Church settles hacking case for £500,000

Charlotte Church is set to walk away with up to £500,000 in damages when she settles her phone-hacking case against the **News of the World** out of court this week. According to reports, the 26-year-old singer and her parents are on the verge of coming to an agreement with **News Group Newspapers**, the owner of the now defunct tabloid. The case of Church and her parents, which alleges that the News of the World published upsetting stories about them after having their voicemail messages hacked by a private investigator, was due to be heard on Monday but this latest development means the publisher could avoid the high court. Church, her mother, **Maria**, and her stepfather, **James**, who have until now refused to accept damages and costs from News Group Newspapers, are the last outstanding plaintiffs out of 60 victims of the scandal to take action against **Rupert Murdoch's** tabloid. Sources said that NGN was likely to pay £380,000-£500,000 in damages and legal costs to the three plaintiffs. The settlement comes days ahead of the launch of the first edition of a Sunday edition of the Sun.

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