Markets (previous close)

		% change			% change
FTSE	5672.32	-0.67	Dow Jones	10907.42	0.11
Hang Seng	21374.79	0.65	Nikkei	11097.14	1.01
Currencies					
£/$	1.5069	0.70	£/Euro	1.1228	0.84
Commodities					
Gold	$1,104.70	-0.41	Copper	$7,815	1.07
Platinum	$1,623.58	0.16	Oil (Brent)	$80.48	-0.15

Lonmin - LMI.L - (2050p) – Jubilee Platinum strategically well-placed

For us, Jubilee Platinum is strategically well placed to benefit from the ongoing issues Lonmin appears to be having with its smelting business. Furthermore, we think that last night's announcement from Lonmin of yet another matte run-out from its largest platinum furnace raises important safety concerns that the platinum industry is struggling to contend with. A matte run-out is when overheated molten metal escapes from the furnace and is usually associated with an explosion. We suspect that the matte run-out was caused by attempting to increase the temperature of the furnace in order to smelt a higher percentage of UG2 chrome-rich ore. It is the chrome that presents the problem as its higher melting point, compared with that of the platinum, results in the furnace becoming unstable. Fortunately, nobody was injured on this occasion but we believe it could be a matter of time before a fatality occurs. If this happens, possible union unrest and government intervention could escalate the situation**. Importantly, Jubilee Platinum's ConRoast smelter in Johannesburg has successfully and safely processed the types of ore that are causing Lonmin's furnaces to fail. The patented ConRoast process is the only solution currently available and Jubilee has the exclusive right to commercialise it on a worldwide basis for the next 10 years. We believe that it is only a matter of time before the large cap platinum houses start knocking on Jubilee's door to talk about joint ventures - if indeed they aren't doing so already. We value Jubilee Platinum at 85 pence per share**

Hilton Food Group – HFG.L – (217p) – 2009 results are excellent

Most market projections here were for PBT in the high £18m's (FinnCap was high beam on £19.7m), with the growth of 15.8% to £20.1m reported today likely to be viewed as solid, although 2009 was a 53 week year which I am not sure had been revealed before. Volume growth was 12% on a 52 weeks basis. A 5.54p 2nd interim dividend, had already been indicated and is payable tomorrow but on top of this a final dividend of 1.22p is to be paid making a total of 9.36p, a rise of 15.0% (good news as when the 2nd interim was announced it looked as if the YoY payment would be merely held). Cash generation has remained excellent with net debt cut by £6m to only £20.6m. The outlook statement is very reasonable given circumstance. **A longstanding favourite of ours with large € or €-linked revenue streams: BUY**. Analysts' briefing 10am.

(Analyst: Charles Pick 0203 207 3232)

iomart – IOM.L – (48p) – Update and upgrade

iomart's trading update reveals that our expected upgrade potential is being realised already: EBITDA will be in the region of £3.0m, ahead of the £2.8m median forecast and £2.9m forecast. The strength in hosting has precipitated the momentum for the upgrade across several brands, notably Rapidswitch, and even Netintelligence, to the effect of 10% outperformance in 2H to March 2010E. To that end we upgrade our EBITDA forecast for March 2011 by a similar, but still highly achievable, level, from £4.8m to £5.1m based on the assumption that occupancy rates in the datacentres are better than expected: there is still tremendous upside from improvement in the average rack rates. For more detail see our March 29th note *"upgrade potential"*. **iomart is on 12.2x PER March 2012 (6.8x EV/EBITDA) with momentum developing with newsflow: group EBITDA positive announced last March, hosting EBITDA positive last September, to forecast outperformance this March. Compared with Telecity, at 18.7x December 2011 (9.1x EV/EBITDA) on 18% EPS growth Dec 2010-2011, while we expect 87% EPS growth from iomart: continue to BUY.**

(*Analyst: Andrew Darley 020 3207 3262)*

Dairy Crest – DCG.L – (363p) – Positive trading update, Spreads profits will be lower YoY

A detailed update plus analyst Conference Call was provided at the time of the 2nd February Q3 update and there looks to be little that has changed judging from today's update aside from the pointer to lower Spreads profits YoY (we had a £2.5m rise pencilled in here and Spreads profits were £1.7m ahead in H1). Higher A&P costs are blamed. Cheese profits will also be lower YoY, but this was expected due to absent stock profits. Sales of the 5 power brands (Country Life, Cathedral City cheese etc) remained strong in Q4, as did liquid milk sales, whilst milk&more has attained its aim of 250,000 new users by end March. The aim - expressed in the Q3 update - of cutting end FY net debt to sub £350m (vs £415.8m) will be attained. **We still like this stock as a value situation and retain a BUY stance but will need to downgrade, perhaps to c £90m (from £93.9m) and vs £79.5m the prior year**. Conference Call 11.30am.

(Analyst: Charles Pick 0203 207 3232)

Northern Foods – NFDS.L – (59p) – Trading update is a little mixed

L-f-l sales growth was 5.5% in Q1, 2.9% in H1 but just 0.1% for Q3, leading to 1.9% growth for the first 9 months. In Q4 l-f-l sales growth is -1.8%, leading to a FY l-f-l growth ratio of only 1.0%. A slightly better Q4 outturn relative to Q3 had been expected as the former ratio was hit hard by deliberate exits from lower margin product areas at the frozen division which largely negated progress at the chilled and bakery divisions but this did not occur (Q3 l-f-l sales were -10.5% for frozen vs the Q4 outturn of -11.7%). Northern Foods had previously flagged up that the rate of sales decline for the frozen division would lessen in Q4 owing to investment in the McDougall's pie brand and the roll-out of individual pies. It is not clear why this proved erroneous but this was the cause of the poor Q4 l-f-l for the group: chilled is fine at +2.1% in Q4 and the bakery result for Q4 is good at +4.1% with a strong performance from Fox's. Net debt at end 2009/10 is expected to be sub £200m, as was flagged up as the aim in the Q3 Conference Call. Net debt was £206.7m at 31/3/09 and the statement today indicates it will be lower by almost 10% YoY implying c £190m. New sandwich business has been won with Costa Coffee. The key point here is that management has consistently maintained that there will be a flat EBIT result in 2009/10 ex the benefit (worth £1.5m) from the 53rd week. It is again reiterated today that profit expectations for 2009/10 are *"in line with market expectations"*. The circa 7.5% yield from the 4.5p dividend plus management's hard-nosed and KPI-focussed business philosophy remain the chief attractions. **At 69p - our PT - the shares would still yield 6.5% and we maintain a BUY stance**. Conference Call 8.30am. Note the allusion to a possible impairment charge at the Swansea factory: this will need to be checked out as it could be some business may be about to be lost here.

(Analyst: Charles Pick 0203 207 3232)

Omega Insurance – OIH.L – (101p) – New mgmt deals with big quake, needs to reassure

Omega's trading statement was negative, with a revelation of a potential $23m hit from the Chilean earthquake on the assumption of a market loss of between $5.5bn-$8.5bn. This is clearly material in the context of our earlier estimated net profit of $58m for the year, a 33% downgrade is necessary on the back of this news plus unspecified costs emanating from the Special General Meeting which led to a recomposition of the Board (new Chairman John Coldman and CEO Richard Pexton, ex- directors of Benfield and Heritage respectively). **The shares will mark time now until confidence is restored. Speculation continues to centre on the possible return of renowned underwriter John Robinson, who was ousted from the company last year.**

(Analyst: Charles Coyne 0203 207 3265)

Britvic – BVIC.L – (461p) – Investor & Analyst Seminar was very positive

The seminar was designed to detail Britvic's medium term growth plans plus its innovation and product launch programmes for 2010. 3.5 hours of presentations yesterday with some good ground covered. Much was familiar but there were many new facts/ figures too. Highlights included the new energy drink being launched in the UK (jointly with Pepsico) i.e. Mountain Dew which is large in the US and has been especially reformulated for the UK market (more sugar and caffeine), plus the brand extensions planned in 2010 such as Fruit Shoot My-5 and J2O white blend and Robinsons Select. Pepsi is to be sold in 600ml packs for the price of 500ml, plus there was much detail on brand building moves here in 2010, including World Cup linkages. Good detail too on the moves to build share in Impulse and Food Services where Britvic has been light historically. Regarding the latter a 3 year UK deal has just been concluded with Compass. **We have a PT here of 477p based on 13x CY 2010 EPS: HOLD following recent strength**

(Analyst: Charles Pick 0203 207 3232)

Tate & Lyle – TATE.L – (457p) – Trading update is in line with expectations

The Q3 update on the 28th of January was accompanied by an analyst meeting to discuss trends. The notable change since then has been the weakness of Sterling vs the $ - important as Tate & Lyle is a large $ earner and translated 2008/09 results at an average £/$ rate of 1.80. Consensus forecasts have begun to take this factor into account - we upgraded our PBT forecast for continuing operations from £226m to £229m for 2009/10 and, more significantly, from £245m to £259m for 2010/11 in mid March - but some will still be behind the curve. Every 1 cents change in the average £/$ rate is worth +/-£1.3m as regards PBT. In terms of trading news proper, there is nothing here that will surprise and this remains a waiting game as regards the more cyclical industrial sales (some 70% of sales are made to more resilient food & beverage markets)**.** This said, it is encouraging that net debt has declined so sharply in 2009/10 - indicated net debt of around £864m at the FY end compares to £1,231m at 31/3/09, £987m at 30/9/09 and £864m at 31/12/09 - especially as recent Sterling weakness has removed the gloss from what might otherwise have been achieved (every 1 cent change in the £/$ rate equates to +/-£6m as regards FY end net debt). There are no fresh negatives today: a significant point for a group which has had more than its fair share of profit warnings over the years from businesses which are more commoditised than most. **Our PT is 473p based on a CY 2010 PE of 12x: HOLD**. Analyst Conference Call 8am and analyst meeting 2pm.

(Analyst: Charles Pick 0203 207 3232)

Telecom Plus – TEP.L - (297p) – Trading statement in line, yet cash low

Management is "comfortable with expectations" for the year end March 31st but cash is below expectations due to the unusually cold weather towards the period end. One would have expected a small boost to the income statement from the increased gas and electricity consumption although margins are low, but our concern is at the reducing gas price environment in the UK which has to be strategically managed in pricing terms. While the dividend is the reason to hold the stock, and this is reiterated at the expected level (FY yield 7.4%, final dividend yield alone 4.7%), we were hoping for clarification of customer numbers to justify the 2009/10 dip in PBT resulting from the enhanced customer support infrastructure expenditure in property and staff. It is evidence of the success of that investment in growing customer numbers which is needed to justify future growth. **Nevertheless the yield is appreciable, and despite only mild growth in our projected dividend (22p March 2010 to 23p for March 2011) below 330p (7% yield to March 2011) we are buyers.**

(*Analyst: Andrew Darley 020 3207 3262)*

KCOM – KCOM.L – (48.25p) -Trading statement in line

We feel we led the rallying cry for KCOM this time last year as new management ably sorted out the cost structure, the network burden and the strategic focus: however now that has been delivered all that remains is revenue growth. We've know KCOM for too long to credit growth until we see it: in all the incarnations of what is now the KCOM business excluding Hull, growth has not been a feature for most of a decade, without acquisition. Now that there is management emphasis that net debt/EBITDA is under 2x (as expected), maybe that is the signal the company too is giving? It is not a purely KCOM criticism, but one which tars the whole sector, however the **current multiples (March 2010E PER 8.7x yielding 3.1%; March 2011E 7.9x yielding 3.5%) are appropriate in the absence of acquisitions, for which there is little funding headroom. HOLD**.

(*Analyst: Andrew Darley 020 3207 3262)*

Synchronica* - SYNC.L – (2.5p) - Bolt-On Acquisition and Placing

Synchronica has announced it has acquired certain assets of Colibria and successfully raised £4.2m via a placing and equity swap to fund both the acquisition and working capital requirements of the combined group. Founded in 2000, Colibria launched its first IM solution in 2001 and invested more than £21m in its technology. Colibria established leadership surrounding industry-standard (IMPS) instant messaging and presence services in 2006 and expanded to IMS in 2008. Today, Colibria is a leading Mobile Instant Messaging (MIM) technology company with more than 25 carrier contracts. Synchronica will acquire the IMPS instant messaging software of Colibria and 13 IMPS carrier-contracts including two large carrier-groups that when combined have an addressable market in excess of 320m subscribers. The acquisition cost will be satisfied by an immediate cash payment of €0.75m and issue of 54m new shares to the vendor and a further 72m shares to be issued within six months. This is clearly a complementary technology acquisition which will enhance the current MobileGateway offering with a proven and scalable IMPS instant messaging technology. **The combined product offering of mobile push email and mobile instant messaging provides significant cross-selling and up-selling opportunities across both customer bases, especially through the indirect sales channels and the MessagePhone. We forecast MIM will generate FY revenue (May to December) in excess of £1m accelerating to £1.6m for FY11. However, due to the dilutive effects of the placing, we are reducing our fair value estimate to 5p (9.75p) which puts this innovative and high-growth mobile technology company on a forward PER of 11x.**

(Analyst: Paul Cornelius 0203 207 3231)

*denotes a research client of FinnCap

Facts & Figures

31/03/10

Tomorrow's World

Artisan (UK) (ART.LN)	Interim 2010 Results
Booker Group (BOK.LN)	Q4 2009 Trading Statement
Carnival PLC (CCL.LN)	IMS
Hampson Industries (HAMP.LN)	Trading Statement
ISIS Property Trust (IPT.LN)	Full Year 2009 Results
Mothercare (MTC.LN)	Q4 2009 Trading Statement
OPD Group (OPD.LN)	Full Year 2009 Results
Speedy Hire (SDY.LN)	Trading Statement (pre-close)
Telecity Group (TCY.LN)	FullYear 2009 AGM

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