

## press release

30 July 2009

A mixed bag of results for Shell and BT

- Despite good results The Share Centre list BT as a sell
- The Share Centre tip BP over Shell due to fall in oil price and manufacturing problems

**This morning Shell announced a 70 per cent fall in its second quarter results, while BT released better than expected results. Nick Raynor, investment adviser at The Share Centre comments on today's results and what they mean for investors.**

"Shell, Europe's largest oil company, had been expecting a drop in second quarter profits due to the weakness in oil prices. As such, Shell's earnings plummeted to \$2.3bn compared to \$7.9bn for the same period last year.

"On top of depressed oil prices, Shell has also experienced manufacturing troubles as a result of rebels in Nigeria, limiting production by 90,000 barrels a day. On a more positive note, it was confirmed last week that the EA field in Nigeria, which has been shut for three years, resumed production. This field is anticipated to produce 115,000 barrels a day which will encourage investors.

"At the moment we are keeping Shell as a hold. Although oil companies remain a defensive play and therefore a must for any portfolio, we prefer rival BP as it is not effected by problems in Nigeria. Plus, BP announced better than expected results earlier this week, suffering a loss of just 53 per cent compared to Shell's 70 per cent.

Today, telecoms giant, BT also announced better than expected results. Raynor continues: "BT's group revenue for the first quarter rose 1 per cent to £5.2bn. Investors will also be pleased to hear that BT's earnings per share rose from 2.7p to 3.1p. As a result of today's announcement BT's shares jumped over 13 per cent in early morning trading.

# thesharecentre:

“Despite today’s positive results we continue to list BT as a sell, given its huge pension deficit which rose to 5.8bn in June. We suggest investors consider selling to capitalise on today’s rise.”

-- Ends --

# thesharecentre:

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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 are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds 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](#)

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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