

press release

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12 shares to add festive spice to a portfolio

With recession doom and gloom still hanging over the UK, Nick Raynor investment adviser at The Share Centre highlights some companies which could benefit from the Christmas season and add festive spice.

Halfords

The car-maintenance chain and bicycle retailer could benefit from savvy shoppers this Christmas, as many may consider buying more practical and long-term gifts. The average transaction value of bikes is up by 10% and Halfords expects its 'Ben 10' bikes, based on the children's action hero, to be a best seller this Christmas. Total sales have risen by 3.8% to £425.1m and Halfords plans to raise its interim dividend by 20% to 6p.

HMV

HMV Group is one of the world's leading retailers of music and DVDs, and with Christmas fast approaching sales are likely to increase in the short-term. Its latest trading update showed upward momentum for group sales, which increased by 4.4%. However, HMV faces intense competition from supermarkets, online retailers and digital downloading, which helped lead to the demise of Woolworths and Zavvi.

Vodafone

The run-up to Christmas is traditionally positive for mobile sales, however Vodafone's iPhone launch is not set to occur until next year, leaving orange and O2 to pick up all of the iPhone sales over Christmas. However, Vodafone is still offering a yield of over 5% and continues to deliver steady growth. Vodafone recently announced plans to make £1bn savings over the next two years through operational restructuring rather than job cuts.

Whitbread

Whitbread is divided into two divisions, hotels and restaurants including Premier Inn, Beefeater, Brewers Fayre and Costa Coffee, the UK's largest coffee chain. General weakness in the pound has encouraged many of us to holiday at home and eat out as a treat. Whitbread's value for money brands have considerable appeal for price-conscious customers, so we expect to see an increase in sales over Christmas as people celebrate the festive period and welcome in the New Year.

Hornby

Hornby is a models and collectables group. Hornby is hoping that its Jenson Button Scalextric set will help get sales motoring this Christmas after a sharp fall in profits. Two years ago, Hornby benefited from the popularity of Lewis Hamilton, the 2008 world champion. Scalextric sets modeled on the young driver helped to push sales up by 30%, hopefully Jenson will have the same effect.

Marks and Spencer (M&S)

M&S will begin to sell branded products like Coca Cola, Marmite and Kellogg's in its food stores next year. The decision marks another stage in the transformation of the UK High Street's most iconic store, which has had to respond to price-conscious consumers by offering cheaper products.

Tesco

Tesco remains a firm favorite with consumers, having the largest market share in the sector. In a bid to save cash this year many shoppers may well prefer a one-stop-shop such as Tesco to avoid the temptations of the High Street. Tesco has a diverse range of products from turkeys to toasters and has already seen an increase in pre-Christmas sales. However, the gap is narrowing between Tesco and its rivals – as shoppers hunt for bargains loyalty goes out the window.

DSG International

DSG International is Europe's largest electrical goods retailer and a powerful force on the UK High Street, trading as Currys, Dixons and PC World. With more consumers staying at home in an attempt to reduce spending, revamped entertainment systems may well become an allowable consumer luxury.

Home Retail

Home Retail Group is one of the UK's leading home retailers with two distinct brands, Argos and Homebase. We envisage that both retailers will reap rewards this Christmas, as consumers look for reliable brands at affordable prices. Homebase has been cutting costs and refocusing its product range to suit the economic climate. It is also likely to benefit from sales of its competitively priced Christmas trees and decorations. Argos on the other hand should benefit from sales of the latest must-have toys and online customers looking for a one-stop-shop this Christmas.

Diageo

The British maker of Smirnoff, Johnnie Walker and Guinness are likely to benefit over the festive period, as more of us decide to celebrate Christmas and New Year at home. Sales during the summer have been slow, so a festive boost would certainly be welcomed.

Albemarle and Bond

The AIM-listed pawnbroker's share price has held up reasonably well during recent market fluctuations. In light of the recession, the pawnbroker could benefit from an increase in sales as people look for alternative ways to raise extra cash to pay for Christmas gifts and luxuries this year.

Cadbury

Cadbury is the world's largest manufacturer of confectionery, with products ranging from chocolate bars to chewing gum. Performance was boosted recently with an increase in chocolate and candy sales thanks to the stay-at-home trend and this Christmas could help to boost sales further.

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thesharecentre:

For further information please contact:

The Share Centre
Lisa-Marie Nelson
PR Executive
01296 439 426
Lisamarie.nelson@share.co.uk

Lansons Communications
Inez de Koning / Neil Gregory / Rachel Cashmore
0207 294 3623 / 0207 294 3611 / 0207 566 3663
Inezd@lansons.com / neilg@lansons.com / rachelc@lansons.com

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