

press release

22 February 2010

The forward look from The Share Centre

Nick Raynor, investment adviser at retail stockbroker, The Share Centre, gives his thoughts on what to expect from companies announcing results w/c 22 February 2010.

■ Monday

Associated British Foods (trading statement)

Associated British Foods (ABF) may not be a household name, but brands under its control certainly are, Primark being the largest. Sugar is also a big part in the company's business model, as its British Sugar operation is Europe's most efficient sugar producer. Both Primark and British Sugar are expected to show they did well over the 2009 Christmas period, but we expect Primark to prove to be the main driver behind next week's results. However, we remain less certain about other parts of ABF's business.

We currently list ABF as a HOLD

Hammerson (preliminary results)

European property firm, Hammerson, invests in and develops shopping centres, retail parks and prime offices through operations in the UK, France and Germany. British Land came out with reasonable figures last week and we are expecting Hammerson to do the same, given retail valuations have improved.

We currently list Hammerson as a HOLD

■ Tuesday - N/A

■ Wednesday - N/A

■ Thursday

RSA (full year results)

RSA has undergone a lot of reconstruction of the last 12 months. As such, we hope next week's results will show signs of improvement or give further details of the insurance company's plans. Earlier this week, Legal & General announced better than expected results so let's hope RSA can follow suit.

We currently list RSA as a HOLD

RBS (full year results)

Many taxpayers will be keeping an eye on RBS' results next week to see how their investment is doing. Disposals have been taking place over the last 12 months and more are expected to follow. Next week's results may well fade into the background though once bonuses and director pay levels are announced. The bank's CEO Stephen Hester has won plaudits for the way he is handling a very difficult situation. However, there is no short-term fix for RBS so we suggest novice investors leave the bank to experienced traders.

We currently list RBS as a SELL

Centrica (final results)

Centrica is the biggest supplier of gas in the UK, operating under the British Gas brand name. Its operations include the supply of gas and electricity to UK residential customers, gas and energy procurement, production, and trading and storage. However, it now generates a quarter of revenues in the US. Next week's figures may shed further light on the rumours of Gazprom's interest.

We currently list Centrica as a HOLD

Liberty International (preliminary results)

Liberty specialise in shopping centres, they own Lakeside and the Metrocentre, two of the UK's largest. Christmas should have been a good period for these centres and most of the retail space is taken up as far as we are aware. Once again though it will be valuations and asset rises that will figure.

We currently list Liberty as a HOLD

British American Tobacco (preliminary results)

The producer of Lucky Strike, Pall Mall, Kent and Dunhill may not appeal to all investors from an ethical standpoint, but they certainly do perform well for shareholders. We expect more of the same in next week's results. British American Tobacco's (BAT) yield has been steadily increasing and we expect next week's announcement to confirm the company's geographical spread has helped push profits further.

We currently list BAT as a HOLD

■ Friday

Lloyds Banking Group (full year results)

Once again, taxpayers will be keen for news on how their investment is performing as well as how Lloyds' management is handling things. Similarly, bonuses and director pay levels will be of interest. Last year was tough for the bank, but many believe the worst is now over. The risk of more significant nasty surprises from the toxic assets that came with HBOS is now lower. Investors who have held on hoping for a recovery will have to remain patient.

We currently list Lloyds as a HOLD

Economic Diary

Economic announcements w/c 22 February 2010

Quarterly industrial trends survey for February

January saw the first sign of the long-awaited export-led recovery. The CBI industrial trends survey for the three months to January revealed the first rise in exports since January 2008, with the CBI index tracking exports hitting 6%.

In economic theory the 'J' curve is supposed to illustrate that there is a time lag between a fall in a currency's value and a rise in exports. Analysts will be anxious to see whether the export growth continued in February.

US GDP second estimate and US consumer confidence

After data out last month suggested the US economy expanded at an annualised rate of 5.7% in Q4, analysts will be looking for confirmation of this recovery in the second estimate of GDP. Despite the growth rate, the Conference Board's measure of consumer confidence index remains low. It rose slightly in January, scoring 55.9, but, for much of 2007, it was over 110. Analysts fear the US recovery is inventory led, and will be looking for signs of a consumer recovery.

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The bases and levels of taxation relating to ISAs, CTFs and SIPPs are subject to change and the value of these tax allowances may depend upon the circumstances of the individual.

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 SIPPs are also available.

The Share Centre's Advice Team provides comment on market sectors, individual shares and funds on 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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