

5 July 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 5 July 2010.

■ **Monday-N/a**

■ **Tuesday**

Tullow Oil (trading statement)

Tullow Oil are facing several problems with their assets in Africa as the Ugandan government is in discussions with Heritage Oil regarding tax issues and the Congolese government are disputing the allocation of drilling rights. Hopefully this update will show some signs that these issues are nearing resolution or some positive drilling results. This may help push the oil company's share price.

We currently list Tullow as a BUY

■ **Wednesday**

Marks & Spencer (interim management statement)

Marks & Spencer has seen an initial boost from sales of World Cup merchandise but the earlier than expected demise of the England campaign will mean figures may not be as high as expected. We expect these results to show that Marks & Spencer assumed they would see a few extra patriotic sales. They may also contain some concerns over the increase in VAT, due at the beginning of 2011.

We currently list Marks & Spencer as a HOLD

3i Group (interim management statement)

Net Asset Values at 3i have been increasing during 2010 and debt levels have been reducing. This positive performance has been reflected in the share price. We expect this update to show these figures have improved and that the company is on track to meet its expectations for 2010.

We currently list 3i as a HOLD

Booker (Q1 interim management statement)

Results released in May exceeded expectations and we are hoping for more of the same. Trading from its Indian venture will be closely looked at as we feel this will play an integral part in the company's future.

We currently list Booker as a BUY

Carillion (Interim Management statement)

There appears to be no slow down in the number of contracts Carillion are winning; this may have something to do with the international exposure the company has worked so hard to achieve. Concerns were raised initially when the new UK Government announced the reduction in public spending, but their worldwide operations will help negate any potential fall in the share price. We look forward to this update and more positive news from Carillion.

We currently list Carillion as a BUY

■ Thursday

Associated British Foods (interim management statement)

In a stronger than expected start to the year, Associated British Food has seen a number of brokers upgrade target prices and views on the company. Primark will be seen as one of the benchmark performers for the company and improvements in the weather could see figures in the division pushed higher. Expectations will be high and if these are not met we could see an impact on the share price.

We currently list Associated British Food as a HOLD

Man Group (interim management statement)

Before the last financial crisis Man Group's assets under management totalled nearly \$80 billion; this has shrunk to less than half that and it would be no surprise to investors that profit has suffered. While many managers try to rebuild their business Man Group have made the bold move and proposed an acquisition with GLG Partners for \$1.6 billion. The acquisition will add greater diversity and eventually improve the bottom line of the company. This update will hopefully let the market know how the purchase is progressing.

We currently list Man Group as a HOLD

First Group (interim management statement)

Other companies in the sector will have already released their updates so First Group will be expected to be in-line with or better than their rivals. The update in May could have been better as profits suffered and First Group announced possible proposals to sell their US assets in the near future. We are not expecting any further developments on this from these figures, just a reassurance that profits are back on track and that investors should be sticking with the company.

We currently list First Group as a BUY

■ Friday - n/a

Economic diary

Economic announcements w/c 5 July 2010

Monetary Policy Committee Announcement, 8 July

Although few expect the Bank of England to change interest rates or policy towards quantitative easing today, we are entering an interesting period. The minutes from the last meeting revealed that one member of the committee voted for a rise in rates to 0.75 per cent. Andrew Sentance expressed concern that there was less spare capacity than had previously been thought. The MPC minutes were sandwiched between reports from the OECD and BIS calling for certain central banks, including the Bank of England, to raise interest rates sooner than previously planned.

UK Trade, 9 July

Despite cheap sterling and repeated surveys from CIPS/Markit indicating new export orders for the manufacturing sector are approaching an all-time high, data from the ONS has been suggesting that UK trade remains lacklustre. In April, the trade in goods deficit was £7.3bn, marginally worse than the average over the last 12 months. Most economists agree the UK needs to recover via a rise in exports, and theory says the cheap pound should facilitate this. Markets will be looking for evidence that the UK exporting sector is at last enjoying the kind of recovery theory suggests should be occurring.

Other economic announcements

7 July

- EU National accounts 2nd estimate for Q1 GDP, Eurostat

8 July

- Index of Production – May 2010, ONS

9 July

- Producer Price Index – June 2010, ONS

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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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