

press release

4 October 2010

Olympics – savvy investors could win their own
gold, silver and bronze returns

As the 2012 London Olympics draw closer, Nick Raynor, Investment Adviser at The Share Centre gives his thoughts on how some companies might benefit from the event (and we list as a BUY)

Compass

The recovery programme set in place by management appears to be very much on track and there are growing hopes that further steady progress can be achieved. There are a myriad of catering and cleaning contracts up for grabs at London 2012 and compass is well positioned to capitalize on these. Recent positive results were released also help add further confidence of improvement in the future.

G4S

London 2012 may result in a series of security contracts which will boost domestic growth. It's also worth noting that around 20 pct of the firm's sales are now derived from emerging markets and a further 30 pct in developed markets involved in guarding public-sector customers. This global diversity has helped to push both revenues and profits higher, the dividend has also been increased and is starting to become more attractive for investors.

Intercontinental Hotels

Intercontinental released figures in early August which showed that confidence is returning to the hotel industry and not just at the budget end of the market. The fact that revenues globally are on the up and that rates are improving underlies that after the recent weakness that the share price has suffered, now would be a good time to buy into a solid long-term investment. We would certainly expect a pick-up in revenue rates in the UK in the lead up to the Olympics in 2012. That may seem a long way off but it will be here quicker than you think.

GlaxoSmithKline

thesharecentre:

GlaxoSmithKline, the British drug-maker, will build a £10 million laboratory to test thousands of athletes during the 2012 Olympics and Paralympics under a sponsorship deal. Whilst not a commercial venture, it will undoubtedly raise GSK's profile during the games and could result in sales of Lucozade soaring as advertising of the product will no doubt increase dramatically during the period.

Other shares that we currently list as a HOLD, or those that fall outside our advice remit (ie outside the FTSE 100) may also be worth considering and monitoring in the next two years

Rentokill

Rentokill benefited immensely from the Beijing Olympics after it stepped in weeks before the event to ensure the site was pest-free. With its profile especially enhanced in the Asian market and the possibility it will be called upon for London 2012 makes Rentokill one to watch.

Aggreko

Aggreko, a global provider of rental power, temperature control and compressed air systems, played a crucial role in supporting the Beijing Games with temporary power generation equipment. The deal helped its profits rise 42% in the first half of 2009. Aggreko has won a contract to provide equipment to London's Olympic village and nearer the time more contracts will be up for grabs.

Whitbread

Whitbread, home to the Premier Inn chain and Costa Coffee to name a few, has secured in March a site next to the Olympic Stadium in Stratford where it will build a 267 bedroom hotel in time for the games in 2012. This latest acquisition is part of a London expansion plan that aims to have 13 new Premier Inn's open ready for the 2012 games, bringing its London total up to 59. Of course this opportunity has to be considered within a year's overall figures, but it will offer a short term benefit.

JD Wetherspoons

JD Wetherspoons may benefit from increased numbers of tourists and residents during the Olympic Games, with the ladies beach volleyball a perfect event to host on a large HDTV!

FirstGroup

FirstGroup have recently won the contract to supply transport for spectators to and from stadiums at London 2012 and should benefit from increased passenger numbers.

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For further information please contact:

The Share Centre
Stephanie Reynolds
PR Executive
01296 439 256
Stephanie.reynolds@share.co.uk

Emma Cross
PR Manager
01296 439 426
Emma.cross@share.co.uk

Lansons Communications
Inez de Koning / Lucy Willatt / Lisa Grando
0207 294 3623 / 020 7566 9717 / 0207 294 3669
Inezd@lansons.com / lucyw@lansons.com / Lisag@lansons.com

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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.

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