

press release

14 March 2011

Share of the week from The Share Centre

Graham Spooner, investment adviser at The Share Centre picks utilities company, Northumbrian Water as his share of the week, here's why:

“Northumbrian Water is a steady water company with the added attraction of a potential takeover situation. Bid speculation remains high in the sector and it is worth noting that the water company has previously rejected two takeover approaches.

“Any dividend produced by a water company can help protect against inflation, as the revenue from charges to customers is indexed to the retail price index, as is the regulated asset value. If inflation is set to remain high in the UK, Northumbrian Water’s pledge to grow its dividend above inflation will provide an inflation hedge.

“The share price has fallen back from a high of 364p in November 2010 and currently provides a more attractive entry point for investors looking for a defensive investment allied to good yield.

“With inflation continuing to trend higher, analysts have highlighted the attractions of the water sector for investors and the potential for valuation and earnings upgrades.”

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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's 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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