

press release

24 May 2011

Share of the week from The Share Centre

Graham Spooner, investment adviser at The Share Centre, explains why Cape is his share of the week as it is upgraded to a 'buy':

"The energy services company's final results reported a pre-tax profit of £63.1m for the year. Going forward Cape expects to benefit from new plants in emerging markets and aims to maintain ageing equipment in developed markets, increasing the emphasis on safety.

"Cape has several established contracts in the Middle East and with the ongoing political unrest in the region, it is reassuring to see Australia is set to become an increasingly important area for the business. Norway and China could also provide further diversity with their sizeable power generation sectors.

"The confident management talk of its growth plan for the next five years is especially encouraging and the company has increased its capital expenditure by 30% in anticipation of an increase in demand for its services. We have upgraded our recommendation to a 'buy' for those willing to accept a higher risk. However, despite the strong rise in the share price the shares are still relatively cheap compared to 2012 earnings forecasts, so we suggest investors drip feed into the company."

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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 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](#). The Share Centre blog is also available at <http://blog.share.com>.

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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