

press release

25 July 2011

The forward look from The Share Centre

Nick Raynor, investment adviser at The Share Centre, gives his thoughts on what to expect from companies announcing results w/c 25 July 2011.

■ Monday

Domino's Pizza (interim results)

Domino's Pizza suffered at the start of the year and this was reflected in the fall in share price. However we have seen some recovery recently and the company's business model has generated a lot of positive press. We are once again seeing the share price on its way up and expect a further boost from this update.

We currently list Domino's Pizza as a BUY

Reckitt Benckiser (interim results)

Takeover talk has been the company's saviour so far this year, although there are few companies that could afford to do so. However when Unilever and Procter & Gamble are amongst the rumoured purchasers it could become a serious bid. When it was announced in April that the CEO was to depart the share price fell and although it was justified at the time it raised awareness of the valuation of the company. It is unlikely there will be any update on takeover talk in this announcement but we hope the trading figures are positive.

We currently list Reckitt Benckiser as a HOLD

Companies also reporting today include National Grid (interim management statement) - HOLD

■ Tuesday

GlaxoSmithKline (Q2 results)

This update from the UK's biggest pharmaceutical company is, as always, expected to hold few surprises. Investors will be keen to hear of any rise in the dividend and how the current share buy back programme is proceeding. Recently rivals have been having a bad run of luck and GlaxoSmithKline is no exception. However, the strong yield and product pipeline has stood the company in good stead.

We currently list GlaxoSmithKline as a BUY

BP (Q2 results)

BP has recently delayed its asset selling programme and, along with its Russian partner TNK, has taken a 45% stake in an oil and gas deposit in Brazil's Solimoes region. The cost could be as much as \$1bn but could offer reserves of up to 542m barrels of oil equivalent. Investors will be keen to hear what is happening with the dividend and of any increase.

We currently list BP as a HOLD

Arm Holdings (Q2 results)

Apple's recent results showing profits well ahead of expectations gave the technology market a big boost and saw share prices rise. Although many of Apple's devices will contain Arm Holdings' chips these results will need to be good in order to maintain the current momentum.

We currently list Arm Holdings as a HOLD

Companies also reporting today include Imperial Tobacco (interim statement) – SELL

■ **Wednesday**

British American Tobacco (interim results)

British American Tobacco's share price has recently hit all-time highs despite further legislation banning advertising coming in from around the world. Australia has taken a step further and from January 2012 under proposed laws Canberra wants to be the first government in the world to restrict logos, branding, colours and promotional text on tobacco packets. We expect another solid set of figures from British American Tobacco.

We currently list British American Tobacco as a HOLD

ITV (interim results)

The rumour mill is working overtime and ITV is once again in the middle of it. If there is any truth in the rumours, private equity companies Permira and KKR are the latest suitors with a target price of 110-120p. Although this is a long way off the current share price it is not a ridiculous valuation. We hope these figures will tell us if advertising rates are improving and if any new proposals are in place for highly viewed programmes X-Factor or Britain's Got Talent.

We currently list ITV as a BUY

Companies also reporting today include Sage (Q3 results) - HOLD, Autonomy (Q2 results) - SELL

■ **Thursday**

Shire Pharmaceuticals (Q2 results)

Shire Pharmaceuticals has been one of the outstanding performers on the FTSE 100 this year and we feel it is close to being fairly valued. However, we hope this update will prove us wrong as we have liked the company's huge potential within its drug development division and it should be attractive to bigger drug companies.

We currently list Shire Pharmaceuticals as a HOLD

Compass Group (Q3 results)

Compass Group has recently made purchases in Hong Kong and Turkey, amongst others, which has increased its reach without spending vast amounts. The company released positive figures in May and we believe we will see much of the same in this quarterly update. Compass Group keeps providing the goods and we expect this is unlikely to change.

We currently list Compass Group as a BUY

Centrica (interim results)

Centrica recently announced price rises of nearly 20% would be forced upon both gas and electricity users as the cost to the company had risen. Centrica has suffered this year after the proposed tax on North Sea companies, however concessions have since been made and production has started again from some of its rigs. The diversity of the company is its strong point and although it may not be favoured by consumers at the moment it is from an investment point of view.

We currently list Centrica as a BUY

Companies also reporting today include Tate & Lyle (interim statement) – HOLD, Invensys (Q1 results) – HOLD, AstraZeneca (interim results) – HOLD, BAE Systems (interim results) – SELL, BT Group (Q1 results) – HOLD, Reed Elsevier (interim results) – HOLD, Rolls Royce (interim results) – BUY

■ Friday

BSkyB (full year preliminary results)

This is the first set of results issued since the collapse of the takeover bid by News International and nothing but improved figures are expected. While the bid situation has been unfolding figures have been improving - consumer numbers have risen and there has been a higher take up of its broadband package. We upgraded BSKyB to a 'buy' as soon as the bid failed and we hope these figures will justify that confidence.

We currently list BSKyB as a BUY

Companies also reporting today include Pearson Group (interim statement) - HOLD, Anglo American (interim results) - HOLD

Economic Diary

Economic announcements for the w/c 25 July 2011

26 July Gross Domestic Product: Preliminary Estimate, Q2 2011 – ONS

The final estimate from the ONS suggested the UK economy expanded by 0.5% in Q1, reversing the 0.5% contraction in Q4 2010. Recently, the National Institute of Economic and Social Research estimated that the UK economy expanded by 0.1% in Q2. Although the consensus is for a slightly better performance than that, it will be a surprise if the UK saw a growth rate in excess of 0.3% in Q2 of this year.

29 July US Gross Domestic Product Advance, Q2 – BEA

US GDP expanded at an annualized rate of 1.9% in Q1 2011, from 3.1% in Q4 2010. However, a drop in imports from Japan, a rise in US military spending and a jump in home renovations (repairing damage from recent tornadoes) means the US economy probably saw a modest pick-up in growth in the last quarter.

Other economic announcements include:

25 July

- Measuring What Matters - The National Statistician's reflections on the National Debate on Measuring National Well-being – ONS

26 July

- US consumer Confidence, July – Conference Board
- Index of Services, May 2011 – ONS

27 July

- Quarterly Industrial Trends – CBI

28 July

- Monthly Distributive Trades Survey – CBI

29 July

- Lending to Individuals, June – Bank of England
- Sectoral Breakdown of Aggregate M4 and M4 Lending, June – Bank of England

thesharecentre:

- Flash Estimate Euro area inflation, July – Eurostat

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Note to editors:

Please note that the dates stated in this article are indicative and could be subject to change which is beyond our control.

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The bases and levels of taxation relating to ISAs, CTFs and SIPP's 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 SIPP's are also available.

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