

press release

17 October 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 17 October 2011.

■ Tuesday

Whitbread (interim results)

Whitbread's trading update in early September was on the positive side. It noted that Premier Inn was once again winning market share from more exclusive rivals and Costa Coffee was continuing to perform well. These interim results are expected to enhance the recent update.

We currently list Whitbread as a HOLD

■ Wednesday

Diageo (interim management statement)

Last year Diageo spent £1.6bn on acquisitions within the emerging markets and this area is expected to provide most of the growth going forward. Profits have been increasing within these regions as demand continues to push higher. Links with China are increasing and, as the population becomes more affluent, higher quality brands will become more popular. Although this will be only a brief update we don't think it will affect our stance on the stock.

We currently list Diageo as a BUY

GKN (Q3 trading statement)

GKN has been boosted with \$850m worth of follow on contracts from Boeing; this was a timely win as the share price had fallen to near 12 month lows. There have been no cost savings or other benefits to note so far from its recent acquisition of the German components firm Getrag Driveline, however it may be mentioned in this update.

We currently list GKN as a HOLD

BskyB (Q1 results)

BskyB may still be reeling from the recent decision by the European Courts that its current deal with the Premier League breaches EU regulations. Some analysts believe this could cost the company a further 20% when the next auction occurs in 2012. Sentiment surrounding the stock could do with an uplift and we hope this update will provide that.

We currently list BskyB as a BUY

■ Thursday

Petrofac (interim management statement)

We saw a very positive update from Petrofac in August, however the timing was obviously not the greatest. Since then there have been further contract wins and further rumours within the market that the company could be the subject of a takeover bid - something Petrofac firmly denies. Petrofac no longer has any exposure to North Sea concerns having spun off its division Enquest a while ago. The Middle East and Asia are the main areas of growth and areas where we can still see further contract wins.

We currently list Petrofac as a BUY

SAB Miller (Q2 Trading statement)

We would expect this update to talk about SAB Miller's takeover of Fosters, the great Australian brewer that steadfastly refused an offer earlier in the year. The cost will be in the region of A\$10bn. However, SAB Miller's share price has been boosted by talk that US firm Anheuser-Busch could offer up to \$80bn for the company. Instead of deterring a bid, the Fosters buyout has actually made SAB Miller more attractive.

We currently list SAB Miller as a HOLD

■ Friday

Aggreko (interim management statement)

As APR Energy listed on the FTSE 100 in early September there is now another major distributor of temporary power systems player in the market. As size goes there is no competition and Aggreko is the outstanding play of the two. However, this could all change if the figures do not go the right way and investors look to alternatives within the market. This is a set of results to keep a close eye on - we certainly will.

We currently list Aggreko as a HOLD

Economic Diary

Economic announcements for the w/c 17 October 2011

18 October, Consumer Price Indices September 2011 – ONS

Last month data from the ONS revealed that inflation as measured by the CPI index stood at 4.5% in August, from 4.4% the month before. RPI inflation rose to 5.2% from 5.0% in July. CPIY, that's CPI without indirect taxes such as VAT, rose from 2.9% to 3%. Bank of England Governor Mervyn King has already conceded that inflation is likely to rise again before it starts falling, but will it overshoot estimates?

19 October, Minutes of the Monetary Policy Committee Meeting held on 5 & 6 October – Bank of England

Earlier this month the Bank of England's Monetary Policy Committee announced an additional £75bn worth of quantitative easing (QE). But was the decision unanimous, and were there any hints about any possible further rounds of QE?

Other economic announcements include:

19 October

- US Consumer Price Index, September 2011 – BLS
- US Real Earnings, September 2011 – BLS
- UK Retail Sales, September 2011 – ONS

21 October

- UK Public Sector Finances, September 2011 – ONS, followed by OBR statement on public finances

---Ends---

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 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.

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