

press release

11 January 2012

Share of the week from The Share Centre

Graham Spooner, investment research analyst at The Share Centre, picks oil giant Royal Dutch Shell as his share of the week. Here's why:

"Royal Dutch Shell has issued generally positive updates over the last two years. The group has also started to benefit from restructuring, which focused on recovering demand, especially in Asia, and cost efficiency which has so far delivered \$3.5bn of savings. The company has been further helped by the rise in price of oil.

"Growth seeking investors will be pleased to see that the management has plans that could increase cash flow by 50% in 2012 if oil averages \$60 a barrel and by 80% at \$80 a barrel. With tensions in the Middle East rising again in relation to Iran, the price of oil looks likely to be higher than this level for some time.

"The shares are also attractive for income seekers and are viewed as a core holding for any blue chip income geared portfolio, with the current dividend yield standing just under 5%. New large projects in Canada and Qatar are also set to significantly boost an already impressive cash flow and earnings. As a result, there is every chance of increasing dividends in the future.

"We agree with the CEO that there is more to come from Royal Dutch Shell and recommend medium risk investors who are looking for a reasonable yield and potential for growth should 'buy' the stock. UK investors should 'buy' Royal Dutch Shell 'B' as they are not liable to Dutch tax."

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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.

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>.

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