



# PLUS Stock Exchange

## Half-yearly review

### February 2012



### **About PLUS Stock Exchange**

PLUS Stock Exchange (PLUS-SX) is a Recognised Investment Exchange, delivering cash trading and listing services. PLUS-SX provides UK and international companies with access to European capital through a range of fully listed and growth markets. Our growth market offers cost-effective access to capital for businesses that are seeking the first step onto a public market in a global financial centre. This market is supported by a quote-driven trading platform ensuring that competing two-way prices are available at all times, and is the price formation venue for these traded growth securities.

For more information about PLUS Stock Exchange and its services please visit [www.plus-sx.com](http://www.plus-sx.com).

### **About Edison Investment Research**

The team of 80 includes over 50 analysts supported by a department of supervisory analysts, editors and assistants. Edison writes on more than 350 companies across every sector and works directly with corporates, fund managers, investment banks, brokers and other advisers. Edison's research is read by institutional investors, alternative funds and wealth managers in more than 100 countries. Edison, founded in 2003, has offices in London and Sydney and is authorised and regulated by the Financial Services Authority.

For more information about Edison Investment Research please visit [www.edisoninvestmentresearch.co.uk](http://www.edisoninvestmentresearch.co.uk).

Welcome to the latest edition of the PLUS review. Working in partnership with the PLUS Stock Exchange (PLUS-SX), this review enhances the visibility of PLUS growth companies and is published every six months.

Our analysts have assessed the 50 companies profiled in this review, aiming to provide investors with a snapshot of each company's activities, strategy and trends within the industries they operate in. Our analysts have relied on consensus earnings estimates, where available, but have reflected feedback received by companies on historic and forecast numbers. All Star Minerals, Oracle Coalfields and Quercus are under full Edison coverage and the forecasts are those of the analyst.

More information about PLUS-SX and the companies on the exchange can be found on its website, [www.plus-sx.com](http://www.plus-sx.com).

We welcome any comments/suggestions our readers may have. If you have any questions or queries, please contact us on +44 (0) 20 3077 5700 or via [enquiries@edisoninvestmentresearch.co.uk](mailto:enquiries@edisoninvestmentresearch.co.uk).

Neil Shah

Director of Research

Edison Investment Research

Now into its third year, the PLUS review forms a cornerstone of our ongoing commitment to raise the visibility and profile of our PLUS growth companies. We are delighted to be working with Edison Investment Research on this review dedicated to companies on the PLUS Stock Exchange.

I would welcome the opportunity to speak to you regarding the PLUS Stock Exchange and the companies on our market. If you have any questions or you wish to know more about PLUS, please contact me on +44 (0)20 7429 7831 or email [vivienne.cassley@plusmarketsgroup.com](mailto:vivienne.cassley@plusmarketsgroup.com).

Vivienne Cassley

PLUS Markets Group

## Global perspectives: The cycle within the cycle

- **Time to add beta to portfolios.** Although fundamentals are little changed, sentiment has shifted. If pushed in one direction a positive feedback system keeps going. Our call on equities over bonds has proved correct; we would be adding beta into this rally and moving away from defensive names. Behaviourally, it may be difficult to buy into stocks c 20% up since mid-December. Rationally, sentiment has turned and equity valuations are still very attractive.
- **All the structural issues remain – and the market does not care.** This is not the first time a sharp rally has caught bears out. We show that on the way to losing 80% of its value the Nikkei scored at least six cyclical rallies. These rallies were on average just over 12 months long and had an average gain of 40%. More recently QE2 demonstrated the same investor behaviour, leading to a 30% rise in the S&P over eight months. Perhaps, as PMI indices rebound in the US, UK and Europe, this time might be different – but we would prefer to bet that it will not be and that the rally will continue.
- **Not just sentiment.** €500bn of fresh ECB cash (QE by another name?) certainly helps oil the wheels of finance, especially with expectations of more to come. Credit spreads have contracted sharply since the start of 2012 and large-cap bank shares have risen by 50% or more. It is well known that an over-sized financial system will overlay a positive feedback loop on economic and asset price dynamics; this is currently working in the equity investor's favour. A surprise gift of low interest rates to 2014 by the Federal Reserve is helpful over the short run.
- **Still plenty to play for.** Eurozone non-financials remain cheap and UK equities are not far behind. In terms of financials, large-cap banks are high risk/high reward and we are now neutral – medium-term value creation looks difficult in the new regulatory regime.
- **But... Armageddon has not been cancelled.** All the long-term debt and demographic issues have just been pushed into the background. Investors need to stick with investing discipline and should not make hockey-stick projections of monetary stimulus-led growth into future periods. We certainly have not forgotten that eurozone debt problems remain, despite the the Greek government agreeing an austerity package. Furthermore, tensions in the Middle East have once again pushed Brent crude over \$110/bbl.

### If you are going to panic, panic early – add beta now

Since our last PLUS-SX review, we have consistently noted the value opportunity in equities over highly-rated government bonds. This call is now more than 10% in the money as sentiment has improved.

Now the near-term picture is becoming clearer (with a significant caveat discussed later) and we believe it is time to raise the stakes. Behaviourally, it is difficult to buy into rising markets – which is why the move is often prolonged and extends well beyond what fundamentals would justify.

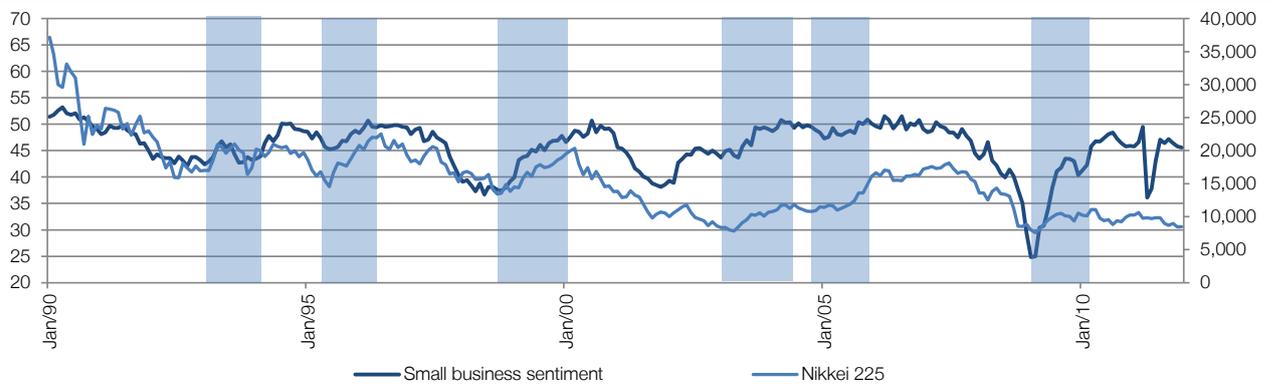
### The cycle within the cycle

We have not forgotten that longer-term debt and demographic issues are likely to pressure structural growth rates. But against this demoralising background, which unfortunately will be with us for some time, numerous cyclical fluctuations in growth are inevitable.

Of course it would be a mistake to confuse cyclical growth accelerations with a return to pre-crisis growth rates, in the absence of meaningful technological innovation. That is not what we are arguing here. But professional fund managers cannot ignore the scope for substantial market moves on a cyclical upswing lasting up to a year.

Exhibit 1 shows how the Nikkei, on its way to declining by 80% from the peak, rallied by at least 20% on no less than six occasions over the last 20 years. The average length of the rally was just over 12 months and the average return was an astonishing 40%. We highlight the Japanese experience as the structural and valuation challenges were known to be severe at the time. Yet the market, quite ‘irrationally’, rallied hard into cyclical upturns. The empirical evidence demonstrates the real and painful risk of being short-term wrong.

**Exhibit 1: Nikkei experience – five sentiment driven bear market rallies**

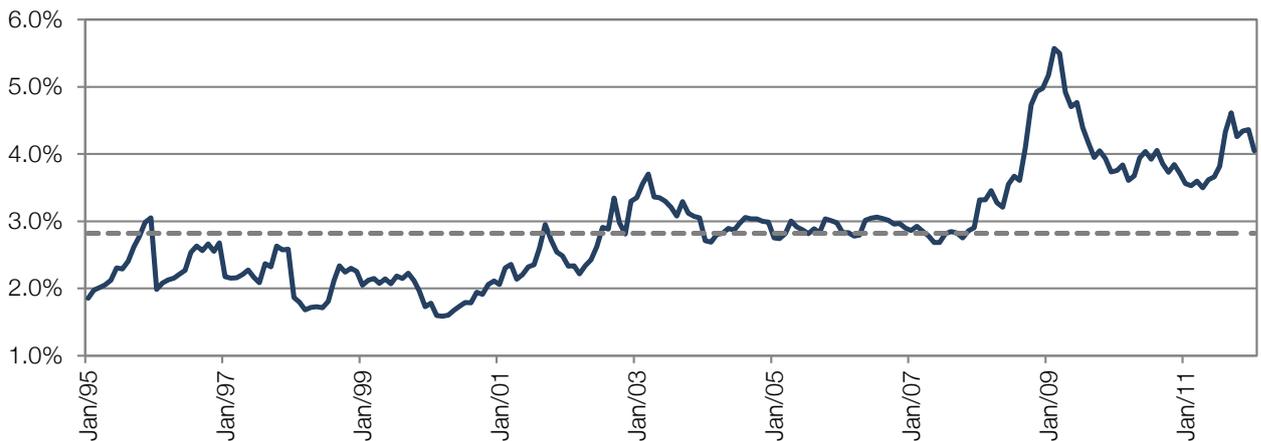


Source: Bloomberg, Edison Investment Research

Readers of a certain age can probably remember the repeated fiscal attempts to ‘fix’ the Japanese economy in the 1990s followed by the adoption of quantitative easing in 2001. The message is clear – how the story ends may be relatively obvious from the beginning (ie driven by valuation and supply-side economics) but the path is critical to investors; the most recent example the QE2-induced 30% rally in the S&P ending in March 2011.

Before leaving the example of Japan we should of course point out the valuation picture in Europe at present is very different from Japan in the 1990s – investors can currently buy European equities at yields that are both high in absolute terms and substantially in excess of long-term ‘risk-free’ bond yields, Exhibit 2. There is still plenty to play for.

Exhibit 2: Eurozone non-financial dividend yield

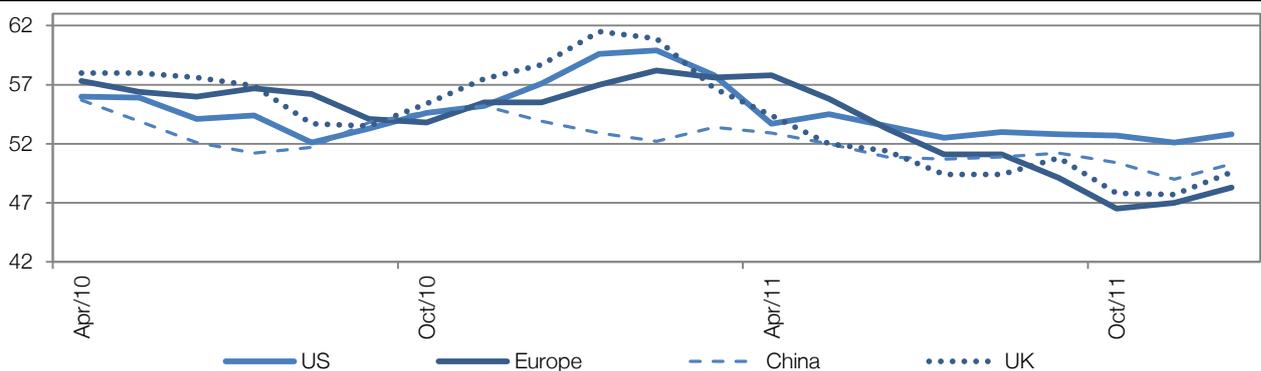


Source: Edison Investment Research

### PMI moving sharply higher – US, eurozone and UK

Exhibit 3 shows that PMI indices have turned in the US, eurozone, UK and China. The US is the key here; employment numbers are finally surprising on the upside. Some of the adjustments in the US are behind us – the housing market has fallen by 30% to affordable levels on a price/income basis and the banking sector is much better capitalised than in Europe.

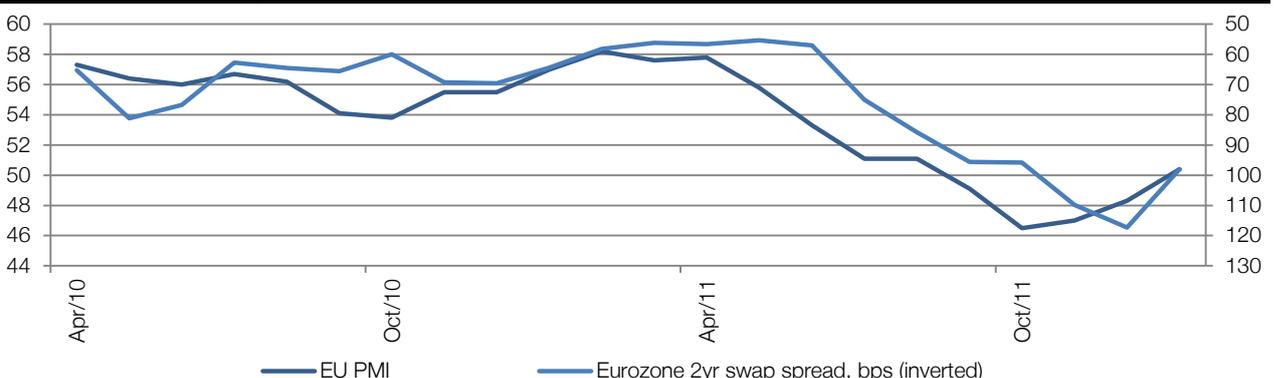
Exhibit 3: Global PMI indices ticking up



Source: Bloomberg

In our view, the market's fears of a meltdown in Europe were driven by the slowdown in global growth. Exhibit 4 shows how the real panic set as growth expectations fell in Q3 of 2011. The triggering of a significant (ie not just peripheral) European debt crisis led to further growth downgrades. With positive growth expectations returning credit stress is falling; the death spiral for now has been reversed.

Exhibit 4: EU PMI leading eurozone swap spreads



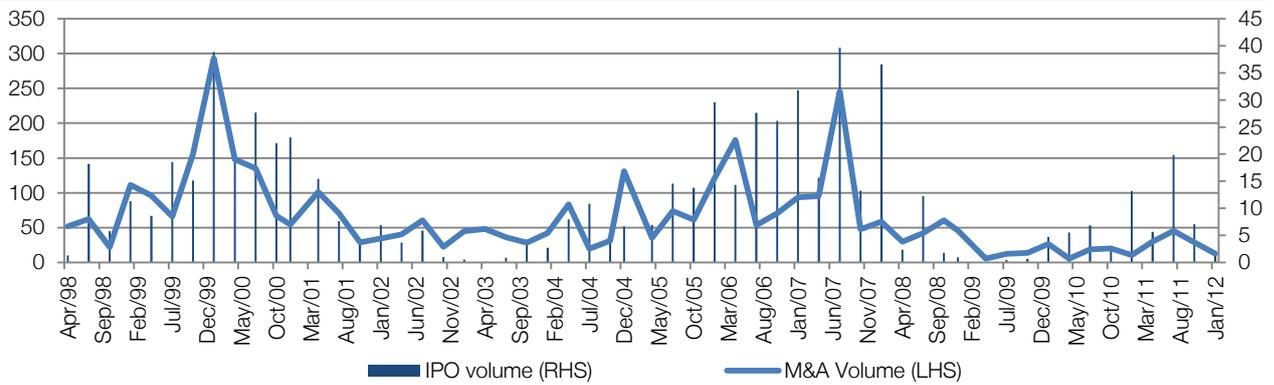
Source: Markit, Bloomberg

### Not just sentiment but hard cash too

Around €500bn of hard cash from the ECB has certainly helped ease tension in the interbank markets and €-LIBOR rates have been falling since the start of 2012. Avoiding a banking crisis should have been a priority from the start although it can be difficult to determine (as in March 2009) how much intervention is required. Although much of the money has ended up back at the ECB (but from banks that did not get the cash from the ECB) there has been a large coincident decline in Italian and Spanish bond yields. There is even talk of banks engaging in sovereign debt carry trades; perhaps MF Global has been forgotten. For now the ECB is ahead of the curve.

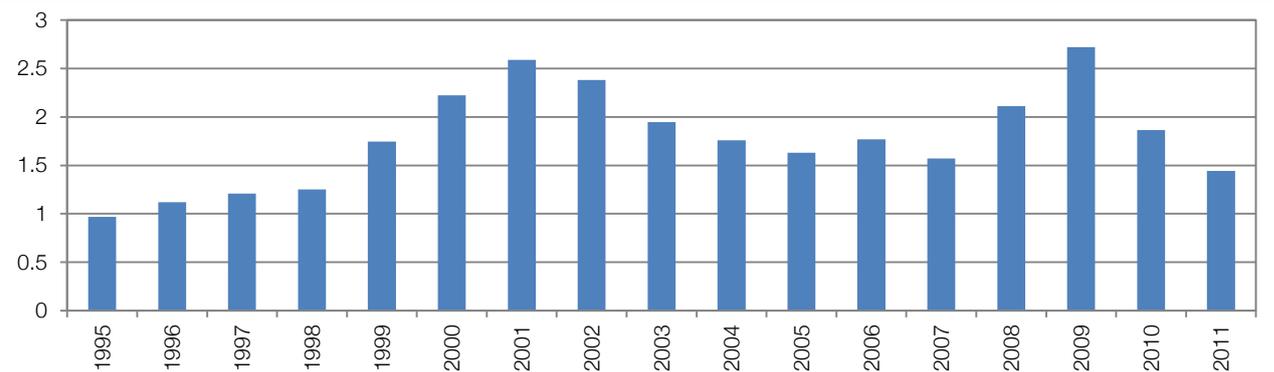
Taking the worst outcomes off the table may provide the confidence corporates require to execute strategic transactions and invest. 2011 saw European M&A volumes decline to decade lows, shown in Exhibit 5. While it is an exaggeration to suggest the corporate sector is 'awash' with cash – stronger balance sheets are an entirely rational response to a weak banking system – the potential to leverage balance sheets to execute M&A is clear, Exhibit 5.

**Exhibit 5: European M&A and IPO activity (monthly, €bn)**



Source: Bloomberg

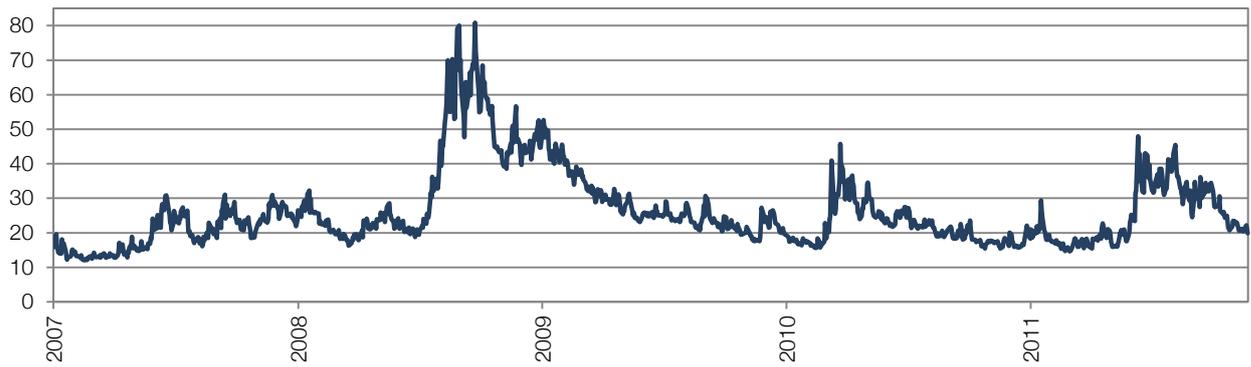
**Exhibit 6: European non-financials – Net Debt/EBITDA**



Source: Bloomberg, Edison Investment Research

Furthermore, high equity market volatility is often blamed for making M&As difficult as acceptable transaction values become harder for executives to determine. We note index implied volatility, measured by both the VIX and VDAX, has fallen back to long-term average levels over the last few weeks, Exhibit 7.

Exhibit 7: S&amp;P index implied volatility – VIX index



Source: Bloomberg

### Buts...

A less openly discussed matter in financial circles is the tension in the Middle East. Here we have negotiations involving aircraft carriers and nuclear weapons. Well-placed Western rhetoric would appear to be preparing the ground for more aggressive intervention. This is a risk that does keep us awake at night as a significant conflict would immediately cause a major economic problem, given the potential for an interruption in oil supplies. Our oils team believes there is already at least a \$10 Iran risk premium in the Brent oil price. Investors may recall that \$130 oil essentially undid the success of QE2 as US consumer confidence fell in response to the higher oil price.

Our oils team recommends a number of mid-cap E&P companies that fit both the cycle within the cycle theme (and a pick-up in M&A) and benefit from higher oil prices. These names are also attractively valued on a standalone basis at present. In the hopefully unlikely but possible scenario of escalating tension in the Middle East, these are likely to remain attractive assets to own and should outperform other types of growth exposure.

Separately, European economic policy remains as uncertain as ever. Most recently, a call by the IMF to increase bail-out resources was followed by news Merkel was considering running the ESM and EFSF in parallel – followed a few days later by Merkel ruling out increases in bail-out funding.

Company profiles

Sector: Property

Price: 3.75p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Ace Liberty & Stone was established to build a commercial and residential property investment portfolio that will take advantage of opportunities in property trading and development.

## Price performance

%	1m	3m	12m
Actual	15.4	15.4	15.4
Relative*	11.5	7.0	19.1

\* % Relative to local index

## Analyst

Roger Leboff

## Ace Liberty &amp; Stone (ALSP)

Market cap: £6m

## COMPANY COMMENT

A £0.04m underlying interim pre-tax loss was broadly in line with last year. The bottom line, however, benefited from the £0.18m increase in the value of the group's holding in Telephone House in Sheffield, a strong return in the short period since its purchase for £1.05m (with a JV partner) last September. The property is a multi-let office with two main leases secured against British Telecom and National Car Parks, adjacent to the proposed entrance of the new Sevenstones Retail Scheme being developed by Hammerson. AL&S increased its stake in the property to 38% in October, investing a further £0.45m.

## INDUSTRY COMMENT

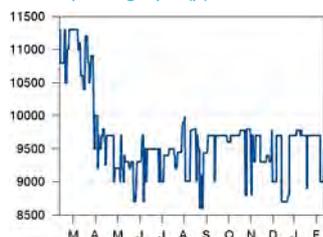
The outlook for UK commercial and residential property remains finely balanced, with considerable industry debt and banks under pressure. However, that does provide opportunities for buyers with cash and AL&S has sought to capitalise on opportunities to acquire assets both for short-term trading and medium-term investment growth.

Y/E Apr	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	0.15	(0.07)	(0.51)	(0.05)	N/A
2011A	1.50	0.60	0.53	0.21	17.77
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 9500.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Adnams is a regional brewer, pub owner, hotelier and wine merchant, based in Southwold on the Suffolk coast.

## Price performance

%	1m	3m	12m
Actual	(2.9)	(2.1)	(15.9)
Relative*	(6.2)	(9.2)	(13.2)

\* % Relative to local index

## Analyst

Richard Finch

## Adnams (ADB)

Market cap: £27m

## COMPANY COMMENT

Ahead of 2011 results due in March, Adnams traded resiliently in its traditionally quieter half to June with broadly maintained trading profit on turnover up by 6%. This is impressive, given endemic industry overcapacity, the acquisition of pub customers by other brewers and weak consumer confidence, among other things. Volumes of own beer sold increased by 2.5% in the take-home market and by 4.5% in the tenanted estate. The wine and shops business proved surprisingly buoyant (like-for-like sales +14%) even if returns were curbed by gearing up for expansion, while the small hotels operation was stable. The company remains securely financed, with bank debt slightly higher at end June (2010 full-year interest cover of 7x).

## INDUSTRY COMMENT

According to the British Beer and Pub Association UK beer sales continued to weaken (-4%) in H211, albeit at a slower rate than in H1, which was depressed by VAT and duty rises and the absence of a World Cup boost, which affected sales especially in supermarkets and shops (Q2 -8% compared with -6% in pubs).

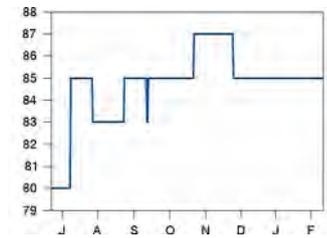
Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	51.30	3.24	2.89	452.00	21.02
2010A	50.90	3.18	2.72	436.00	21.79
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Financials

AFH Financial Group (AFHP) Market cap: £12m

Price: 85.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

AFH is a discretionary wealth manager and IFA firm. The group is based in Bromsgrove, Worcestershire, and has c 50 financial advisers, making it one of the largest financial advisory practices in the Midlands.

Price performance

%	1m	3m	12m
Actual	0.0	(2.3)	N/A
Relative*	(3.4)	(9.4)	N/A

\* % Relative to local index

Analyst

Martyn King

COMPANY COMMENT

AFH Financial Group provides independent financial advice and discretionary wealth management. It is based in the Midlands but we anticipate an increasing national presence as the business grows, organically and through acquisition, benefiting from the pressure on smaller firms that cannot meet the increased requirements of the Retail Distribution Review, due from the beginning of 2013. We expect a significant increase in the number of advisers this year. With a strong, cash-positive balance sheet, AFH is in a good position to pursue strategic acquisitions in advisory, asset management and related business services.

INDUSTRY COMMENT

Investment market volatility has only a short-term impact against the huge business opportunity within the wealth management space, especially for pensions, as life expectancy increases and government and employer pension schemes withdraw.

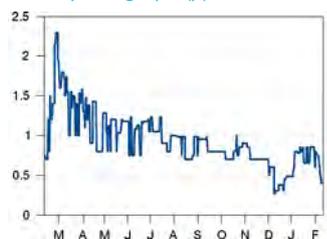
Y/E Dec	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2011A	N/A	N/A	N/A	N/A	N/A
2012A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

All Star Minerals (ASMO) Market cap: £1m

Price: 0.40p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

All Star Minerals is a uranium exploration company focused on Sweden, where it owns 100% of the mineral exploration licences for three projects: Gilpas, Samon and Kuusivaara. The licences cover 111km sq in northern Sweden.

Price performance

%	1m	3m	12m
Actual	(48.7)	(42.9)	(46.7)
Relative*	(50.5)	(47.0)	(44.9)

\* % Relative to local index

Analyst

Tom Hayes

COMPANY COMMENT

All Star Minerals recently announced the acquisition of Circle Resources, Jodo Gold and Blue Doe Gold for A\$535,000. These acquisitions add seven projects in Queensland, Australia covering 518km sq, deemed 'highly' prospective for gold, silver, copper, phosphate and uranium. All Star is restructuring the assets of each company into distinct synergetic groups focused on precious, base and strategic commodities. Latest exploration results from the Gilpas uranium project suggest that previously-identified radon gas anomalies are likely related to dispersal of uranium bearing material in the glacial till rather than uranium mineralisation in the underlying bedrock. The next phase of drilling at Gilpas and the Samon iron ore target are expected to start in April and May 2012, respectively.

INDUSTRY COMMENT

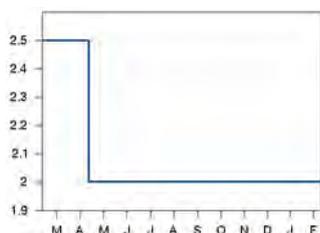
The uranium spot price remains flat at around \$52/lb of U3O8, volatility continues within the sector despite China and India progressing its significant nuclear ambitions.

Y/E Nov	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.00	(0.19)	(0.19)	(0.21)	N/A
2010A	0.00	(0.12)	(0.12)	(0.10)	N/A
2011E	0.00	(0.12)	(0.12)	(0.10)	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 2.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Alpha Prospects was established by the directors for acquiring and investing in niche companies operating in the independent travel sector.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(20.0)
Relative*	(3.4)	(7.2)	(17.4)

\* % Relative to local index

Analyst

Martyn King

## Alpha Prospects (APHP)

Market cap: £3m

COMPANY COMMENT

Alpha Prospects is an investment company with a strategy to invest in listed or unlisted companies across a broad variety of industries. It holds positions in Active Energy, Ram Active Media and Hill Street Investments. It recently agreed to acquire a 25% stake in Coleridge Resources, a Delaware-based company with rights to coal mining assets in Kentucky. The transaction is subject to shareholder approval as a related party transaction with Christopher Foster, an Alpha director among the vendors. Alpha has agreed to issue new shares to a value of £980k in consideration and intends to subsequently participate in a fund raising to exploit the mining rights. It is actively considering a number of other investments.

INDUSTRY COMMENT

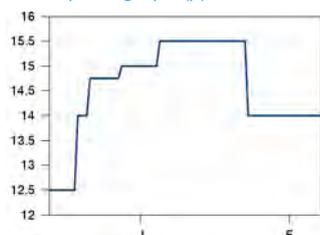
Current market volatility and economic uncertainty may make it difficult to complete transactions.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	0.00	(0.39)	(0.39)	(0.37)	N/A
2011A	0.00	(0.46)	(0.47)	(0.37)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Industrial Support Services

Price: 14.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Anturion holds the license, patent applications and patents for the worldwide exclusive rights for use and marketing of a potentiometric sensor in the automobile industry for gasoline and diesel engines, and directly related systems to help manufacturers regulate harmful emissions.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

\* % Relative to local index

Analyst

Roger Leboff

## Anturion (ANTP)

Market cap: £29m

COMPANY COMMENT

Anturion listed on PLUS-SX in December 2011. It holds licenses for worldwide exclusive rights and patents for using and marketing sensors to detect harmful nitrogen oxides in exhaust emissions. Its prototypes have undergone over 500 hours of satisfactory durability testing in the US and Norway. It has to date manufactured 1,000 prototypes, which are being evaluated by one of China's largest truck manufacturers and Norway's Amelti, which makes Smart Feeder systems for the shipping and truck industry worldwide. If the testing is successful, Anturion anticipates sales will begin this year.

INDUSTRY COMMENT

The market is supported by more stringent air pollution reduction regulations due to come into force in Europe during 2014. These place restrictions on emissions, including NOx, which affect the large number of diesel vehicles for which the Sensor is suitable. The group believes its sensor will prove more accurate and reliable than other products currently in the market and will have a price advantage.

Y/E Nov	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2011A	N/A	N/A	N/A	N/A	N/A
2012A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Arrowpoint (ARWP) Market cap: £22m

Price: 11.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Arrowpoint Technologies is a holding company which, through its subsidiary companies based in the USA and India, offers information technology products, services and solutions to the retirement and financial services industry, primarily in the USA.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(21.4)
Relative*	(3.4)	(7.2)	(18.9)

\* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

The interims saw significant profit growth with EBITDA up 15x to US\$0.8m, and US\$0.13m net profit (H110: US\$0.7m loss). That reflects the success of an offshore delivery model, which sees much actuarial plan conversion work carried out in the Chennai office. H1 revenues declined 4.6% y-o-y; with higher income from the largest client, Pension Benefit Guaranty Corporation, more than offset by lower contributions from AST and Coty. Keytech, Arrowpoint's consulting business, saw considerable improvement in the last few months of the period. The statement expressed confidence that these trends will benefit the full-year results.

INDUSTRY COMMENT

Arrowpoint's products target the US retirement industry. It has an established market position and a steady private and public sector client base. To counter a tighter domestic market from economic uncertainties, it has invested in development of products such as asset liability management, from established offices in the US, India, Canada and the Middle East.

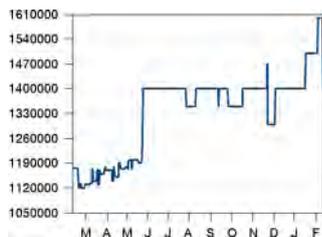
Y/E Mar	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2010A	15.20	0.73	(0.44)	0.00	N/A
2011A	13.49	(0.86)	(0.23)	(0.01)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Travel & Leisure

Arsenal Holdings (AFCO) Market cap: £973m

Price: 1400000.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Arsenal Holdings is the holding company of the Arsenal Group of companies. The group operates a professional football club, Arsenal Football Club, and carries out the property development activity associated with its Emirates Stadium project.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	19.1
Relative*	(3.4)	(7.2)	22.9

\* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Ahead of imminent results for the seasonally weaker first half, the latest update in late September confirmed a favourable start to the period with full subscription of general admission and Club Tier season tickets, improved commercial revenues and significant net investment in the squad. In addition, with the property business still highly cash generative, the revitalised balance sheet (gearing of just 36% at May) is securely in tune with a market subject to increasing financial regulation. Last year's sharp reduction in EBITDA (from £85m to £36m) was much as expected, reflecting lower property and transfer gains as well as higher wage costs.

INDUSTRY COMMENT

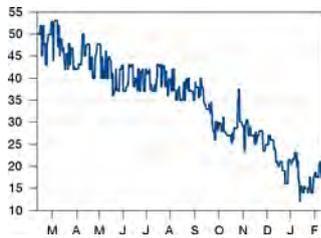
New UEFA regulations (Financial Fair Play) aim to restore stability to European football club finances. A break-even requirement applies to 2012 financial statements, obliging clubs to spend no more than they generate over a rolling three-year period. No overdues (eg on transfers) will be payable during the season and financial disclosure should improve.

Y/E May	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	379.90	72.00	56.00	N/A	N/A
2011A	255.70	50.50	14.80	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 17.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Ascot Mining is a junior mining company with 100% of a small operational gold mine in Costa Rica. Having completed the first pour, the company is focused on increasing annual production rates to over 20,000oz. In addition, the company has two other development stage projects and an ore supply agreement.

## Price performance

%	1m	3m	12m
Actual	(20.2)	(37.0)	(66.0)
Relative*	(22.9)	(41.6)	(64.9)

\* % Relative to local index

## Analyst

Roger Leboff

## Ascot Mining (ASMP)

Market cap: £4m

## COMPANY COMMENT

The operational update confirmed that gold production increased from a nominal 58oz in August 2011 to 203oz in November. Ascot recorded its first operating profit, US\$25,000 in November, which, although modest, is a positive landmark in its development. Previous production estimates look ambitious short term. The H112 target is c 1,900oz of gold, with gross operating cash flow above US\$2.5m at current gold prices. It sees further production increases deliverable from existing operations. Ascot acquired a 29.7% stake in Canada's Mineral Hill for C\$0.45m in February 2012.

## INDUSTRY COMMENT

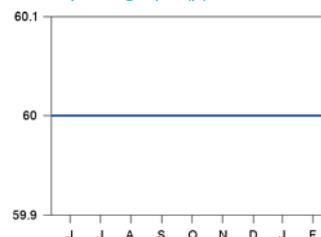
The Mineral Hill acquisition helps broaden the asset base beyond Costa Rica and diversify the mineral focus to include strategic metals. Ascot intends to expand its own gold production rates to over 20,000oz pa. The outlook is supported by gold's role as a reserve asset, with investors seeking alternative assets to balance any inflationary impact of governments efforts to tackle fiscal deficits.

Y/E Sep	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.00	(1.75)	(2.01)	(5.99)	N/A
2010A	0.30	(1.08)	(1.71)	(4.50)	N/A
2011E	0.32	N/A	(3.07)	(0.05)	N/A
2012E	13.19	N/A	9.66	0.15	113.33

Sector: Financials

Price: 60.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Asia Wealth was incorporated in the British Virgin Islands on 7 October 2010 to make acquisitions of wealth management-related companies in Asia that seek to address the region's growing number of high net worth individuals (HNWIs).

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	N/A
Relative*	(3.4)	(7.2)	N/A

\* % Relative to local index

## Analyst

Martyn King

## Asia Wealth Group (AWLP)

Market cap: £7m

## COMPANY COMMENT

Asia Wealth Group is an investment holding company incorporated in July 2010. It is seeking to acquire wealth management companies in Asia, or Europe-based companies that have the potential to expand into Asia. It made its first acquisition in April 2011, the Meyer Group of companies, which provides wealth management and advisory services focused on Asian HNWIs. In the interim report to 31 August 2011 the company says that Meyer is performing well and ahead of budget. H1 revenue was \$1.84m (+28% versus budget) and PBT (adjusted for listing costs) was \$589k. Cash resources were \$1.2m. The board continues to see excellent prospects in Asia and is confident about the future.

## INDUSTRY COMMENT

The prospects for Asian economic growth remain relatively bright in a global context and the prospects for increasing wealth in the region, and a growing middle class, are a supportive back-drop for wealth management operations in the region.

Y/E Feb	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2010A	N/A	N/A	N/A	N/A	N/A
2011A	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

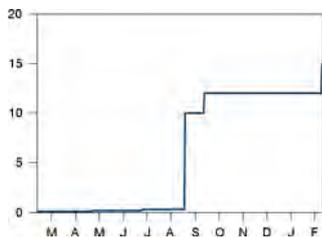
Sector: Financials

## Aspartus Resources (ASPP)

Market cap: £8m

Price: 15.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Aspartus is a PLUS-SX investment vehicle set up principally to invest in companies operating in the European environmental protection market.

## Price performance

%	1m	3m	12m
Actual	25.0	25.0	14899.6
Relative*	20.8	15.9	15384.0

\* % Relative to local index

## Analyst

Martyn King

## COMPANY COMMENT

Aspartus is an investment vehicle set up principally to invest in the European environmental protection market. However, the lack of investment opportunities persuaded the board to change the investment strategy to invest in mineral and precious metal mining assets where it sees significant capital growth potential. For now the company is essentially a cash shell - it has acquired a small investment in Principal Resources, which gives indirect exposure to an Indonesian coal exploration licence, but it is actively seeking opportunities. Cash resources at 31 August 2011 were £150k, which the board considers adequate to finance routine administration costs as well as initial prospecting expenses.

## INDUSTRY COMMENT

Despite the global economic slowdown, the long-term outlook for the natural resources sector - particularly for production - is supported by the imbalance of increasing demand - particularly from developing markets, - and the reducing supplies of natural resources.

Y/E Feb	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.00	(0.15)	(0.26)	(1.19)	N/A
2010A	0.00	(0.05)	(0.04)	(0.06)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

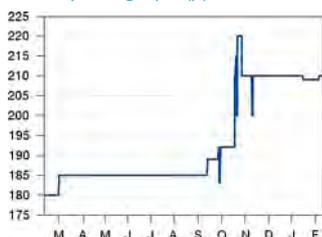
Sector: Pharma &amp; Healthcare

## Bioventix (BVXP)

Market cap: £11m

Price: 210.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Bioventix specialises in the development and commercial supply of high-affinity monoclonal antibodies with a primary focus on their application in clinical diagnostics, such as in automated immunoassays used in blood testing.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	16.7
Relative*	(3.4)	(7.2)	20.4

\* % Relative to local index

## Analyst

John Savin

## COMPANY COMMENT

Bioventix produces high-affinity monoclonal antibodies from sheep for use in immunodiagnostic tests. Its sales are derived from contracts to create a specific antibody, sales of purified antibodies or product royalties. Of its future portfolio, a new antibody to recognise Vitamin D (25-OH) is showing promise with initial revenues; a cardiac-testing troponin antibody is also advanced. FY11 sales were £1.97m up 25%, with a PBT of £1.08m; this is 51% of revenues. Profit of £493k was up 28% and the company paid a 4.4p interim dividend. Bioventix held £1.5m cash at 30 June 2011. The dividend is 6.6p.

## INDUSTRY COMMENT

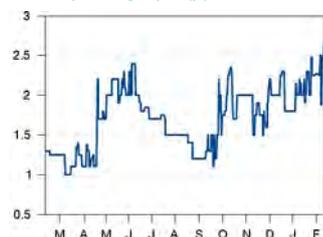
Development and growth depends on customer timelines plus commercial strategies, the clinical development and regulatory timeframes required. Bioventix's client base largely consists of multinational healthcare companies. There could be a significant number of product launches, and significant revenue growth, in 2012/2013 but timings and amounts are uncertain.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	1.58	0.68	0.68	11.23	18.70
2011A	1.97	1.08	1.08	17.59	11.94
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Media &amp; Entertainment

Price: 2.65p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

C-Ads is an Irish-based facilitator of out-of-home digital media networks, delivering narrowcast IPTV news, entertainment and advertising.

## Price performance

%	1m	3m	12m
Actual	20.5	76.7	103.8
Relative*	16.4	63.9	110.4

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Captive Audience (CADP)

Market cap: £7m

## COMPANY COMMENT

Captive Audience Display Solutions Plc announced in December 2011 that it had been approached by Ritz Gold Limited to enter into discussions with a view to reaching agreement to the mutual satisfaction of the shareholders in both companies. No further announcements have yet been made.

## INDUSTRY COMMENT

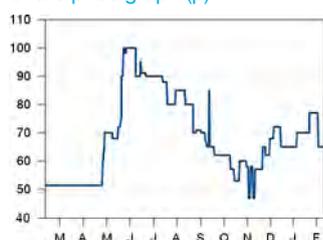
The merits of advertising to captive and targeted audiences out-of-home have long been appreciated and several quoted companies have attempted to exploit specific opportunities. However, the dominance of CBS Worldwide has made doing so profitably an onerous task.

Y/E Apr	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2010A	0.04	0.04	(0.31)	(0.17)	N/A
2011A	0.00	(0.10)	(0.10)	(0.05)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 65.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Central Asian Minerals and Resources, through its wholly owned subsidiary, Gulf International Minerals, owns a 49% interest in the joint venture mining company, Aprelevka.

## Price performance

%	1m	3m	12m
Actual	(7.1)	14.0	26.2
Relative*	(10.3)	5.8	30.3

\* % Relative to local index

## Analyst

Rory Draper

## C Asian Minerals &amp; Res (CMRP)

Market cap: £11m

## COMPANY COMMENT

Central Asian Minerals and Resources (CAMAR) was established to identify and acquire investment opportunities in the resources sector in Central Asia. Through its wholly-owned subsidiary Gulf International Minerals, it owns a 49% interest in the joint venture (JV) mining company, Aprelevka. Aprelevka is now focused on the development of its Aprelevka gold projects in Tajikistan. The company is currently producing 12,000oz of gold a year. With upgrades to the primary crushing circuit for grinding material and elusion circuit changes at the Kansai mill, CAMAR aims to double the output of gold to 24,000oz/year by 2013. The company aims to define a 1Moz gold resource to JORC standards at the Aprelevka licence areas in the medium term.

## INDUSTRY COMMENT

Central Asia Minerals reported a (unaudited) loss of US\$0.55m for the six months to 30 June 2011.

Y/E Dec	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2009A	0.00	(0.03)	(0.03)	(0.11)	N/A
2010A	0.16	(1.04)	(1.04)	(0.41)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

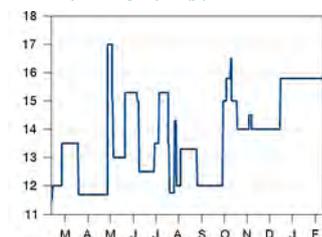
Sector: Food &amp; Drink

## Chapel Down Group (CDGP)

Market cap: £7m

Price: 15.80p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Chapel Down Group produces and markets a range of still and sparkling wines made from English grapes. While most are white wines, the proportion of red and sparkling wines has been increasing steadily.

## Price performance

%	1m	3m	12m
Actual	0.0	12.9	37.4
Relative*	(3.4)	4.7	41.8

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## COMPANY COMMENT

English Wines Group has changed its name to Chapel Down, its core brand, supplied into premium accounts such as Waitrose, M&S, Majestic and Fortnum & Mason on the retail side and several restaurant groups including Roast. Interim figures showed strong progress in profitability, with demand continuing to outstrip supply and the group is consequently seeking more growers to add to the supply side. Average bottle prices were up 4%, despite the VAT increase. The operators of the vineyard restaurant have surrendered their tenancy as a result of planning restrictions, but the group intends to re-open later in the year.

## INDUSTRY COMMENT

2011 looks to have been the third consecutive decent English harvest, with reasonable yields and the weather conditions producing a good balance of fruit and acidity in the grapes, consolidating the considerable progress made in English viticulture. The general policy of quality over quantity is driving greater recognition of English wines in domestic and international trade; Camel Valley has recently applied for PDO status.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	2.49	0.15	(0.09)	(0.02)	N/A
2010A	2.67	0.20	0.33	0.08	197.50
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Pharma &amp; Healthcare

## China Meihua Bio Tech (CMBP)

Market cap: £14m

Price: 22.50p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

China Meihua Biological Technology is the holding company for Harbin Yinghua Biological Technology (Harbin Yinghua), a sales and marketing company headquartered in Harbin.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	(3.4)	(7.2)	3.2

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## COMPANY COMMENT

China Meihua is the exclusive distributor for functional foods developed by Harbin Meihua for China and South-East Asia. These are based around probiotics, lactase and yoghurt fermentation agents and obtained a health product certificate for its probiotics in FY11. The group is running at a sizeable loss (albeit masked in H111 by a large goodwill write-back on the Ying Wei acquisition) and lost a significant customer in Q211. Financially, it is supported by directors' loans of RMB10m, to be repaid by 2016. These were agreed as part of a restructuring in FY11 that also involved Sunny Orient taking a 10% stake.

## INDUSTRY COMMENT

Having been a relatively constrained sector, there is a great deal of interest in functional foods and beverages in China, with a large number of academic papers and symposiums. Yakult recently identified China as one of its fastest growing territories, investing in new factories. The market is building on an inherent understanding of the health properties of plants and natural extracts, supported by the growing middle class and comparative wealth.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.39	(0.34)	(0.65)	(12.88)	N/A
2010A	0.89	(0.66)	(1.14)	(22.73)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

DHAIS (DHAP)

Market cap: £15m

Price: 30.50p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

DHAIS is a public limited company trading as both a retailer of hearing and mobility products and also as a freelance marketing company.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	(3.4)	(7.2)	3.2

\* % Relative to local index

Analyst

Fiona Orford-Williams

COMPANY COMMENT

The DHAIS branch portfolio is now stable after restructuring and the company said it moved into profit in the first four months of FY12, although that was before the severe weather conditions in the last two months of 2011. Management reports taking market share from traditional players. Most of the group's debt funding is now on an interest-free basis, bar a £1.3m loan from Widex, a major hearing-aid supplier. The group has a close trading and shareholding relationship with Owen Hearing and Mobility and its parent company, Hearing and Health International, a well-funded Portuguese player with European ambitions.

INDUSTRY COMMENT

The OFT found the mobility aids market appeared to need greater transparency of prices, including information on the costs of operating certain mobility aids and prices being made available upfront, particularly when selling at the 'doorstep'. The UK disability aids market is estimated at around £500m with a further £1.1bn B2B, but it is highly fragmented with the NHS the largest supplier.

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	9.39	(1.29)	(1.52)	(2.62)	N/A
2011A	6.99	(0.89)	(0.79)	(1.40)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

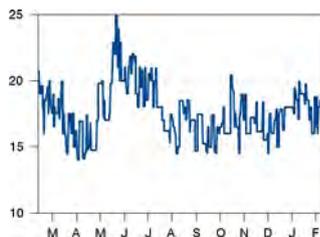
Sector: Pharma & Healthcare

Eden Research (EDE)

Market cap: £17m

Price: 16.50p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Eden Research has intellectual property and expertise in encapsulation, terpenes and environmentally friendly technologies.

Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

\* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

At the start of this year Eden confirmed that Teva Animal Health had formally exercised its option to enter into a licensing agreement to develop, manufacture and market products for the treatment of common bacterial, fungal and/or parasitic pathogens in the veterinary health space in the NAFTA region. Eden has received a US\$0.1m licence fee, with US\$0.8m of milestone payments and royalties to come. The group reported a £0.4m H1 operating loss and interim net cash of £1.18m, with finances strengthened by c £3.0m of debt conversion and warrants.

INDUSTRY COMMENT

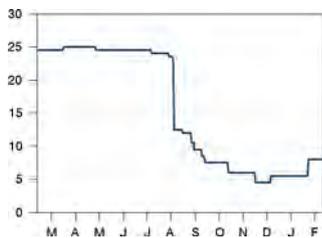
Eden's products leverage ongoing global issues such as food security, the need for increased food production and increased regulatory pressures on traditional chemical products, as resistance affects their efficacy. Such factors highlight the need for novel, environmentally friendly and effective technologies such as the group provides and it reports a considerable increase in commercial activity and industry interest in recent months.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.19	(1.60)	(1.74)	(3.03)	N/A
2010A	0.17	(2.26)	(3.28)	(5.21)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 8.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Essenden is the second largest UK operator of bowling centres, which are branded 'Tenpin'. Essenden's ordinary shares are listed on AIM and loan notes on PLUS-SX.

## Price performance

%	1m	3m	12m
Actual	45.5	33.3	(67.3)
Relative*	40.5	23.7	(66.3)

\* % Relative to local index

## Analyst

Jane Anscombe

## Essenden (ESS)

Market cap: £5m

## COMPANY COMMENT

A trading update on 23 January reported like-for-like sales down 7% in 2011 but with a stronger end to the year (up 1.6% over Christmas, helped by better weather). The CVA (compulsory voluntary agreement) over five of its 37 bowling sites was successfully implemented in September 2011, removing a loss-making tail and enabling management to focus on the core continuing estate. Recent product initiatives include a new online booking engine, new entertainment products and the roll-out of Costa Coffee units within the centres.

## INDUSTRY COMMENT

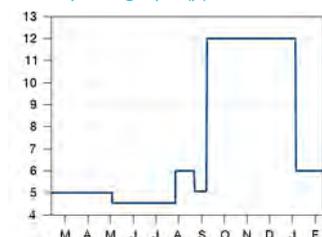
The UK tenpin bowling industry has experienced a prolonged period of sales decline due to competition from other leisure activities and a lack of innovation, as well as the recession. The core customer groups are families and 18-30 year-olds; the economic outlook and unemployment suggests their spending may remain under pressure in 2012. However, operators such as Essenden have worked hard to improve the product offering to try and improve both footfall and spends.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	58.10	(10.20)	(11.90)	(42.50)	N/A
2010A	56.60	1.49	0.09	(1.20)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Oil &amp; Gas

Price: 6.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Established in 2010 and located at Laver Hill in Essex, Evergreen Oil is capable of consistently producing EN standard (forecourt quality) biodiesel through the recovery and refining of waste cooking oil and used vegetable oil feed stock.

## Price performance

%	1m	3m	12m
Actual	0.0	(50.0)	20.0
Relative*	(3.4)	(53.6)	23.9

\* % Relative to local index

## Analyst

Graeme Moyse

## Evergreen Oil (EVOP)

Market cap: £4m

## COMPANY COMMENT

First-half trading was difficult, with the price and availability of used cooking oil (UCO) and plant reliability problems undermining profitability. With Evergreen having secured contracts for the supply of UCO, a reduction in UCO's market price and the extension of the double certificate programme, the outlook for the second half appears more positive. Although production capacity remains at 120,000 litres per week, Evergreen has received commitments for orders of 300,000 litres per week, above the level of 285,000 litres per week at which the business is expected to be cash generative.

## INDUSTRY COMMENT

Policy and legislation are underpinned and informed by a need to reduce emissions from transport and promote security of energy supply. The European Renewable Energy Directive requires that energy from renewable sources accounts for at least 10% of the energy used in transport by 2020 and the Renewable Transport Fuel Obligation mandates 5% of all road vehicle fuel is derived from sustainable sources by 2013.

Y/E Mar	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	1.85	0.09	0.09	1.00	6.00
2011A	1.75	0.06	0.06	0.80	7.50
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

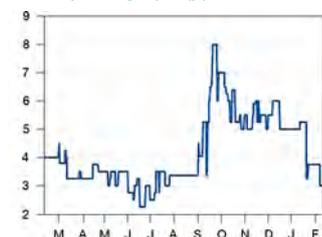
Sector: Financials

## Ezybonds (EZB)

Market cap: £11m

Price: 3.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Ezybonds (UK) is the official marketing company of the Ezybonds Global Payment system.

## Price performance

%	1m	3m	12m
Actual	(40.0)	(45.5)	(25.0)
Relative*	(42.0)	(49.4)	(22.6)

\* % Relative to local index

## Analyst

Martyn King

## COMPANY COMMENT

Ezybonds UK is the official marketing company for the Ezybonds global payment system. The system is developed and owned by Ezybonds Inc, which pays a 15% royalty to Ezybonds UK and is a substantial shareholder. Despite some implementation delays, the system is now being rolled out to an increasing number of merchants. In September 2011 80% of Beijing Ozland Technologies (BOT) was sold to Kingluck Technologies, which is contracted to complete the installation of at least 5000 payment terminals in the Beijing market. For the year to 30 June 2011 revenues were £320k and the loss before BOT disposal gains (£261K) was £41k.

## INDUSTRY COMMENT

Electronic transactions are a rapid growth sector. A study by ACI showed a CAGR from 2004-2009 of 12.9% compared to global GDP growth of 3.4%, with electronic payment revenues doubling over the next 10 years. The USA and China are the largest markets due to above-average growth rates and absolute market size.

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.05	(0.07)	(0.07)	(0.05)	N/A
2010A	0.21	(0.07)	(0.07)	(0.03)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

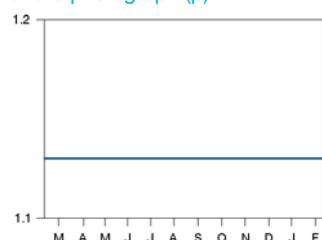
Sector: Technology

## FreshTL (FTLP)

Market cap: £3m

Price: 1.13p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

FreshTL is an independent software vendor and IBM business partner that specialises in cloud computing.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	(3.4)	(7.2)	3.2

\* % Relative to local index

## Analyst

Roger Leboff

## COMPANY COMMENT

Interim revenues (£0.05m) and a £0.29m pre-tax loss were in line with management expectations and cash was boosted by a £0.31m equity issue. New business wins included orders in November from a global business worth £0.25m in FY11 and revenue in future years, and from an engineering services group for multiple SafetyNET software licenses, expected to add over £0.1m to FY12 revenues. The latter was secured by Mobile Safety Solutions, acquired in June. Its software helps users manage and monitor compliance with health and safety obligations.

## INDUSTRY COMMENT

FreshTL aims to capitalise on demand for cloud computing and SaaS offerings. It plans to grow by acquisition of complementary applications and distribution rights both domestically and overseas. SaaS is one of the fastest-growing ICT service concepts. Industry estimates suggest that over 10m companies will be users in the next five to 10 years, while over half of existing Fortune 500 companies already use it for one or more application services.

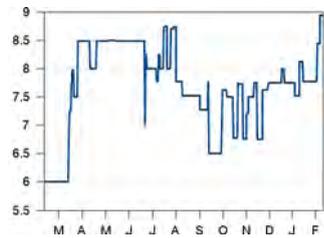
Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.00	(0.03)	(0.02)	(0.02)	N/A
2010A	0.00	(0.03)	(0.02)	(0.02)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Oil & Gas

Frontier Resources Intl (FRGP) Market cap: £5m

Price: 8.94p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Frontier Resources International plc is the holding company of Frontier Resources International, Inc, which has been active in identifying and exploring for hydrocarbons worldwide since 1988.

COMPANY COMMENT

Frontier has oil and gas exploration and production assets in south and north Texas and in 2011 was awarded exploration blocks in the frontier zones of Zambia and onshore northern Namibia. In Texas there are working and overriding royalty interests in three major projects. Production is modest and probably less than 5boe/d net. Frontier is seeking further US production assets and is undertaking early stage exploration work in Zambia. This includes geophysical studies and aeromagnetic and aerogravity surveys. In Namibia Frontier will initially be reprocessing seismic and conducting a geochemical programme. It raised £0.5m in June 2011 through a placing at 6.5p/share.

Price performance

%	1m	3m	12m
Actual	18.9	15.3	49.0
Relative*	14.8	7.0	53.8

\* % Relative to local index

Analyst

Peter Dupont

INDUSTRY COMMENT

Zambia is unexplored territory. Frontier's exploration block there covers 6,400km square and is located about 150km south-west of Lusaka in the Kafue Trough. It is thought that this may form part of the south-western extension of the East African rift system which has provided major discoveries in Uganda.

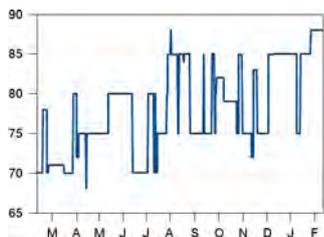
Y/E Dec	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2009A	0.12	(0.50)	(0.65)	(1.18)	N/A
2010A	0.12	(0.60)	(0.68)	(1.08)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Alternative Energy

Good Energy Group (GEGP) Market cap: £6m

Price: 87.98p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Good Energy Group is the holding company of Good Energy Limited and Good Energy Generation Limited.

COMPANY COMMENT

January's trading update confirmed growth in Good Energy's electricity and gas customer base in H211, up 8% and 66% y-o-y respectively. This reflects a decision to hold prices during 2011 and better competitive positioning after improved power trading systems and more flexible credit lines. Investment in systems and service levels over the past 18 months are also reflected in the 12,195 customers in its Feed-in Tariff administration business, both from individual households and operators of domestic and industrial solar power plants, ahead by over 11,000 customers since the start of the year.

Price performance

%	1m	3m	12m
Actual	17.3	17.3	25.6
Relative*	13.3	8.8	29.7

\* % Relative to local index

Analyst

Roger Leboff

INDUSTRY COMMENT

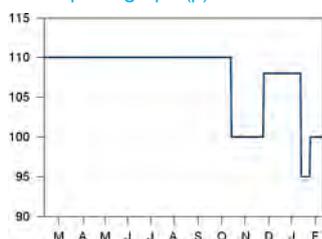
Good Energy is well placed to benefit from the ongoing roll-out of the 'Green Agenda' backed by the Renewable Heat Incentive, feed-in tariffs and a new green deal for energy consumers, plus OFGEM's Green Supply Guidelines (electricity accreditation scheme). The group aims to increase its onshore wind asset base, with its next most advanced project due to go into planning in February 2012.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	18.29	0.68	0.66	6.80	12.94
2010A	20.03	0.72	0.71	7.50	11.73
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Basic Industries

Price: 100.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Green Chemicals researches and develops 'cleaner, greener and safer' chemicals for global industrial use. It has a patented chemistry platform with numerous but distinct industrial applications - so far in the textile, paper, hair treatment and antimicrobial markets.

## Price performance

%	1m	3m	12m
Actual	(7.4)	0.0	(9.1)
Relative*	(10.6)	(7.2)	(6.2)

\* % Relative to local index

## Analyst

Roger Leboff

## Green Chemicals (GNCP)

Market cap: £9m

## COMPANY COMMENT

The group reported a £0.28m interim pre-tax loss, in line with its expectations. An equity issue (1.7m shares at 110p) in H2 repaid most of its outstanding short-term liabilities and helps fund promotion of its proprietary hair colouring and colour removal systems. A live 18-month trial since June 2011 at Urban Retreat's spa in Harrods in London has reported highly satisfactory results, with the group due a share of net sales revenues. In October, its exclusive licensee launched another solution at the International Textile Manufacturers Association trade event in Barcelona.

## INDUSTRY COMMENT

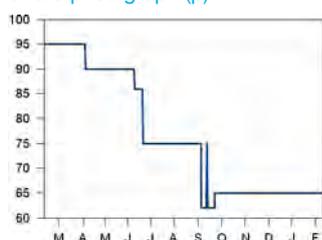
Green Chemicals seeks to commercialise IP belonging to emergent technology companies that it has either acquired or invested in. It carries out R&D into chemicals for industrial use across specific end-markets such as textiles, paper, hair treatment and antimicrobials. It is in a number of early-stage discussions that may lead to the development of particular personal care technologies within its portfolio.

Y/E Mar	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	0.08	(0.67)	(0.73)	(8.53)	N/A
2011A	0.08	(2.46)	(2.55)	(30.74)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price: 65.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

GSC Property Holdings, through its subsidiaries Princedown Developments Limited & Tidalgate Investments Limited, owns a substantial property investment portfolio.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(31.6)
Relative*	(3.4)	(7.2)	(29.4)

\* % Relative to local index

## Analyst

Roger Leboff

## GSC Property Holdings (GSC)

Market cap: £7m

## COMPANY COMMENT

Trading in H1 was in line with the same period of the past two years, encouragingly stable in a difficult market. H1 operating profit was £2.8m (H110: 2.9m) and rents £3.6m. Earnings per share were 3.21p (H110: 1.77p loss). The group continues to adopt a cautious position in an uncertain market, and regards it as most prudent to conserve cash. There were no changes to the property portfolio in H111. This reflects the quality the existing estate and its patient, disciplined approach to the appraisal of new opportunities. Vacancies remain low, similar to last year, and bad debts are minimal.

## INDUSTRY COMMENT

The short-term outlook for UK commercial property market is mixed but GSC's diversified portfolio (including hotel and leisure property), and lower-risk approach to commercial property investment should continue to generate stable operational performance. The group is under no pressure to make further investments, but can move quickly when it identifies assets that meet its criteria.

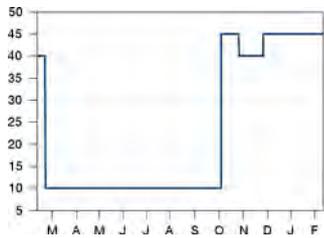
Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	8.34	5.71	0.40	3.91	16.62
2010A	7.73	7.60	1.98	18.72	3.47
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

HR GO (HRGO) Market cap: £8m

Price: 45.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

HR GO is predominantly involved in UK recruitment via its network of nearly 50 joint venture companies.

Price performance

%	1m	3m	12m
Actual	0.0	12.5	350.0
Relative*	(3.4)	4.3	364.5

\* % Relative to local index

Analyst

Fiona Orford-Williams

COMPANY COMMENT

HR GO is a long-established recruitment agency, with a JV business model, some national verticals and strength in its local knowledge and longstanding client relationships. H111 saw a reversal of the progress made in the prior year, when the group had moved into profit. Although NFI was ahead by 10%, the conversion rate dropped from 7.2% to 2.3% due to the additional costs taken on in the earlier expansive phase. The group has rationalised its business, closing less profitable branches and overseas operations bar Poland, trimming headcount and simplifying the corporate structure. It is, however, investing in upgraded IT, which will help drive business efficiency. Directors own 83% of the equity.

INDUSTRY COMMENT

The latest REC/KPMG UK market survey reflects the lack of underlying confidence in the economy, with temp billings down slightly, but with a modest improvement in perm placements for the first time in four months. Salary and wage pressures remain subdued. Demand is highest for highly skilled and technically-qualified experienced staff.

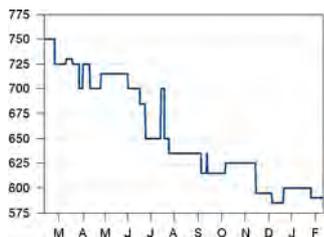
Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	73.25	(0.49)	(1.32)	(8.73)	N/A
2010A	92.60	1.88	1.59	2.52	17.86
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel & Leisure

Hydro Hotel (HYDP) Market cap: £4m

Price: 590.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

The company was incorporated in 1895 and carries on the business of hoteliers. It operates the Hydro Hotel, Mount Road, Eastbourne, East Sussex.

Price performance

%	1m	3m	12m
Actual	(1.7)	(5.6)	(21.3)
Relative*	(5.0)	(12.4)	(18.8)

\* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

A 45% decline in trading profit in the half to October is all the more disappointing after the company's success in reducing low-season loss through strict cost control and vigorous marketing. Despite management's continued best efforts, H2 turnover fell 8% in the face of worsening customer confidence. Trading since then looks to have stabilised but, given unpromising macro indicators and its lack of cover, last year's newly-declared dividend was cut by a third. Healthy finances (£1m cash and no debt at October) will continue to allow key capex.

INDUSTRY COMMENT

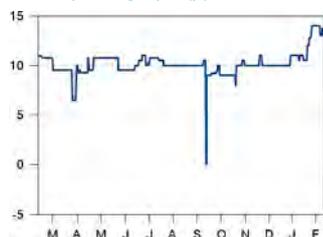
The UK regional hotel market remains subdued (RevPAR -1% since October, per TRI Hospitality), with little pick-up in prospect (STR Global forecasts 0.6% RevPAR gain for 2012 against 2% last year) and softness in the commercial sector. Unsurprisingly, ancillary revenues are also under pressure. 2011 industry profit per room was down 3%, per TRI.

Y/E Oct	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	3.29	0.13	0.14	17.93	32.91
2011A	3.07	0.03	0.05	6.80	86.76
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 13.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Ideagen is a software company specialising in developing, distributing and licensing enterprise content management (ECM) software for the mid-size enterprise market.

## Price performance

%	1m	3m	12m
Actual	23.8	30.0	18.4
Relative*	19.6	20.6	22.2

\* % Relative to local index

## Analyst

Roger Leboff

## Ideagen (IDGP)

Market cap: £10m

## COMPANY COMMENT

A strong first half included 57% H1 revenue growth y-o-y to £1.71m, with adjusted EBITDA 102% ahead at £0.52m. The balance sheet benefited as £0.59m of cash generation and mid-year net cash was £1.17m. Five new deals were closed in H1, each worth over £0.15m, building on 40% organic growth in the compliance business and a 95% renewal rate for recurring support & maintenance contracts. In H2 it acquired Proquis and its US-based operations, which recently secured a contract expected to be worth c US\$10.6m.

## INDUSTRY COMMENT

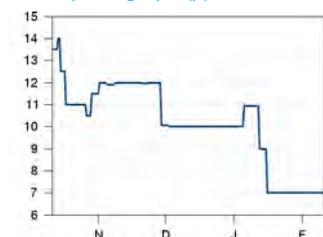
Ideagen is progressing a strategy to become the leading supplier of ECM solutions (focused on the capture, storage, retrieval and distribution of unstructured information, typically 80% of all data within an organisation) to the UK mid-market. These are SMEs to c 2,000 employees or departments within larger enterprises. This segment is fragmented, with no dominant ECM supplier and the group expects consolidation to offer attractive opportunities in the next few years.

Y/E Apr	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	0.97	0.07	0.07	0.22	59.09
2011A	2.30	0.26	0.37	1.10	11.82
2012E	3.60	0.90	0.90	1.20	10.83
2013E	4.40	1.20	1.30	1.50	8.67

Sector: Mining

Price: 7.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

IMC Exploration Group has secured full rights to 10 licences for base metal exploration in the Irish Base Metal Province and three licences for gold exploration in Wicklow/Wexford.

## Price performance

%	1m	3m	12m
Actual	(36.1)	(41.7)	N/A
Relative*	(38.2)	(45.9)	N/A

\* % Relative to local index

## Analyst

Tom Hayes

## IMC Exploration Group (IMCP)

Market cap: £4m

## COMPANY COMMENT

IMC holds 10 base metal prospecting licences in the Irish base metal province. The company also holds three gold prospecting licences in south-east Ireland, two in the Avoca VMS belt in County Wicklow and the third Kilmichael licence in north County Wexford. After its admission to PLUS-SX on 12 October 2011, IMC began an 18-month drilling program at its licences (which the company states is fully funded) beginning with the Tulla licence area. Initial drilling at Tulla has now been completed and IMC has announced its intention to return for further drilling on its findings.

## INDUSTRY COMMENT

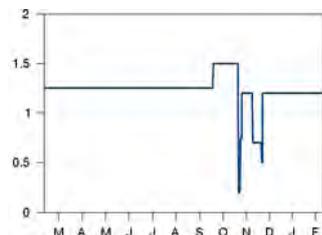
Preliminary grab samples from the Kilmichael gold prospecting licence have reported grades of up to 76.8g/t, a second sample gave 4.88g/t. Once field work has been completed, the company intends to start a drilling program at its gold licences.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	N/A	N/A	N/A	N/A	N/A
2010A	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Consumer Support Services

Price: 1.20p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Imperial Music & Media is a company established as an investment vehicle to seek investment and acquisition opportunities in the music talent, music and media markets.

## Price performance

%	1m	3m	12m
Actual	0.0	71.4	(4.0)
Relative*	(3.4)	59.0	(0.9)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Imperial Music and Media (IMMP) Market cap: £3m

## COMPANY COMMENT

Imperial Music & Media listed on PLUS-SX in June 2010 with the aim of building up a portfolio of investments in musicians and artists, primarily working in the rock, jazz and easy listening markets. It intends to invest in and develop artists at the early stage of their careers. In September 2010, it announced its first signing, British/Canadian mezzo soprano Patricia Hammond. Her first CD was released in November 2011 and she recently signed a film option with DJ Films. The company also has the band Skinny Lister on the books.

## INDUSTRY COMMENT

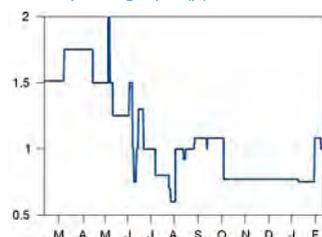
There is a vast array of talent available but very little will ever become commercially successful. Imperial's managing director, Nathan Grant Graves, has many years of industry experience at a variety of labels including Polygram and Universal, signing Jamie Cullum while at the latter. Since 2004, he has been working as a consultant for a number of acts and labels. The industry remains in a state of upheaval and is now waiting to see what happens with the SOPA legislation in the US.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	0.00	0.00	0.00	0.00	N/A
2011A	0.00	(0.13)	(0.13)	(0.06)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 1.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Keycom is a communications service provider focused on the UK's tertiary education, key-worker and military sectors.

## Price performance

%	1m	3m	12m
Actual	33.3	29.9	(33.8)
Relative*	28.8	20.5	(31.6)

\* % Relative to local index

## Analyst

Roger Leboff

## Keycom (KCO) Market cap: £6m

## COMPANY COMMENT

Positive FY11 results included 15% EBITDA growth and stable 62% gross margins despite competitive pressures. Core broadband and voice services accounted for 74% of revenue (FY10:73%) and sales of those services into military accommodation remains a strong proposition, with income derived from individuals not the MOD. That revenue more than trebled in FY11 to £0.8m (FY10: £0.23m). With new military sites activated recently, growth should continue in the next 24 months, supported by student accommodation from FY13.

## INDUSTRY COMMENT

The principal driver is the number of broadband rooms serviced, c 46,000 at the last year end. Military broadband revenue should grow rapidly as take-up increases and new contracts with Defence Estates are implemented. Management also expects an increase in the number of universities seeking to outsource their broadband requirements for their residential accommodation and is already in negotiations likely to lead to significant growth in rooms serviced.

Y/E Sep	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	6.14	0.60	0.10	0.02	50.00
2011A	6.73	0.86	0.35	0.11	9.09
2012E	7.90	1.00	0.60	0.10	10.00
2013E	N/A	N/A	N/A	N/A	N/A

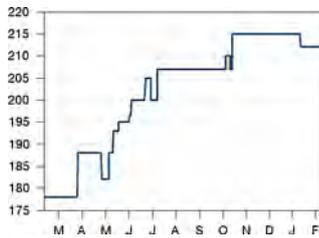
Sector: Consumer Support Services

## Mechan Controls (MECP)

Market cap: £4m

Price: 212.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Based in Skelmersdale, Lancashire, Mechan Controls designs and manufactures electronic non-contact safety switches for a wide range of industrial sectors. The business was founded in 1973.

## Price performance

%	1m	3m	12m
Actual	(1.4)	(1.4)	19.1
Relative*	(4.7)	(8.5)	22.9

\* % Relative to local index

## Analyst

Richard Finch

## COMPANY COMMENT

Management guidance at its latest update in September is for 2011 results to meet expectations as a result of an improvement in gross margin and turnover in the second half. While this reassurance is welcome, investor caution may prevail as trading profit fell by 20% in the six months to June despite a confident assertion of a better than expected first quarter. The shortfall was attributed particularly to poor weather and higher raw material costs. Management remains buoyed by the prospect of focusing on marketing and distribution, given the breadth of its product development, and, given its healthy finances, on making acquisitions. Its recent purchase of a Yorkshire-based certification and calibration company could increase group turnover by c 50%.

## INDUSTRY COMMENT

The European machine safety market is forecast by Frost & Sullivan to grow by a third over the next five years. This is due to regulatory pressures and to the improved productivity and profitability that safer working environments can deliver.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	2.50	0.46	0.42	15.04	14.10
2010A	2.80	0.53	0.51	18.04	11.75
2011E	2.90	0.53	0.53	18.70	11.34
2012E	3.30	0.61	0.61	21.66	9.79

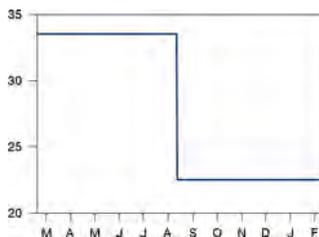
Sector: Pharma &amp; Healthcare

## MiLOC Group (ML.P)

Market cap: £14m

Price: 22.50p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Founded in 2009, the group is a traditional Chinese medicine pharmaceutical and healthcare service group.

## Price performance

%	1m	3m	12m
Actual	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

\* % Relative to local index

## Analyst

Roger Leboff

## COMPANY COMMENT

The interims reflected the early stage in the business's roll out. First-half revenue was HK\$2.3m, well ahead of HK\$0.05m in H110, due mainly to the launch of TCM clinic operations. Actual TCM sales were HK\$1.3m, clinic operations added HK\$1m. The aggregate gross margin was 40%. A HK\$5.4m H1 operating loss reflected administrative expenses - staff costs and professional fees - for establishing the JVs and acquisitions. Mid-year net cash was HK\$2.3m.

## INDUSTRY COMMENT

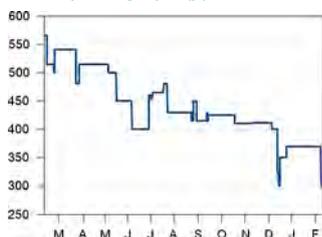
MiLOC intends to pursue three business development opportunities related to TCM: R&D into treating pandemic diseases; sale and distribution of TCM; development of a nationwide network of modern TCM clinics and hospitals in Hong Kong, Macau and the PRC. TCM is a large segment with c 40% (PCW) of China's domestic pharmaceutical market. MiLOC intends to form various joint ventures to acquire a total of c 100 TCM clinics and hospitals in the four years following IPO, and build a network of modernised TCM clinics and hospitals.

Y/E Dec	Revenue (HK\$m)	Op. Profit (HK\$m)	PBT (HK\$m)	EPS (c)	P/E (x)
2009A	N/A	N/A	N/A	N/A	N/A
2010A	0.13	(9.35)	(9.30)	0.73	377.26
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 300.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

The company owns Newbury Racecourse and stages 28 days of national hunt and flat horseracing each year. It also derives income from non-racing activities.

## Price performance

%	1m	3m	12m
Actual	(18.9)	(27.0)	(46.9)
Relative*	(21.7)	(32.3)	(45.2)

\* % Relative to local index

## Analyst

Richard Finch

## Newbury Racecourse (NYR)

Market cap: £17m

## COMPANY COMMENT

Redevelopment of the racecourse should start this year after approval of detailed plans for the central area (to include a hotel, apartments and a children's nursery) and consent for housing on the western edge with the company's development partner. Progress towards becoming a leading leisure and events business with horseracing at its core was further confirmed by the success of May's inaugural Newbury Live concert, which drove a 30% rise in H111 turnover and a marked reduction in low-season loss. Management remains intent on protecting its strong fixture list by supporting prize money under pressure from levy funding cuts.

## INDUSTRY COMMENT

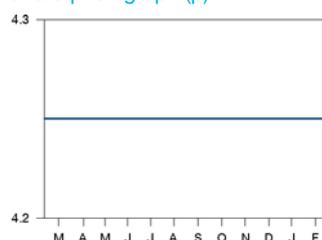
Despite tough conditions Arena Leisure, the UK's leading racecourse operator, reported average attendance up 4% in the first 10 months of 2011 and further recovery in key hospitality business. Perennial uncertainty about industry funding looks to have been reduced by the agreement of major high street bookmakers to guarantee substantially the 2012/13 yield.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	10.18	(0.44)	(0.70)	(18.60)	N/A
2010A	11.78	(0.43)	(0.40)	(10.70)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 4.25p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Phoenician Corporation IV aims to identify and actively pursue acquisitions of the whole or part of Sharia-compliant businesses.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	(3.4)	(7.2)	3.2

\* % Relative to local index

## Analyst

Martyn King

## Phoenician Corporation IV (PC4P)

Market cap: £5m

## COMPANY COMMENT

Phoenician Corporation IV was formed with the intention of making Sharia-compliant investments in emerging market businesses. It currently intends to enhance its balance sheet through acquiring and selling assets while it searches for a suitable takeover target. In December it announced the closing of the exit from King Tech International for £530k including options. A deposit with Amara Holdings has been converted into equity. Amara is a Sharia-compliant private investment company that offers investors the opportunity to invest in Sharia-compliant businesses by searching for appropriate acquisitions, predominantly in China, as well as MENA and India. The investment in Phoenician Corporation V completed a reverse takeover of Prime Investments International Group and has been readmitted to PLUS-SX under the Prime name.

## INDUSTRY COMMENT

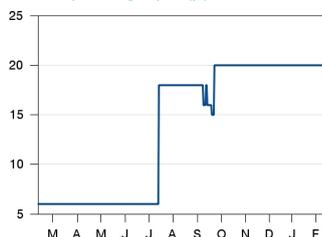
The directors believe Sharia-compliant businesses offer material opportunities for growth.

Y/E Oct	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2009A	0.00	(0.93)	(0.93)	0.93	7.19
2010A	0.00	(1.00)	(1.00)	1.04	6.43
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price: 20.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

The company's main objective is to be active in investing in a mixture of immediate cash generating assets and capital-appreciating assets that are Sharia compliant.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	233.3
Relative*	(3.4)	(7.2)	244.1

\* % Relative to local index

Analyst

Roger Leboff

Prime Investments Int. Grp (PIIP) Market cap: £184m

COMPANY COMMENT

There were no material revenues in the period to end August 2011 (the year end has since changed to December). The major focus was July's IPO (a reverse takeover by former PLUS-SX listed Phoenician Corporation V). Indeed, a £2.54m reported loss reflects professional and administrative expenses primarily related to the listing and commercial activities are expected to start in H212. At admission, the main asset was a land bank within a development project in the Emirate of Ajman, UAE, valued by E&Y Dubai at c \$400m. The intention is to re-invest profits generated from this and other acquired assets into new projects.

INDUSTRY COMMENT

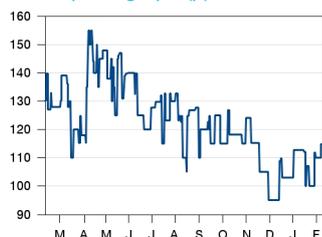
Prime is at a relatively early stage of a strategy to identify real estate and other investments in the Middle East and North Africa, and other regions of the world. It intends to invest in a mix of yield and capital growth asset which are, where possible, Sharia compliant. It also has plans to target distressed real estate assets, mainly in the Middle East and North Africa.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	N/A	N/A	N/A	N/A	N/A
2010A	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: 114.80p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Quercus Publishing is an independent publisher based in London. The company was founded by Mark Smith and Wayne Davies in May 2004.

Price performance

%	1m	3m	12m
Actual	1.8	(0.3)	(11.9)
Relative*	(1.7)	(7.6)	(9.1)

\* % Relative to local index

Analyst

Fiona Orford-Williams

Quercus Publishing (QUPP)

Market cap: £23m

COMPANY COMMENT

Quercus's January trading update showed rapid sales growth of both non-Stieg Larsson titles and eBooks. Later than expected promotion for English-language film of The Girl with the Dragon Tattoo delayed sales for the tie-in book and we lowered our estimates around 10% for FY11 and FY12. The group has made remarkable progress in building a sustainable post-hit business, attracting the calibre of editors and authors well above that implied by its size and maturity, a factor yet to be reflected in the rating.

INDUSTRY COMMENT

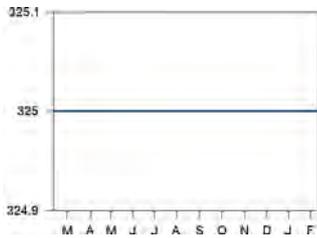
While the market for printed books remains soft, sales of eBooks continue to build. There has been widespread migration to digital platforms in the key fiction category, with The Bookseller estimating a UK market share of around 10% for FY11. This has two specific advantages for publishers; it extends Christmas trading as people who have received eReaders purchase content over the following weeks, further those additional sales come without the risk of stock return, lowering the inherent risk in the business model.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	19.13	1.23	0.87	3.70	31.03
2010A	31.78	7.63	7.48	26.70	4.30
2011E	24.65	5.90	5.80	20.70	5.55
2012E	28.92	7.00	7.00	24.10	4.76

Sector: Financials

Price: 325.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

RAK Real Estate is an investment company focusing on actual and potential commercial property and real estate ventures in the Middle East and North Africa.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	(3.4)	(7.2)	3.2

\* % Relative to local index

Analyst

Roger Leboff

RAK Real Estate (RAKP)

Market cap: £604m

COMPANY COMMENT

The KWD2.3m FY10 loss reflected ongoing development of group activities and the cost of replacing the Salmiya project with others in different areas of the Middle East, including Jordan. The 36-storey Al Sharq commercial tower and retail scheme is on hold while banking facilities are negotiated. RAK aims to diversify its asset base by securing two residential projects in Amman, Jordan, and another site for an international hotel, also in Jordan.

INDUSTRY COMMENT

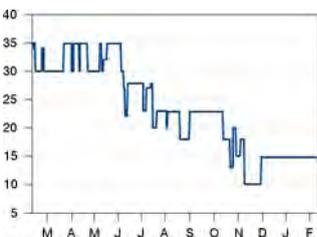
RAK's strategy focuses on Kuwait and Jordan, with a view to creating a strong Middle East & North Africa real estate industry leader. The outlook is supported by the two economies' stronger GDP growth performance over the last two years. Kuwait is the world's fourth largest oil producer, with a broader economy supported by its government's non oil-sector stimulus plan, the Kuwait Development Plan 2013/14. Jordan is preferred for lower political risk than its neighbours and higher education and literacy rates.

Y/E Dec	Revenue (m)	Op. Profit (m)	PBT (m)	EPS (p)	P/E (x)
2009A	0.00	N/A	(0.22)	N/A	N/A
2010A	0.00	N/A	(2.30)	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel & Leisure

Price: 14.80p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Rangers Football Club was established in Glasgow in 1872 and celebrated 100 years as a limited company on 27 May 1999. The club's home is Ibrox Stadium, close to the city centre on the south side of the River Clyde and is well served by road, rail and air transport facilities.

Price performance

%	1m	3m	12m
Actual	0.0	48.0	(56.5)
Relative*	(3.4)	37.3	(55.1)

\* % Relative to local index

Analyst

Richard Finch

Rangers Football Club (RFC)

Market cap: £8m

COMPANY COMMENT

Management's newly stated intention to place the company into administration precedes a tax tribunal decision about a disputed bill reportedly of up to £49m, including penalties. The risk of insolvency apart, at the very least administration would mean an immediate 10-point deduction by the Scottish Premier League, making qualification for lucrative European football next season all the more difficult. Suspension of the shares in early January resulted from a delay in submitting audited accounts for the year to June.

INDUSTRY COMMENT

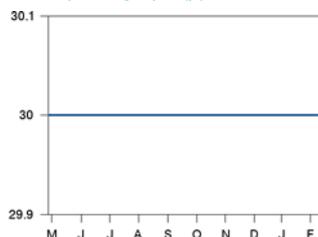
New UEFA regulations (Financial Fair Play) aim to restore stability to European football club finances. After a phased implementation, a break-even requirement will apply to 2012 financial statements, obliging clubs to spend no more than they generate over a rolling three-year period. No overdues (eg, on transfers) will be payable during the season and disclosure of financial information will improve.

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	56.29	5.09	5.60	3.87	3.82
2011A	57.18	1.25	2.18	0.07	211.43
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 30.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Rare Minerals was established as a PLUS-SX investment vehicle as a means to invest in or acquire companies engaged in prospecting or mining valuable minerals including rare earth metals.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	N/A
Relative*	(3.4)	(7.2)	N/A

\* % Relative to local index

## Analyst

Rory Draper

## Rare Minerals (RM.P)

Market cap: £10m

## COMPANY COMMENT

Rare Minerals continues to follow its strategy of investing in or acquiring companies engaged in the exploration or mining of commodities including precious, base and rare earth metals, along with interests in the energy sector. According to the company, the delay in announcing the first investment is due to the higher than expected level of interest from businesses across all mining disciplines. Cash balances remain over £1m and the company still plans to offer prospective vendors new ordinary shares as part or all of the consideration of the transaction, with the cash employed to fund future exploration plans.

## INDUSTRY COMMENT

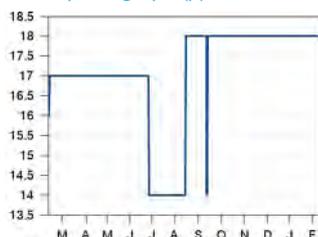
China produces more than 90% of the world's rare earth metals but recently placed restrictions on rare earth mines and exports, leading to a spike in the price. Rare earths are still viewed as high risk and it is no surprise that Rare Minerals has widened its investment criteria into the full diversity of metals and minerals where opportunity abounds.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	N/A	N/A	N/A	N/A	N/A
2010A	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Basic Industries

Price: 18.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Sansui Holding is a Jersey-incorporated company established as a holding company for Tianjin Landscape Oasis Investment Consulting, a forest management and consulting company head-quartered in Tianjin, North Eastern China.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	12.5
Relative*	(3.4)	(7.2)	16.1

\* % Relative to local index

## Analyst

Roger Leboff

## Sansui Holding (SNHP)

Market cap: £9m

## COMPANY COMMENT

Sansui's CNY1.98m (£0.19m) H110 sales and CNY0.36m (£0.035m) profit related to development and sales of products related to castor oil plants in China's Zhangjiakou region. The plants' annual growth pattern provides a more regular income than the core business, focused on the Euramerican Poplar no 107 and development of technologies to enhance soil quality. The group expects current cash, facilities and potential Chinese investor support to fund the pre-sales period. The shares are currently suspended.

## INDUSTRY COMMENT

The no 107 Poplar's qualities include longer plant fibres and better timber density, faster growth and high productivity of forestry land. The castor oil plant's high economic value is due to the variety of products that use its derivatives in their production, such as paper, linen and pharmaceuticals. The plan is to switch to planting rather than acquiring trees, to enable it to apply for carbon credits and reduce large cash outflows associated with acquiring mature trees.

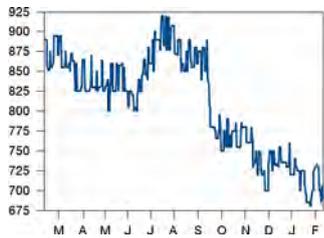
Y/E Nov	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2008A	N/A	N/A	N/A	N/A	N/A
2009A	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Travel & Leisure

Shepherd Neame (SHEP) Market cap: £79m

Price: 690.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Shepherd Neame is a family controlled brewer based in Faversham, Kent, since 1698. It owns over 360, mostly tenanted, pubs in Kent and the South East of England and brews ales, such as Spitfire and Bishops Finger, and premium niche lagers, such as Asahi Super Dry.

Price performance

%	1m	3m	12m
Actual	(4.8)	(5.5)	(22.5)
Relative*	(8.1)	(12.3)	(20.0)

\* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Ahead of first-half results in March, Shepherd Neame traded well and in line with management expectations in the quarter to September. In particular there was a decent improvement (c 6%) in like-for-like managed sales and in beer volumes. However, the company remains duly cautious about consumer spending and cost inflation. Investment in brewery modernisation, high-quality pub acquisitions and brands and marketing continues to pay off. Last year's pub estate review elicited a surplus over book value of £68m (in line with accounting policies, this valuation, which equates to 57% of net assets at end FY11, is not shown in the accounts). The company has newly appointed a senior finance figure at Sainsbury's as finance and IT director.

INDUSTRY COMMENT

According to the British Beer and Pub Association UK beer sales continued to weaken (-4%) in H211, albeit at a slower rate than in H1, which was depressed by VAT and duty rises and the absence of a World Cup boost, which affected sales especially in supermarkets and shops (Q2 -8% compared with -6% in pubs).

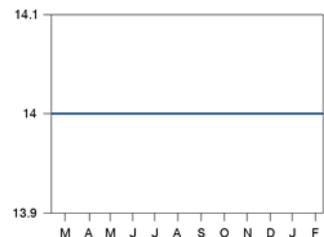
Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	115.36	11.90	7.27	39.50	17.47
2011A	121.35	12.30	7.98	46.20	14.94
2012E	123.77	12.87	8.57	47.26	14.60
2013E	127.50	12.95	8.75	49.16	14.04

Sector: Mining

Silver Mines (SVLP) Market cap: £10m

Price: 14.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Silver Mines is exploring for silver-rich deposits in Australia; specifically in the New England region of north-eastern New South Wales.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	(3.4)	(7.2)	3.2

\* % Relative to local index

Analyst

Charles Gibson

COMPANY COMMENT

Silver Mines continues its drilling program at its flagship Webbs silver project in New South Wales, Australia. Infill drilling in the new year has returned grades of up to 1130g/t over 1m at the project, following from metallurgical testwork that indicated that the silver at the project may be amenable to cyanide extraction. Drilling has also confirmed mineralization present at depth at the project, returning grades of up to 2560g/t over 1m at a depth of 176m. To date top intercepts include 1704g/t over 14m at 83m depth. The company is awaiting assay results from further drill holes before it updates the existing Webbs resource of 10.19Moz in the inferred category, which is expected in the near term.

INDUSTRY COMMENT

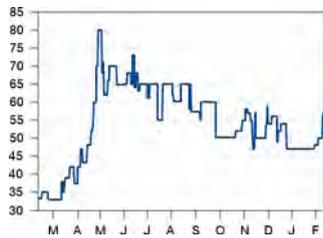
A scoping study completed at Webbs in April 2011 envisaged an open pit operation and concentrator processing 350,000 tonnes per year. A capital cost of A\$66m and plant operating costs of A\$55/t have been estimated. The company reported a loss of A\$2.1m for the year to June 2011.

Y/E Jun	Revenue (A\$m)	Op. Profit (A\$m)	PBT (A\$m)	EPS (c)	P/E (x)
2010A	14.30	(0.49)	(0.49)	(0.01)	N/A
2011A	79.70	(2.08)	(2.08)	(0.02)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Pcare and household prod

Price: 57.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Sprue Aegis, Europe's leading home safety products supplier, designs and distributes smoke and carbon monoxide detectors, under the FireAngel, First Alert, BRK and Dicon brands. The group's head office is in Coventry, UK.

## Price performance

%	1m	3m	12m
Actual	21.3	14.0	71.2
Relative*	17.2	5.7	76.7

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Sprue Aegis (SPRP)

Market cap: £20m

## COMPANY COMMENT

Sprue Aegis has moved up a gear, boosted by sales of products branded with the BRK, First Alert and Dicon names under the exclusive distribution agreement signed with BRK Brands Europe (part of NYSE-quoted Jarden) in April 2010. H111 revenues were ahead by 44% and the group is beginning to achieve real economies of scale in purchasing, with underlying gross margins also ahead. Continuing investment in infrastructure and product innovation is limiting the flow through to the bottom line but is building a far stronger platform for long-term sustainable growth.

## INDUSTRY COMMENT

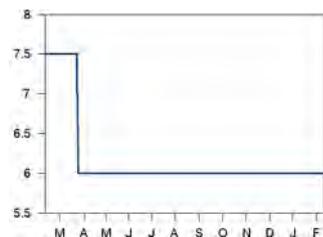
Tightening legislation over fire safety and carbon monoxide monitoring will continue to drive sales. With 38% of H111 revenues outside the UK, compliance with the regulatory requirements in other jurisdictions is important and approval has now been granted for the key ST-620 alarm in Germany. Pressure on UK fire and rescue service budgets is unlikely to ease short term and we would expect better growth from the newer markets.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	14.35	2.00	1.91	4.67	12.21
2010A	29.90	3.10	3.00	6.24	9.13
2011E	37.00	3.70	3.70	7.80	7.31
2012E	41.30	5.20	5.20	10.90	5.23

Sector: Pharma &amp; Healthcare

Price: 6.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Sunrise Biotech Holdings is a holding company incorporated in Jersey. Its trading subsidiaries Beijing Sunrise Biology Technology and Hebei Sunrise Biology Technology both focus on producing mulberry-based products and developing technology related to mulberry-based products.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(20.0)
Relative*	(3.4)	(7.2)	(17.4)

\* % Relative to local index

## Analyst

Roger Leboff

## Sunrise Biotech Holdings (SBHP)

Market cap: £11m

## COMPANY COMMENT

The interims confirmed the group is undergoing an intensive reorganisation due to the lack of sales of its mulberry tree products. The focus is now on developing water treatment and farming technology; the mulberry-based business model has changed and Sunrise will no longer seek to produce its own supply. At the mid-year cash was £0.24m and it was looking to improve cash flow from £2.6m of trade and other receivables. Discussions are underway with strategic investors to improve development of mulberry-based products, particularly health drinks with a well-known Chinese drinks firm for the premium market.

## INDUSTRY COMMENT

The group sees moves by the Beijing Municipal government to increase support for its agricultural related industries as positive, including funding options, technical assistance, access to land use and constructing facilities. Demand for Sunrise's products is derived from China's rapidly developing economy and modernisation of its agriculture.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	3.00	(0.57)	(0.58)	(0.21)	N/A
2010A	0.34	(7.30)	(7.30)	(2.71)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

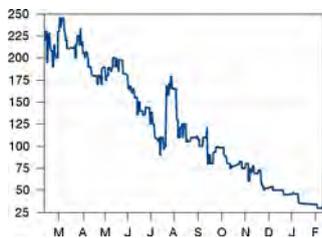
Sector: Mining

## Teknomining (TEKP)

Market cap: £14m

Price: 34.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Teknomining is incorporated in the Republic of Ireland and has a wholly owned subsidiary, Teknomining Madencilik Insaat Turizm Ithalat Ihracat Sanayi Ve Ticaret (Teknomining), which is incorporated in Turkey.

## Price performance

%	1m	3m	12m
Actual	(4.2)	(56.4)	(84.5)
Relative*	(7.5)	(59.6)	(84.0)

\* % Relative to local index

## Analyst

Tom Hayes

## COMPANY COMMENT

Teknomining is an early-stage exploration company that has acquired three exploration licences to search for industrial and metallic mineral deposits in Diyarbakir, Turkey, along with two operation licences. The company states recent deep induced polarization and ground magnetics conducted to a depth of 600m suggest the presence of two possible porphyries, with estimated volumes of 48m cubed and 604m cubed. Analysis of two drill locations from the company's first phase drilling program has returned an average grade of over 0.22% Ni, with an average Nickel to Cobalt ration of 22:1. Owing to the findings of its geophysical work, the company has temporarily suspended the rest of the first-phase drill program, looking to secure the services of a drill contractor capable of drilling to a depth of 600m and beyond to continue its exploration program.

## INDUSTRY COMMENT

Teknomining's unaudited interim results recorded a loss of €0.013m for the six months to 31 July 2011.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2010A	N/A	N/A	N/A	N/A	N/A
2011A	0.00	(0.22)	(0.22)	(0.66)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

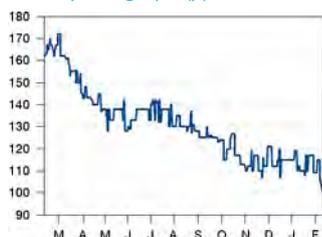
Sector: Travel &amp; Leisure

## Thwaites (Daniel) (THW)

Market cap: £63m

Price: 100.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Daniel Thwaites was founded in 1807 and incorporated in 1897. It remains an independent family-controlled business operating from its original town centre site in Blackburn, Lancashire.

## Price performance

%	1m	3m	12m
Actual	(10.7)	(9.1)	(38.3)
Relative*	(13.8)	(15.7)	(36.3)

\* % Relative to local index

## Analyst

Richard Finch

## COMPANY COMMENT

In its latest update in November, Thwaites continued to express caution about the impact of duty rises, pub regulation, cost inflation and government spending cuts, especially in its North West heartland. Nevertheless, the company defied 'very challenging' conditions in the half to September with a small increase in trading profit on turnover up by 8%. Returns improved in both its beer company and pubs (encouraging slowdown in decline of on-trade beer volumes) and hotels and inns (higher occupancy and F&B sales). Management remains enthusiastic at its scope (gearing of just 19% at September) to upgrade its pub estate by investment (planned spend of over £1m in H2) and selective acquisition while actively churning the bottom end, and plans for a new 'state-of-the-art' brewery over the longer term.

## INDUSTRY COMMENT

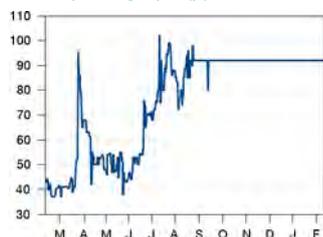
Fuller's 'traded well' in the nine weeks to late January, even if comparisons (+5% like-for-like sales in its managed pubs and hotels) are flattered by poor weather in the previous year. Management is cautious about 2012. The UK regional hotel market remains challenging.

Y/E Mar	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	135.20	13.30	5.70	5.70	17.54
2011A	126.70	12.30	7.00	8.60	11.63
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Oil &amp; Gas

Price: 92.00p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

US Oil and Gas is an oil exploration company holding the entire share capital of the US-based company Major Oil International.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	114.0
Relative*	(3.4)	(7.2)	120.9

\* % Relative to local index

## Analyst

Peter Dupont

## US Oil and Gas (USOP)

Market cap: £24m

## COMPANY COMMENT

US Oil and Gas is an oil exploration junior focused on the Sevier thrust-fold belt of central and western Nevada. The stock has been suspended since 23 August 2011 with management claiming it knows of no reason for the action taken. An application has been made to drill the interesting Eblana-1 prospect on the Hot Creek Valley property, which could have recoverable resources of up to 113m barrels. Eblana-1 is expected to be the first of a three-well programme. In 2011 USOP raised \$7.3m through two placings and \$5.1m via a convertible note.

## INDUSTRY COMMENT

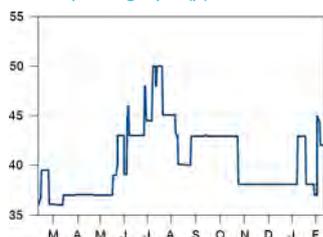
The Sevier thrust-fold belt is at the southern end of a system that extends northward into Alberta. Thrust-fold systems are prolific sources of hydrocarbons, including in Alberta, Wyoming and Utah. In late 2003 Wolverine Gas & Oil discovered the Covenant Field on the Sevier thrust-fold belt in southern Utah. It has been reported that the field contains over 1bn barrels of oil.

Y/E Sep	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2009A	N/A	N/A	N/A	N/A	N/A
2010A	0.00	(0.33)	(0.33)	(3.00)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 42.05p  
Profile correct as at 10 February 2012

## Share price graph (p)



## Company description

Western Selection is an investment company with a mix of strategic investments and a general portfolio of UK stocks.

## Price performance

%	1m	3m	12m
Actual	(2.1)	10.5	16.8
Relative*	(5.4)	2.5	20.6

\* % Relative to local index

## Analyst

Roger Leboff

## Western Selection (WESP)

Market cap: £8m

## COMPANY COMMENT

NAV/share at end June 2011 was 84p, 38% ahead y-o-y. Western is a long-only investor with a diversified general portfolio. Dividend income from strategic investments grew to £0.27m from £0.16m last year, with the general portfolio contributing £0.08m, marginally lower due to an increase in overseas stocks. The value of quoted strategic investments increased by 43% in the year, with its principal unquoted investment, Hartim, continuing to trade successfully. Western's share of Hartim's earnings was £0.34m, a 46% return on its investment.

## INDUSTRY COMMENT

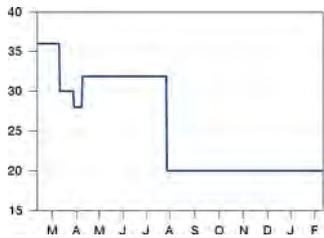
The investment policy is to hold strategic stakes in a few special situations and maintain a diversified portfolio of high quality UK and internationally-listed equities to generate income to cover central costs. Despite concern over levels of national debt, however, volatility in the financial markets is expected to provide buying opportunities for investors with a long-term perspective such as Western.

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.21	(1.03)	(0.86)	(4.80)	N/A
2010A	0.16	0.11	0.26	1.40	30.04
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price: 20.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Woodspeen Training was incorporated in November 2007 with the aim of creating a substantial UK vocational training business principally by acquiring existing businesses providing government sponsored and/or privately funded vocational training.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(44.4)
Relative*	(3.4)	(7.2)	(42.6)

\* % Relative to local index

Analyst

Roger Leboff

Woodspeen Training (WSTP) Market cap: £8m

COMPANY COMMENT

Interim EBITA was £0.26m (H110: £0.55m). The statement expects economic uncertainty to restrict group performance for the foreseeable future, but a strategy to maintain focus on young learners should help position it to exploit opportunities when employment confidence returns. There was c £3.8m of cash at the mid-year to help finance future acquisitions. But, although it continues to maintain dialogue with a number of sector providers and significant acquisition opportunities exist, vendor expectations as to valuations remain unrealistic.

INDUSTRY COMMENT

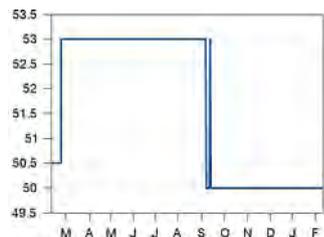
The austerity programme and UK government policy changes create an uncertain short-term outlook, as Woodspeen depends on government funding for its programmes. A dearth of employment and placement opportunities adversely affects performance and subdued economic conditions will continue to constrain its ability to place young apprentices with employers. It will continue to grow key areas organically and via acquisition.

Y/E Mar	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	5.11	0.64	0.62	2.19	9.13
2011A	5.71	(1.26)	(1.26)	(6.14)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price: 50.00p  
Profile correct as at 10 February 2012

Share price graph (p)



Company description

Zeta Compliance Group provides services that enables organisations to ensure that they systematically meet their environmental, health and safety obligations.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(5.7)
Relative*	(3.4)	(7.2)	(2.6)

\* % Relative to local index

Analyst

Roger Leboff

Zeta Compliance (ZCGP) Market cap: £4m

COMPANY COMMENT

A cautious trading update towards the end of 2011 downgraded expectations, due to pricing pressure in the core business. The outlook has since been underpinned by the renewal of five long-term contracts, which secure c £1m of revenues for the current year. Four of these are retail sector clients; Zeta will be responsible for monitoring around 6,900 UK sites. Combined with cost-reduction measures, this news provides optimism for an improved trading performance in the first half of this financial year.

INDUSTRY COMMENT

The core water and air quality business benefits from EU legislation and recent acquisitions have extended group expertise into carbon-hygiene building energy management and fire strategy. This creates opportunities to cross-sell new services to existing clients. It is quite a mature industry, but innovative technologies will help win business and increase market share. Zeta's latest major compliance software release, ZetaSafe2, has just been released to significant client acclaim.

Y/E Jan	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	2.32	0.35	0.30	3.01	16.61
2011A	2.98	0.27	0.27	2.81	17.79
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

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