

Market overview and review of companies listed on NYSE  
Alternext - the international market tailor-made for small- and mid-caps

Second quarter 2012



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Welcome to the latest edition of the NYSE Alternext Quarterly Review.

Edison's analysts have been in contact with the 145 NYSE-Alternext listed 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. Edison's analysts have relied on consensus earnings estimates but have reflected feedback received by companies on historic and forecast numbers. Deinove, Hybrigenics and Exonhit are clients of Edison Investment Research, and their forecasts are those of the analyst.

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We welcome any comments/suggestions our readers may have. Should 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**

## Global perspectives: Guilty of subordination

- **Is it European policy to drive out the private sector?** In February the ECB refused to take losses on its holdings of Greek bonds. More recently European Stability Mechanism (ESM) funding for Spanish bank bailouts will rank ahead of existing government creditors. As a result both Spanish and Italian bond markets are now effectively shut with yields over 6%.
- **Policymakers are refusing to underwrite the euro project.** Despite the significant sums already at stake (eg in Europe's TARGET2 settlement system) policymakers are yet to spot the conceptual solution. If they want markets to support the euro project the official sector will have to underwrite the risks. *We do not expect this policy shift to happen anytime soon and see no reason to change our strategy of avoiding the periphery of Europe.*
- **Stimulus, stimulus, stimulus.** The US Federal Reserve has opted to extend "Operation Twist" into the second half of the year after downgrading its view of economic growth. Late last week in Europe, ECB officials were reported to be making initial preparations to cut the policy rate to below 1%. In the UK a joint initiative from the Bank of England and Treasury will see an additional £140bn of credit offered to the economy. Rumours abound of a G20-backed deal to use ESM/EFSF funds to buy peripheral European bonds (but the question is whether they will rank above, pari-passu or below existing creditors). In the short run, we expect markets to be well supported.
- **US, UK – socialising the private debt burden.** In the US and UK, QE and deficit financing is allowing the private sector to slowly deleverage by supporting demand, incomes and profits. Though it may not be by design, these policies are progressively socialising the private sector debt burden. This is an economic positive – first in the sense that demand is supported and second that government debt is the lowest-cost debt. Japan's experience to date suggests that government debt/GDP ratios can easily exceed 100% without calamity – provided the central bank is willing to finance the government deficit.
- **2012 equity/bond valuations are the mirror image of 2000.** There is a positive yield spread between UK industrial equities against 10-year gilts of 2.4%. This prices-in a near 25% equity market decline over a 10-year period, assuming dividends do not grow at all. Thus, a bearish economic outlook is firmly baked into equity market values. We remain positive on equities over the medium term and are surprised many economists seem to ignore the valuation signals. In Europe the yield spread is even wider.
- **Still focused on UK and core Europe, quality names and avoiding the bank sector.** Though it is tempting to participate in a junk-led stimulus rally, the problems of the periphery are not easing, except for the notable exception of the contraction of the current account balances, which led to the peripheral's funding crisis. We are still waiting for the light to go on. Europe's leaders talk of underwriting Europe's periphery, but are guilty of subordination.

## Is it European policy to drive out the private sector?

With institutional, corporate and retail capital fleeing the periphery one would have thought that a strong demonstration of support for the eurozone project should be a policy objective. Actions speak louder than words; following the Spanish bank bail-out announcement the market spotted immediately that Spain's existing sovereign bonds would rank behind ESM bail-out cash and re-priced the bonds accordingly. The step-up in yields is very likely to become self-fulfilling; further EU funds will be required in all probability as it makes no sense for Spain to raise money at 7%, Exhibit 1.

This is the second time this year the private sector creditors have been punished to benefit the official sector. In February the ECB refused to participate in the Greek debt write-downs despite having bought bonds at close to one-half of par.

**Exhibit 1: Intraday moves in Spanish bond prices (10 year) – euphoria turns to fear post bank bail-out**



Source: Bloomberg

In a corporate setting only bankrupt organisations are financed with loans that take precedence over existing creditors; for going concerns corporate finance has to be secured lower down the capital structure – such as an equity increase – to keep bondholders on board. We do not think policymakers are trying to send coded messages on their private views of peripheral Europe's solvency; we believe it is more likely they have not thought it through.

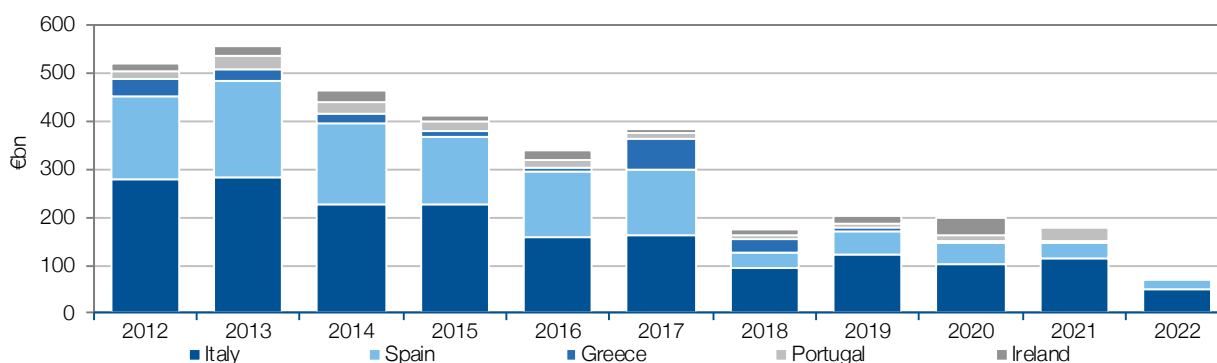
Until the euro project is underwritten by the official sector, private sector capital has every reason to flee the periphery. The inevitable leaking of secret preparations for border and capital controls was unhelpful. We have noted previously that it is difficult to make an investment case for anything other than distressed assets when the basic monetary/banking/sovereign infrastructure is broken, as it is in the periphery of Europe at present.

To become more positive on Europe's economic prospects we are looking for signs of a shift in policy. Specifically, we are looking for moves to underwrite the basic financial infrastructure in the periphery to stop the capital flight and allow the private sector to invest.

Comparisons could be drawn with the US TARP program of 2008. The US Treasury underwrote the security of the banking system by taking equity in US banks. The programme was timely, sufficient in size (c 10% of US GDP) and successful in restoring faith in the US banking system. Post-crisis, US regulatory changes have substantially improved the capital position of US banks and the overall cost of the programme to the US taxpayer was minimal.

A consequence of driving out the private sector is that the size of the bailout packages becomes enormous. We show the refinancing needs for peripheral European nations in Exhibit 2 – the total to 2015 is €2trn or 15% of eurozone GDP, compared to the current EFSF/ESM resources of €750bn. Rather than displacing the private sector, using ESM resources to offer guarantees on eurozone debt up to a certain level – perhaps 90% of GDP – would appear to be a much more efficient use of crisis-resolution capital.

**Exhibit 2: Gross financing needs of the European periphery**



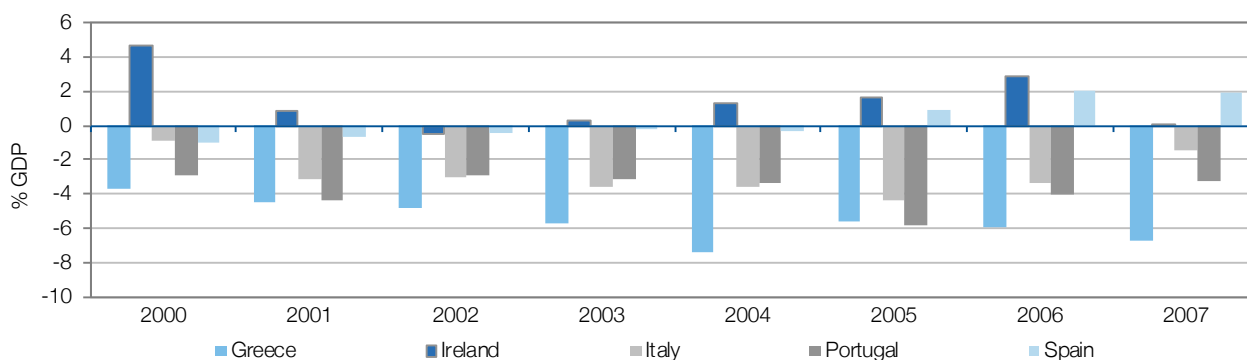
Source: IMF, Bloomberg

Where unconventional government lending was required (ie above a certain percentage of GDP) a policy of taking a junior debt tranche – potentially with GDP warrants – would ensure the existing private creditors had the incentive to remain in place.

As in the US, after private sector capital flows have been restored attention can turn to structural change. We note with interest even the Bundesbank is debating ideas such as a fiscal union – a necessary step for a banking union; its key concern is the lack of democratic legitimacy for a European fiscal policy. Debate over a fiscal union is clearly wasted time while the mechanics of the current bail-out packages are so poorly structured, even if a fiscal and banking union does represent the ultimate solution.

Politically, Greece set an unfortunate precedent as gross fiscal irresponsibility is largely to blame for its travails. Voters now associate bail-outs with fiscal irresponsibility. Of course this is far from the case in Spain – or Ireland – where construction and lending bubbles driven by ECB policy rates appropriate for Germany were at least partly to blame, Exhibit 3.

**Exhibit 3: Good PIIG, bad PIIG – pre-crisis fiscal balances for peripheral nations**



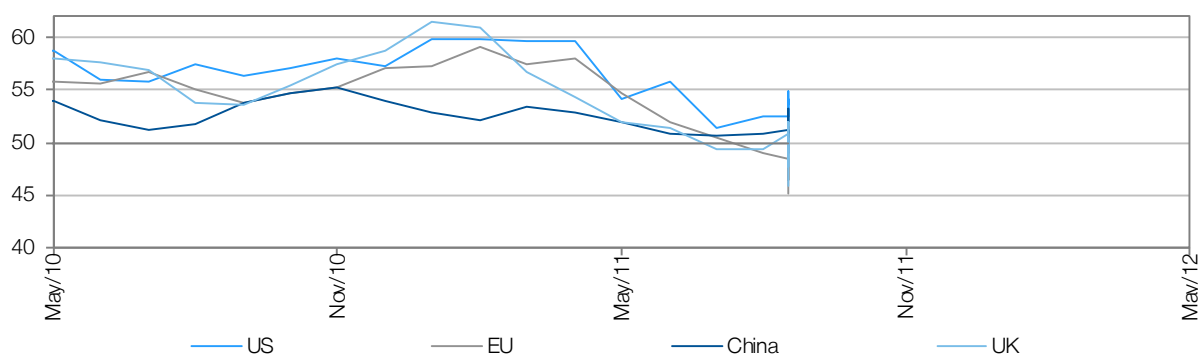
Source: IMF

We recognise that current European thinking is a long way from these ideas. However, investors should watch out for signs of moves in this direction as it may be the only option left to save the euro.

### Quadruple stimulus supporting markets – US, Europe, China, UK

Central banks are gearing up to unleash a further round of monetary accommodation to offset the relapse in growth and confidence worldwide. Since April, PMI survey data has declined markedly, Exhibit 4.

**Exhibit 4: Global manufacturing PMI survey data**



Source: NAPM, Markit

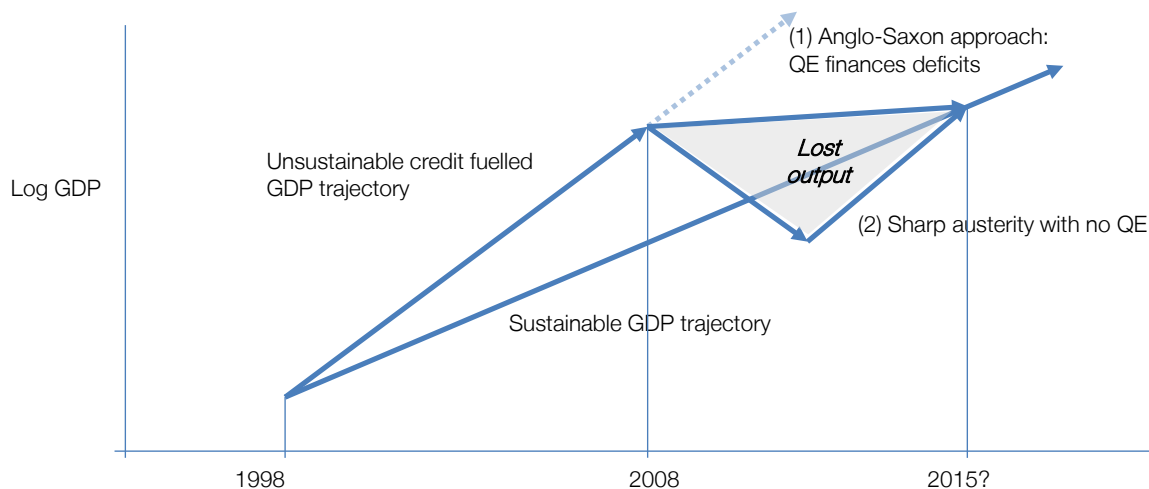
In June the UK announced a £140bn programme led by the Bank of England and Treasury aimed at improving the supply of credit to the real economy. As recently as last Friday, Bloomberg was reporting that ECB board member objections to cutting the policy rate below 1% had been overcome. In the US, Operation Twist is to be extended into the second-half of 2012 while in China the bank reserve ratio has been cut twice this year. The recent opening of share accounts by China's social security fund suggest the government may be about to start purchasing shares on the Chinese domestic equity market.

In our view, central banks will continue to ease policy to lower the risk of a collapse in demand as they will have few tools to deal with the consequences should such a collapse occur. The prospect of another round of monetary accommodation has already stabilised markets around current levels. Globally, the only objections in principle come from the inflation hawks of the ECB.

### US, UK – why socialising debts is good for corporate profits

Four years after the collapse of Lehman Brothers the developed world is still dealing with the aftermath of a decade of credit-fuelled and unsustainable GDP growth. The policy challenge is returning the economy to the sustainable GDP trend (driven by technological change and labour productivity) without suffering an unnecessary loss of output, shown schematically in Exhibit 5.

**Exhibit 5: Global policy alternatives schematic**



Source: Edison Investment Research

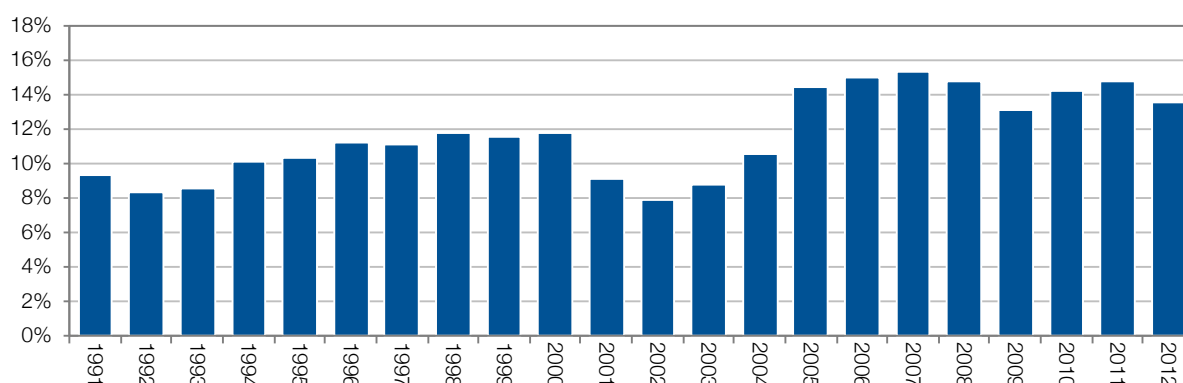
The combination of QE and large government deficits is allowing the private sector to deleverage by supporting demand, incomes and, crucially for equity investors, corporate profit margins, Exhibit 6. Though it may not be



by design, these policies are progressively socialising the private sector debt burden. As the private sector saves, the government sector expands its balance sheet, or in other words socialises private sector debt.

This should be considered the least-worst solution. Japan's experience shows this debt socialisation can be carried to extremes without a bond market collapse, hyperinflation or riots on the streets (Japan's government debt/GDP is now over 200%). The alternative is a collapse in demand, a wave of bad debts throughout the household and corporate sector and a socially problematic level of unemployment.

**Exhibit 6: UK non-financial EBIT margins**



Source: Edison Investment Research estimates

Though rather abstract, our view that those nations willing to employ QE and deficit financing will muddle through (until productivity growth catches up and GDP starts to grow at its sustainable rate) is a necessary part of our argument for owning equities over bonds at current valuations.

At current valuations, AAA government bonds are on a tightrope. A discovery that the economy has reached a sustainable level of GDP would send yields sharply higher. The other scenario, a collapse in demand, would dramatically increase deficits and lead the market to question debt sustainability – and therefore also risk sending yields sharply higher.

## Conclusion

We believe European policymakers have not grasped that solving the acute phase of the peripheral funding crisis requires incentivising the private sector to co-invest in a successful outcome. Further subordination of private creditors will simply increase the burden on an overstretched official sector.

Despite our rather pessimistic views on the outlook for Europe the valuation signals for equities over bonds are clear – and the reverse of the position in 2000. We believe equities are pricing-in meaningful declines over the medium term. We believe this is too bearish given the valuation starting point, even if strong economic growth will remain elusive for the foreseeable future.

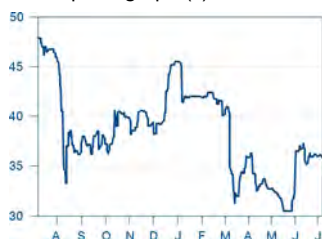
Strategically we therefore favour quality names that are outside the bank sector and the periphery of Europe. Tactically, policymakers have taken note of the slowdown in the global economy. A drip-feed implementation of various monetary stimulus measures worldwide means that in the short run equity markets are likely to continue to be well supported.

## Company profiles

## Sector: Media &amp; Entertainment

Price: €36.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

1000mercis specialises in providing interactive marketing and advertising services. The group's mission is to provide innovative responses to businesses wishing to optimise their advertising and marketing campaigns on interactive media (internet, mobile, etc).

## Price performance

%	1m	3m	12m
Actual	(1.4)	5.2	(23.9)
Relative*	(4.9)	10.0	(6.7)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## 1000mercis (ALMIL)

Market cap: €112m

## COMPANY COMMENT

Growth slowed in H211, primarily as a result of a more difficult market for email marketing (against demanding comparatives). The new email re-targeting product launched successfully in the period, gaining 50 contracts in six months. Elsewhere, the interactive marketing division benefited from the integration of social media into corporate marketing strategies. The best performance was from the mobile marketing activity (32% FY11 sales, +7%), which we expect to build further following Ocito's launch of its m-CRM suite in May. Interims are scheduled for 11 September.

## INDUSTRY COMMENT

The French advertising achieved growth estimated at 2.5% in FY11 after a slower H2. For 2012 the forecast of 1.5% reflects economic weakness offset by the elections and quadrennial events, while Carat's FY13 figures are looking for an element of recovery at +1.9%. Zenith Optimedia's forecasts are lower but all agree that online/mobile will greatly outstrip market growth. Mobile phone penetration in France is 105%, of which 40% are smartphones.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	34.30	12.60	7.90	2.94	12.24
2011A	35.00	11.10	7.10	2.67	13.48
2012E	36.45	N/A	7.90	2.72	13.24
2013E	38.90	N/A	8.50	2.93	12.29

Where available, consensus data has been sourced from Thomson Datastream

## Sector: General Retailers

Price: €0.04  
Price as at 6 July 2012

## Share price graph (€)



## Company description

1855 is a French online distributor of high-quality wines sold to individuals. It offers a variety of Bordeaux, Bordeaux Primeurs (young), Burgundy, Rhône and Languedoc wines, plus different wines from France and other countries (Australia, New Zealand, etc), and champagne.

## Price performance

%	1m	3m	12m
Actual	(33.3)	(42.9)	(78.9)
Relative*	(35.7)	(40.3)	(74.2)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## 1855 (AL185)

Market cap: €20m

## COMPANY COMMENT

1855 had a very strong FY11, with sales up 29% and a return to operating and net profit. The group envisages further progress in FY12, with Chateau Online (bought April 2011 and judged third-best online wine retailer in France by the influential Bordeaux School of Management, BEM) posting 40% gains in the first five months of 2012. The emphasis on its own brand, targeting top-end sales, together with the acquisitions of ChateauOnline and Cave Privée, have given the group a better balance and increased scale, including improved buying terms.

## INDUSTRY COMMENT

The purchase of ChateauOnline left one substantial competitor in Wineandco (LVMH/Millésima) and BEM's other picks of Vinatis.com and Nicolas.com. French online wine sales are growing well ahead of the weak broader market, with the annual SOWINE survey showing 12% of consumers now buying online - a market estimated by BEM at €410m in FY11. Use of social/new media is still limited yet is cited as a powerful driver in the survey. Direct producer and private sales are the fastest growing segments.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	12.40	0.18	(0.21)	N/A	N/A
2011A	16.04	1.41	1.09	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €5.80  
Price as at 6 July 2012

Share price graph (€)



Company description

A2micile Europe specialises in supplying care services to individuals and professionals. The group offers cleaning, ironing, child care and gardening services, and also assistance to dependant and/or disabled people.

Price performance

%	1m	3m	12m
Actual	1.8	(22.7)	(77.7)
Relative*	(1.9)	(19.1)	(72.6)

\* % Relative to local index

Analyst

Richard Finch

## A2micile (ALA2M)

Market cap: €6m

COMPANY COMMENT

Development continues apace at A2micile, with a further broadening of services, eg gym classes at home, and network expansion, notably the company's first agency in Belgium. Buoyed by a strong start to 2012 and healthy finances (€3.6m net cash at December, boosted by last year's fund-raising), management is aiming to double sales over the next two years despite admitted toughening of conditions. The contrast in trading between H211 and H111, ie a loss of €0.1m and profit of €1.1m, is attributed principally to seasonality (July and August are quiet). Management is happy with the current 70:30 B2C:B2B business mix as well its improving cost control. H112 sales are due in early August.

INDUSTRY COMMENT

The personal services market is benefiting from favourable demographics such as an ageing population and more women at work (in France now over 80% of those between aged 25 and 49) and the relative lack of provision by employers (under 2% against 60% in the US).

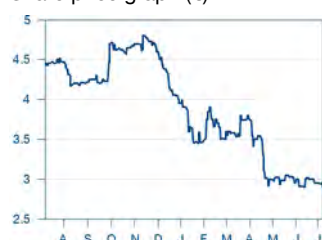
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	20.87	0.31	(0.03)	N/A	N/A
2011A	29.09	0.16	N/A	N/A	N/A
2012E	39.00	N/A	0.90	0.81	7.16
2013E	58.00	N/A	1.50	0.31	18.71

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €2.90  
Price as at 6 July 2012

Share price graph (€)



Company description

Acces Industrie specialises in leasing elevator cars and baskets mainly intended for the building construction and renovation sector.

Price performance

%	1m	3m	12m
Actual	(0.3)	(17.1)	(35.0)
Relative*	(3.9)	(13.4)	(20.3)

\* % Relative to local index

Analyst

Roger Leboff

## Acces Industrie (ALACI)

Market cap: €17m

COMPANY COMMENT

Acces achieved reasonable progress against a weak economic backdrop in Q112. Sales in France (86% of group turnover) were 5.4% ahead of the first quarter last year, with the impact of very cold weather offset by higher prices. Spain and Portugal were lower, as anticipated, in part due to ongoing reallocation of machinery to stronger regions, but also the impact of the Euro crisis. Morocco was in line with Q411 at €0.5m. That was below €0.6m for Q1 last year but the division is yet to show the benefits of equipment relocated to the Renault site in Tangier.

INDUSTRY COMMENT

The group has redeployed resources where it sees opportunities for better growth. Market conditions for equipment rental remain tough. Limited finance is affecting new sites, denting customer confidence and driving oversupply. Acces has over 20,000 customers via a network of 37 branches - 29 in France, five in Spain, two in Portugal, one in Morocco - and a diversified fleet of aerial lifts and carts, trucks and mini-excavators.

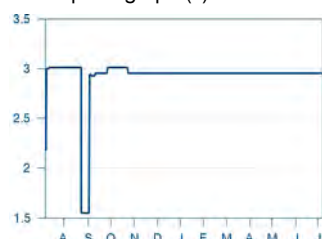
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	58.70	7.44	2.10	N/A	N/A
2011A	63.50	9.21	3.16	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Electrical Equipment

Price: €2.95  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Acropolis Telecom specialises in IP telephone services and in voice, video, and data convergence. The company offers fixed telephone, mobile telephone, and internet access services.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	35.3
Relative*	(3.5)	4.6	65.9

\* % Relative to local index

## Analyst

Roger Leboff

## Acropolis Telecom (ALACR)

Market cap: €12m

## COMPANY COMMENT

Broadly flat 2011 turnover conceals an ongoing shift from products to services, reflected in a 51% fall in IP PBX sales, offset by 9% growth in subscription-based cloud computing alternatives to €5.7m. This generates attractive recurring revenues via a product that uses existing capacity in group data centres in France. Acropolis has made a series of SaaS investments in the last year to build a scalable offering for a broad base of 1,200 plus customers in France and intends to expand the business at home and abroad.

## INDUSTRY COMMENT

Acropolis appears well placed to deliver IP telephony services (converged voice, video, and data) for SMEs and local government bodies. As a licensed operator with its own telecoms backbone (rather than a distributor), it is in a strong position to address a broad customer base. The group's August 2010 IPO raised €1.8m to fund investment in cloud computing infrastructure, including a data centre in the Paris Stock Exchange in January 2011 and two others in H1.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	5.00	0.23	0.26	N/A	N/A
2010A	6.34	(0.28)	(0.34)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Travel &amp; Leisure

Price: €5.32  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Ada Location provides short-term leasing of utility vehicles, private vehicles, motorised bicycles, scooters and motorcycles in France.

## Price performance

%	1m	3m	12m
Actual	(7.3)	(15.0)	(25.6)
Relative*	(10.6)	(11.1)	(8.8)

\* % Relative to local index

## Analyst

Richard Finch

## Ada (ALADA)

Market cap: €16m

## COMPANY COMMENT

Ahead of H1 results in late July, Ada's strategic focus on local markets continued to pay off in 2011 with H2 trading profit up 7%. In an otherwise depressed rental market, local sales held steady (closure of airport agencies, notably in Nice and Marseille, explain the reported 4% decline in Q4). Ada benefited also from a broadening of services on offer, eg insurance, and a lower provision for doubtful debts as a result of improved assessment of franchisee risk. As well as consolidating market leadership (almost 500 agencies throughout France) and its reputation for low prices, the company is intent on developing large account business and its online presence.

## INDUSTRY COMMENT

According to Markit, French retail sales are falling "at a worrying pace", with weak demand exacerbated by the presidential elections. However, economic activity is expected by the OECD to pick up modestly in H2 (OECD newly forecasts 0.6% French GDP growth for 2012 as a whole, compared with a stagnant first half, and 1.2% increase in 2013).

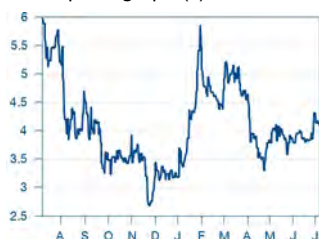
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	46.00	1.80	1.80	N/A	N/A
2011A	43.00	2.20	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.08  
Price as at 6 July 2012

Share price graph (€)



Company description

ADTHINK Media provides internet services in the areas of publicity services, direct marketing, search referencing and the creation and publishing of websites.

Price performance

%	1m	3m	12m
Actual	3.8	3.6	(33.1)
Relative*	0.1	8.3	(18.0)

\* % Relative to local index

Analyst

Fiona Orford-Williams

## ADTHINK Media (ALADM)

Market cap: €25m

COMPANY COMMENT

The momentum shown in H111 continued through the year, with sales ahead 27% and operating margins maintained at 11.4%. Web-publishing services (building sites, directories, portals and games) contribute 61% of revenues, with the balance coming from managing advertising services for website owners, SEM and SEO. The latter grew by 46% over the year, with 27 million unique visitors and 14,500 websites signed up. Advert Stream is an approved ad provider for Facebook. Shortly before Christmas, the group signed up footmercato.net, the largest French football news site, further broadening the reach.

INDUSTRY COMMENT

Internet penetration is estimated to have reached 77.2% of the French population in December 2011, with 37% of the population on Facebook by the end of March. Online marketing is set to continue to far outstrip the dull forecast ad spend market (est +1.5% Carat for FY12 - the election year, improving to 1.9% for FY13), with forecasts ranging from +7.5% from Zenith Optimedia to +12% from eMarketer and +13.4% from Magna.

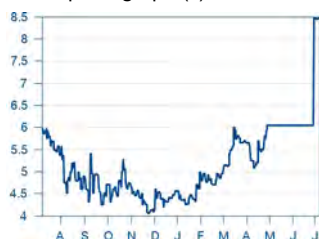
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	23.48	2.69	1.61	N/A	N/A
2011A	29.80	3.40	1.70	N/A	N/A
2012E	28.40	N/A	1.30	0.21	19.43
2013E	36.40	N/A	1.70	0.27	15.11

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €8.46  
Price as at 6 July 2012

Share price graph (€)



Company description

Adverline is an internet advertising company. It also offers electronic payment services to publishers.

Price performance

%	1m	3m	12m
Actual	39.8	61.1	43.4
Relative*	34.9	68.5	75.8

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Adverline (ALADV)

Market cap: €48m

COMPANY COMMENT

The founding shareholders, Loïc de Kerdrel and Charles Costa de Beauregard, have sold their holdings in Adverline to Mediapost Holding, a subsidiary of La Poste at a price of €8.59. Along with shares from other minority shareholders, Mediapost now hold 68.3% of the equity. The group is valued at €48.4m at this price and a tender offer will be launched for the remaining shares.

INDUSTRY COMMENT

Online advertising in France grew around 10.6% in FY11, implying a slight slowdown in H2 as the eurozone crisis held sway. Forecasts for FY12, an election year, are for between +8% and +13%, well ahead of the overall ad market growth forecast of 1.5%. RTB ad-exchanges are rapidly establishing and are set to build revenues from around \$30m in 2011 to over \$200m by 2015 (IDC).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	23.40	4.08	1.08	N/A	N/A
2011A	25.00	4.78	0.52	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Alternative Energy

Price: €15.17  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Aéro watt is one of France's leading producers of electricity from renewable energy. Revenues are generated from both wind power (59%) and solar power (41%).

## Price performance

%	1m	3m	12m
Actual	(1.6)	5.8	21.4
Relative*	(5.0)	10.6	48.8

\* % Relative to local index

## Analyst

Richard Finch

## Aéro watt (ALWAT)

Market cap: €30m

## COMPANY COMMENT

Aerowatt has made a positive start to the year with Q1 energy sales up 48%, boosted by favourable weather and greater capacity, primarily solar (organic growth was 22%). The company has also been successful in various bids for wind and solar work in France and abroad. There is no formal financial guidance for the current year. Aerowatt has suspended exclusive merger talks with Swiss utility company KKB, pending resolution of the legal framework of any deal (valuation of Aerowatt at €38.9m or €19.77 per share is not in question, according to the company's March update). While awaiting a revised offer from KKB, Aerowatt is seeing if there is any other interest.

## INDUSTRY COMMENT

The move to clean, renewable power can only intensify in view of the EU's binding directive on 20% renewable energy by 2020. France is the fourth-largest market in the EU (Germany and Spain are clear leaders) and has set ambitious objectives well ahead of the EU directive.

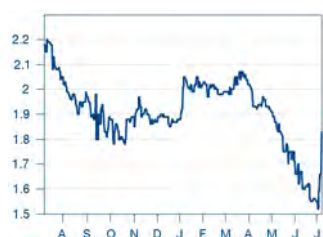
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	17.20	2.78	0.44	N/A	N/A
2011A	27.50	5.16	(1.78)	N/A	N/A
2012E	21.30	11.30	1.15	0.63	24.08
2013E	25.20	12.20	1.21	0.66	22.98

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Food &amp; Drink

Price: €1.83  
Price as at 6 July 2012

## Share price graph (€)



## Company description

AgroGeneration specialises in producing cereals (wheat, corn, and barley) and oilseeds (rape and sunflower).

## Price performance

%	1m	3m	12m
Actual	7.6	(5.2)	(16.8)
Relative*	3.8	(0.9)	2.0

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## AgroGeneration (ALAGR)

Market cap: €64m

## COMPANY COMMENT

The company is raising up to €15m through a six-year, 8% fixed-rate bond. The offer is open to 11 July. The proceeds are intended to fund the working capital requirement of existing operations and to fund other high growth projects. FY11 figures showed production ahead 74% by value and EBITDA near-doubling to €5m. For FY12, the intention is to increase to 100k (51k) ha by acquiring further farms and silos, reducing the dependence on third-party storage. The Argentinian JV announced in March should start producing in H212, with the target of producing 50k ha in five years. In 2011, the group raised €11.5m and a further \$10m over seven years from the EBRD, with the option of an additional \$3.5m at €2.05.

## INDUSTRY COMMENT

The addition of substantial acreage in Argentina reduces the inherent risk in relying on the harvest in one geographic region, albeit as fertile and productive as the Ukraine. Lack of investment and the historic split of Ukrainian land ownership means this land has been underused. Some larger operators have begun to accumulate substantial arable land banks.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	17.63	1.62	0.93	N/A	N/A
2011A	23.23	1.38	2.34	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

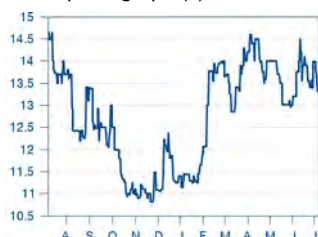
Where available, consensus data has been sourced from Thomson Datastream



Sector: Pcare and household prd

Price: €13.36  
Price as at 6 July 2012

Share price graph (€)



Company description

Ales Groupe specialises in the design, manufacturing, and marketing of plant-based cosmetic and hair care products.

Price performance

%	1m	3m	12m
Actual	1.2	(7.2)	(7.2)
Relative*	(2.4)	(3.0)	13.8

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Ales Groupe (ALPHY)

Market cap: €189m

COMPANY COMMENT

The pick-up at the end of 2011 has carried on into Q112, with sales 22.3% ahead at €56.4m. French sales were 21% ahead, helped by the launch of Lierac's new suncare product line, while overseas revenues improved 23%. Distributors performed particularly strongly at +34%. Cosmetics and skincare grew fastest in FY11, up +12.9%, with respectable growth of 7.4% in haircare and 6% in fragrances. Gross and operating margins both improved considerably over prior year, with pricing, volume and market mix all contributing.

INDUSTRY COMMENT

Sales of cosmetics and hair-care products correlate strongly with consumer confidence, so the outlook for the year will depend on economic newsflow. L'Oréal is the clear leader of a highly fragmented sector. Sales in the natural and organic segment are estimated to have grown around 12% in FY11 (Organic Monitor), around 2.7% of the market in France, but offer a clear differentiator in a crowded marketplace. France has banned phthalates, alkylphenols and parabens in cosmetics.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	173.00	7.70	0.30	0.33	40.48
2011A	190.90	11.50	0.30	0.30	44.53
2012E	207.20	13.00	0.60	0.42	31.81
2013E	225.20	15.00	7.65	0.53	25.21

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €5.28  
Price as at 6 July 2012

Share price graph (€)



Company description

Antevenio is a leading Spanish provider of interactive marketing and publicity services. The group operates primarily in four areas: publicity management, marketing services, the development and execution of advertising campaigns, and the development of community portals.

Price performance

%	1m	3m	12m
Actual	8.2	0.8	(10.1)
Relative*	4.4	5.4	10.3

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Antevenio (ALANT)

Market cap: €22m

COMPANY COMMENT

FY11 saw good top-line growth of 13.6%, principally driven by Portals (34% of sales), where new verticals were established and existing ones duplicated in other group operating territories - a process expected to extend in FY12. Revenues ex-Spain represented one-third of group and accounted for half of operating profits. Interactive marketing (28% sales) continues to add high profile new business with Italy and Latin America promising areas for FY12. Performance marketing struggled to make progress and we await news on the success of the new ad platform, costeporclick.com.

INDUSTRY COMMENT

The eurozone crisis hit jobs and confidence badly in Spain, with the inevitable consequence for advertising spend. It is estimated to have retrenched 6.8% over FY11, with Zenith Optimedia's forecast for FY12 now standing at a further fall of 12%, despite the expected boost from the quadrennial events of the Olympics and the European Cup. The forecast for the whole of Western Europe is now just +0.4%. Internet penetration in Spain was 65.6% at end 2011.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	21.30	1.90	0.93	0.22	24.00
2011A	24.20	2.03	1.28	0.30	17.60
2012E	23.20	1.80	1.20	0.29	18.21
2013E	24.90	2.60	1.70	0.40	13.20

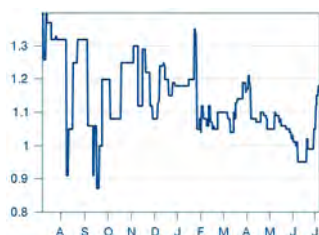
Where available, consensus data has been sourced from Thomson Datastream



## Sector: Technology

Price: €1.16  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Arkoon Network Security designs, develops and markets integrated security software and equipment intended for the protection of computer systems and networks belonging to businesses and administrations.

## Price performance

%	1m	3m	12m
Actual	16.0	7.4	(17.1)
Relative*	11.9	12.3	1.6

\* % Relative to local index

## Analyst

Roger Leboff

## Arkoon Network Sec. (ALARK)

Market cap: €6m

## COMPANY COMMENT

Arkoon and its Skyrecon Systems subsidiary returned to growth and profit in FY11, and both look well set for the current year. The turnaround in consolidated EBITDA to €1.5m (FY10: €1m loss) reflected better gross margins and a 6.5% fall in operating expenses. Skyrecon - sales up 59% to €2m - benefited from material restructuring in FY10, which refocused its solutions around the critical national infrastructures market segment. Commitment to R&D is reflected in a €2.9m expense, 30% of FY11 turnover. There was €2.3m of net cash at the year end.

## INDUSTRY COMMENT

Arkoon's solutions appear well placed to benefit from a gradual pick-up in corporate investment in IT security. This fits the business positioning and strategy to be the key provider of IT security for companies and organisations in sensitive sectors. It will continue to focus on innovation and geographical expansion. It targets top- and mid-tier European and global customers, both corporate and government in 57 countries.

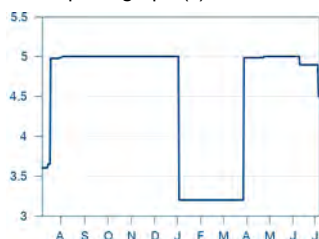
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.94	(1.38)	(5.37)	0.10	11.60
2011A	9.66	(0.80)	0.52	0.98	1.18
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Technology

Price: €4.50  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Assima provides electronic training services for computer applications. The group also publishes software and provides maintenance services.

## Price performance

%	1m	3m	12m
Actual	(10.0)	(9.8)	25.0
Relative*	(13.2)	(5.7)	53.3

\* % Relative to local index

## Analyst

Roger Leboff

## Assima (ALSIM)

Market cap: €38m

## COMPANY COMMENT

The 15% increase in revenues in FY11 was mainly achieved in H1, with H2 affected by the eurozone crisis. That is reflected in 15% lower EBITDA and pre-tax profit, but the group is in a stronger financial condition to weather the storm, due to the growing contribution from maintenance income. From a strategic perspective, Assima expects to benefit from recent acquisitions of ELS in Germany, of Kaplan IT assets (USA, UK and South Africa) and sees opportunities to extend its penetration into the ERP market via its partnership with SAP. There was £3.3m of net cash at the year end (FY10:£2m).

## INDUSTRY COMMENT

Although business growth will be affected by financial market turmoil, the growth outlook is supported by market concentration in 2011 and Assima's emphasis on generating revenues via third parties. The outlook is supported by its commercial partnerships (SAP Referral Program EcoHub), which places it in the top 25 partners for SAP worldwide, and an OEM agreement with a large software publisher.

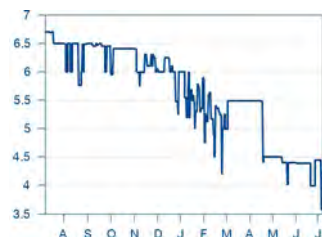
Y/E Dec	Revenue (£m)	Op. Profit (£m)	Net income (£m)	EPS (£)	P/E (x)
2010A	16.45	1.91	2.23	22.04	0.16
2011A	19.00	1.61	1.78	16.49	0.22
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Investment Companies

Price: €4.26  
Price as at 6 July 2012

Share price graph (€)



Company description

Assya is an independent international financial services company.

Price performance

%	1m	3m	12m
Actual	(3.0)	(22.4)	(36.4)
Relative*	(6.4)	(18.9)	(22.0)

\* % Relative to local index

Analyst

Richard Finch

## Assya (ALASS)

Market cap: €57m

COMPANY COMMENT

In the face of economic uncertainty, Assya (to be re-named Global Equities) is re-focussing on its core broking, corporate finance and asset management activities in France and Greece. During 2011, it acquired the Greek investment house Eurocorp and disposed of its real estate division, insurance business and non-French and Greek operations for c €23m as well as its stake in Saxo Bank. Operating expenses rose significantly due to a 100% increase in employees. Due to this restructuring and notable increase in operating expenses, Assya's net income fell to -€15.4m in 2011 (2010: €3.4m).

INDUSTRY COMMENT

Recent developments in peripheral Europe have increased the risk premium and cost of insuring Greek debt to record highs. Holders of periphery sovereign debt are increasingly concerned of further debt re-structuring, notably of Greek and Spanish debt, despite the ongoing support from the EU/IMF to avoid default.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	6.50	(2.80)	3.29	0.89	4.79
2011A	22.90	(16.60)	(15.40)	(1.41)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €9.02  
Price as at 6 July 2012

Share price graph (€)



Company description

Astellia specialises in designing, manufacturing and marketing hardware material and software solutions dedicated to mobile telephone operators in France and the rest of the world (80% of sales). Its solutions provide access to relevant indicators to improve both quality of service and of experience, ensure network optimisation and subscribers' loyalty.

Price performance

%	1m	3m	12m
Actual	1.3	6.4	(27.0)
Relative*	(2.2)	11.2	(10.4)

\* % Relative to local index

Analyst

Roger Leboff

## Astellia (ALAST)

Market cap: €23m

COMPANY COMMENT

Astellia made up ground in H2, after political instability in the Middle East (21% of FY11 sales) and Africa (28%) adversely affected the first half. H2 turnover was 50% ahead of H1, 10% up y-o-y, at a 8% operating margin. It picked up 15 new customers including major contracts with operators in Canada, Costa Rica and Zimbabwe. There was progress in new territories and, in France, H2 saw important renewals with traditional clients. The order book stood at €38.4m at the year end.

INDUSTRY COMMENT

The outlook is supported by ongoing development of operations in India and North America, and its ability to adapt to operational challenges in Africa/Middle East. Astellia's technologies, used by more than 180 mobile operators and equipment manufacturers to optimise network performance and customer service quality, is positioned to capitalise on the increase in data traffic driven by increased smartphone adoption and further growth in mobile users worldwide. Its products are sold in over 80 overseas markets.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	33.40	2.01	2.50	0.91	9.91
2011A	33.90	(2.20)	N/A	N/A	N/A
2012E	36.60	(0.50)	(0.20)	(0.34)	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Mining

Price: €1.39  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Through its two mines located in Guiana (Dieu Merci and Yaou), Auplata is the leading producer of gold in French Guiana.

## Price performance

%	1m	3m	12m
Actual	(4.8)	(12.0)	(50.9)
Relative*	(8.2)	(8.0)	(39.8)

\* % Relative to local index

## Analyst

Charles Gibson

## Auplata (ALAUP)

Market cap: €30m

## COMPANY COMMENT

Revenue in FY11 was up 82% compared to FY10 (aided by a 22% rise in the average gold price received), while underlying EBITDA was up 224% to €1.6m. Production in Q112 was 110kg (3,537oz) - up 51% vs Q110 - and represented the third quarter in succession in which output exceeded 100kg (3,215oz). Debt was reduced by €1.1m during the period to €3.0m. Since then, Auplata has raised an additional €4.5m via the issue of 2.9m shares with warrants attached (to subscribe for additional shares at €2.00 per share until 2015) to two strategic investors, OSEAD and NG.

## INDUSTRY COMMENT

Auclata operates two mines in French Guiana (Yaou and Dieu Merci) and has rights over a third, Dorlin. In addition, it has injected its 100% interest in the 1.9Moz inferred Paul Isnard deposit into Canadian junior, Columbus Gold, in return for a 34% interest in the company. Under the terms of the agreement, Columbus must invest US\$7m on exploration within two years, with a feasibility study conducted within four years.

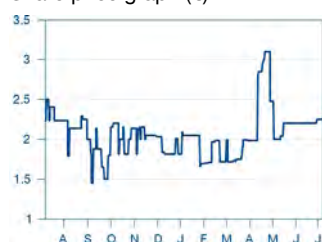
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	7.30	16.71	16.20	N/A	N/A
2011A	13.24	(5.94)	(5.61)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: General Retailers

Price: €2.25  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Auto Escape is France's leading competitive car hire broker with access to the fleets of rental company partners worldwide.

## Price performance

%	1m	3m	12m
Actual	2.3	13.6	0.9
Relative*	(1.4)	18.8	23.7

\* % Relative to local index

## Analyst

Richard Finch

## Auto Escape (ALAUT)

Market cap: €12m

## COMPANY COMMENT

Given the minimal free float and perceived disproportionate cost of maintaining the company's listing, an offer of €2.80 per share was made in April by reference shareholder, Auto Escape Group; this proved unsuccessful. Ahead of a July update, the focus is thus on the integration of Car del Mar, a leading German online car-hire company with strong positions in several European markets. September's transaction, involving the retention of respective brand names, should almost double Auto Escape's volumes.

## INDUSTRY COMMENT

Growth in the car rental industry is closely linked to economic conditions and, in respect of airport rentals (c 40% of the market), to air passenger growth. For 2012 IATA forecasts passenger growth of almost 5% (international traffic up 7% in the first five months), assuming no full-scale eurozone crisis and no oil price spike. Auto Escape is exposed to the leisure rather than business rental market.

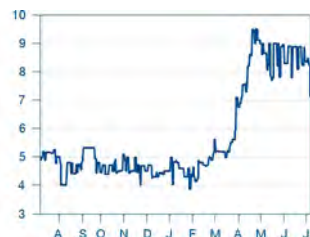
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	29.90	0.83	0.40	N/A	N/A
2011A	35.10	0.01	0.00	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €7.13  
Price as at 6 July 2012

Share price graph (€)



Company description

BD Multimedia is a telecommunications service provider.

Price performance

%	1m	3m	12m
Actual	(14.1)	(5.6)	43.2
Relative*	(17.1)	(1.3)	75.6

\* % Relative to local index

Analyst

Roger Leboff

## BD Multimedia (ALBDM)

Market cap: €15m

### COMPANY COMMENT

BD Multimedia picked up momentum in FY11, with a 282% increase in micropayment turnover behind a 75% higher consolidated group sales, and 352% growth in operating profit. Other business areas were broadly in line y-o-y, with community websites in expected decline, and games growing well (up 88% at €0.7m) reporting faster acquisition of new players. First quarter 2012 sales were 97% ahead y-o-y, with micropayments 225% ahead of Q111 and other areas performing as expected.

### INDUSTRY COMMENT

The group will look to build on market share growth in 2012 and leverage its customer base through introducing marketing and technology initiatives that target new and existing customers, without adding to overheads. Volumes and margins in core areas such as APOG (services for SME/SMI computer science and management clients, and partners such as Sage and Microsoft) are in line with management forecasts. Other areas, such as telephony are now a prepaid card service and wholesale airtime for teleshopping in France.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	14.70	0.36	0.07	0.19	37.53
2011A	25.66	1.60	1.37	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €3.80  
Price as at 6 July 2012

Share price graph (€)



Company description

Bernard Loiseau specialises in owning and operating restaurants. The group is also involved in hotel operation.

Price performance

%	1m	3m	12m
Actual	(2.6)	(8.4)	(9.1)
Relative*	(6.0)	(4.3)	11.5

\* % Relative to local index

Analyst

Richard Finch

## Bernard Loiseau (ALDBL)

Market cap: €5m

### COMPANY COMMENT

Bernard Loiseau is justifiably confident about its ability to cope successfully with continued economic pressures, ie robust finances (minimal gearing), which are the envy of its peers, and rigorous cost controls, yet not to the detriment of brand awareness and quality, as shown by the Burgundy restaurants' retention of their esteemed Michelin stars. 2011 saw impressive resilience with occupancy-led sales growth of 5% in Burgundy and like-for-like 6% in Paris (the reported gain of 20% was due to the closure of one of the two restaurants, Tante Marguerite, for over a quarter of 2010). Maintained trading margin reflected effective yield management and marketing as well as improved occupancy.

### INDUSTRY COMMENT

According to Deloitte, the first four months of 2012 saw a 1% fall in RevPAR in the premium four/five star hotel sector in the north-east, which includes Saulieu, as economic pressures mounted (RevPAR +7% in 2011). April was particularly weak (-4%).

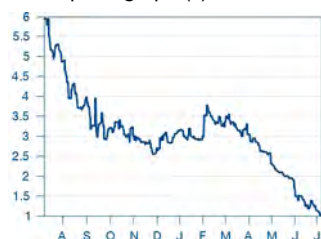
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.04	0.69	0.45	0.31	12.26
2011A	9.80	0.74	0.45	0.32	11.88
2012E	9.80	0.70	0.40	0.31	12.26
2013E	10.30	0.80	0.60	0.43	8.84

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Alternative Energy

Price: €1.07  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Bionersis specialises in the development of biogas energy valorization projects, including biogas generated by domestic waste discharge.

## Price performance

%	1m	3m	12m
Actual	(23.6)	(63.7)	(82.2)
Relative*	(26.3)	(62.1)	(78.1)

\* % Relative to local index

## Analyst

Roger Leboff

## Bionersis (ALBRS)

Market cap: €4m

## COMPANY COMMENT

Carbon markets provided a challenging backdrop for FY11. H2 was affected by a 64% fall in the price of Renewable Energy Credits, the group's primary source of revenues. That prompted postponement of certain planned investments and cuts to operating expenses to preserve cash. There was, however, 206% y-o-y growth in sales of carbon credits; production was up 108% but not yet at full capacity with several projects in their ramp-up phase. During the second half, Bionersis secured new contracts for the sale of carbon credits with EDF Trading and CDC Climate.

## INDUSTRY COMMENT

Bionersis has invested c €25m in development projects to recover landfill biogas in UN CDM projects to generate certified emission reductions in Latin America and Asia. It added four new projects in 2011. The outlook is supported by the legal processes behind emission reductions and it has strategic partnerships with E.ON and EDF, underlining the opportunity for cash-flow generation over the next decade.

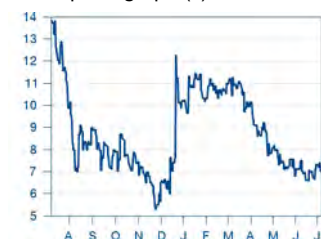
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	0.56	(3.61)	1.14	0.35	3.06
2011A	1.35	(7.37)	3.54	(0.99)	N/A
2012E	1.60	(4.00)	(7.70)	(1.90)	N/A
2013E	7.80	0.20	(4.00)	(0.90)	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Pharma &amp; Healthcare

Price: €6.96  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Biosynex specialises in developing, producing, and marketing in vitro diagnostic tests for healthcare professionals (biologists, clinicians, nurses, and midwives).

## Price performance

%	1m	3m	12m
Actual	(2.2)	(23.5)	(49.6)
Relative*	(5.7)	(20.0)	(38.2)

\* % Relative to local index

## Analyst

Mick Cooper

## Biosynex (ALBIO)

Market cap: €8m

## COMPANY COMMENT

Biosynex is a company selling easy-to-use, rapid diagnostic tests. In FY11, sales rose by 4.3% to €1.05m, although its net loss increased from €29k to €326k because of increased operating costs. The increased revenue was largely driven by its tests for foetal membrane rupture and anti-tetanus immunity and its enlarged client base (especially internationally). It accelerated its international expansion with the acquisition of a German company, DIMA Diagnostika, for an undisclosed amount at the start of 2012 and is expecting to achieve sales of more than €6.3m in FY12. Its future growth prospects depend on the successful integration of DIMA Diagnostika and the launch of new tests, including a rapid diagnostic test for cervical cancer.

## INDUSTRY COMMENT

The molecular diagnostic market was estimated to be worth €3bn in 2009 and could double by 2014, because of the demand for better diagnoses to improve clinical decision making. The development risk of diagnostic products is lower than that for drugs, and the route to commercialisation is quicker.

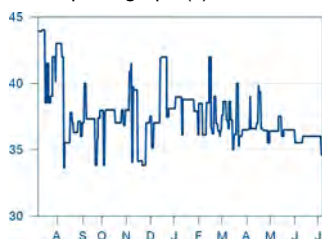
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	1.01	(0.86)	(0.29)	N/A	N/A
2011A	1.05	(0.43)	(0.33)	N/A	N/A
2012E	6.80	N/A	0.30	0.25	27.84
2013E	8.00	N/A	0.60	0.54	12.89

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €34.61  
Price as at 6 July 2012

Share price graph (€)



Company description

Bricorama specialises in the distribution of DIY, gardening and decoration products.

Price performance

%	1m	3m	12m
Actual	(2.5)	(5.3)	(21.2)
Relative*	(6.0)	(1.0)	(3.3)

\* % Relative to local index

Analyst

Richard Finch

## Bricorama (ALBRI)

Market cap: €215m

COMPANY COMMENT

Strict cost control in Bricorama's key domestic market drove a trading profit gain of 13% in 2011, which was well ahead of guidance of 5-10%. It was all the more impressive given a shortfall in Benelux, despite a positive contribution from the Goldi purchase in H2, and higher losses in Spain. The current period has started in similar vein with decent sales growth (6%) in France in Q1, countered by flat in Belgium and like-for-like -5% and -2% in the Netherlands and Spain respectively. Full-year guidance is for a rise in sales of 2% to 5% (8% increase in Q1 boosted by inclusion of Goldi). Net debt remained material (€139m) at December, albeit at a comfortable level of gearing (48%).

INDUSTRY COMMENT

Rival Mr Bricolage stores in France saw +4% like-for-like sales in Q112, while Castorama's 1% quarterly decline reflects inclusion of a very depressed April (home improvement market down by 9%, according to Banque de France). With minimal rise in French GDP forecast well into the current year, consumer spending is set to remain subdued.

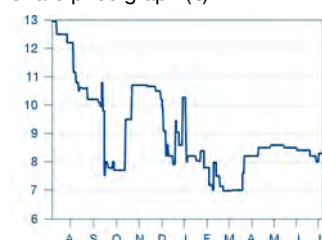
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	698.01	39.58	22.20	3.85	8.99
2011A	733.42	40.42	24.07	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €8.30  
Price as at 6 July 2012

Share price graph (€)



Company description

BSB employs 376 people with offices in Belgium, Luxembourg, France, Switzerland, Germany, the Netherlands, the UK and Ireland. It provides mission-critical solutions: Soliam, a portfolio management system for asset managers; and Solife, a life insurance policy administration system. It has over 100 clients in 23 EMEA countries.

Price performance

%	1m	3m	12m
Actual	(1.3)	1.2	(35.9)
Relative*	(6.1)	3.2	(26.1)

\* % Relative to local index

Analyst

Roger Leboff

## BSB (BSB)

Market cap: €18m

COMPANY COMMENT

FY11 was affected by customer decisions to defer orders into 2012. There was 13% growth in full-year revenues, but a €2.9m loss before goodwill amortisation reflected license sales rescheduled from end-2011 to 2012, delayed receipt of regulatory approval for the new Luxembourg operation SOLFIA and higher costs - mainly recruitment and training - related to increased workload that did not materialise. To counter these, the group plans to implement €3m in cost savings in the current half and strengthened its sales organisation.

INDUSTRY COMMENT

The pick-up in BSB's domestic and international markets since 2010 has seen it secure new clients in established and new territories. Demand appears robust for its applications - asset management and life insurance policy administration, remote access, consultancy services, bespoke applications and integration with partner solutions (SAP) - targeted at banks and insurance companies. Core markets are Belgium, France and Luxembourg.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	30.90	2.20	0.91	0.43	19.30
2011A	34.99	(2.50)	(3.29)	(1.54)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

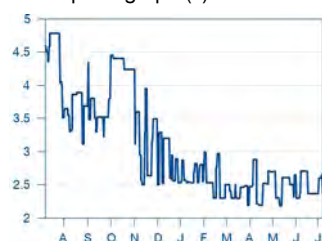
Where available, consensus data has been sourced from Thomson Datastream



## Sector: Technology

Price: €2.36  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Budget Telecom is an alternative discount telecommunications operator primarily servicing the general public.

## Price performance

%	1m	3m	12m
Actual	2.6	(18.1)	(50.8)
Relative*	(1.0)	(14.3)	(39.7)

\* % Relative to local index

## Analyst

Richard Finch

## Budget Telecom (ALBUD)

Market cap: €8m

## COMPANY COMMENT

Budget Telecom looks to have reacted well to the arrival of a new mobile operator, which, by the company's own admission, has radically changed market prospects, indeed enough for the company to revise its strategy in favour of low-cost niches of little interest to major operators, marketing to independent vendors and restructuring its costs. Sales in Q112 were maintained thanks to a spectacular pick-up in wholesale B2B business, which more than made good the expected shortfall in international B2C activity. Budget Telecom has a strong client base, including over 200,000 subscribers, of which at least 25% are mobile users, a wide distribution network and healthy finances.

## INDUSTRY COMMENT

Across all Western economies, pressure on fixed-line revenues continues. However, there is still a major opportunity for alternative telecoms service providers that can typically offer better pricing than incumbents and also offer innovative services and high customer support levels.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	25.60	1.30	0.50	N/A	N/A
2011A	24.30	0.70	0.60	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Pharma &amp; Healthcare

Price: €106.83  
Price as at 6 July 2012

## Share price graph (€)



## Company description

CARMAT is developing a fully implantable orthotopic artificial heart, its electrical power supply system, and its telediagnosics system.

## Price performance

%	1m	3m	12m
Actual	(1.5)	2.7	(38.1)
Relative*	(5.0)	7.4	(24.1)

\* % Relative to local index

## Analyst

Mick Cooper

## CARMAT (ALCAR)

Market cap: €441m

## COMPANY COMMENT

CARMAT has developed an implantable artificial heart. It is in the process of completing endurance tests, which are required to complete its regulatory submission. This should result in its clinical programme starting with four patients receiving implants in H212. CARMAT has already trained surgical teams in three centres in France. The device is designed to mimic a natural heart and is the result of an alliance between Professor Carpentier (who developed the eponymous heart valve) and the aerospace company, EADS. The company's cash position at FY11 was €29.4m, which should be enough for CARMAT to operate into 2015 by which time the product could have received EU approval.

## INDUSTRY COMMENT

The implantable artificial heart is being developed to treat patients with end-stage biventricular heart failure. These people currently have a life expectancy of 12 months unless they receive a heart transplant (c 4,000 heart transplants are carried out each year). CARMAT estimates that its device could target c 100,000 untreated patients per year, a market of up to €16bn.

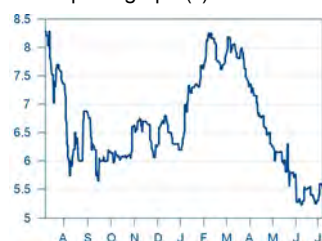
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	5.00	(10.48)	(7.73)	N/A	N/A
2011A	6.10	(16.10)	(13.40)	N/A	N/A
2012E	5.20	N/A	(18.70)	(3.47)	N/A
2013E	22.90	N/A	(17.80)	(2.62)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €5.51  
Price as at 6 July 2012

Share price graph (€)



Company description

Collectis is a leader in genome engineering and genomic surgery. Collectis specialises in the development and production of modified meganucleases used for in vivo DNA surgical procedures.

Price performance

%	1m	3m	12m
Actual	3.4	(22.9)	(29.8)
Relative*	(0.3)	(19.4)	(13.9)

\* % Relative to local index

Analyst

Mick Cooper

## Collectis (ALCLS)

Market cap: €113m

COMPANY COMMENT

Collectis has a diversified strategy to exploit its core expertise in meganucleases, which make specific alterations to DNA. It has four subsidiaries: Collectis bioresearch, which provides meganuclease kits to life sciences researchers; Collectis plant sciences, which develops genetically modified plants for agricultural companies (Bayer has recently extended its partnership); Collectis genome surgery is developing innovative treatments for genetic diseases and various other indications; and Ectycell is developing uses for meganucleases with stem cells (enlarged with the acquisition of Cellartis). In FY11 it achieved revenues of €9.9m, although its pro forma revenues with those of Cellartis were €19.m (+11% sales increase, excluding research tax credits). It had cash of €42.4m at end-FY11.

INDUSTRY COMMENT

Collectis's technology has a wide range of applications. The precise manner in which meganucleases modify genetic material means that all of its business lines have significant potential, although with very different risk/reward characteristics and timelines.

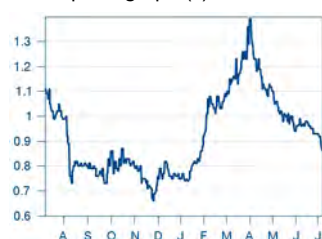
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	8.16	(11.50)	(8.00)	(0.40)	N/A
2011A	9.90	(19.50)	(23.79)	N/A	N/A
2012E	17.76	(8.00)	(7.65)	(0.45)	N/A
2013E	24.70	(1.00)	(4.41)	(0.20)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €0.86  
Price as at 6 July 2012

Share price graph (€)



Company description

Cerep provides pre-clinical research services to the pharmaceutical industry.

Price performance

%	1m	3m	12m
Actual	(11.3)	(30.1)	(19.6)
Relative*	(14.5)	(26.9)	(1.4)

\* % Relative to local index

Analyst

Mick Cooper

## Cerep (ALCER)

Market cap: €11m

COMPANY COMMENT

Cerep returned to profitability in FY11, despite sales falling by 5.6%. Sales in France increased by 35.4% to €5.0m, but the effect of this was offset by a reduction of sales in the US of 15.6% to €9.3m, caused by the loss of two major clients. Its operating profit in FY11 was €792k compared to an operating loss of €3.1m the year before. The company should benefit from the launch of new services (BioPrint, in particular), its new Chinese operation and recent cost-cutting measures. However, some of these gains are required for the company to offset the difficult trading environment. Its cash position at the end of FY11 was €11.2m.

INDUSTRY COMMENT

Pharmaceutical companies are outsourcing a greater proportion of their pre-clinical work, but the market is very competitive. Restructuring programmes at pharmaceutical companies have put some research projects on hold and many pre-clinical services are becoming commoditised. CROs need to innovate continually to differentiate themselves from their competitors.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	24.20	(3.14)	(4.11)	N/A	N/A
2011A	22.80	0.79	0.78	N/A	N/A
2012E	25.00	(1.00)	(2.00)	(0.12)	N/A
2013E	26.00	0.00	0.00	(0.04)	N/A

Where available, consensus data has been sourced from Thomson Datastream



## Sector: Support Services

Price: €19.21  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Clasquin provides air and maritime transportation engineering and overseas logistical services. It pilots and organises its customers' merchandise flows between France and primarily the Asia-Pacific region and the United States.

## Price performance

%	1m	3m	12m
Actual	(4.0)	(13.5)	(27.0)
Relative*	(7.4)	(9.5)	(10.5)

\* % Relative to local index

## Analyst

Richard Finch

## Clasquin (ALCLA)

Market cap: €44m

## COMPANY COMMENT

Clasquin continues to show a welcome resilience with a further 4% growth in shipments in Q112, much in line with the pattern throughout 2011. However, there was pressure on margins (gross profit was flat), which management believes to be short-term as freight rates were unusually volatile in the period. The company is confident that its strong market positions, especially in Asia, the quality of its clients and sound finances (26% gearing at December) should ensure continued market outperformance. Guidance is for growth in activity and gross profit from the second half of the year, particularly as recent investments start to pay off.

## INDUSTRY COMMENT

In its latest update in April, the IMF forecast global growth of 3.5% in 2012, recovering to 4.1% next year (4% in 2011). However, it warns that risks remain "elevated," mainly owing to Europe and oil, and that progress in advanced economies will remain sluggish in 2012 (2.1% in US, 2% in Japan and "mild contraction" in the eurozone).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	179.10	6.50	3.80	1.50	12.81
2011A	171.40	5.80	N/A	N/A	N/A
2012E	171.00	5.00	3.00	1.27	15.13
2013E	183.50	7.00	4.00	1.74	11.04

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Alternative Energy

Price: €5.49  
Price as at 6 July 2012

## Share price graph (€)



## Company description

CNPV specialises in the development, manufacturing and marketing of photovoltaic solar modules.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(63.4)
Relative*	(3.5)	4.6	(55.1)

\* % Relative to local index

## Analyst

Roger Leboff

## CNPV Solar Power (ALCNP)

Market cap: €44m

## COMPANY COMMENT

Despite the fall in headline revenues in FY11, the group outperformed its competitors as a result of its access to new geographical markets such as India, Japan and South America, supported by product differentiation, which enabled it to maintain premium pricing. Gross and operating margins increased last year, with the outlook supported by further investment in the product range and lower production costs. Although Europe was the key market last year, higher shipments to the US, China, South Asia and Australia helped balance exposure.

## INDUSTRY COMMENT

The 2011 results reflect a difficult year for the industry, affected by over-capacity, reduced feed-in-tariffs in key European markets and large inventory build up. A further fall in direct competition is expected in 2012 but the group's solar photo voltaic products tap into growing demand globally for reliable and environmentally clean electric power to on- and off-grid residential, commercial, industrial and utility scale applications.

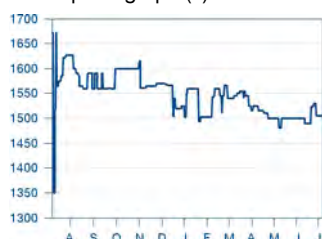
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	260.20	29.60	19.00	3.74	1.47
2011A	212.30	27.11	13.52	1.72	3.19
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €1505.00  
Price as at 6 July 2012

Share price graph (€)



Company description

CoBrHa is Belgium's third largest brewery, through its subsidiary Haacht Brewery. It is also involved in the production and sale of wine and non-alcoholic beverages.

Price performance

%	1m	3m	12m
Actual	0.3	(1.3)	(10.0)
Relative*	(4.5)	0.6	3.8

\* % Relative to local index

Analyst

Fiona Orford-Williams

## CoBrHa (COBH)

Market cap: €113m

COMPANY COMMENT

Full-year results showed the effects of a miserable summer, with slower H2 sales bringing the progress for the year back to +1.0%. Energy costs rose sharply, over 15% and labour costs were up 3.3%. Market share continued to build in on-trade, and export sales also moved ahead. Price increases were implemented in September and again in mid-April. Malt prices, however, moved ahead in Q311 and costs are likely to stay high in FY12. From Q311, key brands were moved to an exclusive on-trade distribution with a major retailer, the results of which will be evaluated in FY12.

INDUSTRY COMMENT

Belgian beer consumption increased in H111 but poor weather left the FY11 market ahead by just 1.6%. Pilsner's has been losing market share to Abbey, blond, trappist and regional beers. On-trade has now fallen to 47% of the overall domestic market. The Belgian market is dominated by InBev (56%) and Heineken/Alken-Maes (11%).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	91.97	10.15	7.71	N/A	N/A
2011A	91.96	9.37	6.39	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Industrial Support Services

Price: €0.80  
Price as at 6 July 2012

Share price graph (€)



Company description

Cofidur specialises in electronic sub-contracting services. Sales by activity are equipping, assembling, and integrating electronic cards (87.2%); design and manufacture of printed circuits (11.1%); other (1.7%). Sales are distributed as France (98.4%), Europe (0.7%) and other (0.9%).

Price performance

%	1m	3m	12m
Actual	12.7	1.3	(20.8)
Relative*	8.7	5.9	(2.9)

\* % Relative to local index

Analyst

Richard Finch

## Cofidur (COFI)

Market cap: €6m

COMPANY COMMENT

Despite typically low industry visibility, Cofidur expects stable revenues in H112 and maybe a fall of 5-10% for the full year (+9% like-for-like in 2011). Encouragingly, the company is clearly benefiting from cost-cutting measures, eg site rationalisation and a widening of customer spend, initiated as a result of the recession; H211 saw 5% trading margin, compared with break-even year-on-year and under 2% in H111. Indeed, full-year trading profit included €0.6m costs related to a plant closure. Cofidur's listing moved from Euronext last September.

INDUSTRY COMMENT

While global semiconductor sales may show marginal growth this year (0.4%, according to World Semiconductor Trade Statistics), there may well be wide geographical divergence, eg 3% gain in the Americas mirroring a 3% fall in Europe, per WSTS. Optimism is necessarily guarded, given weak year-to-date performance (-6%, per the Semiconductor Industry Association). Strong growth (7%, per WSTS) is in prospect in 2013.

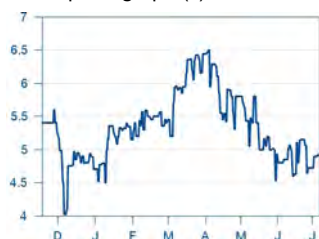
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	98.60	(0.90)	(2.30)	(0.20)	N/A
2011A	96.35	(1.25)	2.76	0.32	2.50
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Industrial Support Services

Price: €4.91  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Cogra 48 specialises in producing and selling wood pellets. The group also imports, distributes, and installs wood pellet stoves and furnaces. At the end of 2010, Cogra 48 had 2 production sites located in France.

## Price performance

%	1m	3m	12m
Actual	2.3	(20.5)	N/A
Relative*	(1.3)	(16.9)	N/A

\* % Relative to local index

## Analyst

Richard Finch

## Cogra (COGR)

Market cap: €11m

## COMPANY COMMENT

Cogra continues to perform well, with sales up 34% in the quarter to March, boosted by particularly cold weather, and confirmation of its guidance of an increase in full-year sales of c 20% at notably higher margin (H112 5% against 1.6% in FY11). Given such endorsement of increasing consumer interest in wood pellets as a renewable and inexpensive source of energy, management is strengthening sales and marketing not only to expand internationally and in France (26% of FY11 sales from exports), but also to capitalise on its integrated model as the only pellet producer and stove distributor in France. It recently raised €1.9m, partly to fund a new production site, due to open in H213. This should raise capacity by two-thirds.

## INDUSTRY COMMENT

The move to clean, renewable power can only intensify in view of the EU's binding directive on 20% renewable energy by 2020. France is the fourth-largest market in the EU and has set ambitious objectives well ahead of the EU directive. Its wood pellet production has risen dramatically in recent years.

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.06	0.14	0.11	N/A	N/A
2011A	10.35	0.16	0.16	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €13.65  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Groupe ConcooursMania specialises in developing online marketing game operations.

## Price performance

%	1m	3m	12m
Actual	1.9	5.2	35.1
Relative*	(1.7)	9.9	65.7

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Concooursmania (ALGCM)

Market cap: €45m

## COMPANY COMMENT

Since its float in May 2011, Concooursmania has announced a steady flow of good new client wins across a broad range of verticals, including media companies and film tie-ins, as well as consumer-facing brands. Promotional gaming revenues grew 42.8% over FY11 (52% of group), with the balance derived from B2C online casual gaming (+37.2%). The group has been using the funds raised at issue to up the pace of international diversification. It now has a partnership in Japan with Daishinsha, a JV to offer gamification to clients of Grey Europe, and has extended its offer in games for social networks and mobile with the acquisition of Actiplay.

## INDUSTRY COMMENT

The 2011 NewZoo industry survey showed 24m active gamers in France, 42% of the population. Growth of gaming within Facebook continues apace, with 16% of gaming hours now spent within the platform, with mobile games accounting for another 11%. Console games remain the market leader, but the rapid rise in penetration of smartphones and tablets suits the gamification market particularly well.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	7.55	1.50	0.91	N/A	N/A
2011A	10.57	2.48	1.67	N/A	N/A
2012E	16.47	N/A	2.36	0.74	18.45
2013E	21.45	N/A	3.15	0.98	13.93

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €6.27  
Price as at 6 July 2012

Share price graph (€)



Company description

Custom Solutions specialises in the supply of marketing services.

Price performance

%	1m	3m	12m
Actual	5.4	3.0	(4.0)
Relative*	1.6	7.6	17.7

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Custom Solutions (ALSOL)

Market cap: €30m

COMPANY COMMENT

The first half figures to March 2012 showed very strong growth across the business with group revenues ahead by 31%, and the supply chain business posting a 49% gain with the benefit of new clients won in 2011. This pace of gain may be difficult to maintain in H2, although a further 12 new clients across a range of sectors have been signed in the period. In October 2011, the group launched a pre-loaded customisable Visa card to be used for promotional purposes, which has had strong uptake by clients including Garmin, Pirelli and M6 Mobile. The group is targeting doubling its pan-European business in the current year to 10% of revenues.

INDUSTRY COMMENT

Estimates of growth in the French advertising market continue to be pulled back, with ZenithOptimedia now expecting 0.8% and Magna looking for a y-o-y decrease of 1%, despite the benefit of the presidential election campaign and quadrennial events. Online marketing is expected to outperform considerably, with Zenith's latest forecast predicting current year growth of 7.5%.

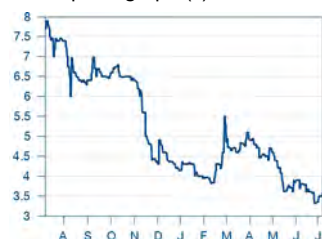
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	15.72	2.25	1.71	N/A	N/A
2011A	20.06	2.67	1.81	N/A	N/A
2012E	23.80	2.90	2.70	0.56	11.20
2013E	22.60	3.30	2.60	0.53	11.83

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €3.58  
Price as at 6 July 2012

Share price graph (€)



Company description

D.L.S.I. is a temporary recruitment business, placing both skilled and unskilled labour.

Price performance

%	1m	3m	12m
Actual	(8.0)	(25.3)	(51.4)
Relative*	(11.2)	(21.9)	(40.4)

\* % Relative to local index

Analyst

Fiona Orford-Williams

## D.L.S.I. (ALDLS)

Market cap: €9m

COMPANY COMMENT

Q112 revenues were down 12.8%, but this includes the lost revenue from closed branches that were no longer profitable. Stripping out this effect, the decline was 4.6%, considerably better than the overall market. Online recruitment, however, continues to grow strongly. Overseas revenues continued to expand, albeit at a slower rate. Luxembourg and Switzerland are the largest markets outside France, with the German operation and the Polish start-up broadening the scope further. Group sales for the year are anticipated at around €210m.

INDUSTRY COMMENT

Temporary employment in France fell 10.3% in the year to May 2012, but this represents a slight slackening in the rate of decline from the previous couple of months (Source: PRISME). EU statistics show unemployment at 10.2% in April in France, but M. Hollande's administration is expected to increase the cost of laying off staff. French GDP expectations have again contracted to 0.4% for FY12. An element of recovery is expected in FY13, with estimates currently in the 1.0-1.3% range.

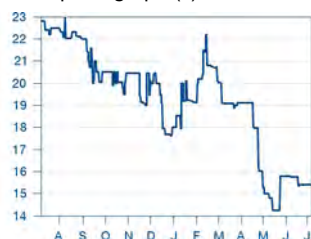
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	172.70	3.64	1.40	N/A	N/A
2011A	205.20	5.85	1.46	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Consumer Support Services

Price: €15.40  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Damartex is one of Europe's leading distributors of clothing and accessories for seniors. The group's products are sold under the Afibel, Damart, Damart Sport, Happy D. by Damart, Maison du Jersey, Jours heureux, Sedagyl, and Delaby names.

## Price performance

%	1m	3m	12m
Actual	(2.5)	(19.4)	(33.3)
Relative*	(6.0)	(15.7)	(18.2)

\* % Relative to local index

## Analyst

Richard Finch

## Damartex (ALDR)

Market cap: €113m

## COMPANY COMMENT

With sales down a further 2% in the quarter to March, the priority is, by the company's admission, profit protection (-55% in the first half). To that end, management is intent on tighter cost control and more measured expansion with the focus on brand differentiation, product innovation and website improvement. Catalogue sales, the principal distribution channel of Damartex, have continued to be particularly affected (-7% in the latest quarter) by economic gloom and unfavourably mild weather, whereas there is some encouragement in a pick-up in shop activity (+9%) and in the small internet operation (+46% but barely 5% of group sales). Higher net debt at December reflected adverse working capital; gearing was 25%.

## INDUSTRY COMMENT

According to Markit, French retail sales are falling "at a worrying pace," with weak demand exacerbated by the presidential elections. However, economic activity is expected by the OECD to pick up modestly in H2 (OECD newly forecasts 0.6% French GDP growth for 2012 as a whole, compared with a stagnant first half, and 1.2% increase in 2013).

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	522.30	18.30	15.90	N/A	N/A
2011A	697.90	27.20	20.40	N/A	N/A
2012E	705.00	22.00	15.00	2.08	7.40
2013E	714.00	22.00	15.00	2.18	7.06

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Alternative Energy

Price: €8.15  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Deinove designs and develops technologies in biofuels and biochemicals by harnessing the properties of the Deinococcus bacterium.

## Price performance

%	1m	3m	12m
Actual	6.0	(18.7)	(42.7)
Relative*	2.2	(15.0)	(29.8)

\* % Relative to local index

## Analyst

Graeme Moyses

## Deinove (ALDEI)

Market cap: €40m

## COMPANY COMMENT

Deinove's results for 2011 showed a loss before tax of €3.9m (Edison forecast loss of €3.7m). Marginally higher operating expenses compared to our estimate, in part due to additional research staff, contributed to the larger loss. Deinove also reported a net financial position of €8.9m and expects to receive a further €3.2m in milestone payments from OSEO, providing sufficient cash resources to fund the company until 2013. We expect Deinove to trigger a further payment in 2012, which would help provide additional funds and external validation of Deinove's progress, in addition to Deinove's recent award of innovative company status by OSEO. Our discounted cash-flow analysis (using a 20% discount factor) suggests the market is assuming c 30-35% probability of success for Deinove's project.

## INDUSTRY COMMENT

Environmentalism and security of energy supply will continue to underpin support for renewable technology. We believe second-generation biofuels will grow rapidly in the next 20 years.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	0.60	(2.55)	(2.24)	N/A	N/A
2011A	0.64	(4.00)	(3.26)	(0.67)	N/A
2012E	0.70	(4.00)	(3.35)	(0.69)	N/A
2013E	1.50	(3.36)	(2.31)	(0.48)	N/A

Sector: Support Services

Price: €3.81  
Price as at 6 July 2012

Share price graph (€)



Company description

Demos is a leading French supplier of professional training. Its main activity is the provision of continued education services.

Price performance

%	1m	3m	12m
Actual	(21.9)	(34.9)	(65.3)
Relative*	(24.7)	(31.9)	(57.5)

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Demos (ALDMO)

Market cap: €23m

COMPANY COMMENT

Q112 figures were marginally down y-o-y, but this masks varying performances in the divisions. Custom business grew by 8.1% over the year, driven primarily by international business, offset by a 10.4% fall off in standard business predominantly from SMEs. There was a big drop in consulting income as US government contracts ended. International sales, now 45% of the group, were helped by the US, UK and Central Europe offsetting the falls in Spain and Portugal. Full-year figures will be helped by contracts with the EU, while margins should be helped by a programme of cost control.

INDUSTRY COMMENT

In most developed economies, CPD is a given, enshrined in labour laws and seen as giving a competitive edge. Most markets are highly fragmented, although until relatively recently the French market was dominated by state-owned training company AFPA, with a long tradition of classroom-based training, holding back the adoption of e-learning. Only 17% of employers use this method for over half their work force, compared to 40% across other European countries.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	102.22	5.66	1.12	N/A	N/A
2011A	103.33	0.84	3.99	N/A	N/A
2012E	108.00	4.00	3.00	0.42	9.07
2013E	113.00	6.00	4.00	0.66	5.77

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €1.12  
Price as at 6 July 2012

Share price graph (€)



Company description

Dietswell provides engineering and drilling services to the oil and gas industries, including well engineering and management of drilling operations, the construction and renovation of drilling equipment and the inspection and auditing of drilling equipment.

Price performance

%	1m	3m	12m
Actual	(17.6)	(4.3)	(53.3)
Relative*	(20.6)	0.1	(42.8)

\* % Relative to local index

Analyst

Roger Leboff

## Dietswell (ALDIE)

Market cap: €6m

COMPANY COMMENT

FY11 results showed a work in progress, with a 32% increase in revenues and profitability edging ahead despite low levels of drilling operations activity, down 63% to €0.58m.

Conversely, there were strong performances from Services (technical assistance), the largest division with sales up 52% to €9.4m, supported by Solutions (engineering and rig design) and Factorig (rig audit and inspection) ahead 93% and 41% respectively. Technical assistance was boosted by new contracts (including Petronas, Total ABK and Chevron) signed by the Abu Dhabi office.

INDUSTRY COMMENT

Market recovery continues after two difficult years on the back of a pick up in E&P investment. No drilling activity was logged for Dietswell's SEDLAR 160 drilling rig in 2011 but the year did see the group secure new contracts from Technip on offshore drilling equipment installations and a first contract awarded by CGG Veritas relating to a new seismic vessel. It is also seeing returns from development of its Abu Dhabi branch office.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.17	(1.96)	(5.03)	N/A	N/A
2011A	12.08	(1.12)	(1.68)	N/A	N/A
2012E	18.65	N/A	(0.24)	(0.05)	N/A
2013E	16.30	N/A	(0.45)	(0.09)	N/A

Where available, consensus data has been sourced from Thomson Datastream



## Sector: Technology

Price: €6.55  
Price as at 6 July 2012

## Share price graph (€)



## Company description

DL Software specialises in the publishing and marketing of management software for SMEs.

## Price performance

%	1m	3m	12m
Actual	6.3	0.5	(36.0)
Relative*	2.6	5.0	(21.5)

\* % Relative to local index

## Analyst

Richard Finch

## DL Software (ALSDL)

Market cap: €30m

## COMPANY COMMENT

DL Software's satisfaction with a small increase in sales and gross profit in Q1 has been tempered with caution about the rest of 2012, particularly in Q2 after a slowing of orders since the start of the year. However, management remains confident about its robust, cash-generative model and expansion-led strategy. A disappointing 2011 (trading profit down by 18%) is viewed as a year of transition, with the shortfall attributed to investment in new subscription offers in line with DL's policy of growing recurrent income (now 54% of gross profit). Moreover, like-for-like revenue was positive in Q4 after two quarterly declines and annual trading margin remained respectable at 10%.

## INDUSTRY COMMENT

Capgemini's like-for-like sales growth in France slowed to 1% in Q112; limited organic growth is expected this year, largely owing to public sector cuts. Capgemini's focus is on national accounts rather than DL's smaller business market, which should resume its correction of long-standing underinvestment in IT as conditions improve.

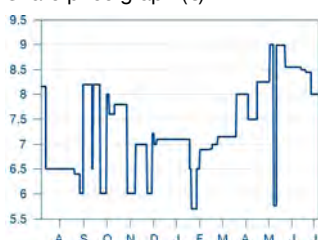
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	44.10	5.70	3.00	N/A	N/A
2011A	46.00	4.70	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Technology

Price: €8.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Emakina Group is a full service digital agency, providing a range of services related to the design and development of websites and interactive communications.

## Price performance

%	1m	3m	12m
Actual	(6.4)	6.7	(2.0)
Relative*	(11.0)	8.7	13.0

\* % Relative to local index

## Analyst

Roger Leboff

## Emakina Group (ALEMK)

Market cap: €30m

## COMPANY COMMENT

Consolidated FY11 turnover was 25% ahead y-o-y, EBITDA by 5%. Lower margins reflects early contributions from recent investment to maintain market leadership. This included €1m spent on development of services in social media and mobile areas, expansion of activity into France, the Netherlands and a UK launch, and the acquisition of Troy Agency in March. The case for the geographical expansion strategy was supported by 54% international sales growth in FY11, vs 16% domestic.

## INDUSTRY COMMENT

Emakina helps customers to integrate new digital communications - websites, brand activations and digital applications - into their businesses. It is continuing to benefit from an explosion in demand for smartphones and digital tablets and appears to be well placed to continue to exploit these trends. It has built a full-service offering for clients via acquisitions such as Troy Agency. During 2011 it added clients such as AXA, Federal Mogul, Bpost, DG Enterprise, European Ombudsman, M6, Seton, Colruyt, VAB and Elia.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	33.10	1.72	(0.36)	(0.22)	N/A
2011A	40.30	1.90	(0.84)	(0.21)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €1.99  
Price as at 6 July 2012

Share price graph (€)



Company description

Entrepaticuliers.com is a French website dedicated to listing small real estate advertisements. The group also sells the publication Les Annonces Immobilières.

Price performance

%	1m	3m	12m
Actual	1.0	(13.5)	(54.8)
Relative*	(2.6)	(9.5)	(44.5)

\* % Relative to local index

Analyst

Richard Finch

## Entrepaticuliers.com (ALENT)

Market cap: €7m

COMPANY COMMENT

The going remained decidedly awkward for Entrepaticuliers.com in Q112 as its premium advertisements continued to falter (-30% in Q112 after -35% in Q411) in the face of heightened competition from free sites. With no immediate market recovery in prospect, the company is looking to improved cost control and marketing as well as to value-added services aimed at expediting property transactions, which free sites cannot emulate. Longer term, there is the promise of a more buoyant property market. To management's credit, H211 trading margin held up surprisingly well (13% against 16%) thanks to cost-cutting and lower advertising prices. Finances remain healthy (debt free at March).

INDUSTRY COMMENT

Entrepaticuliers.com's respected barometer underlines the weakness of the French housing market. The number of new properties put up for sale directly by owners, advertising on the internet or in a newspaper fell by 21% in May (-15% in the year to date and -6% in 2011). Price stability looks to be simply a function of a lack of vendors.

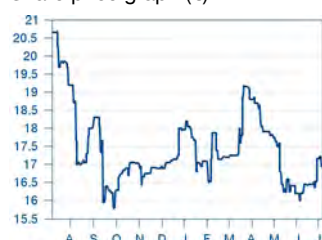
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	10.10	1.20	0.80	N/A	N/A
2011A	9.30	0.60	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €17.00  
Price as at 6 July 2012

Share price graph (€)



Company description

Environnement SA designs, manufactures and sells equipment and systems for monitoring the quality of air and water.

Price performance

%	1m	3m	12m
Actual	6.2	(9.1)	(17.9)
Relative*	2.5	(5.0)	0.7

\* % Relative to local index

Analyst

Richard Finch

## Environnement SA (ALTEV)

Market cap: €27m

COMPANY COMMENT

Environnement has proved its ability to defy economic downturn with double-digit sales growth at maintained margin in 2011. Encouragingly, sales improved across all three divisions and new orders include prestigious contracts in India, Italy, Abu Dhabi and perhaps most notably for the US Army/NASA. Also pleasing is the significance of Services (36% of 2011 sales), which provides recurrent high-margin income. Alert to expansion opportunities, enabled by healthy finances, management has newly acquired the industrial instrumentation activity of OTI Industrie, which apart from adding a high-growth operation (sales up over 10% last year) will broaden Environnement's product range. The business is well known to Environnement and importantly, senior management is being retained.

INDUSTRY COMMENT

Veolia Environnement's Water Technologies & Networks division grew like-for-like revenue by 10% in Q112 as a result of greater industrial client activity as well as the progress of a particular contract in Hong Kong.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	40.10	2.70	2.60	1.61	10.56
2011A	44.70	3.00	1.80	1.10	15.45
2012E	45.80	3.20	2.80	1.76	9.66
2013E	47.60	3.30	3.00	1.90	8.95

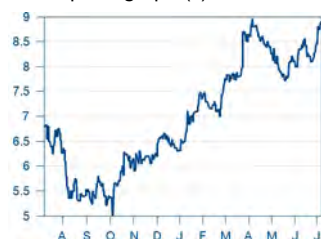
Where available, consensus data has been sourced from Thomson Datastream



## Sector: Technology

Price: €8.85  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Esker develops document process automation software and cloud solutions to help companies Quit Paper in a variety of business processes, such as accounts payable, accounts receivable and sales order management.

## Price performance

%	1m	3m	12m
Actual	7.3	0.6	30.3
Relative*	3.5	5.1	59.8

\* % Relative to local index

## Analyst

Roger Leboff

## Esker (ALESK)

Market cap: €41m

## COMPANY COMMENT

Esker finished 2011 with its strongest quarter since its formation in 2005. Sales over the period were 11% ahead y-o-y (13% at fixed exchange rates) despite a difficult market, particularly in Europe. Document automation (+15%) and the US business made key contributions, with investment by US companies particularly strong, up 19% y-o-y, and cloud-based solutions contributed 48% of FY11 sales (41% in FY10), 30% ahead y-o-y. The group ended the year with over €10m of net cash. The outlook sees 10% growth in FY12.

## INDUSTRY COMMENT

Esker is a worldwide leader in document process automation, to reduce paper use, eliminate manual processes and improve productivity and environmental impact. It helps clients automate and computerise receipt and despatch of documents (invoices, purchase orders, invoices, letters, e-business and marketing, payroll) by mail, fax, email or SMS. Over 80,000 corporate clients worldwide include Adecco, AGF, Aldine, EDF, Flammarion, Lafarge, Manpower, Whirlpool and Samsung.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	32.70	1.80	1.47	N/A	N/A
2011A	36.20	3.80	2.64	N/A	N/A
2012E	36.30	2.70	1.95	0.39	22.69
2013E	38.95	3.15	2.20	0.45	19.67

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Property

Price: €9.80  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Eurasia Groupe specialises in owning and managing commercial real estate properties (stores/showrooms, warehouses, and offices).

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	14.0
Relative*	(3.5)	4.6	39.7

\* % Relative to local index

## Analyst

Roger Leboff

## Eurasia Groupe (ALEUA)

Market cap: €70m

## COMPANY COMMENT

An increase in returns from warehouse rentals was behind the improvement in full-year turnover, although increases in staff and other expenses resulted in a 37% fall in operating income. The group's portfolio of units sub-let to third parties was 92% occupied at the period end. In August 2011 Eurasia paid €7m for an existing warehouse site in Le Havre - 78,250sqm on a 150,000sqm plot - and plans a €16m redevelopment to meet the needs of local business occupiers. Anticipated gross rent should rise from €0.99m pa to €2.99m pa, an estimated 13% IRR.

## INDUSTRY COMMENT

The group owns a portfolio of commercial property (logistics warehouses, retail showrooms and offices) in Ile de France, mainly in northern Paris. It operates in three areas: directly owned, leased from third-party landlords and hotel operation. Its assets are typically subdivided and let to a range of tenants, to provide the group with revenue diversification. It also owns parcels of land held for potential future development.

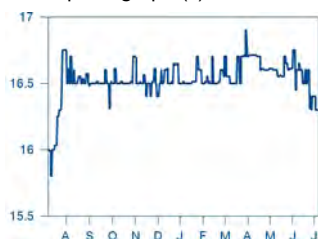
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	17.80	0.95	0.65	N/A	N/A
2011A	17.46	0.60	0.24	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €16.30  
Price as at 6 July 2012

Share price graph (€)



Company description

Eurogerm develops, manufactures and markets milling correctors, bread making improvers, cereal ingredients and auxiliary technologies for millers and bakers. Its products are used to correct imperfections and irregularities in flour.

Price performance

%	1m	3m	12m
Actual	(0.9)	(2.5)	1.9
Relative*	(4.4)	2.0	24.9

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Eurogerm (ALGEM)

Market cap: €70m

COMPANY COMMENT

The company is moving to a calendar year basis and so presented nine-month figures to December. These showed I-f-I growth in sales of 6.7% and a modest advance in both gross and operating margin, despite the increase in labour costs following the IDS acquisition. International expansion and new product innovation are core elements of group strategy and overseas sales represented 47% of the total in the period. The 10-year 50:50 JV with Japanese-quoted bakery products group, Nisshin Seifun, is enabling access to ASEAN markets, while markets in Latin and North America, South and East Africa are also targeted.

INDUSTRY COMMENT

Following the US drought, prices for French wheat have been firm of late and the export market has been strong. Over half of the 35.6mt produced in France last year went for export with 36% of the balance destined for bakery, and artisan bakers still the largest retail segment. After a long period of falling bread consumption domestically, demand appears to have stabilised at around 58kg per person.

Y/E Mar / Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	50.00	3.90	3.14	0.46	35.43
2011A	52.82	4.55	2.88	0.67	24.33
2012E	56.64	N/A	2.89	0.73	22.33
2013E	59.95	N/A	3.33	0.84	19.40

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €1.43  
Price as at 6 July 2012

Share price graph (€)



Company description

Europlasma is a French group specialising in clean technologies and renewable energy production. Founded in 1992, it is made up of four companies and has 260 employees.

Price performance

%	1m	3m	12m
Actual	2.1	(10.6)	(25.1)
Relative*	(1.5)	(6.6)	(8.2)

\* % Relative to local index

Analyst

Roger Leboff

## Europlasma (ALEUP)

Market cap: €19m

COMPANY COMMENT

FY11 saw growth in all business sectors, and positive or break-even results other than for hazardous waste treatment. Intertam reported record commercial sales but the net result was affected by furnace downtime for technical reasons, overcome by €1.2m of investment to adapt operations for the variable quality of asbestos waste. The CHO Morcenx power plant, completed in June 2012, should from H2 demonstrate the sustainability of the group's plasma torch technology and see higher contributions from renewable energy production. Europe Environnement sales grew 25% with better margins.

INDUSTRY COMMENT

CHO-Power's new technology can process waste biomass from agricultural and forestry sources to create fuel usable for electricity production. The outlook for all three divisions is underpinned by increasingly rigorous anti-pollution legislation. Group clients include contracts with a leading Spanish household waste collector/processor and for asbestos and hazardous waste destruction, major French clients.

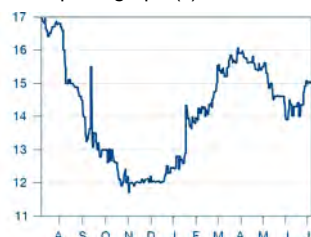
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	40.80	0.40	0.63	N/A	N/A
2011A	58.00	(0.45)	(1.34)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Electrical Equipment

Price: €15.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Evolis is a global company specialising in designing, manufacturing and selling printers for graphic personalisation and for encoding data on plastic cards, such as access control badges and bank cards.

## Price performance

%	1m	3m	12m
Actual	5.6	(4.8)	(12.7)
Relative*	1.9	(0.4)	7.0

\* % Relative to local index

## Analyst

Richard Finch

## Evolis (ALTVO)

Market cap: €77m

## COMPANY COMMENT

Continuing buoyancy (10% organic sales gain in Q2) and efficiencies, allied with lower input costs, underpin management confidence that strong margins (15% at the trading level last year) can be maintained in 2012 despite admitted low visibility. Key new products have been well received, especially the Zenius range in Asia Pacific where sales rose by over a third in the first half, while synergies from the integration of Sogedex are expected increasingly over the rest of the year (sales flat in H1). EMEA has proved impressively resilient with sales up 23% in the half. Evolis finished 2011 well with record quarterly sales (+15%) in Q4 thanks in part to notable strength in EMEA. The company is strongly cash generative (net cash at December).

## INDUSTRY COMMENT

US competitor Zebra Technologies has reported "notably strong" sales of card printers and supplies in Q1 and looks to repeat overall Q1 sales gain of 3% in Q2. HID, part of the Swedish group ASSA ABLOY, achieved "good growth" in Q1 in access control and identification technology.

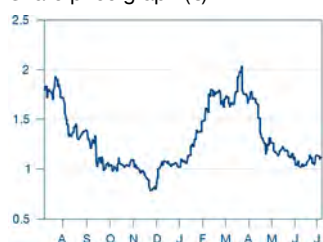
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	42.50	7.20	5.50	N/A	N/A
2011A	44.40	6.80	N/A	N/A	N/A
2012E	44.40	N/A	5.20	1.00	15.00
2013E	48.00	N/A	5.60	1.10	13.64

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Pharma &amp; Healthcare

Price: €1.12  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Exonhit is a biotech company, focused on personalised medicine. It develops innovative diagnostic and therapeutic products, principally for cancer and Alzheimer's disease.

## Price performance

%	1m	3m	12m
Actual	3.7	(34.5)	(39.8)
Relative*	0.0	(31.5)	(26.2)

\* % Relative to local index

## Analyst

Wang Chong

## Exonhit (ALEHT)

Market cap: €39m

## COMPANY COMMENT

Exonhit's lead diagnostic test for Alzheimer's disease (AD), AclarusDx, is in a 600-patient clinical trial across France and 160-patient observational study in the US. It has also formed a collaboration with Pfizer to identify new AD biomarkers. It has recently received a €1.9m grant from OSEO to fund work on cancer diagnostic tests as part of a consortium. Bristol-Myers Squibb, which in-licensed EHT/AGN 0001 from Allergan (Exonhit's collaboration partner), has advanced the drug into Phase II in neuropathic pain, and Exonhit is looking to advance EHT 0202 into Phase IIb in AD. Allergan has extended its collaboration until the end of 2013. Exonhit ended FY11 with €12.9m, which should allow it to operate to H213.

## INDUSTRY COMMENT

The molecular diagnostic market is worth c \$1.5bn and growing at c 6% as diagnostic products enable patients to receive better treatments. Pharmaceutical companies are also forming more R&D partnerships with biotech companies with promising platform technologies, which increases the likelihood of Exonhit entering new R&D collaborations.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	8.42	(7.12)	(7.70)	(0.23)	N/A
2011A	5.00	(8.36)	(7.10)	(0.20)	N/A
2012E	5.00	(10.26)	(6.00)	(0.26)	N/A
2013E	5.00	(11.03)	(8.00)	(0.28)	N/A

Sector: Pcare and household prd

Price: €1.60  
Price as at 6 July 2012

Share price graph (€)



Company description

Fashion Bel Air, established in 1984, designs and produces ready-to-wear women's clothing, producing a new collection every month. The clothes are made in France (25%), India (25%) and China (50%). France is the main market and exports represent 20% of global sales.

Price performance

%	1m	3m	12m
Actual	(18.4)	(30.1)	(58.9)
Relative*	(21.3)	(27.0)	(49.6)

\* % Relative to local index

Analyst

Richard Finch

## Fashion B Air (ALFBA)

Market cap: €13m

COMPANY COMMENT

Ahead of Q1 sales, Fashion Bel Air is raising €2m (1 for 5 rights issue at €1.25) to capitalise on opportunities for store expansion, afforded by a depressed market. It maintained retail sales in FY12, but very much at the expense of margin thanks to a strategy of aggressive promotions. A weak euro and increased raw material and labour costs in the Far East also contributed to a 15% fall in gross margin, which, allied with higher investment in infrastructure and new shops, led to a small loss at the trading level. Given continued uncertainty, management is now intent on enhanced cost and stock control. 2012 numbers below are for a 15-month period.

INDUSTRY COMMENT

According to Markit, French retail sales are falling "at a worrying pace" with weak demand exacerbated by the presidential elections. However, the OECD expects economic activity to pick up modestly in H2, with 0.6% GDP growth forecast for 2012. Fashion Bel Air's relatively mainstream position despite moving up-scale is very competitive owing to cheap imports and low barriers to entry.

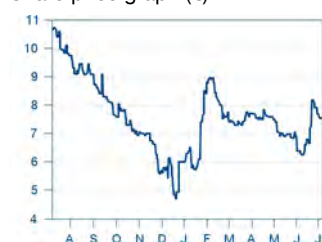
Y/E Dec / Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	19.40	2.50	0.60	N/A	N/A
2012A	25.00	(0.70)	(1.30)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €7.55  
Price as at 6 July 2012

Share price graph (€)



Company description

Fountaine Pajot is a leading builder of cruising catamarans, both sailing and power. It also provides after sales services.

Price performance

%	1m	3m	12m
Actual	18.3	0.0	(29.8)
Relative*	14.1	4.6	(13.9)

\* % Relative to local index

Analyst

Richard Finch

## Fountaine Pajot (ALFPC)

Market cap: €13m

COMPANY COMMENT

Fountaine Pajot looks to be justifying its confidence with strong initial orders for its important flagship model, Sanya 57, which drove H1 sales up 10%. Not only is the catamaran market proving more resilient than the boat market as a whole (the company's order book at mid-April was up 18%), but management points to its enhanced product range and marketing, especially in high-potential areas such as Asia Pacific and South America (52% of H112 sales outside Europe), and its expansion of complementary services such as energy efficiency and marina berths. H112 saw maintained low-season trading loss owing to increased depreciation and Sanya production costs. Gearing at February was comfortable (27%).

INDUSTRY COMMENT

14% sales decline by Beneteau's Boats operation in the quarter to May underlines the difficulty of the boat market in general. The industry leader confirms the buoyancy of Asian demand in marked contrast to that in Europe. Evidence of renewed economic downturn awakens memories of luxury boat-builders' calamitous performance during the recent recession.

Y/E Aug	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	32.20	(1.80)	(1.00)	(0.67)	N/A
2011A	35.30	(0.50)	(2.00)	N/A	N/A
2012E	37.60	N/A	0.00	(0.02)	N/A
2013E	39.40	N/A	0.40	0.24	31.46

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Industrial Support Services

Price: €2.04  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Gaussin specialises in the design, manufacturing and marketing of industrial and port trailers and self-propelled barges.

## Price performance

%	1m	3m	12m
Actual	5.2	(27.7)	(57.7)
Relative*	1.4	(24.4)	(48.1)

\* % Relative to local index

## Analyst

Richard Finch

## Gaussin (ALGAU)

Market cap: €14m

## COMPANY COMMENT

Gaussin is confident that 2012 should see the initial orders for its flagship automatic terminal trailer (ATT), now that it has a fleet of demonstration vehicles available worldwide rather than a single prototype. Encouragingly, to date it has memorandums of understanding with six clients for potentially 458 vehicles, but the challenge remains to convert this interest. There are also agreements (subject to contract) with its international distributors for 282 vehicles over three years. After fund-raising in January and May, Gaussin expects more of the same, probably via private placings, to carry it through this key marketing phase. 2011 remained heavily in loss, as expected, given the development status of the ATT.

## INDUSTRY COMMENT

In its latest update in April, the IMF forecast global growth of 3.5% in 2012, recovering to 4.1% next year (4% in 2011). However, it warns that risks remain "elevated," mainly owing to Europe and oil, and that progress in advanced economies will remain sluggish in 2012 (2.1% in US, 2% in Japan and "mild contraction" in the eurozone).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	3.54	(5.09)	(5.10)	(1.93)	N/A
2011A	3.23	(4.81)	(7.07)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Engineering

Price: €0.61  
Price as at 6 July 2012

## Share price graph (€)



## Company description

GEI Aviation specialises in designing, manufacturing and marketing of planes. The group offers two twin-turboprop planes: the F406, the European leader in light aerial surveillance, and the Skylander SK-105, a high-performing, economical plane, set to enter service in 2012.

## Price performance

%	1m	3m	12m
Actual	1.7	(33.0)	(47.4)
Relative*	(1.9)	(29.9)	(35.5)

\* % Relative to local index

## Analyst

Richard Finch

## GEI Aviation (ALRAI)

Market cap: €40m

## COMPANY COMMENT

The shares have been suspended since early June, pending publication of a statement. It is probable that this relates to Skylander funding, which was still under discussion, according to the latest update in May, and which led to a suspension in April, ahead of disclosure that required funding until the start of deliveries was now estimated to have risen from €120m to c €200m. While the first Skylander flight is still scheduled for September 2013, with deliveries starting a year later, management warns that current financing delays could cause slippage of up to six months with associated extra costs of c €12m. The company confirms targeted sales and production of 1500 aircraft by 2030.

## INDUSTRY COMMENT

The market for light aerial surveillance looks to be one of long-term growth owing to the globalisation of threats and their sheer variety, eg drugs, illegal immigration, pillage of precious resources, pollution and terrorism. It is a relatively low-cost option (often the aircraft costs less than the equipment), and fuelled by the miniaturisation of surveillance equipment.

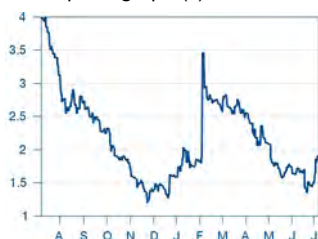
Y/E Dec / Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.30	N/A	(2.30)	N/A	N/A
2011A	7.32	N/A	(3.70)	N/A	N/A
2012E	15.00	(0.90)	(1.80)	(0.03)	N/A
2013E	22.00	2.30	1.30	0.02	30.50

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €1.91  
Price as at 6 July 2012

Share price graph (€)



Company description

Genfit is focused on the development of innovative therapeutic and diagnostic solutions for diabetes and related disorders.

Price performance

%	1m	3m	12m
Actual	17.2	(20.1)	(52.4)
Relative*	13.0	(16.4)	(41.6)

\* % Relative to local index

Analyst

Mick Cooper

## Genfit (ALGFT)

Market cap: €29m

COMPANY COMMENT

Recent results from a Phase II support the potential of Genfit's lead drug GFT505 in diabetes as all efficacy endpoints were met (increased insulin sensitivity, lower liver dysfunction and inflammatory markers) and no adverse side-effects were detected. A further study showed safety and efficacy at a dose three times higher than the therapeutic dose. An IND was recently filed in the US to allow a Phase IIb trial for GFT505 in non-alcohol hepatic steatosis and cardiovascular complications. Genfit recently received the first milestone of up to \$55m payable from its metabolic disorders collaboration with Sanofi. The FY11 cash position was €12.8m and it has since raised c €0.75m in two separate placings.

INDUSTRY COMMENT

Cardiometabolic diseases are an area of major focus for pharmaceutical companies because of the size of the market and the unmet medical need. It is estimated that the number of diabetics will have increased from 40 million in 2007 to 74 million in 2025, and current treatments are only successful in slowing the progression of diabetes.

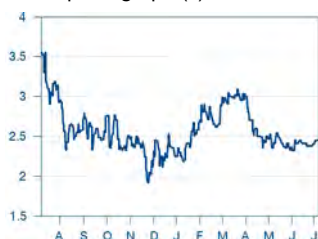
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	7.63	(7.66)	(9.38)	(0.81)	N/A
2011A	6.78	(7.67)	(9.68)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €2.45  
Price as at 6 July 2012

Share price graph (€)



Company description

GenOway develops and markets genetically modified animals (primarily rats and mice) for use in research programmes.

Price performance

%	1m	3m	12m
Actual	0.0	(9.3)	(28.4)
Relative*	(3.5)	(5.1)	(12.2)

\* % Relative to local index

Analyst

Mick Cooper

## GenOway (ALGEN)

Market cap: €14m

COMPANY COMMENT

GenOway supplies over 285 academic institutions and biopharmaceutical companies with its genetically-modified animals (two prestigious US universities have just become clients). Its proprietary technology is used to establish standard disease models or generate specific transgenic animals to order. It reported its first profits in FY09. In FY11 sales rose by 5% to €7.7m but its net income fell by 10% to €0.50m. Over the last year it has formed collaborations with various companies including StemCells, PhenoPro and Bluebird Bio to assist the development of new animal models and additional services for clients to drive future growth.

INDUSTRY COMMENT

Genetically-modified animal models enhance the R&D process during the development of novel therapeutic drugs. A recent UK report on scientific procedures demonstrated the preference for using genetically modified over non-modified animal models. The use of animal models allows researchers to carry out important in vivo analysis.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	7.30	0.70	0.60	N/A	N/A
2011A	7.70	0.36	0.50	N/A	N/A
2012E	8.50	0.70	0.80	0.13	18.85
2013E	10.20	1.07	1.20	0.20	12.25

Where available, consensus data has been sourced from Thomson Datastream



## Sector: Consumer Support Services

Price: €55.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Gévelot specialises in the design, manufacturing and marketing of extruded and machined steel parts for the automotive industry. The group also produces and sells pumps, fuel feed systems, and gas machine equipment.

## Price performance

%	1m	3m	12m
Actual	(6.6)	(9.8)	(8.3)
Relative*	(9.9)	(5.7)	12.4

\* % Relative to local index

## Analyst

Richard Finch

## Gevelot (ALGEV)

Market cap: €50m

## COMPANY COMMENT

Ahead of H1 results in September, Gevelot is predictably cautious in view of a difficult European automotive market. Extrusion and Engineering (38% of 2011 trading profit) risk a lower contribution in the current period, while Pumps may do well to hold steady. Management is at pains to point out it will do its best to limit the economic impact. Moreover, Extrusion will no longer benefit from French government incentives for the automotive sector. 2011 ended on a strong note with H2 trading profit up 57% thanks particularly to investment and high oil prices favouring the Pumps business.

## INDUSTRY COMMENT

According to ACEA, new car registrations in the EU were down 8% in the first five months of 2012 (-9% in May). Performance was especially weak in France (-17%), in marked contrast to +3% in the UK, flat in Germany and -7% in Spain. The OECD is looking for French GDP to increase by just 0.6% in 2012 and by 1.2% next year, while the IMF expects a mild recession in the eurozone in 2012.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	189.63	13.30	8.90	9.37	5.87
2011A	220.80	20.30	13.70	15.01	3.66
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Oil &amp; Gas

Price: €21.26  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Global Bioenergies specialises in the development under exclusive license of a biological hydrocarbon production process using renewable resources.

## Price performance

%	1m	3m	12m
Actual	6.7	6.1	(16.9)
Relative*	2.9	11.0	1.9

\* % Relative to local index

## Analyst

Roger Leboff

## Global Bioenergies (ALGBE)

Market cap: €38m

## COMPANY COMMENT

The group opened a new US branch in July, and raised €3.04m at €19.8/share. That funds the development phase of its isobutene process, investment in the installation of the lab pilot and finances studies for an industrial pilot (construction due in 2013 will require additional funding) and research into other molecules. Last July it secured partnerships with Synthos, a European rubber manufacturer, to develop a new process to convert renewable resources into butadiene and in November, an agreement with a German car maker to cover a technology application.

## INDUSTRY COMMENT

GB is developing a process to convert renewable resources into hydrocarbons through fermentation; plant resources into isobutene, one of the most important petrochemical building blocks. It can be converted into fuels, plastics, organic glass and elastomers. It intends to replicate this success with other members of the gaseous alkene family, key molecules for the petrochemical industry, currently derived exclusively from fossil oil.

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	N/A	(1.57)	(1.30)	N/A	N/A
2011A	N/A	(1.98)	(1.58)	N/A	N/A
2012E	1.00	(2.80)	(2.90)	(1.70)	N/A
2013E	3.20	0.20	(0.10)	(0.04)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Mining

Price: €5.40  
Price as at 6 July 2012

Share price graph (€)



Company description

Gold by Gold specialises in buying and recycling gold and silver. The processed products are resold primarily to the jewellery industry. The company's activity is organised essentially around two divisions: gold trading and buying and reprocessing gold and silver items.

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

## Gold by Gold (ALGLD)

Market cap: €15m

COMPANY COMMENT

Gold by Gold's IPO in April raised €3.1m, which it plans to invest in development of operations to capitalise on the rising gold price. It should improve bargaining power with South American mining companies and fund investment in consumer activities via the internet and targeted roll-out of more than 20 collection points by 2014. Q112 saw a 33% increase in gold trading, 155% growth in gold collected (via websites and physical points) from individuals in France. Growth was enhanced by a 22% higher average gold prices in US\$, 27% in euros.

INDUSTRY COMMENT

Three operating divisions cover the entire supply chain for precious metals, from extraction/purchase to resale. Created in 1992, operations include collection in France, recycling technology and trading of precious metals. The trading division covers trades gold between primary source and collectors based in South American countries, mainly Peru and Europe. Other operations cover collection and recycling of gold from individuals in France.

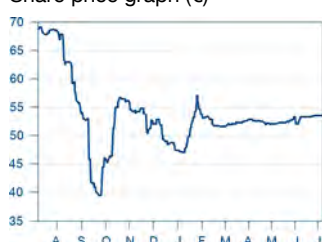
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	60.56	0.58	0.45	N/A	N/A
2011A	111.38	1.68	1.11	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Industrial Support Services

Price: €53.50  
Price as at 6 July 2012

Share price graph (€)



Company description

Groupe Guillin is one of the largest European manufacturers of plastic food packages. The group also produces packaged delivery equipment. The group's activity is organised around two product families: plastic packages and packaged delivery equipment.

Price performance

%	1m	3m	12m
Actual	2.0	1.7	(22.0)
Relative*	(1.6)	6.3	(4.4)

\* % Relative to local index

Analyst

Richard Finch

## Groupe Guillin (ALGI)

Market cap: €99m

COMPANY COMMENT

In its latest update in April, Groupe Guillin warned that the softening of raw material costs in H211 was short lived and that there had been a significant rise since February. However, it was still looking to grow and there was encouragement that it had been able to restore margins in Q411 by raising prices. In addition, Q4 sales in its main packaging business were up 7%, a slight acceleration on Q3, while Equipment only narrowly missed guidance of a flat out-turn for the year. Although reported 2011 trading profit was down 27%, the shortfall was due largely to a European Commission fine (being contested by the company) and the release of a provision in the 2010 accounts. Gearing at December was 60%, down from 79% a year earlier.

INDUSTRY COMMENT

RPC, Europe's leading supplier of rigid plastic packaging, has reported that its Q112 margins were impacted by c 20% rise in polymer index prices in the period, reaching near record levels in March. This followed a "relatively benign" raw material price environment in H211.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	403.70	30.40	18.80	N/A	N/A
2011A	457.30	22.20	11.00	N/A	N/A
2012E	403.70	28.00	18.80	9.24	5.79
2013E	457.30	23.30	12.90	6.96	7.69

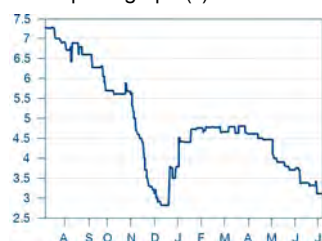
Where available, consensus data has been sourced from Thomson Datastream



## Sector: Consumer Support Services

Price: €3.10  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Groupe Jemini specialises in designing, developing, and distributing toys and leisure products for children.

## Price performance

%	1m	3m	12m
Actual	(16.2)	(32.8)	(57.4)
Relative*	(19.2)	(29.7)	(47.7)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Groupe Jemini (ALJEM)

Market cap: €18m

## COMPANY COMMENT

FY11 results showed a heavy downturn, principally due to a fall off in export sales. The Eurozone crisis seriously impacted demand from Italy, Spain and Greece, while UK sales were hit by a competitor's takeover of a major customer. Problems continued in H112 with order cancellations following overstocking and returns. In May, the group announced the replacement of Daniel Lévi by Patrick Abessira, who is now chairman and CEO. The character licence portfolio includes many of the best-performing evergreens in France, including Disney and Warner Brothers characters, as well as Tintin, Babar and Les Schtroumpfs, together with more recent licences such as Les Lapins Crétins and Lulu Vroumette.

## INDUSTRY COMMENT

Trade body LIMA estimates the overall licensing market is worth around over \$5bn in royalty income, of which character licensing represents around half. This segment is dominated by a few large players in toys, games and video games, with other categories widely spread.

Groupe Jemini's intention is to be a consolidator.

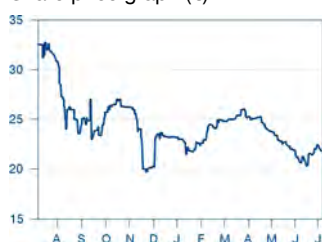
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	16.02	3.33	1.91	N/A	N/A
2011A	33.56	(0.64)	(1.54)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Property

Price: €21.80  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Groupe Proméo, a real estate developer, focuses on the sale of new homes, lots for building, outdoor vacation accommodation sites and the development and management of commercial sites and offices.

## Price performance

%	1m	3m	12m
Actual	3.8	(13.0)	(32.9)
Relative*	0.1	(9.0)	(17.7)

\* % Relative to local index

## Analyst

Roger Leboff

## Groupe Proméo (ALMEO)

Market cap: €67m

## COMPANY COMMENT

Strong FY11 performance was broadly based with both divisions well ahead y-o-y. Heritage was 30% up at €107m; Q4 benefited from buyers' efforts to take advantage of tax benefits, which expire at the end of 2011. The division should benefit this year from diversification into markets within social housing, home ownership and managed residences. Leisure Village Centers was 58% up to €69m. It added nine sites last year; 6,500 units to a total over 14,500 via acquisitions such as Kawan, which broadened campsite coverage across France and provide operational synergies.

## INDUSTRY COMMENT

Groupe Proméo is a specialist developer/operator of French leisure accommodation. It has two divisions, Heritage Village Center (residential property) and Leisure Village Center (operation of camping sites and leisure villages). It derives competitive advantages and synergies via integration of property development, marketing and site operation and a more balanced revenue profile, which combines rentals and property sales.

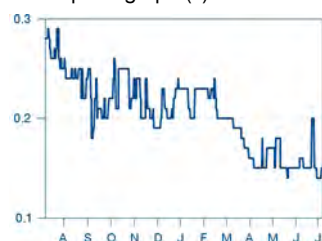
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	126.74	18.70	10.10	3.24	6.73
2011A	176.30	24.20	12.90	N/A	N/A
2012E	126.85	18.90	10.05	3.27	6.67
2013E	174.65	24.00	12.00	3.76	5.80

Where available, consensus data has been sourced from Thomson Datastream

Sector: Basic Industries

Price: €0.15  
Price as at 6 July 2012

Share price graph (€)



Company description

H2O Innovation uses environmentally friendly technologies to develop systems and equipment for producing drinking water, industrial process water, and for the treatment of waste water.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(44.4)
Relative*	(3.5)	4.6	(31.9)

\* % Relative to local index

Analyst

Richard Finch

## H2O Innovation (ALHEO)

Market cap: €9m

COMPANY COMMENT

Given record quarterly sales in the three months to March (the company's third quarter) and a high order backlog, H2O Innovation appears well on course to meet its current year goals of top-line growth (+23% in the year to date) and a return to positive EBITDA (€0.8m cumulative, albeit wholly through a lower fair value of contingent considerations). The company's major activity, water treatment systems and equipment, was especially buoyant in Q3 (sales up 79%), while group gross margin is seen as sound (Q311 was unusually high) and SG&A expenses remained impressively stable despite the sales hike. Further savings have recently been achieved by the elimination of the chief operating officer position.

INDUSTRY COMMENT

It is forecast that by 2030 global water demand will be 40% greater than today's "accessible, reliable, environmentally sustainable supply". Meeting the shortfall with supply-side measures may require an estimated \$200bn pa.

Y/E Jun	Revenue (C\$m)	Op. Profit (C\$m)	Net income (C\$m)	EPS (C\$)	P/E (x)
2010A	27.73	9.14	(9.99)	N/A	N/A
2011A	28.80	8.42	(1.62)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €21.99  
Price as at 6 July 2012

Share price graph (€)



Company description

Harvest publishes financial, estate and tax decision-making software for banking and insurance professionals.

Price performance

%	1m	3m	12m
Actual	16.5	4.2	(8.6)
Relative*	12.4	9.0	12.1

\* % Relative to local index

Analyst

Richard Finch

## Harvest (ALHVS)

Market cap: €30m

COMPANY COMMENT

Harvest has happily confirmed recovery from H211 softness (sales -4%) when key banking and insurance customers delayed investment on renewed financial uncertainty. Q1 sales were up 6% on a strong comparative (+11%) and guidance of 2012 trading margin back at 2010 levels of c 20% (16% last year) has been reaffirmed. There is also encouragement in the company's continuing success in building recurrent income (78% of Q112 group revenues from maintenance and licence leasing against 72% in FY11); its O2S business goes from strength to strength with Q1 sales up 62% after almost doubling in 2011. Harvest remains debt free; the €3m acquisition of its head office in Paris was funded entirely from 2010 cash flow. H1 sales are due in late July.

INDUSTRY COMMENT

Economic activity is expected by the OECD to pick up modestly in H212. It has recently forecast 0.6% French GDP growth for 2012 as a whole, compared with a stagnant first half, and 1.2% increase in 2013.

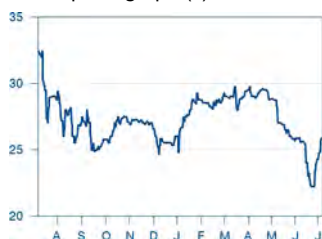
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	15.00	3.14	1.92	1.39	15.82
2011A	15.30	2.60	1.76	1.27	17.31
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Oil &amp; Gas

Price: €25.90  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Heurtey Petrochem supplies engineering, construction and installation services for hydrocarbon furnaces to companies worldwide.

## Price performance

%	1m	3m	12m
Actual	0.4	(10.7)	(20.9)
Relative*	(3.2)	(6.6)	(3.0)

\* % Relative to local index

## Analyst

Ian McLelland

## Heurtey Petrochem (ALHPC)

Market cap: €88m

## COMPANY COMMENT

A number of high profile contracts has seen the Heurtey order book swell significantly in 2012. Five named contracts totalling €220m have been announced to date this year, the biggest of these in Venezuela and Korea. By end March 2012 the order book had grown 21% from year end to €390m and, with recent wins, we would expect this to now be in excess of €500m with most of the business in Heurtey's refining and hydrogen businesses. Contract delivery is likely to be the focus for 2012, with revenues and margins needing to grow in line with the order book if bottom line performance is to be delivered for investors.

## INDUSTRY COMMENT

Heurtey Petrochem supplies furnaces to refinery, petrochemical and hydrogen customers along with natural gas treatment equipment. With oil prices approaching peak levels, we would expect demand from integrated oil producers and refiners to remain high. However, cost pressures on petrochemical customers may slow order flows in this segment.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	235.40	9.40	4.50	1.28	20.23
2011A	344.30	12.70	3.40	(0.93)	N/A
2012E	339.65	14.10	6.61	2.27	11.41
2013E	367.46	14.69	8.92	2.99	8.66

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Technology

Price: €6.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Hitechpros operates like a dating site setting up contacts among players in the computer services market.

## Price performance

%	1m	3m	12m
Actual	(4.8)	14.9	(24.0)
Relative*	(8.1)	20.2	(6.8)

\* % Relative to local index

## Analyst

Roger Leboff

## Hitechpros (ALHIT)

Market cap: €11m

## COMPANY COMMENT

Q112 was broadly in line y-o-y. A small, 0.85% increase was mainly due to lower Staffing activity, which reflects the slow down in initiation of projects by large company IT developments, longer decision cycles and pricing pressure. In an uncertain outlook with little visibility, Hitechpros intends to continue to focus efforts on developing existing partnerships, identifying new markets and maintaining tight control of costs to maintain profitability.

## INDUSTRY COMMENT

Digital Syntec forecasts see 1% growth in the software industry and IT services this year. The group's recent growth has reflected industry investment and price increases with staffing (c 80% of revenues) key; it has placed 150-200 IT professionals permanently with clients. Hitechpros is France's leading marketplace for specialised outsourcing IT sector services. Two complementary web-based marketplace activities combine IT sector participants (IT services companies, consultants and training specialists) and brokerage activities.

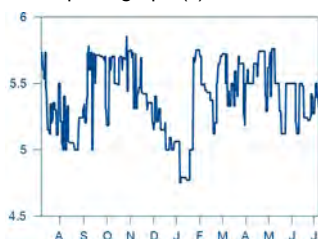
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	12.60	1.30	0.87	N/A	N/A
2011A	14.50	1.30	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €5.32  
Price as at 6 July 2012

Share price graph (€)



Company description

Homair provides mobile homes for vacations in various sites located in France, Spain, Italy, Croatia and Portugal.

Price performance

%	1m	3m	12m
Actual	(3.3)	(3.3)	(6.8)
Relative*	(6.7)	1.1	14.2

\* % Relative to local index

Analyst

Richard Finch

## Homair (ALHOM)

Market cap: €71m

COMPANY COMMENT

Despite an acceleration in booked sales (+6.5% at end May against +5% at end March), Homair has curbed its goal of sales growth for the coming season to "close to" rather than "above" 10%. Nevertheless, such an advance is creditable in difficult conditions and may yet be exceeded, as guidance at this stage last year proved cautious. Recent reorganisation of the shareholding structure, resulting in a majority holder (67%), is considered beneficial for expansion, while a developing strategy of sale and leaseback of campsites is a "significant growth-enabling tool" to facilitate expansion. Net debt/EBITDA was 2.8x at September. Increased low-season losses are not seen as representative of the full-year out-turn.

INDUSTRY COMMENT

Camping is a value product, hence should be favoured in current market conditions. The need to invest to meet the longstanding flight to quality, allied with economic pressures on smaller players, may hasten consolidation of a fragmented market, which favours Homair as clear leader.

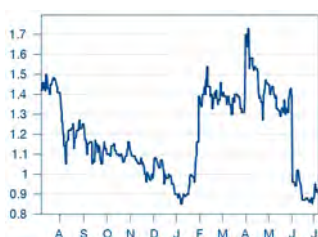
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	46.57	7.05	2.15	N/A	N/A
2011A	61.66	8.70	3.95	0.30	17.73
2012E	61.60	8.90	1.80	0.16	33.25
2013E	71.50	10.50	2.60	0.22	24.18

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €0.90  
Price as at 6 July 2012

Share price graph (€)



Company description

Hybrigenics is a French drug development company that also provides yeast two-hybrid services to companies and academic institutions. Its lead drug, inecalcitol, is in Phase II and is being developed for prostate cancer and severe psoriasis.

Price performance

%	1m	3m	12m
Actual	(4.3)	(43.0)	(37.9)
Relative*	(7.6)	(40.4)	(23.9)

\* % Relative to local index

Analyst

Mick Cooper

## Hybrigenics (ALHYG)

Market cap: €16m

COMPANY COMMENT

Hybrigenics is developing an analogue of vitamin D3, inecalcitol, for treating prostate cancer and severe psoriasis. A Phase IIa trial in castrate-resistant prostate cancer with inecalcitol in combination with docetaxel demonstrated its potential in this indication. However, in psoriasis, only 27% of patients in the treatment group in the Phase II trial showed a clinically relevant 75% reduction in the Psoriasis Area and Severity Index, while there was an unusually high placebo response. We conclude that if ongoing evaluation of the trial data leads to resumption of psoriasis development, there is significant upside from the current market value. Potential progress in its forthcoming Phase II CLL trial could be an additional near-term catalyst for the shares.

INDUSTRY COMMENT

Inecalcitol is being developed in three major indications and faces much competition from existing drugs and those in development. However, its good safety profile could give it an advantage and allow its use in combination with other established therapies.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	4.58	(4.94)	(4.15)	(0.35)	N/A
2011A	6.60	(2.71)	(1.88)	(0.14)	N/A
2012E	6.34	(3.26)	(2.64)	(0.14)	N/A
2013E	6.83	(3.47)	(2.90)	(0.15)	N/A

## Sector: Financials

Price: €20.45  
Price as at 6 July 2012

## Share price graph (€)



## Company description

IDSUD specialises in supplying financial services.

## Price performance

%	1m	3m	12m
Actual	(5.1)	(14.8)	(31.9)
Relative*	(8.5)	(10.9)	(16.6)

\* % Relative to local index

## Analyst

Roger Leboff

## IDSUD (ALIDS)

Market cap: €19m

## COMPANY COMMENT

Headline FY11 revenues were 11% ahead at €2.4m, with best performances from foreign exchange and precious metals trading, up 28% at €1.3m. A reduced €1.8m operating loss (FY10: €4.5m loss) reflects efforts to cut expenses - at €2.8m, down 23% - particularly related to games operations and real estate, which both made neutral contributions to the bottom line. Current-year strategy remains further rationalisation of business activities and costs, and focus on improving margins within the group's historic activities to improve margins and net profitability.

## INDUSTRY COMMENT

The group operates broad activities for investors and traders in precious metals (gold and silver), forex and travel agency services, investment management (own account and on behalf of companies and individuals) and the operation and promotion of lottery games (lottery tickets and instant-win scratch cards in southern regions of France). The outlook for this year includes plans to seek disposals of elements of the property portfolio.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	2.20	(4.50)	(3.10)	N/A	N/A
2011A	2.40	(1.80)	(0.28)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Pharma &amp; Healthcare

Price: €7.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

IntegraGen specialises in researching and identifying genetic biomarkers and in developing and marketing molecular diagnostic products and services, primarily in the fields of autism and oncology.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(13.7)
Relative*	(3.5)	4.6	5.8

\* % Relative to local index

## Analyst

Mick Cooper

## IntegraGen (ALINT)

Market cap: €26m

## COMPANY COMMENT

IntegraGen has a number of collaborations with the goal of developing molecular diagnostic tests for autism and cancer. The first test developed is for familial autism, ARISk. Results of a study of 2,000 children from multiplex autism families showed the potential for earlier diagnosis of affected children. Its tests for metastatic colorectal cancer and hepatocellular carcinoma are due for launch in 2013. FY11 sales increased by 45% while FY cash position stood at €4.6m. The sales momentum should be maintained in FY12, because of the launch of an improved ARISk test and the recent signing of two research projects with two pharmaceutical companies, potentially offsetting a higher proportion of operating costs.

## INDUSTRY COMMENT

The molecular diagnostic market was estimated to be worth €3bn in 2009 and is expected to double by 2014, as earlier and better diagnoses mean patients receive better treatments. The development risk of diagnostic products is lower than that for drugs, and route to commercialisation quicker.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	3.21	(2.81)	(2.90)	N/A	N/A
2011A	4.65	(2.40)	(2.04)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.34  
Price as at 6 July 2012

Share price graph (€)



Company description

Intracense specialises in designing and developing software for viewing and analysing medical images. Its activity is organised into three divisions: selling software for viewing and analysing medical images, selling software solutions for clinical trials, and supplying services.

Price performance

%	1m	3m	12m
Actual	34.9	(13.0)	N/A
Relative*	30.1	(9.1)	N/A

\* % Relative to local index

Analyst

Roger Leboff

## Intracense (ALNS)

Market cap: €18m

COMPANY COMMENT

A near 150% increase in turnover y-o-y reflected recurring orders from key customers and increased average price per order. The services business grew by 43%, exports were 55% of FY11 sales vs 32% in FY10. Intracense maintained investment in R&D (70% of FY11 sales) and launched three new versions of its Myrian software platform, the latest version dedicated to monitoring cancer patients, providing a strong offer for the radiology/ clinical trials market. The group now has operations on five continents, including Russia and China, and is investing in operations targeting the North American market.

INDUSTRY COMMENT

The optimal use of medical images is becoming crucial to health policies and patient management. Myrian software assists with detection, diagnosis and prognosis, collaboration between specialists and therapy efficacy assessment. It is now used at 300 client sites around the world and is certified for use in more than 40 countries including the US (FDA), Europe (CE) and Asia.

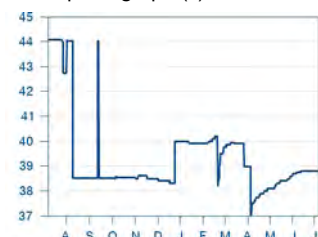
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	1.02	(2.06)	(1.60)	N/A	N/A
2011A	2.54	(2.05)	(1.62)	N/A	N/A
2012E	4.40	N/A	(2.40)	(0.85)	N/A
2013E	7.60	N/A	(1.90)	(0.65)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €38.80  
Price as at 6 July 2012

Share price graph (€)



Company description

Inventoriste provides complete stocktaking services predominantly for the distribution sector. It trades outside France as lvalis.

Price performance

%	1m	3m	12m
Actual	0.3	3.5	(12.0)
Relative*	(3.3)	8.2	7.9

\* % Relative to local index

Analyst

Richard Finch

## Inventoriste (ALIVT)

Market cap: €51m

COMPANY COMMENT

2011 saw a step-change in profit as productivity gains and cost control, allied with buoyant sales (+26%), drove a 150% increase in trading profit. The period saw vigorous expansion with two new branches in France (now fully covered with 15 branches) and one each in Italy and Spain, as well as the creation of subsidiaries in Germany and the Netherlands. Now a major European player in its field, the company is thus meeting clients' growing wish for it to serve all its stores across Europe. As usual, there is no guidance for the current year. Finances remain healthy.

INDUSTRY COMMENT

According to Markit, eurozone retail sales saw a further sharp decline in May, suggesting that Q2 may be the weakest since the height of the financial crisis. While Germany shows stability, sales are falling "at a worrying pace" in France and "especially steeply" in Italy. With continued eurozone GDP contraction forecast well into the current year (the IMF recently confirmed its forecast for -0.3% growth for 2012), consumer spending is likely to remain subdued.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	26.05	0.86	0.35	N/A	N/A
2011A	32.80	2.50	1.16	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

Where available, consensus data has been sourced from Thomson Datastream



## Sector: Pharma &amp; Healthcare

Price: €11.50  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Ipsogen develops and markets molecular diagnostic tests for various leukemias and breast cancers.

## Price performance

%	1m	3m	12m
Actual	(9.7)	(5.7)	(8.5)
Relative*	(12.9)	(1.4)	12.2

\* % Relative to local index

## Analyst

Mick Cooper

## Ipsogen (ALIPS)

Market cap: €63m

## COMPANY COMMENT

Ipsogen sells a number of molecular diagnostic tests for leukaemias, with its most important tests being BCR-ABL and JAK2. The potential of these products, its pipeline and strong IP portfolio led to Qiagen making an offer of c €70m for the company, or €12.90 per share (a 72.5% premium to the share price on 10 June); Qiagen now owns c 96% of Ipsogen. The company is being integrated into Qiagen, which has included the shutting of its US subsidiary and streamlining of its sales force. Despite these changes, sales still rose 14% (at constant currencies) to €9.5m during FY11, but the operating loss did increase by 58% to €5.8m.

## INDUSTRY COMMENT

The molecular diagnostic market was estimated to be worth €3bn in 2009 and is expected to double by 2014, because of the demand for better diagnoses and the growing number of therapies available. The development risk of diagnostic products is lower than that for drugs, and the route to commercialisation is quicker.

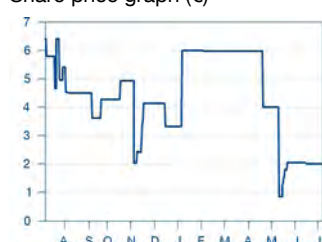
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	8.37	(3.70)	(3.40)	(0.69)	N/A
2011A	9.50	(5.80)	(5.60)	N/A	N/A
2012E	9.50	N/A	(2.30)	(0.40)	N/A
2013E	12.10	N/A	0.40	0.07	164.29

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Consumer Support Services

Price: €2.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

IsCool Entertainment (formerly Weka Entertainment) specialises in designing and developing on-line games and social applications.

## Price performance

%	1m	3m	12m
Actual	(2.4)	(66.6)	(68.8)
Relative*	(5.9)	(65.0)	(61.7)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## IsCool Entertainment (ALISC)

Market cap: €14m

## COMPANY COMMENT

IsCool produces free-to-use mass market games and social apps accessed either via its own portal, www.cafe.com, or via Facebook. FY11 figures showed good gains in revenue (around half in France), up 13.1%, but the operating profit was hit by further changes in Facebook's payment mechanisms and a heavier investment programme in new single- and multi-player games/apps. The group has recently announced a freemium game/app development in association with Universal Music to exploit their back catalogue. The group is running at 1.8m monthly active users (AppData) on Facebook. Amélie Faure took over as CEO in November.

## INDUSTRY COMMENT

BI Intelligence estimate that the US social gaming market will have grown from \$2bn in FY11 to \$5.5bn by FY14. However, industry-giant Zynga has further disappointed the market with its new game development and its share price has slid to \$5.36, against its issue price in December 2011 of \$10. There is some frustration in the industry with Zynga's perceived stranglehold on Facebook.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.10	2.42	1.93	N/A	N/A
2011A	10.29	(0.94)	(0.89)	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

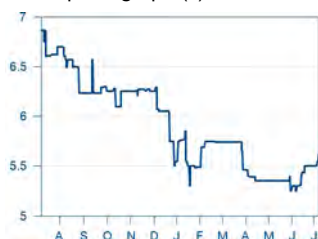
Where available, consensus data has been sourced from Thomson Datastream



Sector: Technology

Price: €5.62  
Price as at 6 July 2012

Share price graph (€)



Company description

Keyyo specialises in telephone services via IP intended for teleboutiques (Ipcash.com), technical and small businesses (Keyyo.fr), and individuals (Keyyo.fr and Bladiphone.com).

Price performance

%	1m	3m	12m
Actual	6.0	4.3	(17.4)
Relative*	2.3	9.0	1.3

\* % Relative to local index

Analyst

Roger Leboff

## Keyyo (ALKEY)

Market cap: €17m

COMPANY COMMENT

Although FY11 sales were 11% ahead y-o-y, with Q112 (and indeed Q411) broadly flat. Telecoms and strategic business activities were 15% up vs the same period last year, while Call Shop sales were down 16%. It does mean that growth is concentrated in core, business-focused sales, which is positive and underpins the FY12 outlook. Management expects commercial product launches and recent marketing campaigns to accelerate the growth of the telecoms business this year, and generate a further increase in sales.

INDUSTRY COMMENT

Keyyo intends to leverage an converged VoIP/fixed/mobile telecoms offer via an established distribution channel to target business clients. As a VoIP operator, it has the advantage that it controls its own technical infrastructure based on open technologies. The implementation of a fibre-optic network means it can absorb traffic growth for the next three years, while strategic partnerships should enhance sales of high added-value products and services.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	20.37	0.59	(0.79)	0.32	17.56
2011A	22.60	0.21	0.28	7.72	0.73
2012E	25.30	1.50	1.60	0.56	10.04
2013E	28.40	2.20	2.30	0.80	7.03

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €6.16  
Price as at 6 July 2012

Share price graph (€)



Company description

LeadMedia Group specialises in supplying on-line marketing services for acquiring and ensuring the loyalty of prospects and customers on the Internet.

Price performance

%	1m	3m	12m
Actual	(0.6)	3.2	(3.8)
Relative*	(4.2)	7.9	18.0

\* % Relative to local index

Analyst

Fiona Orford-Williams

## LeadMedia (ALLMG)

Market cap: €28m

COMPANY COMMENT

FY11 showed sales up 119%, representing pro-forma organic growth of 39%, about 50:50 France:Brazil. Good progress was made on both gross and operational margins. This momentum has carried over in to H112, for which numbers will be published on 31 July. The float proceeds have been directed to paying down the debt from the Brazilian acquisitions and investing in product such as a new re-targeting solution. The latest acquisition, SHOPBOT, generates qualified leads for e-tail clients. The group has a strong client list, including Groupon and L'Oréal in Brazil and CDDiscount, BMW and Galeries Lafayette in France.

INDUSTRY COMMENT

Zenith Optimedia estimates that by 2014, Brazil will have overtaken the UK to become the fifth-largest advertising market in the world, worth some \$22.2bn. Digital is expected to take a rapidly growing proportion of budgets. In France, digital spend is forecast to increase between 8-13% in FY12 despite the poor economic backdrop and marginal growth in the overall ad spend.

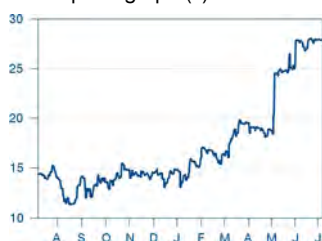
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	8.76	0.36	0.19	N/A	N/A
2011A	19.14	1.59	0.27	N/A	N/A
2012E	19.14	N/A	1.00	0.10	61.60
2013E	26.40	N/A	1.70	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €27.94  
Price as at 6 July 2012

## Share price graph (€)



## Company description

LeGuide.com is an independent publisher of e-business information websites. The sites aim to assist consumers with their purchases and to orient them toward the referenced vendor sites.

## Price performance

%	1m	3m	12m
Actual	0.3	46.3	95.4
Relative*	(3.2)	52.9	139.6

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## LeGuide.com (ALGUI)

Market cap: €98m

## COMPANY COMMENT

The improved offer by Lagadere at €28 per share has now secured a majority holding in the company with 61.4% of the equity (59.3% diluted) as at the closing date of 18 June. The group is valued at €98.2m at this price.

## INDUSTRY COMMENT

The takeover will bolster Lagadere's digital revenues, which cover a wide range of publishing and media interests.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	26.81	9.80	5.15	N/A	N/A
2011A	28.20	9.30	6.60	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Travel &amp; Leisure

Price: €32.30  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Les Hotels Baverez owns and operates one four-star and two five-star hotels in the centre of Paris.

## Price performance

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

\* % Relative to local index

## Analyst

Richard Finch

## Les Hotels Baverez (ALLH)

Market cap: €77m

## COMPANY COMMENT

Effective marketing drove 5% revenue growth in Q2, which is respectable, given significant negatives such as the presidential elections and no Paris Air Show. This followed Q1 returns, depressed by renovations at the Regina and Raphael, with trading loss up 43%. Apart from the impact of refurbishment costs, revenue at the company's largest hotel in terms of beds, the Regina, was subdued by disruption (+6% against +22% in FY11). However, encouragingly in terms of potential pay-off from this investment, the Majestic benefited from its 2009 refurbishment with revenue more than doubling in Q1 on higher room rate. Management remains confident, not least owing to a likely spillover of visitors to Paris from the Olympics.

## INDUSTRY COMMENT

Deloitte shows Parisian luxury and upscale hotel RevPAR up 7% in the year to date, driven equally by occupancy and room rate. Increased room supply makes this all the more creditable yet also suggests caution, as does a slowdown in April (RevPAR +4%), the latest month to be reported (H211 RevPAR +7%).

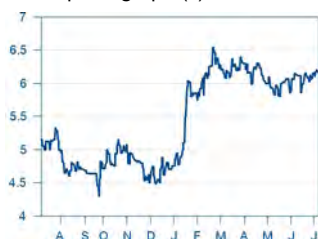
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	22.20	(0.30)	(0.40)	(0.28)	N/A
2011A	25.90	1.30	1.54	0.46	70.22
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.18  
Price as at 6 July 2012

Share price graph (€)



Company description

Lets Gowex is a telecommunications company organised around the supply of telecom and wireless services.

Price performance

%	1m	3m	12m
Actual	0.7	0.3	17.5
Relative*	(2.9)	4.9	44.1

\* % Relative to local index

Analyst

Roger Leboff

## Lets Gowex (ALGOW)

Market cap: €80m

COMPANY COMMENT

FY11 turnover at €66.7m was a strong result, 34% entirely organic growth and included a 20% increase in the gross margin. Wireless was 75% ahead y-o-y to €46.5m, attributed to the network effect derived from its 'Wireless Cities' business model - 52 cities and transport networks with free WiFi coverage at the end of FY11 (FY10: 30). It has strategic agreements with public administrations and key internet players such as Skype. It raised €6.9m in July 2011 to finance faster international expansion, with new WiFi cities in Spain, France and elsewhere.

INDUSTRY COMMENT

The strategy is to roll-out free WiFi in cities in conjunction with local government, corporates and transportation authorities. The financial model is based on securing associated marketing agreements and advertising revenue streams that seek to take advantage of location-based content. The group's roaming platform enables users to connect freely in all cities. It has offices in Spain, Argentina, China, Great Britain, France and Costa Rica.

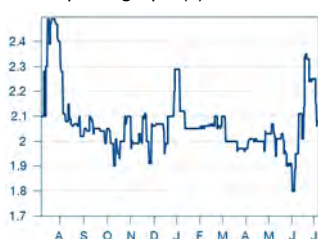
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	49.64	6.26	5.13	N/A	N/A
2011A	66.70	9.50	7.22	N/A	N/A
2012E	82.65	N/A	10.70	0.83	7.45
2013E	101.80	N/A	12.35	0.97	6.37

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €2.08  
Price as at 6 July 2012

Share price graph (€)



Company description

The independent communication group MaKheia Group ranks as the first French provider of corporate contents.

Price performance

%	1m	3m	12m
Actual	10.1	3.5	(1.0)
Relative*	6.2	8.2	21.5

\* % Relative to local index

Analyst

Fiona Orford-Williams

## MaKheia Group (ALSEQ)

Market cap: €12m

COMPANY COMMENT

The group has extended its reach in the corporate brand identity and consulting market with its recent purchase of Teymour Corporate, which will be combined with its existing operation, Sequioa. The other parts of the group are Affinity (affinity marketing with a social media emphasis), and MaKheia Digital. Overall group sales were flat in FY11 as unprofitable business was curtailed, resulting in improved margins over the year. Conversion rates from pitching has also been considerably improved and there have been some notable new client wins including Hutchison, Fondation Orange and Fondation Sanofi.

INDUSTRY COMMENT

The rapidly-changing background complicates the management of brand image, with social media exerting heavy influence. US figures from the Content Marketing Institute indicate 26% of B2B marketing budgets will be directed toward brand content, with articles, social media and blogs showing the greatest adoption. Consumption of media is increasingly via multiple devices, with tablets and smartphones gaining in business use.

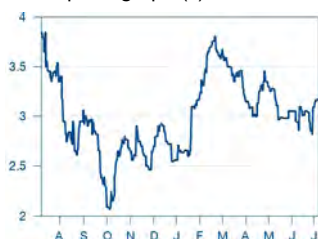
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	23.30	0.89	0.80	0.16	13.00
2011A	22.90	0.94	0.52	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Construction &amp; Bldg Mat.

Price: €3.15  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Mastrad designs and markets top-of-the-range, innovative kitchen utensils. It also distributes third-party kitchen products.

## Price performance

%	1m	3m	12m
Actual	3.3	1.9	(16.2)
Relative*	(0.4)	6.6	2.7

\* % Relative to local index

## Analyst

Richard Finch

## Mastrad (ALMAS)

Market cap: €17m

## COMPANY COMMENT

Mastrad has delivered on management confidence, with trading profit up 24% in the half to December and reiteration of full-year guidance of growth in sales of over 20% and an even sharper rise in profit. The improvement was driven by a striking pickup in North America (profit up sixfold, if from a low base) thanks to a doubling in sales and a better mix. The company's key domestic market held up in tough conditions, with the slight reduction in profit attributed to higher marketing and R&D costs, while Kitchen Bazaar's increased loss (immaterial in group context) reflects one-off items. Mastrad continues to enthuse about the enduring popularity of its blockbuster products, constant innovation and improving e-procurement.

## INDUSTRY COMMENT

Mastrad should benefit from consumers' tendency to cook more at home and buy fewer prepared meals. Its lifestyle products fit with the French government's Manger Bouger programme to encourage healthy eating and with the trend of cocooning, where people choose to socialise at home rather than go out.

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	26.03	1.68	1.68	0.15	21.00
2011A	26.12	1.57	1.57	0.24	13.13
2012E	36.50	3.10	2.40	0.46	6.85
2013E	37.60	2.70	2.70	0.53	5.94

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €5.02  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Maximiles designs and markets internet customer reward programmes. These programmes allow internet users to earn points that can be redeemed for gifts by making purchases at the group's customers' websites.

## Price performance

%	1m	3m	12m
Actual	4.8	11.6	(34.5)
Relative*	1.1	16.6	(19.6)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Maximiles (ALMAX)

Market cap: €20m

## COMPANY COMMENT

FY11 saw strong gains in Loyalty/CRM (52% sales, up 32%). Group sales were 11.7% ahead, with the offset mainly attributable to a poor result in direct marketing, now just 12% of sales. Margins at 8.5% were helped by the change in mix. In October 2011, Maximiles bought Badtech, operating geolocation-based services (trading as Dismoioù in France, Tellmewhere elsewhere) and chosen in December by Coca Cola/Subway for in-store promotion. It has since announced new contracts with PSA Peugeot Citroen and with JC Decaux in Paris to be incorporated into smart street furniture. The Online panels business (36% sales) is the other focus for growth, having achieved organic expansion of 12% in FY11.

## INDUSTRY COMMENT

French e-commerce continues to strengthen, with industry body FEVAD citing 100k active online merchants at end CY11 and online sale up 22% in the year. Loyalty programmes are increasingly used as a customer engagement mechanism (together with increasing the amount of behavioural data for the retailer), rather than simply as a reward for spending.

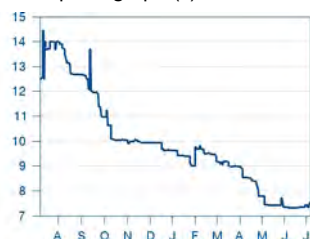
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	17.15	2.18	0.77	N/A	N/A
2011A	20.45	1.74	(0.19)	0.05	100.40
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €7.53  
Price as at 6 July 2012

Share price graph (€)



Company description

Median Technologies specializes in publishing software that aids in interpreting 2D and 3D medical images for detecting, diagnosing, and monitoring cancers.

Price performance

%	1m	3m	12m
Actual	2.6	(11.9)	(40.7)
Relative*	(1.0)	(7.9)	(27.3)

\* % Relative to local index

Analyst

Roger Leboff

## Median Technologies (ALMDT)

Market cap: €44m

COMPANY COMMENT

Median is at an early stage of commercialising its technologies; H111 saw a €2m operating loss (H110: €1.8m loss), but €8.8m of net cash at the period end. It signed significant strategic partnerships and built its organisational structure to accelerate growth in FY12. It works with four top 10 pharmaceutical companies including Sanofi, and secured a strategic agreement with Quintiles, a leading industry service provider (including warrants to acquire 15% of Median). Other partnerships with Canon, a 15% shareholder and Kuwait Life Science Company underpin the outlook.

INDUSTRY COMMENT

There is a large potential market for clinical solutions that improve care and treatment of patients with certain cancers. Median's products are designed for use by radiologists, oncologists and for clinical trials using medical imaging. It can evaluate reliable, reproducible responses to treatment for cancers in solid tumours and metastases, and is readily integrated into the IT systems used in radiology and hospitals.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	1.15	(3.46)	(3.29)	N/A	N/A
2011A	0.74	(4.15)	(3.65)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €10.26  
Price as at 6 July 2012

Share price graph (€)



Company description

MEDICREA International develops and markets orthopaedic implants for use in spinal surgery.

Price performance

%	1m	3m	12m
Actual	9.7	8.0	(23.4)
Relative*	5.8	12.9	(6.0)

\* % Relative to local index

Analyst

Mick Cooper

## MEDICREA International (ALMED) Market cap: €85m

COMPANY COMMENT

MEDICREA has developed a broad range of innovative spinal implants working with some of France's leading orthopaedic surgeons. These implants are marketed directly in France, the UK and the US, and the company is expanding its salesforce across Europe, with its products sold by distributors in over 27 other countries. In FY11 sales grew by just 5% to €19.1m, compared to 39% in FY10, because the US salesforce needed restructuring. This resulted in EBITDA falling from €1.2m to €1.0m. Sales growth is expected to return in Q212 and accelerate during the rest of the year, so that double-digit growth should be achieved in FY12. Growth during 2012 should benefit from the recent FDA approval of PASS MIS and LIGAPASS and other potential approvals (including PASS OCT).

INDUSTRY COMMENT

The orthopaedic implant market for spinal surgery is estimated to be worth \$9bn. The main growth driver for the sector is technological innovation that leads to increases in prices and procedure volumes, but the effect of austerity measures is limiting market growth.

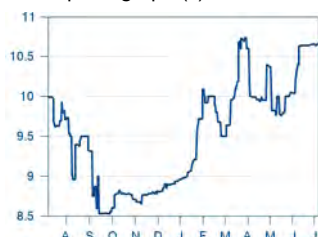
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	18.20	(1.20)	(2.50)	N/A	N/A
2011A	19.10	(1.70)	(2.40)	N/A	N/A
2012E	24.40	0.70	0.00	0.00	N/A
2013E	30.40	3.20	2.30	0.27	38.00

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Electrical Equipment

Price: €10.65  
Price as at 6 July 2012

## Share price graph (€)



## Company description

MGI Digital Graphic Technology offers digital printing systems for printing and graphic arts professionals.

## Price performance

%	1m	3m	12m
Actual	4.0	6.6	6.4
Relative*	0.3	11.5	30.5

\* % Relative to local index

## Analyst

Roger Leboff

## MGI Dig Graphic Tech (ALMDG)

Market cap: €50m

## COMPANY COMMENT

Product sales up 19% y-o-y to €16.1m were behind the 22% growth in FY11 group revenues, 80% of which were generated outside France. In 2011 MGI appointed an exclusive UK distributor, built sales in the Middle East and announced the first APAC installation of the JETcard inkjet card factory in Singapore. MGI recently showcased its next generation of digital inkjet presses at DRUPA, the international graphics industry exhibition in Düsseldorf and reported record numbers of orders and qualified leads.

## INDUSTRY COMMENT

MGI designs, manufactures and sells equipment for producing plastic cards, in France and overseas. Its products include innovative digital multi-paper (paper and plastic) printing, finishing and converting devices. It is France's second-largest provider of professional digital presses and also develops and sells management software for the medical and paramedical professions. MGI has a broad customer base diversified across a number of sectors. The worldwide market is estimated at c \$20bn pa.

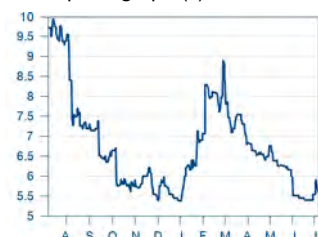
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	16.10	2.18	2.82	N/A	N/A
2011A	19.50	2.30	2.99	N/A	N/A
2012E	22.40	4.00	3.30	0.70	15.21
2013E	26.90	4.90	4.00	0.86	12.38

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Electrical Equipment

Price: €5.57  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Microwave Vision produces multi-sensor electronic scanning systems for real-time viewing of electromagnetic wave fields.

## Price performance

%	1m	3m	12m
Actual	1.1	(16.2)	(43.3)
Relative*	(2.5)	(12.4)	(30.4)

\* % Relative to local index

## Analyst

Roger Leboff

## Microwave Vision (ALMIC)

Market cap: €20m

## COMPANY COMMENT

Q112 sales followed the trend for FY11 and was marginally (2%) ahead of the previous year. That is still a decent performance, considering weaker demand from US aerospace and defence markets where turnover was 30% down y-o-y (10% for the group overall) during FY11. That was offset by a strong telecommunications performance and the FY12 outlook is supported by Asian/European aerospace and defence, also now picking up in the US, and resumption of commercial contracts in the automotive sector to contribute during the rest of this year.

## INDUSTRY COMMENT

The group's well-balanced revenue streams, geographical and industry client base should enable it to offset weaker US demand. It invests over 10% of annual turnover in R&D to sustain a development portfolio able to support future growth. It designs, manufactures and sells multi-sensor electronic scanning systems for real-time viewing of electromagnetic wave fields, used by the radio communications, automotive, defence and aerospace industries.

Y/E Mar / Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	43.99	3.39	3.46	1.05	5.30
2011A	21.60	1.39	0.93	N/A	N/A
2012E	44.00	3.50	2.30	0.63	8.84
2013E	49.40	5.20	3.20	0.89	6.26

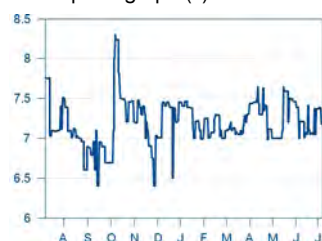
Where available, consensus data has been sourced from Thomson Datastream



Sector: Pcare and household prd

Price: €7.18  
Price as at 6 July 2012

Share price graph (€)



Company description

Millet Innovation specialises in designing, manufacturing, and marketing medical and cosmetic personal care products. The group's activity is organised around three product families: foot care products; cosmetic products and food supplements; and comfort shoes.

Price performance

%	1m	3m	12m
Actual	2.6	(3.6)	(7.4)
Relative*	(1.1)	0.8	13.6

\* % Relative to local index

Analyst

Roger Leboff

## Millet Innovation (ALINN)

Market cap: €14m

COMPANY COMMENT

The 3.8% increase in FY11 sales reflected investment in maintaining the EPITACT brand as the pharmacy market leader in mature markets (France, Belgium, Italy, Switzerland and Portugal) and strong starts in Spain and Austria. This helped improve underlying operating margins to 15.1% (FY10: 13.7%). The balance sheet remains stable; working capital is covered by internally-generated cash flow. The outlook for FY12 is broadly in line with FY11, underpinned by the launch of a new product to address the hallux valgus foot deformity and footcare creams, to offset lower sales in Germany and Austria.

INDUSTRY COMMENT

Millet's strengths include a broad product portfolio and commitment to maintained investment in R&D at 5% of sales. Products are marketed primarily through pharmacies and wholesalers, mail-order catalogues and distributors. The outlook is supported by valuable IP (21 patents), a significant proportion of which has evolved into saleable products and a growing network both in France and overseas markets.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	15.60	2.14	1.30	N/A	N/A
2011A	16.20	2.45	1.47	N/A	N/A
2012E	17.10	N/A	1.70	0.90	7.98
2013E	18.60	N/A	1.90	1.00	7.18

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €2.36  
Price as at 6 July 2012

Share price graph (€)



Company description

Mobile Network Group specialises in mobile marketing services.

Price performance

%	1m	3m	12m
Actual	(1.7)	(36.2)	(45.5)
Relative*	(5.2)	(33.3)	(33.2)

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Mobile Network (ALMNG)

Market cap: €13m

COMPANY COMMENT

Mobile Network Group listed on Alternext in March, valued at €20m. The group, which was only started in 2011, specialises in mobile marketing and advertising, mobile technology and mobile content across five agencies, in a market where many potential clients struggle to see how to achieve a sensible ROI. Despite its relatively recent start, Mobile Network Group has already assembled an impressive client list including the more recent wins of Canal+, Eden Parc and Nexity for its agency business and of CDiscount, which has chosen the group to monetise the advertising opportunity within its mobile apps.

INDUSTRY COMMENT

Mobile marketing spend rose by 20% in France in 2011, but still only accounts for 1% of the overall adspend market, compared with around 5% in the UK. Comscore figures for May 2012 show 44.7% of mobile users had used a smartphone over the quarter, 37.4% had downloaded an app and 24.9% had accessed a social network via their phone. Adoption, though, is running well ahead of monetisation.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	0.47	0.04	0.03	N/A	N/A
2011A	0.57	(0.74)	(0.68)	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

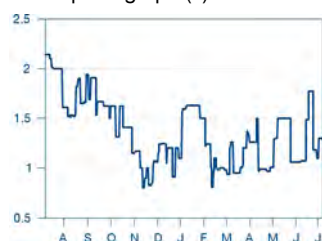
Where available, consensus data has been sourced from Thomson Datastream



## Sector: General Retailers

Price: €1.28  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Monceau Fleurs is a French retail flower and plant distribution company. It markets products through a network of franchises under the names of Monceau Fleurs, Happy and Rapid'Flöre.

## Price performance

%	1m	3m	12m
Actual	20.8	1.6	(41.6)
Relative*	16.5	6.2	(28.3)

\* % Relative to local index

## Analyst

Richard Finch

## Monceau Fleurs (ALMFL)

Market cap: €7m

## COMPANY COMMENT

Monceau Fleurs is implementing its key restructuring plan, which was recently agreed with creditors and shareholders. A marked improvement in supply chain management, a rationalisation of sites and the closure of a loss-making business have already been reported, while a revitalisation of brands is well in hand. Repayment of the company's substantial debt (c €30m at end October) has been adjusted to meet expected cash flows. New management is credited with driving a return to profit at the EBITDA level in the half to September with a clear cut in labour costs in particular (-13% in the year). Results to March are due late July.

## INDUSTRY COMMENT

The French flower market is extremely fragmented (Monceau has a clear lead with under 10%). However, supermarkets compete on price through their purchasing power and promotions. The market is difficult (spend per head has been static in recent years and is well below the European average), but may perform relatively well as consumers cut their leisure expenditure and spend more time at home and in their gardens.

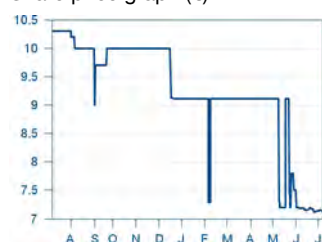
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	66.19	(3.62)	(5.30)	N/A	N/A
2011A	61.80	0.10	N/A	N/A	N/A
2012E	75.20	N/A	(1.70)	(0.30)	N/A
2013E	83.80	N/A	(1.00)	(0.20)	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: General Industrials

Price: €7.14  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Moulinvest specializes in producing and selling wood products (construction lumber and prefabricated solid wood walls).

## Price performance

%	1m	3m	12m
Actual	(0.7)	(21.6)	(30.7)
Relative*	(4.2)	(18.1)	(15.0)

\* % Relative to local index

## Analyst

Richard Finch

## Moulinvest (ALMOU)

Market cap: €22m

## COMPANY COMMENT

The move into producing electricity by co-generation using biomass is confirming its potential, accounting for all Moulinvest's 20% sales growth in the half to February. There is similar excitement about producing wood pellets for heating (projected 90k tonnes pa over the medium term would make it a market leader), which began in March. The established operations, which did well to hold steady in H1 in tough conditions, are set to benefit from increasing involvement with eco construction. Guidance is consequently for yet higher top-line growth in the second half to August. Unsurprisingly in view of investment in key new activities, H1 returns were depressed (trading profit down 27%). Moulinvest has just raised €4m (oversubscribed at €7.20 per share).

## INDUSTRY COMMENT

The French construction industry is forecast to improve by 2015 thanks to government stimulus investment, tax breaks and credits and the run-up to the Euro 2016 championship to be hosted in France.

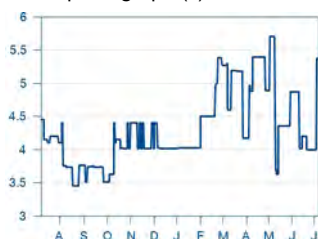
Y/E Aug	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	15.59	0.58	0.19	N/A	N/A
2011A	20.10	0.59	0.08	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €5.37  
Price as at 6 July 2012

Share price graph (€)



Company description

NEOTION develops digital data reception cards and systems for distributors, assemblers, operators and manufacturers of televisions and computers.

Price performance

%	1m	3m	12m
Actual	10.3	10.0	31.0
Relative*	6.4	15.1	60.6

\* % Relative to local index

Analyst

Roger Leboff

## NEOTION (ALNEO)

Market cap: €28m

COMPANY COMMENT

Turnover was 36% ahead y-o-y and operating profit up tenfold. The drivers were strong sales of security products, notably the proprietary NP4+ module to new and existing customers and markets. Neotion also benefited from product migration after validation of suitability of the new NKE-1 platform-based processor for access control applications requiring high levels of security. Adoption of CI+ as an industry standard should build relationships with major operators; in January it was selected as technology partner by Sourcing et Création for its new French pre-paid Pay TV offer. Neotion also broadened its professional CAM product range to appeal to new operators in 2012.

INDUSTRY COMMENT

NEOTION provides sophisticated system-on-a-chip processors, turnkey sub-systems and reference designs that enable seamless integration and reduce time to market for consumer electronics. These capitalise on the 'all-digital' revolution, with c 700m analogue TVs to be replaced or upgraded in the US and Europe by end 2012.

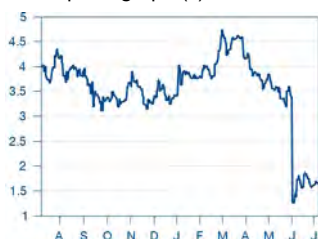
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	27.49	0.24	1.76	N/A	N/A
2011A	37.36	2.39	3.44	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €1.64  
Price as at 6 July 2012

Share price graph (€)



Company description

Neovacs is a biotech company, focused on the development of targeted active immunotherapies for the treatment of severe chronic autoimmune and inflammatory diseases.

Price performance

%	1m	3m	12m
Actual	13.1	(58.5)	(58.8)
Relative*	9.1	(56.6)	(49.5)

\* % Relative to local index

Analyst

Wang Chong

## Neovacs (ALNEV)

Market cap: €26m

COMPANY COMMENT

Neovacs is developing a number of immunotherapeutic products using its proprietary kinoid technology platform. Although the TNF-Kinoid successfully completed a Phase IIa proof of concept trial for rheumatoid arthritis (RA) with promising efficacy data earlier this year, a recent interim analysis of a Phase IIa trial for Crohn's disease (CD) failed to show significant improvement in clinical remission causing the share price to collapse. This negative CD result, despite the existing RA data, will increase the challenge of attracting a licensing partner for TNF-Kinoid. Another IFN-Kinoid completed a Phase I/II trial for lupus with encouraging efficacy data last year.

INDUSTRY COMMENT

Neovacs's kinoids are immunotherapeutic products. Its lead product, TNF-kinoid, is being targeted at the anti-TNF market for the treatment of rheumatoid arthritis and Crohn's disease, which is worth over \$20bn. For lupus, there are limited treatments available; the FDA has just approved the first new treatment for this indication in 50 years.

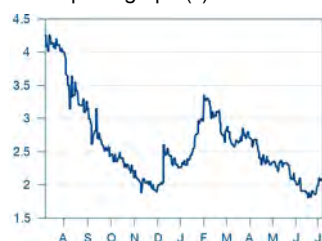
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	0.17	(10.04)	(8.98)	(0.70)	N/A
2011A	0.39	(10.20)	(8.11)	(0.52)	N/A
2012E	0.00	(10.17)	(8.84)	(0.56)	N/A
2013E	0.00	(10.66)	(9.33)	(0.58)	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €2.05  
Price as at 6 July 2012

## Share price graph (€)



## Company description

NetBooster is an interactive agency offering online marketing services in areas such as traffic generation, strategic consulting and referencing for websites.

## Price performance

%	1m	3m	12m
Actual	(1.0)	(23.5)	(51.8)
Relative*	(4.5)	(20.0)	(40.9)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## NetBooster (ALNBT)

Market cap: €27m

## COMPANY COMMENT

The benefits of the 2011 reorganisation kicked in in Q411, continuing in Q112, with gross profit ahead 34% y-o-y and a stronger emphasis on social media and real-time ad serving. The balance sheet was restructured in January with a private placing raising €5.36m at €2.50 and a reconfiguring of the debt profile through to 2016. The purchase of Metapeople in Germany in May 2011 has considerably scaled up the business, although much of the additional revenue is on a pass-through basis making gross profit the better indicator of growth from now on. FY12 targets are for 25% growth in gross profit, with an EBITDA/GP margin of 11%. Medium-term targets are for organic growth of 15%+ and EBITDA margin over 20%.

## INDUSTRY COMMENT

Forecasts for the French advertising market are now back to 0.9% for FY12 (ZenithOptimedia), although online is growing much more strongly at 7.5%. The shift to real time ad inventory has rapidly picked up pace, forecast to grow at c 20% pa to 2015 (IDC), currently accounting for 3% of the French market vs 13.6% in the US.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	45.10	0.52	(4.60)	N/A	N/A
2011A	84.50	1.40	(7.00)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Electrical Equipment

Price: €7.19  
Price as at 6 July 2012

## Share price graph (€)



## Company description

NEXEYA (formerly Groupe Eurilogic) specialises in providing industrial and technical computer engineering services. The group assists its clients in designing, developing, installing and maintaining their products and industrial tools.

## Price performance

%	1m	3m	12m
Actual	30.0	(1.1)	(33.4)
Relative*	25.4	3.4	(18.4)

\* % Relative to local index

## Analyst

Roger Leboff

## NEXEYA (ALNEX)

Market cap: €29m

## COMPANY COMMENT

Group sales were 10.2% ahead y-o-y in Q3. Of the three divisions, Systems (61% of 9m turnover) was 12.1% up, Products (11%) by 60%. The relative underperformer was Services, 7% down due to scheduled completion of a number of support contracts. That may result in a temporary dip in profitability, but cost savings at subsidiary BTS Industry should restore margins in FY13. The outlook - sales growth this year - remains on track.

## INDUSTRY COMMENT

NEXEYA benefits from a well balanced customer base: defence/security contributed 28% of FY11 revenues, aeronautics (16%), space (14%), industry (12%), energy (5%), automotive (7%) and IT/telecom (12%). It designs, manufactures and supports specialist, mission-critical electronic products in three areas: systems (design, testing & validation, maintenance), products (tools and software for precision control, test and measurement, data transmission, information processing), and services (prime contractor assistance, project monitoring, support and maintenance).

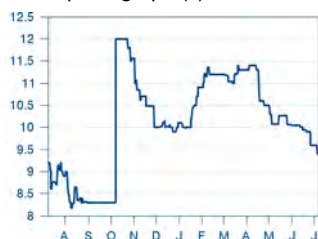
Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	111.48	7.84	5.34	N/A	N/A
2011A	128.32	8.80	5.91	N/A	N/A
2012E	136.90	7.50	4.80	1.23	5.85
2013E	141.70	10.60	6.20	1.57	4.58

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €9.38  
Price as at 6 July 2012

Share price graph (€)



Company description

NSE Industries designs, manufactures, markets and maintains on-board electronic and electromechanical navigation systems and equipment used primarily in the aeronautics industry.

Price performance

%	1m	3m	12m
Actual	(6.6)	(17.7)	(0.1)
Relative*	(9.9)	(14.0)	22.5

\* % Relative to local index

Analyst

Richard Finch

## NSE Industries (ALNSE)

Market cap: €31m

COMPANY COMMENT

NSE Industries (the newly-joined ECT Industries and NSE Holding) will be looking to capitalise as quickly as reasonable on likely opportunities from the merger, which include economies of scale and new overseas markets (NSE is present in Canada, Brazil, Morocco and India).

Already it has agreed to acquire Soditech's aeronautics business, c €2m annual sales and scope to strengthen its relationship with a prestigious client, Eurocopter. ECT's 2011 trading profit was slightly ahead of guidance with margin improvement on sales up 6%; H2 buoyancy in equipment and services (notably, burgeoning multi-year maintenance contracts) more than made up for the first-half shortfall, caused by two significant delivery delays. Finances remained robust at December.

INDUSTRY COMMENT

The coming years will see military budgets across Europe coming under pressure. ECT has relatively limited exposure to the regional and business jet sector, which has seen the most significant declines so far.

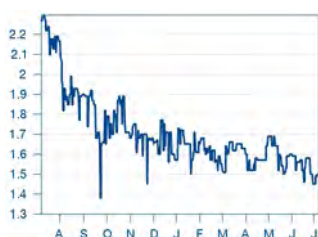
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	19.60	1.73	1.28	N/A	N/A
2011A	23.61	1.65	1.27	N/A	N/A
2012E	26.50	N/A	1.20	1.00	9.38
2013E	28.20	N/A	1.40	1.20	7.82

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €1.50  
Price as at 6 July 2012

Share price graph (€)



Company description

O2i is the clear French market leader in its two activities, software engineering for the digital graphics industry and continuing professional education in IT and multimedia.

Price performance

%	1m	3m	12m
Actual	(5.7)	(1.3)	(33.6)
Relative*	(9.0)	3.2	(18.6)

\* % Relative to local index

Analyst

Richard Finch

## O2i (ALODI)

Market cap: €5m

COMPANY COMMENT

O2i is hopeful of defying still very adverse conditions with a return to profit at the net level on sales up 10% in 2012 and a sustained improvement in margin over the longer term. Indeed, the founder chairman has backed this confidence by more than doubling his holding over the past 18 months to 17%, with further investment promised. Assumed benefits of apparently completed restructuring (exceptional €0.6m costs in 2011) underpin O2i's projected recovery, as does a focus, among other things, on higher-margin equipment business, exports and large accounts. While 2011 was clearly extremely difficult for O2i, management is encouraged by its reduction both of H2 trading loss (against H1) and year-end net debt.

INDUSTRY COMMENT

The business benefits from its conglomerate structure. The digital graphics sector continues to go through a cyclical downturn driven by cutbacks in corporate marketing and advertising spend. However, the outlook in education is far more resilient as under-invested schools roll out internet-enabled IT systems.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	32.30	(0.14)	(0.56)	N/A	N/A
2011A	27.80	(1.08)	(1.18)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Construction &amp; Blding Mat.

Price: €8.79  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Under the brand names Oberflex and Marotte, Ober offers deluxe decorative wood panels to stores, offices, hotels and meeting and event rooms, as well as for decorating private homes.

## Price performance

%	1m	3m	12m
Actual	(1.0)	0.5	(25.4)
Relative*	(4.5)	5.0	(8.5)

\* % Relative to local index

## Analyst

Richard Finch

## Ober (ALOB)

Market cap: €13m

## COMPANY COMMENT

Ober has made a solid start to 2012 (Q1 sales +6%), in line with company expectations. Importantly, the core Oberflex business has stabilised after a dip in Q411, while its Tunisian venture Stramiflex (sales up 18%) is benefiting from a recovery in the local economy. Management expects more of the same during the rest of the year as well as gains from restructuring persistent underperformer Marotte (sales stable in Q1). With the unexpected challenge of volatility in North Africa compounding general economic uncertainty, Ober did well in 2011 almost to maintain sales and to limit the decline in trading profit (excluding Marotte) to under 20%. Gearing at December was 76%, unchanged on the year.

## INDUSTRY COMMENT

Both the shipbuilding and construction industries have performed poorly in the current climate, with many wooden features seen as expendable luxuries. Shipbuilding virtually ground to a halt while the industry adjusted to the new climate. We do not expect a near-term recovery.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	41.30	2.57	1.20	N/A	N/A
2011A	39.50	1.84	(0.22)	N/A	N/A
2012E	42.90	N/A	3.30	2.27	3.87
2013E	45.20	N/A	2.20	1.54	5.71

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Technology

Price: €4.94  
Price as at 6 July 2012

## Share price graph (€)



## Company description

OCTO Technology offers consulting and execution services for information system architectures.

## Price performance

%	1m	3m	12m
Actual	2.9	(1.2)	(17.9)
Relative*	(0.7)	3.3	0.6

\* % Relative to local index

## Analyst

Richard Finch

## OCTO Technology (ALOCT)

Market cap: €17m

## COMPANY COMMENT

2012 is confirming an expected recovery with a pick-up in activity since February (+2% sales in Q1) and an acceleration in recruitment (30% of planned 2012 hirings in Q1 alone). Moreover, 16% of sales are now international, double the level of 2010. Last year did not end well for Octo. Difficult conditions led to lower prices and rates of consultant activity (Q4 revenue was flat despite vigorous recruitment and a successful USI conference in the summer). Trading profit was consequently depressed (break-even only in H2 at the trading level), compounded by substantial investment in the new Brazil office and in a web platform, OCTO Online. The company remains well financed.

## INDUSTRY COMMENT

We expect corporates to continue to invest to ensure they have robust architectures for their new IT systems to remain well underpinned. Nevertheless, in the short term we expect continued cutbacks in IT project spend and certainly a push-out of larger projects.

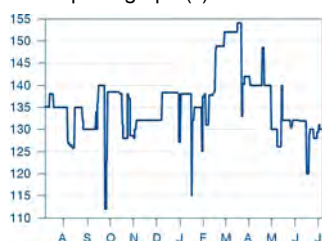
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	18.20	0.89	1.60	N/A	N/A
2011A	19.50	0.40	0.80	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Construction &amp; Bldg Mat.

Price: €130.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Poujoulat is the European leader in the manufacture and marketing of chimney flues and metal roof outlets.

## 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

## Poujoulat (ALPJT)

Market cap: €64m

## COMPANY COMMENT

Revenue growth was 9.1% y-o-y in Q1, in line with the 5-10% forecast. France was 10% ahead, but exports were down 4.4%, reflecting the uncertain European economic backdrop and strong price competition. Cold weather assisted the energy business, which contributed 12.4% of group sales vs 9.4% in 2011. All investments made in 2011 are fully operational. The outlook for Q2 is cautious, with further disruption caused by political factors and fewer working days than the same period in 2011.

## INDUSTRY COMMENT

Poujoulat has maintained sales and rates despite the difficult market backdrop. Its innovative products meet demands for energy efficient buildings and should benefit from stricter legislation covering new build and refurbishment. It has seven manufacturing sites in Europe and a catalogue of over 200,000 items, 90% manufactured in its factories and shipped across Europe. The acquisition of Frankfurt-based Live in October 2009 expanded its product range and provided access to an important strategic market.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	109.24	11.34	6.13	N/A	N/A
2011A	124.82	10.85	6.02	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Basic Industries

Price: €2.35  
Price as at 6 July 2012

## Share price graph (€)



## Company description

POWEO is the leading independent electricity and gas operator in France.

## Price performance

%	1m	3m	12m
Actual	1.7	(23.7)	(56.6)
Relative*	(1.9)	(20.2)	(46.8)

\* % Relative to local index

## Analyst

Richard Finch

## POWEO (ALPWO)

Market cap: €39m

## COMPANY COMMENT

POWEO has agreed a draft merger in principle with its reference shareholder (46%), Direct Energie, the leading alternative supplier of electricity in France with more than 700,000 private and business customers. The transaction will create the first multi-energy alternative operator with critical size in France. Completion is subject to, among other things, shareholder approval in July; the Alternext listing is to be maintained with a possible move to Euronext in due course. The 42% decline in POWEO Q112 sales should be seen in the context of the managed reduction (now stabilised) in exposure to low-margin grid network and large account customers and an exceptional energy management comparative as Q111 prices were boosted by the Fukushima disaster.

## INDUSTRY COMMENT

The French electricity market is viewed as one of long-term growth, even if demand management initiatives prove effective. Government reform is aimed at ensuring new entrants have access to incumbent operators' generation capacity at competitive prices.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	696.30	(146.20)	(150.10)	N/A	N/A
2011A	474.69	(88.90)	(104.00)	N/A	N/A
2012E	663.00	N/A	(55.00)	(3.36)	N/A
2013E	691.00	N/A	(39.00)	(2.35)	N/A

Where available, consensus data has been sourced from Thomson Datastream



Sector: Electrical Equipment

Price: €11.27  
Price as at 6 July 2012

Share price graph (€)



Company description

Orolia produces electronic precision GPS equipment and systems for use in the space, defence, security, telecommunication and test and measurement sectors.

Price performance

%	1m	3m	12m
Actual	(2.8)	(7.6)	(12.8)
Relative*	(6.3)	(3.4)	7.0

\* % Relative to local index

Analyst

Roger Leboff

## Orolia (ALORO)

Market cap: €48m

COMPANY COMMENT

On an underlying basis (constant currencies and excluding Sarbe acquired in June), FY11 sales were 8.8% up y-o-y. The Timing division was particularly strong, up 24.3% and Navigation ahead 10.3% like-for-like. That offset a 9.3% fall in Positioning due to delayed development of new geolocation software for the fishing industry and lower demand from the light aircraft market. In June Orolia secured €3m of new business from the US military for delivery of precision timing systems for Northrop Grumman over the next five years.

INDUSTRY COMMENT

The benefits of a broad portfolio are reflected in recent contracts wins by Timing to supply the US Air Force. It should also benefit from French defence spending in areas such as nuclear submarines and is well placed with respect to the European digital broadcast market. Positioning gained two major contracts in FY11: French Lighthouses and Beacons UK. Navigation has ongoing work related to supply of atomic clocks for Galileo (satnav) and ACES (fundamental physics).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	57.80	5.11	0.99	(0.22)	N/A
2011A	63.70	5.78	0.80	0.20	56.35
2012E	67.50	7.10	2.90	1.13	9.97
2013E	71.80	6.70	3.90	1.33	8.47

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €20.52  
Price as at 6 July 2012

Share price graph (€)



Company description

Pairi Daiza (formerly Parc Paradisio) specializes in operating a zoological leisure park. The company also develops scientific programs for preserving endangered species and offers event services.

Price performance

%	1m	3m	12m
Actual	3.6	(2.1)	(11.0)
Relative*	(1.4)	(0.2)	2.6

\* % Relative to local index

Analyst

Richard Finch

## Pairi Daiza (PARD)

Market cap: €23m

COMPANY COMMENT

Ahead of a key update at the end of July, Pairi Daiza traded well in 2011 with attendance of c 800,000, just 8% below its 2009 record. This was boosted by the introduction of elephants and the opening of a major Indonesian garden. Comparison with 2010 risks being misleading as the season effectively suffered a 'hangover' after the preceding bumper turnout. Importantly, visitor spend is now firmly on the increase, at c €23.30 14% ahead of 2009 in the core first half. It is testimony to the success of the company's new partnership with respected premium caterer Paulus, which should also be paying off in terms of visitor loyalty, improved purchasing and extending events business.

INDUSTRY COMMENT

While consumer confidence in Belgium has improved since February, this is from its lowest level since 2009 and well below a year ago. The National Bank of Belgium has newly raised its forecast of GDP growth in 2012 to 0.6%, which contrasts with mild contraction expected by the IMF for the eurozone.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	17.93	3.43	2.55	2.29	8.96
2011A	15.17	1.61	1.01	0.98	20.94
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Industrial Support Services

Price: €6.18  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Phenix Systems specialises in designing, producing, and selling equipment for rapid manufacturing by adding material layer-by-layer.

## Price performance

%	1m	3m	12m
Actual	(20.8)	(32.1)	N/A
Relative*	(23.6)	(29.0)	N/A

\* % Relative to local index

## Analyst

Roger Leboff

## Phenix Systems (ALPHX)

Market cap: €7m

## COMPANY COMMENT

A 30% fall in FY11 sales y-o-y reflected delayed orders. Phenix delivered 12 systems in France and internationally last year, growing its installed base to 79 machines worldwide. It also launched two new lasers, opened its new US subsidiary in Chicago and built its sales capacity to enter north-eastern European markets and support the existing client base. These initiatives should benefit FY12, with establishing a presence in Asia also under consideration for later this year.

## INDUSTRY COMMENT

The group reports strong interest from the US market, including the tyre sector, and expects the roll-out of new offices and next-generation products to drive growth over the next few years. It is expanding at a favourable time in the business investment cycle, with considerable renewal expenditure anticipated in 2012 and an estimated \$81bn global market for machine tools in 2009. Its technology enables rapid manufacturing of complex components in metals and ceramics, suitable for a wide range of industries.

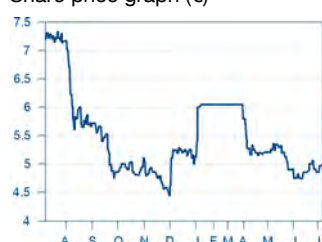
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	5.90	0.74	0.58	N/A	N/A
2011A	4.00	0.65	(0.30)	N/A	N/A
2012E	4.00	0.30	(0.30)	(0.27)	N/A
2013E	7.20	1.80	0.20	0.21	29.43

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Consumer Support Services

Price: €4.98  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Piscines Desjoyaux specialises in producing and marketing private swimming pools. The activity is organized into selling swimming pools, constructing public pools, borders and paved areas around pools, and producing related equipment (solar covers, showers, safety barriers, cover rollers, etc).

## Price performance

%	1m	3m	12m
Actual	4.8	(5.5)	(31.1)
Relative*	1.1	(1.2)	(15.5)

\* % Relative to local index

## Analyst

Richard Finch

## Piscines Desjoyaux (ALPDX)

Market cap: €45m

## COMPANY COMMENT

In especially adverse conditions Piscines Desjoyaux is justifiably pleased to have limited its sales decline to under 5% both in its busiest quarter to May and in the nine months of the financial year to date. This resilience is attributed to an established strategy of promotions, international expansion, such as the recent opening in China, and widening of the company's product range. However, latest guidance (after H1 results in May) of flat full-year sales may now be difficult to achieve as a double-digit increase would be required in Q4. Excluding capital gains, trading loss in the seasonally-weaker first half rose by a third owing largely to higher labour costs (three overseas branch openings) and lower sales.

## INDUSTRY COMMENT

According to Markit, French retail sales are falling "at a worrying pace", with weak demand exacerbated by the presidential elections. Although the OECD expects economic activity to pick up modestly in H2 after a stagnant first half, consumer spending may remain subdued, especially in relation to high-ticket items such as swimming pools.

Y/E Aug	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	74.80	7.30	4.30	N/A	N/A
2011A	76.50	8.20	4.60	N/A	N/A
2012E	78.60	N/A	4.70	0.52	9.58
2013E	84.20	N/A	5.80	0.64	7.78

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €5.01  
Price as at 6 July 2012

Share price graph (€)



Company description

Piscines Groupe manufactures pool shells made of composite materials and concrete products. It also offers maintenance products, covers, tarpaulins, water treatment products and safety equipment.

Price performance

%	1m	3m	12m
Actual	89.1	(10.5)	(36.3)
Relative*	82.4	(6.5)	(21.9)

\* % Relative to local index

Analyst

Richard Finch

## Piscines Groupe (ALPGG)

Market cap: €16m

COMPANY COMMENT

While production was due to resume in May at the factory, damaged by fire a year ago, there will inevitably have been an impact in the run-up to the main trading season despite the transfer of orders to other group sites. However, encouragingly, marketing has been stepped up in readiness. Trading was predictably subdued after the fire, with H211 sales and invoiced pool volumes down by 8% and 16% respectively and low-season losses sufficient to move the company into a slight loss at the trading level for the full year. This is all the more disappointing in view of Piscines Groupe's optimism before the fire on the back of a decent order book and from raising prices for the first time for five years.

INDUSTRY COMMENT

According to Markit, French retail sales are falling "at a worrying pace," with weak demand exacerbated by the presidential elections. Although economic activity is expected by the OECD to pick up modestly in H2 after a stagnant first half, consumer spending may remain subdued, especially in relation to high-ticket items such as swimming pools.

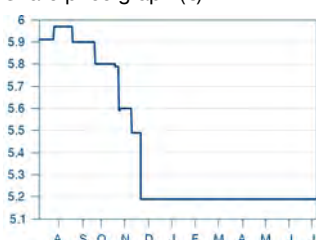
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	33.10	1.03	1.94	N/A	N/A
2011A	30.88	(0.72)	(0.11)	N/A	N/A
2012E	34.70	N/A	1.80	0.58	8.64
2013E	31.50	N/A	(0.80)	(0.27)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €5.19  
Price as at 6 July 2012

Share price graph (€)



Company description

Polygone International specialises in services marketing and communications.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(12.2)
Relative*	(4.8)	1.9	1.2

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Polygone (ALPOL)

Market cap: €13m

COMPANY COMMENT

Polygone has had a traumatic couple of years with difficult domestic markets and the lack of success of its French acquisitions. In May 2011 it put its French subsidiary into liquidation following the loss of substantial contracts. The group sold its most profitable subsidiary, the Hello Agency, which had recently won a Carrefour account, for €3.9m in November and in December sold The Manifest for a further €2.45m. Other smaller disposals leave just the holding company containing group property and administrative services provided to The Manifest. FY11 results showed a reduced loss over the prior year.

INDUSTRY COMMENT

In February 2012, Deloitte published the results of a survey of the Belgian advertising and communications industry that showed one in every five agencies was not viable, with many others struggling to get paid. Online marketing is the great hope, with Belgian internet penetration higher than most European countries, and with 78% of the population accessing the internet at least once a week. Business confidence, though, is at its lowest for 2.5 years.

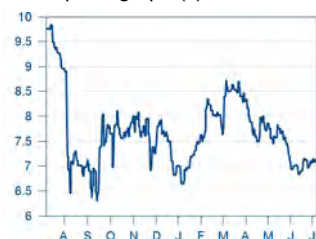
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	19.71	(3.83)	(5.22)	N/A	N/A
2011A	25.69	(2.19)	(4.95)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €7.14  
Price as at 6 July 2012

Share price graph (€)



Company description

Prodware specialises in publishing and hosting business computer solutions. Key areas include the integration of management software, the design and implementation of network applications and the engineering of decisional information systems.

Price performance

%	1m	3m	12m
Actual	2.0	(9.4)	(26.8)
Relative*	(1.6)	(5.3)	(10.2)

\* % Relative to local index

Analyst

Roger Leboff

## Prodware (ALPRO)

Market cap: €37m

COMPANY COMMENT

Although the Q1 statement referred to a wait-and-see business climate, sales were 10.3% ahead y-o-y, 3.1% purely organic. That was better than the 1.2% market growth forecast for 2012 (Syntec Digital April 2012). The key contribution was international operations, up 35% y-o-y in Q1, which showed the success of recent strategic acquisitions in Spain and Belgium, and strong growth in Israel. International sales were 28% of the group in Q1. In addition, the Q1 figures showed the benefit of accelerated development of SaaS and publishing, where quarterly revenues were 16% ahead.

INDUSTRY COMMENT

Prodware is a leading software integrator and IT service company. It has clients in 10 countries, in sectors including automotive, financial and professional services, food & beverage, life sciences, luxury goods, retail, telecoms, transport & logistics and utilities. It has grown via acquisition and in July acquired 17.1% of Qurius to create a leading EMEA software and services alliance with high growth potential.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	83.50	9.80	8.20	N/A	N/A
2011A	106.90	16.10	12.20	N/A	N/A
2012E	105.20	17.80	14.20	2.56	2.79
2013E	123.60	14.90	12.50	2.13	3.35

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €13.65  
Price as at 6 July 2012

Share price graph (€)



Company description

ProwebCE specialises in developing and marketing management and communication software for works councils.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(11.9)
Relative*	(3.5)	4.6	8.1

\* % Relative to local index

Analyst

Roger Leboff

## ProwebCE (ALPRW)

Market cap: €27m

COMPANY COMMENT

A €36m recapitalisation has been concluded, under which a newly formed holding company controlled by ProwebCE management and financial investors has acquired 77% of the listed equity. A tender offer for all remaining shares has been launched at €18 per share. The purpose is to create a stronger financial base to accelerate growth in core activities. FY11 sales were 24% ahead, EBITDA up 29% y-o-y on the back of strong growth in Meyclub e-commerce and e-check sales and further development of Software & Services.

INDUSTRY COMMENT

There is potential to grow the Meyclub user base materially over the next few years. New initiatives such as online travel agency subsidies and Meyclub e-checks (dematerialised gift certificates) should contribute in future. The ProwebCE group has over 5,000 clients, all EC works councils whose budgets consist of subsidies paid by employer companies, and represent over four million beneficiaries. The model provides strong visibility and a loyal client base.

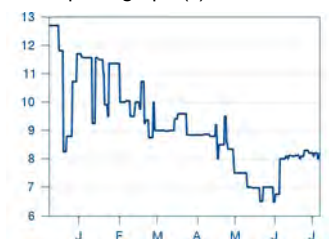
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	34.84	1.10	0.04	0.02	682.50
2011A	43.20	1.32	0.56	0.28	48.75
2012E	43.50	2.00	1.60	0.83	16.45
2013E	53.90	2.80	2.40	1.20	11.38

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €8.20  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Relaxnews specialises in designing, producing, and publishing leisure content (lifestyle, home, entertainment, and tourism news and information) for media, businesses, e-commerce sites, blogs, and institutions. The group develops custom content (text, photos, and videos) for the web as well as for mobile phones, television, radio, printed media, and the social media.

## Price performance

%	1m	3m	12m
Actual	2.5	(7.4)	N/A
Relative*	(1.1)	(3.2)	N/A

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Relaxnews (ALRL)

Market cap: €11m

## COMPANY COMMENT

Relaxnews floated in December 2011 raising €2.5m at €11.75 and has recently raised a further €0.8m at €13.51. The proceeds are being used to promote the group's brands and push international growth. It generates content across traditional and new media, including operating websites in the leisure and recreation space. It has around 200 clients across media owners, brands and e-commerce sites, including majors such as l'Express, Elle and Orange.fr and has a JV with Pages Jaunes targeting local events. The strategic partnership with AFP, which won a contract in February with Amazon in the US to supply a daily lifestyle magazine in English and French, has been extended to end 2016 and the North American interests now also include a partnership with BUM Interactif in Canada.

## INDUSTRY COMMENT

Brands are increasingly looking to establish numerous contact points with their customers and markets beyond the traditional advertising sphere. The group estimates that the addressable leisure information market is worth €1bn in Europe and €2bn worldwide.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Construction &amp; Bldg Mat.

Price: €4.48  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Richel Serres de France produces plastic-roofed greenhouses for horticulturists, vegetable and fruit crops, and tobacco growing and drying.

## Price performance

%	1m	3m	12m
Actual	(5.7)	(47.3)	(53.9)
Relative*	(9.0)	(44.9)	(43.5)

\* % Relative to local index

## Analyst

Richard Finch

## Richel Serres (ALRIC)

Market cap: €19m

## COMPANY COMMENT

Richel has warned that core sales after last October's Marchegay disposal are likely to be well down in the first quarter to June. Indeed the outlook for the following quarter is scarcely brighter in the face of economic weakness, heightened competition and a growing tendency for rival suppliers to deal direct with the end customer. This is all the more disappointing since Richel's core activity of design and manufacture of greenhouses was resilient in the year to March with slightly higher sales and trading profit. It contrasts with Richel's dynamic growth (sales +39% in FY11), driven by Marchegay's renewable energies business. Shareholders were recently offered a buyback at €8.50 after the €21m Marchegay sale.

## INDUSTRY COMMENT

Eurostat figures show eurozone industrial production in April down by 2.3% year-on-year. The IMF forecasts global growth of 3.5% in 2012, recovering to 4.1% next year. However, it warns that risks remain "elevated" mainly owing to Europe and oil, and that progress in advanced economies will be sluggish in 2012 ("mild contraction" in the eurozone).

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2011A	65.95	3.24	4.28	N/A	N/A
2012A	67.94	3.15	21.74	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Bldg Mat.

Price: €76.00  
Price as at 6 July 2012

Share price graph (€)



Company description

Koninklijke Reesink distributes products such as DIY materials, agricultural machinery and steel materials to industrials and specialist distribution chains.

Price performance

%	1m	3m	12m
Actual	0.0	(4.4)	(2.6)
Relative*	(6.0)	(2.8)	7.4

\* % Relative to local index

Analyst

Richard Finch

## Royalreosink (ALRRE)

Market cap: €51m

COMPANY COMMENT

Ahead of H1 results in September, Reesink has recently expanded its buoyant Green segment with the acquisition of Kemp Group, a specialist in earth-moving plant and equipment. The deal should add c 25% to annual Green sales and is expected by management to be earnings positive immediately (cash consideration not disclosed). In its latest update in March, Reesink saw "reasonably positive" prospects for Green in 2012 but could offer no guidance on Industrial, given macro uncertainty. A first positive contribution from the DIY venture (significant charge in 2011) is envisaged. Adjusting for the restructuring of DIY early in 2011 and expansion in the Green segment, 2011 saw a like-for-like turnover increase of 9% at improved margin.

INDUSTRY COMMENT

Independent research institute the CPB has newly confirmed its forecast that Dutch GDP will fall by 0.7% this year, with only a slight recovery in prospect over the following three years.

Rising unemployment and low household consumption are key determinants.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	189.70	6.40	7.67	8.66	8.78
2011A	173.40	7.20	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €25.00  
Price as at 6 July 2012

Share price graph (€)



Company description

Sapmer specialises in fishing for Patagonian toothfish (Chilean seabass), lobster and tuna. It operates exclusively in the Indian Ocean (tuna) and French Antarctic (Patagonian toothfish and lobster) economic zones, under strict regulation that issues licences to fish and imposes catch quotas on French shipowners in that zone.

Price performance

%	1m	3m	12m
Actual	33.0	46.2	88.0
Relative*	28.3	52.9	130.5

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Sapmer (ALMER)

Market cap: €87m

COMPANY COMMENT

Far Eastern demand for Patagonian toothfish and crayfish continues to drive strong sales growth (FY11 revenues +60% y-o-y). The third blast-freezer purse seiner came into service in January, the fourth in April and the final boat is scheduled for delivery in early September. Total investment will have been €135m. Sapmer has extended -40 degrees C processing and freezing capacity at the JV plant in L'Ile Maurice to 3,600 tonnes with total production capacity of 9,000 tonnes. A second factory is under consideration, allowing value to be added by increasing capacity for sashimi, which could account for half of the tuna catch by FY13.

INDUSTRY COMMENT

Toothfish and crayfish are highly prized in Asia, with frozen tuna particularly suitable for quality sashimi. Following over-fishing and piracy, TAAF (Terres australes et antarctiques françaises) laws were tightened and are now strictly enforced. Trawling was banned in favour of longline, quotas are fixed annually and all ships carry an independent inspector. The Indian Ocean Tuna Commission has been set up to monitor and manage tuna stocks.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	48.00	3.40	0.60	N/A	N/A
2011A	77.00	15.20	7.70	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

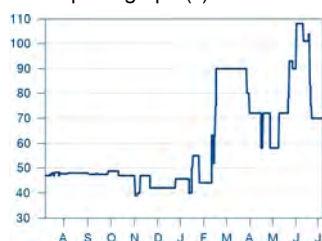
Where available, consensus data has been sourced from Thomson Datastream



## Sector: Electrical Equipment

Price: €70.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Serma Technologies offers a wide range of services to the electronics industry, including technical engineering advice and the design and production of digital and mixed signal integrated circuits.

## Price performance

%	1m	3m	12m
Actual	(35.2)	(2.9)	48.9
Relative*	(37.5)	1.5	82.6

\* % Relative to local index

## Analyst

Roger Leboff

## Serma Technologies (ALSER)

Market cap: €81m

## COMPANY COMMENT

The strong FY11 result included an improved 15% operating margin (FY10: 11.9%). Serma spent €1.4m on R&D, backing projects internally and on behalf of clients, designed to improve access to new markets. Serma has targeted c 11% sales growth this year. It admits that this is ambitious considering the end 2011 economic backdrop, but anticipates further growth in demand from major customers and expects to benefit from recruitment and another €1.4m of capital investment this year. It ended FY11 with €0.2m net cash and paid a €3.95/share dividend.

## INDUSTRY COMMENT

Serma is a specialist in design, industrialisation and production of digital and mixed signal integrated circuits, an important component of the semiconductor market. It is certified by civil aviation authorities to manufacture and maintain in-flight equipment. In Germany, the core competence is development of embedded systems, hardware, software and mechanical engineering, and it assists other group operations with access to the German market.

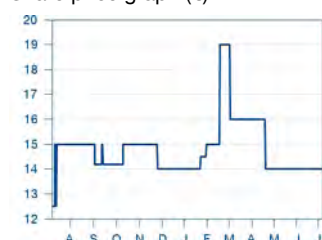
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	55.20	7.61	5.31	3.21	21.81
2011A	63.30	8.83	6.24	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: General Industrials

Price: €14.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Sical specialises in manufacturing and marketing of packaging.

## Price performance

%	1m	3m	12m
Actual	0.0	(12.5)	6.1
Relative*	(3.5)	(8.5)	30.1

\* % Relative to local index

## Analyst

Richard Finch

## Sical (ALSIC)

Market cap: €51m

## COMPANY COMMENT

Despite admitted limited visibility on demand and pricing, Sical has reported that budgeted results for 2012, based on Q1 raw material costs, are positive and that group trading profit should be acceptable. Corrugated packaging activity in the first quarter was reportedly slightly ahead. This is encouraging after a challenging 2011 for Sical, marked by the crisis in the Ivory Coast, where Sonaco's sales fell by a third on volume down 43%, c 5% of group sales. In addition, as expected, growth slowed in H211, with sales up just 5% against 11% in H1 and driven by price rather than volume, leading to a halving of H2 trading profit.

## INDUSTRY COMMENT

According to the European Federation of Corrugated Board Manufacturers, in the year to March the French market was flat and input costs volatile. DS Smith's French corrugated packaging outperformed with "robust" volumes in FY12 thanks to its high share (much more than Sical) of FMCG business, the most buoyant area of corrugated demand.

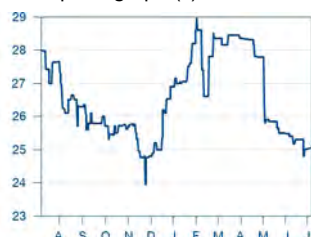
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	81.83	3.60	4.20	N/A	N/A
2011A	85.22	3.07	4.06	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €25.04  
Price as at 6 July 2012

Share price graph (€)



Company description

Sidetrade provides financial customer relationship management software known as SaaS. Its solutions are used by more than 800 companies across 65 countries to improve their DSO, accelerate cash and decrease their bad debts.

Price performance

%	1m	3m	12m
Actual	(1.7)	(11.6)	(11.3)
Relative*	(5.2)	(7.6)	8.7

\* % Relative to local index

Analyst

Roger Leboff

## Sidetrade (ALBFR)

Market cap: €33m

COMPANY COMMENT

Consolidated FY11 revenues were 14% ahead y-o-y at €12.6m. The SaaS (Software as a Service) model managed over 24m invoices during 2011, 15% ahead, providing strong visibility via recurring revenues from multinational contracts. The first quarter saw 5% y-o-y growth in sales, an apparent slowdown due in part to a strong comparative (Q111 20% ahead) and lower services contribution post termination of an account which generated high turnover, at a lower operating margin. Q112 was 14% ahead of Q411 and SaaS contributed to the majority of turnover and gross margin.

INDUSTRY COMMENT

IDC forecast average growth in the SaaS market of over 24% a year to 2012, with the share of on-demand services in the software market to increase by more than 100%. Sidetrade assists its clients with cash management, improved cash flow and reduced working capital. Its software helps to reduce late payments, decrease disputes, identify customer risk and secure receivables. The group provides services for over 200 large and medium-sized companies.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	11.02	1.81	1.76	N/A	N/A
2011A	12.58	2.38	1.66	N/A	N/A
2012E	13.80	2.70	1.70	1.29	19.41
2013E	15.30	3.20	2.00	1.48	16.92

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €21.01  
Price as at 6 July 2012

Share price graph (€)



Company description

Siparex Croissance specialises in investment capital. The group acquires minority holdings in medium-sized, unlisted businesses.

Price performance

%	1m	3m	12m
Actual	(1.8)	(0.3)	(3.2)
Relative*	(5.3)	4.3	18.7

\* % Relative to local index

Analyst

Roger Leboff

## Siparex Croissance (LSIP)

Market cap: €26m

COMPANY COMMENT

Siparex is in effective run-down and will make no further investments during the period to end December 2014. FY11 built on a solid FY10 performance, with €6.3m profit and a 60% increase in EPS to €5/share, adjusted for the cancellation of around a third of the shares in April 2011. Growth in FY11 was derived from the active sale of portfolio companies. Consolidated FY11 year-end NAV was €27.70/share, 3% ahead of end June 2011, 14.7% better than end FY10. Sales of portfolio companies generated €8.4m in H111, (FY10: €18.4m) and €4.8m in capital gains (FY10: €8.6m).

INDUSTRY COMMENT

The group strategy is to continue with the divestment of the portfolio, with several operations underway, subject to changing economic conditions. The reduction in the underlying portfolio may increase the volatility of future performance.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	5.30	3.59	(3.59)	N/A	N/A
2011A	5.61	4.50	4.50	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: General Industrials

Price: €12.01  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Siraga designs customised solutions for the Liquefied Petroleum Gas industry (butane & propane).

## Price performance

%	1m	3m	12m
Actual	2.5	(0.2)	(7.6)
Relative*	(1.2)	4.4	13.3

\* % Relative to local index

## Analyst

Richard Finch

## Siraga (SIRA)

Market cap: €9m

## COMPANY COMMENT

Siraga is enthusiastic about "very good" prospects for its engineering activity on the back of several major new contracts and diversification of turnkey LPG projects in Africa and Saudi Arabia. It is also benefiting from modernisation by filling plants in South America and from its new ability to supply all gas cylinder distribution channels. Despite a quiet Q4 (sales down 9% on a lower order book), performance in the year to March (+17%) was creditable, with a doubling of trading profit (from a modest base, yet after much higher R&D costs). While South America is delivering on its rich promise, restructuring of the engineering turnkey business is also paying off.

## INDUSTRY COMMENT

The IMF forecasts global growth of 3.5% in 2012, recovering to 4.1% next year (4% in 2011). However, it warns that risks remain "elevated", mainly owing to Europe and oil, and that progress in advanced economies will remain sluggish in 2012. A higher oil price is positive for energy industry suppliers, despite potentially deterring end-consumer sales.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2011A	32.36	0.59	(0.18)	(0.02)	N/A
2012A	38.25	1.24	0.49	0.58	20.71
2013E	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €2.00  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Social Mix Media Group provides email-based direct marketing services on the internet.

## Price performance

%	1m	3m	12m
Actual	11.1	(19.7)	(0.5)
Relative*	7.2	(16.0)	22.0

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Social Mix Media (ALSMM)

Market cap: €8m

## COMPANY COMMENT

Come & Stay has changed its name to Social Mix Media Group (the subsidiary bought last year) to better reflect the developing emphasis of the group in visitor conversion and digital marketing. It has a particularly strong position in the automotive vertical, where it works with 19 of the 25 major marques. Its development programme in social resource capability is based around intelligent databases, real-time marketing and geolocation marketing across email, social and mobile channels. It is moving its larger clients to multi-year contracts of up to five years, with a target of 50% revenues from such business by 2013; 25% by end 2012. The operating leverage is already showing in improved margins.

## INDUSTRY COMMENT

Zenith Optimedia is now forecasting online marketing spend growth in France of 7.5% for FY12, well ahead of the expected growth in the mainstream advertising market, now again revised down to 0.9% (1.5%) despite it being a quadrennial and an election year. French internet penetration has reached 77.2% and 3G penetration 45%.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	11.32	0.85	(8.93)	(0.19)	N/A
2011A	11.90	0.79	1.17	N/A	N/A
2012E	12.70	1.00	0.70	0.16	12.50
2013E	13.20	1.50	1.00	0.24	8.33

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €3.90  
Price as at 6 July 2012

Share price graph (€)



Company description

Softimat (formerly Systemat) is a computer services company primarily active in Belgium and Luxembourg. Systemat is present in the large private accounts sector and public markets through its Systemat Business Services (SBS) division, and also in the mid-market through its Systemat Global Solutions (SGS) division.

Price performance

%	1m	3m	12m
Actual	(2.3)	(0.5)	(27.0)
Relative*	(7.0)	1.4	(15.8)

\* % Relative to local index

Analyst

Roger Leboff

## Softimat (SOFT)

Market cap: €25m

COMPANY COMMENT

FY11 turnover was 6% ahead y-o-y, at a 24.5% gross margin. There was 13% growth y-o-y with all areas of the business making positive contributions, and EBIT 156% up at €2.45m. A strong performance by the group's public sector activities included two major new contracts during the year and €1m of additional revenues from outsourcing contacts from SMEs in Belgium and Luxembourg, accounting for 25% growth. Softimat also reported stable revenue from existing customers and improved penetration from cross trading.

INDUSTRY COMMENT

Softimat is a computer services company based primarily in Belgium and Luxembourg; sales respectively 75.3%/24.7%. It serves large private sector accounts, public and the mid-market. There are three main areas of activity; sale of IT equipment and computer equipment financing and leasing services; supply of IT services and sale of in-house software solutions: accounting software (Popsy) and solutions ERP (Ypsos and Dimasys). It also develops internet applications and electronic business solutions.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	58.21	1.07	0.43	N/A	N/A
2011A	8.91	0.39	0.69	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €15.94  
Price as at 6 July 2012

Share price graph (€)



Company description

Solutions 30 (formerly PC30) provides home and workplace computer repair services to individuals and companies in Europe.

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

## Solutions 30 (ALS30)

Market cap: €40m

COMPANY COMMENT

A strong Q1, sales 51% ahead y-o-y at €20.2m, was flattered by comparison with the performance in the same period last year, when political upheaval impacted the group's Tunisia-based call centre. The second half of FY11 was buoyed by earnings-accretive acquisitions, but Q1 was 31% organic growth. In July Solutions 30 paid c €0.3m for IT maintenance and support company AGEMIS, which expanded its service offering and built its profile within France. However, the contribution from its international operations nearly doubled in Q1, to 20% of the total, and remains a key driver.

INDUSTRY COMMENT

The group is the market leader in France, with sales more than twice that of identified peers. Among the strengths of its business model is the use of a franchise system to extend the reach of its branch network. It expects to be able to replicate its success in France in other European markets. These are similarly fragmented markets and accessible organically or via consolidation of smaller local players.

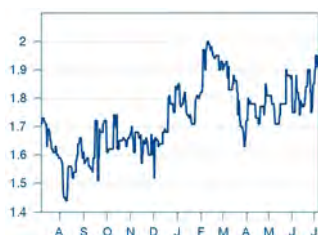
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	24.10	2.58	1.63	N/A	N/A
2011A	30.40	1.45	1.54	N/A	N/A
2012E	74.00	N/A	4.00	1.32	12.08
2013E	79.00	N/A	4.00	1.49	10.70

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Support Services

Price: €1.95  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Solving Efeso International specialises in business strategy and organisation consulting services. The group's operations revolve around three types of services: analysis and development of strategies, overall management organization and the improvement of function performance.

## Price performance

%	1m	3m	12m
Actual	8.9	9.6	14.0
Relative*	5.1	14.5	39.8

\* % Relative to local index

## Analyst

Roger Leboff

## Solving Efeso (ALOLV)

Market cap: €44m

## COMPANY COMMENT

The composition of Q1 growth reflected the uncertain economic backdrop in southern European markets. Sales were 5.2% up y-o-y, 4.9% underlying. North America was 69% ahead, 12% of the total vs 7.5% last year, and picked up the slack elsewhere. Profitability will benefit from cost control in FY11 and lower net debt. In February 2012 the group acquired Hands-On, Egypt's largest domestic consulting firm, serving north Africa and Saudi Arabia and in March, New Delhi based Q-Spread Management, an entry into India's corporate market. The group still expects to exceed market growth and improve operating margins this year.

## INDUSTRY COMMENT

Recent acquisitions add to capacity to service international clients in important new markets, enhance the skills base and add new clients in important strategic markets. This provides resilience in an uncertain macroeconomic environment, which should see operating profit run ahead of turnover. There are offices in 25 countries in Europe, the Middle East, Asia and the Americas.

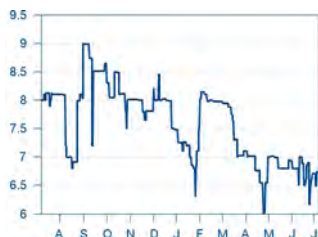
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	50.45	(1.00)	(4.15)	N/A	N/A
2011A	54.81	4.55	3.18	N/A	N/A
2012E	59.20	5.20	2.20	0.10	19.50
2013E	62.00	6.30	3.40	0.15	13.00

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Media &amp; Entertainment

Price: €6.73  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Sporever publishes sports information and owns the sites Sporever.fr and Football365.fr. It creates and supplies content for sports sites for third parties, and provides SMS, MMS and videos for mobile phones.

## Price performance

%	1m	3m	12m
Actual	(0.9)	(4.0)	(20.0)
Relative*	(4.4)	0.4	(1.9)

\* % Relative to local index

## Analyst

Richard Finch

## Sporever (ALSP0)

Market cap: €15m

## COMPANY COMMENT

2012 is seeing Sporever focus on its core activities of publishing and production in new media. It halted its online sports-betting business in Q1 as it became clear that there was no prospect of decent returns, given French legislation. Losses in sports betting, which had operated since late 2010, account entirely for the 58% fall in 2011 trading profit (core trading margins 7%, as in 2010). The company's small photo operation had already been sold. In line with this new strategy, it is encouraging to note Sporever's imminent launch of a sports news TV channel (365Sport), to be distributed by Orange. Finances remain healthy (net cash at December even after a 10% share buyback).

## INDUSTRY COMMENT

France has been amenable to IPTV, but the tendency for it to be bundled free with broadband makes it unclear how financially attractive the service is on its own. The huge subscriber bases of satellite and cable operators are a threat, but the European market is estimated to double by 2012. Online advertising in Europe is forecast to grow by 11% in 2012 (Strategy Analytics).

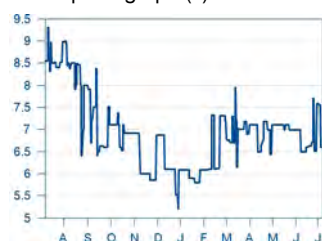
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	1.47	0.17	(0.21)	N/A	N/A
2011A	1.40	(0.77)	(1.12)	N/A	N/A
2012E	17.10	N/A	1.00	0.43	15.65
2013E	16.70	N/A	0.50	0.51	13.20

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €6.60  
Price as at 6 July 2012

Share price graph (€)



Company description

Stradim - Espace Finances is in real estate, assisting with the sale of apartments and land for development, and services such as outfitting professional spaces, leasing and management.

Price performance

%	1m	3m	12m
Actual	(5.6)	(7.0)	(23.4)
Relative*	(8.9)	(2.8)	(6.1)

\* % Relative to local index

Analyst

Roger Leboff

## Stradim - Espace Fin. (ALSAS)

Market cap: €11m

COMPANY COMMENT

The group progressed financially and operationally in FY11, the third year of strong growth. Turnover was 16% ahead y-o-y, 40% ahead over the last four years. Operating profit, at €6.9m, was 38% ahead. It delivered 542 flats (FY10: 450) and recorded 657 contracts worth €107m (FY10: 595 contracts and €97m). Key drivers include the tax benefits of the Scellier law, which encourage investment in rented housing, and the BBC (low energy consumption) standards, which benefit its programs.

INDUSTRY COMMENT

Revenues are generated from sales of apartments, houses, other buildings and development land, plus estate agency. Stradim has sales operations in Alsace, Aube and the Loire-Atlantic region in France. Changes in the Scellier rules for property investment added uncertainty to the outlook, but all group properties meet low energy consumption rules necessary to maximise tax exemption. In addition, 30% of group output is aimed at first-time buyers, for whom it expects more favourable market conditions.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	65.10	4.98	3.12	1.87	3.53
2011A	75.80	6.88	3.01	1.75	3.77
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €9.70  
Price as at 6 July 2012

Share price graph (€)



Company description

StreamWIDE publishes software used to provide telephone and video-telephone services. Its products are aimed at fixed and mobile telecom operators and internet access providers.

Price performance

%	1m	3m	12m
Actual	11.6	3.2	2.1
Relative*	7.7	7.9	25.2

\* % Relative to local index

Analyst

Roger Leboff

## StreamWIDE (ALSTW)

Market cap: €26m

COMPANY COMMENT

License sales were particularly strong in FY11, up 27% y-o-y, and contributed 63% of total group turnover. That should drive future maintenance revenues and provide a valuable recurrent revenue stream, which grew by 18% last year to €2.4m. The year saw material growth in France in H1, followed by stronger export revenues in H2, up 40% in the period and 23% for the year as a whole. Operating profit was €2.8m, a 24% margin (FY10: 22.7%), R&D spend €2.6m (€2.5m). Year-end net cash was €2.8m.

INDUSTRY COMMENT

The group sees the tough competitive environment for telecom operators in France and abroad as a key driver of future growth. There is clear need for next-generation value-added software services for mobile and fixed-line telecoms operators. It intends to maintain investment in R&D and develop sales channels. StreamWIDE combines an IP environment (reduced time to market, capex and opex), quality user interfaces (laptops, TVs, smartphones and tablets) with innovative services to drive up ARPU.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	10.20	2.30	1.10	N/A	N/A
2011A	11.50	2.50	1.80	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

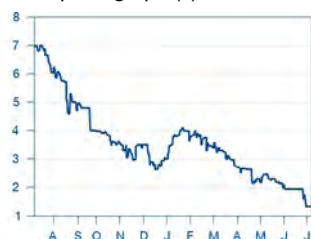
Where available, consensus data has been sourced from Thomson Datastream



## Sector: Technology

Price: €1.32  
Price as at 6 July 2012

## Share price graph (€)



## Company description

STS Group specialises in publishing and marketing a modular electronic legal filing software program.

## Price performance

%	1m	3m	12m
Actual	(32.3)	(50.4)	(81.1)
Relative*	(34.7)	(48.1)	(76.9)

\* % Relative to local index

## Analyst

Roger Leboff

## STS Group (ALSTS)

Market cap: €8m

## COMPANY COMMENT

The group added six new trusted digital platforms to its network in H111. With these additions in South America, Switzerland and Vietnam, the network of local partners is close to complete, so the emphasis switches to improving returns from each. Six are already charging, with 15 expected to be on stream by mid-2012. These operate under revenue-sharing agreements; STS invests no cash. The interims were affected by lower renewal margins and more conservative accounting treatment of contract revenues, but the group remains confident on each platform's profit potential. The 2011 results announcement is postponed to October 2012.

## INDUSTRY COMMENT

There is growing demand for cloud-based digital document management services. STS enables businesses, public administration and individuals to securely exchange documents electronically, ensuring integrity, long-term preservation and traceability through its product suite. It has over 250 international corporate, around 1,200 SMBs and 35,000 SOHO clients.

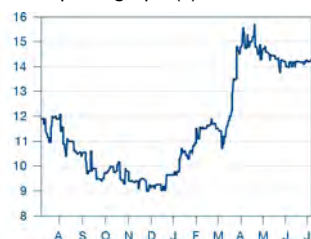
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	25.13	10.73	6.49	N/A	N/A
2010A	87.22	1.89	(5.71)	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Support Services

Price: €14.23  
Price as at 6 July 2012

## Share price graph (€)



## Company description

TMC offers consultancy, technology and ICT services. It deploys subject experts on a project basis to clients in the profit and non-profit sectors, mainly in technology and civil engineering.

## Price performance

%	1m	3m	12m
Actual	1.9	(3.5)	19.6
Relative*	(4.1)	(1.9)	31.8

\* % Relative to local index

## Analyst

Roger Leboff

## TMC Group (ALTM)

Market cap: €56m

## COMPANY COMMENT

Strong FY11 sales growth reflected higher average numbers of Employeneurs, up 10.4%, at higher rates and productivity vs FY10, and a higher rate of direct vs indirect employees. The pick-up also reflects the fact that the FY10 result was affected by Employeneurs working within the Knowledge Workers Scheme, not billable at commercial rates. As a result, the FY11 gross margin (excluding subsidies) increased to 36.1% (FY10: 28.1%), with EBITDA margin also well ahead at 16.9% (FY10: 12.5%). The group proposes to pay a €1/share dividend, 61% of EPS.

## INDUSTRY COMMENT

Over the last few years TMC has cut overheads and shifted its strategic focus to maintaining profitability and capitalising on existing activities and clients. Its focus is its clients' most important, core R&D development, which requires flexible access to technical personnel. Demand from semi-conductor and automotive industries has grown and TMC expects to benefit from recent fiscal initiatives by the Netherlands government to spur innovation.

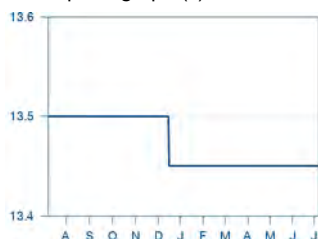
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	42.10	4.70	3.50	N/A	N/A
2011A	52.63	8.04	6.01	N/A	N/A
2012E	53.00	N/A	6.30	1.71	8.32
2013E	57.00	N/A	7.00	1.87	7.61

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €13.45  
Price as at 6 July 2012

Share price graph (€)



Company description

Toolux Sanding specialises in the design, manufacturing and marketing of metal and plastic tool sets. The group's products include screwdrivers, nozzles, multi-use wrenches, trowels and accessories (toolboxes, gloves, etc).

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(0.4)
Relative*	(3.5)	4.6	22.2

\* % Relative to local index

Analyst

Roger Leboff

## Toolux Sanding (ALTLX)

Market cap: €24m

COMPANY COMMENT

Sales fell 12.7% y-o-y in FY11, with profit margins lower post a €0.48m increase in financial expenses and a 56% increase in bank borrowings to €14.7m. Cash balances were healthy at the year end at €4.2m (FY10: €5.7m). Toolux's products mainly consist of injected or extruded handle screwdrivers. Although all sales are contracted in Renmimbi with Chinese distributors, figures are converted into euros at average exchange rates - €1=8.9975RMB for FY11 vs €1=RMB8.98 for FY10.

INDUSTRY COMMENT

Toolux Sanding is a Luxembourg-based holding company incorporated in October 2008. The company is engaged in tool production and operates through its direct subsidiaries Giant Dragon Holding, based in Samoa, and Shaoxing Sanding Tools, based in China. It specialises in the design, manufacture and marketing of metal and plastic tool sets. Its products include screwdrivers, nozzles, multi-use wrenches, trowels and accessories. The products are marketed under third-party names (87% of sales) and under its own brand (13%).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	10.52	0.43	0.30	0.17	79.12
2011A	9.18	0.18	0.15	0.08	168.13
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.19  
Price as at 6 July 2012

Share price graph (€)



Company description

Traqueur specialises in marketing and installing stolen vehicle location products for individuals and vehicle fleet management systems for businesses.

Price performance

%	1m	3m	12m
Actual	26.6	7.9	40.4
Relative*	22.1	12.8	72.1

\* % Relative to local index

Analyst

Richard Finch

## Traqueur (ALTRA)

Market cap: €7m

COMPANY COMMENT

Traqueur looks to be moving in the right direction with higher sales and lower trading loss in each of the last two years, despite harsh conditions. The current period is set to build on this momentum as well as benefit from recent government confirmation of the legality of the company's "Coyote" radar detector (regulatory uncertainty last year is estimated to have cost Traqueur over 5% of overall sales). There should also be a boost from a new range of "Alcotraq" breathalyser kits. The company's secondary activity, fleet management, has shown a welcome resilience with sales up 5% in 2011 and with the advent of key new business solutions.

INDUSTRY COMMENT

The theft detection and recovery market is tied closely to vehicle registrations as buyers of new cars, especially premium ones, are more likely to protect against theft. Encouragingly, while the French market is down 17% in the year to date (CCFA), Mercedes sales are up 14% and Audi and BMW are stable.

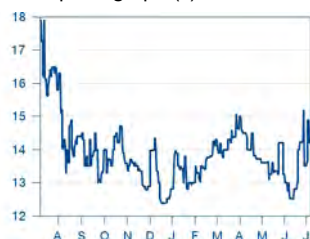
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	16.24	(0.71)	(0.63)	N/A	N/A
2011A	16.69	(0.26)	0.03	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Engineering

Price: €14.20  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Trilogiq produces tubular systems for outfitting production lines that are used to reduce non-productive areas, decrease operator movements, and optimise ergonomics, costs and production times, eg packaging and assembly work stations.

## Price performance

%	1m	3m	12m
Actual	11.4	(2.1)	(20.6)
Relative*	7.4	2.4	(2.7)

\* % Relative to local index

## Analyst

Richard Finch

## Trilogiq (ALTRI)

Market cap: €53m

## COMPANY COMMENT

Trilogiq has done well to hold gross margin in the half to March in the face of a hardening of conditions and greater competition, particularly in Brazil and Mexico. It also significantly curbed the trading margin erosion (attributed to investment in marketing and staff) that had bedevilled the half to September (-35%). Sales in Europe, still much the group's largest division, were up 20% for the year thanks to buoyancy in Germany and Central Europe, a strong pick-up in the UK and expansion in Spain, Italy and Russia. In pursuit of its goal of annual sales of €100m within five years and a clear recovery in gross margin, the company looks, among other things, to grow in the Americas and Africa / Asia and to sell more services.

## INDUSTRY COMMENT

In its latest update in April, the IMF forecast global growth of 3.5% in 2012, recovering to 4.1% next year (4% in 2011). However, it warns that risks remain "elevated", mainly owing to Europe and oil, and that progress in advanced economies will remain sluggish in 2012 (2.1% in US, 2% in Japan and "mild contraction" in the eurozone).

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	44.37	8.57	6.02	N/A	N/A
2011A	55.27	9.18	6.36	N/A	N/A
2012E	61.63	N/A	6.40	1.74	8.16
2013E	66.43	N/A	7.27	1.95	7.28

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Technology

Price: €2.25  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Travel Technology Interactive specialises in the development, publishing and implementing software intended primarily for air transportation.

## Price performance

%	1m	3m	12m
Actual	(21.9)	13.1	(59.8)
Relative*	(24.6)	18.2	(50.7)

\* % Relative to local index

## Analyst

Richard Finch

## TTI (ALTTI)

Market cap: €10m

## COMPANY COMMENT

After a disappointing 2011 (break-even at the trading level in H2) TTI is looking for profitability to pick up in the second half as new clients and rationalisation start to pay off. In addition, its principal market, Brazil (66% of sales last year) remains particularly buoyant, while ReservaWeb, its cost-cutting management system, is newly being targeted at the high-growth Asian market. Management is ready to regard 2011 as a period of consolidation in view of its commitment to long-term investment despite the downturn, Arab Spring disruption and the loss of a few significant clients, which alone accounted for c 15% of group sales. The company had net cash at December.

## INDUSTRY COMMENT

For 2012 IATA forecasts passenger growth of almost 5% (international traffic up 7% in the first five months), assuming no full-scale eurozone crisis and no oil price spike. Expected regional divergence is considerable, with Asia-Pacific buoyancy contrasting with a flat North America and slowdown in Europe.

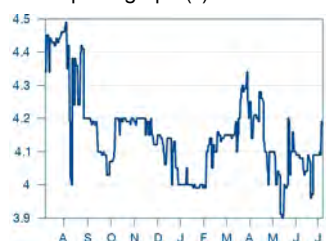
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	12.53	2.72	2.04	0.28	8.04
2011A	10.98	0.64	0.07	N/A	N/A
2012E	12.00	(0.10)	2.50	0.60	3.75
2013E	11.40	N/A	(0.20)	(0.10)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €4.18  
Price as at 6 July 2012

Share price graph (€)



Company description

Turenne Investissement is an investment company that specialises in holding minority shares in unlisted French companies with strong growth potential. It invests jointly with funds managed by Turenne Capital Partenaires.

Price performance

%	1m	3m	12m
Actual	2.2	(0.7)	(2.8)
Relative*	(1.4)	3.8	19.2

\* % Relative to local index

Analyst

Richard Finch

## Turenne Invest. (ALTUR)

Market cap: €20m

COMPANY COMMENT

NAV per share at March was up 3% in the quarter and 6% year-on-year, confirming the robustness of the portfolio. In line with its strategy of disposing of its most mature investments, Turenne has since realised a capital gain of €1.3m on its exit from Globe Groupe (initial investment in 2007). More recently, the company has supported the purchase of AIM-listed Tekka out of receivership. 2011 saw renewed investment activity after a year of consolidation, eg Q3's successful disposal of Webhelp (€1.8m capital gain).

INDUSTRY COMMENT

As a listed vehicle with investments in unquoted companies, Turenne offers investors the opportunity to gain exposure to private equity investment. While such investments are relatively risky, Turenne offers diversification and the chance to piggyback on due diligence conducted by Turenne Capital Partenaires. The manager looks to invest in French companies valued between €10-100m, so Turenne's prospects depend on the French economy.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	N/A	(1.36)	(1.78)	N/A	N/A
2011A	N/A	(1.32)	2.66	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €3.11  
Price as at 6 July 2012

Share price graph (€)



Company description

Tuto4pc.com group specialises in commercial advertising on the internet through a service providing free downloadable software tutorials available to the user, in exchange for agreeing to receive advertisements for its internet browsing.

Price performance

%	1m	3m	12m
Actual	(26.0)	(33.4)	(62.3)
Relative*	(28.6)	(30.4)	(53.8)

\* % Relative to local index

Analyst

Richard Finch

## Tuto4pc.com (ALTUT)

Market cap: €11m

COMPANY COMMENT

Tuto4pc.com expects increasing returns from recent and continuing substantial investment, notably in its tutorial catalogue (it has new topics such as DIY and cookery), platform availability, R&D and international development, (eg Italy scheduled for Q2 after a successful move into Spain a year ago). This follows a difficult H211 when sales reversed their 12% gain of the first half (attributed to a general decline in online advertising revenue in the seasonally important fourth quarter and to one-off difficulties accessing Google's advertising programmes), and trading profit fell by 80% (largely due to said investment costs and sales shortfall). After missed 2011 guidance, there may be caution for now about similar optimism for 2012.

INDUSTRY COMMENT

According to IREP, the French digital advertising market defied tougher conditions with H211 growth of 13%, barely slower than in H1. At 65%, internet penetration in Spain is well below the European Union average and that in France (71% and 77% respectively at end 2011).

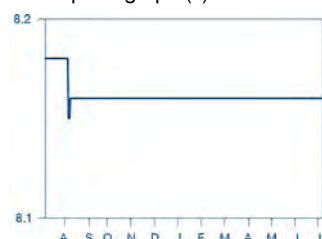
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	7.73	3.18	2.31	11.44	0.27
2011A	7.60	2.00	2.19	0.61	5.10
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Industrial Support Services

Price: €8.16  
Price as at 6 July 2012

## Share price graph (€)



## Company description

TXCOM develops communication solutions for the traceability and thermal printing markets.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(0.2)
Relative*	(3.5)	4.6	22.3

\* % Relative to local index

## Analyst

Roger Leboff

## TXCOM (ALTXC)

Market cap: €10m

## COMPANY COMMENT

The 22% y-o-y fall in FY11 sales (better than the 27% drop in H1) was due to reduced orders from two of TXCOM's largest clients and the impact of a weak US dollar. Profitability benefited from restructuring, including a 31% fall in payroll expense, although the operating margin was 6.0% vs 13.3% in FY10. The medium-term outlook is supported by the strong technology base and contributions from new distributors (Germany, US and South America).

## INDUSTRY COMMENT

TXCOM produces innovative solutions to read and transmit bar code data designed for industry, logistics, transportation and food retail. It has installed over 40,000 radio terminals and c 2,000 local networks in Europe and around the world. Via AXIOHM, it designs, manufactures and sells printing systems for publishing tickets or receipts, which integrate with customer networks applicable for sports, gas pumps and coupon distribution. Its 2010 IPO built visibility among customers, distributors and suppliers and support ongoing investment in R&D.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	9.97	1.33	0.48	0.69	11.83
2011A	7.73	0.46	0.28	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Consumer Support Services

Price: €15.98  
Price as at 6 July 2012

## Share price graph (€)



## Company description

UCAR specialises in short-, medium-, and long-term leasing of touring and utility vehicles for individuals and businesses.

## Price performance

%	1m	3m	12m
Actual	(0.1)	8.0	1.3
Relative*	(3.7)	12.9	24.2

\* % Relative to local index

## Analyst

Richard Finch

## UCAR (ALUCR)

Market cap: €28m

## COMPANY COMMENT

UCAR is going from strength to strength with accelerated deployment of its increasingly profitable franchise model (at least 30 agency openings planned for 2012, against 25 last year) and the prospect of more "white label" work, eg a recent agreement with Audi. This follows a successful 2011 as trading profit all but trebled on sales up 35%, underlining UCAR's operational gearing (fixed costs were impressively stable). In addition to strong finances, which allow rapid expansion as young franchisees are encouraged by the company's investment in their businesses, UCAR is benefiting from the breadth of its rental service, its young fleet, its low-cost positioning and the scale of its network (over 200 agencies).

## INDUSTRY COMMENT

According to Markit, French retail sales are falling "at a worrying pace," with weak demand exacerbated by the presidential elections. Although the OECD expects economic activity to pick up modestly in H2 after a stagnant first half, consumer spending may remain subdued.

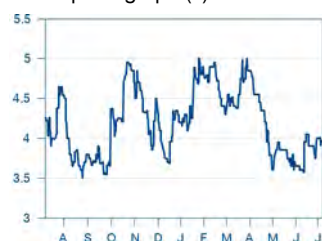
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	44.08	0.77	0.38	0.02	799.00
2011A	59.41	2.22	1.41	0.81	19.73
2012E	47.30	2.60	1.60	0.92	17.37
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Basic Industries

Price: €3.97  
Price as at 6 July 2012

Share price graph (€)



Company description

United Anodisers (formerly Coil) specialises in surface treatment services using continuous and batch anodising, as well as extruded, cast, and laminated aluminium.

Price performance

%	1m	3m	12m
Actual	8.8	(12.7)	(6.1)
Relative*	4.9	(8.8)	15.1

\* % Relative to local index

Analyst

Roger Leboff

## United Anodisers (ALUAN)

Market cap: €7m

COMPANY COMMENT

Strong FY11 performance was built on improved penetration in new emerging markets for major architectural projects in South Korea and China. For the group overall, continuous anodising was 18.3% ahead y-o-y, batch anodising 54.1% better on a like-for-like basis. The UK business recovered well from a sharp FY10 slowdown; an upturn in high-end construction markets drove a 54% underlying increase in UK sales at €7.3m. The 2012 outlook pivots on improved inventories, an upturn in aluminium prices this year and a €22m investment in production capacity in Germany.

INDUSTRY COMMENT

The group's focus on new markets outside Europe, especially emerging economies, has resulted in distribution agreements in North America, South Korea, China, South-East Asia and the Middle East. FY11 efforts are directed towards Indonesia, the Philippines, Vietnam, India and Brazil. The new continuous anodising line at its Bernburg, Germany, production site will enable it to increase production capacity to meet global demand.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	18.50	2.11	1.61	N/A	N/A
2011A	21.90	1.95	1.37	N/A	N/A
2012E	21.50	1.00	1.00	0.60	6.62
2013E	22.20	1.90	1.10	0.61	6.51

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €3.69  
Price as at 6 July 2012

Share price graph (€)



Company description

VDI Group is a distributor of consumable products in the fields of renewable energy and health & safety at work.

Price performance

%	1m	3m	12m
Actual	(0.5)	15.7	26.8
Relative*	(4.1)	20.9	55.5

\* % Relative to local index

Analyst

Richard Finch

## VDI Group (ALVDI)

Market cap: €18m

COMPANY COMMENT

Despite a slowdown in billings in Q2 (flat against +12% in Q1) VDI has newly confirmed its target of 5% net profit margin (before goodwill amortisation) this year and next (4.5% in 2011). Growth is being led by the company's major division, Battery (H1 billings +12%), while a pick-up in Health & Safety activity is expected in the second half. Mindful of tough times, management is intent on ensuring the success of recent investments in Spain and Germany as well as in its domestic network and commercial website (prorisk.fr). Nevertheless, robust finances (37% gearing at December) should allow VDI to remain alert to acquisition opportunities.

INDUSTRY COMMENT

The fragmented nature of the health and safety at work market provides little guidance. However, Bunzl reported that in 2011 its French cleaning and hygiene business saw a return to modest sales growth despite spending cuts in the healthcare and public sectors. Battery demand should reflect consumers' increasingly nomadic lifestyles.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	50.30	2.18	1.17	0.08	46.13
2011A	53.41	3.76	2.42	0.36	10.25
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream



## Sector: Alternative Energy

Price: €8.55  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Velcan Energy specialises in the production of green electricity. The group develops and operates, in India and Brazil, power plants using biomass (agricultural and forest residues) and hydraulic energy.

## Price performance

%	1m	3m	12m
Actual	(5.0)	(17.8)	(46.3)
Relative*	(8.4)	(14.0)	(34.2)

\* % Relative to local index

## Analyst

Roger Leboff

## Velcan Energy (ALVEL)

Market cap: €67m

## COMPANY COMMENT

FY11 was adversely affected by a €3.6m forex impact, realised and unrealised, due to a depreciation in the Brazilian Real, and another €5.9m of provisions post a downgrade of the probability of success of Velcan's five Brazilian projects. More positively, it increased its exclusive rights portfolio in Laos, and progressed concessions in Arunachal Pradesh in India to obtain approval and the necessary clearances for construction. It continues an active search for new projects in South America and SE Asia to improve geographical diversification.

## INDUSTRY COMMENT

The strategy is to become a market leader in up to 200MW hydropower concessions in emerging markets including India, Brazil and Laos. These countries suffer from serious undercapacity in electricity production; particularly India, where an estimated 650 million people do not have regular access to electricity. Undercapacity has led governments to liberalise the state-controlled electricity market, to encourage private and foreign competition.

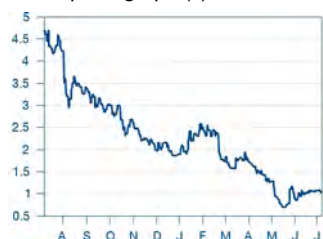
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	3.80	(1.67)	9.00	1.36	6.29
2011A	5.40	(7.14)	(3.10)	(0.49)	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Oil &amp; Gas

Price: €1.03  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Vergnet specialises in the production and installation of wind energy production plants and potable water supply infrastructures.

## Price performance

%	1m	3m	12m
Actual	9.6	(36.0)	(78.0)
Relative*	5.7	(33.1)	(73.0)

\* % Relative to local index

## Analyst

Richard Finch

## Vergnet (ALVER)

Market cap: €10m

## COMPANY COMMENT

In its latest update at the end of April Vergnet confirmed that discussions continue with its main financial and industrial partners with regard to H212 funding, with the explicit warning that their failure might well threaten its ability to operate. In addition, the company is examining all options to optimise its business model in the face of weak demand and intense competition. Efficiencies achieved since the start of the year include the closure of a production site and a cut of almost 20% in wind power staff. H211 saw a sharp escalation in trading loss, largely as a result of delays in the phasing of the company's major Ethiopian contract and a weak Farwind market (H211 group sales were down by a half, in alarming contrast to H1 buoyancy).

## INDUSTRY COMMENT

The move to clean, renewable power can only intensify in view of the EU's binding directive on 20% renewable energy by 2020. France is the fourth-largest market in the EU (Germany and Spain are clear leaders) and has set ambitious objectives well ahead of the EU directive.

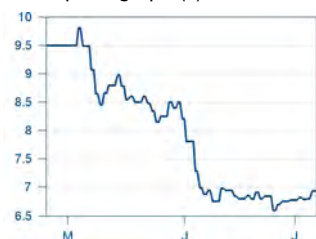
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	82.40	(6.60)	(6.80)	N/A	N/A
2011A	67.70	(9.60)	(18.90)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €6.94  
Price as at 6 July 2012

Share price graph (€)



Company description

Vexim specialises in developing invasive medical instruments used in preventing and treating vertebral fractures. The company offers the SpineJack titanium implant for anatomical restoration of fractures.

Price performance

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

\* % Relative to local index

Analyst

Mick Cooper

## Vexim (ALVXM)

Market cap: €30m

COMPANY COMMENT

Vexim has developed a novel method of treating vertebral compression fractures; studies indicate it is more effective than the standard practice of kyphoplasty. Its SpineJack technology essentially works like a car jack to restore the original height of a vertebra before its Cohesion bone cement is injected to provide support (kyphoplasty uses a balloon to expand the fractured vertebra). Vexim has its own sales force in France and Germany, and uses distributors in Spain, Portugal, Italy, Turkey, Argentina and South Africa. In FY11, sales rose by 10.3% to €1.2m and its net loss was reduced from €5.6m to €5.1m. The company had cash of €312k at FY11 and raised €4.5m at €9.90 per share in its IPO on 3 May 2012.

INDUSTRY COMMENT

The orthopaedic implant market for spinal surgery is estimated to be worth \$9bn. The main growth driver for the sector is technological innovation that leads to increases in prices and procedure volumes, but the effect of austerity measures is limiting market growth.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	1.09	(5.68)	(5.62)	N/A	N/A
2011A	1.21	(5.15)	(5.06)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €0.09  
Price as at 6 July 2012

Share price graph (€)



Company description

Vidéo Futur Entertainment Group specialises in the distribution of paid video content. The group offers a catalogue of audiovisual products to the general public (films, series, etc) in a variety of formats (DVD, internet download, television, etc), on all digital media, and in the magazines and devices on its network.

Price performance

%	1m	3m	12m
Actual	28.6	(25.0)	(48.9)
Relative*	24.0	(21.6)	(37.3)

\* % Relative to local index

Analyst

Richard Finch

## Video Futur (ALVO)

Market cap: €9m

COMPANY COMMENT

Ahead of H1 sales in late July, Videofutur's strategic focus on increasing its subscriber base looks to be paying off with a rise of over 20% in the first quarter and confirmation of its ambitious three-year target of 300,000 subscribers, 10x the current level. Its principal marketing weapon is its Pass Duo, which was launched a year ago and is the only hybrid cinema offering in the French market to couple DVD with video on demand, allowing access to all films six months before they are shown on television and with unprecedented flexibility. Agreement with Sony for distribution on video on demand was secured in April. Videofutur is also intent on expanding its points-of-sale by one a month (34 in March).

INDUSTRY COMMENT

The national film organisation CNC estimated revenue from video on demand in France (one-time payments and subscriptions) to have risen by 44% in 2011, with likely continued strong expansion from the fast-growing availability of films (+11% last year) and increasing VoD awareness.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	8.20	(5.80)	N/A	N/A	N/A
2011A	7.20	(3.90)	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

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Pharma &amp; Healthcare

Price: €5.50  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Visiomed Group specialises in designing, developing, manufacturing, and selling medical materials.

## Price performance

%	1m	3m	12m
Actual	10.0	(1.8)	(26.2)
Relative*	6.1	2.7	(9.5)

\* % Relative to local index

## Analyst

Mick Cooper

## Visiomed Group (ALVMG)

Market cap: €14m

## COMPANY COMMENT

VisioMed has developed and markets several innovative medical devices, which are sold over the counter. Its first product, ThermoFlash (infrared thermometer), was launched in 2007; it has since released many other products, including TensioFlash (blood pressure monitor), Babydoo Cleaners MX5 (an electronic baby nose cleaner) and various diagnostic tests and dental hygiene products. It sells its devices through a network of over 12,000 pharmacies across France. In FY12, sales increased by 22.0% to €12.5m although the net loss increased slightly to €2.3m. Net cash stood at €1.2m in FY11. It has recently launched EthyloFlash (a breathalyser), this should accelerate revenue growth as all drivers in France will have to have a breathalyser in their possession from November 2012.

## INDUSTRY COMMENT

There is an increased demand by consumers for medical devices that can be bought OTC, such as those developed by VisioMed. It is also relatively easy to develop products for this market. However, sales of OTC products are sensitive to the economic environment.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	10.29	(1.54)	(2.07)	N/A	N/A
2011A	12.55	(1.80)	(2.30)	N/A	N/A
2012E	19.00	N/A	0.40	0.16	34.38
2013E	19.00	N/A	1.50	0.57	9.65

Where available, consensus data has been sourced from Thomson Datastream

## Sector: Technology

Price: €4.98  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Vision IT Group offers specialist engineering and consulting services in relation to infrastructure and information system application qualification services.

## Price performance

%	1m	3m	12m
Actual	2.0	1.6	(19.7)
Relative*	(2.9)	3.6	(7.4)

\* % Relative to local index

## Analyst

Roger Leboff

## Vision IT Group (VIT)

Market cap: €34m

## COMPANY COMMENT

Q112 sales were flat y-o-y, but a focus on improving margins resulted in a 20% increase in operating profit. Sales were maintained in France, Vision IT's largest market, as expanded regional sales offset pricing pressure. The BeNeLux was down 5.8%; Netherlands was the weak link, down 15% after restructuring last year, which has returned that operation to profitability. Acquisitions were behind 4.3% growth in Germany. The strategy remains to build on margin improvement and grow recurring revenues, consolidating development across its four key regions. The outlook for H112 anticipates strong growth in profits and EPS.

## INDUSTRY COMMENT

The group intends to seek to capitalise on strong customer demand in recent months and has plans to add employees across Europe, having seen broad recovery in Western Europe last year. Sales are diversified by sector and geography, with newer cloud computing offerings that include SaaS, virtual office, ERP and business application development via a host server.

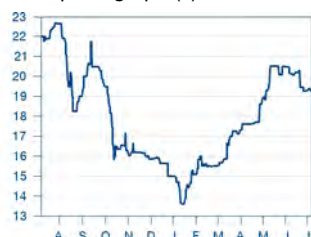
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	106.43	6.02	4.15	0.62	8.03
2011A	117.33	3.91	1.41	(0.20)	N/A
2012E	123.80	5.00	2.40	0.35	14.23
2013E	125.00	6.60	3.60	0.53	9.40

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €19.40  
Price as at 6 July 2012

Share price graph (€)



Company description

Voyagers du Monde is a leading French tour operator, specialising in tailor-made holidays and adventure travel. Marketing is through a network of city-centre 'Cité des Voyageurs' agencies and via the internet.

Price performance

%	1m	3m	12m
Actual	(5.1)	10.2	(11.8)
Relative*	(8.5)	15.2	8.1

\* % Relative to local index

Analyst

Richard Finch

## Voyagers du Monde (ALVDM)

Market cap: €72m

COMPANY COMMENT

In tough times there is arguable relief in the company's latest update at end April: current year bookings are down just 1% (-3% at the same point last year) and there are signs of recovery in Morocco, if not in Egypt. Q1 departures were ahead, if marginally; however, planned expansion of the distribution network is necessarily on hold, and these are early days. 8% like-for-like trading profit gain in 2011 was creditable, given the company's exposure to key North African destinations affected by unrest. Indeed, the MENA impact proved much harsher than the industry expected. Voyagers du Monde's healthy finances will allow further targeted in-fill expansion.

INDUSTRY COMMENT

Trading has remained difficult for French tour operators owing to the slow pace of recovery in North Africa, weak economic conditions and presidential elections. TUI and Thomas Cook both still describe the market as "challenging," with TUI newly reporting winter bookings in this source market down 7% and summer volumes (relatively early in the cycle) down 16%.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	260.50	9.30	6.40	N/A	N/A
2011A	278.30	10.10	5.80	N/A	N/A
2012E	276.10	9.30	5.10	1.52	12.76
2013E	275.77	9.80	5.59	1.63	11.90

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €19.69  
Price as at 6 July 2012

Share price graph (€)



Company description

Weborama provides internet marketing services for advertisers, communication agencies and website publishers.

Price performance

%	1m	3m	12m
Actual	(8.8)	(10.1)	34.9
Relative*	(12.1)	(6.0)	65.4

\* % Relative to local index

Analyst

Fiona Orford-Williams

## Weborama (ALWEB)

Market cap: €67m

COMPANY COMMENT

Weborama's strong growth continued in Q112, with organic gains of 32%. This reflects the success of its geotargeting, ad-serving and behavioural targeting, which are gaining traction with larger clients. There was some impact to FY11 margins from the costs of international expansion, but this should be recovered through operational gearing. The deal newsflow goes on: targeting data being integrated into Google's Invite Media and AppNexus; a strategic partnership with Vivaki for its 'Audience on Demand' product; and a UK JV with Hi-Media, integrating its targeting technology into Hi-Media's ad-exchange platform. Integrated data solutions capability has been increased further with the acquisition of Datavantage.

INDUSTRY COMMENT

Advertisers' use of behavioural targeting continues to gain ground, with 33% of respondents to the regular EIAA survey saying they plan to incorporate it into their strategy. The increasing technological complexity and the shift to more realtime data in ad-serving on web and social networks remain strong underlying trends.

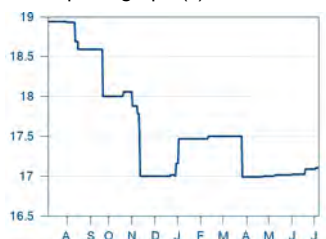
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	15.20	2.89	2.40	N/A	N/A
2011A	22.40	4.10	3.50	N/A	N/A
2012E	14.86	N/A	2.66	0.80	24.61
2013E	21.80	3.90	3.35	1.02	19.30

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €17.10  
Price as at 6 July 2012

## Share price graph (€)



## Company description

Wedia specialises in publishing management software with multi-support content and publication (web, paper, and mobile internet) intended for communication, marketing, and media professionals.

## Price performance

%	1m	3m	12m
Actual	0.5	0.6	(9.7)
Relative*	(3.1)	5.2	10.7

\* % Relative to local index

## Analyst

Roger Leboff

## Wedia (ALWED)

Market cap: €12m

## COMPANY COMMENT

Behind the 2% y-o-y increase in FY11 sales was 13% growth in software publishing to 57% (from 52%) of group turnover, which fully offset a decline in services income. The former's performance reflected new customers such as SNCF, Vollaurec and Areva, plus continued deployment at Bouygues Telecom and Barclays. Acquisitions and customer wins remain key to growth. Recurring revenues run at €2.9m post the acquisition of GESCO in France in February, whose client list included Air France, EADS, Carrefour, Danone, Nestlé, Renault and other international brands. Wedia now counts more than 60% of CAC 40 companies as clients. Its strategy is to grow in international markets, including the US.

## INDUSTRY COMMENT

The group sees opportunities to offer global corporate clients multi-channel marketing and communications advice. It plans and delivers campaigns for print media, web, mobile including brochures, point of sale and email campaigns. Wedia has around 80 employees based in Paris, Gothenburg and San Francisco.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2010A	5.81	0.10	0.12	N/A	N/A
2011A	5.93	(0.15)	(0.29)	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

Where available, consensus data has been sourced from Thomson Datastream

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