

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

First quarter 2010



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Table of contents

Market overview	2
Company profiles	8

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

Edison's analysts have been in contact with the 112 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.

Each NYSE Alternext Quarterly starts with a market overview from Alex Gunz. In this edition, Alex discusses the uncertainty that hangs over the global economy and its stock markets, and examines the outlook for equities.

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Neil Shah
Director of Research

Equity market overview and strategy

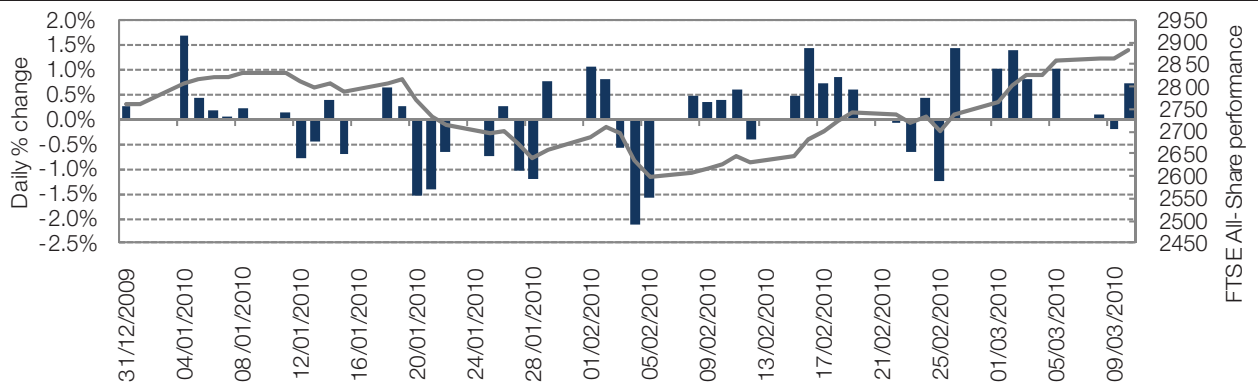
The cloud of uncertainty that hangs over the global economy as well as its stock markets is only slowly beginning to dissipate. The lack of broad direction in equities – which has played out since the start of the year – is indicative of our uncertainty thesis. Macro data points and broad caution from many commentators suggest to us that risk aversion levels are continuing to rise and, against this background, we see little reason to change our sector allocation strategy. Within equities, we remain overweight utilities and telecoms, but can also find favour for basic materials. Meanwhile our core underweight positions are also unchanged, namely, in financials and consumer (goods and services).

How risky is ‘the risk trade’?

The UK stock market has gained just 4.4% year-to-date and has experienced significant volatility since 1 January. Although the FTSE currently stands at a 2010 high, it is worth recalling that 4 February’s one-day fall of 2.1% was the worst daily drop since 2 July. The question that investors are justifiably allowed to ask is whether these price movements simply represent a minor correction to the bull run which began last March (during which time the UK market has gained more than 50%) or are a lead indicator for further impending market pain and equity dislocation.

The answer to this conundrum has clear implications for asset allocation. What seems to be at work, in our opinion, is a crucial debate by investors over how aggressively to take on board risk. Optimists advocate the ‘risk trade’, favouring cyclicals, industrials and emerging markets, whereas pessimists see merits in defensives, high yielders and ‘safe haven’ proxies such as gold.

Exhibit 1: Equities market volatility year-to-date: more days of rises than falls, but much volatility along the way



Source: Datastream, Edison Investment Research

We have argued for some time that recovery scenarios have become increasingly discounted by investors, while visibility on the outlook appears uncertain. Put another way, the case for moving away from the risk trade has been rising. Macro data points from the last month (regarding government borrowing, retail sales, unemployment and the general health of the economy) only serve to reinforce this thesis and inform our core strategy. However, the volatile inter-day movements witnessed in equities also suggest that there is a clear need for investors to be nimbly positioned, especially for those seeking to exploit short-term price changes.

To maximise potential returns, we advocate the following strategy: in broad terms, we favour high-quality growth stocks on modest valuations, and especially those with diversified global exposure. Since we see little merit in advocating the risk trade based on the current macro outlook, our core preference is for stocks in late cycle defensive sectors and those offering high yields, especially telecoms, utilities and healthcare. We have

also favoured gold for some time (Edison has published three in-depth reports on the topic since April 2009) and see it as the optimal hedge against most economic eventualities.

Nonetheless, we do not feel it is constructive to be wholly bearish on the outlook and continue also to favour basic materials. This provides us with some hedge, particularly on scenarios where the risk trade gains credence. More fundamentally, we believe that demand for basic resources will endure and consensus is potentially being too cautious in estimating growth prospects. Valuation for the sector is also compelling. Moreover, to become more positive on equities generally we would need to see not only greater coherence in macro data points, but also a more substantial valuation case. With the UK market on 15.6x 2010 P/E, we do not see equities as being overwhelmingly cheap, more fairly valued, particularly given the outlook.

Overview and outlook: Equities positive (only just); economy negative

It would be fair to say that macro data and news flow in the last month has been predominantly negative, with statistics from both Europe and the US casting a gloomy cloud, while concerns over sovereign debt default also remain substantial.

Although the Bank of England announced on 4 February that its programme of quantitative easing (QE) would be withdrawn (as we had foreseen), it clearly remains concerned about the health of the UK economy, describing it as “sluggish” and the outlook as “fragile.” A subsequent speech by Governor Mervyn King, on 23 February, also seemed to suggest that a return to QE may occur sooner rather than later, while a separate speech by Deputy Governor Paul Tucker on the same day saw him raise the risk of potential stagflation in the UK. Unsurprisingly, sterling fell on this news and is currently at a 10-month low relative to the US dollar. Sterling weakness is obviously positive for exporters, but also somewhat plays to our thesis favouring globally diversified (and preferably defensive) businesses such as Vodafone.

Turning to Europe, Jean-Claude Juncker, prime minister of Luxembourg and previous president of the European Council, echoed Mervyn King’s exact words on 16 February when he described Europe’s economy as “fragile”. At 10%, eurozone unemployment stands at its highest level since August 1998, while inflation has also edged up and the volume of retail trade has disappointed relative to expectations (0.1%, relative to 0.4% estimated for January). The closely watched ZEW and IFO confidence indexes in Germany have also tracked downwards recently, with the ZEW now having fallen for five consecutive months.

The picture in the United States appears little better. Despite the Federal Reserve raising its economic growth forecast range from 2.5-3.0% to 2.8-3.5% for 2010, it retained its estimate for unemployment at 9.5-9.7%. January’s figure was 9.7%. Similar to trends in other developed markets, consumer confidence also seems to be waning, reaching a 10-month low in January, with Americans increasing their savings ratios and major retailers such as Macy’s and Home Depot reporting slower sales. US new home sales in January were also at their lowest level on record.

Above and beyond the deteriorating trends described above, sovereign debt default remains an additional and very prominent concern. The implications of such a scenario matter not just for the real economy, but also profoundly for investors in the stock market. The collapse of Dubai World in December served as a clear warning (indeed, creditors will only receive 60 cents on the dollar) and it is currently far from clear how the current Greek crisis will resolve itself.

Time is a factor for the Greeks, particularly given S&P’s recent debt downgrade to BBB- (one level above junk) and given that €25bn of debt needs to be refinanced by May. Moody’s is also reported (by the *Financial Times*) to be considering a two-notch downgrade to Greece’s debt. At least until there is a coherent Greek resolution, investors have some justification in fearing a contagion effect and it should also not be forgotten that the UK is

set to end 2010 with £180bn of debt (according to the ONS), equivalent to 12.8% of GDP. As a point of concerning reference, Greece's deficit currently stands at 11.8% of GDP.

If further evidence were required to support a move *away* from the risk-trade then it would be the following: in the last three months, the SOV-X iTraxx index, which measures credit default swaps (the cost of insuring against debt default) has more than doubled. This sends a very clear message to investors that both debt and equity are asset classes with high risks. Even if investors in equities are somewhat better placed than those in debt, equity markets can still fall in a scenario where risk aversion levels continue to rise. This again provides credence for our stance of defensive positioning. It is also worth noting that one of the criteria employed by our stock picking tool (*The Illuminator*) is balance sheet strength, and investors should logically consider avoiding highly geared stocks for now.

With such a dismal assessment and future prognosis, it is fair to ask why equities have not fallen further year-to-date. Notwithstanding our own caution, we provide three possible reasons: first, the macro environment is notably more robust than a year ago; second, despite concerns in the developed world, the BRIC economies continue to power ahead and drive much of global demand as well as capital inflows; third, corporate management teams do not seem quite as downbeat as their economist counterparts.

Exhibit 2: Relative performance of major European indices (in percentage points)

	YTD	Last month	Last three months	Last six months	Last 12 months
DJ EURO STOXX	(1.0)	0.5	(2.3)	3.2	48.0
DJ EURO STOXX 50	(0.7)	(0.1)	(3.4)	2.1	47.3
France CAC40	0.2	(1.0)	(0.2)	5.2	46.0
Germany DAX30	1.0	(2.4)	(1.1)	7.3	54.0
Spain IBEX35	(5.1)	(4.2)	(12.0)	(6.6)	43.5
Italy MIBTEL30	(3.1)	(4.1)	(5.5)	(2.9)	48.5
FTSE 100	(0.1)	1.1	1.5	12.2	49.1
FTSE All-Share	(0.9)	1.3	(0.3)	11.8	50.9
UK relative to Europe					
FTSE 100 vs EURO SROXX 50	0.6	1.2	4.9	10.1	1.8
FTSE All-Share vs EURO STOXX	0.1	0.8	2.0	8.6	2.9

Source: Datastream, Edison Investment Research

Investors should note the relative decline in importance of America, Japan and the UK, which now constitute 59% of the Global MSCI by value, down from 73% in 2003 (according to *The Economist*, 9 January 2010). Much of the slack has been taken up by emerging economies, all of which are on track to grow comfortably ahead of the developed world in 2010 (and likely beyond). This again plays to our thesis in seeking global diversity in stock selection.

Finally, the current reporting season provides some insights into corporate confidence. While there has been a mixed picture in the UK and Europe so far, profit warnings are down on last year's levels and management teams (perhaps given their vested interest in seeing share price appreciation) have typically sounded notes of cautious optimism. Deal-making also remains on the agenda: in the UK, Prudential recently announced plans to acquire the Asian assets of AIG in a £23bn transaction, while Babcock has had two offers for VT Group rebuffed. In the US, Schlumberger has announced its intention to complete an \$11.3bn all-share acquisition of Smith International. The IPO market is also showing a few signs of life, with African Barrick Gold set to list imminently in London and companies including New Look and Ocado also keen to move ahead with their own flotations (even if Travelport and Merlin Entertainment have decided to put their listings on hold for now). These trends are encouraging but far from consistent and reinforce our belief in the importance of rigorous stock selection.

Our strategy: Defensiveness to the fore; asset allocation unchanged

Based on the evidence available, we see a somewhat uncertain outlook for equities, even if they potentially represent a more attractive asset class than bonds. At the least, we believe risk appetite has receded, suggesting there are limited merits in the adoption of the much vaunted 'risk trade' strategy. Much of the optimism that characterised sentiment towards the end of last year seems to have dissipated, while near-term visibility seems poor. We also anticipate that the current UK/European reporting season could send a range of potentially conflicting signals to investors.

A case for equities can be constructed premised on valuation (equities are trading on just 1.5x book value, a level last seen after the bubble had burst at the end of the dotcom era) and operating leverage (rising revenues on low cost bases), while further M&A activity would boost sentiment. However, the sceptics have on their side concerns over sovereign debt and rising CDS spreads combined with a spike in volatility, as well as a series of macro trends that potentially point towards a deteriorating outlook.

Against this background, we make three key assertions that have constituted our stance on equities for some time:

- **We advocate adopting a broadly defensive portfolio bias.**
- **We are more confident on global growth prospects than UK growth prospects.**
- **We believe that bottom-up analysis and stock picking will matter more than sector allocation.**

Exhibit 3 shows our preferred sector strategy, which we caution is strictly illustrative since it relates just to hypothetical positioning across UK equities whereas, in reality, investors will likely take into consideration a much broader range of factors.

- Our core underweight sectors are financials and consumer. We are also somewhat cautious on the oil & gas sector, given recent volatile moves in the oil price and disappointing results from the UK majors (BP and Shell) at the start of February.
- Our preferred overweight sectors are primarily defensive, based on yield and value (utilities, telecoms, healthcare). We also favour basic materials, based on valuation and global diversity grounds.

Exhibit 3: Towards a sector weighting

Note: * Edison View; ** All Share benchmark weight.

Position	Weight*	Sector	Weight**	P/E	Yield	YTD	Last month	Last three months	Last six months	Last 12 months
Best	OW	Utilities	3.4%	15.3	5.1%	0.8%	2.8%	6.6%	8.3%	15.9%
	OW	Basic materials	12.4%	14.5	1.0%	8.5%	18.9%	17.2%	36.2%	127.8%
	OW	Telecoms	5.7%	9.9	5.0%	2.1%	5.3%	3.2%	6.2%	27.1%
	OW	Healthcare	7.6%	12.8	4.3%	(0.6%)	5.6%	2.1%	9.8%	30.0%
	N	Technology	1.6%	24.6	1.2%	14.0%	10.3%	17.7%	21.8%	86.1%
	N	Industrials	7.0%	14.3	2.7%	7.3%	9.8%	11.5%	13.3%	55.8%
	N	Oil & gas	18.3%	14.7	4.3%	3.7%	10.2%	8.1%	11.4%	31.1%
	UW	Consumer services	9.7%	15.6	2.7%	4.3%	7.0%	5.7%	10.0%	44.6%
	UW	Consumer goods	11.3%	18.7	3.2%	5.3%	7.6%	9.9%	16.8%	43.6%
Worst	UW	Financials	23.0%	25.5	2.8%	3.8%	10.2%	4.4%	3.5%	92.6%
Average (ex-weight, equal to sum)			100.0%	16.3	3.2%	4.4%	9.6%	7.8%	12.3%	53.7%

Source: Datastream, Edison Investment Research

Underweight financials

We have had structural and valuation concerns over the UK financial sector for some time. While it is fair to highlight that risk premiums have begun to reduce as credit has normalised, certain negatives clearly remain. Some of these have been brought to the fore by the Obama/Volcker banking sector review plans. Another major concern is banks' exposure to sovereign debt in countries potentially at risk from sovereign default. UK-listed banks will have to deal with the challenges imposed by new Basel requirements, increased funding costs, the risk of rising non-performing loans and a generally muted new business environment. The Bank of England also notes that "many banks still have high levels of leverage and unbalanced funding structures" (*Financial Stability Report*, 18 December). On the Bank's own estimates, British banks will need to refinance over £1,000bn in wholesale funding in 2010, which could result in volatility in both the debt and equity markets. It is interesting to note that while we have been negative on financials since Q4 last year, the popularity of the European banking sector among fund managers fell by the biggest margin ever seen in a single month, according to a recent survey conducted by Bank of America Merrill Lynch. Despite such a stance, and the fact that underweight financials has become increasingly consensual, we believe it is still too early to revise our view, especially given impending uncertainties, and while the valuation (the sector trades on 25.5x P/E) remains unconvincing. Nonetheless, recent results from Barclays, RBS and Lloyds do highlight some encouraging trends (particularly lower loss levels), and earnings multiples may begin to compress.

Underweight consumer goods and services

We have been surprised by the 5.3% gain in the consumer goods sector and a 4.3% increase in the consumer services sector year-to-date, with both sectors keeping pace with the UK market (up 4.4%). While post-Christmas trading statements showed generally strong momentum in December, most retailers suggested that 2010 would be a much more difficult year. We concur with the view that retailers will likely face significant challenges over the coming months and would caution investors attempting to look through these issues, especially since valuation for the sector is not compelling in our view. We note that the consumer goods sector trades on 18.7x current P/E and the consumer services sector on 15.6x, with both groups offering sub-market dividend yields.

The macro data points do not present an attractive picture: according to a recent survey from the CBI, UK high street sales in January fell at their sharpest annual rate for five months. Meanwhile, the British Retail Consortium's last report showed the worst growth trend in the month of January for 15 years. While February's figures showed some improvement (like for like sales were up 2.2% year-on-year), growth appears to have been flattered by an easy comparison relative to the same period in 2009.

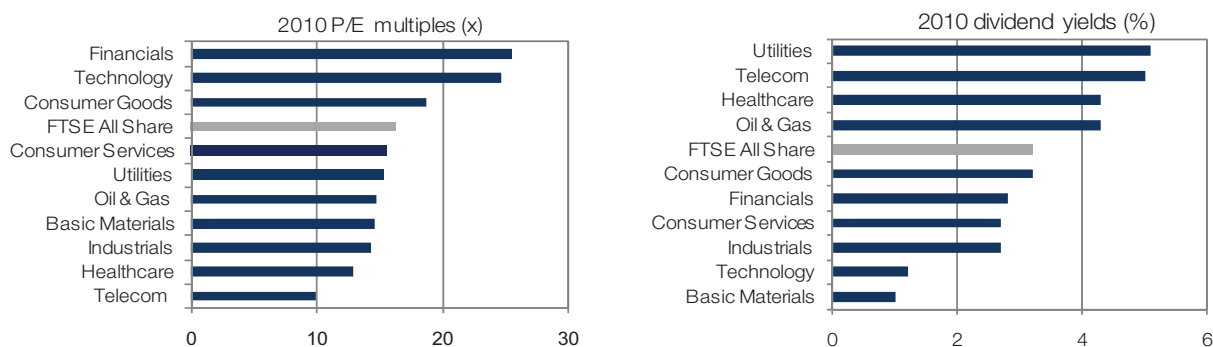
Looking ahead, we see potential for disappointment relating to first quarter trading and struggle to see a strong case for outperformance until management teams can sound a noticeable voice of confidence on visibility and the outlook. While some consumer sub-sectors such as pubs & restaurants, sportswear retailers, bookmakers and advertising agencies may benefit from a football World Cup-related affect in 2010, we do not expect this to be a panacea for the broader industry.

Overweight defensive sectors: Utility, healthcare and telecoms – attractive on yield and other factors

Since the start of the year we have met with approximately 50 institutional investors managing both traditional and alternative funds. The prevailing sense is that if investors have not begun to position themselves short UK equities, then there is a clear move towards the adoption of more defensive sectoral biases, although this has yet to be borne out fully in performance terms. Utilities, telecoms and healthcare have all lagged the broader market on a relative basis year-to-date. In our view, this creates a potential opportunity for investors.

The appeals of such sectors are broadly understood: yield and value, combined with relatively low economic risk. Current dividend yields are 5.1%, 5.0% and 4.3% for the utility, telecoms and healthcare sectors respectively, with all the above sectors also trading on multiples below the UK market average. It is also worth noting the yields described above are still higher than that of the 10-year UK bond (4.1%) and political/currency concerns could suggest that defensively positioned equities constitute bond-like proxies with lower risk.

Exhibit 4: 2010 P/E multiples and dividend yields for UK sectors – defensives screen well on value and yield



Source: Datastream, Edison Investment Research

Overweight basic materials

Despite notable underperformance in January (when the basic materials sector was the UK market laggard, down 6.7%), persistence in our stance on the sector was rewarded in February, when basic materials gained 6.4%. Year-to-date, only technology has outperformed basic materials on an absolute basis. Bears may highlight the risk of the BRIC economies over-heating and potentially tighter policy stifling growth. Nonetheless, even if further volatile swings in basic resources stocks may be witnessed, we believe a strong case can be made for the sector. Above and beyond fundamentals, valuation (basic materials trade on 14.5x current P/E) and potential scope for M&A also inform our positive sector stance.

Our contention remains simply that as the (emerging) world industrialises, demand for basic resources will endure and consensus is potentially being too cautious in estimating growth prospects. As a reminder, the Chinese economy grew by 10.7% in Q4 (and 8.7% in 2009), and is soon set to overtake Japan as the world's second largest economy. Comparisons between the Japanese economy of the 1980s and China today are both facile and misplaced in our view, with significant potential for China still to build out its infrastructure, especially in more rural areas. Over 200 cities in China have more than one million inhabitants, but fewer than 40% of these have airports or roads that extend more than 20 miles beyond the urban boundary. GDP estimates for 2010 assume that the Chinese economy will grow by 9.6% with India close behind (7.3%). Based on analysis by *The Economist*, both these estimates have been upgraded year-to-date, with analysts forecasting growth rates of 8.6% and 6.3% for China and India respectively at the start of the year. While current forecasts are not quite so attractive for Brazil and Russia, both continue comfortably to outpace their Western peers.

Conclusions

The cloud of uncertainty looming over the economy as well the stock markets refuses to dissipate. The lack of direction in equities – which has broadly played out year-to-date – is indicative of our uncertainty thesis. Recent macro data points and broad caution from many commentators suggest that risk aversion levels continue to rise. Within equities, we remain overweight utilities and telecoms, but can also find favour for basic materials. Our core underweight positions are in financials and consumer (goods and services).

Sector: Media & Entertainment

Price: €30.63

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	(2.5)	12.3	44.5
Relative*	(10.6)	7.4	(2.3)

* % Relative to local index

Analyst

Fiona Orford-Williams

1000mercis (ALMIL)

Market cap: €95m

COMPANY COMMENT

Founded in 2000, 1000mercis grew rapidly and continues to outperform, with ex-France sales growing particularly strongly. Like-for-like growth in 2009 was 10% against a French online advertising market that slowed to 8% growth. The group has a technically led approach (e-CRM, statistical analysis and dB engineering), assisted by an advisory committee. Mobile marketing now accounts for 27% of revenues, with growing consumer acceptance. The high-profile client list includes Expedia, BNP Paribas, TF1 and Yahoo!.

INDUSTRY COMMENT

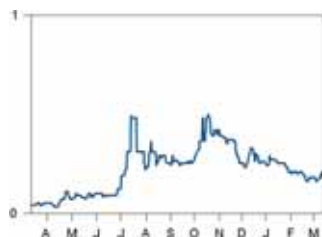
In France online advertising grew by 8.2% in 2009, against an overall market down by estimates of as much as 10%. The latest EIAA Ad Barometer shows expectations for online adspend to grow 7.6% in 2010, bouncing to 15% the year after. The number of mobile internet users continues to grow, particularly among a younger, male, urban, educated demographic. Large advertisers are allocating their budgets increasingly on a pan-regional basis, rather than by country.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	7.28	3.37	2.81	N/A	N/A
2008A	23.40	8.60	6.00	N/A	N/A
2009E	27.93	8.00	5.70	2.00	15.32
2010E	31.47	8.70	6.07	2.24	13.67

Sector: General Retailers

Price: €0.20

Share price graph (€)



Company description

1855 is a French online distributor of high-quality wines sold to individuals. Through its website, the company offers a varied selection of Bordeaux wines, Bordeaux Primeurs (young) wines, champagne, Burgundy wines, Rhône wines, Languedoc wines, and other wines from France and other countries (Australia, New Zealand, etc).

Price performance

%	1m	3m	12m
Actual	(4.8)	(39.4)	400.0
Relative*	(12.7)	(21.1)	238.2

* % Relative to local index

Analyst

Fiona Orford-Williams

1855 (AL185)

Market cap: €23m

COMPANY COMMENT

Revenue growth in 2009 was 22% (+35% in H109). Operating costs were cut back 25% early in the year and marketing efforts, including own brands and regular tastings, stepped up. H109 included delivery of the 2005 Bordeaux en primeur, some of which had been delayed following the earlier credit problems. Average bottle price in H109 was high-end at €25, with an average basket of €1,200 (ie four cases). A private placing in February 2010 raised €9m at €0.18. The group has the highest traffic statistics of the French online wine retailers.

INDUSTRY COMMENT

1855 is one of the three largest online retailers in its domestic market with Wineandco and ChateauOnline. French online sales of wine are growing well ahead of the (weak) market and are estimated to have reached €237m in 2009, up from €176m in 2008. Domestic consumption levels, though, are falling, with 2008 Ministry of Agriculture statistics showing average volumes down 4l to 43l per head, confirmed by Vinexpo's finding of consumption down 8.3% over 2004-08.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	10.10	N/A	(8.04)	N/A	N/A
2008A	10.07	N/A	0.00	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price: €1.12

Share price graph (€)

**Company description**

Adomos is the French leader in internet distribution of investment real estate assets. The group is also involved in publishing professional real estate ads in free publications and on the internet through quoted subsidiary Acheter-Louer.

Price performance

%	1m	3m	12m
Actual	5.7	(3.4)	198.8
Relative*	(3.1)	25.4	102.1

* % Relative to local index

Analyst

Roger Leboff

Adomos (ALADO)

Market cap: €14m

COMPANY COMMENT

Adomos reported a strong recovery in core revenues in H209, up 201% y-o-y, with bookings 125% higher for the period. The outlook for FY10 is positive. Reservations at end-FY09 were double the figure 12 months earlier, while €2.5m of new capital and of recent cost cutting should assist profitability. The group's web-based solutions had a tough year as real estate agents cut their budgets, but recent investment leaves it well placed for market recovery. Results are due 23 April.

INDUSTRY COMMENT

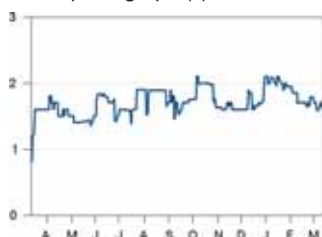
Market recovery is likely to be helped by recent French government initiatives such as the new Scelier Law, a tax incentive scheme launched on 1 January to encourage investment in rental property. The group's Acheter-Louer.fr division should benefit from its market leading positions in key areas, such as the Ile-de-France (Paris metropolitan area) free press.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	20.24	1.11	3.84	0.37	3.03
2008A	16.10	(1.28)	(5.35)	(0.51)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €1.75

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	2.9	(5.4)	116.0
Relative*	(5.6)	8.3	46.1

* % Relative to local index

Analyst

Fiona Orford-Williams

ADTHINK Media (ALADM)

Market cap: €9m

COMPANY COMMENT

ADTHINK Media has grown sales strongly since inception in 2001 and we expect figures for 2009 shortly. Web-publishing services (building sites, directories, portals and games) contributed 75% of H109 revenues, with the balance coming from managing advertising services for website owners, SEM and SEO. A significant increase in advertising expenditure (+22% over H108) and 10 additional employees took their toll on the first-half result, although the investment has been delivering significant extra traffic to the sites.

INDUSTRY COMMENT

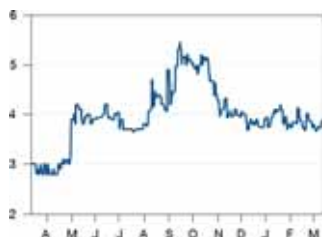
Internet penetration is estimated to have reached 65.7% of the French population, with a very high proportion of users (93%) having high-speed access. The advertising market is still led by press and TV, but online's share of spend continues to grow, up 8.2% in 2009 against a market thought to be down almost 10%. Current projections are for the French online advertising to grow 7.6% in 2010, growing to over 15% in 2011.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	8.65	0.95	(0.34)	N/A	N/A
2008A	15.58	0.69	0.32	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €3.88

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	0.3	(0.5)	31.5
Relative*	(8.1)	(30.9)	(11.0)

* % Relative to local index

Analyst

Fiona Orford-Williams

Adverline (ALADV)

Market cap: €20m

COMPANY COMMENT

2009 results are expected shortly and should show some recovery over H1, when sales suffered from the loss of key client, ADSL, and a hiatus in business from Orange. Adverline's largest revenue stream is Micropayment through its brand Optelo (40% FY08). A strategic partnership has recently been set up with US company Cellfish, which will launch new applications supporting micropayment through smartphones. The aggregate audience for the group's advertising network is one of the largest in France, with 20 million monthly visitors and an estimated reach of around half the potential audience.

INDUSTRY COMMENT

E-commerce figures for 2009 show growth of 26% to over €25bn, with industry body Fevad expecting €30bn in 2010. The number of transactions grew 31%, offset by a small reduction in average basket. The number of people in France making web-based transactions grew by 9% but the proliferation of new commercial sites continues apace with 64k new sites in the year, up 35%.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	21.19	3.44	0.85	0.20	19.40
2008A	24.55	4.53	3.11	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Alternative Energy

Price: €14.30

Share price graph (€)



Company description

Aéro watt is one of France's leading producers of electricity from renewable energy. Revenues are generated primarily from wind power.

Price performance

%	1m	3m	12m
Actual	0.7	(9.5)	39.4
Relative*	(7.7)	(7.5)	(5.7)

* % Relative to local index

Analyst

Richard Finch

Aéro watt (ALWAT)

Market cap: €24m

COMPANY COMMENT

A particularly strong end to the year (Q4 energy sales up 69%) will help to confirm Aerowatt's October forecast of a step-change in financial performance in 2009 (namely, EBITDA +66%), thanks to its vigorous and sustained programme of expansion (in 2009 a 40% rise in wind capacity and a doubling in solar). Consequently, high gearing and an unhelpful stock market point to Aerowatt's investment being supported, at least temporarily, by minority partners in projects.

INDUSTRY COMMENT

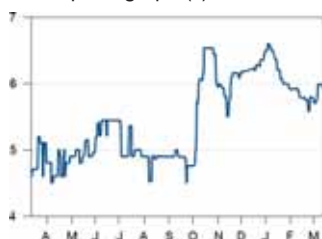
In 2008 for the first time more wind power was installed in the EU than any other power technology, reflecting the move to clean, renewable power. This trend can only intensify in view of the EU's binding directive on 20% renewable energy by 2020. France is the fourth-largest market in the EU (Germany 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)
2007A	7.09	0.54	(0.65)	(0.46)	N/A
2008A	7.64	0.61	(0.10)	(0.89)	N/A
2009E	10.93	2.50	0.38	0.18	79.44
2010E	18.99	5.90	1.91	1.16	12.33

Sector: Media & Entertainment

Price: €5.91

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	2.2	(4.8)	28.5
Relative*	(6.3)	14.2	(13.1)

* % Relative to local index

Analyst

Fiona Orford-Williams

Antevenio (ALANT)

Market cap: €25m

COMPANY COMMENT

Preliminary sales figures for 2009 show a fall of 16%, unsurprising given the Spanish economy. However, this masks the strong performance in the portals business, the focus of recent investment that has driven revenues 52% to reach 24% of group sales. This will also benefit gross margin. The sound balance sheet, with net cash of €8.5m at end June, has funded new offices in Buenos Aires and Paris and the acquisition of Shopall, an online shopping comparison site, for €1.4m plus up to €0.5m in deferred consideration. Full figures will be published on 21 April.

INDUSTRY COMMENT

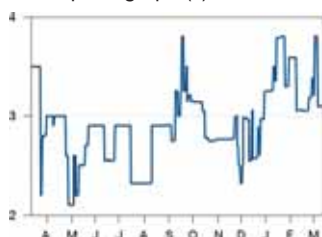
By mid-2009, 54% of Spanish households had internet access, nearly all with broadband. Growth has been comparatively slow due to relatively high prices and slow speeds, with most broadband users having bundled arrangements. Spain is one of the worst-hit advertising markets in 2009 and no early recovery is expected, with Carat anticipating a further 2% drop in 2010 after a dramatic fall of 19% in 2009.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	13.69	2.11	1.89	0.45	13.13
2008A	19.36	3.44	2.88	N/A	N/A
2009E	16.10	1.90	1.00	0.25	23.64
2010E	21.30	2.90	1.80	0.43	13.74

Sector: Support Services

Price: €3.10

Share price graph (€)



Company description

Aquila is a top three French alarm assistance and response supplier. The main services provided are alarm response and remote surveillance, security guard services, site surveillance and the provision of services to individuals.

Price performance

%	1m	3m	12m
Actual	1.3	21.6	(11.4)
Relative*	(7.1)	(2.1)	(40.1)

* % Relative to local index

Analyst

Richard Finch

Aquila (ALQU)

Market cap: €5m

COMPANY COMMENT

12% higher full-year sales and a decent interim margin gain confirm Aquila's ability to outperform an endemically tough market. Given this momentum and the visibility provided by the increasing proportion of contracted income from national accounts, management expects an improvement in 2009 profit despite a strong H2 comparative. High brand awareness and contract retention support continued progress in 2010, notably double-digit sales growth, while efficiencies should offset pricing pressures.

INDUSTRY COMMENT

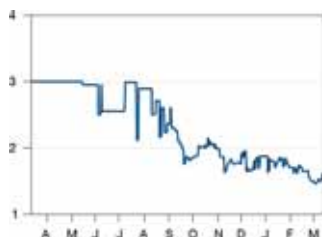
Alarm response has been one of the most buoyant segments of the French security industry, but is also notoriously unprofitable owing to a price war engendered by a proliferation of very small uneconomic players. The industry is now changing in response to customer demand for added-value services, eg prevention as well as intervention, which may allow the majors at least to mitigate the impact of the economic downturn. The bundling of services provides scope for better contract retention and pricing and, consequently, earnings visibility.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	9.71	0.65	0.51	0.31	10.00
2008A	10.02	0.51	0.39	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €1.58

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	(7.1)	(4.8)	(48.2)
Relative*	(14.8)	(28.4)	(65.0)

* % Relative to local index

Analyst

Roger Leboff

Arkoon Network Sec. (ALARK)

Market cap: €9m

COMPANY COMMENT

The tough trading environment was reflected in a 23% y-o-y fall in sales in FY09, to €9.7m. The Data Security business was most resilient with €3.23m sales (FY08: €3.3m), just 2% down. Network Security was harder hit by the investment downturn, off 30%, while non-France sales fell 59%. After the acquisition of SkyRecon Systems in November and a €2.3m share issue, ANS ended FY09 with €4.7m net cash. FY09 results are due 23 March.

INDUSTRY COMMENT

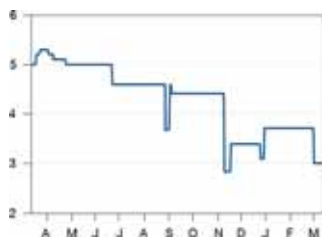
ANS develops applications to protect networks and infrastructures, communications and information. It targets top- and mid-tier European and global customers, both corporate and governmental, via a network of over 150 partners. Acquisitions such as SkyRecon (2009) and MSI (2006) were designed to consolidate ANS's position as a leading player in end-to-end security solutions. The group's established base comprises 10% of the French infrastructure and network security market and 20% of its data security market. It has more than 4,000 clients in 57 countries.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	12.39	0.55	0.85	0.19	8.32
2008A	12.56	0.09	0.45	0.10	15.80
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €3.00

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	(19.4)	(11.5)	(40.1)
Relative*	(26.1)	(35.6)	(59.5)

* % Relative to local index

Analyst

Roger Leboff

Assima (ALSIM)

Market cap: €26m

COMPANY COMMENT

H109 sales of £6.7m were down 7% on the same period last year, due mainly to a decline in training service activities, which were particularly weak in the US and Ireland. Product sales (license and maintenance) were slightly down at £2.5m. The period was also affected by exchange rate volatility, especially sales to the UK, and currency affects cut up to 0.4m from EBITDA (loss of £262k). Assima hopes to maintain sales growth in 2009, but lower operating costs and greater emphasis on the use of large integrators/OEMs to drive the bottom line.

INDUSTRY COMMENT

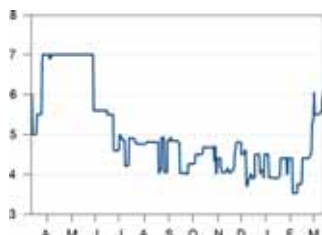
The group sees continued demand for its technologies as broad functionality improves customer ROI. This is countered by the affect of the global financial crisis on corporate IT budgets. A 'carefully confident' 2009 outlook is focused on its strengthened partnerships with both major integrators on SAP projects and OEM partners.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	Net income (£m)	EPS (£)	P/E (x)
2007A	11.17	(0.24)	(0.19)	(0.02)	N/A
2008A	14.05	0.38	0.08	0.01	262.37
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Investment Companies

Price: €6.10

Share price graph (€)



Company description

Assya Capital is an investment company with holdings in medium-sized listed and unlisted companies.

Price performance

%	1m	3m	12m
Actual	62.7	52.5	1.7
Relative*	49.1	20.3	(31.2)

* % Relative to local index

Analyst

Richard Finch

Assya Capital (ALASS)

Market cap: €32m

COMPANY COMMENT

It is to management's credit that diversification of the portfolio (12 holdings) limited the fall in H109 NAV per share to 9% (€9.41 against €10.27 at December 2008), following the re-listing of Group Ares after its emergence from court protection. Similarly, Assya's investments in hotel real estate (36% of portfolio value) outperformed a difficult market, with a decline of just 5%. H209 saw the disposal of the holding in Groupe Ares. Management is non-committal about prospects other than being evidently alert to opportunities.

INDUSTRY COMMENT

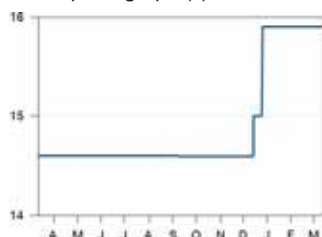
Assya Capital takes majority, or significant minority, positions in medium-sized quoted and unquoted companies across Europe. Investments are made over three to five years, during which time management takes an active interest. Assya offers the opportunity to gain exposure to private equity investment, via a listed vehicle, which has diversification benefits as well as a degree of safety from the inclusion of quoted companies in the portfolio. Assya invests across a range of sectors, but retains a significant real estate element within the portfolio.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	12.90	10.94	8.51	1.65	3.70
2008A	2.53	(8.16)	(21.57)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €15.90

Share price graph (€)



Company description

Astellia specialises in the design, manufacturing and marketing of hardware material and software solutions dedicated to optimising network performance and quality of service (QoS) for mobile telephone operators in France and other parts of the world (66% of sales).

Price performance

%	1m	3m	12m
Actual	0.0	9.0	8.9
Relative*	(8.3)	3.2	(26.3)

* % Relative to local index

Analyst

Roger Leboff

Astellia (ALAST)

Market cap: €40m

COMPANY COMMENT

Astellia's international sales were responsible for a small y-o-y improvement in FY09 turnover. French revenues at €6.4m were down 25%, but it added 27 new customers with particular success in the Middle East, South America and the Caribbean. That pushed up international sales to €19.1m, 17% ahead of FY08. The outlook is optimistic on the back of €30m business secured in FY09 and a strong order book.

INDUSTRY COMMENT

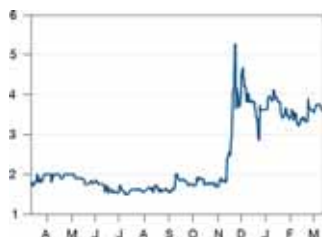
The group's hardware and software is used by more than 180 mobile operators and equipment manufacturers to optimise network performance and customer service quality. The product portfolio covers existing mobile technologies (2G/2.5G/3G), and is ready for Next Generation Networks (NGN). The group is positioned to capitalise on the increase in data traffic driven by increased Smartphone adoption and further growth in mobile users worldwide. Target markets for 2010 include India, Gulf countries, Russia and the Americas.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	24.99	3.21	2.90	1.14	13.95
2009A	25.56	1.05	2.10	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: €3.61

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	9.5	(2.5)	105.3
Relative*	0.4	90.0	38.9

* % Relative to local index

Analyst

Charles Gibson

Auplata (ALAUP)

Market cap: €61m

COMPANY COMMENT

Auplata operates two mines in French Guiana (Yaou and Dieu Merci), with one more (Dorlin) scheduled for production in the near term. JORC-compliant resources consist of 0.5Moz in the 'indicated' category and 2.4Moz in the 'inferred' category. A study in 1998 identified a further 0.1Moz in tailings at Dieu Merci, plus a further 0.08Moz at surface over eight (out of 67) hectares. Output was 8,874oz in FY09 (vs 10,899oz in FY08 and 27,875oz in FY07). Although loss making, metallurgical recoveries from a new recovery process based on thiosulphate have been encouraging (c 48% vs 29% previously), which has allowed the company to refinance itself with a view to developing the process on a large scale. Target production is 968-1,608oz Au per month at a cost of c US\$547/oz.

INDUSTRY COMMENT

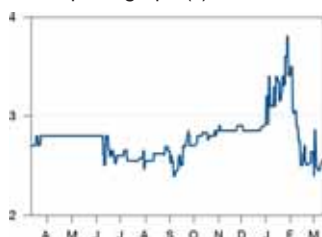
In addition to its mining initiatives, Auplata is in the process of buying 703 sq km of exploration ground from Golden Star Resources to take its total to c 1,000 sq km.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	14.15	(3.33)	(3.42)	(0.40)	N/A
2008A	6.44	(7.02)	(12.15)	(0.99)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: General Retailers

Price: €2.55

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	2.0	(10.5)	(6.6)
Relative*	(6.5)	(7.1)	(36.8)

* % Relative to local index

Analyst

Richard Finch

Auto Escape (ALAUT)

Market cap: €13m

COMPANY COMMENT

The 3% setback in sales in the all-important summer half converted into operating profit down by a third in the year to September. Unsurprisingly, given reduced visibility through later booking that mocked management confidence about a double-digit sales increase in FY09, there is no forecast for the current period, which has begun quietly with sales up 3% in Q1. The company continues its strategy of international expansion, with a move across Scandinavia and a growing internet presence (48% of Q1 bookings against 28% a year earlier). Finances remain secure.

INDUSTRY COMMENT

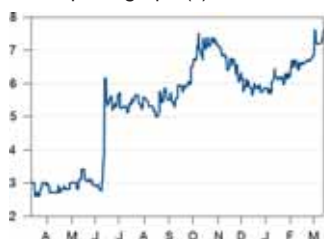
Growth in the car rental industry is closely linked to general economic conditions and, in respect of airport rentals (42% of the market), to airline passenger growth. IATA forecasts a 5% rise in traffic in 2010 after an unprecedented 3.5% decline last year. Auto Escape is exposed to the leisure rather than to the more sensitive business rental market and, as a broker, is not burdened by fleet ownership.

Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.57	0.65	0.50	0.10	25.50
2009A	27.63	0.43	0.00	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Food & Drink

Price: €7.60

Share price graph (€)



Company description

Brossard designs, produces and markets cakes, pastries and frozen products.

Price performance

%	1m	3m	12m
Actual	15.9	29.9	154.2
Relative*	6.2	21.0	71.9

* % Relative to local index

Analyst

Fiona Orford-Williams

Brossard (ALBRO)

Market cap: €43m

COMPANY COMMENT

First-half results to December show a lesser rate of decline at 5%, but with substantial improvement in operating margins from 8.5% to 11.7%, helped by progress in new products, export and catering markets. At the pre-tax level, a reduction in group debt and lower interest charges has made an even greater difference, although the extent will not be fully appreciable until publication of the full figures. The group will again be investing in sponsoring the Olympics.

INDUSTRY COMMENT

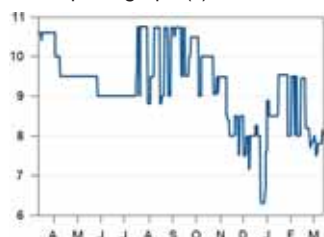
Carrefour, Intermarche, Leclerc, Systeme U, Auchan and Geant Casino are estimated to account for around 75% of the French food retail market. This group constitutes a bigger cohort than in most European territories, largely a function of the regulatory framework, with strict planning restrictions that many expect to be loosened. The Galland law (allowing suppliers of branded goods to set price floors) discouraged private label, a situation rapidly being reversed, with private label up 2.1% to 32.3% of retail sales (Kantar).

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	132.94	6.65	0.89	0.16	47.50
2009A	118.90	7.51	0.94	N/A	N/A
2010E	118.90	7.18	2.72	0.34	22.35
2011E	128.56	9.12	1.90	0.45	16.89

Sector: Technology

Price: €8.00

Share price graph (€)



Company description

BSB specialises in publishing software programs for the finance sector. The group is organised around two areas of activity: the sale of software, and services.

Price performance

%	1m	3m	12m
Actual	(15.3)	0.0	(24.5)
Relative*	(20.6)	(21.1)	(51.9)

* % Relative to local index

Analyst

Roger Leboff

BSB (BSB)

Market cap: €17m

COMPANY COMMENT

BSB reported a stable H109 in line with management's expectations. Turnover of €11.8m was up 12% y-o-y. It signed six new software clients in the period, and the services operations also performed well, particularly in relation to SAP, benefiting from a strong public sector presence. The statement anticipated a positive H209 outcome and turnover of €24-28m for the full year (FY08: €21.8m).

INDUSTRY COMMENT

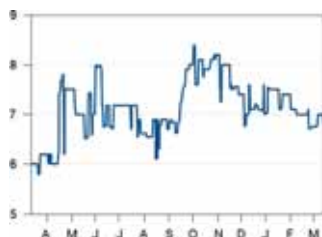
BSB's portfolio comprises applications for asset management and for life insurance policy administration. These are backed by remote access, consultancy services, bespoke applications and integration with partner solutions (SAP, IDIT). Its software and IT services products are targeted at banks and insurance companies in Belgium, France and Luxembourg. It has over 50 clients, including Axa Bank, Axa Insurance, AG Insurance, ABN Amro Life, Carmignac Gestion, Carrefour, Dexia Bank and ING Life. BSB intends to use its platform to expand into new international markets.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	16.56	0.72	0.35	0.20	40.00
2008A	21.76	1.59	0.98	0.40	20.00
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €6.81

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(2.7)	(4.2)	13.5
Relative*	(10.8)	(5.9)	(23.2)

* % Relative to local index

Analyst

Richard Finch

Budget Telecom (ALBUD)

Market cap: €24m

COMPANY COMMENT

Stabilisation is very much the message as the sharp dip in Q209 sales (-18%) continues to be stemmed (Q4 -7%) despite tough conditions. Budget Telecom is optimistic that its subscriber base (over 140,000), newly-enhanced distribution and range of services provide resilience (H209 profit is expected to exceed that of H1) and the ability to exploit recovery. The acquisition of KAST Telecom last summer strengthened the core operation and should help to boost margin through better group buying.

INDUSTRY COMMENT

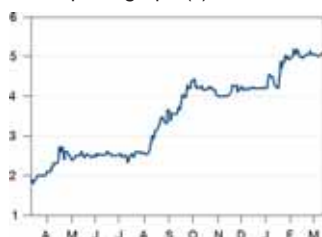
Across all western economies, pressure on fixed-line revenues continues. However, there is still a major opportunity for alternative telecoms service providers that can typically offer better pricing than incumbents, but also offer innovative services and high customer support levels.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	21.54	3.05	2.58	0.73	9.33
2008A	26.20	4.80	3.20	0.97	7.02
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price: €5.10

Share price graph (€)



Company description

CBo Territoria develops, promotes and manages residential and business real estate on La Réunion Island.

Price performance

%	1m	3m	12m
Actual	2.2	21.4	168.4
Relative*	(6.3)	30.2	81.5

* % Relative to local index

Analyst

Roger Leboff

CBo Territoria (ALCBO)

Market cap: €162m

COMPANY COMMENT

FY09 saw strong turnover growth, up 340% to €59.9m. The major component was property sales of €47.6m (FY08: €10.8m), but also a 39% increase in gross rents to €8.8m, mainly the first full-year contribution from residential completions in 2008. The outlook includes a framework agreement for a €175m project of 1,200 housing units by 2013 and an eight- to 10-year €400m plan to design and build a 'new town' in partnership with the town of Sainte-Marie. FY09 results are due for release on 25 March.

INDUSTRY COMMENT

CBo holds a portfolio of commercial space and residential units on La Réunion Island in the Indian Ocean. Revenues are derived from rents, development, sales and management of the property. La Réunion has experienced dynamic GDP growth (at an average of more than 4.4% a year for the last decade), post government efforts to increase tourist revenues and reduce dependence on agriculture, particularly sugar cane.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	23.27	17.38	12.52	0.50	10.20
2008A	20.30	20.50	14.60	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

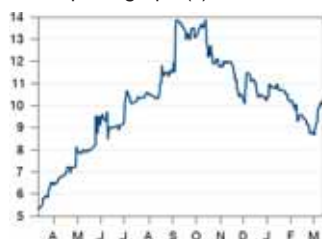
Sector: Pharma & Healthcare

Cellectis (ALCLS)

Market cap: €116m

Price: €10.05

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	5.2	(9.9)	89.3
Relative*	(3.5)	(30.0)	28.0

* % Relative to local index

Analyst

Robin Davison

COMPANY COMMENT

Cellectis reported a 14% increase in FY sales to €12.1m; sources of revenue are said to be more diversified, compared with 2008 when 70% of revenue resulted from a single research collaboration with Regeneron. Increased investment in pre-clinical R&D resulted in a 48% increase in operating costs. Highlights of this period included creation of plant meganuclease subsidiary in Minneapolis (Cellectis Plant Sciences), signature of a research agreement with BASF Plant Science, and a five-year contract with INRA (Institut National de la Recherche Agronomique). The financial detail of these agreements is unknown, although Cellectis has a strong cash base of €45.6m, partially due to a €20m fund raising in 2009.

INDUSTRY COMMENT

Cellectis's activities are based on genome engineering, an in-vivo method for modifying an organism's genetic data. It has a effective tool for the precise re-programming or correction of genetic material and chromosomes.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	1.45	(5.33)	(2.99)	(0.33)	N/A
2008A	10.60	(3.45)	0.13	0.01	1005.00
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

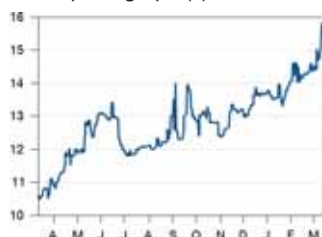
Sector: Support Services

Clasquin (ALCLA)

Market cap: €35m

Price: €15.36

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	8.6	15.2	44.9
Relative*	(0.5)	18.3	(2.0)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Q409 saw a clear return to growth in the volume of shipments (+8%) after five quarters of decline. However, gross profit continued to fall but against a particularly tough comparative and much more slowly than in Q3 (-4% against -17%). The full-year gross profit decline of just 9% is impressive, given the unprecedented collapse in global trade. Clasquin's strong market position, especially in Asia, the quality of its clients and its ability to grow the average value of shipments should sustain outperformance as conditions improve.

INDUSTRY COMMENT

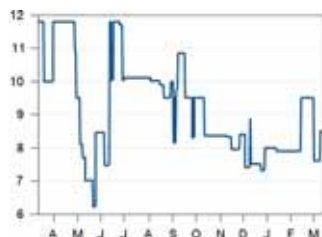
The World Trade Organisation has reported a 12% trade decline in 2009, the largest contraction for 60 years. This compares with growth of 6% in 2007 and 2% in 2008 as conditions worsened. Unusually, the downturn has been simultaneous across the world with developing countries, once thought less vulnerable, badly affected owing to their reliance on trade for growth. The WTO has made no forecast for 2010 apart from noting a pick-up led by China.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	127.49	3.31	2.56	1.15	13.36
2008A	150.90	6.10	3.87	1.73	8.88
2009E	112.35	5.00	3.10	1.46	10.52
2010E	119.20	6.00	3.95	1.73	8.88

Sector: Alternative Energy

Price: €8.50

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(10.5)	13.3	(28.3)
Relative*	(18.0)	(25.7)	(51.5)

* % Relative to local index

Analyst

Stephen Rogers

CNPV (ALCNP)

Market cap: €43m

COMPANY COMMENT

The company has announced a series of strategic partnerships in the last few months. The most recent was announced in March with South Korean photovoltaic company, Techbank Company Limited. Under the terms of the arrangement, CNPV will supply 36MWp of PV modules between 2010 and 2012. The deal follows similar arrangements with Photovoltaic Experts and Volthaus of Germany, as well as Delta Sud of France and Edisun Power Europe of Switzerland earlier this year. Despite these announcements, the shares trade at close to its 52-week low.

INDUSTRY COMMENT

Virgin polysilicon prices have been weak in 2009, bottoming at 47% down on end-2008 prices. We believe this will be a short-term effect, with an improvement in the industry, as demand increases due to lower prices and government regulation in many regions across the globe feeds through to producers.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	0.00	(0.12)	(0.11)	(0.02)	N/A
2008A	48.90	7.13	0.12	1.26	6.75
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Food & Drink

Price: €1500.00

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	3.8	13.1	16.7
Relative*	(2.7)	(0.0)	(25.7)

* % Relative to local index

Analyst

Fiona Orford-Williams

CoBrHa (COBH)

Market cap: €114m

COMPANY COMMENT

Full-year figures are scheduled for 31 March. H109 sales were broadly flat y-o-y, with a weaker on-trade performance countered by improvements in the distribution market. Specialist beers and the export segment performed well. Lower raw material costs helped offset higher staff costs. A tax write-off of €0.5m and interest payments of €0.3m underwrote continued investment in the estate and marketing. Haacht has been emphasising its 'local' credentials in its campaign to highlight foreign ownership of other key breweries.

INDUSTRY COMMENT

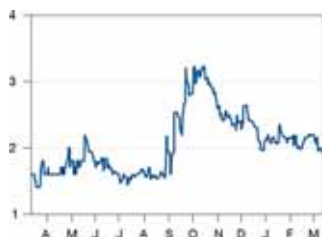
Belgian beer news has been dominated over recent weeks by the strikes and blockades at Anheuser Busch InBev following their announcements of intended job losses. A static population, changing habits and falling consumer confidence have all contributed to beer consumption decreasing from 12mhl to 8.7mhl between 1990 and 2008. The majors have been aggressively discounting into supermarkets and cafes. The market is dominated by InBev with around 57% and Heineken/Alken-Maes (11%). Haacht is the third-largest brewer.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	91.11	7.19	5.61	72.80	20.60
2008A	92.40	6.17	4.05	53.40	28.09
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €1.92

Share price graph (€)



Company description

Come and Stay provides email-based direct marketing services on the internet.

Price performance

%	1m	3m	12m
Actual	(3.0)	(20.0)	23.9
Relative*	(11.1)	(25.8)	(16.2)

* % Relative to local index

Analyst

Fiona Orford-Williams

Come & Stay (ALCSY)

Market cap: €8m

COMPANY COMMENT

Come & Stay specialises in email and mobile advertising, with 300m contact email addresses and opted-in mobile numbers, including 148m held directly. After a tough H1, there was some improvement in trading later in 2009, particularly in Southern Europe, leaving sales down 26% on a pro-forma basis. Full figures will be released on 30 March. The group is aiming to migrate from traditional email marketing to lead generation and developing online relationships between brands and consumers. Its new AI-based platform should take advantage of the tightening of data privacy regulation.

INDUSTRY COMMENT

Mobile marketing has been one of the brightest areas through 2009 and into 2010, due to the rapid development of mobile applications and its effectiveness in reaching the 15-24 age group. The latest EIAA statement suggests 33% of European advertisers are already incorporating mobile advertising into their marketing strategies, with almost all believing spend will continue to increase in 2010 and 2011.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	25.11	1.83	(1.47)	(0.37)	N/A
2008A	27.00	1.50	(7.80)	N/A	N/A
2009E	18.00	0.40	0.30	0.07	27.43
2010E	16.30	0.00	0.00	N/A	N/A

Sector: Technology

Price: €0.95

Share price graph (€)



Company description

Cortix develops and edits websites for SMEs. The company offers graphic design, ergonomic and editorial services for internet sites, as well as hosting, referencing and maintenance. The packaged internet solution comes with a four-year contract, automatically renewable.

Price performance

%	1m	3m	12m
Actual	5.6	(4.0)	(77.8)
Relative*	(3.2)	(38.8)	(85.0)

* % Relative to local index

Analyst

Richard Finch

Cortix (ALCTX)

Market cap: €3m

COMPANY COMMENT

Cortix shares have been suspended as the company is seeking protection from its creditors under a 'sauvegarde' procedure. A recovery plan will be announced as soon as possible. This follows a disappointing year to June as turnover growth stalled and substantial losses mounted on a cost base ramped up in line with management's forecast of 70% top-line growth. Further loss was projected for the rest of 2009 despite evident scope to make more from the large client base (13,000) and international exposure (47% of new contracts).

INDUSTRY COMMENT

In Western Europe there are 10 million businesses with fewer than 50 employees (excluding sole traders), and in France about a million with no more than 20 employees. The equipment rate across Europe (apart from the UK) has historically been low, with the smallest businesses lacking internet access (in 2006 over 40%) and their own website (in 2006 85%).

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	28.27	2.69	1.69	N/A	N/A
2009A	27.87	(8.74)	(9.30)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €3.09

Share price graph (€)



Company description

CRM Company Group provides marketing consultation services. Its activities are centred on four divisions: communication consultation services, design and implementation of advertising campaigns, interactive marketing services, and the assessment of campaigns.

Price performance

%	1m	3m	12m
Actual	(1.0)	(11.0)	107.5
Relative*	(9.2)	(31.5)	40.3

* % Relative to local index

Analyst

Fiona Orford-Williams

CRM Company Group (ALCRM)

Market cap: €11m

COMPANY COMMENT

CRM is a full-service marketing agency, with key verticals in services, IT, finance, automotive and luxury goods. Unsurprisingly, trading was very difficult in 2009 (revenues down 25%, gross profits down 16%). The benefits of earlier restructuring - projected to deliver annualised savings of €6m - started to kick in during H2 and client wins started to improve in Q4. The group's finances were severely affected by the downturn, leading to negotiations to reschedule some of the debt and the raising of additional equity finance; €0.8m in July and a further €1.3m in October at a price of €3.10.

INDUSTRY COMMENT

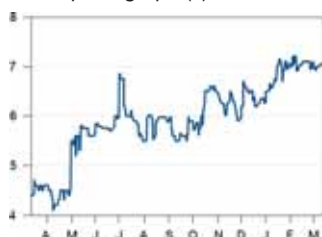
CRM Company Group was not alone in suffering from the deterioration in trading conditions in the marketing sector from autumn 2008, with advertising campaigns being delayed, downsized, pulled at the last moment, or all three. For 2009, Carat's October forecasts for the French advertising market were revised down from -5.0% to -7.1%, with a modest resumption of growth expected in 2010 of 1.0% (0.5%).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	21.26	2.30	0.68	0.24	12.88
2008A	7.70	0.36	(9.10)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price: €7.07

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	0.3	8.8	61.8
Relative*	(8.1)	21.7	9.4

* % Relative to local index

Analyst

Fiona Orford-Williams

D.L.S.I. (ALDLS)

Market cap: €18m

COMPANY COMMENT

The Q409 trading update showed a modest improvement in trading, with revenues down 18.9%, making a reduction of 21.5% for the full year at €117m. However, comparatives should now start to ease. The SME bias of the business may be helping to mitigate market weakness. Overseas expansion had diluted the French contribution to 65% of sales, but the recent acquisition of Group Alarys will have taken the proportion back over 70% on a pro-forma basis. Luxembourg and Switzerland are the next largest markets, with a more recent Polish start-up broadening the scope further.

INDUSTRY COMMENT

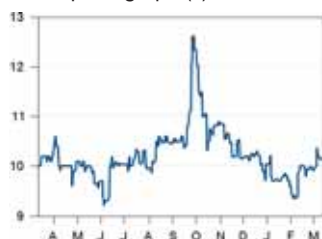
According to industry body PRISME, temporary employment fell by 29% in 2009, on top of a 12% reduction in 2008, taking the industry back to 2001 levels. OECD figures show French GDP having fallen 2.2% in 2009, with a resumption of modest growth (1.4%) forecast for 2010 and 1.7% for 2011. This rate of growth will be insufficient to stop unemployment rising until the beginning of 2011.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	124.72	5.36	3.49	1.39	5.09
2008A	149.63	5.68	3.14	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price: €10.15

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	1.5	(1.0)	1.9
Relative*	(6.9)	(9.3)	(31.1)

* % Relative to local index

Analyst

Fiona Orford-Williams

Demos (ALDMO)

Market cap: €58m

COMPANY COMMENT

Demos continues to expand its international base and its industry verticals, with the recent acquisition of Coherus (an insurance specialist) and the partnership agreement with Elea, a provider of professional training and consulting in Italy. Last year's acquisitions bolstered the top line in H109. However, the additional overhead of acquired management and internal reinforcement, together with a change in mix towards lower-margin tailored courses, took a heavy toll on the operating result, with the margin falling from 5.7% to 1.2%. The group raised €14.5m through a bond issue in July. Full-year figures are scheduled for 8 April.

INDUSTRY COMMENT

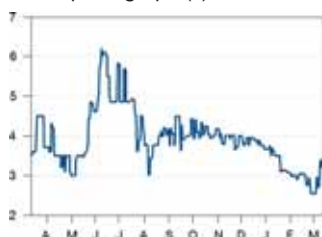
In most developed economies, the availability of continuing professional development is a given, usually enshrined in labour regulation. In many of Demos's newer markets, well-trained employees are seen as giving competitive advantage, with training also improving the calibre of candidates. Most markets are highly fragmented, although until comparatively recently, the broader French market was dominated by state-owned training company AFPA.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	78.30	7.39	3.71	0.66	15.38
2008A	97.46	8.71	4.01	0.71	14.30
2009E	99.00	N/A	1.00	0.53	19.15
2010E	107.00	N/A	2.00	0.68	14.93

Sector: Oil & Gas

Price: €3.38

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	10.8	(14.4)	(3.7)
Relative*	1.6	(28.9)	(34.9)

* % Relative to local index

Analyst

Stephen Rogers

Dietswell (ALDIE)

Market cap: €13m

COMPANY COMMENT

As highlighted by the interim results, 2009 proved a difficult year for Dietswell following 2008's record levels of drilling activity, with group revenue declining by 45% to €14m. Dietswell Engineering was particularly hard hit, with revenues declining 63% y-o-y, primarily reflecting the completion of two major contracts and the unavailability of a rig due to maintenance work. The group's other major division, Salveo, recorded a 28% fall in revenue as a result of the tough market conditions for technical assistance. The bright spot was the comparatively small rig design and engineering business, which benefited from a number of contract wins.

INDUSTRY COMMENT

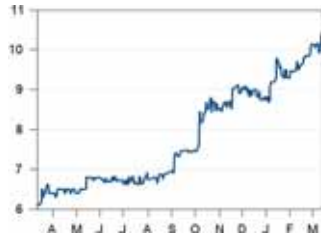
In 2008 oil services had a very good year on the back of rising oil prices and the consequent inflationary pressure on oil equipment and services. 2009, however, proved very different – oil prices were volatile and lower, and depressed global economic conditions adversely affected drilling market activity.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	20.69	1.62	1.59	0.41	8.24
2008A	25.20	N/A	0.40	N/A	N/A
2009E	15.21	N/A	(1.76)	(0.46)	N/A
2010E	24.96	N/A	0.29	0.08	42.25

Sector: Technology

Price: €10.42

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	8.5	17.7	71.9
Relative*	(0.5)	32.5	16.3

* % Relative to local index

Analyst

Richard Finch

DL Software (ALSDL)

Market cap: €46m

COMPANY COMMENT

DL Software is again raising its forecast of 2009 trading profit gain (to over 21%) owing to maintained momentum in Q4 (the slight dip in sales growth was due to a strong comparative) and a favourable mix. This is no surprise as no margin rise had previously been assumed, despite a clear gain in H109. Management believes its robust model (almost 50% of gross profit deemed recurrent) and expansion-led strategy (the recent JUXTA purchase to be quickly earnings enhancing) will deliver growth in 2010 (targets to accompany imminent 2009 results).

INDUSTRY COMMENT

Capgemini's 2009 like-for-like sales in France were down by 6% (-5% in H1), although technology services reported "slight" revenue growth, confirming the market is still difficult.

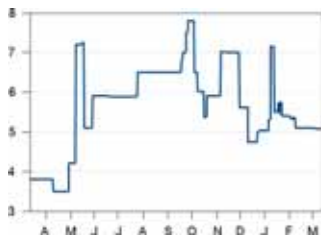
Capgemini's focus is on national accounts rather than DL Software's target smaller business market, which should resume its correction of long-standing underinvestment in IT as conditions improve.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	25.49	3.56	1.19	0.29	35.93
2008A	34.53	4.80	1.22	0.28	37.21
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €5.08

Share price graph (€)



Company description

Dolphin Intégration focuses on the design and integration of microchip systems. It develops integrated circuit components and computer-aided design (CAD) software, and offers customised services for developing these products.

Price performance

%	1m	3m	12m
Actual	(0.4)	7.2	35.5
Relative*	(8.7)	(26.0)	(8.4)

* % Relative to local index

Analyst

Richard Finch

Dolphin Intégration (ALDOL)

Market cap: €7m

COMPANY COMMENT

After an impressively resilient interim performance by Dolphin in the face of a collapse in global semiconductor production, there was marked disappointment in the six months to September as sales fell by 22%, with a consequent sharp increase in full-year trading loss. There is little guidance on current trading but Dolphin's strengths remain its focus on virtual components aimed at growth sectors (eg, portable audio applications and high-performance sensors), its innovation and its global marketing, especially in Asia. There should be long-term sustained demand for circuits with very low power consumption.

INDUSTRY COMMENT

Our checks indicate the worst is probably over for the semiconductor sector in terms of sequential and year-on-year comparisons. However, the severity of the downturn should not be underestimated and its duration is still unknown: it has already claimed some high-profile casualties in the bankruptcies of Qimonda and Spansion. In addition, companies with specific chip solutions in high-growth markets should outperform the sector.

Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.11	(0.15)	0.38	0.29	17.52
2009A	10.90	(0.67)	1.05	0.81	6.27
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €8.22

Share price graph (€)



Company description

Easydentic specialises in the design, marketing, installation and maintenance of biometric identification and video surveillance systems under IP.

Price performance

%	1m	3m	12m
Actual	(3.9)	5.9	96.5
Relative*	(11.9)	(12.4)	32.9

* % Relative to local index

Analyst

Roger Leboff

Easydentic (ALEGR)

Market cap: €90m

COMPANY COMMENT

The business picked up well in Q409, with turnover up 18% y-o-y, a strong recovery from a slower Q309. There was sustained growth in France; sales more than doubled y-o-y in Q409, assisted by the successful deployment of Biovein. Overall, FY09 turnover fell by 20% to €83.5m, which reflected a tough market, increased regulation and funding difficulties experienced by some territories. Contract renewals remain stable across all group markets. The outlook is for significant turnover growth and a return to profitability in FY10.

INDUSTRY COMMENT

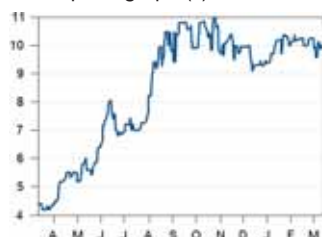
International growth continued in FY09, with strong performances in Switzerland, Portugal, Spain and Germany expected to be maintained into FY10. US operations launch in April. Easydentic designs, sells, installs and maintains innovative corporate security technologies. The group operates in 12 European countries, with products that cover biometric access control, IP-based video surveillance, access management and control system applications.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	74.56	8.90	4.44	0.54	15.22
2008A	105.60	12.90	(1.70)	(0.20)	N/A
2009E	83.50	N/A	(14.31)	(1.12)	N/A
2010E	135.23	N/A	5.29	0.65	12.65

Sector: Electrical Equipment

Price: €10.00

Share price graph (€)



Company description

ECT 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	(2.3)	9.9	125.7
Relative*	(10.5)	(12.3)	52.7

* % Relative to local index

Analyst

Richard Finch

ECT Industries (ALECT)

Market cap: €12m

COMPANY COMMENT

ECT Industries rounded off 2009 strongly, with sales growth well ahead of guidance (21% against 10%+). As the full-year outturn was flattered by the first full inclusion of BAYO, like-for-like growth of 16% in H2 is a more reliable indicator of progress, and not unimpressive, given market conditions (the services business, almost half of 2008 sales, suffered order delays and cancellations). An order book 21% ahead of last year underpins expectation of a double-digit rise in sales in 2010. The recent acquisition of e-Track complements ECT's existing mapping expertise, notably its new data transmission by satellite product. 2009 results are due in late April.

INDUSTRY COMMENT

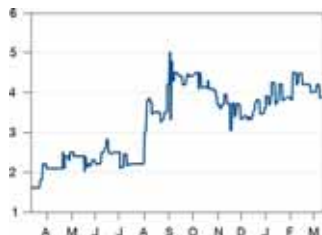
Military spending across Europe has mainly been unaffected by the slowdown in the global economy. ECT has relatively limited exposure to the regional and business jet sector, which has seen the most significant declines (of up to 30%).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	15.48	1.46	0.93	N/A	N/A
2008A	19.95	1.12	1.21	N/A	N/A
2009E	24.10	1.90	1.20	1.02	9.80
2010E	26.70	2.20	1.40	1.19	8.40

Sector: Technology

Price: €3.89

Share price graph (€)



Company description

eFront offers publishing and software solutions primarily to the financial and insurance sectors in France, the UK and other parts of Europe.

Price performance

%	1m	3m	12m
Actual	(13.4)	17.2	143.1
Relative*	(20.6)	(16.7)	64.4

* % Relative to local index

Analyst

Roger Leboff

eFront (ALEFT)

Market cap: €12m

COMPANY COMMENT

A 38% increase in FY09 turnover to €20.2m is a good performance in an unhelpful market. It reflects the success of recent investments in the development of its international activities, with new, more dynamic markets, such as the Middle East and North America, to balance the group's previous focus on France and continental Europe. Revenues from France grew modestly but their share of group sales fell from 47% to 37% in FY09, behind a more confident outlook. FY10 results are due on 1 April 2010.

INDUSTRY COMMENT

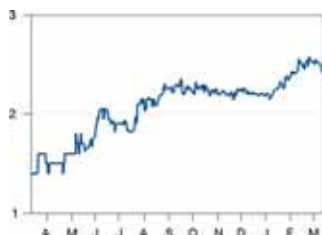
The group should benefit from broad geographical coverage and focus on software used by alternative asset managers, fund administrators and in risk management (governance, risk, compliance). More than 160 customers in 22 countries include leaders in such areas as private equity, property investment, banking and insurance. eFront intends to continue to develop its international presence; recent successes include the addition of a large US pension fund.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	12.78	1.29	2.07	0.56	6.95
2008A	14.65	(1.37)	(1.69)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €2.43

Share price graph (€)



Company description

Emailvision is Europe's leading software vendor for email marketing. Its software service is used to design, plan, deliver, analyse and optimise email marketing campaigns.

Price performance

%	1m	3m	12m
Actual	(3.2)	10.5	80.0
Relative*	(11.2)	1.4	21.7

* % Relative to local index

Analyst

Roger Leboff

Emailvision (ALEMV)

Market cap: €44m

COMPANY COMMENT

FY09 saw 35% sales growth (38% at constant exchange rates) at an improved gross margin of 73% (71%). Margins benefited from pooled IT resources and economies of scale derived from its SaaS platform. Gross margins have improved materially for four consecutive years. The outlook is underpinned by a year-end order book up 55% at €39m, €18m of which will be recognised in FY10. Adjusted net profit for FY09 was €1.24m, 18% y-o-y growth reflecting a lower tax rate. Year-end gearing was 17%.

INDUSTRY COMMENT

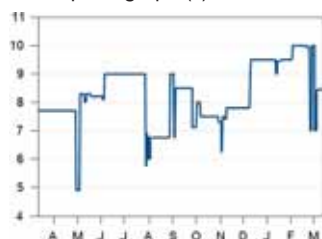
The group continues to benefit from intensified efforts to grow market share in Europe and the US. It opened new subsidiaries in Sweden and Italy in 2009, increased headcount by 45% and won more than 900 new clients. Emailvision provides on-demand email marketing automation software that manages email, SMS and RSS marketing campaigns. The current economic environment is helpful as companies make more use of retention email marketing to grow revenues and profits from existing customers and new prospects.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.76	1.90	0.87	N/A	N/A
2009A	29.30	0.73	0.45	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €8.45

Share price graph (€)



Company description

Emakina Group provides a range of services related to the design and development of websites.

Price performance

%	1m	3m	12m
Actual	(15.5)	(11.1)	10.5
Relative*	(20.8)	(6.9)	(29.7)

* % Relative to local index

Analyst

Roger Leboff

Emakina Group (ALEMK)

Market cap: €30m

COMPANY COMMENT

In October Emakina was awarded a new framework contract with the European Commission. The total budget for this contract is €15m (although that is not an EC commitment). H109 sales were 6% ahead of H108, or 5% on a like-for-like basis. Pre-tax profit was €0.98m for the period, 84% ahead as newly integrated subsidiaries secured new international clients. The outlook is more subdued due to the effect of the economic slowdown on the financial and automotive sectors and elongated sales cycles. H2 is usually the stronger period and the statement anticipated maintained sales growth and margin improvement.

INDUSTRY COMMENT

Group services cover consultancy, interactive marketing, information websites, transactional applications and e-commerce. During 2008 the group capitalised on its network in Belgium, France and the Netherlands to add new clients such as Air France KLM, Bekaert, Panasonic France, Aero Mexico and Pfizer Europe. In H109, it added Unilever, the European Commission and the UN.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	16.47	1.16	0.64	0.19	44.47
2008A	30.92	2.05	0.06	0.01	845.00
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €4.90

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	(9.3)	4.0	(22.2)
Relative*	(16.8)	(36.4)	(47.4)

* % Relative to local index

Analyst

Richard Finch

Entrepaticuliers.com (ALENT)

Market cap: €17m

COMPANY COMMENT

Q409 brought no relief to Entrepaticuliers.com, with sales down by a quarter on the back of a halving in paid advertisements (-29% and -49% respectively for FY09). With the property market set to remain subdued for a while despite stirrings, management has cut promotional spend, which need not be detrimental, given the company's high brand awareness, and helped to protect H1 margin. Entrepaticuliers.com should benefit from an upturn owing to its strong brand, national coverage and added-value services. The company remains securely financed (no debt).

INDUSTRY COMMENT

February sustained the modest recovery of the previous quarter, with more properties up for sale and continued price stability. However, volumes remain weak compared with pre-recession levels (c -10% for the past five months against the corresponding period two years earlier), and the pace of recovery remains unclear. For the hard-pressed consumer, the Entrepaticuliers.com website offering is a low-cost alternative to the estate agent.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	14.79	3.55	3.95	1.12	4.38
2008A	15.60	3.20	2.60	0.74	6.62
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Engineering

Price: €20.30

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(5.1)	(3.1)	4.1
Relative*	(13.0)	(1.9)	(29.6)

* % Relative to local index

Analyst

Richard Finch

Environnement (ALTEV)

Market cap: €38m

COMPANY COMMENT

Environnement can be satisfied that 2009 sales held up (down by just 4%) at a time of client budget cuts and change in investment plans. A reluctance to discount, coupled with efficiencies, should allow trading profit to have been maintained in the period (announcement due in late April). There was mixed success in Environnement's priority areas, services and exports (including the US operation). While services (deemed long-term recurrent income) grew sales by 8% and thus its share of group revenue to 37%, exports fell by 10%. Although 2010 will be affected by the downturn, the company's leadership in online instrumentation for the environment has long-term appeal.

INDUSTRY COMMENT

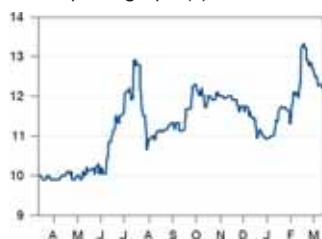
The c 15% decline in Veolia Environnement's Water Solutions turnover in H209 is attributed largely to the slowdown in the industrial business environment. There is no specific guidance re 2010.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	42.23	3.57	2.41	1.30	15.62
2008A	44.00	3.40	3.20	1.70	11.94
2009E	42.00	3.10	2.80	1.53	13.27
2010E	42.60	3.50	2.90	1.57	12.93

Sector: Food & Drink

Price: €12.20

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	(7.8)	6.5	22.0
Relative*	(15.5)	4.0	(17.5)

* % Relative to local index

Analyst

Fiona Orford-Williams

Eurogerm (ALGEM)

Market cap: €52m

COMPANY COMMENT

H110 results to September showed sales down 4%, with higher sales to the artisan sector offset by weaker industrial sales. Export sales made modest progress, with Europe, South America and Africa the primary target markets, although the Spanish market continued to be weak. Gross margin was stable, with operating margin recovering from the cost of extending the Saint-Apollinaire factory. The non-core technical flour business, ELCEA, has been closed. The outlook statement looks for no help from underlying domestic markets in H2, but indicates that the group will continue to look to increase its value-add.

INDUSTRY COMMENT

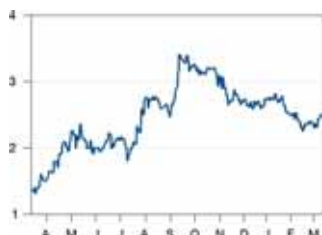
France is the third-largest producer of wheat in Europe and the 11th largest worldwide. Around two-thirds of production is destined for bakery, with milling split between large cooperatives and the private sector. Artisan bakers are still the largest retail segment, representing 59% of bread sales in 2008. Domestic consumption has been falling modestly, but export sales continue to grow.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	43.00	4.80	3.50	0.81	15.06
2009A	51.90	4.20	3.10	N/A	N/A
2010E	50.77	N/A	2.51	0.72	16.94
2011E	53.36	N/A	3.04	0.77	15.84

Sector: Engineering

Price: €2.45

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	6.1	(6.1)	81.5
Relative*	(2.8)	(31.6)	22.7

* % Relative to local index

Analyst

Roger Leboff

Europlasma (ALEUP)

Market cap: €28m

COMPANY COMMENT

H109 earnings were stable, with earnings benefiting from cost cuts and other efficiency measures. Sales in the air depollution division (65% of turnover) were supported by public sector stimulus spending, which compensated for lower industrial demand. Asbestos and hazardous waste destruction (30%) added new French city customers and plasma torch technologies sales contributed the rest. The first-half EBIT loss was €2.2m, for the seasonally weaker half. A new market for low-level radioactive waste was added in 2009.

INDUSTRY COMMENT

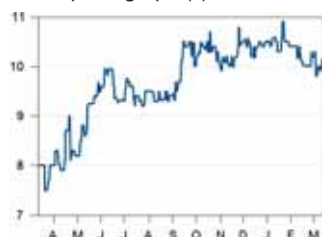
The outlook for Europlasma's largest subsidiary is underpinned by increasingly rigorous anti-pollution legislation. R&D is designed to capitalise on new opportunities in a growing market. Investment in energy production includes four Electricity from Waste projects launched in 2008. Europe Environnement has nearly 400 clients and recently signed its biggest-ever contract with a leading Spanish household waste collector/processor. The asbestos and hazardous waste destruction operation has also picked up major French clients.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	29.59	0.92	0.25	N/A	N/A
2008A	35.30	(0.33)	(0.90)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €10.09

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	(0.1)	(1.1)	26.6
Relative*	(8.4)	(5.7)	(14.4)

* % Relative to local index

Analyst

Richard Finch

Evolis (ALTO)

Market cap: €52m

COMPANY COMMENT

Evolis will be glad to have delivered on its expectation of an improvement in H209 on H1, with sales up 10% and trading margin one point ahead. However, this period was still markedly less profitable year-on-year, as was 2009 overall (down 29%). It is to management's credit that, faced with lacklustre retail markets in Europe, it developed successfully in more buoyant Asia and the Americas. Similarly, the smaller projects business has been expanded away from its original Korean banking market. Evolis is aiming for double-digit sales growth, with slight margin gain (15%), in 2010.

INDUSTRY COMMENT

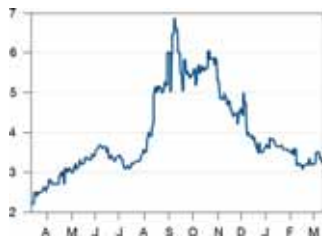
Less harsh conditions have been endorsed by US competitor Zebra Technologies, whose Q409 sales decreased by just 4% against 18% in Q3, ie much better than management expected, apparently reflecting strong demand across the board. Q110 sales are forecast to be 13% to 19% ahead. A similar recovering trend is reported by HID/Fargo, part of the Swedish group ASSA ABLOY (Q409 sales -9% against -19% in Q3).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	36.70	6.70	4.90	0.96	10.51
2009A	32.70	4.80	3.30	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price: €3.24

Share price graph (€)



Company description

ExonHit Therapeutics provides research and development for drugs, diagnostic systems and genome analysis tools for the treatment of pain, cancer, Alzheimer's and Parkinson's diseases, vascular disorders and amyotrophic sclerosis.

Price performance

%	1m	3m	12m
Actual	2.5	(16.7)	44.6
Relative*	(6.0)	(48.9)	(2.2)

* % Relative to local index

Analyst

Robin Davison

ExonHit Therapeutics (ALEHT)

Market cap: €106m

COMPANY COMMENT

Full-year results revealed a narrowing operating loss of €9.7m vs a loss of €11.4m in 2008, together with a strong year-end cash position of €30.2m aided by a €15m rights issue during 2009. The focus for H210 will be on securing partnership for Phase IIb trials on lead candidate EHT 0202 in Alzheimer's. The recent out-licensing of small molecule neuropathic pain compound AGN/EHT 0001 by Allergan to Bristol Myers is a partnership that will provide ExonHit with a \$4m upfront payment, up to \$32m in milestones plus royalties.

INDUSTRY COMMENT

ExonHit derives revenue from its R&D services while investing in its own drug pipeline, using a process of RNA splicing. Its cash position at 30 June stood at €18.5m. ExonHit focuses on assisting in the diagnosis of some of the most predominant forms of cancer, potentially promoting more accurate diagnosis, reducing mortality and improving treatment outcomes.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	4.22	(11.39)	(8.93)	(0.33)	N/A
2009A	4.90	(9.70)	(7.70)	(0.27)	N/A
2010E	9.00	(10.00)	(7.00)	(0.21)	N/A
2011E	8.00	(13.00)	(10.00)	(0.29)	N/A

Sector: Pcare and household prd

Price: €3.94

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	(25.0)	(11.3)	12.7
Relative*	(31.2)	(24.3)	(23.8)

* % Relative to local index

Analyst

Richard Finch

Fashion B Air (ALFBA)

Market cap: €21m

COMPANY COMMENT

Swelling confidence engendered by ever more positive trading news, including bumper January sales, was punctured by 2009 trading profit well below guidance (down by a third against forecast double-digit rise). The shortfall has been attributed to non-recurring costs (largely marketing), associated with investing for growth, and to a hike in labour costs as distribution was taken in house. Even so, like-for-like turnover in 2009 was only 4% ahead. Management remains resolutely optimistic about 2010.

INDUSTRY COMMENT

While recent headline French retail sales have been depressed by the end of the car scrappage scheme, clothing has shown modest growth. The consumer mood remains nonetheless reluctant owing to the rise in unemployment and uncertainty over future household income. Bel Air's relatively mainstream market position is innately highly competitive, owing to cheap imports and low barriers to entry. The company's differentiator is its ability to react quickly to changing conditions, its creativity and its rigorous control of stock.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	13.04	2.62	5.95	N/A	N/A
2009A	15.49	1.77	1.26	N/A	N/A
2009E	15.67	N/A	1.76	N/A	N/A
2010E	19.18	N/A	1.88	N/A	N/A

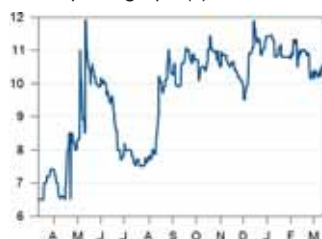
Sector: Engineering

Fountaine Pajot (ALFPC)

Market cap: €16m

Price: €10.38

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	(5.6)	(6.1)	60.9
Relative*	(13.5)	(7.3)	8.8

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

A positive trading update suggests the worst is over, with activity ahead of last year and clear signs of market stabilisation. The company is now well placed to benefit from its commitment to its model launch programme during hard times, which has delivered the most modern and complete range in the market. Despite a collapse in sales in the year to August 2009 even more calamitous than expected, it is to management's credit that through cost-cutting it achieved in H2 a double-digit margin not far removed from pre-recession a year earlier.

INDUSTRY COMMENT

Grim news in 2009 from Europe's luxury boat-builders confirmed the top end of the market is not immune from economic downturn, as long believed. Couach was placed in receivership, Rodriguez sought temporary protection from its creditors, and Beneteau suffered a 42% fall in boat sales. The current outlook appears healthier with strong interest at the winter shows prompting Beneteau to forecast boat sales up by 17% in a stable market and faster growth next year.

Y/E Aug	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	52.54	N/A	1.88	N/A	N/A
2009A	33.80	1.90	(0.50)	N/A	N/A
2010E	33.80	(0.40)	1.10	0.72	14.42
2011E	37.90	N/A	1.20	0.76	13.66

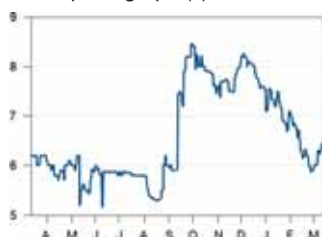
Sector: Pharma & Healthcare

Genfit (ALGFT)

Market cap: €75m

Price: €6.40

Share price graph (€)



Company description

Genfit focuses on drug discovery and development for early diagnosis and prevention of cardiometabolic and neurodegenerative disorders such as prediabetes/diabetes, atherosclerosis, dyslipidaemia, obesity, and Alzheimer's.

Price performance

%	1m	3m	12m
Actual	1.6	(20.8)	3.2
Relative*	(6.9)	(18.6)	(30.2)

* % Relative to local index

Analyst

Robin Davison

COMPANY COMMENT

Genfit has reported further results from clinical studies of GFT505, including proof of its effectiveness in treating glucose homeostasis, reducing cardiovascular risk in pre-diabetic patients and decreasing fasting glucose levels in diabetic patients. Evidence that the compound avoids the risk of muscular side effects in combination therapy with statins is a factor that could build further support in the bid for a clinical partner. The announcement of €2.3m placing enlarges total capital by 3.47% and provides additional funds for investment in the research program.

INDUSTRY COMMENT

Genfit has a multi-pronged business, encompassing early diagnosis and prevention as well as therapeutic drug development. Existing licensing deals with Sanofi-Aventis (a significant shareholder), Servier and Solvay support its earlier development pipeline. Other key investors include the Institut Pasteur and Merck KGaA, from which Genfit acquired the early-stage diabetes project MKG02 in March.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	9.48	(5.99)	(2.80)	(0.25)	N/A
2008A	8.79	(5.17)	(3.96)	(0.35)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price: €2.83

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	7.6	(4.1)	128.2
Relative*	(1.3)	(7.3)	54.4

* % Relative to local index

Analyst

Robin Davison

GenOway (ALGEN)

Market cap: €17m

COMPANY COMMENT

GenOway develops genetically modified animals to model specific human diseases. It successfully cloned rats in 2003, and built a reliable large-scale production unit for genetically modified mouse and rat models (humanised, inducible knock-out, RNAi-mediated knock down). Highlights of this quarter include the resolution of a disagreement with Cellectis on the therapeutic limits of the W090 family of patents, sub-contracted to GenOway in 2001. Full-year results, due to be announced on 31 March, will clarify progress in sales of research models and revenues from contracts signed during the period.

INDUSTRY COMMENT

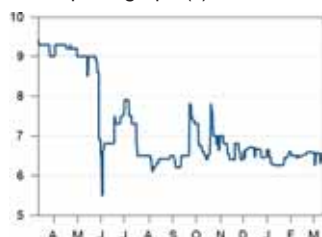
GenOway is helping to establish a consortium of pharmaceutical companies, biotechnology companies and leading academic centres with an interest in genetically modified rat models. Existing strategic alliances include those with TET Systems and Invitrogen Corp, as well as joint partnerships including Pfizer and Altana.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	4.82	(1.09)	(1.10)	N/A	N/A
2008A	6.70	(0.90)	(1.20)	N/A	N/A
2009E	7.70	(0.30)	(0.30)	(0.05)	N/A
2010E	9.60	0.60	0.70	0.12	23.58

Sector: Media & Entertainment

Price: €6.56

Share price graph (€)



Company description

GoAdv publishes information websites (e-business site directories, product search engines, price comparisons) intended to help consumers in their purchasing decisions and direct them to the referenced commercial sites.

Price performance

%	1m	3m	12m
Actual	1.2	(2.1)	(30.4)
Relative*	(7.2)	(4.4)	(53.0)

* % Relative to local index

Analyst

Fiona Orford-Williams

GoAdv (ALGOA)

Market cap: €43m

COMPANY COMMENT

GoAdv's main brands are Excite Europe and Better Deals, along with a number of nanopublishing sites launched in Q309. The group operates across a broad spread of western European territories, recently expanding into Australia, Brazil, Russia and the US. 2009 preliminary figures show revenues up 11% y-o-y, with H2 boosted by a new worldwide partnership with Google. Following last February's unsuccessful bid for LeGuide.com, GoAdv has sold part of its stake, now holding 6.9%. It has recently purchased Italian blog aggregator Blogosfere, in which it plans to integrate social networking.

INDUSTRY COMMENT

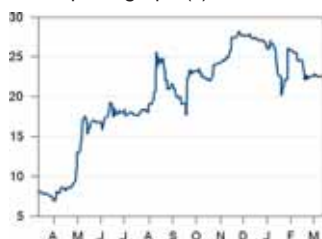
Web 2.0 has opened up the potential of personalisation, and Excite is now seen as a challenger brand to the established multinational portals such as MSN, with Better Deals positioned in the search and comparison space. Internet penetration and dwell times are high and rising across all the group's major markets. Internet advertising revenues are still showing modest growth across the group's European markets.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	20.19	3.19	2.70	N/A	N/A
2008A	37.92	5.05	3.80	N/A	N/A
2009E	40.00	4.00	3.60	0.55	11.93
2010E	43.00	4.80	4.40	0.68	9.65

Sector: Property

Price: €22.53

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	(8.0)	(17.5)	181.6
Relative*	(15.7)	12.3	90.5

* % Relative to local index

Analyst

Roger Leboff

Groupe Proméo (ALMEO)

Market cap: €69m

COMPANY COMMENT

The group reported positive performances by both divisions and improved revenue visibility for FY10. Village Heritage Center, the largest division, saw a 34% increase in reservations on a growing portfolio of managed properties, revenues extending over the next two years. Village Recreation Center benefited from 25% higher attendances, with its outlook underpinned by an increase in the mobile home portfolio, higher bookings and stronger links with tour operators and councils. Results for FY09 will be released on 29 April.

INDUSTRY COMMENT

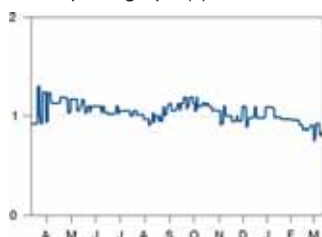
Specialist developer and operator of French leisure accommodation; turnover is derived from two divisions, Village Heritage Center (75%) and Village Recreation Center (25%). The group regards the integration of property development, marketing and site operation as a relatively robust business model with competitive advantages, synergies between group divisions and a more balanced revenue profile combining rental and property sales.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	114.39	19.21	10.14	3.31	6.81
2008A	105.13	13.59	8.38	1.80	12.52
2009E	115.10	14.67	5.33	2.29	9.84
2010E	132.06	17.84	6.97	2.82	7.99

Sector: Property

Price: €0.80

Share price graph (€)



Company description

Groupimo specialises in providing residential and business real estate services.

Price performance

%	1m	3m	12m
Actual	(12.1)	(18.4)	(13.0)
Relative*	(19.4)	(32.4)	(41.2)

* % Relative to local index

Analyst

Roger Leboff

Groupimo (ALIMO)

Market cap: €1m

COMPANY COMMENT

First-half 2009 turnover was down 25% y-o-y to €4m and the trend extended into Q309. The group's overseas activities have been most severely affected by economic turmoil, as both households and businesses defer buying decisions. The Paris operations performed better, but the short-term strategy is to reduce costs, and focus on property administration and cash generation. That was reflected in 40% lower operating expenses, including a 59% cut in staff costs and a reduced H109 operating loss of €1m (H108: €3.3m loss).

INDUSTRY COMMENT

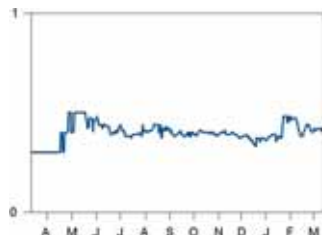
Groupimo is a residential property services business, with an initial focus in the Caribbean (Martinique, Guyana, Guadeloupe and French St Martin) supplemented by interests in Paris. The former have been affected by a sharp economic downturn over the last few years. The group's focus on property management, ie regular fee income, has helped offset weak residential letting and sales figures. The outlook is mixed, but Groupimo believes its markets are past their low points.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	15.10	(0.10)	0.20	N/A	N/A
2008A	10.80	(4.00)	(2.60)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Basic Industries

Price: €0.40

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	5.3	11.1	42.9
Relative*	(3.5)	(5.3)	(3.4)

* % Relative to local index

Analyst

Richard Finch

H2O Innovation (ALHEO)

Market cap: €22m

COMPANY COMMENT

Thanks to the protracted sales cycle of water treatment systems, the recession finally caught up in earnest with H2O Innovation in the quarter to December. EBITDA moved heavily into loss (\$C1m) not only on a collapse in sales (down by a quarter) but on a lack of higher-margin industrial business. Despite the subsequent cancellation of a contract representing half its sales backlog, management is confident that it is moving in the right direction through a new focus on industrial and international sales via, for example, a sales representation agreement with 3M Purification (part of 3M) and a JV in India.

INDUSTRY COMMENT

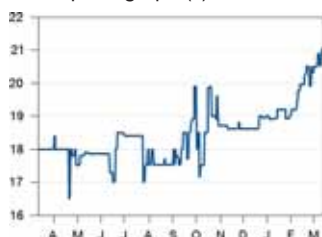
As environmental concerns grow, H2O Innovation seems well placed to take advantage of increased funding and changes to legislation. In the US, government funding of \$126m was allocated to water recycling earlier this year, with a further \$11.8bn investment proposed. Management is also confident that it will benefit from the Buy America Act with some of its US full service operations.

Y/E Aug	Revenue (C\$m)	Op. Profit (C\$m)	Net income (C\$m)	EPS (C\$)	P/E (x)
2008A	10.81	N/A	(3.63)	(0.10)	N/A
2009A	31.20	N/A	(0.07)	0.00	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €21.10

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	5.8	13.4	17.1
Relative*	(3.0)	11.0	(20.8)

* % Relative to local index

Analyst

Richard Finch

Harvest (ALHVS)

Market cap: €29m

COMPANY COMMENT

Harvest has firmly delivered on expectation of H209 improving on H1. Q4 sales growth of 13% confirmed the pick-up in the preceding quarter and contributed to full-year trading profit holding steady, which endorses the resilience of the model (two-thirds of sales deemed recurrent from maintenance and licence leasing). 2010 is shaping up well, with an order book 15% up on last year and Harvest well placed to serve key large financial accounts. The company remains debt free after the purchase of O2S.

INDUSTRY COMMENT

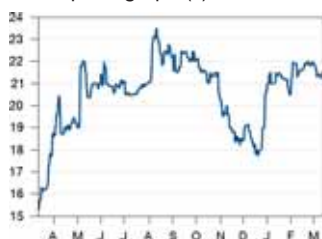
The French economy tends to outperform in a downturn (the decline in 2009 GDP is expected to be less than the eurozone average and the UK). The consumer is not heavily indebted, so household spending may prove relatively resilient even if it is not boosted by the current stimulus plan, which is focused on infrastructure and transport projects.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.23	2.85	1.92	1.39	15.18
2009A	13.24	2.72	2.33	N/A	N/A
2010E	13.24	3.10	1.74	N/A	N/A
2011E	14.93	3.10	2.20	N/A	N/A

Sector: Oil & Gas

Price: €21.49

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(0.5)	17.4	40.8
Relative*	(8.8)	(9.3)	(4.8)

* % Relative to local index

Analyst

Stephen Rogers

Heurley Petrochem (ALHPC)

Market cap: €70m

COMPANY COMMENT

Heurley last updated the market at the end of 2009. Nine-month revenues to 30 September slowed to €156m (down 6% y-o-y), with the petrochemical division increasing its group turnover contribution to 30% from 22%, although the hydrogen sector reported a marked decrease to 13% of group sales from 30%. Management expressed confidence in the second-half outlook thanks to its healthy order book (€277m as at 30 September), buoyed by the signing of a €60m contract (2009-14) in June, with a North African oil company. The order book was further boosted by two contracts signed in December, totalling €79m, to modernise the Pancevo refinery in Serbia.

INDUSTRY COMMENT

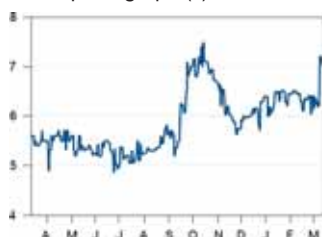
Heurley Petrochem supplies heating, cracking and refining furnaces to refinery, petrochemical and hydrogen customers. Although oil prices are below previous peak levels, they remain high enough to stimulate demand from refinery producers. However, cost pressures on petrochemical customers may slow order flows in this segment.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	122.64	4.70	3.08	1.02	21.07
2008A	232.20	8.50	4.10	1.28	16.79
2009E	206.33	7.30	4.02	1.40	15.35
2010E	221.55	8.75	4.97	1.69	12.72

Sector: Technology

Price: €7.01

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	11.3	16.8	24.5
Relative*	2.0	20.9	(15.8)

* % Relative to local index

Analyst

Roger Leboff

Hitechpros (ALHIT)

Market cap: €13m

COMPANY COMMENT

FY09 turnover at €10.5m was 10% down on FY08 as staffing suffered from a slowdown in client IT projects, budget freezes and cost cutting. A better Q4 points to a pick-up in FY10 and site subscriptions remain steady. Operating profit fell to €1.1m (FY08: €1.6m), but the group has retained key staff and a 10% operating margin. Finances are secured by a debt-free balance sheet and €5.2m cash. Some confidence is reflected in a €1/share dividend; payment date to be set at the AGM at the end of April.

INDUSTRY COMMENT

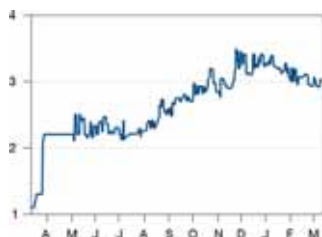
France's leading marketplace for specialised outsourcing IT sector services operates two complementary web-based marketplace activities. These bring together IT sector participants (eg, IT services companies, consultants and training specialists), and brokerage activities. Sales are derived from computer service intermediation and technical assistance services provided to IT managers via the website (66%) and site subscriptions (34%) that enable users to conduct business directly with each other.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.65	1.56	0.90	0.49	14.31
2009A	10.53	1.04	0.46	N/A	N/A
2010E	10.64	1.03	0.71	0.37	18.95
2011E	11.43	1.16	0.95	0.54	12.98

Sector: Travel & Leisure

Price: €3.02

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.3)	(2.3)	167.3
Relative*	(9.5)	4.0	80.8

* % Relative to local index

Analyst

Richard Finch

Homair (ALHOM)

Market cap: €40m

COMPANY COMMENT

Sales well above guidance, courtesy of late-season RevPAR gains, converted into impressive 52% EBIT growth as Homair's bold model of site ownership paid off in the year to September. The company's expansion (15% more mobile homes in FY09 and a trebling of owned sites since 2007) contradicted competitors who cut capacity (eg Eurocamp -4%), and have an asset-light model. Organic growth of c 10% in sales and EBITDA is forecast for the current year. Net debt remains high but fell in respect to EBITDA.

INDUSTRY COMMENT

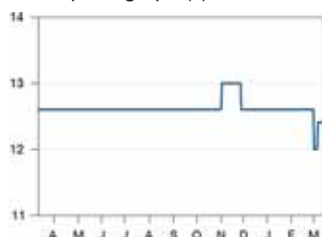
While the French camping market is mature, there has been a flight to quality, with demand for 3* and 4* sites (Homair's market) up by a third since the early 90s. The need to invest, allied with economic pressures on smaller players, may hasten consolidation of a fragmented market (the leader, Homair, has under 5% of mobile home stock). Camping is a value product, as shown by Eurocamp's resilient FY09 sales (+2% at constant currency on -4% capacity) and early FY10 bookings (-3% on -7% capacity).

Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	32.19	3.80	1.31	0.10	30.20
2009A	42.70	5.80	1.90	N/A	N/A
2010E	47.11	N/A	2.34	0.15	20.13
2011E	51.16	N/A	3.55	0.21	14.38

Sector: Property

Price: €12.40

Share price graph (€)



Company description

Huacheng Real Estate specialises in developing and selling residential and commercial real estate properties in China.

Price performance

%	1m	3m	12m
Actual	(1.6)	(1.6)	(1.6)
Relative*	(9.8)	(6.8)	(33.4)

* % Relative to local index

Analyst

Roger Leboff

Huacheng R.E (ALHUA)

Market cap: €164m

COMPANY COMMENT

The group has not released news to the market since May 2009. The last report covered the 12 months to end June 2008. There were no comparables, as this was the group's first report since its April 2008 IPO. Huacheng achieved revenues of €32.9m and €4.7m pre-tax profit and NAV/share was €1.16. Huacheng develops, sells and manages residential and commercial property in Shanghai and neighbouring provinces, with the focus on middle-range residential and street-level retail in emerging and newly urbanised areas of China's major cities.

INDUSTRY COMMENT

Founded in 1995, Huacheng holds total assets of c RMB1bn via three subsidiaries in Shanghai, Binzhou and Ningbo. China's regional property markets slowed during 2008, but the sector has benefited from the PRC government's economic stimulus package.

Huacheng's strategy is supported by the administration's commitment to drive the migration of a further 300 million rural Chinese to its cities. Huacheng has a declared strategy to grow into one of the country's top 10 property developers within a decade.

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	34.95	8.89	6.58	N/A	N/A
2008A	32.90	5.90	3.70	0.28	44.29
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

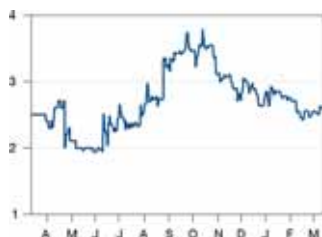
Sector: Pharma & Healthcare

Hybrigenics (ALHYG)

Market cap: €30m

Price: €2.62

Share price graph (€)

**Company description**

Hybrigenics specialises in the research and development of drugs for the treatment of cancer.

Price performance

%	1m	3m	12m
Actual	6.9	(10.3)	4.8
Relative*	(2.0)	(27.7)	(29.1)

* % Relative to local index

Analyst

Robin Davison

COMPANY COMMENT

Full-year trading at Hybrigenics will provide 15% growth in sales, led by the pharma division (+50%) compared with the services division (+8%). The cash position was boosted in 2009 by a €2.7m share placing. The key focus remains on securing a partner for inecalcitol, vitamin D therapy for the treatment of prostate cancer, where approval has recently been granted by the French drug agency to allow once and twice daily 4mg dosing. In addition, the positive opinion of the EMEA for a Phase IIb trial of inecalcitol will assist in the search for approval from individual European countries where the double blind trial will be carried out. Dosing and frequency will be set once the Phase IIa trial is completed.

INDUSTRY COMMENT

Hybrigenics is exploring the therapeutic value of USP inhibitors in cancer. It also provides a fee for service access to its Yeast-Two-Hybrid high throughput screening platform, and to a range of bioinformatics tools for life sciences researchers.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	3.37	(6.31)	(6.00)	N/A	N/A
2008A	4.33	(7.20)	(6.40)	N/A	N/A
2009E	4.78	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Inventoriste (ALIVT)

Market cap: €64m

Price: €49.06

Share price graph (€)

**Company description**

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

Price performance

%	1m	3m	12m
Actual	0.0	40.1	150.7
Relative*	(8.3)	62.0	69.5

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

2009 sales failed to meet even the latest reduction in management guidance, ie -23% against -20% (double-digit growth was envisaged after 2008 results, then broadly flat after H109 sales). Trading profit halved in H109 on sales depressed by client budget cuts. The company continues its international development with an acquisition in Belgium and a Polish start-up. Last summer key investors, holding 87%, offered to buy out minority holders via a price guarantee of €24.

INDUSTRY COMMENT

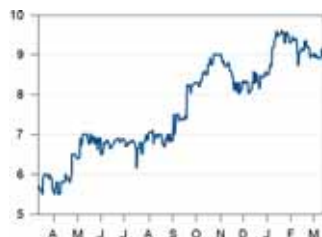
While recent headline French retail sales have been depressed by the end of the car scrappage scheme, the consumer mood remains reluctant owing to the rise in unemployment and uncertainty over future household income.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	17.55	2.19	3.47	2.64	18.58
2008A	23.29	N/A	2.22	1.69	29.03
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price: €8.92

Share price graph (€)



Company description

Ipsogen develops molecular diagnostic tests for leukaemia and breast cancer.

Price performance

%	1m	3m	12m
Actual	(2.5)	7.3	57.9
Relative*	(10.6)	14.2	6.8

Analyst

Robin Davison

Ipsogen (ALIPS)

Market cap: €43m

COMPANY COMMENT

Year-end sales increased 63% over 2008, driven by sales of the JAK2 leukaemia test, which is creating substantial growth in the US market. Ipsogen's collaboration with the Institut Curie to evaluate breast cancer data using the MapQuant Dx Genomic Grade diagnostic, will focus further attention on the ability of the test to monitor tumour proliferation potential. Separately, Ipsogen has obtained an option to acquire patent rights on the TET2 myeloid tumour biomarker. Corinne Danan, formerly of Eli Lilly, is the newly appointed VP of Commercial Operations.

INDUSTRY COMMENT

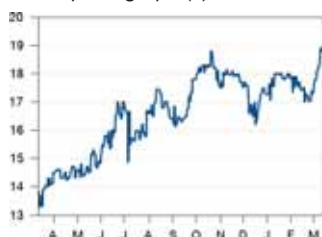
Compared with drug developers, molecular diagnostic companies' product development risk is lower, and less time is required from R&D to commercialisation. Globally, it is a substantial, high-growth market, driven by the increased demand for better prognosis and the growing number of therapies available. Ipsogen targets the growth potential of niche areas of this market.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	4.12	(1.27)	(1.10)	N/A	N/A
2009A	6.73	(2.70)	(2.57)	N/A	N/A
2010E	6.60	(1.90)	(1.50)	(0.30)	N/A
2011E	10.80	(2.20)	(1.60)	(0.31)	N/A

Sector: Media & Entertainment

Price: €19.00

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	9.2	15.1	37.7
Relative*	0.1	10.4	(6.9)

Analyst

Fiona Orford-Williams

LeGuide.com (ALGUI)

Market cap: €64m

COMPANY COMMENT

LeGuide.com is an operator of leading price comparison and shopping search-engine websites (#1 in France, #2 in Spain and Germany, #3 in Europe) across 14 European countries, with over 11.9 million unique visitors in October 2009 (ComScore). 2009 revenues and operating income were ahead 28%, with the net income showing a smaller increase after lower interest receipts (from the strong cash position) and the cost of defending the unsolicited offer from GoAdv in the Spring. Ex-France income is 27% of the total.

INDUSTRY COMMENT

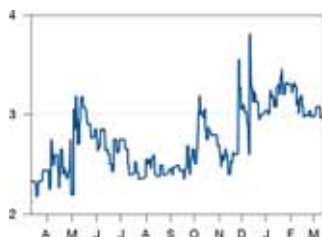
Internet penetration in France is estimated at 34.7m, up 3.3% on the year, with a very high proportion (93%) having high-speed access and 24m making online purchases in 2009. More users are connecting several times per day and staying online for longer. The increasing number of merchants online, 64k at the year end up from 56k at end-June, and consumers' growing awareness means more online research is being carried out before transactions. The French e-commerce market was worth €25bn in 2009; forecast spend for 2010 is €30bn.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	17.98	5.50	3.50	1.04	18.27
2009A	23.00	7.10	3.30	N/A	N/A
2010E	24.90	7.50	3.90	1.59	11.95
2011E	26.80	8.50	4.60	1.79	10.61

Sector: Technology

Price: €3.00

Share price graph (€)



Company description

Logic Instrument is a major player in the design and production of heavy-duty computers for use in hostile environments (industry, army, leisure) and distribution, in France, of testing and measurement instruments.

Price performance

%	1m	3m	12m
Actual	(6.0)	(8.5)	28.8
Relative*	(13.8)	16.4	(12.9)

* % Relative to local index

Analyst

Roger Leboff

Logic Instrument (ALLOG)

Market cap: €6m

COMPANY COMMENT

H109 results saw a strong rebound from a weaker FY08. Turnover was €11.7m, ahead 83% and more than the whole of FY08. The main contributions came from the US and Germany. In January the US Army and US Marines signed a \$9m contract for over 1,250 ruggedised laptops, part of its Advanced Field Artillery Tactical Data System. The group's German subsidiary received a €2m order for hundreds of units from energy supplier EWE. A €0.15m first-half operating loss reflects lower sales in its testing division, especially the loss of one high margin distribution contract and a lower US dollar/euro.

INDUSTRY COMMENT

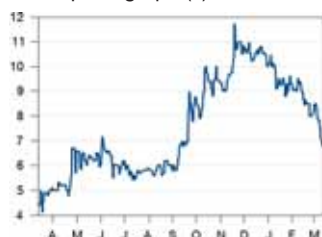
Demand for ruggedised computers fell in France and other world markets, in part due to some consolidation after a few years of strong growth. New contracts, most recently with Singapore's Department of Defence and the launch of its new "Fieldbook" product in Q4 in France, provide more confidence for the outlook, as does the sector and geographical spread.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	15.57	0.57	(0.27)	N/A	N/A
2008A	10.81	(0.94)	0.34	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €6.80

Share price graph (€)



Company description

Loyaltouch, formerly Initiatives & Développements, is a major European player in online loyalty programmes and the only one to offer a fully-integrated service, ranging from website development to central purchasing and after-sales service.

Price performance

%	1m	3m	12m
Actual	(19.5)	(35.5)	36.8
Relative*	(25.1)	(4.8)	(4.6)

* % Relative to local index

Analyst

Richard Finch

Loyaltouch (ALLOY)

Market cap: €67m

COMPANY COMMENT

A merger with ID Future (formerly Proxitec) and Strategic Corporate Finance is being examined by respective managements with a view to creating a European leader in the loyalty programme market. Announcement of 2009 sales has therefore been postponed. H109 results showed continued outperformance of the buoyant loyalty programme market and confidence about further progress in the seasonally stronger second half. This was backed up by Q309 sales ahead of management expectations. The group (formerly Initiatives et Développements) is associated with more than 45 loyalty programmes worldwide.

INDUSTRY COMMENT

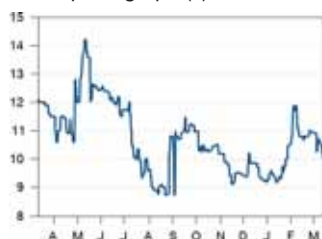
E-commerce in France has lagged more developed markets, partly due to the continued presence of Minitel. However, growth picked up 29% in 2008 to €20bn as over 22 million people used the internet to make purchases; 2.5 million for the first time. With a plethora of choice, traditional concepts of customer loyalty have worn thin. If the offer, service levels and pricing are right, loyalty programmes are one of the few remaining options for differentiation.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	36.34	3.17	1.83	N/A	N/A
2008A	308.00	13.70	7.20	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Pcare and household prd

Price: €9.99

Share price graph (€)



Company description

Maesa produces tailor-made perfumes, cosmetics and promotional products. The products are marketed via specialist and general stores, mail-order and automotive companies.

Price performance

%	1m	3m	12m
Actual	(7.4)	1.4	(17.4)
Relative*	(15.1)	(13.4)	(44.1)

* % Relative to local index

Analyst

Richard Finch

Maesa (ALMAE)

Market cap: €28m

COMPANY COMMENT

The first full inclusion of the transformational purchase of Zorbit and the change of year-end cannot disguise a severely disappointing performance of late. Maesa's update shows targets, announced only three months earlier, to have been quite optimistic, ie for 2009 by a margin of 10% in sales and 60% in trading profit. This is blamed partly on timing as deliveries missed the year end but also on a slowdown at Maesa Packaging (ex Zorbit). Underlying group business fell by well over 10%. A silver lining is that scheduled Zorbit earnouts will not now be due, so debt is down by a third on March 2009. Current trading shows a clear pick-up and the commercial logic and synergies of the Zorbit deal are allegedly still valid, if deferred.

INDUSTRY COMMENT

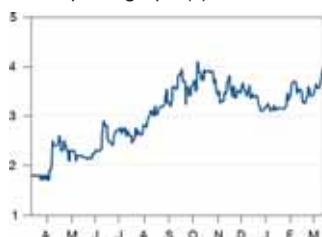
Industry research shows the US prestige beauty market to have fallen by 6% in 2009, with fragrances especially affected. The decline was slightly lower in the major European markets, indeed France held steady. Predictably China was well up (estimated 17%). Recovery was evident in Q4.

Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	24.86	4.53	3.01	1.21	8.26
2008A	33.36	4.54	1.56	0.79	12.65
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Construction & Blding Mat.

Price: €4.01

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	14.6	19.3	126.6
Relative*	5.0	(0.6)	53.2

* % Relative to local index

Analyst

Richard Finch

Mastrad (ALMAS)

Market cap: €21m

COMPANY COMMENT

Mastrad goes happily from strength to strength with accelerating sales growth (46% in the six months to December against 29% in FY09) in its core French operation thanks to new clients, a wider product range and enhanced service. While Kitchen Bazaar and North America softened, there were clear signs of recovery by the end of the period. Exports were ahead in H110 after two halves of decline. Management has doubled its full-year sales growth forecast to 20%, with margin gain.

INDUSTRY COMMENT

Despite current spending pressures, Mastrad should benefit from consumers' tendency to cook more at home and buy fewer prepared meals (two out of three, according to a recent survey). Their lifestyle products fit with the French government's 'Manger Bouger' programme to encourage healthy eating and with the trend of 'cocooning', whereby 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)
2008A	18.09	0.24	0.00	N/A	N/A
2009A	22.64	0.68	0.81	N/A	N/A
2010E	22.70	N/A	0.70	0.14	28.64
2011E	27.20	1.10	1.00	0.19	21.11

Sector: Media & Entertainment

Price: €7.74

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	6.5	2.4	23.1
Relative*	(2.4)	3.2	(16.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

Maximiles (ALMAX)

Market cap: €31m

COMPANY COMMENT

Maximiles' proprietary and mutual schemes have 7.1m members on over 110 merchants' sites, up 13% in H209, mostly in France and the UK. This progress was offset by lower direct marketing revenues, where focus is now shifting to lead generation and datamining. 2009 margins were depressed by lower overhead recovery in France and investment in new cashback programme, Fabuleos. A white label joint venture with MasterCard has been set up in The Netherlands.

INDUSTRY COMMENT

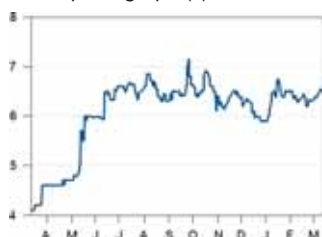
E-commerce in France lagged more-developed markets, but resistance is lessening, with around 70% of internet users also now making purchases online. With 64k merchants online at the year-end (including many bricks-and-mortar retailers initiating a web presence) and the ease of use of search and price comparison sites, traditional concepts of customer loyalty are wearing thin. If the offer, service levels and pricing are right, reward programmes are one of the few remaining options for differentiation.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	14.79	3.12	2.93	0.78	9.92
2008A	16.48	2.42	2.70	0.66	11.73
2009E	15.80	1.90	0.50	0.22	35.18
2010E	17.10	2.30	0.70	0.29	26.69

Sector: Pharma & Healthcare

Price: €6.50

Share price graph (€)



Company description

MEDICREA International specialises in orthopaedic implants for use in spinal surgery.

Price performance

%	1m	3m	12m
Actual	2.4	3.7	58.5
Relative*	(6.2)	(5.3)	7.2

* % Relative to local index

Analyst

Mick Cooper

MEDICREA International (ALMED) Market cap: €48m

COMPANY COMMENT

MEDICREA is a specialist in the design, manufacture and sale of spinal implants. Full-year sales increased 45% year-on-year and final figures are due on 26 April. Sales of thoracic fixation system PASS LP constituted a significant proportion of turnover. US penetration is expected to grow by 128%. Future growth potential lies in higher sales of Granvia cervical disc prosthesis, which obtained CE marking in 2009. Other key product ranges include the JAWS range, which includes the C-JAWS cervical compressive staple implant and lumbar versions L-JAWS and X-JAWS.

INDUSTRY COMMENT

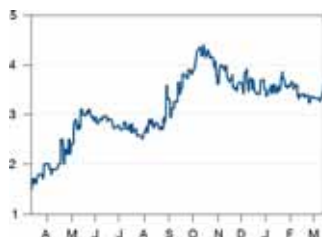
MEDICREA is focusing its US sales and marketing efforts on targeting the 600 surgeons specialised in severe spinal deformities. The goal is to quickly capture at least 10% market share, estimated at \$450m, with its PASS LP product. Targets for the year ahead include European expansion into Germany and Italy.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	7.03	(5.42)	(4.10)	(0.64)	N/A
2008A	9.00	(3.90)	(4.90)	(0.79)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: General Retailers

Price: €3.57

Share price graph (€)



Company description

MG International is a major player in the production of pool safety devices. Products include alarm systems and immersion detectors, automatic covers, and ecological water treatment and disinfection systems.

Price performance

%	1m	3m	12m
Actual	5.6	(4.3)	136.4
Relative*	(3.2)	(7.4)	59.9

* % Relative to local index

Analyst

Richard Finch

MG International (ALMGI)

Market cap: €12m

COMPANY COMMENT

A 30% rise in sales in H109 and a material cut in trading loss suggest early returns from the sweeping changes made by Maytronics, developer of the popular Dolphin robot pool cleaner, which took effective control of MG with a 48% stake a year ago. However, the discontinuation of consolidated accounts, given MG's size, does not help analysis (like-for-like sales growth in H109 was 7%). Focused on exploiting its technical expertise and now the Maytronics brand for its products, MG seems in much better shape through its partnership, even if the going remains difficult.

INDUSTRY COMMENT

French consumer confidence fell unexpectedly in February, reflecting continued pessimism about unemployment (+0.7% in January) and new concern about inflation and pension reform, which could stifle consumer willingness to make major purchases such as swimming pools. To make matters worse, there appears a general lack of enforcement of the legal requirement for the installation of safety devices in all pools constructed since 2004.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	8.40	(6.41)	(3.16)	(1.28)	N/A
2008A	7.20	(14.52)	(12.95)	(4.09)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €8.04

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	11.0	2.4	62.4
Relative*	1.8	3.7	9.9

* % Relative to local index

Analyst

Roger Leboff

MGI Dig Graphic Tech (ALMDG)

Market cap: €36m

COMPANY COMMENT

The group has not released figures to the market since FY08. Established in 1982, MGI designs, manufactures and sells equipment for the production of plastic cards to its customers in France and overseas. Its product range includes innovative digital multi-media (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 (FIRMIN and KINEA) and corporate tax consolidation (SOFIA). FY08 revenues were €15.6m, up 15% y-o-y, while operating profit grew by 18% to €3.0m.

INDUSTRY COMMENT

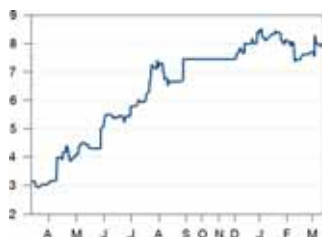
The group has a customer base of several hundred, diversified across a number of sectors. Its principal customers include professional printers, government agencies, major banks and insurance companies, as well as plastic card manufacturers, packaging companies and photo labs. The worldwide market is estimated at c \$20bn per year.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	13.51	2.42	2.42	N/A	N/A
2008A	15.55	2.96	2.85	N/A	N/A
2009E	17.20	3.20	2.50	0.56	14.36
2010E	18.50	3.60	2.80	0.61	13.18

Sector: Electrical Equipment

Price: €8.00

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	7.8	4.6	154.8
Relative*	(1.2)	3.8	72.3

* % Relative to local index

Analyst

Roger Leboff

Microwave Vision (ALMIC)

Market cap: €28m

COMPANY COMMENT

A strong Q409 boosted FY09 turnover to €34.9m, 23% up on FY08. Sales were well distributed, ie Americas (44%), Europe (28%) and Asia (28%). US revenues grew 34%; key drivers were smart phone, aerospace and defence markets. Similar influences pushed up Europe by 20%. The business pipeline was €31.9m at the year end, vs €21m a year earlier and €30.6m at end Q309. This provides good visibility for the current year, while finances are supported by €4.5m of net cash. Full-year results are due to be announced on 14 April 2010.

INDUSTRY COMMENT

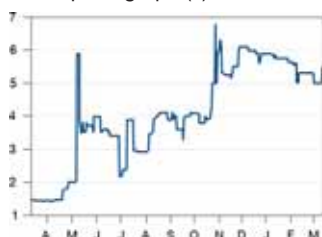
The group designs, manufactures and sells multi-sensor electronic scanning systems for real-time viewing of electromagnetic wave fields, used by the radio communications, automotive, aeronautics and defence industries. With locations in eight countries, exports accounted for 86% of FY08 net sales. It has achieved double-digit annual growth for the last decade and invests over 10% of turnover in R&D to generate a development portfolio to support future growth.

Y/E Mar / Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	20.50	2.18	2.66	0.98	8.16
2008A	21.34	(3.01)	(2.10)	N/A	N/A
2009E	34.90	0.60	0.10	0.02	400.00
2010E	42.00	4.20	3.50	1.00	8.00

Sector: Pcare and household prd

Price: €5.45

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	2.8	(8.9)	275.9
Relative*	(5.7)	43.4	154.2

* % Relative to local index

Analyst

Roger Leboff

Millet Innovation (ALINN)

Market cap: €10m

COMPANY COMMENT

H109 turnover was €7.3m, up 12.7% y-o-y, with some 40% sold to overseas customers. Millet has been able to leverage skills derived in France and Belgium into international markets such as Switzerland, Italy and Portugal. That and H208 cost cuts resulted in a 15.3% increase in operating profit, to €1.3m. That puts the group in line for turnover above €12m at a 8-9% net margin. Renewed confidence is reflected in a €0.30/share interim dividend.

INDUSTRY COMMENT

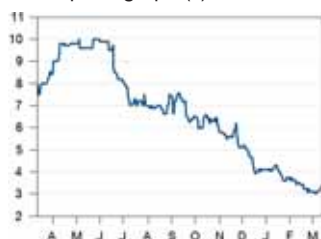
The group's strengths include a broad product portfolio and commitment to maintained investment in R&D at 5% of sales. The outlook is supported by valuable IP (21 patents), a significant proportion of which has evolved into saleable products and a growing network both in France and overseas. The near term should benefit from €0.4m marketing spend designed to raise awareness of its Epitact products among French chiropodists.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	10.58	0.34	0.03	N/A	N/A
2008A	11.17	0.38	0.30	0.01	545.00
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: General Retailers

Price: €3.40

Share price graph (€)



Company description

Mindscape is market leader in France in the development and publication of video games and interactive content for the whole family.

Price performance

%	1m	3m	12m
Actual	0.0	(26.6)	(56.9)
Relative*	(8.3)	(56.2)	(70.9)

* % Relative to local index

Analyst

Richard Finch

Mindscape (ALMIN)

Market cap: €12m

COMPANY COMMENT

A halving of seasonally-important Q4 sales capped a wretched year for Mindscape as demand for its core product (for the Nintendo DS console) collapsed. However, there was some consolation in increased sales of product for the market-leading Wii console and relative resilience in its PC games business as France's third-largest publisher. Following a forecast operating loss of c €9m in 2009, the company expects to return to profit in the current year, assuming restructuring gains and a successful development of on-line games.

INDUSTRY COMMENT

The video-game industry was long assumed to be resilient in straitened times because games are a relatively cheap form of home entertainment and have appeal through innovation. However, this has been thrown into doubt by a sharp and sustained fall in sales of key products in the French market in the nine months to September despite discounting, ie Nintendo DS (-34%) and Wii (-13%).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	41.08	2.91	2.60	N/A	N/A
2008A	54.29	3.02	2.10	N/A	N/A
2009E	32.10	N/A	(9.80)	(2.90)	N/A
2010E	35.30	N/A	(3.20)	(0.90)	N/A

Sector: General Retailers

Price: €9.98

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'Flore.

Price performance

%	1m	3m	12m
Actual	(8.4)	(3.9)	50.1
Relative*	(16.1)	(7.3)	1.5

* % Relative to local index

Analyst

Richard Finch

Monceau Fleurs (ALMFL)

Market cap: €58m

COMPANY COMMENT

The year to September 2009 was transformational, given first full inclusion of Rapid'Flore. It is thus comforting that management's target EBITDA was achieved even if like-for-like indicators were not given and margins remain very thin. Rapid'Flore may be assumed to have brought not only a complementary brand, but also key franchising skills to accelerate expansion (+18% in FY09; now in nine countries). The new franchise agreement with Lagardere to develop the HAPPY concept in its RELAY outlets across France shows the strategy of brand development, market consolidation and vertical integration to be continuing apace.

INDUSTRY COMMENT

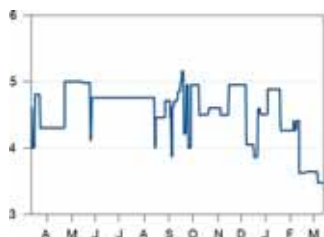
The French flower market is extremely fragmented (Monceau has a clear lead with under 10%). However, supermarkets compete on price through their purchasing power and promotions. The market is traditionally difficult (spend per inhabitant has been static in recent years and is well below the European average), but may now 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)
2007A	29.50	0.13	(0.01)	0.00	N/A
2008A	40.85	0.83	0.19	N/A	N/A
2009E	69.05	N/A	(0.82)	(0.08)	N/A
2010E	85.20	N/A	1.50	0.30	33.27

Sector: Electrical Equipment

Price: €3.47

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	(4.1)	(14.1)	(24.2)
Relative*	(12.1)	(32.2)	(48.8)

* % Relative to local index

Analyst

Roger Leboff

NEOTION (ALNEO)

Market cap: €18m

COMPANY COMMENT

H109 turnover was €2.7m, marginally below H108. The figure includes c €1.5m subject to challenge by GSC and so is fully provided for. As anticipated, the period saw sharply lower sales of MPEG-4 products in Russia, due to that country's recession. There was some resumption of delayed sales in mid-August. The group signed agreements with Dutch and Swedish cable and digital TV providers and has other deals in the pipeline. Although H209 was materially ahead of H109, new contracts are unlikely to add much to revenues before the second half of 2010.

INDUSTRY COMMENT

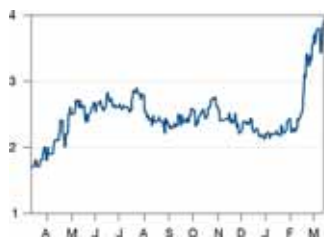
Neotion provides sophisticated system-on-a-chip processors, turnkey sub-systems and reference designs that enable seamless integration and reduce time to market for consumer electronics. Its products capitalise on the 'all-digital' revolution, the gradual switch-off of analogue by 2012. In Europe and the US, c 700m analogue TVs will have to be replaced or upgraded. The changes will affect images broadcast by satellite, DTT and internet over ADSL.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	3.01	(5.84)	(4.85)	N/A	N/A
2008A	12.50	(1.90)	(0.90)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €3.90

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	56.6	60.5	129.4
Relative*	43.6	48.3	55.2

* % Relative to local index

Analyst

Fiona Orford-Williams

NetBooster (ALNBT)

Market cap: €31m

COMPANY COMMENT

Q409 showed some recovery from difficult trading earlier in the year, clawing back the reduction in revenues to 33% for the full year. Gross profit margin improved to 48% (40%) through a combination of product mix, new tools and higher margin services. The group operates in six European countries, China and the Philippines. It has bought a minority stake in Guava, a Danish internet marketing company with the UK a key market. Netbooster's core business is in SEO and SEM.

INDUSTRY COMMENT

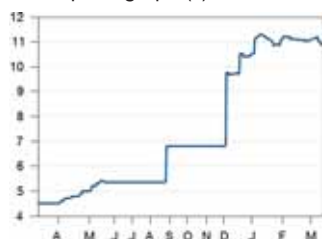
French internet penetration in 2009 was estimated to be 34.7m users, nearly all with high-speed access. E-commerce continued to grow to an estimated €25bn and is forecast to make further progress in 2010 to reach €30bn. The number of users making transactions rose to 24m. The advertising market is still led by press and TV, but online's share of spend has continued to grow 8.2% in 2009, with outdoor and press falling the most. Carat is looking for a modest resumption of growth of 1.0% in France for 2010.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	33.60	1.77	0.48	0.08	48.75
2008A	43.80	1.20	(8.72)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €10.85

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	(2.2)	11.9	139.5
Relative*	(10.3)	48.3	62.0

* % Relative to local index

Analyst

Roger Leboff

NEXEYA (ALNEX)

Market cap: €42m

COMPANY COMMENT

Turnover grew 3% to €109.5m in the year to end June 2009; 6.4% on a like-for-like basis. The main driver was organic growth in key industries such as defence (32% of FY09 sales) and aerospace (21%), with the rest in automotive (6%), IT/telecom (16%) and others (25%). The outlook is underpinned by new business won during FY09 and a growing order backlog in new areas such as energy and rail. In December Nexeya acquired Lorin SA, a specialist in design and construction of test equipment and electronics for major French technology groups in Nexeya's key industries.

INDUSTRY COMMENT

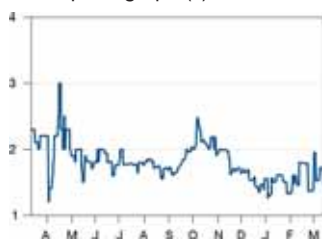
NEXEYA designs, manufactures and supports specialist mission-critical electronic products. It has two divisions: products (complex electronic systems, testing and validation, maintenance and field service solutions); and services (prime contractor assistance, project monitoring, support and maintenance). NEXEYA benefits from sectoral diversification, with revenues derived from a broad range of industries.

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	106.22	6.50	4.00	N/A	N/A
2009A	109.51	7.40	4.20	N/A	N/A
2010E	111.60	8.50	5.20	1.36	7.98
2011E	114.80	9.10	5.80	1.49	7.28

Sector: Technology

Price: €1.46

Share price graph (€)



Company description

Normaction provides telecommunications and computer security services to small and medium-sized French businesses.

Price performance

%	1m	3m	12m
Actual	(18.4)	(3.9)	(31.3)
Relative*	(25.2)	(19.6)	(53.5)

* % Relative to local index

Analyst

Richard Finch

Normaction (ALNOR)

Market cap: €4m

COMPANY COMMENT

The recent ceding of management control to strategic partner Keyyo is a considerable extension of the arrangement made last summer, which involved commercial links, a seat on Normaction's board and a prospective 20% stake. While trading news has been deferred, at end October a record order book and the benefits of Normaction's new partnership with operator Keyyo were expected to make good in H209 the significant profit shortfall in the first half. There were also to be initial returns from a restructuring plan under new management, which aimed to save up to €1m a year.

INDUSTRY COMMENT

While the market for telecoms and IT services remains under pressure, there are still major opportunities for suppliers of security led services with innovative business models and high levels of customer support.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	26.36	0.64	0.40	N/A	N/A
2008A	24.22	1.14	0.42	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

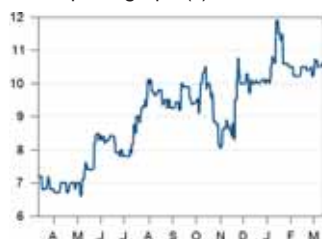
Sector: Technology

Notrefamille.com (ALNFA)

Market cap: €16m

Price: €10.50

Share price graph (€)



Company description

Notrefamille.com is a French internet portal dedicated to families and identity searching. It has three sites: Notrefamille.com, Genealogie.com and Cadeaux.com (online personalised gifts).

Price performance

%	1m	3m	12m
Actual	0.0	5.0	45.8
Relative*	(8.3)	(0.5)	(1.4)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

2009 saw continued successful implementation of Notrefamille.com's strategy of growing the awareness and content of its portal with traffic in December (8.4m visitors), up 35% year-on-year. The acquisition of an online medical encyclopaedia and of France's leading online dictionary were notable achievements, as were the provision of more services for women and consolidation of market leadership in genealogy. Such investment predictably depressed 2009 trading profit but gross margin was ahead and finances remained robust. There is no financial guidance about 2010.

INDUSTRY COMMENT

French e-commerce is forecast to grow by over 20% this year (+26% in 2009). While average transaction spend may remain under pressure, the drivers should be new consumers (+9% last year, reflecting a market much less developed than in the UK and Germany) and frequency of transaction. Online genealogy has become a mass-market activity in France, with over 5m people expressing an interest. The company's site Genealogie.com is clear market leader.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.14	1.13	0.91	0.61	17.21
2009A	11.80	0.40	0.90	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

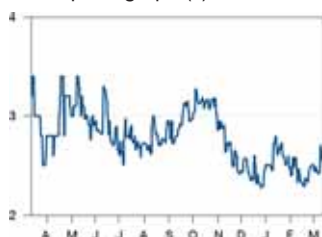
Sector: Technology

O2i (ALODI)

Market cap: €7m

Price: €2.59

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	10.7	10.2	(18.6)
Relative*	1.5	(14.5)	(44.9)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

H109 losses risk obscuring the progress made in developing the group's two market-leading activities. Training has been streamlined from myriad businesses into a single entity (M2i, now on the Marche Libre) and engineering has been extended overseas (Algeria). Management has also been restructured and target margins have been set for the start of 2011 (8% for training and 4% for engineering, compared with a composite 2% in 2008), courtesy of economies of scale, returns on current investment and moving the head office.

INDUSTRY COMMENT

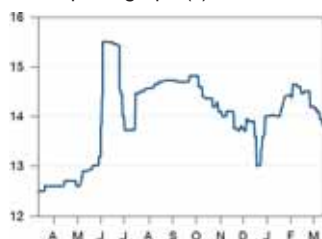
The business benefits from its conglomerate structure. The digital graphics sector continues to go through a cyclical downturn driven by cutbacks in corporate marketing and advertising spend. However, the outlook in education is far more resilient as under-invested schools roll out internet-enabled IT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

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	21.70	(0.01)	(0.47)	N/A	N/A
2008A	48.85	0.89	0.54	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Construction & Blding Mat.

Price: €13.85

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	(4.2)	(0.3)	10.7
Relative*	(12.2)	(10.8)	(25.1)

* % Relative to local index

Analyst

Richard Finch

Ober (ALOB)

Market cap: €20m

COMPANY COMMENT

There is renewed confidence at Ober following more stable trading in Q409 and the acquisition of 60% of Stramica, a major counterpart in North Africa, which brings new products, economies of scale (the business is over half the size of Ober) and scope for expansion in Europe and the Middle East. It is reassuring that Stramica is already similarly high-margin (15%) and is well known by Ober management; the new entity, based in Tunis, will be termed Stramiflex. 2009 was tough for Ober, with sales down by 16%, but Q4 showed moderation, including growth in exports. Pressure on volume, rather than prices, suggests that full-year margin (due in April) could hold up well, as at H109 (13% against 16% despite 13% lower sales).

INDUSTRY COMMENT

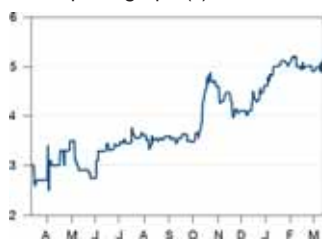
Both the shipbuilding and construction industries have performed poorly in the current climate, with many wooden features seen as expendable luxuries. Shipbuilding virtually ground to a halt while the industry adjusted to the new climate. We do not expect a near-term recovery.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	29.42	4.78	3.08	2.13	6.50
2008A	29.23	4.23	2.71	1.88	7.37
2009E	24.60	2.50	1.30	0.89	15.56
2010E	38.90	4.60	1.90	1.32	10.49

Sector: Technology

Price: €5.10

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	3.0	24.4	70.0
Relative*	(5.5)	35.7	15.0

* % Relative to local index

Analyst

Richard Finch

OCTO Technology (ALOCT)

Market cap: €16m

COMPANY COMMENT

Octo is benefiting from its investment, notably in consultants and architects (+18% in 2009) to deliver growth despite unhelpful market conditions. A 20% gain in Q409 sales maintained the momentum of previous quarters and contributed to a full-year step-change in profitability. Management is confident of further progress in 2010, given Octo's involvement with key projects that survive the financial crisis and the increasing success of its prestigious annual IT conference.

INDUSTRY COMMENT

We would expect investment by corporates in ensuring they have robust architectures to their new IT systems to remain well underpinned. Nevertheless, in the short term, we expect some 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)
2008A	12.86	0.35	0.83	N/A	N/A
2009A	15.40	0.91	0.94	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €9.97

Share price graph (€)



Company description

Orolia produces electronic precision equipment and systems for use for use in the space, defence, security, telecommunication and digital television broadcasting sectors.

Price performance

%	1m	3m	12m
Actual	2.8	3.3	77.1
Relative*	(5.8)	(5.4)	19.8

* % Relative to local index

Analyst

Roger Leboff

Orolia (ALORO)

Market cap: €42m

COMPANY COMMENT

FY09 performance demonstrated some resilience to a difficult economic backdrop. Turnover was €31.1m, up 10% y-o-y but down 6% adjusted for Q409 acquisitions. Performance was affected by delays to SATNAV programmes in Europe, China and India plus, in the last quarter, weakness in test & measurement and broadcast, which typically end the year well. Until economic recovery benefits these areas, profitability will be restrained and FY09 affected by restructuring charges. A €5.9m fund-raising in December will support the acquisition strategy. FY09 results are due on 3 May 2010.

INDUSTRY COMMENT

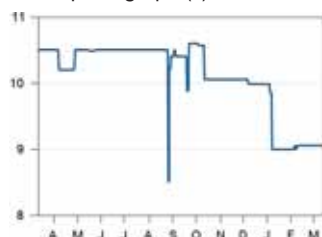
The outlook for FY10 is more encouraging, with progress in navigation systems, beacons and personal marine, and defence. As predicted, global recession has had the greatest impact on Orolia's test and measurement instruments division (17% sales). Defence and security should benefit from government stimulus and the scheduled turn-off of analogue TV in Europe require further deployment of digital terrestrial networks.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	17.44	1.86	1.46	N/A	N/A
2008A	28.17	3.20	1.11	0.45	22.16
2009E	31.10	1.50	(3.30)	(0.30)	N/A
2010E	54.60	4.80	3.70	0.88	11.33

Sector: General Retailers

Price: €9.05

Share price graph (€)



Company description

Piscines Groupe GA 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	0.0	(9.4)	(13.7)
Relative*	(8.3)	(17.6)	(41.7)

* % Relative to local index

Analyst

Richard Finch

Piscines Groupe GA (ALPGG)

Market cap: €28m

COMPANY COMMENT

Economic uncertainty and the company's overcapacity following wholesale expansion since 2005 continued to weigh on H109 results, as trading profit fell by almost 75% on sales down by a fifth. While refraining from forecasts, management is nonetheless cheered that in Q2 the pace of sales decline slowed markedly and bookings improved. Cost control has not affected the ability to react to recovery, although there is inevitable doubt about long-term demand.

INDUSTRY COMMENT

Market leader Piscines Desjoux has more recently confirmed this recovery in trading conditions. The company's French sales rose by 10% in the quarter to November, compared with a fall of 5% in the previous quarter. As at Piscines Groupe, there is a significant benefit from lower raw material costs.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	40.54	4.13	2.20	0.71	12.75
2008A	35.19	0.74	0.07	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €12.45

Share price graph (€)



Company description

Porthus offers custom computer services and solutions.

Price performance

%	1m	3m	12m
Actual	1.8	19.7	55.8
Relative*	(4.6)	22.7	(0.8)

* % Relative to local index

Analyst

Roger Leboff

Porthus (ALPH)

Market cap: €30m

COMPANY COMMENT

On 23 February Porthus received a conditional voluntary cash tender offer from Descartes Systems Group to acquire all outstanding shares at €12.50/share. Consideration will be paid in cash and is conditional on the bidder acquiring 95% of outstanding shares. Porthus's board has unanimously supported this offer. Shareholders holding 51.8% of Porthus shares, including all executive management, have committed to tender their shares and warrants. The results of the offer will be announced by 19 March 2010.

INDUSTRY COMMENT

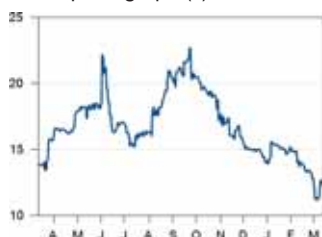
Porthus provides 'OnDemand' IT solutions to help clients manage complex business processes across company boundaries. It has over 500 corporate clients for its B2B OnDemand solutions, located throughout Europe and the Middle East. The outlook is supported by diverse industry experience across a full range of professional and managed services and software to industries such as retail, telecoms, utility, logistics and media.

Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	19.85	1.82	1.25	0.52	23.94
2009A	22.43	2.18	1.12	0.46	27.07
2010E	24.15	3.00	1.50	0.63	19.76
2011E	27.65	3.64	2.25	0.94	13.24

Sector: Basic Industries

Price: €12.41

Share price graph (€)



Company description

POWEO, a leading provider of electricity and gas in France, is evolving towards an integrated operator model with an industrial focus intended to give the company its own electricity production capability.

Price performance

%	1m	3m	12m
Actual	(10.7)	(16.9)	(9.9)
Relative*	(18.1)	(43.2)	(39.0)

* % Relative to local index

Analyst

Richard Finch

POWEO (ALPWO)

Market cap: €203m

COMPANY COMMENT

2009 saw POWEO's sustained refocusing away from industrial companies and networks towards higher-margin residential customers. Group revenue nonetheless held steady as the shortfall of 13% in electricity sales was made good by gas (sharply up from a minimal base) and services. Ahead of market reform, management aims for current year EBIT to break even, helped by restructuring plans whose costs largely hit 2009 (operating loss of €85m tbc). July's €75m rights issue is aiding development of power generation capacity to complement the recent commercial launch of POWEO's first plant.

INDUSTRY COMMENT

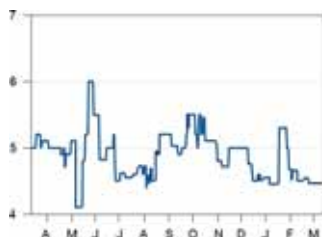
The French electricity market is viewed as one of long-term growth even if demand management initiatives prove increasingly effective. In response to the Champsaur Commission's report, the government is to implement reform next year, aimed at the abolition of price regulation for large business users by 2015, as well as at controls on wholesale pricing. Both measures should favour alternative energy suppliers.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	362.50	(16.60)	(15.30)	N/A	N/A
2008A	577.30	(21.70)	(20.50)	(1.81)	N/A
2009E	532.20	(52.00)	(73.61)	(5.30)	N/A
2010E	715.93	12.00	(12.86)	(0.59)	N/A

Sector: Media & Entertainment

Price: €4.46

Share price graph (€)



Company description

Press Index offers information processing services to communication agencies and businesses. Activities include media surveillance, preparation of press articles and analysis of press spin-offs.

Price performance

%	1m	3m	12m
Actual	(0.9)	(6.1)	(11.7)
Relative*	(9.1)	(13.8)	(40.3)

* % Relative to local index

Analyst

Fiona Orford-Williams

Press Index (ALPRI)

Market cap: €7m

COMPANY COMMENT

Q409 sales were down 3.8% (-2.2% at constant currency). For the year, UK and Spanish markets were 23% and 22% lower respectively, while France (68% sales) showed modest growth after a dull Q409. The group has launched Pikanews in France and the UK, with other markets to follow. This is a pan-European multimedia monitoring service, enabling clients to track areas of commercial interest more broadly than just by brand and allowing them to see information in its presentational context. The group is also extending its offering to include reputation management within social media.

INDUSTRY COMMENT

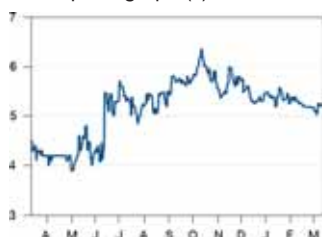
The proliferation of channels and globalisation of content has presented real hurdles for media monitoring, a traditionally labour-intensive activity. Press Index has invested in technological solutions that have broadened the proposition, should give economies of scale and offer the ability to service clients reliably and in real time, on a retained and project basis. However, the economic environment means that clients remain reluctant spenders.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	15.61	0.97	(0.42)	(0.28)	N/A
2008A	16.95	0.95	(2.41)	(1.46)	N/A
2009E	16.31	N/A	0.38	N/A	N/A
2010E	16.80	N/A	0.48	N/A	N/A

Sector: Technology

Price: €5.20

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	(0.8)	(2.8)	15.8
Relative*	(9.0)	(14.4)	(21.7)

* % Relative to local index

Analyst

Roger Leboff

Prodware (ALPRO)

Market cap: €22m

COMPANY COMMENT

Turnover of €56m for the first nine months was 1% below the same period in 2008 on a comparable basis. That was resilient relative to a 4% fall for the relevant market segment (Source: Syntec Informatique). Prodware benefits from a diverse base of over 12,000 customers. During Q3 it outsourced further non-strategic assets such as lab equipment maintenance, procurement and management of computer waste. The medium-term outlook is supported by new products, such as the integrated 'P-Box' launched in conjunction with Microsoft.

INDUSTRY COMMENT

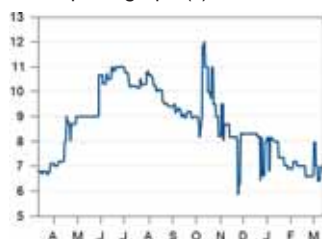
Established in 1989, Prodware is one of France's leading software integrators and IT service companies, with c 11,600 domestic and international customers. It has grown steadily via acquisition. A well-diversified customer base and experience provides exposure to sectors including automotive, financial services, food and beverage, life sciences, luxury goods, professional services, retail, telecommunications, transportation and logistics, and utilities.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	69.40	5.14	3.66	1.06	4.91
2008A	95.10	3.80	2.20	0.61	8.52
2009E	88.17	3.61	1.41	N/A	N/A
2010E	92.58	6.59	3.99	N/A	N/A

Sector: Technology

Price: €6.70

Share price graph (€)



Company description

Proservia specialises in providing engineering and computer services.

Price performance

%	1m	3m	12m
Actual	(4.4)	(19.4)	(1.5)
Relative*	(12.4)	(29.5)	(33.4)

* % Relative to local index

Analyst

Richard Finch

Proservia (ALPRV)

Market cap: €12m

COMPANY COMMENT

An acceleration in organic sales decline in H209 (10% against 2% in H109) shows Proservia struggling to meet its target of outperforming a flat market. Moreover, 2010 is expected to be another difficult year despite signs of a pick-up. H109 saw predictably severe margin pressure, compounded by disappointment with two key newer ventures, which led to a collapse in profit that management sought to stem in the second half through cost cutting.

INDUSTRY COMMENT

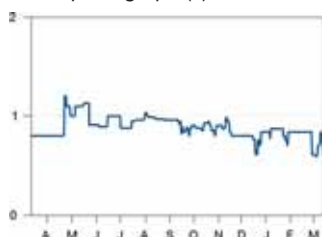
Industry body Syntec has forecast no growth in the market (± 2 points) for 2009. This compares with 6% growth in 2008.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	37.76	4.04	2.19	1.19	5.63
2008A	46.06	2.67	1.05	0.63	10.63
2009E	45.10	1.10	0.50	0.28	23.93
2010E	45.10	2.10	1.30	0.72	9.31

Sector: Support Services

Price: €0.60

Share price graph (€)



Company description

Proventec distributes cleaning materials and protective coatings to the health, transport, building and agri-food sectors.

Price performance

%	1m	3m	12m
Actual	(28.6)	(25.0)	(20.0)
Relative*	(34.5)	(38.2)	(45.9)

* % Relative to local index

Analyst

Richard Finch

Proventec (ALPTC)

Market cap: €9m

COMPANY COMMENT

Encouraging early returns from two key European acquisitions and from restructuring, allied with last summer's successful fund-raising of £1.5m, suggest that cleaning specialist Proventec may have turned the corner after the difficulties of the year to March 2009. This was marked by restructuring, cash restraints on the public and private healthcare sector, and currency fluctuations. While the second half of the current period is expected to improve on the first, when sales were down by 2% and pre-tax loss increased, it could well be mid-2010 before current initiatives pay off materially.

INDUSTRY COMMENT

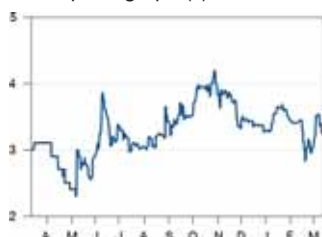
The rise in hospital-acquired infection amounts to a global epidemic, for example, with up to 100,000 people affected by MRSA in 2008 in the US alone. However, UK figures show a continuing and significant fall in MRSA and C difficile thanks to increased dedication to infection control in hospitals and nursing homes. The bugs' capacity to develop resistance to antibiotics, for example, argues against complacency.

Y/E Mar	Revenue (£m)	Op. Profit (£m)	Net income (£m)	EPS (£)	P/E (x)
2008A	14.03	2.38	1.32	0.11	4.77
2009A	15.40	(27.60)	(27.90)	(227.40)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €3.27

Share price graph (€)

**Company description**

Referencement.com group is a specialist in digital marketing and search marketing software publishing. It is characterised by the convergence of online advertising channels.

Price performance

%	1m	3m	12m
Actual	(4.9)	(4.7)	10.3
Relative*	(12.9)	(10.7)	(25.4)

* % Relative to local index

Analyst

Roger Leboff

Referencement.com (ALREF)

Market cap: €9m

COMPANY COMMENT

FY09 turnover was 9.9% down y-o-y at €17.6m. The three largest divisions have undergone some repositioning likely to be reflected in FY10 sales. The one division to show growth was software (search engine marketing) which, after investment in product development, saw a 71% increase in sales to just over €1m. Group margins will be helped by €0.6m pa cut in overheads, including 17% from payroll. Referencement.com raised €0.8m via a share issue in October and intends to invest in R&D to generate innovative products and services.

INDUSTRY COMMENT

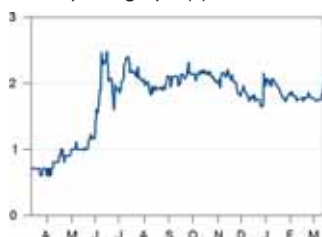
The group's products put it in a strong position to capitalise on increased media spending on the internet. Its specialist divisions offer customers insight into the efficacy of their online marketing. It has over 1,200 clients, including Microsoft, Accor, 3 Suisses, Vivendi, Intermarché, Metro, Yellow Pages/Pages Jaunes, Groupe AB, Ricoh, Axa Health and Lenôtre. The group has offices in Paris, Bucharest, London, New York and Palo Alto (R&D).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	6.66	0.48	0.16	(0.07)	N/A
2008A	17.58	0.09	(0.08)	(0.28)	N/A
2009E	15.80	0.70	0.00	0.15	21.80
2010E	15.00	1.20	0.30	0.30	10.90

Sector: Engineering

Price: €2.00

Share price graph (€)

**Company description**

Reims Aviation Industries is the European leader in light aerial surveillance. Its F406 twin turboprop, first flown in 1983, continues to operate around the world.

Price performance

%	1m	3m	12m
Actual	13.6	12.4	170.3
Relative*	4.2	(3.9)	82.8

* % Relative to local index

Analyst

Richard Finch

Reims Aviation Industries (ALRAI)

Market cap: €13m

COMPANY COMMENT

Following the partial transfer of assets of its Skylander operation to Reims Aviation, GECI International, already the majority shareholder, holds 95% of the enhanced entity, to be re-named GECI Aviation. Management is confident that the combined portfolio offers two aircraft, the F406 and the Skylander, with high potential. The former is a proven leader in surveillance, while the latter is a multi-purpose twin turboprop with low acquisition and operating costs and is set to enter service next year (targeted sales of 1,500 by 2027).

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	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	9.83	0.42	0.28	0.08	25.00
2008A	5.63	(2.02)	N/A	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Construction & Bldg Mat.

Price: €5.64

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	7.8	4.4	204.9
Relative*	(1.1)	18.7	106.2

Analyst

Richard Finch

Richel Serres (ALRIC)

Market cap: €28m

COMPANY COMMENT

Despite the volatility of quarterly reporting (sales up or down by 25% in each of the last quarters, most recently up), Richel has the composure to forecast increased sales and profit for the year to March 2010. The sustained vigour of its French operations plus a likely rebound in exports in the final quarter (down 40% in Q3 and just a third of YTD group sales against half in FY09) support this confidence, as does a decent margin gain achieved in the first half. The new renewable energies business goes from strength to strength (already over 15% of group sales).

INDUSTRY COMMENT

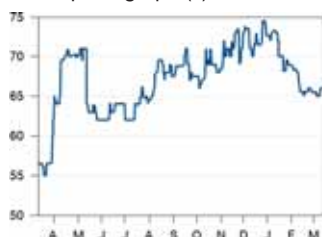
Latest Eurostat figures to January showed European industrial production grew by 1.7% compared with December 2009 and 1.4% versus January 2009. However capital goods fared less well, falling 0.3% compared with December and rising 0.5% compared with January 2009.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	90.39	4.21	5.29	0.51	11.06
2009A	87.20	3.10	2.00	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Sector: Construction & Bldg Mat.

Price: €66.02

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	0.6	(5.7)	16.8
Relative*	(6.4)	(13.0)	(27.3)

Analyst

Richard Finch

Royalreesink (ALRRE)

Market cap: €44m

COMPANY COMMENT

Economic conditions contributed, as at H109, to a 40% dip in 2009 trading profit (+28% in 2008) on sales down by 17% (12% in H1). Management is thus understandably cautious about the current period, suggesting no improvement in markets in the first half. Detailed results will be announced at the end of March.

INDUSTRY COMMENT

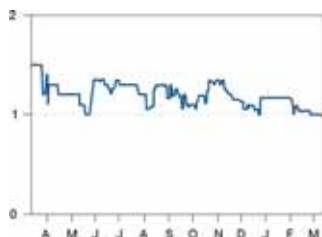
According to the OECD, after a sharp recession where GDP declined by 4.3% in 2009, the Netherlands' economy is set for modest growth of 0.7% on the back of a recovery in world trade, fiscal stimulus and easier monetary conditions. The fiscal stimulus contributed to a budget deficit around 4.5% of GDP in 2009.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	184.62	8.21	6.95	10.35	6.38
2008A	198.91	10.46	7.86	11.71	5.64
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Construction & Bldg Mat.

Price: €0.98

Share price graph (€)

**Company description**

Safwood provides wood products such as logs, dry pine and fir boards, panels and sheets to the construction and furniture industries. It has production sites in Russia and Poland.

Price performance

%	1m	3m	12m
Actual	(4.9)	(10.1)	(34.7)
Relative*	(12.8)	(22.7)	(55.8)

* % Relative to local index

Analyst

Richard Finch

Safwood (ALWOO)

Market cap: €25m

COMPANY COMMENT

Safwood is now facing the challenge of funding its recently-published ambitious five-year business plan aimed at becoming a fully-integrated producer (estimated investment of more than €200m). Meanwhile trading is holding up reasonably well in tough conditions. The core sawn products operation, whose sales fell by c 10% in H109, is expected to have picked up in the second half, with the forecast gain in full-year group EBITDA set to come from the new high-margin wood structures business. 2010 will benefit from the new chipboard panels plant.

INDUSTRY COMMENT

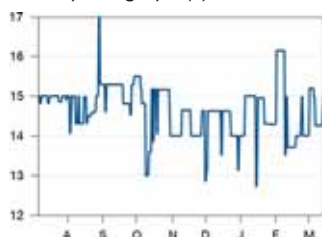
Global timber prices continue to fall as demand weakens and regulation in developed countries takes effect against illegal supplies (which can make up 10% of supplies in some countries). Longer term, we expect hardwood prices to continue to increase relative to soft woods.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	94.46	9.02	4.26	0.28	3.50
2008A	99.07	6.37	1.70	0.65	1.51
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Food & Drink

Price: €14.98

Share price graph (€)

**Company description**

Sapmer specialises in fishing for Patagonian toothfish (Chilean seabass), lobster and tuna. The company operates exclusively in the Australian (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	9.3	2.4	N/A
Relative*	0.2	(7.3)	N/A

* % Relative to local index

Analyst

Fiona Orford-Williams

Sapmer (ALMER)

Market cap: €52m

COMPANY COMMENT

Sapmer listed in July 2009, raising €5m. Full 2009 financials will be released on 24 March, based on revenues from continuing activities up 12.2%. Based on La Réunion, the Patagonian toothfish historically formed the bulk of the group's tonnage, caught under strict quotas in the TAAF (French Southern and Antarctic Lands), with crayfish the next largest category. Expansion plans centre on commissioning three tuna freezer purse seiners (the second to be delivered in H110; the third in H210) and a JV plant in L'Ile Maurice. By 2012, tuna is intended to account for 60% of group revenues.

INDUSTRY COMMENT

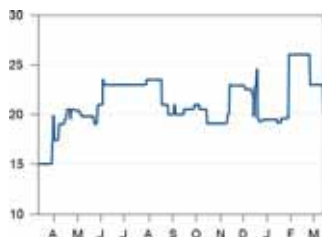
Both toothfish and crayfish are highly prized in Asia, with frozen tuna particularly suitable for quality sashimi. Following instances of over-fishing and piracy, TAAF laws were tightened and are now strictly enforced. Trawling was banned in favour of longline, quotas are fixed annually and all ships must carry an independent inspector. Tuna is not currently restricted in the Indian Ocean as it is in the Atlantic, Pacific or Mediterranean.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	29.70	4.25	(0.07)	N/A	N/A
2008A	29.45	4.21	1.24	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price: €20.03

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	(23.0)	(9.0)	33.5
Relative*	(29.4)	(5.2)	(9.7)

* % Relative to local index

Analyst

Richard Finch

Serma Technologies (ALSER)

Market cap: €23m

COMPANY COMMENT

A growing order book since last summer encouraged management to forecast higher like-for-like sales for 2009 despite a 4% setback in the first half. It remains to be seen whether this confidence is more justified than its H1 +12% forecast, which misfired. Interim trading profit rose slightly, ie on increased margin. The German acquisition, Axeneon, representing over 10% of enlarged group sales, confirmed Serma's readiness to grow externally.

INDUSTRY COMMENT

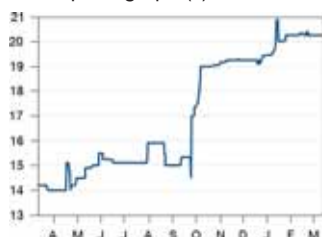
Our checks indicate that the worst is probably over for the semiconductor sector in terms of sequential and year-on-year comparisons. However, the severity of the downturn should not be underestimated and its duration is still unknown: it has already claimed some high-profile casualties in the bankruptcies of Qimonda and Spansion. Companies further down the supply chain may take longer to see any recovery, but importantly we would expect the trend towards outsourcing to continue.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	38.74	2.78	1.66	1.44	13.91
2008A	41.94	N/A	4.35	3.77	5.31
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €20.25

Share price graph (€)



Company description

Sidetrade is a major European publisher in the software-as-a-service mode, offering financial departments technology and consulting services for optimising customer relationships, for example reducing payment delays.

Price performance

%	1m	3m	12m
Actual	(0.4)	5.2	42.1
Relative*	(8.7)	24.9	(3.9)

* % Relative to local index

Analyst

Roger Leboff

Sidetrade (ALBFR)

Market cap: €26m

COMPANY COMMENT

Four quarters of 20% y-o-y growth delivered FY09 turnover of €9.4m and confirmed both the consistent performance and potential of the group's SaaS model. Its success is reflected in a 47% increase in invoice volumes to 18.9m at the end of the year. Major client wins, such as The Tribune, Primagaz and Compass France, plus Nespresso's renewal reflect increased corporate concern over cash/risk management. Recurring revenues from multi-year contracts provide medium-term visibility to 2014. Full results for FY09 will be released on 27 April.

INDUSTRY COMMENT

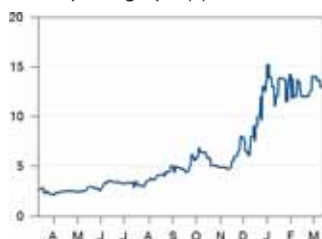
IDC has forecast average growth in the SaaS market of 26% a year to 2011, with the share of on-demand services in the software market to increase by more than 100% between 2007 and 2011. Sidetrade helps clients with cash management and helps improve cash flow/reduce working capital. It also helps reduce late payments, decrease disputes, identify customer risk and secure receivables. It 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)
2007A	6.22	0.26	0.42	N/A	N/A
2008A	7.89	0.70	0.98	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €12.90

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	7.5	61.3	396.2
Relative*	(1.4)	159.9	235.6

* % Relative to local index

Analyst

Richard Finch

Sporever (ALSCO)

Market cap: €31m

COMPANY COMMENT

Sporever's re-positioning on new media paid off in H109 as strength in IPTV (now 40% of sales) comfortably made up for weakness in internet advertising and contributed to significant margin gain on maintained sales. Audience growth of 34% in the period confirms that the Sportweek acquisition has marginal overlap with the company's existing market-leading '365' football sites. H209 will have been affected by the slowdown in advertising but should have benefited from the move to cheaper premises. The newly announced acquisition of Bouyaka, a broad-based production company, will take Sporever beyond its core sports content.

INDUSTRY COMMENT

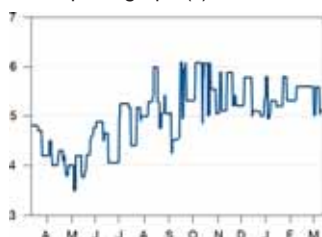
France has been particularly amenable to IPTV but the tendency for it to be bundled free with broadband makes it unclear how financially attractive the service is on its own. The huge subscriber bases of satellite and cable operators are also a threat, but the European market is estimated to double by 2012. Online advertising could grow by 8% this year (per Capgemini Consulting) against +6% in 2009.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	16.30	1.03	1.52	0.65	19.85
2008A	13.11	0.22	(0.76)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: €5.10

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	(8.8)	(11.8)	7.1
Relative*	(16.4)	6.1	(27.5)

* % Relative to local index

Analyst

Roger Leboff

Stradim - Espace Fin. (ALSAS)

Market cap: €9m

COMPANY COMMENT

H109 turnover was down 10% y-o-y to £22.3m and net profit by 70% to €0.3m. The effect of a tough real estate market was accentuated as all buyers held off in anticipation of lower prices. There has been some recovery since September, although a harsh winter has added to delays. At the end of the period, however, the group held 279 contracted reservations worth c €40m, vs 143 and €22m at this stage last year. By end Q309, the pipeline had risen again to 469 reservations valued at €69m, underpinning the outlook for FY10.

INDUSTRY COMMENT

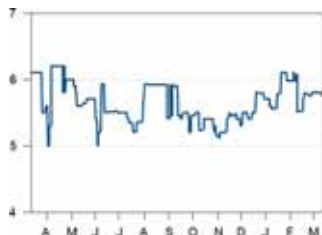
Revenues are generated from the sale of apartments, houses, other buildings and development land, plus estate agency services. Stradim has sales operations in Alsace, Aube and the Loire Atlantic region in France. It has diversified geographically in recent years to balance its portfolio between sales from Champagne-Ardenne and Alsace. Contributions from the Loire-Atlantique and Midi-Pyrénées regions are currently weak, suffering from oversupply. However, the group is well placed to benefit as these markets begin to recover.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	54.01	5.67	3.50	4.10	1.24
2008A	48.39	2.40	1.00	0.58	8.79
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €5.75

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	4.2	6.5	(6.4)
Relative*	(4.5)	(0.1)	(36.7)

* % Relative to local index

Analyst

Roger Leboff

StreamWIDE (ALSTW)

Market cap: €15m

COMPANY COMMENT

H109 revenues were up 2.4% y-o-y to €3.1m. The driver was international sales, up 85% to 70% of the total. This compensated for slower domestic performance as telecoms companies continued to sit on their hands. Operating performance was better with a €0.4m loss vs a €1.1m H108 deficit, despite an increase in staff costs for the US and Chinese subsidiaries. Finances remain secure, with a debt-free balance sheet and €3.6m net cash. Low cash burn and an upgraded product mean StreamWIDE is well placed when investment spending revives in France.

INDUSTRY COMMENT

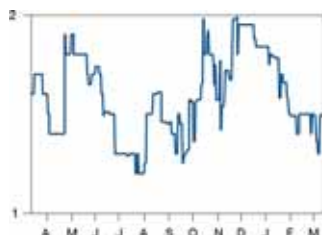
StreamWIDE provides next-generation value-added services for mobile and fixed-line telecoms operators. This is based on a proven carrier-grade, software patented technology. Europe's telecom carriers have adopted a wait-and-see attitude but emerging markets, ie Latin America and Africa, continue to grow. StreamWIDE offers the benefits of an IP environment (with reduced time to market, capex and opex), plus innovative and efficient tools to drive up ARPU.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	7.08	1.95	1.75	0.65	8.85
2008A	6.06	(1.85)	(0.50)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price: €1.49

Share price graph (€)



Company description

The Marketinggroup specialises in customer relationship management, for example, management of contact centres, and communication and marketing services.

Price performance

%	1m	3m	12m
Actual	(0.7)	(23.6)	(6.9)
Relative*	(8.9)	(5.9)	(37.0)

* % Relative to local index

Analyst

Fiona Orford-Williams

The Marketinggroup (ALTMG)

Market cap: €5m

COMPANY COMMENT

The business comprises two activities: call centres (phone marketing, both outsourced and insourced, 74% sales) and marketing communications (26%). Full-year 2009 performance has yet to be published, but in the first half overall sales held up. However, overcapacity at both the enlarged Marseilles call centre and at Lyon pushed the group into an operating loss. The lower-cost new centre in Dreux, opened in June, is key to recovery although visibility remains limited. 51% of the shares are held by the Gladysz family.

INDUSTRY COMMENT

The French call centre market is the third largest in Europe after the UK and Germany. Budgets remain under pressure, but standard call centre support functions have the comfort of some longer-term contracts. Industry margins, however, have been affected by overcapacity and high labour costs, confirmed by the recent difficulties in its domestic market of industry major, Teleperformance, which has transferred its Orange business to Tunisia. Further industry consolidation is anticipated.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	24.82	N/A	(0.28)	(0.09)	N/A
2008A	34.48	0.42	(0.04)	(0.01)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

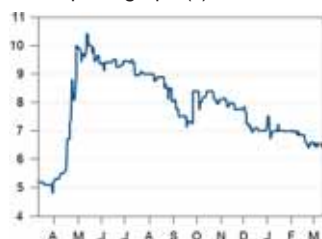
Sector: Support Services

TMC Group (ALTMC)

Market cap: €23m

Price: €6.50

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	(5.0)	(6.6)	25.7
Relative*	(11.6)	(21.7)	(21.8)

* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

TMC has felt the effect of the economic downturn on its clients, particularly in the semiconductor industry. Turnover fell by 4% y-o-y in H109 to €19.7m, but it reported an underlying €0.8m operating profit, despite a lower gross margin - from 36% to 29%. The second-half outlook was cautious, but the benefits of cost savings and closure of loss-making activities should be seen in H2. In December TMC's board suspended its operations and commercial directors due to fundamental disagreements over group strategy. An interim COO was appointed at the beginning of 2010.

INDUSTRY COMMENT

The group cut costs in anticipation of a tougher market in 2009 and shifted the strategic focus to maintaining profitability of existing activities and capitalising on clients added in 2008. It expects demand for its specialists to remain high. Group clients include Philips, ASML, Océ, TNO, the Maastricht University Hospital, the Ministry of Defence and the Municipality of Amsterdam. TMC added more than 100 new clients in FY08.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	27.36	4.88	3.56	0.96	6.77
2008A	42.34	5.61	4.04	1.04	6.25
2009E	40.00	N/A	2.00	0.47	13.83
2010E	41.00	N/A	3.00	0.79	8.23

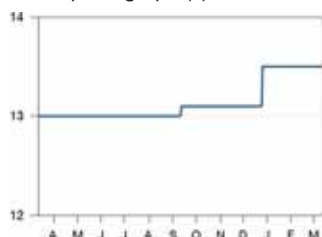
Sector: Pcare and household prd

Toolux Sanding (ALTLX)

Market cap: €24m

Price: €13.50

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	3.1	3.8
Relative*	(8.3)	(2.4)	(29.8)

* % Relative to local index

Analyst

Stephen Rogers

COMPANY COMMENT

Toolux has not released news to the market since its full-year results in July 2009. Results for the period from incorporation in October 2008 and its year-end 31 December show sales of €8.47m. Gross profit, at a margin of 28%, was €2.39m, and operating profit, at a margin of 2.2%, was €0.18m. End-December net cash stood at €3.9m. In December 2008, 403,667 shares were placed, raising €5.1m. Also in December 2008, Toolux bought the outstanding shares of Shaoxing Sanding Tools Co Ltd, now 100% owned.

INDUSTRY COMMENT

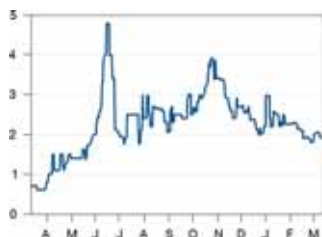
Toolux Sanding is a Luxembourg-based holding company incorporated in October 2008. The company is engaged in tool production and operates through its direct subsidiaries Giant Dragon Holding Ltd, based in Samoa, and Shaoxing Sanding Tools, based in China. The company specialises in the design, manufacture 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)
2007A	9.71	2.22	1.96	N/A	N/A
2008A	8.47	0.19	0.08	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: €1.86

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	(11.4)	(21.2)	165.7
Relative*	(18.8)	(29.5)	79.7

* % Relative to local index

Analyst

Richard Finch

Traqueur (ALTRA)

Market cap: €6m

COMPANY COMMENT

Continuing weakness in premium car registrations is likely to have remained debilitating for Traqueur and its eponymous flagship security product. H109 sales by the core after-theft business were down by 40% but successful development of ancillary activities, fleet management and distribution, redeemed the shortfall to 13% and efficiencies stanching operating losses. With numerous high-profile industry partnerships now in place, Traqueur is well placed to benefit from any market recovery.

INDUSTRY COMMENT

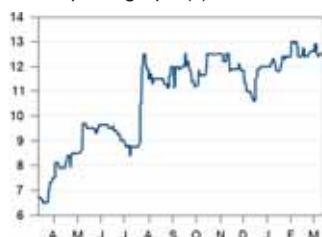
The theft detection and recovery market is tied closely to vehicle registrations as buyers of new cars, especially premium ones, are more likely to protect against theft. The current recovery in sales in France is centred on the lower end, boosted initially by the government incentive to scrap older cars (now ended) and generally by consumers trading down. For example, BMW and Mercedes registrations fell by 12% and 1% respectively in the first two months of 2010, against a market up by 11%.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	14.18	N/A	(0.22)	(0.08)	N/A
2008A	14.86	(2.48)	(2.93)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Engineering

Price: €12.55

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	1.2	17.2	87.9
Relative*	(7.2)	(1.0)	27.1

* % Relative to local index

Analyst

Richard Finch

Trilogiq (ALTRI)

Market cap: €47m

COMPANY COMMENT

Lower costs of raw materials (steel and plastic) and higher productivity contributed to maintained trading profit despite 15% lower sales in the six months to September. Moreover, group margin was well ahead of that in the previous full year, which was largely pre-recession. Developed markets, which make up the bulk of sales, were predictably difficult, offset somewhat by isolated enhanced contributions from Mexico, South Africa and parts of Eastern Europe. Breadth of product and coverage, competitive production and strong finances suggest that Trilogiq is equipped for what it terms the "new economic world order".

INDUSTRY COMMENT

Latest Eurostat figures to January showed European industrial production grew by 1.7% compared with December 2009 and 1.4% versus January 2009. However capital goods fared less well, falling 0.3% compared with December and rising 0.5% compared with January 2009.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	35.40	8.19	5.46	1.46	8.60
2009A	46.52	8.23	5.34	N/A	N/A
2010E	44.00	N/A	7.00	1.80	6.97
2011E	46.00	N/A	7.00	1.80	6.97

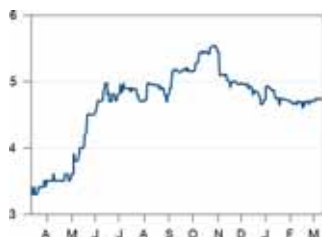
Sector: Financials

Turenne Invest. (ALTUR)

Market cap: €22m

Price: €4.72

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	0.9	(4.1)	42.4
Relative*	(7.5)	(12.1)	(3.7)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Despite a difficult market for private equity investment, Turenne's NAV per share held steady in 2009 at €7.10 (down by just 4% on December 2008). The company has strengthened its involvement in its four target sectors (healthcare, sustainable development, the internet and specialist distribution), with 16 holdings at the period close (13 a year earlier). Management is seeking to exploit depressed valuations through its recent €8m fund-raising.

INDUSTRY COMMENT

As a listed vehicle with underlying investments in unquoted companies, Turenne Investissement offers investors the opportunity to gain exposure to private equity investment that would not ordinarily be available to them. While such investments are considered relatively risky, an investment in Turenne offers diversification and the opportunity to piggyback on due diligence conducted by Turenne Capital Partenaires. The portfolio is fully invested in France and investments are made in companies with a capitalisation of €10m-100m. As such, Turenne's prospects depend on the French economy.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	0.00	(0.91)	1.36	0.82	5.76
2008A	0.00	(1.36)	(1.32)	(0.41)	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

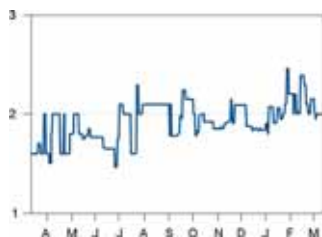
Sector: General Retailers

VDI Group (ALVDI)

Market cap: €10m

Price: €2.00

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	(16.3)	6.4	25.0
Relative*	(23.3)	5.2	(15.5)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Sales growth of 6% (8% at constant currency) in 2009 endorsed the vaunted resilience of VDI Group's portfolio of 'indispensable' products. There was a boost in particular from demand for swine flu-related products (c €1.5m) and for defibrillators in public places in France. While non-committal about current trading, management confirms that European development continues and that measures have been taken to recover margin lost in H109 (2009 results are imminent).

INDUSTRY COMMENT

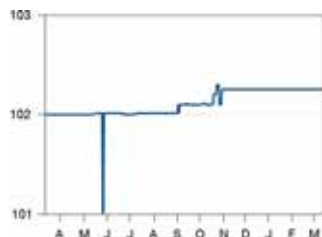
The fragmented nature of the health and safety at work market provides little guidance. However, Bunzl, parent of France Sécurité, has said that while it does not expect to repeat the significant benefit from the sale of H1N1-related products which was seen towards the end of 2009, trading should hold up well this year. In calmer times, VDI estimated average annual growth of 2-3% in this market, with up to 10% for hygiene, bedding and short-run products. Battery demand should reflect consumers' increasingly nomadic lifestyles.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	42.72	3.31	1.21	N/A	N/A
2008A	45.68	2.30	1.11	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: €102.25

Share price graph (€)



Company description

Ventos is an investment company that acquires holdings in listed and unlisted companies. The portfolio includes companies in the real estate, food processing, financial, venture capital, energy and environment sectors.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.2
Relative*	(8.3)	(5.2)	(32.2)

* % Relative to local index

Analyst

Richard Finch

Ventos (ALVEN)

Market cap: €146m

COMPANY COMMENT

Ventos is recuperating from the effect of the financial crisis on the stock market. A small trading profit accompanies an increase in the intrinsic value of the investment portfolio in the latest update to September, ie 10% rise in the value per share (€99) since March. The company has flexibility through its low indebtedness but is otherwise largely sensitive to the fortunes of the stock market and the economy.

INDUSTRY COMMENT

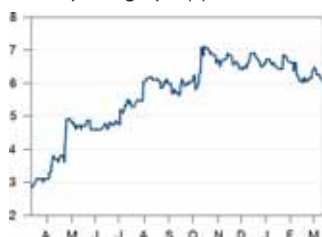
The investment manager's preferred sectors have long been the core growth sectors of real estate and food processing. However, other sectors have been rotated around them, with a view to balancing risk. 2008 saw the portfolio become increasingly polarised, with the real estate allocation increasing from 40% to 63%, while the other big heavyweight, food processing, fell from 23% to 2%. The portfolio appears to be particularly exposed to the Spanish and Swiss real estate markets, so recovery will depend on growth in these areas.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	73.16	74.04	70.86	N/A	N/A
2008A	39.32	19.21	15.84	N/A	N/A
2009E	N/A	N/A	N/A	28.30	3.61
2010E	N/A	N/A	N/A	32.27	3.17

Sector: Oil & Gas

Price: €6.00

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	(0.8)	(12.9)	111.3
Relative*	(9.1)	0.6	42.9

* % Relative to local index

Analyst

Richard Finch

Vergnet (ALVER)

Market cap: €39m

COMPANY COMMENT

Success in signing up new territories in the Farwind Export market and a new Ethiopian wind turbine contract helped to deliver the predicted jump (55%) in H209 sales in the face of a demanding comparative for the Water & Solar division (down by a quarter). This will not prevent a further increase in trading loss (forecast loss of €8.5m to a €9.5m loss for 2009 as a whole). A strong order book, extending to 2012, persuades management that Vergnet can return to profit over the next year or so (break even at the trading level in 2007).

INDUSTRY COMMENT

In 2008 for the first time more wind power was installed in the EU than any other power technology, reflecting the move to clean, renewable power. This trend 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)
2007A	33.37	(0.38)	0.44	0.08	75.00
2008A	20.70	(7.20)	(5.90)	(0.93)	N/A
2009E	29.10	(8.90)	(6.85)	(1.04)	N/A
2010E	81.65	1.20	2.70	0.41	14.63

Sector: Technology

Price: €6.13

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	(5.5)	(8.4)	(9.9)
Relative*	(11.4)	(18.5)	(42.6)

* % Relative to local index

Analyst

Roger Leboff

Vision IT Group (VIT)

Market cap: €40m

COMPANY COMMENT

Turnover for the first nine months of FY09 was 2% up y-o-y at €60.8m, but Q309 down 6%.

The key market, France (58% of group sales) was 4% weaker, offset by Belgium (14%, up 6%), Luxembourg, Italy and Switzerland (14%, down 11%). Spain was the problem area, down 19% y-o-y. In March 2010 the group entered the German market via the €5.2m acquisition of GFI Informatik, a consulting (56% of sales) and systems integration (44%) entity, with a presence in public administration, industry and banking. Vision IT is due to announce FY09 turnover on 16 March and full results on 20 April.

INDUSTRY COMMENT

As provider of broad IT services the group is vulnerable to the impact of recession on its clients. However, group sales are diversified by sector and geography, with recent new business in France (nuclear sector), Belgium (railway transport), and Spain (public sector). Financial services represent around half of total revenues and 80% is currently earned outside Belgium, in five other European countries.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	70.33	6.05	2.63	0.65	9.43
2008A	81.60	5.70	3.10	0.54	11.35
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Sector: Travel & Leisure

Price: €19.97

Share price graph (€)



Company description

Voyageurs 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	4.9	24.8	98.3
Relative*	(3.8)	28.7	34.1

* % Relative to local index

Analyst

Richard Finch

Voyageurs du Monde (ALVDM)

Market cap: €74m

COMPANY COMMENT

Voyageurs du Monde has pleased the market with upbeat guidance about its 2009 financials (due in April) and the current period. 2009 trading profit is now expected to rise on sales down by 2% rather than 3-5% (October's forecast), which is impressive given the weakness of the French market (down c 10%). Core tour operations have apparently held steady, with softness centred unsurprisingly on group and events business. The company is committed to its strategy of direct sales and a growing internet presence (almost a third of sales).

INDUSTRY COMMENT

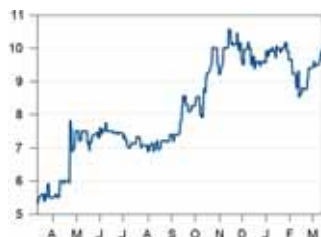
Thomas Cook and TUI Travel have both reported that their French operations have made a reasonable start to summer 10. There should also be easier comparison with this time last year when political events in key destinations French West Indies and Madagascar affected bookings. Continued commitment to capacity restraint by the majors should help market pricing, while their re-balancing towards higher-margin, medium-haul product is both flattering and potentially a threat to Voyageurs du Monde.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	218.53	7.76	5.18	1.40	14.26
2008A	244.80	9.50	6.00	1.61	12.40
2009E	239.82	9.80	5.90	1.70	11.75
2010E	243.35	10.30	6.30	1.83	10.91

Sector: Media & Entertainment

Price: €9.59

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	11.5	0.9	79.9
Relative*	2.2	16.4	21.7

* % Relative to local index

Analyst

Fiona Orford-Williams

Weborama (ALWEB)

Market cap: €28m

COMPANY COMMENT

Weborama provides performance tools and detailed web analytics. It has withdrawn from basic adserver technology to focus on behavioural targeting, which is helping gain traction with larger clients including Google and YouTube. It has over 300 clients, mostly in France but with 23% of sales now international, and supplies 10 of the largest 20 advertisers in its domestic market. 2009 growth was strong at 25%, with a further improvement in margins despite underlying poor markets. In February, it paid €3.2m (2.5% sales) for Adrime, a high-margin Dutch specialist in rich media, a deal that should be immediately earnings enhancing.

INDUSTRY COMMENT

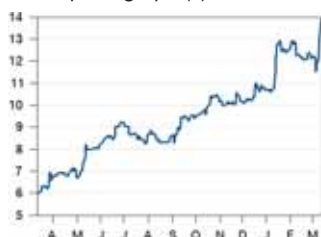
The number of internet users in France continued to rise in 2009, but with stronger growth in the number of daily users and in the time spent online, which increased by 10 minutes to 1 hr 22 mins. The use of behavioural targeting by advertisers is also gaining ground, with 33% of respondents to the regular EIAA survey saying they plan to incorporate it into their strategy, against 25% a year ago.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	8.69	1.64	1.24	0.43	22.30
2009A	10.80	2.11	1.63	N/A	N/A
2010E	10.84	1.98	1.36	N/A	N/A
2011E	15.17	3.47	2.35	N/A	N/A

Sector: Electrical Equipment

Price: €13.93

Share price graph (€)



Company description

XIRING provides security solutions for electronic transactions. It develops security software embedded in smartcard readers for strong authentication and digital signatures for securing electronic transactions in the healthcare and e-ID sectors.

Price performance

%	1m	3m	12m
Actual	14.5	36.6	131.0
Relative*	4.9	39.9	56.2

* % Relative to local index

Analyst

Richard Finch

XIRING (ALXIR)

Market cap: €50m

COMPANY COMMENT

2009 ended on a triumphant note with a doubling of high-margin healthcare sales in Q4 contributing to a full-year operating profit well in excess of guidance. Furthermore, the recent sale of its banking activity (sales down by a half in 2009) will allow Xiring to focus on its healthcare and eID businesses, both areas of high potential. Continued strong trading supports a forecast of like-for-like 14% sales growth in 2010, while robust finances (no debt) prompt a return of disposal proceeds to shareholders.

INDUSTRY COMMENT

Industry body Eurosmart forecasts a 10% increase in global microprocessor card shipments in 2010, with the strongest growth in government/healthcare (almost 20%) and financial services/retail. There has been similar outperformance by these activities in 2009 (estimated double-digit growth against 5% for the market as a whole). At least nine countries have deployed e-healthcare cards on the French model, with more to come.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	28.50	3.54	2.89	N/A	N/A
2009A	25.50	6.10	15.40	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

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