

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

Third quarter 2010



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

Edison's analysts have been in contact with the 115 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, we discuss the sustainability of the recent equity rally.

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Neil Shah
Director of Research

Equity market overview and strategy

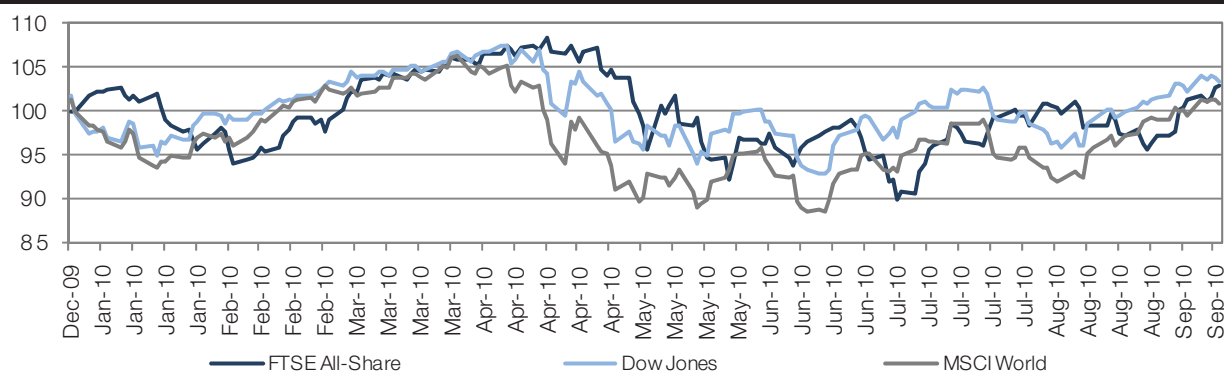
Last month's rally is encouraging for equity investors and may help restore some much needed optimism. However, it masks neither the fact that equities are only just (<5%) in positive territory year-to-date nor the fact that fundamentals remain highly challenging and indicators broadly inconsistent. We continue to believe that consensus expectations do not fully reflect a scenario of slowing growth for 2011 and that nascent inflation could undermine top-line prospects over coming months. Against this background, we have become more defensive in our stock selection and prefer to play undervalued names with either strong global exposure or strong cash returns. Basic materials and telco score highly for us; consumer names least so.

Still on the edge

It is our contention that global equity indices (and by proxy, the world economy) remain 'on the edge'. We are on the edge, namely still in a zone of uncertainty where trends could tip either positively or negatively, for two principal reasons: first, macro data points remain highly inconsistent; and second, with the rate of growth deteriorating and inflation rising, consensus earnings estimates will begin to look increasingly stretched in our view. Furthermore, prospects for a year-end rally also look limited (as we discuss below); and even if such an event happens, it will fail to disguise deeper underlying issues.

Exhibit 1: September's gains are encouraging, but equities are still broadly flat year-to-date

Note: Rebased to 100.



Source: Bloomberg, Edison Investment Research

Despite September's rally, there are many reasons to be concerned, or as the Lex Column in *The Financial Times* puts it, "almost everyone is worrying about uncertainty" (10 September). We also find it interesting to note the recent postponement of what would have constituted America's largest IPO (at US\$1.22bn) year-to-date: Liberty Mutual, the insurer, announced on 29 September that it would delay the flotation of its property and casualty business citing "stalled economic recovery" and a "volatile stock market." Problems seem manifest globally.

In Europe, the Commission's September upgrade for 2010 GDP (to 1.8%, versus 1.0% made in July) seems not only belated, but also hubristic, given a likely deceleration in growth trends (the Commission forecasts 1.4% for 2011) and also against a backdrop of emerging concerns. In particular, Europe's PMI survey showed its lowest reading in September for seven months (missing consensus expectations) while German industrial orders fell by 2.2% in July relative to June (the last month for which reported data is available), constituting the sharpest fall since February 2009. Even in German business and consumer confidence levels are currently tracking at three-year highs, it appears that German investors disagree: the respected ZEW survey shows investor confidence at its lowest in 19 months, having now fallen for five consecutive months.

In the UK we note that the Bank of England's latest statement suggests that "the probability that further action would become necessary to stimulate the economy... has increased" (Monetary Policy Committee Minutes, 22 September). We do not find this surprising given that the CBI is also arguing that the UK economy will now recover more slowly than previously thought, with its 2011 GDP estimate cut from its 2.5% forecast made in June to a more sober 2.0%. It seems that the robust growth witnessed in Q2 may just have been a blip. All three UK PMI surveys (for construction, services, manufacturing) fell in the last month with the drop in construction (from 54.1 to 51.2) being especially disappointing given its contribution to Q2's GDP figure. While both unemployment and inflation remained unchanged in September relative to the previous month, they continue to rise on a rolling 12-month basis.

In the US, we have now seen four months of declining production statistics over the last five based on ISM factory data (although the index remains above 50 and September's drop was only slightly worse than consensus had been assuming) and it is hence unsurprising that there is increasing caution from Fed. Its Beige Book highlights that there are "widespread signs of deceleration" in five of the twelve regions analysed (8 September) while its statement of 22 September goes further in suggesting that it can provide "additional accommodation" if required in order to support the (struggling) economic recovery. This may be necessary since confidence among US house builders stands at a one-year low, and among consumers at an eight-month low. Fewer new homes were sold in the US last month than in any since 1963, while the Empire State Survey of manufacturing trends in the New York also points to the greatest slowdown in a year.

Even if the jury remains out on the likelihood of a double-dip (we have been in the more negative camp and also note deteriorating economic trends in Ireland and Greece), then future GDP growth will not be as we have known it. The new reality is potentially one of permanently lower growth, and our sense is that it will take a long time (longer than valuation levels currently discount) to return to trend GDP in of greater than 2.5% in the western world. It is interesting also to read the OECD's 9 September comment that the global economy was currently slowing at a rate "more pronounced than anticipated".

Three questions therefore require to be asked: first, can current (even lowered) growth levels be sustained; second, what if they can't; and, third how much of this more negative scenario is reflected in current earnings expectations?

On the first question, what happens in the world's largest economy clearly has major ramifications elsewhere. Against this background we note that after four quarters of US economic recovery, output has increased by just 3.0% in contrast to a 7.7% leap in the same period post the 1982 recession and a 6.2% gain in 1977 (data courtesy of *The Economist*, 18 September).

Unemployment also peaked at lower levels in previous recessions than the 10.1% level witnessed in October 2009; almost 12 months on, the rate has moved down marginally, to 9.6% (actually up 0.1pp in August relative to July). Trends are similarly disappointing elsewhere, with eurozone and UK unemployment flat in the last month, at 10.1% and 7.8% respectively.

In a world of deteriorating growth prospects, there remain no shortage of proposals about how to kick-start the economy (again), but some are untested and others have been tried already and will likely suffer diminishing returns from increasing use. We note the recent announcement of Obama's 'new' \$50bn stimulus plan and also similar promises of more spend in Japan, while there too has been growing talk of a return to quantitative easing in both the US and the UK. As we have written on many previous occasions, debt remains the key issue that refuses to go away (*pace* Ireland and Greece) and this logically implies that there is more potential fiscal pain to come, potentially squeezing out the benefits of any possible stimuli.

Of potentially greater concern is the fact that not all of such a negative scenario is, we believe, reflected in current valuation levels. Expectations regarding earnings were buoyed post a robust Q2 earnings season (where cost cutting and operating leverage helped drive profits even in an absence of revenue growth) and with both the All-Share and the Dow trading on c 14x 2011 earnings, similar hopes seem to be being priced for the upcoming third quarter earnings season. Even if Q3 results do not disappoint (we expect similar top- and bottom-line trends to Q2), 2011 may be the time when consensus estimates have to start crunching downwards. An interesting potential lead indicator and proxy for emerging trends was also provided by global carrier Fedex when it reported earnings on 16 September: it missed estimates and warned regarding the outlook.

How to play equities therefore remains a challenge and we would reiterate our greater preference for other asset classes (especially gold, where we have been long-standing bulls and note its current 52-week high). Our equity strategy has four strands:

- we emphasise the importance of stock (over sector) selection;
- we remain keen to play global themes and exposure, particularly since the BRIC economies seem noticeably more robust than their western counterparts;
- we highlight the merits of investing in defensive sectors – current feedback from our investor base suggests their growing preference for cash returns; and
- we reinforce our conviction levels in our negative sector stances, especially given downside risks we see for markets.

As a result, basic materials remains our core overweight sector. Meanwhile, we have increased our preference for the telco, utility and healthcare sectors, all of which have outperformed since the start of 2010 but still look undervalued to us. As a consequence we have become less positive on industrials, financials (performance has been poor) and oil & gas (valuation levels look challenging). Given the outlook, our most negative sector preferences remain focused on the consumer, both for listed goods and services companies.

Market review: In case you missed it, was there a rally?

As we stated earlier, September's 6.3% bounce in the All-Share constituted its strongest monthly move since April 2009 and this trend was broadly mirrored in all of Europe's main bourses. However, look below the surface and what September shows in the UK is an almost equal number of up and down days for the market (11 up, 10 down and 1 unchanged) while the story of 2010 so far shows four months of gains for the All-Share against five of declines. Similarly, just a sentiment towards equities *may* have improved in the last month, a record level for gold as well as strong gains for defensive currencies such as the yen and the Swiss franc also show a strong preference for risk aversion.

We square this theoretical dichotomy by suggesting that investors remain deeply ambivalent towards equities. This is certainly what the story of 2010 shows and as exhibit two highlights, the All-Share has added just 3.8% year-to-date and the Euro Stoxx only 2.3%, while the CAC, IBEX and MIBTEL (in France, Spain and Italy respectively) are still in negative territory, to the tune of at least 5%.

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

	YTD	Last month	Last three months	Last six months	Last 12 months
FTSE 100	(3.5)	(0.6)	0.7	(2.4)	6.4
FTSE All-Share	(2.3)	(0.7)	0.9	(1.5)	7.0
DJ EURO STOXX	(8.6)	(4.0)	0.5	(2.2)	(2.6)
DJ EURO STOXX 50	(11.5)	(4.3)	0.5	(3.9)	(5.5)
France CAC40	(11.3)	(4.2)	(0.5)	(5.9)	(4.5)
Germany DAX30	(0.5)	(3.6)	(0.7)	5.8	8.4
Spain IBEX35	(14.7)	(3.0)	8.8	(1.4)	(10.4)
Italy MIBTEL30	(15.1)	(6.1)	1.0	(6.3)	(12.0)
UK relative to Europe					
FTSE 100 vs EURO SROXX 50	8.0	3.7	0.2	1.5	11.9
FTSE All-Share vs EURO STOXX	6.3	3.3	0.4	0.7	9.6

Source: Datastream, Edison Investment Research

Given the well-documented challenges facing the eurozone, it is not surprising that on every time period we analyse (see exhibit two above), the main European indices have underperformed their UK counterparts. Growth on the continent remains slower and unemployment higher, while eurozone currency and debt issues are also factors that refuse to dissipate. On a one-year view, investing in the UK All-Share relative to the Euro Stoxx 600 would have delivered investors gains of over ten percentage points.

The one strong point (for now) and exception to European doldrums is Germany, where the DAX Index has outperformed the FTSE both year-to-date and over the last twelve months. Similar to the UK, the major constituents of the German market are international in nature and also heavily export-led. While recent performance from this market has been encouraging and while we continue to advocate the theme of global exposure, we note not only September's decline in German investor confidence (mentioned above), but also the fact that a slowing US economy has clear negative implications for nascent export-led countries such as Germany. Whether September's stock market gains (across Europe) can be sustained is discussed in more detail below.

Outlook: Part 2 on the rally theme – what to expect before the year-end

Buyer beware: even if we do see strong market gains before the end of 2010, these will, in our view, neither fully compensate for the high volatility and limited gains experienced so far this year nor mask the deeper problems facing the global economy.

Analysis of global equities markets shows that not only is an end-year rally far from guaranteed, but it also may not be spectacular in performance terms. Given that expecting the unexpected has become the new normal in the last two years, clearly there is scope for history to prove us wrong and for markets to gain strongly through until December. Nonetheless, even should this be the case, we feel it is more constructive to look beyond this and once again focus on the risks ahead. These factors will likely start to undermine equity performance going forward.

Our major concern relates to rising inflation. This is of particular importance since in an environment where growth is slowing and cost cutting/ operational leverage can only provide upside for a limited period, the performance of top-line trends matters increasingly. Inflation would undermine any emerging revenue growth and hence risk putting downward pressure on consensus financial earnings estimates.

These problems would be further compounded by still-high unemployment (there are no signs of this falling – as we highlighted above) since companies may find it increasingly hard to rely on organic, consumer-led, revenue demand. Inflation plus unemployment runs the risk of creating the potentially unappealing cocktail of stagflation.

The Oxford English Dictionary defines this as “a state of the economy in which stagnant demand is accompanied by severe inflation.”

We see two main risks for further future inflation ahead. First, input (raw material) prices are clearly rising. The UN's latest food report (published at the start of September) highlight that wheat prices stand at two-year highs and global meat prices at levels last seen in 1990. Cotton prices are also at their highest level seen since 1995. Some companies are also already warning of the dangers such movements can pose.

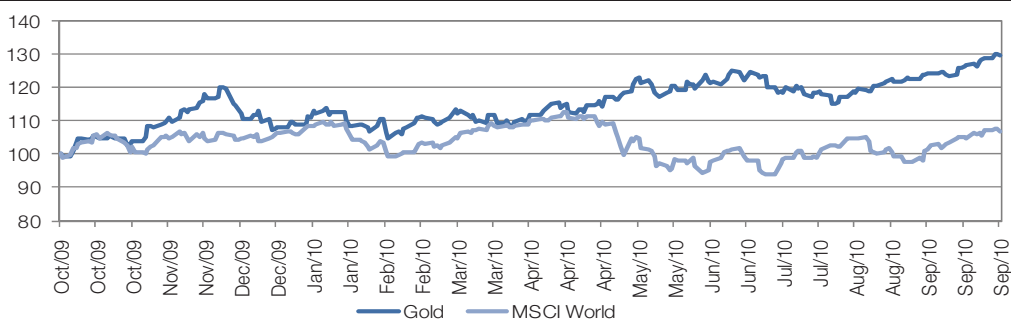
Furthermore, investors should not ignore the fact that the still burgeoning growth economies of the globe – India and China – are too seeing rising price levels and these could risk feeding through to the more developed west. India's inflation stands at 8.5% (9.5% on an underlying basis had the calculation for the price basket not been changed last month), while the rate in China has edged up from 3.3% to 3.5% in the last month.

Our other concern relates to the risk posed from a possible return to quantitative easing, a topic being actively discussed in both the US and the UK, although its success the first time around remains far from proven. We regard the policy of easing as effectively constituting a form of monetizing government debt (which in its own right remains a significant and still inadequately discounted concern). Governments and central banks may simply end up ‘inflating away’ debt as convenient way of dealing with this problem, only to bring about another.

The ongoing outperformance of gold relative to equities (a 10% gain since the start of the year and more than 25% in the last 12 months, as exhibit five shows) is to our mind indicative of inflation concerns. The flurry of deal-making that we have seen year-to-date (last Monday, for example, saw both Unilever and Wal-Mart announce large transactions) is also an interesting indicator with regard to the inflation debate. If companies are worried about organic growth prospects – either because the world economy is slowing and/or because inflation is eating revenues away – then they might logically seek to ‘buy’ growth through deal-making. Should this trend of M&A continue, then it may be encouraging for owners of the bid targets but does not constitute a panacea for equities, particularly should the outlook be becoming more difficult.

Exhibit 3: Gold has been a significantly better investment than equities in the last 12 months

Note: Rebased to 100.



Source: Bloomberg, Edison Investment Research

Conclusions

Last month's rally is encouraging for equity investors and may help restore some much needed optimism. However, it masks neither the fact that equities are only just (<5%) in positive territory year-to-date nor the fact that fundamentals remain highly challenging and indicators broadly inconsistent. We continue to believe that consensus expectations do not fully reflect a scenario of slowing growth for 2011 and that nascent inflation could undermine top-line prospects over coming months.

Against this background, we have become more defensive in our stock selection and prefer to play undervalued names with either strong global exposure or strong cash returns. Basic materials and telco score highly for us; consumer names least so.

Sector: Media & Entertainment

Price: €36.00
Price as at 24 September 2010

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	10.1	15.0	33.4
Relative*	7.9	24.0	35.0

* % Relative to local index

Analyst

Fiona Orford-Williams

1000mercis (ALMIL)

Market cap: €112m

COMPANY COMMENT

1000 Mercis has a technically-led approach to marketing (e-CRM, statistical analysis and dB engineering). Its fastest-growing segment is Mobile marketing, up 27% in H110 to 28% of group revenues. Good progress was also made in online marketing activities (44% revenues), up 15%, bolstered by the growth in the use of social networking by corporates. The balance is in email marketing, which is also benefiting from the increasing prevalence of internet-enabled mobile devices. The high-profile client list includes Expedia, BNP Paribas, TF1 and Laposte.net.

INDUSTRY COMMENT

CapGemini's estimate of French online marketing showed growth of 8% in H110, but this covers a range from +3% for local advertising through to +30% for mobile marketing. The overall expected level of growth for the year is therefore still intact at around 8%, with 15% pencilled in by the EIAA for 2011. Search is still the dominant category and, despite its strong progress, mobile now accounts for 1.1% of the overall online market.

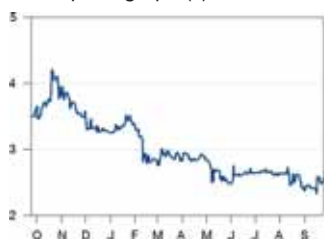
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	23.40	8.60	6.00	1.90	18.95
2009A	28.00	9.50	6.10	2.28	15.79
2010E	32.07	10.25	6.80	2.48	14.52
2011E	35.97	11.45	7.67	2.74	13.14

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €2.57
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.9)	(3.0)	(22.1)
Relative*	(3.8)	(6.4)	(21.2)

* % Relative to local index

Analyst

Roger Leboff

Acces Industrie (ALACI)

Market cap: €15m

COMPANY COMMENT

A 17.1% fall in turnover in 2009 followed three years of double-digit growth. The operating environment remained tough for suppliers to building and construction markets. Sales halved in Spain, hit particularly hard by the housing crisis. France held up better, with turnover down 12%, 50:50 market contraction and lower prices. In its third market, Portugal, Acces sought to re-position its offer towards large contractors, where it expected to compete during 2010.

INDUSTRY COMMENT

The group has sought to redeploy resources in new markets where it sees opportunities for better growth, particularly where it can leverage its strengths in Southern Europe. Market conditions for equipment rental remain tough. A shortage of finance has led to a collapse in new sites, financial difficulties for customers and oversupply. The group has over 20,000 customers via a network of 37 branches - 29 in France, five in Spain, two in Portugal and one in Morocco - and a diversified fleet of aerial lifts and carts, trucks and mini-excavators.

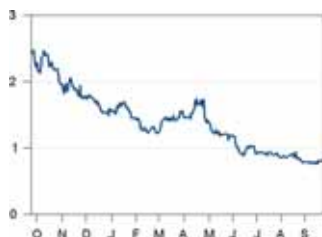
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	66.52	7.48	0.15	N/A	N/A
2009A	55.12	(0.65)	(7.19)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €0.80
Price as at 24 September 2010

Share price graph (€)



Company description

Acheter-Louer.Fr specialises in publishing small professional real estate ads.

Price performance

%	1m	3m	12m
Actual	(5.9)	(17.5)	(43.1)
Relative*	(7.7)	(41.3)	(42.4)

* % Relative to local index

Analyst

Richard Finch

Acheter-Louer.Fr (ALALO)

Market cap: €4m

COMPANY COMMENT

Imminent H110 results should show whether latest (April) management guidance of a resumption of trading profit in 2010 is on track. Amid early signs of market recovery, income from press operations was then firmly on the increase (12% in March, against -37% in 2009) while internet sales had stabilised (-18% in 2009). Importantly, Acheter-Louer.fr was well placed to consolidate its leadership (over 50%) of the free property press in the Paris area after the failure of a competitor. A recent €0.8m capital increase, largely supported by the company's major shareholder (now 58%), may herald financial restructuring, aimed at allowing management to take best advantage of a perceived wealth of opportunity.

INDUSTRY COMMENT

The French property market is accelerating its recovery with Entrepaticuliers.com's vaunted "barometer" showing a rise of 42% in new properties up for sale since the start of 2010, compared with 20% in Q1 and 40% in H1. Prices look to have stabilised of late after increasing c 4% in H1.

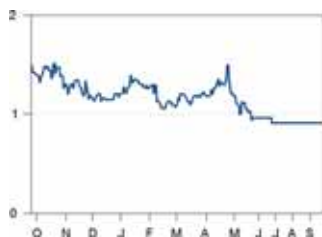
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	8.73	0.09	(0.02)	N/A	N/A
2009A	4.06	(1.51)	(4.16)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Property

Price: €0.90
Price as at 24 September 2010

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	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Roger Leboff

Adomos (ALADO)

Market cap: €11m

COMPANY COMMENT

Adomos's core division recovered in FY09, with revenues of €8.1m, 8% ahead y-o-y and pre-tax profit of €1.3m (FY08: €6.8m loss). There was a 50% increase in reservations to 400, which sets up FY10, plus an expanded consultant base of 150 at end-April from 80 at end 2008 and a year-end target of 250. It also doubled call-centre capacity to help it secure more appointments with potential property investors. Group figures reflect a tough backdrop for Acheter-Louer.fr, as real estate agents struggled to cope with a sharp fall in transactions. The outlook for FY10 is better as the market recovers, with finances underpinned by a €1.3m capital issue.

INDUSTRY COMMENT

The group reported that the market has returned to normal after a difficult 2009, with Paris region real estate agents seeing a 36% increase in transactions. Market recovery should 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.

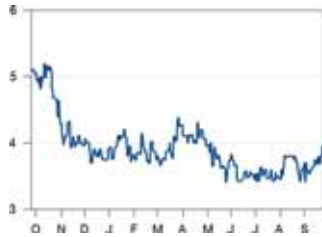
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	16.10	(6.00)	(5.35)	(0.51)	N/A
2009A	13.83	(2.06)	(3.62)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €3.78
Price as at 24 September 2010

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)	6.2	(26.7)
Relative*	(2.2)	4.4	(25.8)

* % Relative to local index

Analyst

Fiona Orford-Williams

Adverline (ALADV)

Market cap: €20m

COMPANY COMMENT

Figures for H110 are expected in mid-October and recent newsflow has been slow. H209 showed some recovery after a difficult H1, when sales suffered from the loss of key client ADSL, and a hiatus in business from Orange. The audience is one of the largest in France, with 20 million monthly visitors and an estimated reach of around half the potential audience. Micropayment (Optelo) represented 26% FY09 sales. A strategic partnership with US company Cellfish has launched applications supporting payment through smartphones.

INDUSTRY COMMENT

Online advertising in France grew at 8% in H110, with search and display the dominant categories. In 2009, French e-commerce grew by 25% to over €25bn, and industry body Fevad has increased its expectations for 2010 from \$30bn to \$31.5bn. Over the year to end-June, the level of confidence in making online transactions has continued to build, with the numbers transacting increasing by 17% and new commercial sites continuing to proliferate, with over 70k sites now operational.

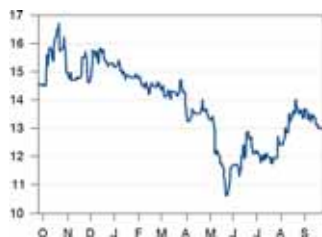
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	24.55	4.53	2.26	N/A	N/A
2009A	18.91	3.11	1.19	N/A	N/A
2010E	22.89	4.50	1.96	N/A	N/A
2011E	26.31	5.83	2.78	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Alternative Energy

Price: €13.00
Price as at 24 September 2010

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	(4.4)	1.2	(12.8)
Relative*	(6.3)	(4.4)	(11.7)

* % Relative to local index

Analyst

Richard Finch

Aéro watt (ALWAT)

Market cap: €25m

COMPANY COMMENT

Aerowatt has maintained momentum in H110 with sales up by almost 50% (+40% in 2009), restated to exclude two wind parks sold in the period. This is all the more impressive in view of unfavourable weather, especially in the Caribbean, and endorses management's vigorous expansion of capacity (up by over 15% in the first half, adjusting for asset sales). Even if newly developed solar accounted for the bulk of the rise, the more established wind capacity grew sales by 14%. Ahead of H110 results in October, management is forecasting 40% EBITDA gain for the full year (+69% in 2009).

INDUSTRY COMMENT

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

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	7.64	0.61	(0.10)	(0.89)	N/A
2009A	10.96	2.73	0.08	N/A	N/A
2010E	15.30	4.10	0.41	0.16	81.25
2011E	26.59	8.00	1.21	0.59	22.03

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €12.40
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(2.9)	18.1	3.5
Relative*	(4.8)	24.5	4.8

* % Relative to local index

Analyst

Fiona Orford-Williams

Ales Groupe (ALPHY)

Market cap: €175m

COMPANY COMMENT

Ales's first-half results showed revenues up 3.2% and an improvement in gross margin. Sales in its home market, France, were ahead by 13.2% but the progress was diluted by more difficult overseas markets and, in particular, problems with a Russian distributor. Like-for-likes should now start to improve. Operating profits were affected by higher marketing costs and, at the pre-tax level, by restructuring costs and higher pension contributions. The group's key brands are Phyto Lierac, Ducastel and Caron.

INDUSTRY COMMENT

The overall market for cosmetic and hair care products is heavily influenced by consumer confidence, which remains weak in the group's home market. The markets are highly fragmented, with L'Oreal the clearly-dominant player. Demand for natural and organic products has been moving head more strongly, helped by broader distribution and the growth in private label. Organic Monitor's recent industry report stated that French sales of natural and organic cosmetics were growing at over 20%.

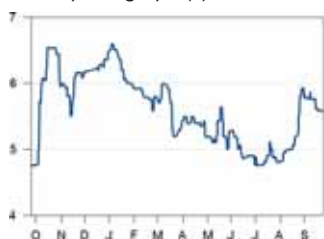
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	171.00	17.80	8.80	N/A	N/A
2009A	164.60	12.80	7.65	0.54	22.96
2010E	172.90	14.70	7.65	0.55	22.55
2011E	184.40	18.10	9.35	0.67	18.51

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €5.59
Price as at 24 September 2010

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	10.5	15.0	14.3
Relative*	8.3	2.9	15.7

* % Relative to local index

Analyst

Fiona Orford-Williams

Antevenio (ALANT)

Market cap: €24m

COMPANY COMMENT

The worst now appears to be over for Antevenio, with a resumption of top-line growth in H110 (+12%, +3% like-for-like). For the year, the group is targeting double-figure revenue growth (although this is against weak comparatives) and operating margins of over 10%. The largest contributor to revenues, performance advertising, is still affected by a lack of confidence in the financial sector, but better progress has been made in interactive advertising, with Paramount and MTV both signed up in H110. New activities, offices in Buenos Aires and Paris and the acquisition of Shopall are not yet making a significant contribution.

INDUSTRY COMMENT

Carat has moderated its expectations for the Spanish advertising market from -2% to -1.5% and edged up its 2011 projection by 0.1 to 1.1% growth. Eurostat figures show that 54% of Spanish households have internet access. Growth has been comparatively slow due to relatively high prices and slow speeds, with most broadband users having bundled arrangements.

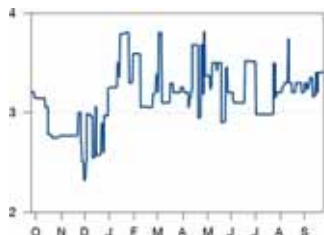
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	19.36	3.44	2.88	N/A	N/A
2009A	16.12	2.10	1.53	N/A	N/A
2010E	20.30	2.10	1.30	0.32	17.47
2011E	23.80	3.10	2.40	0.57	9.81

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €3.40
Price as at 24 September 2010

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	6.3	9.7	(10.5)
Relative*	4.2	8.4	(9.4)

* % Relative to local index

Analyst

Richard Finch

Aquila (ALQU)

Market cap: €6m

COMPANY COMMENT

Unexpected market weakness during Q210 looks to have derailed earlier guidance of current year double-digit sales growth, which was achieved in 2009. It has similarly depressed trading profit in H1 (down by a quarter) as investment was sustained because of the company's strong underlying prospects, not least the increasing proportion of contracted income from national accounts, high client retention and sound finances. H110 saw 4250 new subscribers (now more than 100,000 in total).

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.

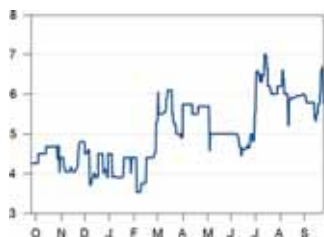
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	10.12	0.51	0.39	N/A	N/A
2009A	11.20	0.70	0.47	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Investment Companies

Price: €5.75
Price as at 24 September 2010

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	(2.5)	25.0	43.0
Relative*	(4.4)	(1.1)	44.8

* % Relative to local index

Analyst

Richard Finch

Assya Capital (ALASS)

Market cap: €35m

COMPANY COMMENT

Assya has agreed to merge with Global Equities Capital Markets to form a pan-European financial services business, subject to approval due in November. The new entity (Global Equities) is to operate in key sectors such as equities, corporate finance and asset management on the lines of an investment bank. Revenues are forecast to exceed €50m in 2012 with a trading margin of c 15%. Senior management is being retained. In 2009 diversification of Assya's portfolio (c 12 holdings) limited the fall in NAV per share to 12% (€8.99 against €10.27 at end 2008).

INDUSTRY COMMENT

Assya Capital takes majority, or significant minority, positions in medium-sized quoted and unquoted companies across Europe. It 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 quoteds in the portfolio. Assya invests across a range of sectors.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	2.53	(8.16)	(21.57)	N/A	N/A
2009A	4.66	(6.97)	(9.12)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €13.22
Price as at 24 September 2010

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	(7.0)	(16.9)	(9.4)
Relative*	(8.8)	(12.8)	(8.3)

* % Relative to local index

Analyst

Roger Leboff

Astellia (ALAST)

Market cap: €34m

COMPANY COMMENT

The momentum built during H209 continued into the current year. At €14.9m, first-half 2010 turnover was 41% ahead y-o-y. International operations contributed 77% of sales and 44% growth was driven by strong performances in the US, Latin America and the Gulf. New sales teams were established in India, Indonesia and Eastern Europe. The market remains competitive, but five new customers were added in the period and the order book remains strong, at €14m at the mid-year.

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	11.60
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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Mining

Price: €3.16
Price as at 24 September 2010

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	10.5	31.1	74.7
Relative*	8.3	(9.4)	76.8

* % Relative to local index

Analyst

Charles Gibson

Auplata (ALAUP)

Market cap: €54m

COMPANY COMMENT

Auplata operates two mines in French Guiana (Yaou and Dieu Merci), with one more (Dorlin) scheduled for near-term production. 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 3,504oz in H110 (cf 8,874oz in FY09, 10,899oz in FY08 and 27,875oz in FY07) after operations were disrupted by heavy rain. Nevertheless the company's target production rate of 643oz per month was once again achieved by the end of June. Although loss making overall, the company made a small gross profit in H209.

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. It has also been granted an exclusive permit to explore for five years over an additional 14 sq km in the vicinity of Dieu Merci.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	6.44	(7.02)	(12.15)	(0.99)	N/A
2009A	5.80	(4.03)	(3.80)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €2.08
Price as at 24 September 2010

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	(2.8)	(3.7)	(23.0)
Relative*	(4.7)	(14.4)	(22.0)

* % Relative to local index

Analyst

Richard Finch

Auto Escape (ALAUT)

Market cap: €11m

COMPANY COMMENT

Auto Escape remains justifiably cautious about FY10 in view of disruption caused by the Icelandic ash cloud, reduced visibility through later booking and fragile consumer confidence (sales in the half to March up by just 2%). Moreover, last year a 3% setback in sales in the all-important summer half converted into trading profit down by a third for the full period. The company continues its strategy of international expansion, with a move across Scandinavia and a growing internet presence (now over 50% of bookings). Finances remain secure and, as a broker, Auto Escape is not burdened by fleet ownership.

INDUSTRY COMMENT

Growth in the car rental industry is closely linked to economic conditions and, in respect of airport rentals (c 40% of the market), to airline passenger growth. However, while IATA forecasts a healthy c 8% rise in overall traffic in 2010, Auto Escape is exposed to the leisure rather than to the business rental market and thus to the relative lack of revival in leisure travel.

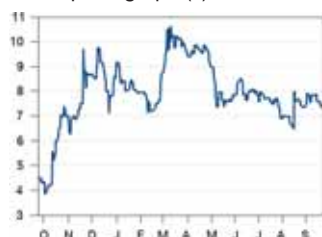
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.57	0.65	0.50	0.10	20.80
2009A	27.63	0.43	0.00	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Alternative Energy

Price: €7.58
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(5.1)	(3.4)	93.9
Relative*	(7.0)	(22.3)	96.3

* % Relative to local index

Analyst

Roger Leboff

Bionersis (ALBRS)

Market cap: €24m

COMPANY COMMENT

Founded in 2005 Bionersis is a leading independent expert on landfill gas exploitation. It uses methane deposits in exchange for carbon credits, which it then sells on. Its existing, fully funded projects represent 12.5m Certified Emission Reductions (CERs). All 15 are expected to be producing CERs by the end of 2010, with opportunity for strong cash flow generation over the next decade. Further growth may be achieved by application of its expertise to larger sites and expansion into the Middle East, North Africa and Central & Eastern Europe. It raised €2.9m with its switch to Alternext in March 2010.

INDUSTRY COMMENT

The outlook is supported by the legal processes behind emissions reductions. Kyoto set legally binding targets for the developed nations that ratified the protocol in 2005 (35 countries, representing c 62% of global emissions). The EU has taken a leading role, imposing a 20% reduction by 2020, vs 1990 levels. The group signed strategic partnerships with E.ON and EDF in November 2009.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.93	(1.72)	(0.88)	N/A	N/A
2009A	1.86	(0.68)	0.06	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €7.07
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(5.1)	(5.1)	23.4
Relative*	(6.9)	(1.9)	24.9

* % Relative to local index

Analyst

Fiona Orford-Williams

Brossard (ALBRO)

Market cap: €40m

COMPANY COMMENT

The disposal of Brossard's frozen food operations to Icelandic seafood group, Alfesca, was completed in August. Proceeds are estimated at €24.5m, but the full repercussions and the group's resultant financial position will not be clear until publication of the figures scheduled for 19 October. Residual revenues for bakery and patisserie products should be of the order of €68m. The group will again be investing in sponsoring the Olympics.

INDUSTRY COMMENT

Carrefour, Intermarche, Leclerc, Systeme U, Auchan and Geant Casino dominate the French food retail market and the hard discounters, having initially established a reasonably strong market positioning, have been seeing their market share going backwards more recently. Carrefour and Auchan both moved their sales up by 2.2% in their home market in H110. Price deflation remains the biggest issue for the market, raising questions about different retail approaches, with the impetus seemingly shifting away from the largest hypermarkets.

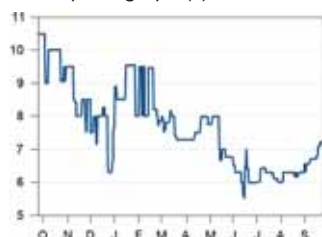
Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	132.94	6.65	0.89	0.16	44.19
2009A	118.90	7.51	0.94	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €7.06
Price as at 24 September 2010

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	12.1	0.9	(25.7)
Relative*	9.8	(1.0)	(27.6)

* % Relative to local index

Analyst

Roger Leboff

BSB (BSB)

Market cap: €15m

COMPANY COMMENT

FY09 turnover grew 12%, a fair achievement with 80% of the customer base in financial services. A €0.1m operating loss and reduced cash flow reflect maintained international expansion of the distribution network into major European and Mediterranean markets. The FY09 result includes the costs; FY10 should benefit from stronger competitive positioning. Over the last few months BSB has announced a number of client wins in Belgium and France.

INDUSTRY COMMENT

BSB provides applications for asset management and life insurance policy administration, remote access, consultancy services, bespoke applications and integration with partner solutions (SAP, IDIT). It targets banks and insurance companies in Belgium, France and Luxembourg. Clients include Axa Bank, Axa Insurance, AG Insurance, ABN Amro Life, Carnignac Gestion, Carrefour, Dexia Bank and ING Life. BSB will use its platform to expand into new international markets.

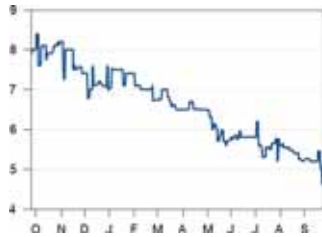
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.76	1.59	0.62	0.29	24.34
2009A	24.48	(0.11)	(0.52)	(0.25)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.45
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	(5.9)	(27.2)
Relative*	(1.9)	(12.7)	(26.3)

* % Relative to local index

Analyst

Richard Finch

Budget Telecom (ALBUD)

Market cap: €19m

COMPANY COMMENT

H110 brought mixed fortunes for Budget Telecom with a resumption of sales growth, albeit acquisition led, contrasting with a sharp fall in trading profit, attributed to a less favourable product mix, a trebling of marketing spend and higher labour costs as KAST Telecom was integrated. Management is otherwise optimistic that its subscriber base (up by a third to 190,000 in the half to March), enhanced distribution and range of services should contribute to improved profit in 2011. The acquisition of KAST last year strengthened the core operation and should help to boost margin through better group buying. Strong finances (debt-free) will allow further expansion.

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.

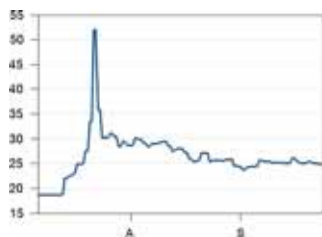
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.20	4.80	3.20	0.97	5.62
2009A	23.80	3.90	2.60	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €25.00
Price as at 24 September 2010

Share price graph (€)



Company description

CARMAT specialises in the development of a fully implantable orthotopic artificial heart, its electrical power supply system, and its telediagnosics system.

Price performance

%	1m	3m	12m
Actual	(3.7)	N/A	N/A
Relative*	(5.6)	N/A	N/A

* % Relative to local index

Analyst

Roger Leboff

CARMAT (ALCAR)

Market cap: €96m

COMPANY COMMENT

The group joined Alternext in July and its interim results were in line with IPO forecasts. Revenues comprised entirely a €3.2m operating subsidy from OSEO, to cover R&D into the group's artificial heart. Operating expenses were €6.9m, while other external expenses of €4.9m relate to costs to complete design and modelling work on the artificial heart. After a €0.65m research tax credit, the first half produced a €3.1m loss. Mid-year free cash was €3m post the OSEO subsidy, a €0.9m capital increase and a €2m bond issue in May.

INDUSTRY COMMENT

The group's objective is to produce a totally implantable artificial heart, including left and right ventricles. The intention is to help address cardiovascular disease, the leading cause of death worldwide. CARMAT sees development of its total artificial heart as an alternative to transplants which could subject to clinical trials, save the lives of tens of thousands of patients each year.

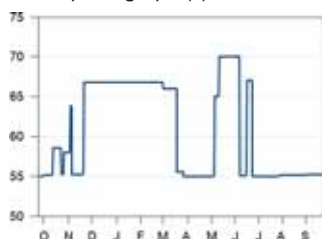
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	0.00	0.00	N/A	N/A
2009A	0.00	(5.98)	(4.72)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Basic Industries

Price: €55.20
Price as at 24 September 2010

Share price graph (€)



Company description

Catala specialises in the production of corrugated and triple-corrugation card and paper, as well as in the transformation of corrugated cardboard into packaging.

Price performance

%	1m	3m	12m
Actual	0.2	(17.6)	0.4
Relative*	(1.8)	(13.2)	(2.2)

* % Relative to local index

Analyst

Richard Finch

Catala (CAT)

Market cap: €7m

COMPANY COMMENT

At its latest update in May, Catala was concerned more about rising raw material prices than volumes, which looked largely to have stabilised in the first quarter. Renegotiation of prices with its clients would be needed to restore a margin that would safeguard the company. 2010 should otherwise benefit from further cost-cutting, notably in energy and transport, which contributed to a return to marginal profit last year, and a new early retirement scheme.

INDUSTRY COMMENT

DS Smith stated that its corrugated packaging and paper businesses had a good quarter to July with higher volumes. Phased recovery of paper price increases led to profit in line with expectation and confidence about the rest of 2010. Consolidation is afoot, with DS Smith buying Otor, albeit much larger (c 20% of the French corrugated market) and more FMCG-oriented than Catala. In France FMCG, the most buoyant area of corrugated demand owing to food/grocery spend, is estimated to resume 1.6% pa growth over the next four years.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	52.19	(2.25)	(2.97)	N/A	N/A
2009A	38.88	0.00	(0.60)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Property

Price: €4.15
Price as at 24 September 2010

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	0.7	3.2	3.0
Relative*	(1.2)	(17.8)	4.2

* % Relative to local index

Analyst

Roger Leboff

CBo Territoria (ALCBO)

Market cap: €132m

COMPANY COMMENT

There was further momentum in H1. Turnover was stable at €18.4m, but there were underlying improvements in all business areas. Gross rental income at €5.1m was 21% ahead, with related income from tenants of £1.8m, up 29%. Sales of completed buildings generated €8.7m vs €7m in H109, offset by lower plot sales. CBo reported strong operational and commercial activity, with successful sales of private homes and social housing to be reflected in the second half. It also secured a high volume of reservations (465 homes) in La Reunion, which will contribute to the 2011/12 results.

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 experienced dynamic GDP growth over the last decade, post government efforts to increase tourism and cut dependence on agriculture. CBo recently presented plans for new eco-tourism development in St Giles.

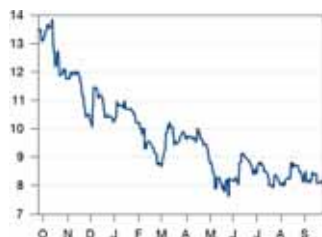
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	20.30	20.50	13.80	N/A	N/A
2009A	59.90	27.80	15.20	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €8.11
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(7.3)	(9.7)	(37.6)
Relative*	(9.1)	(11.2)	(36.8)

* % Relative to local index

Analyst

Robin Davison

Celsectis (ALCLS)

Market cap: €94m

COMPANY COMMENT

Celsectis is following a diversified strategy to exploit its core expertise in meganucleases, which are used to make specific alterations to DNA. It has four subsidiaries: Celsectis bioresearch provides meganuclease kits to life sciences researchers; Celsectis plant sciences develops genetically modified plants for agricultural companies, including Monsanto; Celsectis genome surgery is developing innovative treatments for genetic diseases and various other indications; and Ectycell is developing uses for meganucleases with stem cells. It had a cash base of €46m at the end of 2009, and a net cash outflow before financing of €4.7m.

INDUSTRY COMMENT

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

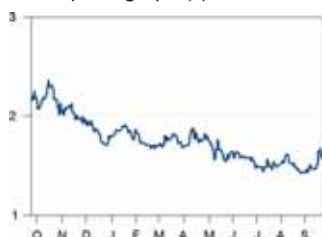
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	10.60	(3.45)	0.13	0.01	811.00
2009A	11.95	(8.74)	(3.85)	N/A	N/A
2010E	26.02	(7.15)	4.15	0.47	17.26
2011E	34.82	(2.30)	5.59	0.59	13.75

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €1.64
Price as at 24 September 2010

Share price graph (€)



Company description

Cerep specialises in the pre-clinical research of drugs for the pharmaceutical industry.

Price performance

%	1m	3m	12m
Actual	7.9	3.8	(21.5)
Relative*	5.8	(4.9)	(20.6)

* % Relative to local index

Analyst

Roger Leboff

Cerep (ALCER)

Market cap: €21m

COMPANY COMMENT

Revenues fell in 2009 as Cerep customers took a more cautious approach to R&D. ADME services were down 29% to €4.3m, while pharmacology services fell 11% to €22.1m; North American activities were harder hit than Europe and Asia. Cerep's focus on reducing operating expenses in 2009 resulted in the H209 EBITDA recovery. Its 'satellite' strategy saw it set up a laboratory in Shanghai and its presence in China is expected to generate new business in 2010. Cash was €17m at the year end; working capital €14.1m, vs €17.5m at end FY08.

INDUSTRY COMMENT

The backdrop for 2009 was a weak dollar, growing competition in Asia and North America and major consolidation and restructuring initiatives by pharmaceutical firms. Some of Cerep's clients have frozen their research projects. With a strong international reputation and over 460 pharmaceutical company clients, Cerep remains confident that it can capture new markets on the back of increasing willingness by pharmaceutical companies to outsource their research.

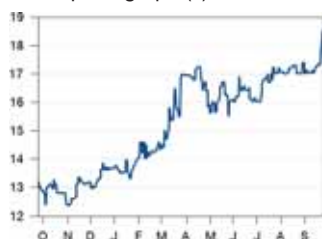
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	30.80	1.95	2.26	0.59	2.78
2009A	26.30	(1.71)	(1.92)	N/A	N/A
2010E	28.27	0.70	1.35	0.11	14.91
2011E	31.23	2.20	1.93	0.16	10.25

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €17.34
Price as at 24 September 2010

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	0.2	5.6	33.1
Relative*	(1.7)	10.4	34.7

* % Relative to local index

Analyst

Richard Finch

Clasquin (ALCLA)

Market cap: €40m

COMPANY COMMENT

Q210 saw a striking acceleration in Clasquin's sales growth (83% against 36% in Q1), as higher volumes (+26%) combined with sharply increased freight rates. As in Q1, the much lower gain in gross profit was due to a tough comparative. The full-year outlook is similarly buoyant, with operating profit expected to rise by c 30% to pre-recession levels on a double-digit sales increase. 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. The company is effectively debt free.

INDUSTRY COMMENT

The WTO has raised its forecast of 2010 world trade growth to 13.5% from 10% following a stronger than expected recovery in H1. Exports of developed countries are set to rise by 11.5%, compared with 16.5% by developing countries and the CIS. The expiry of stimulus measures and the winding down of the inventory cycle are likely to curb growth over the rest of the period. 2009 saw a 12% decline, the largest contraction for 60 years.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	150.90	6.10	3.87	1.73	10.02
2009A	114.70	5.00	2.90	N/A	N/A
2010E	116.00	6.00	4.00	2.07	8.38
2011E	120.00	6.00	4.00	2.31	7.51

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €1639.00
Price as at 24 September 2010

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	4.1	3.1	16.7
Relative*	2.0	13.4	13.7

* % Relative to local index

Analyst

Fiona Orford-Williams

CoBrHa (COBH)

Market cap: €125m

COMPANY COMMENT

H110 results are due to be published shortly. Q110 trading was stable and, with sustained lower input prices, the group envisaged further margin advances. 2010 capex of €16m includes a new bottling line. Prices were moved up 2.5% on 20 September in response to industry moves, but to compensate its customers, Haacht is now servicing beer delivery systems within the Horeca estate. Haacht continues to emphasise its 'local' credentials in its campaign to highlight foreign ownership of other key breweries.

INDUSTRY COMMENT

A static population, changing habits and falling consumer confidence all contributed to beer consumption decreasing from 12mhl to 8.7mhl between 1990 and 2009. The majors have aggressively discounted into supermarkets and cafés. The market is dominated by InBev with around 57% and Heineken/Alken-Maes (11%). Industry consolidation is ongoing, with Alken-Maes having bought Afligem and Heineken losing out in the bidding for Antwerp-based De Koninck to Duvel Moortgat. Haacht is the third-largest brewer.

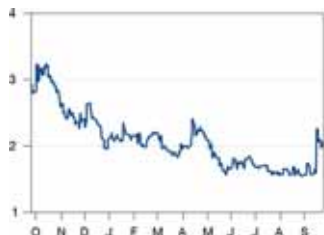
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	92.40	6.02	4.06	53.40	30.69
2009A	95.50	8.27	6.51	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €2.06
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	23.4	24.8	(18.3)
Relative*	21.0	14.4	(17.2)

* % Relative to local index

Analyst

Fiona Orford-Williams

Come & Stay (ALCSY)

Market cap: €8m

COMPANY COMMENT

Come & Stay specialises in email and mobile advertising through lead generation, e-CRM and social media. Its AI-based platform should be able to take advantage of the tightening of data privacy regulation. The group has exited operations in Northern Europe (Nordics and Germany) via an MBO at €1, entailing a €9m goodwill write-down and exit costs of €0.3, lower than originally thought. Trading within the Southern Europe operations has grown an impressive 18% year-on-year, buoyed by a strong performance from the automotive sector.

INDUSTRY COMMENT

Mobile marketing continues to be one of the strongest areas of growth in H110 (+30%), due to the rapid development of mobile applications. ComScore/Forrester have projected that French mobile internet penetration will increase to 41% by 2014, compared with 11% in 2009. 88.5% of users with a smartphone had used it to access the internet in the trade association's (AFMM) April survey, but they had far greater interest in receiving SMS about services (72%) than in commercial marketing, where there remains resistance.

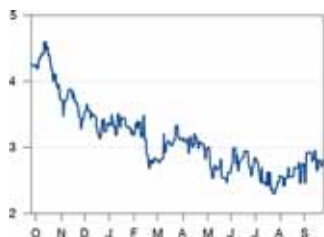
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	22.10	1.20	(7.80)	N/A	N/A
2009A	15.90	(0.70)	(3.50)	N/A	N/A
2010E	12.40	N/A	0.80	0.19	10.84
2011E	13.70	N/A	0.90	0.21	9.81

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €2.80
Price as at 24 September 2010

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	9.8	(4.8)	(30.9)
Relative*	7.7	(3.0)	(30.0)

* % 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. H110 has seen a return to normalised profits after a very difficult 2009, and revenues have recovered 14%, with gross profits up 11%. Earlier restructuring, projected to deliver €6m annualised savings, is now coming through and client wins have continued to build on the Q409 improvement, with gains including tourist authorities and mass market clients. Selective recruitment in H110 will add to the cost base but will strengthen the group's online brand management offer. Two new commercial platforms have also been launched; one in corporate wellbeing, the other dealing with online gaming addiction.

INDUSTRY COMMENT

Carat revised down its view on the French advertising market for 2009 from -6.3% to -11.3%. However, expectations for the current year have moderated slightly, from -2.0% to -1.5% and growth is anticipated to resume in 2010, albeit at the modest rate of 1.1% (1.0%).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	20.30	(5.10)	(6.50)	N/A	N/A
2009A	15.30	(3.00)	(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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €7.44
Price as at 24 September 2010

Share price graph (€)



Company description

Custom Solutions specialises in the supply of marketing services.

Price performance

%	1m	3m	12m
Actual	(0.9)	(0.4)	N/A
Relative*	(2.9)	N/A	N/A

* % Relative to local index

Analyst

Fiona Orford-Williams

Custom Solutions (ALSOL)

Market cap: €36m

COMPANY COMMENT

Custom Solutions was floated at the end of May, raising €7m in the process. Revenues are now broadly equally split between promotional activities and logistics. H110 performance in the former recovered against H209 but was still some way below H109, before the downturn really hit. The group has c 250 customers, mostly mass market, and its growth plan is predicated on greater selectivity in negotiating contracts, building critical mass in logistics and developing packaged solutions including support functions.

INDUSTRY COMMENT

Advertising spend in France in H110 has shown a strong recovery year-on-year, with television and radio leading the way, up 18.3% and 11.5% respectively. Online marketing grew by 8% and is expected to maintain that rate for the year. E-commerce is growing much more strongly, with the numbers of French making online purchases up 17% year-on-year in H110. The implication is that fulfilment and logistics will continue to be a high-growth sector for some time to come.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.31	0.16	2.40	N/A	N/A
2009A	0.87	0.26	1.88	N/A	N/A
2010E	15.00	2.20	1.60	0.40	18.60
2011E	17.50	2.80	2.00	0.41	18.15

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €6.80
Price as at 24 September 2010

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	4.6	5.4	21.6
Relative*	2.6	2.5	23.1

* % Relative to local index

Analyst

Fiona Orford-Williams

D.L.S.I. (ALDLS)

Market cap: €17m

COMPANY COMMENT

H110 revenues were up 25.5% (+16.5% like-for-like), implying a further improvement in Q210. The SME bias of the business will have helped. Overseas revenues continued to expand and accounted for 32% in H110. Luxembourg and Switzerland are the largest markets outside France, with a more recent Polish start-up broadening the scope further. DLSI has recently extended its reach in the south, with the purchase of Exess Interim for an undisclosed sum.

INDUSTRY COMMENT

Latest industry figures from Eurociett to April show a 17.5% increase in revenues from temporary workers on an increase of 16.0% in agency hours worked, albeit based on weak comparatives. Temporary employment had fallen 29% in 2009, on top of a 12% reduction in 2008, taking the industry back to 2001 levels. Unemployment eased slightly in Q210 to 9.7% from 9.9% in Q110, which tallies with the Eurostat figures showing French GDP recovering 0.6% on the quarter (+1.7% year-on-year). The forecast for the year is 1.4%, which may be slightly exceeded after the strong Q2, with 2.0% targeted for 2011.

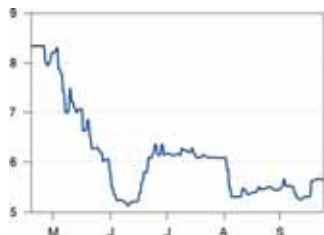
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	149.63	5.51	3.03	N/A	N/A
2009A	117.43	1.36	0.67	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €5.63
Price as at 24 September 2010

Share price graph (€)



Company description

Deinove specialises in the research, development, and commercial exploitation of innovative technological processes for producing biofuels, chemical products and pharmaceutical products, using bacteria with exceptional natural properties.

Price performance

%	1m	3m	12m
Actual	4.5	0.5	N/A
Relative*	2.4	N/A	N/A

Analyst

Roger Leboff

Deinove (ALDEI)

Market cap: €27m

COMPANY COMMENT

Deinove's strategy is to develop and exploit innovative technologies for production of biofuels and other products of industrial or pharmaceutical interest. It plans to grant non-exclusive licenses over the use of its deinococci bacteria, technologies and proprietary processes to industrial operating partners. The group is in its R&D phase. It raised over €12m at its April 2010 IPO and in September received €1.4m from French innovation agency OSEO, the first instalment of a €6m grant.

INDUSTRY COMMENT

The DEINOL project seeks to develop breakthrough industrial production processes for the global biofuels market. By 2014, this €21.4m project aims to open up new pathways for second generation, lignocellulosic ethanol production in existing industrial installations, without the need for massive additional investment. OSEO has awarded €8.9m to the project (€6m to Deinove). The other partners in the Deinove-led project are Tereos (Europe's leader in ethanol production) and two academic labs.

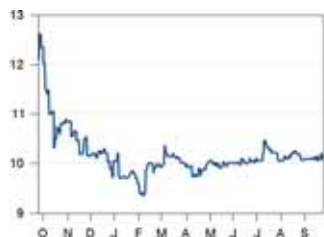
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	(1.03)	(0.44)	N/A	N/A
2009A	0.00	(1.88)	(1.25)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €10.07
Price as at 24 September 2010

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	(1.8)	0.7	(3.3)
Relative*	(3.7)	4.4	(2.1)

Analyst

Fiona Orford-Williams

Demos (ALDMO)

Market cap: €59m

COMPANY COMMENT

Demos continues to expand internationally and by industry vertical, acquiring an Italian company and an insurance specialist earlier in the year. 40% of 2009 revenues were generated outside France. Investments in new delivery channels (e-learning, outsourcing) helped win new business with the EC and the US Federal Administration. The group is also looking to exploit the growing B2C opportunity. More recently, it announced a partnership with American Express, whereby loyalty points can be redeemed against Demos training programmes. H110 figures are scheduled for 5 October.

INDUSTRY COMMENT

In most developed economies, professional training opportunities are 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)
2008A	97.46	8.71	4.01	0.71	14.18
2009A	96.15	4.41	1.00	N/A	N/A
2010E	107.00	N/A	2.00	0.75	13.43
2011E	112.00	N/A	3.00	0.98	10.28

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

DL Software (ALSDL)

Market cap: €57m

Price: €12.95
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(15.1)	(0.4)	73.4
Relative*	(16.7)	18.4	75.5

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Reduced visibility in DL Software's key Healthcare business has thrown doubt on management guidance of a rise in 20% in trading profit this year. Growth in sales slowed to just 4% in Q210 from 12% in the first quarter, as did gross profit (+7%, against +13%); like-for-like sales in H110 were down by 4%. However, management remains confident that its robust model (strongly cash generative and biased towards recurrent income) and expansion-led strategy (DL's latest purchase, CIM, is high-margin and expected to be swiftly earnings-enhancing) could deliver a doubling in trading profit within three years.

INDUSTRY COMMENT

Capgemini's sales in France stabilised in Q210 (c +1% against -7% in Q1), suggesting that pressure on prices in technology services is easing as well as activity picking up. 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)
2008A	34.53	4.80	1.22	0.28	46.25
2009A	39.10	6.00	1.90	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Dolphin Intégration (ALDOL)

Market cap: €4m

Price: €3.00
Price as at 24 September 2010

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	(8.8)	(33.3)	(55.9)
Relative*	(10.6)	(38.0)	(55.3)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

21% growth in quarterly sales to March (albeit on depressed levels) and an improved order book suggested that the worst may be over for Dolphin, even if trading losses mounted in the half to March and sustained share price weakness suggests otherwise (H110 results due in October). Management is aiming for annualised sales of €15m, compared with c €11m pre-downturn. 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 demand for circuits with very low power consumption.

INDUSTRY COMMENT

Growth forecasts for the global semiconductor market have been revised up several times (source: Gartner) and currently stand at 31.5% for 2010 (versus a 10.6% decline in 2009).

However, growth is likely to abate in H210 and is forecast to moderate to 4.6% in 2011.

Companies with specific chip solutions in high-growth markets should outperform the sector.

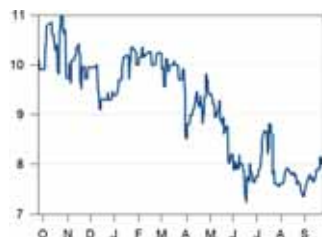
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.11	(0.15)	0.38	0.29	10.34
2009A	10.90	(0.67)	1.05	0.81	3.70
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €7.90
Price as at 24 September 2010

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	0.9	9.3	(26.6)
Relative*	(1.1)	(17.1)	(25.7)

* % Relative to local index

Analyst

Richard Finch

ECT Industries (ALECT)

Market cap: €10m

COMPANY COMMENT

In H110 ECT Industries repeated the 16% organic sales growth of the preceding half, which is impressive in still unhelpful conditions (in particular, the equipment business suffered order delays and cancellations). Services, ECT's largest segment, was again the highlight and also provided strongly-recurrent income. E-Track, acquired at the start of the period, complements ECT Industries' existing mapping expertise, notably its new data transmission by satellite product; investment in geolocation is set to pay off in 2011. A decent, if falling, order book (€11m at end June against €15m in April) underpins maintained 2010 guidance of growth in sales of c 10%. H110 results are due in late October.

INDUSTRY COMMENT

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

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	19.95	1.12	1.21	N/A	N/A
2009A	24.10	2.06	1.49	N/A	N/A
2010E	26.40	N/A	1.30	1.14	6.93
2011E	29.10	N/A	1.70	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.00
Price as at 24 September 2010

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	5.3	48.9	42.9
Relative*	3.2	60.6	44.6

* % Relative to local index

Analyst

Roger Leboff

eFront (ALEFT)

Market cap: €19m

COMPANY COMMENT

A strong international performance and higher license sales drove a 29% increase in first-half sales, while maintenance and service activities also benefited from business secured during 2009. International sales are now running at 71% of turnover, vs 55% a year ago, on the back of particularly good performances in the Middle East (+126%) and North America (+89%). eFront secured new contracts during H1 in private equity, real estate and infrastructure. There was a positive outlook for growth in H2 and beyond.

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.

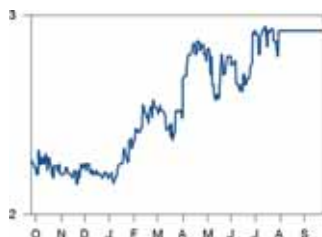
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	14.65	(1.37)	(1.69)	N/A	N/A
2009A	20.25	0.69	(1.00)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.92
Price as at 24 September 2010

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	0.0	8.1	32.7
Relative*	(1.9)	25.0	34.4

* % Relative to local index

Analyst

Roger Leboff

Emailvision (ALEMV)

Market cap: €53m

COMPANY COMMENT

The addition of 486 new clients (to c 2,500) explained the 46% increase in first-half revenues to €19.3m. The order book stood at €47.8m at the half year, 48% up y-o-y. A €1.8m H110 operating loss reflects one-off costs that relate to Emailvision's search for new investment to support its growth plans. As a result of this, EMV Holdco acquired a majority shareholding in July and in August it submitted a standing market offer for the entire share capital of the group at €3.95/share.

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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €8.06
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(14.2)	(17.3)	(5.2)
Relative*	(15.9)	(1.0)	(7.6)

* % Relative to local index

Analyst

Roger Leboff

Emakina Group (ALEMK)

Market cap: €31m

COMPANY COMMENT

Recovery in H110 saw 8% turnover growth to €16m. Operating profit and margin - from 3.6% to 4.3% - also improved. The latter reflects careful project management and higher utilisation rates. Sales grew across various geographies, with projects for Unilever, Schweppes, Samsung and Makro. Further investment in the French sales force and core group disciplines are designed to increase market share and help its customers shift to new digital technologies such as smartphones and tablet computing. The outlook is for moderate further sales and EBITDA growth in H2.

INDUSTRY COMMENT

The group helps customers integrate new digital communications - websites, brand activations and digital applications - into their businesses. Group services cover consultancy, interactive marketing, information websites, transactional applications and e-commerce. Emakina's network covers Belgium, France and the Netherlands, for such clients as Air France KLM, Pfizer Europe, Unilever, the European Commission and the UN.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	30.92	2.05	0.03	0.01	806.00
2009A	31.05	1.53	(0.63)	(0.01)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.75
Price as at 24 September 2010

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	7.7	5.6	(38.7)
Relative*	5.6	1.7	(38.0)

* % Relative to local index

Analyst

Richard Finch

Entrepaticuliers.com (ALENT)

Market cap: €17m

COMPANY COMMENT

Entrepaticuliers.com looks to be focusing on 2011 by potentially reversing its decision to cut marketing spend for short-term gain, since a halving in H110 did not prevent a collapse in trading profit and risks failing to exploit a now clear recovery in the French property market. Management remains confident that its paid advertisements business model is simply lagging the market (H110 paid advertisements -17% against 40% more new properties put up for sale) and is set to benefit from the upturn owing to its strong brand, national coverage and added-value services. For the hard-pressed consumer, the Entrepaticuliers.com website offering is a low-cost alternative to the estate agent. The company remains debt free.

INDUSTRY COMMENT

The French property market is accelerating its recovery with Entrepaticuliers.com's vaunted "barometer" showing a rise of 42% in new properties up for sale since the start of 2010, compared with 20% in Q1 and 40% in H1. Prices look to have stabilised of late after increasing c 4% in H1.

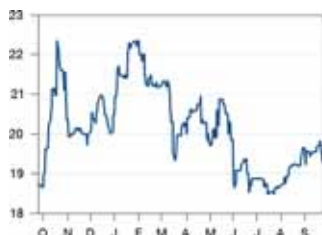
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	15.60	3.20	2.60	0.74	6.42
2009A	11.00	2.60	1.70	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €19.70
Price as at 24 September 2010

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	2.4	1.8	1.0
Relative*	0.5	6.9	2.3

* % Relative to local index

Analyst

Richard Finch

Environnement (ALTEV)

Market cap: €37m

COMPANY COMMENT

Environnement is quietly confident that recovery is broadly gathering pace despite persistent weakness, notably in the US, where its sales declined in H110. Services, deemed a priority area because of its long-term recurrent income, grew sales by 6% in H1 and so its share of group revenue to 41% (32% in 2008), while Air Ambient rebounded strongly (sales up 10%) after a tough 2009. Management expects further improvement in group sales during H2, thereby likely making good the first half 7% shortfall. The recent investment in Cairpol, a French specialist in miniature air quality monitoring systems, highlights Environnement's commitment to leadership in online instrumentation for the environment.

INDUSTRY COMMENT

The scale of weakness in Veolia Environnement's Water Solutions turnover in H110 (-26%, as in Q1) is attributed to the near completion of major projects outside France as well as to the slowdown in the industrial business environment. There is no specific guidance for the rest of the year.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	44.00	3.40	3.20	1.74	11.32
2009A	41.90	3.10	3.10	1.65	11.94
2010E	42.60	3.20	2.90	1.55	12.71
2011E	44.70	3.80	3.00	1.59	12.39

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.85
Price as at 24 September 2010

Share price graph (€)



Company description

Esker specialises in the design and publishing of software for connectivity, automatic faxing, and electronic distribution of paper support materials and connectivity.

Price performance

%	1m	3m	12m
Actual	(2.1)	2.7	50.9
Relative*	(4.0)	9.7	52.7

* % Relative to local index

Analyst

Roger Leboff

Esker (ALESK)

Market cap: €31m

COMPANY COMMENT

The first half of 2010 saw accelerated growth in all territories. Aggregate turnover was up 18% at constant exchange rates, with Asia Pacific (10% of sales) the best performer at 66% growth, followed by the US (42% of sales) ahead 13%. This was a fair performance; clients are delaying investment decisions due to market uncertainty, particularly in Europe. The outlook, assuming steady markets and forex, is for double-digit growth for FY10 and a net margin of c 5% of sales.

INDUSTRY COMMENT

The group's products and services enable customers to automate and computerise receipt and despatch of documents (invoices, purchase orders, invoices, letters, e-business and marketing, payroll etc), by mail, fax, email or SMS. It helps eliminate paper and handling of business processes, improve their productivity, management cycles and environmental impact. Its solutions are used by over 80,000 organisations worldwide including Adecco, AGF, Aldine, EDF, Flammarion, Lafarge, Manpower, Whirlpool and Samsung.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.59	(1.03)	(1.11)	N/A	N/A
2009A	27.48	0.86	1.16	N/A	N/A
2010E	29.40	1.90	1.30	0.27	25.37
2011E	31.50	2.20	1.50	0.34	20.15

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €10.60
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.4	15.2	(9.2)
Relative*	(1.6)	(7.9)	(8.1)

* % Relative to local index

Analyst

Fiona Orford-Williams

Eurogerm (ALGEM)

Market cap: €46m

COMPANY COMMENT

Full-year results to March showed slightly better H2 sales, with export sales making particular progress, reaching 46.1%. International expansion (with Europe, South America and Africa the primary target markets) and new product innovation are core elements of group strategy. A 10-year 50:50 JV has been negotiated with Japanese-quoted bakery products group, Nisshin Seifun. This will enable access to ASEAN markets and allow technology share, in return for Nisshin Seifun taking a 15% stake in Eurogerm at €14 per share.

INDUSTRY COMMENT

The 2010 heatwave meant that the French crop was flat y-o-y, but its effect was more dramatic in Russia and the Ukraine, with the consequent rise in grain prices. French bread prices are now moving up and this may have an impact on demand. Around two-thirds of wheat production is destined for bakery, with artisan bakers still the largest retail segment. The Japanese are keen on French-type bread, with particular potential for additive-free and organic product. The Chinese market prefers a softer bite.

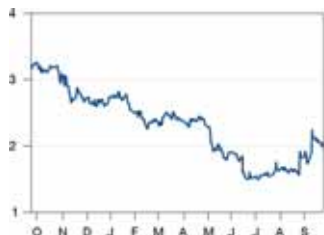
Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	51.90	4.20	3.10	N/A	N/A
2010A	50.00	3.90	2.40	N/A	N/A
2011E	53.80	N/A	1.95	0.52	20.38
2012E	56.03	N/A	2.13	0.56	18.93

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €2.05
Price as at 24 September 2010

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	28.1	33.5	(37.7)
Relative*	25.6	(9.8)	(37.0)

* % Relative to local index

Analyst

Roger Leboff

Europlasma (ALEUP)

Market cap: €27m

COMPANY COMMENT

In July the group raised €6.3m in new equity to complete the closing of a deal to build a CHO-Power plant in Morcenx (biomass or residual waste power production based on enhanced gasification technique, using plasma torch technologies). This secured a €26m injection from its financial partner. The nature of the €40m contract will see over €15m in revenues recognised in FY10 and the balance in FY11. In addition, 51% owned subsidiary, Europe Environnement, signed a contract worth over €10m in connection with Europe's largest photovoltaic cell and panel plant in Catania, Italy.

INDUSTRY COMMENT

The outlook is underpinned by increasingly rigorous anti-pollution legislation. Investment in energy production includes four Electricity from Waste projects launched in 2008. Europe Environnement has c 400 clients and has secured a substantial contract with a leading Spanish household waste collector/processor. The asbestos and hazardous waste destruction operation also recently picked up major French clients.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	2.32	(2.41)	(1.43)	N/A	N/A
2009A	1.02	(3.94)	(3.14)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €13.35
Price as at 24 September 2010

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	4.3	18.2	28.4
Relative*	2.3	39.5	29.9

* % Relative to local index

Analyst

Richard Finch

Evolis (ALTO)

Market cap: €69m

COMPANY COMMENT

A record level of sales in H110 (up by almost a third at increased margin) has prompted management to raise 2010 sales guidance from double-digit gain to over 20%. However, perhaps cautiously despite pricing pressure, it suggests margins on a par with H110 (16%) rather than at pre-recession level (18%), as per its March update. It is to management's credit that faced with lacklustre retail markets in Europe, it developed successfully in more buoyant Asia and the Americas and expanded the smaller projects business away from its original Korean banking market. Strong finances will allow further expansion.

INDUSTRY COMMENT

US competitor Zebra Technologies continues to endorse market recovery. Its Q210 sales were up by a quarter (+18 in Q110), reflecting continued strong demand across the board, especially in Latin America and Asia Pacific. Q310 sales are forecast to be 14% to 21% ahead despite tougher comparatives. HID/Fargo, part of the Swedish group ASSA ABLOY, has reported strong demand in Q210 for identification solutions and access control.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	36.70	6.70	4.90	0.96	13.91
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

Where available, consensus data has been sourced from Thomson Datastream

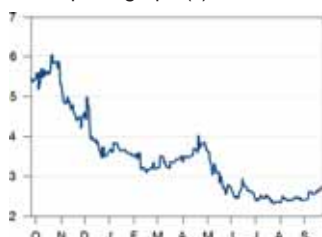
Sector: Pharma & Healthcare

ExonHit Therapeutics (ALEHT)

Market cap: €88m

Price: €2.63
Price as at 24 September 2010

Share price graph (€)

**Company description**

ExonHit Therapeutics uses a proprietary research platform to develop innovative molecular diagnostics and new drugs for CNS and cancer indications.

Price performance

%	1m	3m	12m
Actual	9.6	(4.7)	(47.8)
Relative*	7.5	(17.6)	(47.2)

* % Relative to local index

Analyst

Robin Davison

COMPANY COMMENT

ExonHit made good progress in both its therapeutics and diagnostics divisions in H110. Allergan has included new drugs in its collaboration and generated a \$4m milestone for ExonHit after it out-licensed the EHT/AGN 0001 programme to Bristol-Myers Squibb. ExonHit also entered an agreement with Genmab in breast cancer. Its lead diagnostic product for Alzheimer's disease, AclarusDx, is expected to gain CE approval in Q410 and be launched next year. However, its planned acquisition of the US company, Redpath, for \$22.5m has suffered a setback and is now being re-evaluated.

INDUSTRY COMMENT

ExonHit should benefit from the increased use of molecular diagnostics to provide patients with better treatments; the market is worth c \$1.5bn and growing at c 6%. Pharmaceutical companies are also forming more R&D partnerships with biotech companies with promising platform technologies, which increases the likelihood of ExonHit entering new R&D collaborations.

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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Fashion B Air (ALFBA)

Market cap: €24m

Price: €3.33
Price as at 24 September 2010

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	(8.5)	0.9	(16.6)
Relative*	(10.3)	1.3	(15.5)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Although maintained H110 trading profit is welcome after the disappointment of 2009's out-turn well below guidance (down by a third against forecast double-digit rise), there may yet be concern that top-line buoyancy (forecast up by more than 25% for the full year) fails to translate satisfactorily into profit, not least because H110 sales were themselves up by 22%. Importantly, the recent €2.5m fund-raising is hastening European retail expansion to exploit the growing Bel Air brand, with a planned 40% increase in owned shops during 2010.

INDUSTRY COMMENT

While French retail sales are expected to continue to rise over the next quarter, reduced consumer purchasing power and unemployment may well contribute to a slowdown. Bel Air's relatively mainstream market position despite moving upscale 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.

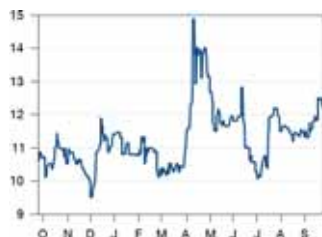
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	13.04	2.62	5.95	N/A	N/A
2009A	15.49	1.77	1.26	N/A	N/A
2010E	19.18	3.05	1.83	N/A	N/A
2011E	21.80	3.48	2.20	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €12.48
Price as at 24 September 2010

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	10.0	12.9	12.9
Relative*	7.8	26.5	14.3

* % Relative to local index

Analyst

Richard Finch

Fountaine Pajot (ALFPC)

Market cap: €19m

COMPANY COMMENT

Substantially increased low-season losses on a further dip in sales would seem to contradict last winter's positive trading update, which suggested that the worst was over. Guidance now is only that the half to August (results due in November) should be clearly profitable on c 10% pick-up in sales. Encouragingly, the company is 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.

INDUSTRY COMMENT

Grim news in 2009 from Europe's luxury boat-builders showed that 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 outlook now seems healthier, with strong interest at the winter shows prompting Beneteau to forecast boat sales up by 15% in a more stable market (+17% in quarter to May) and faster growth next year. Rodriguez endorses stabilisation since the spring.

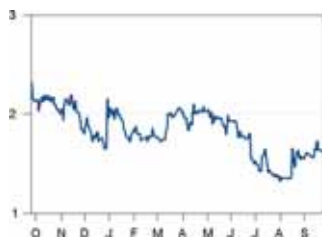
Y/E Aug	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	52.54	0.00	1.88	N/A	N/A
2009A	33.80	1.90	(0.50)	N/A	N/A
2010E	30.80	N/A	N/A	N/A	N/A
2011E	35.50	N/A	0.90	0.58	21.52

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €1.64
Price as at 24 September 2010

Share price graph (€)



Company description

GECI Aviation (formerly Reims Aviation Industries), 94% owned by GECI International, specialises in the design, manufacturing and marketing of planes. The group offers two twin-turboprop planes: the F406, the European leader in light aerial surveillance, and the Skylander SK-105, a high-performing, economical plane, set to enter service in 2012.

Price performance

%	1m	3m	12m
Actual	5.1	(6.8)	(23.0)
Relative*	3.1	(14.0)	(22.1)

* % Relative to local index

Analyst

Richard Finch

GECI Aviation (ALRAI)

Market cap: €109m

COMPANY COMMENT

Activity looks to be picking up following an agreement with a Chinese client for 10 F406, which underpins a group portfolio of 29 aircraft (total value c €150m) subject to order or advanced negotiation. Management is confident that its two aircraft, the F406 and the Skylander, offer 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. The flight of the first Skylander prototype is set for H211, with the first delivery a year later (targeted sales of 1,500 by 2028). July's €19m fund-raising aimed to cover a third of remaining development costs. The company, which has been loss making, expects clearly improved returns in the current year.

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)
2008A	5.63	(2.02)	(2.26)	N/A	N/A
2009A	5.96	(2.16)	(0.59)	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

Where available, consensus data has been sourced from Thomson Datastream

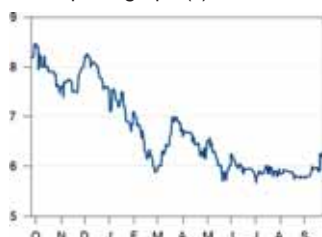
Sector: Pharma & Healthcare

Genfit (ALGFT)

Market cap: €69m

Price: €5.90
Price as at 24 September 2010

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	0.9	(1.0)	(18.1)
Relative*	(1.1)	(9.5)	(17.0)

* % Relative to local index

Analyst

Robin Davison

COMPANY COMMENT

Genfit continues to focus on the therapeutic potential of GFT505 in diabetes and pre-diabetes. Having established its safety profile, Genfit has reported Phase II data which confirm its mechanism of action and demonstrates that GFT505 potentiates insulin sensitivity in non-diabetic subjects. It has now launched a new Phase II trial to assess the compound's impact on HbA1c. The company is actively searching to partner GFT505, its most clinically advanced product. Genfit estimates that the recent four-year loan granted by OSEO will provide 18 months' funds, with the current trial completion target estimated as mid-2011.

INDUSTRY COMMENT

Genfit has a multi-faceted business, encompassing early diagnosis and prevention as well as therapeutic drug development. Existing licensing deals with Sanofi-Aventis, 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)
2008A	14.59	(4.09)	(3.96)	(0.35)	N/A
2009A	10.83	(5.93)	(7.37)	(0.65)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

GenOway (ALGEN)

Market cap: €16m

Price: €2.76
Price as at 24 September 2010

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	2.6	1.8	(6.4)
Relative*	0.6	(1.8)	(5.3)

* % Relative to local index

Analyst

Robin Davison

COMPANY COMMENT

GenOway recently renewed its partnership with the Frankfurt Wolfgang-Goethe University. The terms and the duration of the agreement have not been disclosed, although GenOway derived €800k from its previous collaboration with the institution. GenOway's share price has held up well during the last 52-week period, indeed directors have gradually increased their stake to 7.9% from 3.8% at inception. The outlook depends on GenOway's ability to continue to develop research collaborations and licensing agreements for its genetically modified animal models to pharmaceutical companies and academic institutions.

INDUSTRY COMMENT

Genetically modified animal models are critical to the development of therapeutic approaches to disease. The recently published UK report on scientific procedures demonstrated the increasing popularity of genetically modified over non-modified animal models. The use of animal models allows researchers to carry out in vivo analysis, accelerating the R&D process.

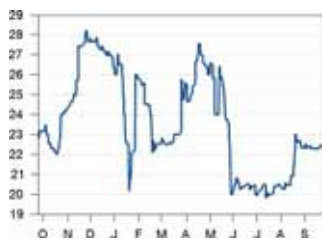
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	6.70	(0.90)	(1.20)	N/A	N/A
2009A	6.60	0.40	0.10	N/A	N/A
2010E	7.60	0.70	0.80	0.13	21.23
2011E	9.10	1.30	1.30	0.23	12.00

Where available, consensus data has been sourced from Thomson Datastream

Sector: Property

Price: €22.30
Price as at 24 September 2010

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	4.3	8.8	26.0
Relative*	2.2	1.7	27.5

* % Relative to local index

Analyst

Roger Leboff

Groupe Proméo (ALMEO)

Market cap: €68m

COMPANY COMMENT

First-half turnover of €47.5m was 3.5% ahead of H109. Revenues from Village Heritage Center, the largest division, were off 8% at €33.7m due to some delays in product launches, but bookings were up 22% y-o-y by the end of August. Village Recreation Center achieved near 52% first-half growth to €13.3m of sales, which included €4.2m of mobile home sales. A confident H2 outlook identified a €95.4m reservation backlog for VHC at the end of August - 5% ahead of the same point in 2009 - and 32% growth in VRC sales from accommodation by mid-September.

INDUSTRY COMMENT

The group is a specialist developer and operator of French leisure accommodation, with turnover derived from two divisions, Village Heritage Center (75%) and Village Recreation Center (25%). It 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)
2008A	105.13	15.07	7.62	N/A	N/A
2009A	122.36	12.60	5.57	N/A	N/A
2010E	139.12	14.21	6.72	2.19	10.18
2011E	149.89	16.67	8.06	2.64	8.45

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €24.54
Price as at 24 September 2010

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	3.8	8.3	32.7
Relative*	1.7	22.6	34.4

* % Relative to local index

Analyst

Richard Finch

Harvest (ALHVS)

Market cap: €34m

COMPANY COMMENT

Strong growth in revenue in H110 would have been matched at the trading profit level but for the initial inclusion of Harvest's late 2009 acquisition, O2S, which was loss making. Once again the core business model proved its worth, lending resilience (two-thirds of sales deemed recurrent from maintenance and licence leasing) and the facility to serve key large accounts, which outperformed as conditions improved. Although there is no detailed guidance, management is evidently optimistic about the seasonally-stronger second half and indeed 2011 as O2S starts to contribute.

INDUSTRY COMMENT

The French 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. GDP is forecast by the government to recover by 1.4% this year and by 2% next. The IMF is less sanguine, expecting a sluggish performance in 2010 and 1.6% growth in 2011.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.23	2.85	1.92	1.39	17.65
2009A	13.24	2.72	2.33	N/A	N/A
2010E	14.93	3.10	2.20	N/A	N/A
2011E	15.98	3.53	2.40	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €22.86
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.3	9.9	2.1
Relative*	(1.7)	5.2	3.3

* % Relative to local index

Analyst

Stephen Rogers

Heurtey Petrochem (ALHPC)

Market cap: €75m

COMPANY COMMENT

Signs of a sustained recovery were evident from Heurtey's interim results to June 2010.

Turnover grew 8% on a constant currency basis to €116.5m (H109: €105m). Compared to the full year, refining staged a significant recovery accounting for 43% of sales, with petrochemicals and hydrogen representing 32% and 25%, respectively. The group confirmed an order backlog of €293m at the end of the period (FY09: €265m), which excludes a €46m contract for a refining project in the Middle East signed in July. The group reported that the outlook for the rest of 2010 was positive, with particular opportunities in developing economies including India and Russia.

INDUSTRY COMMENT

Heurtey 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.

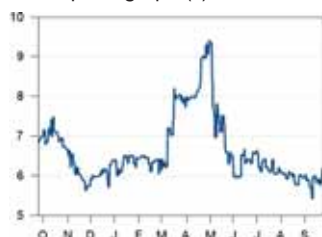
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	232.20	8.50	4.10	1.22	18.74
2009A	200.10	7.40	2.80	0.80	28.57
2010E	220.10	N/A	4.64	1.85	12.36
2011E	236.19	N/A	5.45	2.20	10.39

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.90
Price as at 24 September 2010

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	(2.2)	(6.3)	(5.0)
Relative*	(4.1)	(22.8)	(3.8)

* % Relative to local index

Analyst

Roger Leboff

Hitechpros (ALHIT)

Market cap: €11m

COMPANY COMMENT

Hitechpros built on the positive Q1 start. It reported 12.4% sales growth for H110, to €6.1m.

Four consecutive quarters of growth suggest the recovery has established some momentum, as staffing benefits from an upturn in activity and projects within IT departments. Operating profit declined by 8% to €0.57m, explained by a change in allocation of expenses vs last year. The statement included a positive outlook with sales expected to exceed 2008 and €3.8m of net cash at the mid-year.

INDUSTRY COMMENT

Some stability has returned to the group's key markets. Hitechpros is France's leading marketplace for specialised outsourcing IT sector services. Two complementary web-based marketplace activities bring together IT sector participants (IT services companies, consultants and training specialists) and brokerage activities. Sales are derived from computer service intermediation and technical assistance services provided via the website and site subscriptions for users to conduct business directly.

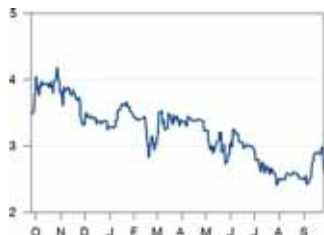
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.65	1.56	0.90	0.49	12.04
2009A	10.53	1.04	0.46	N/A	N/A
2010E	11.78	1.21	0.85	0.44	13.41
2011E	13.06	1.59	0.98	0.45	13.11

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.60
Price as at 24 September 2010

Share price graph (€)



Company description

HoloFind (previously Referencement.com) 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	N/A	N/A	N/A
Relative*	N/A	N/A	N/A

* % Relative to local index

Analyst

Roger Leboff

HoloFind (ALHOL)

Market cap: €8m

COMPANY COMMENT

FY09 turnover was 10% down y-o-y at €15.8m. The three largest divisions have undergone repositioning likely to be reflected in FY10 sales. 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. Margins will be helped by €0.6m pa cut in overheads, including 17% from payroll. Referencement.com announced a strategic partnership with Prodware in March and raised €0.8m and €0.9m in October and April to fund R&D in 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)
2008A	17.58	0.09	(0.08)	(0.28)	N/A
2009A	15.80	0.70	0.50	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €3.05
Price as at 24 September 2010

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	0.0	4.1	10.9
Relative*	(1.9)	9.2	12.3

* % Relative to local index

Analyst

Richard Finch

Homair (ALHOM)

Market cap: €40m

COMPANY COMMENT

Caution, invited by increased low-season losses and the failure of May's update to confirm guidance of c 10% EBITDA gain for the full year, now appears justified by Homair's recent warning that its 10% sales growth target is at risk. Softness in sales of mobile homes and campsite stays to those with their own mobile homes or tents (both down on FY09 in the 11 months to August) will most likely not be made good by resilient (+11%) mobile-home holiday business. Last year, Homair's model of site ownership paid off with trading profit up 52%. Expansion (15% more mobile homes) contradicted competitors who cut capacity (eg Eurocamp -4%), and have an asset-light model. Current season capacity is up 7%.

INDUSTRY COMMENT

The need to invest to meet the longstanding flight to quality, allied with economic pressures on smaller players, may hasten consolidation of a fragmented market (Homair, as leader, has only 5% of mobile home stock, and continues to expand). Camping is a value product, viz Eurocamp's maintained FY10 sales despite 8% less capacity.

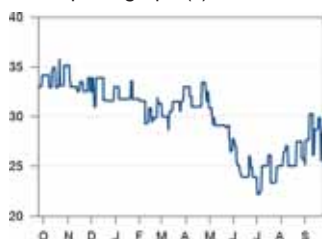
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	32.19	3.80	1.31	0.10	30.50
2009A	42.70	5.80	1.90	N/A	N/A
2010E	47.11	N/A	2.25	0.16	19.06
2011E	51.16	N/A	3.06	0.20	15.25

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €29.89
Price as at 24 September 2010

Share price graph (€)



Company description

Hôtel Regina Paris owns and operates three four-star hotels in the centre of Paris.

Price performance

%	1m	3m	12m
Actual	19.5	25.0	(9.4)
Relative*	17.1	(0.4)	(8.3)

* % Relative to local index

Analyst

Richard Finch

Hotel Regina Paris (ALHRP)

Market cap: €71m

COMPANY COMMENT

A sharply-increased trading loss characterised a difficult H110 for Hotel Regina Paris, reflecting the impact of management's predicted "price war" among Paris hoteliers compounded by the cost of re-opening one of its three properties, the Majestic, in January after a €25m refurbishment. However, it is encouraging that Q2 saw a resumption of RevPAR growth for the first time since 2008, a rise in like-for-like sales of 9% and a modest trading profit (6% margin compared with 18% pre-recession). There is no formal guidance for 2010, other than for a net loss. Senior management has lately been reorganised and the share listing moved from Euronext to reflect better the company's status.

INDUSTRY COMMENT

Industry research shows continued recovery in the Paris market, albeit with the shadow of macroeconomic uncertainty over the next year or more. In July, per Deloitte, the 4-star segment achieved 14% RevPAR growth, driven by average room rate rather than occupancy, which was relatively high last year. There has been a strong rise in overseas visitors.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.00	1.70	2.00	N/A	N/A
2009A	17.50	(0.20)	1.10	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €1.95
Price as at 24 September 2010

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	11.4	(5.3)	(43.0)
Relative*	9.3	(20.7)	(42.3)

* % Relative to local index

Analyst

Robin Davison

Hybrigenics (ALHYG)

Market cap: €23m

COMPANY COMMENT

Hybrigenics's total revenues in H110 fell 15% to €2.1m because of a decline in research activities as it focuses on its proprietary research. However, service revenues derived from its Y2H platform grew by 4% to €1.7m. The service division made further progress in September, with L'Oreal signing a master agreement that includes orders worth €0.39m in H210. Hybrigenics had a net cash position of €3.0m in June and can draw €4.17m from an equity line with Yorkville, which could fund clinical activity beyond 2011. The investment case hinges on lead programme inecalcitol, a vitamin D analogue in development for hormone refractory prostate cancer. Phase IIa trials provided evidence of its excellent tolerability in combination with standard Taxotere and promising indications of efficacy.

INDUSTRY COMMENT

Other therapeutic indications of inecalcitol include hormone dependent prostate cancer and psoriasis, where existing treatment mode - TNF alpha targeting therapy - is valued at \$2.4bn/year.

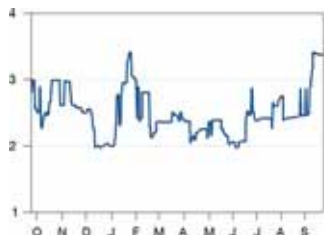
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	4.33	(7.20)	(6.40)	N/A	N/A
2009A	4.60	(4.90)	(4.20)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €3.37
Price as at 24 September 2010

Share price graph (€)



Company description

I2S specialises in designing, creating, manufacturing and marketing imaging systems and equipment.

Price performance

%	1m	3m	12m
Actual	39.3	40.4	12.7
Relative*	36.5	41.4	14.1

* % Relative to local index

Analyst

Roger Leboff

I2S (ALI2S)

Market cap: €6m

COMPANY COMMENT

The group is a leading supplier of scanners for books, journals, archives and bound documents (DigiBook division). This relates to digital enhancement of cultural, administrative and industrial assets. i2s recently acquired 61% of Amanager, to capitalise on the challenges inherent in the digital distribution of books and documents. Amanager's software produces high impact digital assets suitable for production and sharing of interactive books, by publishers, libraries and other archives, plus chronological ordering of information for editorial purposes.

INDUSTRY COMMENT

i2S has products in such fields as digital vision, optronics and professional image processing. Its DigiBook division is a specialist in scanners for bound documents and archives. The group also provides a range of high specification digital cameras, suitable for surface inspection, which are used by manufacturers of glass, plastic film, non-woven materials and paper for quality control.

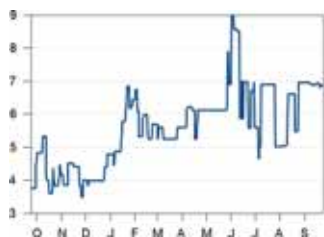
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	14.60	8.90	6.00	0.35	9.63
2008A	13.30	(5.00)	(4.00)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Industrial Support Services

Price: €6.89
Price as at 24 September 2010

Share price graph (€)



Company description

IC Telecom is a multi-play B-to-B telecommunications operator specialising in the supply of telephone services on IP (ToIP) and in convergence solutions.

Price performance

%	1m	3m	12m
Actual	4.4	(1.1)	72.5
Relative*	2.4	38.1	74.7

* % Relative to local index

Analyst

Roger Leboff

IC Telecom (ALICT)

Market cap: €16m

COMPANY COMMENT

Turnover for the year to end June was €19.4m, a 24% increase and ahead of expectations. The group grew in line with growing demand for IP telephony from the SOHO market. The second half of last year was particularly strong and ICT benefited from a 50% increase in clients y-o-y, the roll out of new customer charging models and contracts and a growing profile as a single point of contact for client telecoms needs. Two new offices were opened this year, in Lille and Nantes. Full-year results will be released on 14 October.

INDUSTRY COMMENT

IC Telecom intends to leverage its bespoke in-house technology architecture to capitalise on growing demand for converged services from SOHO and SME customers. The recent launch of new VoIP solutions have improved the group's competitive positioning with its target market. It operates and markets its own range of solutions based on its innovative technology, ie positions itself as a single, inexpensive source for telephony, internet and mobile.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	15.70	3.65	1.08	N/A	N/A
2010A	19.40	0.00	0.00	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €29.30
Price as at 24 September 2010

Share price graph (€)



Company description

IDSUD specialises in supplying financial services.

Price performance

%	1m	3m	12m
Actual	1.1	14.9	(7.7)
Relative*	(0.9)	7.0	(6.6)

* % Relative to local index

Analyst

Roger Leboff

IDSUD (ALIDS)

Market cap: €28m

COMPANY COMMENT

2009 proved difficult for IDSUD, with declines in underlying revenues compounded by provisions within IDSUD's real estate and gaming activities. It experienced weaker French and Moroccan property markets, while an inability to secure previously agreed bank finance resulted in a €5.5m loss on a lottery and scratch card project in Cameroon. Revenues from precious metals trading activities increased by 26% to just over €0.32m. The group has suspended its own overseas games operations but may provide consulting services. It finished the year with €5.3m in cash.

INDUSTRY COMMENT

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

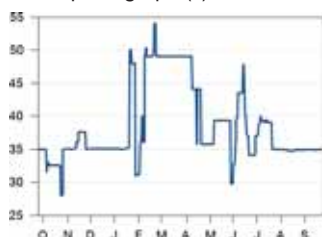
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	2.40	(5.30)	(2.30)	N/A	N/A
2009A	2.10	(8.10)	(4.70)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €35.00
Price as at 24 September 2010

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	0.6	(7.9)	6.1
Relative*	(1.4)	(25.1)	7.4

* % Relative to local index

Analyst

Richard Finch

Inventoriste (ALIVT)

Market cap: €46m

COMPANY COMMENT

Long-standing investor Barberine recently increased its holding to 95%. There has otherwise been no trading news since confirmation that 2009 went from bad to worse for Inventoriste, as a halving of trading profit in H1 was followed by a small loss in H2 on sales depressed by client budget cuts and stock rationalisation. The company remained nonetheless soundly financed and has since accelerated its international expansion with a small acquisition in Belgium, a Polish start-up and a first franchise in Morocco. Last year key investors, holding 87%, offered to buy out minority holders via a price guarantee of €24.

INDUSTRY COMMENT

The French consumer mood remains subdued owing to worries about unemployment and inflation, notably food and energy prices.

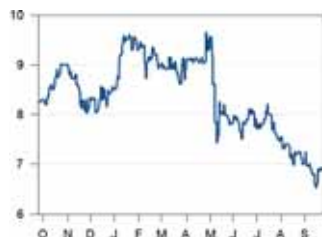
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	23.29	3.46	2.22	1.69	20.71
2009A	17.86	0.67	0.38	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €6.90
Price as at 24 September 2010

Share price graph (€)



Company description

Ipsogen develops molecular diagnostic tests for leukaemia and breast cancer.

Price performance

%	1m	3m	12m
Actual	(1.1)	(12.5)	(6.6)
Relative*	(3.1)	(20.1)	(5.5)

* % Relative to local index

Analyst

Robin Davison

Ipsogen (ALIPS)

Market cap: €35m

COMPANY COMMENT

Ipsogen's first H1 increased 17% and product revenue alone grew 36%, whereas licensing revenue benefited from a non-recurring payment in 09. The key sales driver is its JAK2 test, which detects biomarkers responsible for myeloproliferative disorders including leukaemia. Ipsogen recently expanded the test's US patent position, potentially widening its application within the market. Ipsogen's Corinne Danan is responsible for global operations; the US was previously delineated. The key focus is to grow sales within North America and to further the commercial development of the MapQuant breast cancer test.

INDUSTRY COMMENT

Compared with drug developers, molecular diagnostic companies' product development risk is lower, and less time is required from R&D to commercialisation. 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.

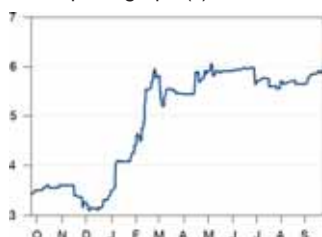
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	4.12	(1.27)	(1.10)	N/A	N/A
2009A	6.73	(2.70)	(2.57)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.90
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	3.3	(1.0)	71.5
Relative*	1.3	11.5	73.6

* % Relative to local index

Analyst

Roger Leboff

Keyyo (ALKEY)

Market cap: €17m

COMPANY COMMENT

Figures for the first half of 2010 reveal 9.7% y-o-y aggregate revenue growth. Q210 at €4.91m was Keyyo's best quarter yet, with activities aimed at both SMEs and individuals performing well. That growth was accompanied by an increase in the gross margin from 49.9% to 57.5%, supporting further investment in technical development, sales and marketing. The outlook expresses confidence for the current year and a sales target of c €40m for FY12.

INDUSTRY COMMENT

As a VoIP operator, Keyyo seeks to leverage the advantages of control over its own technical infrastructure, based on open technologies. The implementation of a fibre-optic network means it can absorb traffic growth for the next three years, while strategic partnerships should enhance sales of high added-value products and services. In September it signed an MoU to increase its stake in Normaction to 33%. It also signed an exclusive distribution agreement to bring its Call Shop offer to around 100 Central Telecom customers.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	16.10	2.60	3.70	0.15	39.33
2009A	18.40	0.92	1.00	0.38	15.53
2010E	20.70	0.80	1.00	0.34	17.35
2011E	23.40	1.10	1.20	0.42	14.05

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €23.00
Price as at 24 September 2010

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	2.2	5.2	39.7
Relative*	0.2	29.7	41.5

* % Relative to local index

Analyst

Fiona Orford-Williams

LeGuide.com (ALGUI)

Market cap: €78m

COMPANY COMMENT

LeGuide.com is a leading European operator of price comparison and shopping search-engine websites (number one in France, two in Spain, four in Germany and two across Europe), with 5.4m unique visitors in France in July 2010, +25% y-o-y (ComScore). According to Mediametrie/NetRatings, the site was the 44th most visited in France that month. H110 revenues and operating income were well ahead (+16% and +55% respectively) despite a tough market in the UK. Ex-France income continues to build; it was 27% of the total in Q110.

INDUSTRY COMMENT

Use of price comparison sites is greater in France than other European territories, with penetration of 41% against 27% for Europe as a whole. Consumer resistance to online purchasing continues to erode, with 65% of French web-users now confident to transact online. There are over 70k merchants online, up 30% on June 2009. The French e-commerce market was worth €25bn in 2009; at current rates of growth, this figure should top €32bn in 2010.

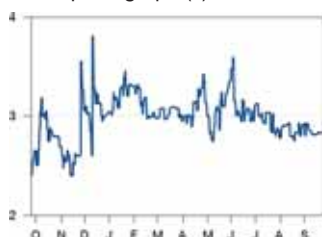
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	17.98	5.50	3.50	1.04	22.12
2009A	23.00	7.10	3.30	N/A	N/A
2010E	26.70	9.50	5.50	1.79	12.85
2011E	29.40	10.50	6.45	2.06	11.17

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.83
Price as at 24 September 2010

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	1.4	(3.7)	20.4
Relative*	(0.5)	(3.9)	21.9

* % Relative to local index

Analyst

Roger Leboff

Logic Instrument (ALLOG)

Market cap: €7m

COMPANY COMMENT

German and US subsidiaries were key contributors to a 66% increase in sales. These saw FY09 sales increase four-fold to €4m in Germany and 10-fold to €8.3m in the US, although France was more mixed. Sales of Tetra ruggedised laptops were steady at €4.1m, but demand for test tools was hit (€0.6m sales vs €3.1m in FY09) by the termination of a distribution agreement, which also resulted in a number of one-off costs. For this year, the group reports new orders from Thales for the French army and from General Dynamics in the US. An increased focus on non-military markets will help access shorter decision cycles.

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 Q409 in France, provide more confidence for the outlook, as does the sector and geographical spread.

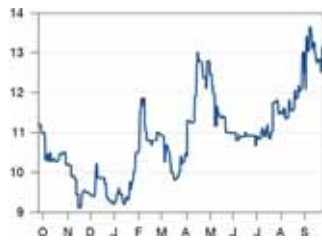
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	10.81	(0.94)	(0.87)	N/A	N/A
2009A	17.91	(0.73)	(0.73)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €12.82
Price as at 24 September 2010

Share price graph (€)



Company description

With branches in Paris, New York, Los Angeles, Hong Kong and Shanghai, Maesa creates and manufactures tailor-made perfumes, cosmetics and home fragrance for retailers, and packaging and promotional products for brands.

Price performance

%	1m	3m	12m
Actual	10.5	17.6	17.1
Relative*	8.4	37.3	18.5

* % Relative to local index

Analyst

Richard Finch

Maesa (ALMAE)

Market cap: €39m

COMPANY COMMENT

A marked slowdown in sales in Q210 (+4% against +17% in Q1) has not disturbed guidance of over 20% top-line progress in 2010, which may raise misgivings in the wake of missed targets for 2009. Management attributes the H110 shortfall simply to timing, ie unexpected delay in deliveries to two major beauty accounts, and points with good reason to recent strong client signings. It should be noted also that the second half represents two-thirds of annual sales, which necessarily brings uncertainty. A placing in June with key US management raised €3.4m.

INDUSTRY COMMENT

L'Oreal has reported that it is "tackling the second half of 2010 with confidence". H110 saw strong organic growth across the board in cosmetics, with constant currency sales up by 6% (5% in Q2). New markets such as Asia Pacific, Eastern Europe and Latin America led the way with low double-digit growth, while Western Europe was up by 2% and North America by 5%.

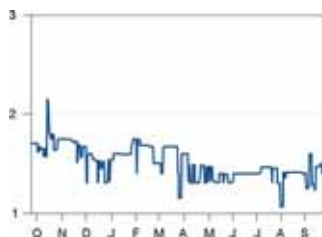
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	38.70	5.60	2.00	N/A	N/A
2009A	62.80	0.60	(2.80)	N/A	N/A
2010E	67.81	N/A	N/A	0.87	14.74
2011E	76.11	N/A	N/A	1.39	9.22

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €1.47
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	4.3	5.0	(19.7)
Relative*	2.2	(7.6)	(18.7)

* % Relative to local index

Analyst

Fiona Orford-Williams

MakheiA Group (ALSEQ)

Market cap: €7m

COMPANY COMMENT

MakheiA listed on Alternext in February 2010. The group has 70% of the CAC40 as clients for marketing services including internal, corporate and/or financial communication, brand strategy and advertising and marketing. Its largest client segments are in automotive (19% FY09 sales) and consumer goods (16%), with the balance broadly spread. Q210 sales showed some recovery over Q110, which was affected by restructuring. Like-for-like gross profits were down 13% for H110 y-o-y. The pipeline for H2 is better with a success rate on pitching of 30% and the group is expecting a satisfactory outcome for the year.

INDUSTRY COMMENT

The rapidly changing background is making the management of brand image a far more complex activity, with social media exerting substantive influence. After a tough couple of years, marketing budgets have been easing, with advertising spend moving ahead by 12.2% in H110. Growth in spend from the automotive sector in France lagged slightly at 10.8% and it is now the fourth highest spending sector at €159m.

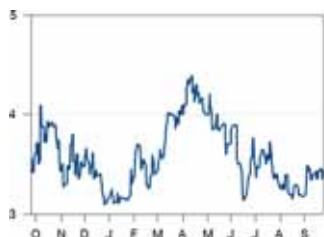
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	27.10	(0.20)	(0.17)	(0.03)	N/A
2009A	27.20	(1.06)	(1.24)	(0.25)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Bldg Mat.

Price: €3.43
Price as at 24 September 2010

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	7.5	9.2	(7.3)
Relative*	5.4	(10.0)	(6.2)

* % Relative to local index

Analyst

Richard Finch

Mastrad (ALMAS)

Market cap: €18m

COMPANY COMMENT

Disappointment that Mastrad missed its sales growth target of 20% (actual 16%) in the year to June may be tempered by an apparent upgrading of profit guidance (results due mid-October) and by management confidence that the core French operation, which saw sales growth dip to 6% in H2, should clearly exceed even a bumper H110 thanks to a fast-expanding product range and a revamped sales team. Export and North America, which have lagged France, enjoyed a decent H2 while Kitchen Bazaar grew sales for the first time since 2008, maybe endorsing management's recent decision to take full control of the persistent loss-maker.

INDUSTRY COMMENT

Despite 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). Its 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	26.10	N/A	1.50	0.29	11.83
2011E	28.70	N/A	1.40	0.27	12.70

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €7.38
Price as at 24 September 2010

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	(10.0)	1.1	11.8
Relative*	(11.8)	(1.2)	13.2

* % Relative to local index

Analyst

Fiona Orford-Williams

Maximiles (ALMAX)

Market cap: €29m

COMPANY COMMENT

Maximiles has 7.5m members in mutual schemes on over 100 merchants' sites, with a further 50 white-label schemes. These are mostly in France and the UK (rebranded from ipoints) and account for 55% H110 revenues, flat on the year. It has been investing in its online panels business, where growth has been much stronger. The acquisition of German panels business, Panelbiz, extends the group's reach to seven European territories with over 2m panellists. Direct marketing activities stayed weak (-39%) in a market undergoing structural change.

INDUSTRY COMMENT

French e-commerce continues to strengthen, with H110 growth of 29% and spend of €14.5bn. Numbers of online merchants exceeded 70k at end-June (including many bricks-and-mortar retailers adding an online channel). The prevalence of search and price comparison sites has undermined traditional concepts of customer loyalty. If the offer, service level and pricing are right, reward programmes are one of the few remaining options for differentiation.

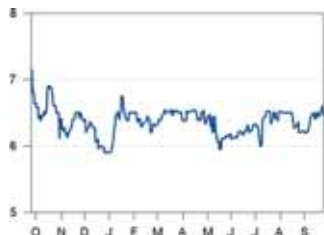
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	16.48	2.42	2.70	0.66	11.18
2009A	15.58	1.90	0.62	N/A	N/A
2010E	16.55	1.90	1.65	0.38	19.42
2011E	19.75	2.40	1.95	0.46	16.04

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €6.44
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	1.4	3.5	0.3
Relative*	(0.6)	3.5	1.5

* % Relative to local index

Analyst

Mick Cooper

MEDICREA International (ALMED) Market cap: €50m

COMPANY COMMENT

H110 sales increased 30% to €7.9m. MEDICREA attributes this to high adoption rates for the PASSLP thoraco-lumbar fixation system, an additional 15 US surgeons have converted to the use of the implant system during the period. MEDICREA has captured only a fraction of a potential 7,000 specialist US surgeons. Outlook depends on continued high conversion rates for PASSLP together with finalisation of the launch of the GRANVIA cervical disc prosthesis in Europe, where the company's strategy is to develop its distribution network through individual country subsidiaries.

INDUSTRY COMMENT

The orthopaedic implant market for spinal surgery is estimated to be worth \$8bn and to be growing at 10-15% pa. The main growth driver for the sector is technological innovation that leads to both price rises and increases in procedure volumes. MEDICREA's products respond to a growing trend towards minimally invasive surgery, intended to promote cost savings through optimal patient recovery.

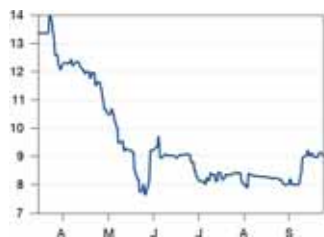
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	9.00	(3.80)	(5.10)	N/A	N/A
2009A	13.10	(2.40)	(2.60)	N/A	N/A
2010E	20.10	0.60	0.30	0.04	161.00
2011E	27.10	2.90	2.70	0.34	18.94

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €8.98
Price as at 24 September 2010

Share price graph (€)



Company description

Merci Plus Groupe specialises in supplying home services, including home maintenance, childcare and landscaping.

Price performance

%	1m	3m	12m
Actual	8.8	(0.8)	N/A
Relative*	6.7	(29.4)	N/A

* % Relative to local index

Analyst

Richard Finch

Merci Plus Groupe (ALMCI) Market cap: €10m

COMPANY COMMENT

Merci Plus enjoyed a reasonable H110 with further growth in sales (+6%), partly reflecting agency expansion, and in margin (10% against 7% in 2009). Interestingly, the top-line rise was driven by childcare and other services rather than home maintenance, much the largest group activity, which appears (not disclosed) to have been flat at best (+3% in 2009), and thus like-for-like is down. Management expects lower overall sales growth and margin in the seasonally-weaker H2 because of tough conditions, suggesting a similar y-o-y trading profit (+55% in H1). Expansion of the agency network and the range of services will be enabled by the c €3m raised at flotation for a business that was in any case cash generative and debt free.

INDUSTRY COMMENT

Favourable demographics and changing lifestyles suggest the personal services market is one of long-term growth (estimated 10% pa for the private sector), and indeed resilience (in 2009 hours worked +2% against -2% in the overall economy). Six million households are potentially interested, with 0.3m looking for childcare, per France's dedicated government agency.

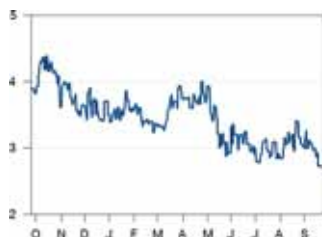
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.70	0.16	0.16	375.00	0.02
2009A	13.10	0.90	0.70	20.08	0.45
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €2.72
Price as at 24 September 2010

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	(9.6)	(16.0)	(28.8)
Relative*	(11.4)	(24.9)	(27.9)

* % Relative to local index

Analyst

Richard Finch

MG International (ALMGI)

Market cap: €9m

COMPANY COMMENT

Benefits continue to accrue from last year's merger with Maytronics as a 40% gain in sales in H110 is matched by that at the trading level, albeit still in loss. Notwithstanding the one-off boost from the introduction of Maytronics's popular Dolphin robot pool cleaner, MG's core alarms, covers and public pool operations performed well in adverse conditions (economic and weather). More of the same can be expected over the medium term as the commercial synergies of the Maytronics partnership are developed both in France and internationally.

INDUSTRY COMMENT

Consumer confidence in France remains low, albeit stable, reflecting continued pessimism about unemployment and pension reform, which could stifle willingness to make major purchases such as swimming pools. There appears to be 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)
2008A	5.20	(12.56)	(11.68)	N/A	N/A
2009A	5.81	(1.21)	(1.48)	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €9.13
Price as at 24 September 2010

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	(1.4)	12.2	23.4
Relative*	(3.3)	18.3	24.9

* % Relative to local index

Analyst

Roger Leboff

MGI Dig Graphic Tech (ALMDG)

Market cap: €41m

COMPANY COMMENT

FY09 results demonstrated a relatively robust performance given the tough economic environment. Turnover rose 11% to €17.2m, although higher stock, other charges and personal costs resulted in a €0.6m fall in operating profit to €3.2m. MGI designs, manufactures and sells equipment for the production of plastic cards to customers in France and overseas. Its product range includes innovative digital multi-paper (paper and plastic) printing, finishing and converting devices. It is France's second-largest provider of professional digital presses and also develops and sells management software for the medical and paramedical professions.

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.

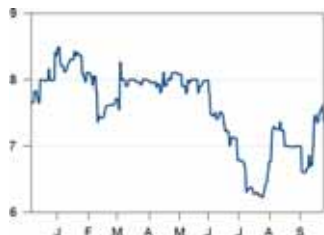
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	15.55	2.96	2.85	N/A	N/A
2009A	17.22	3.21	2.54	N/A	N/A
2010E	18.50	3.60	2.80	N/A	N/A
2011E	21.30	4.30	3.30	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €7.35
Price as at 24 September 2010

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	5.0	1.8	2.5
Relative*	3.0	(3.5)	3.8

* % Relative to local index

Analyst

Roger Leboff

Microwave Vision (ALMIC)

Market cap: €25m

COMPANY COMMENT

A strong H110 saw 24% organic growth in sales to €19.4m, over 90% achieved outside France (33% Asia, 39% North America and 28% Europe). The radio market was the key component of this rebound, up 27% y-o-y to €7.5m, supported by aerospace and defence, where growth was also double-digit. That resulted in a positive €1m operating result (H109:€0.9m loss), assisted by rationalisation of the cost base over the last year. The outlook is supported by a strong balance sheet (1% geared), €30m order backlog and accelerated growth in H2.

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. It operates in eight countries and sales are well diversified. 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.

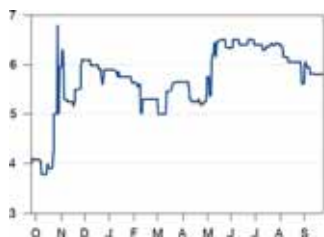
Y/E Mar / Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.33	(3.00)	(2.10)	N/A	N/A
2009A	34.83	(0.28)	(0.19)	N/A	N/A
2010E	38.40	2.60	N/A	0.60	12.25
2011E	42.40	4.40	N/A	0.86	8.55

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €5.80
Price as at 24 September 2010

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	(4.1)	(9.4)	48.0
Relative*	(6.0)	10.6	49.8

* % Relative to local index

Analyst

Roger Leboff

Millet Innovation (ALINN)

Market cap: €11m

COMPANY COMMENT

FY09 turnover was ahead 12% y-o-y, including doubled sales to the group's newer export markets, the success of products tailored for a more cost-conscious market and increased focus on building the Epitact brand - well established in France and Belgium - in international markets such as Switzerland, Italy and Portugal. That and 2008 cost cuts resulted in a near 400% increase in operating profit to €1.9m. That set Millet up for further growth in the current year, and renewed confidence was reflected in a €0.30/share interim dividend, with a further €0.09/share paid in July. H1 results are due end-October.

INDUSTRY COMMENT

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

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.17	0.38	0.03	0.02	290.00
2009A	12.50	1.86	1.14	0.60	9.67
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

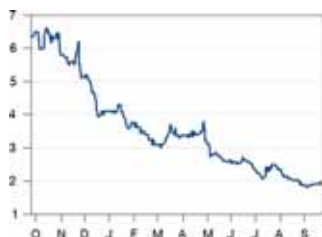
Sector: General Retailers

Mindscape (ALMIN)

Market cap: €10m

Price: €1.90
Price as at 24 September 2010

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	(5.5)	(27.5)	(73.6)
Relative*	(7.3)	(43.8)	(73.3)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Mindscape is taking heart from a stabilisation in sales in Q210 (down by just 7% despite little fresh content and after precipitous declines in the previous year or more) and from a re-positioning towards markets with high potential. However, there is no quick fix, with any financial pick-up expected only late in the current 15-month period to March 2011, assuming successful development of games on new generations of platforms, including its own proprietary system, re-named Karotz. April's placing, which increased issued share capital by 50%, raised €4m. H110 results are due end-September.

INDUSTRY COMMENT

Further declines in sales of video game software, hardware and accessories (-16% in the UK in H110) risk obscuring the strong growth prospects for global gaming (+6% this year and up by a third by 2014, per PWC forecast). The market is changing structurally, with consumers receiving their gaming entertainment increasingly other than on consoles, eg on mobiles, via social networking sites and downloading from websites.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	54.29	3.02	2.10	N/A	N/A
2009A	32.09	(15.50)	(11.11)	N/A	N/A
2010E	34.00	N/A	(3.10)	(0.41)	N/A
2011E	39.00	N/A	0.30	0.04	47.50

Where available, consensus data has been sourced from Thomson Datastream

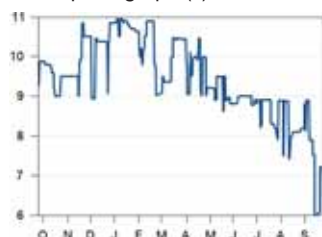
Sector: General Retailers

Monceau Fleurs (ALMFL)

Market cap: €35m

Price: €6.04
Price as at 24 September 2010

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	(25.4)	(32.9)	(38.9)
Relative*	(26.9)	(39.4)	(38.2)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Monceau found the going tough in the half to March, with sales up just 3% despite continued expansion (outlets +8%) and with EBITDA further in loss, albeit in the seasonally weaker H1. There is no profit guidance for the full year other than confidence that economies of scale, notably better buying, backed by a commitment to 500 outlets by the period end (+16%), will improve profitability in due course. Monceau is heavily borrowed with €25m long-term debt at March and €7m raised from July's bond issue (57% take-up) targeted at expansion. There was no fresh corporate news associated with early September's share price fall.

INDUSTRY COMMENT

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

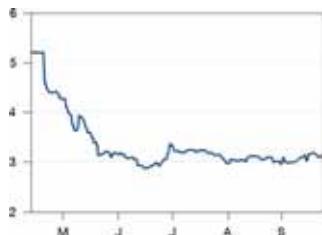
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	30.70	0.73	0.30	N/A	N/A
2009A	54.00	0.56	(2.10)	N/A	N/A
2010E	83.40	4.20	1.90	0.30	20.13
2011E	98.00	7.10	3.50	0.60	10.07

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €3.18
Price as at 24 September 2010

Share price graph (€)



Company description

Neovacs specialises in developing active immunotherapies for treating auto-immune, inflammatory, and cancerous diseases.

Price performance

%	1m	3m	12m
Actual	1.9	10.0	N/A
Relative*	(0.1)	N/A	N/A

* % Relative to local index

Analyst

Roger Leboff

Neovacs (ALNEV)

Market cap: €41m

COMPANY COMMENT

Neovacs achieved a number of milestones in H110. It raised €9.1m net via its Alternext IPO, which secured finance for the ongoing clinical studies into its two drug candidates. Both trials made further progress; the phase IIa in rheumatoid arthritis and the phase I/II trial for lupus. Operational expenses of €4.7m (R&D €3.6m) and cash flows were in line with information released at its IPO. Resources are in place to complete the current set of clinical trials, which aim to demonstrate the significant clinical benefits of its Kinoids for patients.

INDUSTRY COMMENT

The product pipeline is principally focused on unmet needs in the treatment of autoimmune and inflammatory diseases. Neovacs is building high-value drug discovery and development programs around well-validated cytokine targets. Each product candidate has received significant public funding support. Current industry approaches have major shortcomings, including side effects. Neovacs's active immunotherapy approach has potential to address these.

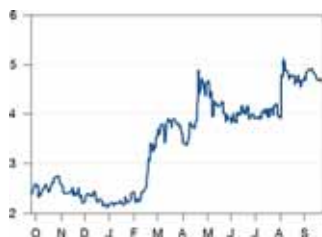
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	0.00	0.00	N/A	N/A
2009A	0.00	(8.38)	(6.90)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.70
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.1)	14.9	94.2
Relative*	(3.0)	32.6	96.6

* % Relative to local index

Analyst

Fiona Orford-Williams

NetBooster (ALNBT)

Market cap: €46m

COMPANY COMMENT

H110 delivered 42% revenue growth, building on the recovery of Q409, with good client wins including last.minute.com, Eurosport Bet, TF1, Clarins, Thierry Mugler and Telemarket. Gross profit margin improved further to 49% (48%), with the stated target of moving it over 50%. The group operates in six European countries, China and the Philippines. The UK operations have been merged with those of Guava, a Danish internet marketing company where the group has a 68% stake. ODDO Asset Mgmt subscribed to a €2m issue at €5.30, 3.8% of the group.

INDUSTRY COMMENT

French internet penetration in July 2010 was estimated at 37.5m users, 70% of the population, with nearly all on broadband. E-commerce continues to grow with H110 revenues of €14.5bn, with the number of users making transactions rising to 26.4m. The French advertising market recovered well in H110, +12.4%, with television leading the way. The internet was the fourth-largest channel, taking a 12.2% share. Capgemini is expecting the online advertising market to grow 8% in 2010 to €2.28bn.

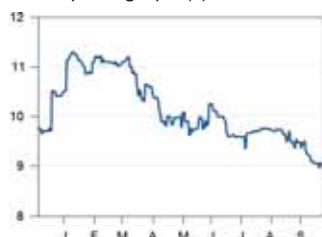
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	33.60	1.77	0.48	0.08	58.75
2008A	43.80	1.20	(8.72)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €9.06
Price as at 24 September 2010

Share price graph (€)



Company description

NEXEYA (formerly Groupe Eurilicog) 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	(4.6)	(5.6)	29.6
Relative*	(6.5)	(9.7)	31.2

* % Relative to local index

Analyst

Roger Leboff

NEXEYA (ALNEX)

Market cap: €37m

COMPANY COMMENT

A pick-up in sales in Q4 resulted in an aggregate 1.5% increase in turnover overall, for the year to end-June 2010. The final quarter was boosted by the acquisition of BTS Industry; like-for-like sales dipped by 2%. The products division was the stronger performer, up 6% to €71m (without BTS). Services fell by 17% for the year. The outlook points to profit growth in 2010/11, with full-year contributions from recent acquisitions and without the non-recurring costs that held back 2009/10.

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). Revenues are derived from a broad range of industries, well balanced by sector; defence & security (34%), aeronautics (15%), space (12%), industry (8%), energy (6%), automotive (7%) and IT/telecom (15%).

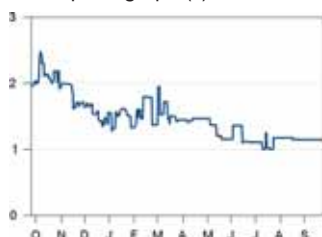
Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	106.22	6.50	4.00	N/A	N/A
2009A	109.51	7.40	4.20	N/A	N/A
2010E	108.70	7.50	3.90	0.96	9.44
2011E	123.20	9.50	6.00	1.48	6.12

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €1.14
Price as at 24 September 2010

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	0.0	2.7	(38.0)
Relative*	(1.9)	(20.3)	(37.3)

* % Relative to local index

Analyst

Richard Finch

Normaction (ALNOR)

Market cap: €3m

COMPANY COMMENT

Normaction's shares have been suspended since August, pending publication of the 2009 accounts, apparently due imminently. Repeated postponements have compounded longstanding uncertainty about management control, which may lately have been resolved with a new chief executive. The company has announced that only when its finances have been clarified can its proposed restructuring plan, among other things, be finalised for shareholder approval. Last summer an arrangement was made with strategic partner Keyyo, which involved commercial links, a seat on Normaction's board and a prospective 20% stake (likely now 33%).

INDUSTRY COMMENT

France is the third largest telecoms market in Europe behind Germany and the UK. The market is led by France Telecom though it is facing increasing competition from number of major players including SFR and Iliad. In response it has stepped up marketing initiatives and is also investing in a national fibre network.

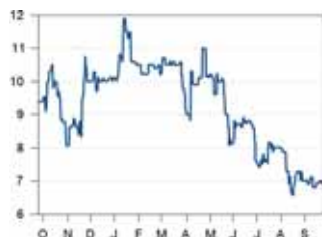
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	26.36	0.64	0.40	N/A	N/A
2008A	24.22	1.14	0.42	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.94
Price as at 24 September 2010

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	2.1	(20.2)	(29.9)
Relative*	0.1	(30.7)	(29.0)

* % Relative to local index

Analyst

Richard Finch

Notrefamille.com (ALNFA)

Market cap: €12m

COMPANY COMMENT

No sooner had top-line growth been restored in Q110 than activity was depressed (-14%) in Q2 by restructuring, which will surely affect imminent first-half results (there is no financial guidance). Core business has otherwise continued apace - Q2 saw site traffic again up by 30% while July's acquisition of Archimaine not only consolidates the company's market leadership in genealogy but furthers its potential involvement in projects inspired by the government's Grand Emprunt scheme to digitise France's heritage.

INDUSTRY COMMENT

French e-commerce remains buoyant with 29% growth in H110 (25% last year). While average transaction spend is holding up well (H110 +4%), the drivers are new consumers (+17%, reflecting a market much less developed than in the UK and Germany) and frequency of transaction. Online genealogy is a mass-market activity in France, with over five million expressing interest. The company's site Genealogie.com is clear market leader.

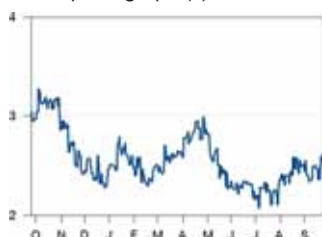
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.14	1.13	0.91	0.61	11.38
2009A	11.80	0.40	0.90	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.36
Price as at 24 September 2010

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	(8.5)	1.3	(22.1)
Relative*	(10.3)	(5.5)	(21.2)

* % Relative to local index

Analyst

Richard Finch

O2i (ALODI)

Market cap: €7m

COMPANY COMMENT

2009 trading losses risk obscuring the progress made in developing O2i'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 trading margins have been set for 2012 (8% for training and 6% for engineering, compared with a composite 2% in 2008), courtesy of economies of scale, returns on current investment and moving the head office. O2i expects to deliver a profit next year.

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.

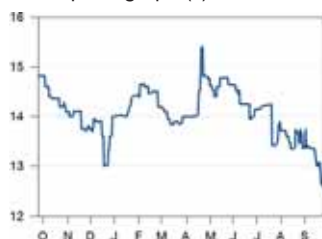
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	47.60	0.88	0.54	N/A	N/A
2009A	49.80	(1.70)	1.70	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Blding Mat.

Price: €13.07
Price as at 24 September 2010

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	(2.1)	(8.3)	(11.1)
Relative*	(4.0)	(1.3)	(10.0)

* % Relative to local index

Analyst

Richard Finch

Ober (ALOB)

Market cap: €19m

COMPANY COMMENT

Q210 saw a welcome pick-up in Ober's major core business Oberflex (sales up 6% after 16% down in Q1), allied with further growth, albeit slowing from 15% in Q1 to 7%, in its important new Stramiflex joint venture. Consequently, a 3% rise in pro-forma sales in Q2, against a fall of 8% in Q1, secures maintained guidance of pro-forma growth for 2010 as a whole. Stramiflex (60% of Stramica, a major counterpart in North Africa) brings new products, economies of scale (the business is well over half the size of Ober), and scope for expansion in Europe and the Middle East. It is high margin (15%), which is on a par with that of Ober pre-recession. Finances remain healthy after the Stramiflex deal. H110 results are due imminently.

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)
2008A	29.23	4.23	2.71	1.88	6.95
2009A	24.71	2.17	1.33	N/A	N/A
2010E	40.10	2.40	1.10	0.75	17.43
2011E	42.10	3.70	1.60	1.11	11.77

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.71
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.4	3.1	56.9
Relative*	(1.6)	20.8	58.8

* % Relative to local index

Analyst

Richard Finch

OCTO Technology (ALOCT)

Market cap: €18m

COMPANY COMMENT

A resumption of typical c 20% top-line growth in Q210 (actual +27%) is a tribute to OCTO's investment, notably in consultants and architects (+18% in 2009 and +10% in H110), to ensure progress in still awkward market conditions. The gain in first-half trading profit has been even more impressive (+30%), partly reflecting a higher achieved average daily rate despite pricing pressure. Management is looking now for sustained growth in H210, both in France and internationally. This reflects OCTO's involvement with key projects that should survive the financial crisis and the increasing success of its prestigious annual IT conference, USI.

INDUSTRY COMMENT

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

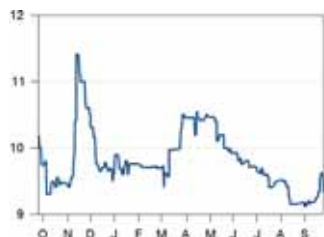
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.86	0.35	0.83	N/A	N/A
2009A	15.40	0.91	0.94	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €9.33
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	2.0	(4.8)	(6.4)
Relative*	(0.0)	(1.9)	(5.3)

* % Relative to local index

Analyst

Roger Leboff

Orolia (ALORO)

Market cap: €39m

COMPANY COMMENT

The 126.5% increase in H110 revenues reflects the integration of Kannad (from October 2009) and McMurdo (December 2009). Underlying growth over the period was 17%, which reflected recovery in all of the group's major markets and, in particular, contributions from the Galileo project, a rebound in shipments of active masers and strong pick-up in demand for timing products in the US. Orolia also reported increased penetration of the UK market. The outlook expresses some caution over the economic backdrop.

INDUSTRY COMMENT

The first-half performance outlook was encouraging, with progress in navigation systems, personal and marine beacons, and defence. The global recession had the greatest impact on Orolia's test and measurement instruments division (17% sales FY09) but it reported some stabilisation of this market segment. The group should benefit from gradual recovery in the global economy, especially the US, and positive contributions from its latest acquisitions.

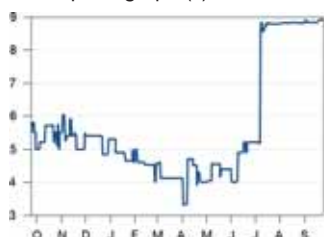
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	28.17	3.20	1.11	0.37	25.22
2009A	31.10	1.60	(3.10)	(1.11)	N/A
2010E	57.10	4.50	2.00	0.48	19.44
2011E	60.50	5.60	3.00	0.71	13.14

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Industrials

Price: €8.90
Price as at 24 September 2010

Share price graph (€)



Company description

Otor specialises in the production and marketing of packaging and corrugated cardboard.

Price performance

%	1m	3m	12m
Actual	0.8	71.2	61.8
Relative*	(1.2)	127.2	63.8

* % Relative to local index

Analyst

Richard Finch

Otor (ALOTO)

Market cap: €197m

COMPANY COMMENT

Completion of Otor's acquisition by DS Smith took place on 1 September, with a recommended minority offer for the remaining 5% due to complete during Q410. The half to June (ie pre-bid) saw Otor's trading profit down by 21% on maintained sales, reflecting lower corrugated selling prices and higher raw material (principally, paper) costs. Management was hopeful that a continuation of the H110 volume pick-up and improving ability to pass on paper costs would allow full-year targets to be met.

INDUSTRY COMMENT

DS Smith announced that its corrugated packaging and paper businesses had a good quarter to July with higher volumes. Phased recovery of paper price increases led to profit in line with expectations and confidence about the rest of 2010. In France FMCG, the most resilient area of corrugated demand owing to food and grocery spend, is estimated to resume c 1.6% growth pa over the next four years.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	363.80	4.34	14.40	0.65	13.69
2009A	315.10	5.53	2.16	0.10	89.00
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €7.20
Price as at 24 September 2010

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	(20.0)	(20.0)	(30.8)
Relative*	(21.6)	(16.5)	(29.9)

* % Relative to local index

Analyst

Richard Finch

Piscines Groupe GA (ALPGG)

Market cap: €22m

COMPANY COMMENT

Caution persists despite the apparent success of continued 20% sales growth in Q210 and a trebling of first-half operating profit. Management is sufficiently wary of consumer demand, aggressive pricing and weak comparatives to tone down its expectation in April of a return to profit in the full year. Discouragingly, a volume increase of 25% in the seasonally stronger first half is barely a return to pre-recession levels and has delivered lower profit despite substantial cost control in the meantime. However, finances have improved through debt restructuring and stock rationalisation (minimal gearing at June).

INDUSTRY COMMENT

Market leader Piscines Desjoux has confirmed this measured recovery in trading conditions with French sales up by c 16% in the quarter to May. However, as at Piscines Groupe, there is abiding pressure on margins.

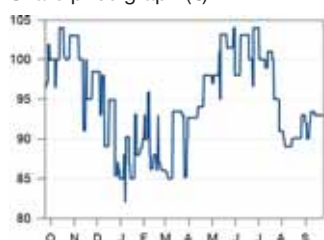
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	35.19	0.74	0.07	N/A	N/A
2009A	31.45	(0.43)	(1.18)	N/A	N/A
2010E	34.70	N/A	1.80	0.58	12.41
2011E	37.50	N/A	2.40	0.78	9.23

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Bldg Mat.

Price: €93.00
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	3.2	(9.8)	(1.7)
Relative*	1.2	4.4	(0.5)

* % Relative to local index

Analyst

Roger Leboff

Poujoulat (ALPJT)

Market cap: €46m

COMPANY COMMENT

Interim results to end-June revealed a 5% recovery in consolidated sales, both in France (+3.4%) and internationally (+16.5). That is in line with the target for the current year, although the statement expressed some caution due to the recent appreciation in raw material costs. Poujoulat continued to set aside 5% of turnover for investment in product innovation, eg energy efficiency and training, and still expects to benefit from market recovery during 2011.

INDUSTRY COMMENT

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

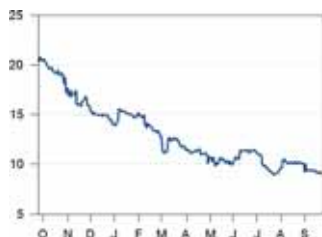
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	135.78	12.89	7.07	14.19	6.55
2009A	136.73	12.56	8.18	16.73	5.56
2010E	137.49	N/A	N/A	14.96	6.22
2011E	140.27	N/A	N/A	17.42	5.34

Where available, consensus data has been sourced from Thomson Datastream

Sector: Basic Industries

Price: €9.11
Price as at 24 September 2010

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	(10.2)	(20.1)	(57.7)
Relative*	(12.0)	(23.5)	(57.2)

* % Relative to local index

Analyst

Richard Finch

POWEO (ALPWO)

Market cap: €149m

COMPANY COMMENT

Despite the successful launch of electricity generation, which brought POWEO close to break-even in H1 10 at the EBIT level (before one-off costs) on sales up 46%, management is holding its guidance of €20-30m operating loss for the full year, given further likely significant supply losses ahead of market reform expected next year (2009 group operating loss €85m after non-recurring costs). POWEO has meanwhile confirmed plans to double generation capacity by early 2013, with projected c €400m financing in place soon. 2009 saw refocusing away from industrial companies and networks towards higher-margin residential customers.

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.

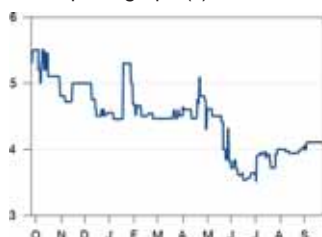
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	577.30	(21.70)	(20.50)	(1.81)	N/A
2009A	564.70	(85.30)	(93.50)	N/A	N/A
2010E	723.50	N/A	(52.76)	(2.69)	N/A
2011E	929.40	N/A	(22.18)	(1.37)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.10
Price as at 24 September 2010

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	4.1	16.1	(16.5)
Relative*	2.0	(1.8)	(15.5)

* % Relative to local index

Analyst

Fiona Orford-Williams

Press Index (ALPRI)

Market cap: €7m

COMPANY COMMENT

Q210 revenues stabilised after falling 1.4% in Q110, itself an improvement on the rate of decline in Q409. Good growth in the UK (+9.9%), Spain (+4.0%) and Italy (+5.8%) were offset by weaker figures from the group's home market. Pickanews, a pan-European multimedia monitoring service, was officially launched in May 2010 and enables clients to track areas of commercial interest more broadly than just by brand, allowing them to see information in its presentational context. An iPhone app is due shortly. With new online revenue streams, the group expects to drive profits ahead again in H210.

INDUSTRY COMMENT

The proliferation of media channels and globalisation of content has presented real hurdles for 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, driving corporate revenues remains difficult in the current spending environment.

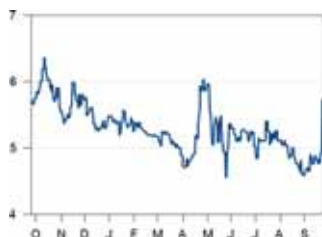
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	16.95	0.65	(2.41)	(1.46)	N/A
2009A	16.29	0.20	0.00	N/A	N/A
2010E	16.78	0.49	0.44	N/A	N/A
2011E	17.62	0.91	0.72	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €4.76
Price as at 24 September 2010

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	(4.8)	(9.3)	(16.6)
Relative*	(6.7)	(0.9)	(15.6)

* % Relative to local index

Analyst

Roger Leboff

Prodware (ALPRO)

Market cap: €20m

COMPANY COMMENT

A strong first half illustrates the benefits of investment over the last two years. Turnover was up 5% on an underlying basis, EBITDA by 51%. Margin growth reflects close control of overheads and higher sales of software to major French and international customers, supported by demand from SMEs. Net profit increased six-fold to €4.3m. The outlook looks forward to accelerated organic growth based on an improved product mix, with strong contributions from new FocusLive customer management software and SaaS sales.

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.

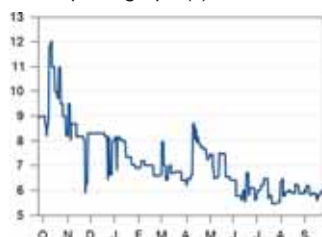
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	95.10	3.76	2.20	0.61	7.80
2009A	84.30	3.27	5.27	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.80
Price as at 24 September 2010

Share price graph (€)



Company description

Proservia specialises in providing engineering and computer services.

Price performance

%	1m	3m	12m
Actual	(1.5)	(13.4)	(35.3)
Relative*	(3.4)	(9.8)	(34.5)

* % Relative to local index

Analyst

Richard Finch

Proservia (ALPRV)

Market cap: €11m

COMPANY COMMENT

Proservia is achieving its goal of market outperformance with 11% like-for-like sales growth in Q210. However, there is understandable caution about pricing after a very difficult 2009 when severe margin pressure was compounded by disappointment with two key newer ventures, which management sought to stem in the second half through cost cutting. Strong finances (net cash after the recent sale of WizTivi) will allow the company to invest, as appropriate, including active recruitment and growth by acquisition, eg its February in-fill deal, LYNT.

INDUSTRY COMMENT

Industry body Syntec has forecast modest recovery (+0.5%) in the market (±2 points) for 2010. This follows no growth last year (+6% in 2008).

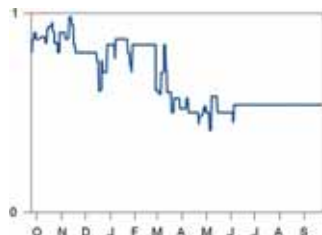
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	44.59	2.67	1.07	N/A	N/A
2009A	44.20	0.67	(0.97)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €0.54
Price as at 24 September 2010

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	0.0	0.0	(35.7)
Relative*	(1.9)	(5.6)	(34.9)

Analyst

Richard Finch

Proventec (ALPTC)

Market cap: €8m

COMPANY COMMENT

Proventec has at last announced a restructuring of its debt, involving substantial conversion into equity, and the continuing suspension of its shares until the scheme of arrangement becomes effective in November. Trading has meanwhile been very difficult, with a much higher pre-tax loss in the year to March and fresh confirmation that conditions are still "extremely challenging". It is nonetheless encouraging to note some high profile contract wins and expansion in the food manufacturing market despite the company's financial uncertainty.

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.

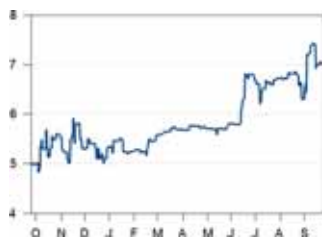
Y/E Mar	Revenue (£m)	Op. Profit (£m)	Net income (£m)	EPS (£)	P/E (x)
2008A	14.03	2.38	1.32	0.11	4.05
2009A	15.40	(27.60)	(27.90)	(227.40)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Bldg Mat.

Price: €7.00
Price as at 24 September 2010

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	2.9	11.1	55.6
Relative*	0.9	28.2	57.5

Analyst

Richard Finch

Richel Serres (ALRIC)

Market cap: €35m

COMPANY COMMENT

Bumper sales in Richel's first quarter (to June) have unsurprisingly prompted guidance to be raised to strong top-line growth in the year to March even if export business, which is significant, is notoriously lumpy. Sales both in France and export more than doubled, against an overall rise of 7% in FY10, with the new renewable energies business continuing to go from strength to strength (already over 20% of group sales). Management has been wary of making a current year profit forecast owing to the volatility of steel prices.

INDUSTRY COMMENT

Eurostat figures show eurozone industrial production to have been stable in July compared with June and up by 7% year-on-year. Capital goods have fared similarly, with no change and 9% respectively. Steel prices are expected to recover throughout the remainder of 2010 as demand continues to improve.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	90.39	4.21	5.29	0.51	13.73
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

Where available, consensus data has been sourced from Thomson Datastream

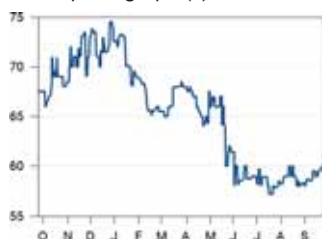
Sector: Construction & Bldg Mat.

Royalreosink (ALRRE)

Market cap: €40m

Price: €59.50
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.8	(0.8)	(16.2)
Relative*	(1.0)	(10.3)	(21.4)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

H110 saw maintained sales, although courtesy of an acquisition in the industrial segment. Otherwise, underlying sales were down also in Green (-6%) and DIY (-3%), reflecting depressed markets. Trading profit was nonetheless improved slightly. Although there is optimism about an early rebound in Green, DIY remains under pressure, as does Industrial owing to steel prices, hence management's reluctance to make a forecast for H210. Encouragingly, the acquisition of Jean Heybroek, which is expected to be immediately earnings-enhancing, was completed successfully in July. Jean Heybroek is a long-established distributor of leading brands in green technology, engineering and soil purification technology.

INDUSTRY COMMENT

The Dutch government has just lowered its forecast of GDP growth for 2011 to 1.5% from June's projection of 1.75%. The economy, the fifth largest in the euro region, is set to grow by 1.75% this year (down by 4% in 2009).

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	198.91	10.50	7.86	11.71	5.08
2009A	163.30	7.70	0.00	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

Where available, consensus data has been sourced from Thomson Datastream

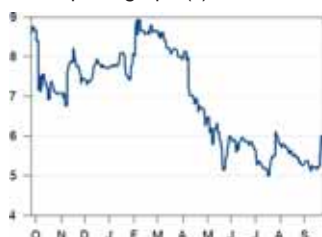
Sector: Electrical Equipment

Safetic (ALEGR)

Market cap: €60m

Price: €5.22
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(5.4)	(10.9)	(39.3)
Relative*	(7.3)	(32.0)	(38.6)

* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

Safetic built on its encouraging start to FY10. Q2 sales were 37% ahead y-o-y at €29m, with 128% growth in France and 16% internationally. Although it only started marketing its DOC defibrillators in April, a €1.6m Q2 contribution demonstrates their potential, and Safetic reiterated its €10m FY10 sales target. Overall H110 sales were 26% ahead of last year, with strong results achieved in European markets, especially in well established areas such as Germany, Benelux and France. The US is expected to make its first contribution in H2.

INDUSTRY COMMENT

International growth has been maintained this year, with expectations of maintained performance in France and continental Europe. Safetic 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.

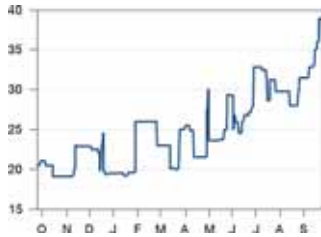
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	105.60	12.90	(1.40)	N/A	N/A
2009A	82.70	(12.00)	(18.90)	N/A	N/A
2010E	115.82	16.29	1.31	0.08	65.25
2011E	161.30	34.07	9.01	0.74	7.05

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €36.00
Price as at 24 September 2010

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	28.6	34.3	75.6
Relative*	26.1	87.8	77.8

Analyst

Richard Finch

Serma Technologies (ALSER)

Market cap: €41m

COMPANY COMMENT

Serma has yet to report H110 results. At its latest update in March, management forecast a 50% rise in 2010 trading profit before R&D tax credit on 15% organic sales growth. Guidance for 2009 proved optimistic as in spite of the expected pick-up in H2 sales, trading profit before R&D tax credit fell by a quarter rather than being maintained. Last autumn's German acquisition Axeneon, representing over 10% of enlarged group sales, confirmed Serma's readiness to grow externally (finances remain sound).

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.

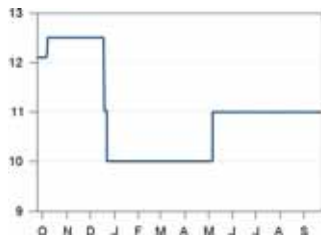
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	41.94	0.00	4.35	3.77	9.55
2009A	42.64	0.00	3.69	3.21	11.21
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Industrials

Price: €11.00
Price as at 24 September 2010

Share price graph (€)



Company description

Sical specialises in manufacturing and marketing of packaging.

Price performance

%	1m	3m	12m
Actual	0.0	0.0	(9.1)
Relative*	(1.9)	15.4	(8.0)

Analyst

Richard Finch

Sical (ALSIC)

Market cap: €40m

COMPANY COMMENT

Sical has enjoyed a decent H110 in terms of sales thanks to an acceleration in corrugated growth (+9% in Q2 against +2% in Q1 and -14% in 2009) despite lower selling prices. The much smaller paper operation quadrupled sales owing to pricing as well as volume strength. Ahead of H110 results, there is no formal guidance about the current year. 2009 saw trading profit fall by a third on sales down by 15%, so immediate recovery is only relative. Sical's listing moved from Euronext in June.

INDUSTRY COMMENT

DS Smith stated that its corrugated packaging and paper businesses had a good quarter to July with higher volumes. Phased recovery of paper price increases led to profit in line with expectation and confidence about the rest of 2010. Consolidation is afoot, with DS Smith buying Otor, which has 20% of the French corrugated market and is highly exposed to FMCG, the most buoyant area of corrugated demand (estimated to resume 1.6% pa growth in France over the next four years) owing to food and grocery spend.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	202.50	20.77	13.17	3.63	3.03
2009A	173.86	9.35	4.72	1.29	8.53
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €22.36
Price as at 24 September 2010

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	(2.8)	0.0	45.7
Relative*	(4.7)	15.9	47.5

* % Relative to local index

Analyst

Roger Leboff

Sidetrade (ALBFR)

Market cap: €29m

COMPANY COMMENT

The second quarter produced Sidetrade's seventh consecutive quarter of double-digit growth. The first half was 18% better y-o-y. The group's SaaS model is performing well, with 10.7m invoices, vs 8.9m in H109. New business secured in France in the period included from Darty, Steria and Aexxdis, and internationally Michael Page, Randstad and Addecco. Earnings visibility is secured by a strong pipeline of €8.3m at the mid-year, stretching out to the end of 2015.

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)
2008A	7.86	0.70	0.95	N/A	N/A
2009A	9.43	1.23	1.20	N/A	N/A
2010E	10.60	1.40	1.40	1.09	20.51
2011E	12.00	2.10	1.50	1.19	18.79

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €22.90
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	1.3	61.4
Relative*	(1.9)	7.5	63.4

* % Relative to local index

Analyst

Roger Leboff

Solutions 30 (ALS30)

Market cap: €55m

COMPANY COMMENT

New activities and higher contribution from international sales drove 49% y-o-y growth in first-half sales to €26.7m. Revenues generated outside France contributed 15.8% of turnover, vs 12.8% a year earlier. The period illustrates the group's ability to efficiently integrate acquisitions. The new German subsidiary recorded its first revenues in July, while the deployment of intelligent digital metres on behalf of ERDF will contribute during H2. The statement confirmed the outlook for current financial year at consolidated turnover of €53-55m and PBT of 8-9% sales.

INDUSTRY COMMENT

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

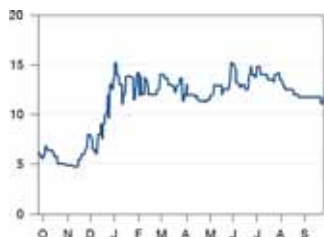
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	36.23	3.28	2.03	N/A	N/A
2009A	44.92	3.89	2.40	N/A	N/A
2010E	57.70	5.00	3.30	1.70	13.47
2011E	63.50	6.10	4.00	1.90	12.05

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €11.75
Price as at 24 September 2010

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	(2.1)	(6.1)	165.2
Relative*	(4.0)	0.9	168.5

* % Relative to local index

Analyst

Richard Finch

Sporever (ALSP0)

Market cap: €29m

COMPANY COMMENT

Sporever has yet to report H110 results. In its April update, management said that re-positioning on new media should continue to pay off as last year, when strength in IPTV not only made up for weak internet advertising and no major global sports event but led to decent margin gain on maintained sales. Bouyaka, a broad-based production company, brings economies of scale, enabled by Sporever's move to larger less expensive premises, and exposure to higher-margin non-sports content. 2010's wealth of sports events should have boosted advertising income while a new licence will allow a betting service to be offered across all group sites.

INDUSTRY COMMENT

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

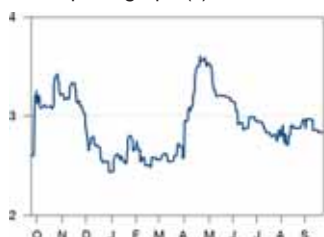
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	13.11	0.23	(0.08)	N/A	N/A
2009A	13.53	0.68	0.25	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.84
Price as at 24 September 2010

Share price graph (€)



Company description

Staff and Line specialises in publishing and marketing information system management software programs (IT management).

Price performance

%	1m	3m	12m
Actual	(1.4)	(1.4)	9.7
Relative*	(3.3)	16.9	11.0

* % Relative to local index

Analyst

Roger Leboff

Staff and Line (ALSTA)

Market cap: €4m

COMPANY COMMENT

First-half 2010 revenues fell 8% y-o-y; Q210 by 13% to €2m. This reflects the strategy to move from traditional software license sales to SaaS (Software as a Service). SaaS subscription revenues are spread over three to five years; contracts signed in H110 will contribute to €0.25m to turnover in 2011. Maintenance revenues grew by 11% to 1.9m, reflecting the benefit of the group's installed base. The acceleration of the SaaS business model will negatively impact profitability short term, but provides a more visible, recurring and stable base for medium-term growth.

INDUSTRY COMMENT

Staff & Line is a specialist in IT Management, with over 3,300 clients in banking, insurance, industry, service, government, outsourcing and consulting. Its products (EasyVista) include solutions to manage incidents, releases, continuity and levels of service, fleet management, configuration management, automatic inventory and portal users. Headquarters are in France, with operations in the UK, Italy, Spain, Portugal and the US.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.30	(1.05)	(1.70)	(1.10)	N/A
2009A	10.50	(0.21)	(0.20)	(0.13)	N/A
2010E	10.24	0.44	(0.22)	(0.22)	N/A
2011E	11.05	1.02	0.39	0.01	284.00

Where available, consensus data has been sourced from Thomson Datastream

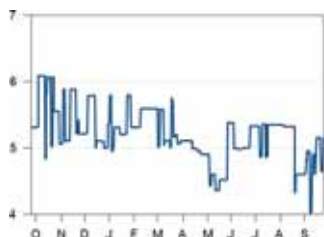
Sector: Financials

Stradim - Espace Fin. (ALSAS)

Market cap: €9m

Price: €5.15
Price as at 24 September 2010

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	(3.2)	3.0	4.0
Relative*	(5.1)	(6.0)	5.3

* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

H209 saw a strong pick-up after a difficult first half and generated a 23% increase in turnover for FY09 overall. Operating margins fell 5.0% to 2.5%, as the mix included a higher proportion of sales to social landlords. A sharp increase in activity over the last three quarters reflects increases in government incentives to encourage investment in rental housing (Scellier Law) and first-time buyers. The statement points to recovery in group profitability during the current year. Q110 reservations were 144 lots, vs a 550 FY10 target.

INDUSTRY COMMENT

Revenues are generated from sales of apartments, houses, other buildings and development land, plus estate agency. Stradim has sales operations in Alsace, Aube and the Loire Atlantic region in France. Prospects are underpinned by stronger commercial demand post introduction of the Scellier Law and historically low interest rates.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	48.39	2.40	1.00	0.58	8.88
2009A	59.56	1.52	0.80	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

StreamWIDE (ALSTW)

Market cap: €28m

Price: €10.50
Price as at 24 September 2010

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	6.1	16.7	91.3
Relative*	4.0	91.6	93.6

* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

A sharp increase in license revenue, up by €1.8m to €3m, was the key component of a 67% increase in H110 revenues. In France, that reflects the implementation of new platforms and, internationally, development of the client subscriber base. Maintenance income was 18% ahead at €0.9m. The group typically sees a positive seasonal effect in H2. The outlook is supported by buoyant revenue growth in its North American subsidiary, expected to achieve operational break-even this year and a material increase in new client revenues.

INDUSTRY COMMENT

StreamWIDE provides next-generation value-added services for mobile and fixed-line telecoms operators, based on a proven carrier-grade, software-patented technology. It offers the benefits of an IP environment (with reduced time to market, capex and opex), plus innovative and efficient tools to drive up ARPU. There has been some pick-up in the European business, while North America and emerging markets such as Latin America and Africa, continue to grow.

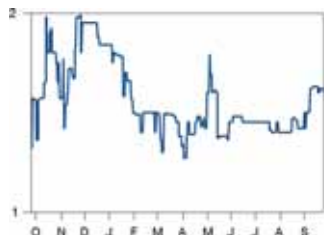
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	6.06	(1.85)	(0.50)	N/A	N/A
2009A	7.20	0.47	0.92	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €1.60
Price as at 24 September 2010

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	8.8	10.3	28.0
Relative*	6.7	12.7	29.6

* % Relative to local index

Analyst

Fiona Orford-Williams

The Marketinggroup (ALTMG)

Market cap: €5m

COMPANY COMMENT

Call centres (phone marketing; outsourced and insourced) accounted for 76% 2009 sales, with marketing communications at 24%. H110 figures have not yet been released, but H209 saw a good recovery as utilisation rates improved. This helped the economics at both the enlarged Marseilles call centre and at Lyon, which pushed the group into an operating loss in H1. The lower-cost centre in Dreux, opened in June 2009, helped the group win new accounts and higher levels of business from existing clients. 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. Industry margins have been affected by overcapacity and high and inflexible labour costs. Industry major, Teleperformance, is consulting on cutting its 22 centres to 14 after well-publicised problems in 2009. It has recently purchased Scottish call centre operator beCogent for £35m cash (70% current year revenues).

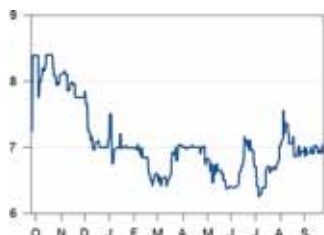
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	34.48	0.42	(0.04)	(0.01)	N/A
2009A	33.95	0.49	(0.20)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €6.91
Price as at 24 September 2010

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	(3.4)	(3.5)	(3.2)
Relative*	(5.1)	4.4	(9.2)

* % Relative to local index

Analyst

Roger Leboff

TMC Group (ALTMG)

Market cap: €25m

COMPANY COMMENT

First-half revenues were broadly stable at €19.3m. However, margins picked up well - gross profit (+21% to 35.5%) and EBITDA (+89% to 10.6%) - on the back of previous years' staff and overhead cuts. The outlook is more positive, but still mixed. Although technology has seen an upturn in client demand - active clients up to 318 companies at end-June, from 259 a year earlier - other sectors, such as construction and civil engineering, are yet to pick up. Of the group's 11 divisions, seven have so far reported revenue growth.

INDUSTRY COMMENT

The group cut overheads in anticipation of tougher markets last year and shifted the strategic focus to maintaining profitability and capitalising on existing activities and clients. 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.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	42.34	5.61	4.04	1.04	6.64
2009A	37.15	(4.01)	(4.74)	(1.21)	N/A
2010E	39.00	N/A	3.00	0.83	8.33
2011E	45.00	N/A	4.00	1.16	5.96

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €15.00
Price as at 24 September 2010

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	3.8	34.9	25.0
Relative*	1.8	25.4	26.5

* % Relative to local index

Analyst

Richard Finch

Trilogiq (ALTRI)

Market cap: €56m

COMPANY COMMENT

Trilogiq has benefited from lower costs of raw materials (steel and plastic) and higher productivity to deliver a 4% advance in trading profit in the year to March despite sales down by 5%. Developed markets, which made up the bulk of sales, were 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 (debt free at March) suggest that Trilogiq is equipped for what it terms the "new economic world order". The current year has started positively, with the Q1 order book up 15%.

INDUSTRY COMMENT

Eurostat figures show eurozone industrial production to have been stable in July compared with June and up by 7% year-on-year. Capital goods have fared similarly, with no change and 9% respectively. Steel prices are expected to recover throughout the remainder of 2010 as demand continues to improve.

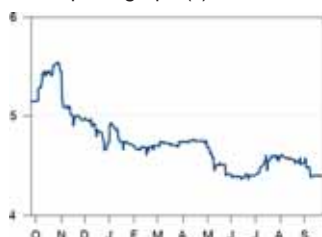
Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	35.40	8.19	5.46	1.46	10.27
2009A	46.52	8.23	5.34	N/A	N/A
2010E	44.00	N/A	6.20	1.70	8.82
2011E	46.00	N/A	6.80	1.82	8.24

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €4.40
Price as at 24 September 2010

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	(3.5)	0.7	(14.1)
Relative*	(5.4)	(2.2)	(13.1)

* % Relative to local index

Analyst

Richard Finch

Turenne Invest. (ALTUR)

Market cap: €21m

COMPANY COMMENT

Although Q210 remained quiet, with no transactions and NAV up by 5% per share (€7.37), management is seeking still to exploit depressed valuations through its €8m fund-raising late last year and through forgoing its 2009 dividend payment. Despite a difficult market, Turenne's NAV per share held steady in 2009. The company expanded in its four target sectors (healthcare, sustainable development, the internet and specialist distribution), with 16 holdings at the period close (13 a year earlier). There are now 15 holdings following a takeover.

INDUSTRY COMMENT

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

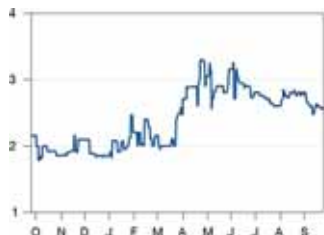
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	(1.36)	(1.32)	(0.41)	N/A
2009A	0.00	(1.20)	(1.42)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €2.59
Price as at 24 September 2010

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	(7.5)	(9.4)	15.6
Relative*	(9.3)	29.4	17.1

* % Relative to local index

Analyst

Richard Finch

VDI Group (ALVDI)

Market cap: €13m

COMPANY COMMENT

Although unexpected after July's positive update, the collapse in VDI's trading profit in H110 may prove just a hiccup, if indeed attributable largely to the cost of investment across the group, higher freight rates notwithstanding. H1 sales growth of 2%, despite customer destocking following exceptional purchases of H1N1-related products in the comparative period, shows the resilience of VDI's portfolio. Management is confident about its recent acquisition of French portable energy company, Microbatt, which is seen as a perfect fit and a forerunner of other deals.

INDUSTRY COMMENT

The fragmented nature of the health and safety at work market provides little guidance.

However, Bunzl has reported that in H110 its French cleaning and hygiene business saw lower sales in continuing difficult conditions, exacerbated by the absence of the previous year's H1N1 boost. VDI has estimated average annual growth of 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)
2008A	45.68	2.30	1.11	N/A	N/A
2009A	49.17	3.34	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

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €99.14
Price as at 24 September 2010

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	0.2	(2.9)
Relative*	(1.9)	1.7	(1.7)

* % Relative to local index

Analyst

Richard Finch

Ventos (ALVEN)

Market cap: €141m

COMPANY COMMENT

Quiet in terms of transactions, H110 saw a reduced trading profit accompanied by a marginal increase in net asset value per share (€98.04 at June). The current purchase of a major €6m property outside Geneva confirms the company's commitment to the development of its real estate investment (now 60% of total gross asset value against 25% three years ago), despite having exploited depressed prices last year to expand in venture capital. Continued low indebtedness (under 10% gearing at June 2010) gives Ventos welcome flexibility.

INDUSTRY COMMENT

While Ventos aims to ensure a balance between its investments and a diversification of risk, its real estate involvement is now well in excess of its stated policy of about a third of its assets (c two-thirds). The remainder is split predominantly between venture capital and financial holdings as food processing and environmental strategies remain insignificant. Given exposure to the Swiss, Spanish and Luxembourg real estate markets, recovery will depend on growth in these areas as well as on the fortunes of the stock market and the economy.

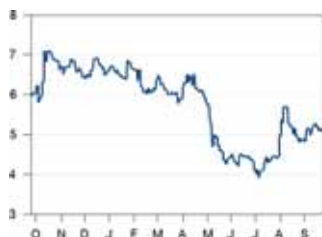
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	39.32	19.21	15.84	N/A	N/A
2009A	12.60	16.90	11.80	N/A	N/A
2010E	N/A	N/A	N/A	32.30	3.07
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €5.11
Price as at 24 September 2010

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	1.2	14.6	(15.5)
Relative*	(0.8)	(11.5)	(14.5)

* % Relative to local index

Analyst

Richard Finch

Vergnet (ALVER)

Market cap: €34m

COMPANY COMMENT

2010 promises a step-change in sales, with H2 growth expected to exceed even the near-trebling in the first half. While high-power wind turbine contracts with Ethiopia and Nigeria are the immediate driver, Vergnet is active on many fronts, not least in the emerging Proxwind medium-power wind market in Europe and of course in Water and Solar, which is flourishing in its own right, even if dwarfed now by the Wind division. H110 results, due in mid-October, may throw light on the outlook for profit, given this buoyancy. Latest guidance (a year ago) was that Vergnet, which increased trading losses in 2009, would improve profitability over the next year or so thanks to its order book and market opportunities.

INDUSTRY COMMENT

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

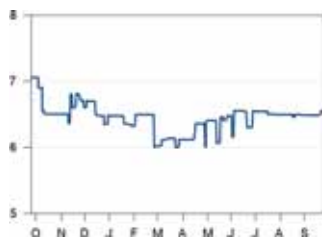
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	20.70	(7.20)	(5.90)	(0.93)	N/A
2009A	29.01	(9.00)	(9.40)	N/A	N/A
2010E	81.15	1.20	0.70	0.11	46.45
2011E	124.40	6.50	5.35	0.82	6.23

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.48
Price as at 24 September 2010

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	0.5	(1.1)	(8.0)
Relative*	(1.5)	9.7	(10.3)

* % Relative to local index

Analyst

Roger Leboff

Vision IT Group (VIT)

Market cap: €42m

COMPANY COMMENT

Underlying revenues for Q2, adjusted for consolidation of Germany's Vision Consulting Group from March, were 2% lower y-o-y, but 5% ahead of Q1. A more confident outlook is reflected in recruitment, ie 109 new hires since the start of the year and some recovery in most group markets. France (47% of sales) saw a pick-up in Q2 vs Q1, and recent team reorganisation is expected to benefit the second half. Integration of the new German subsidiary has gone well and the division has attracted several new, including government, contracts. Similarly, encouraging growth was reported from Benelux and Switzerland, but Southern Europe is mixed.

INDUSTRY COMMENT

The group is represented across Western Europe and has seen a broad recovery this year, other than in Spain. It remains on track to meet its £100m revenue target this year, with sales diversified by sector and geography, including newer cloud computing offerings that include SaaS, virtual office, ERP and business application development via a host server.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	81.60	5.70	3.10	0.54	12.00
2009A	81.30	4.40	3.00	0.47	13.79
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €20.79
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	2.4	7.8	40.0
Relative*	0.4	10.3	41.7

* % Relative to local index

Analyst

Richard Finch

Voyagers du Monde (ALVDM)

Market cap: €77m

COMPANY COMMENT

Voyagers du Monde has yet to report on key summer trading (H110 results due mid-October) with no formal update since April's confirmation of current year sales up by 10%, which is too early in the season to be meaningful. 2009 saw the company outperform a 10% weaker French market with maintained sales and margin. Its core tour operations proved resilient as softness centred on group and events business, and there was further encouraging progress in growing the company's internet presence (almost a third of sales). Strong finances have since allowed targeted in-fill expansion (viz two recent specialist acquisitions).

INDUSTRY COMMENT

While Thomas Cook and TUI have blamed a marked slowdown in UK summer 2010 trading on airspace closures, tighter consumer spending, fine weather and the World Cup, there is concern that the massive capacity cuts of recent years may not deliver the market stability envisaged during the industry mergers. Re-balancing by the majors towards higher-margin, medium-haul product is both flattering and potentially a threat to Voyagers du Monde.

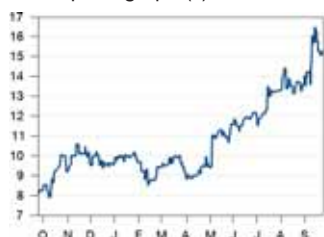
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	244.80	9.50	6.00	1.61	12.91
2009A	239.50	9.60	6.00	N/A	N/A
2010E	250.57	10.30	6.43	1.86	11.18
2011E	262.71	11.40	7.30	2.08	10.00

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €15.30
Price as at 24 September 2010

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	16.6	28.4	78.5
Relative*	14.3	60.7	80.7

* % Relative to local index

Analyst

Fiona Orford-Williams

Weborama (ALWEB)

Market cap: €49m

COMPANY COMMENT

Weborama's focus on behavioural targeting is helping it gain traction with larger clients and build margins. Sales were up 35% in H110, with operating profits ahead 47%. February's purchase of Adrime, a Dutch rich media specialist, has extended the offer to events. The group has over 300 clients, mostly in France, but with international sales now accounting for 30%. The benefits of framework contracts in the automotive, grocery and financial sectors are now coming through. OTC Asset Management subscribed €2m at €12.90 in early May and AXA Private Equity and GLG are now also on the register.

INDUSTRY COMMENT

The number of internet users in France continues to rise, with 70% of the population connected in July 2010, an increase of 13% on the year before. Online advertising is expected to grow 8% in the current year. 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	35.58
2009A	10.80	2.11	1.63	N/A	N/A
2010E	14.84	3.47	2.52	0.83	18.43
2011E	18.21	4.37	3.21	1.08	14.17

Where available, consensus data has been sourced from Thomson Datastream

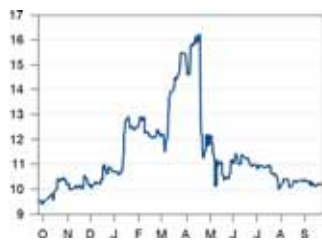
Sector: Electrical Equipment

XIRING (ALXIR)

Market cap: €40m

Price: €10.20
Price as at 24 September 2010

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	(1.0)	(8.9)	8.5
Relative*	(2.9)	(26.1)	9.8

Analyst

Richard Finch

COMPANY COMMENT

XIRING's recent confirmation of its 2010 financial targets is arguably disappointing as they appear achievable now only by virtue of a material contribution from a residual bank contract (unexpected, hence not in January's guidance) and by the inclusion of its June purchase, Telfix, backdated to the start of the year. The healthcare and eID businesses have fallen short of management's projected 14% growth, largely owing to the postponement of the German e-health programme, which contributed to 21% lower Q2 sales, but also in Q1 (sales up 5%). Telfix, a leader in the remote updating of Vitale social security cards, should be an excellent fit.

INDUSTRY COMMENT

Industry body Eurosmart forecasts a 10% increase in global microprocessor card shipments in 2010, with the strongest growth in government/healthcare (25%) and financial services/retail. There was a similar outperformance by these activities last year (estimated double-digit growth against 7% 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	20.00	3.30	2.60	0.71	14.37
2011E	21.40	3.80	2.90	0.81	12.59

Where available, consensus data has been sourced from Thomson Datastream

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