

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

Fourth 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 Edison strategist, Alex Gunz.

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

Neil Shah
Director of Research

Equity market overview and strategy

2010 was characterised by equities exhibiting profound swings both to the upside and downside as investor psychology appeared to overrule fundamentals. An assessment of the latter suggests the same familiar problems may affect the global economy in 2011, namely a lack of suitable policy instruments to manage the ongoing painful process of deleveraging across the developed world. Stagnating growth and rising inflation represent other concerns. These factors have somewhat masked a recent improvement in corporate earnings, but as fundamentals move back to dominate, there is a risk that these encouraging results patterns may not prove sustainable. Looking to the year ahead, we see no reason to change our current equity strategy, favouring diversified growth (basic materials) and high cash returns (telcos, utilities) principally at the expense of the consumer and financials sectors. Gold also remains highly attractive in our view.

Set for a repeat

One year ago, we forecast that markets would exhibit none of the synchronicity they showed in 2008 and 2009 (downwards and upwards respectively) and that 2010 would be characterised mostly by volatility, where investors would “most likely gain distinction through differentiation”. Inconsistent macro and micro data, exogenous shocks (from eurozone sovereign debt crises to agricultural product price hikes via hints of war in Korea) and the resort to tired, tried and tested policies (a second round of quantitative easing [QE II]) all resulted in our thesis broadly borne out.

Looking ahead, it is hard to see how the next 12 months will be markedly different. We continue to expect equities to trade within a relatively narrow band, with pronounced swings both to the downside and upside. As we have written previously, volatility (measured by the VIX index), while down almost fourfold from its Lehman spike, is still more than double where it has traded for much of the mid-2000s. Until we see a consistent and coherent approach to debt reduction (excess leverage is still the biggest issue plaguing the financial system) and/or sustainable top-line growth from corporates, it may be difficult for equities to break out of their relatively range-bound trading patterns. In reality, what this may imply is more pain: fiscal austerity needs to be combined with monetary loosening, labour markets need more structural reform and the euro probably needs to go. Further volatile dislocations may have to come before confidence can return fully.

How long such a process may take remains fully to be seen, and surprises/disappointments along the way will undoubtedly create investment opportunities. At present, the auguries are not good: GDP growth is slowing in Germany and France, the main engines of the eurozone; industrial output has shown signs of stalling in China and India; and inflation seems to be on the rise almost everywhere.

However, the biggest issue (which matters particularly in markets that are being driven more by psychology than fundamentals) is simply one of confidence: investors do not seem to believe either in the potentially restorative powers of further quantitative easing or in the EU's latest bail-out – more may be needed of both. Furthermore, concern over these matters has also clearly overlaid emerging signs of slowly improving corporate earnings.

Trading patterns in the last month demonstrate just how quickly sentiment can change. The day after America's second round of quantitative easing was announced (4 November), the All-Share crossed the 3,000 mark, a level last seen before the collapse of Lehman Brothers in September 2008. Optimists asserted that the path to recovery was clearer and the UK market hence moved to a peak of 3,119 on 24 December, up 25% from its July low and with a rise of c 10% from the start of the year. However, since then the market has consolidated somewhat, ending the year at 3,062.

These oscillations (a repetition of the trends seen for most of 2010) have been a function of several factors, but most crucially relate to sentiment/reality centred on quantitative easing and the future of the eurozone. After the initial excitement of QE II, the gloss seems to have worn off remarkably quickly, as evidenced not only by investors' reactions, but also by the high degrees of scepticism voiced by central bankers from a number of nations. Not only is QE II an untried policy, but also most economists appear in agreement that they have little idea whether a second round of quantitative easing will actually work.

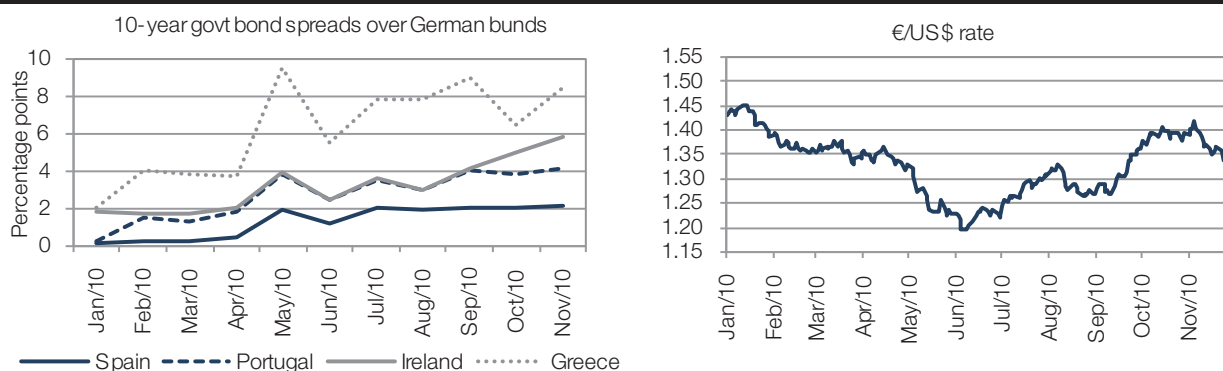
At the most basic level, the Fed alone cannot do everything to turn around the global economy and a notable lack of consensual support (more the opposite) from other nations suggests the challenge will be significant. Putting this factor to one side, our more specific concerns relate to the fact that the Fed may be over-estimating by how much and how fast unemployment can fall, a risk that will only be exacerbated by unresponsive policy-making from other recalcitrant nations. According to economic analysis by the IMF, it may take as long as four years following the end of a recession for unemployment to return to pre-recession levels, suggesting that the US (and much of Western Europe) is still on a long and painful journey. Given the challenges that QE II may face, combined with the possible stagnation of the global economy, we do not discount the possible launch of QE III at some stage in 2011. As we have written previously, increasing policy (re)application also runs the inevitable risk of suffering from diminishing returns.

With regard to the eurozone, it has taken just over six months for all (and more) of the vociferous concerns over its stability cited at the time of Greece's bail-out to resurface. An eventual IMF/EU €85bn bail-out for Ireland combined with at least €15bn of domestic spending cuts and tax rises is unlikely to mark the end of the eurozone saga. It is interesting to note how little investor euphoria has been apparent over the conclusion of Ireland's rescue – in stark contrast to the reaction following the confirmation of the Greek support package – and movements in bond yields (see Exhibit 1) suggest that more bail-outs may now be an unfortunate inevitability. Spanish (as well as Italian, and even Belgian) spreads relative to the Bund have continued to widen.

At heart is the question of for how long German voters (even with unemployment at a 20-year low and business confidence at a 20-year high) remain willing to support failing peripheral eurozone nations. Recent history suggests there is a strong element of moral hazard attached to failing-nation behaviour and the eurozone's problems are arguably increasing rather than diminishing. Greece recently announced that its public debt (at 15.4% of GDP) was higher than previously disclosed (13.6%) and it has already begun to fall behind with its repayments to the EU/IMF. The stark reality is that at present only two of the eurozone's states (Luxembourg and Finland) meet both the deficit (not more than 3% of GDP) and debt (no more than 60% of GDP) criteria for EU membership.

While it is hard to predict how events will ultimately play out, it is fair to contend that investors will likely have to endure further bouts of substantial volatility. There remains a clear confusion between the political and economic ends of the EU and there is a clear risk not only of contagion (from Greece and Ireland), but also that failure becomes a self-fulfilling prophecy. In the interim, spreads on bond yields continue to rise and the euro weakens.

Exhibit 1: Eurozone crisis as 'periphery' nation bond spreads widen and the euro weakens



Source: Bloomberg, Edison Investment Research

If a second round of quantitative easing and the bail-out of Ireland both have their antecedents in events of the previous 18 months – and so ought not to have constituted a major 'surprise' to investors given the challenges facing the global economy – one source of revelation, particularly in the face of weak growth, has been the strength in recent corporate earnings. Over 75% of US companies reporting in Q3 exceeded consensus expectations, while the gap between those firms raising guidance relative to those cutting stands at its highest since 1999 according to Bloomberg. In the UK, a similar picture has occurred with firms as diverse as Barclays, Burberry and BT all having recently surpassed expectations when reporting results. As positive as this trend is surprising, we are forced to question the sustainability of such recent strength. Even if we are incorrect in this thesis, it appears that investors have had some tendency to overlook better performance amid macroeconomic tumult.

Market review: Still stumbling

The disparity in index performance has been most notable between perceived 'safe' and 'failing' eurozone nations, with the German market (DAX30) having outperformed the Spanish bourse (IBEX35) by over 34 percentage points on a 12-month basis. In December we saw a reversal of the annual trend, with the IBEX35 outperforming the DAX by 3 percentage points. We see good reason for the annual trend to continue and, were it not for the strength of the DAX, then the Euro Stoxx's performance would likely be notably worse.

The robustness of the DAX is notable, having gained 16% in 2010. This has been helped by a favourable macro picture in Germany (discussed earlier) and stimulated by a large number of well-performing export-led businesses. In the UK, it is also clear to see that those sectors that have delivered the most impressive gains during 2010 – namely industrials and basic materials – have a strong non-domestic bias.

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

	Last month	Last three months	Last six months	Last 12 months
FTSE 100	6.7	6.3	20.0	9.0
FTSE All-Share	7.0	6.8	20.4	10.9
DJ EURO STOXX 50	5.4	1.6	8.5	(5.8)
DJ EURO STOXX	5.5	3.8	11.4	(0.1)
France CAC40	5.4	2.4	10.5	(3.3)
Germany DAX30	3.4	11.0	15.9	16.1
Spain IBEX35	6.4	(6.2)	6.4	(17.4)
Italy MIBTEL30	5.6	(1.6)	4.5	(13.2)

Source: Datastream, Edison Investment Research

Conclusions

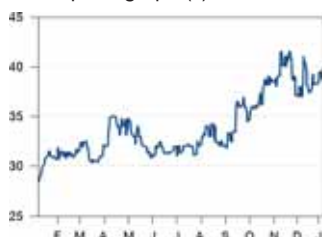
Equities may have risen c 25% from their July 2010 lows, but sentiment remains febrile. Global indices continue to exhibit profound swings both to the upside and downside as investor psychology appears to be gaining the upper hand over fundamentals. An assessment of the latter suggests that the same familiar problems beset the global economy, namely a lack of suitable policy instruments to manage the ongoing painful process of deleveraging across the developed world. Stagnating growth and rising inflation represent other concerns.

Looking ahead to 2011, we believe that until there is a consistent and coordinated approach to monetary and fiscal policy, equities may likely remain volatile. Lack of future visibility may also cloud the outlook for corporate earnings growth, which has shown a recent improvement, but may not prove sustainable in our view. It is against this background that our strategy for equities stays centred around favouring diversified growth (basic materials) and high cash returns (telcos, utilities) principally at the expense of the consumer sectors. Gold also remains highly attractive in our view.

Sector: Media & Entertainment

Price: €40.00
Price as at 7 January 2011

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	5.1	11.7	40.9
Relative*	3.3	12.7	41.7

* % Relative to local index

Analyst

Fiona Orford-Williams

1000mercis (ALMIL)

Market cap: €124m

COMPANY COMMENT

1000 Mercis has a technical-led marketing approach (e-CRM, analysis and dB engineering). The last news flow was for H110, when its fastest-growing activity was mobile marketing, up 27% to 28% of revenues. Good progress was also made in online marketing (44% revenues), up 15%, bolstered by the growth in social networking by corporates. The balance is in email marketing, benefiting from the increasing prevalence of internet-enabled mobile devices. The group has a strong balance sheet with net cash and a high-profile client list, including Expedia, BNP Paribas, TF1 and Laposte.net.

INDUSTRY COMMENT

The new 1% tax to be charged on French online advertising has been postponed from 1 Jan to July. Originally designed to generate revenues from the likes of Google and eBay, it is not yet clear how it will affect the domestic market. CapGemini estimated French online marketing growing at 8% in H110 (a range from +3% for local advertising to +30% for mobile marketing). The overall expected growth for 2010 is 8%, with 15% pencilled in by the EIAA for 2011.

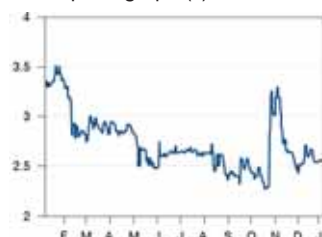
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	23.40	8.60	6.00	1.90	21.05
2009A	28.00	9.50	6.10	2.28	17.54
2010E	32.95	10.50	7.55	2.60	15.38
2011E	37.35	11.90	8.50	2.90	13.79

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €2.55
Price as at 7 January 2011

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	1.2	6.3	(24.1)
Relative*	(0.5)	(14.3)	(23.7)

* % 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: €0.89
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	1.1	(13.6)	(45.4)
Relative*	(0.6)	(15.1)	(45.1)

* % Relative to local index

Analyst

Richard Finch

Acheter-Louer.Fr (ALALO)

Market cap: €5m

COMPANY COMMENT

Recent confirmation of long-planned financial restructuring should allow management to take best advantage of a perceived wealth of opportunity, notably via its electronic magazine that has been launched with great success in the Ile de France and may now be taken nationwide. H1 saw sharply-reduced trading losses amid continued signs of market recovery, eg income from press operations was up by 45%. Importantly, Acheter-Louer.fr has managed to consolidate its leadership (over 50%) of the free property press in the Paris area after the failure of a competitor.

INDUSTRY COMMENT

The French property market has shown sustained recovery in 2010, with a rise of 35% in new properties put up for sale, according to Entrepaticuliers.com's respected 'barometer'. Prices have risen overall by about 5%, albeit with wide geographical variation. 2011 is forecast to see a stabilisation in volumes and price (still 5% below the pre-recession peak).

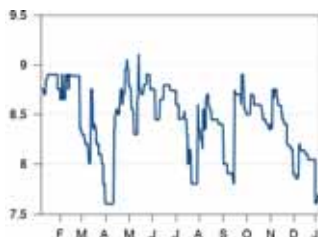
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	8.73	0.09	(0.02)	N/A	N/A
2009A	4.06	(1.51)	(4.16)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €7.66
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(6.6)	(12.0)	(12.5)
Relative*	(8.2)	(19.7)	(12.0)

* % Relative to local index

Analyst

Richard Finch

Ada (ALADA)

Market cap: €22m

COMPANY COMMENT

Ada made good progress in H1 with trading profit increasing by almost a third on sales up by 18%, reflecting improved fleet utilisation and a broadening of services on offer. This success would appear to endorse management's long-standing focus on local markets rather than airports and stations (the company is represented in over 500 towns in France) and its current diversification of product offering. There is no formal guidance on the full-year out-turn. The shares moved from Euronext to Alternext in September.

INDUSTRY COMMENT

Markit's latest survey shows French retail sales continuing to rise sharply in December, indeed at the fastest rate since pre-recession. Confidence persists about January sales despite lower consumer purchasing power and high unemployment.

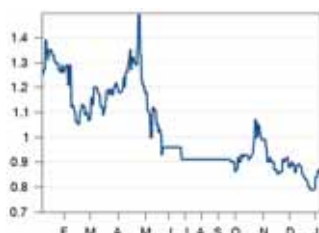
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	38.90	0.54	0.16	N/A	N/A
2009A	39.80	1.36	1.17	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Property

Price: €0.86
Price as at 7 January 2011

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	(2.3)	(7.5)	(31.2)
Relative*	(3.9)	1.7	(30.8)

* % Relative to local index

Analyst

Roger Leboff

Adomos (ALADO)

Market cap: €11m

COMPANY COMMENT

Slower supply of housing programs in Ile de France and regional city centres affected H110, in part due to the implementation of new BBC low energy building standards. Adomos predicts better market conditions from H211, based on BBC programs in the pipeline. In the interim, it has reined in marketing and other overheads, which it expects to benefit FY10 results. First half revenues were 28.5% ahead of H109, with reservations at the period end 30% better than at its FY09 year end. The group outlook is arguably more stable since the November announcement that its Acheter-Louer.fr subsidiary had successfully rescheduled its debt.

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 2010 to encourage investment in rental property.

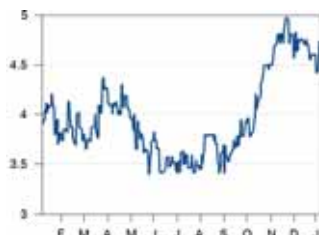
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	16.10	(6.00)	(5.35)	(0.51)	N/A
2009A	13.83	(2.06)	(3.62)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.71
Price as at 7 January 2011

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	(0.4)	23.3	20.8
Relative*	(2.1)	15.4	21.5

* % Relative to local index

Analyst

Fiona Orford-Williams

Adverline (ALADV)

Market cap: €24m

COMPANY COMMENT

A series of good new business wins in H110 helped drive online marketing revenues forward 38% (59% sales). Within the publishing segment (+21% to 21% sales), societe.com and kelprof.com were relaunched and business was resumed with Orange. An additional site was launched, annuaire.com, that enables smaller corporates to access the internet at low cost. The group's audience is one of the largest in France, reaching 21 million monthly visitors. Micropayment (Optelo) represented 20% H110 sales, diluted by higher growth elsewhere in the business.

INDUSTRY COMMENT

Online advertising in France grew at 8% in H110, with search and display the dominant categories. MAGNA's forecast for 2011 stood at 8.1%, but it is as yet unclear what effect the impending tax on online advertising will have either over the period of its introduction (now postponed from 1 Jan 2011 to July) or over the longer term. The latest Eurostat figures show French internet penetration at 79%, with 75% reporting themselves as regular users.

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	N/A	1.98	N/A	N/A
2011E	26.30	N/A	2.58	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Alternative Energy

Price: €11.80
Price as at 7 January 2011

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	(2.5)	(8.5)	(22.6)
Relative*	(4.1)	(12.7)	(22.2)

* % Relative to local index

Analyst

Richard Finch

Aéro watt (ALWAT)

Market cap: €23m

COMPANY COMMENT

An acceleration in Q3 of Aerowatt's already vigorous growth saw a doubling of sales, restated to exclude two wind parks sold in H1. This is all the more creditable given unfavourable weather, especially in the Caribbean, and endorses management's expansion of capacity (up by over 15% in the nine months to September, adjusting for asset sales). Although newly developed solar accounted for the bulk of the rise, the more established wind capacity grew sales by a third in Q3. Management has confirmed guidance of 40% higher EBITDA for 2010, including a capital gain on the wind park disposals (H1 +69%). Capacity is planned to quadruple over the next three years, principally in wind although solar is to grow faster from a much lower base.

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.

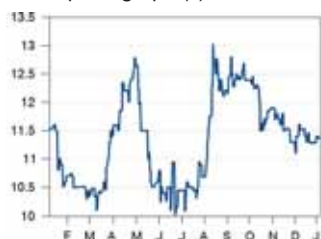
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	7.64	0.61	(0.10)	(0.89)	N/A
2009A	10.96	2.73	0.08	N/A	N/A
2010E	15.40	3.60	0.50	(0.08)	N/A
2011E	26.24	7.60	1.16	0.63	18.73

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €11.36
Price as at 7 January 2011

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	(1.2)	(7.2)	(1.6)
Relative*	(2.9)	(4.9)	(1.1)

* % Relative to local index

Analyst

Fiona Orford-Williams

Ales Groupe (ALPHY)

Market cap: €160m

COMPANY COMMENT

Ales's Q310 figures showed further progress, with sales ahead 7.4% year-on-year (+4.4% ytd). Sales in its home market, France (40% of FY09 revenues), were ahead by 11.0%, implying a slight slowdown in the quarter, while progress in overseas markets remains harder to come by. Perfumery was the best-performing category in the quarter just reported, gaining 21%, with cosmetics a dull market. 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 Ales's home market. The markets are highly fragmented, with L'Oreal the clearly-dominant player. Demand for natural and organic products has been moving ahead more strongly (+20% in 2009), helped by broader distribution and the growth in private label. EU harmonisation of labelling standards under Cosmos-Natural and Cosmos-Organic should help to clarify the multitude of claims made on packaging.

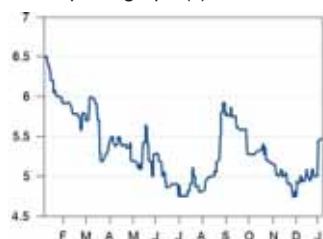
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	171.00	17.80	8.80	N/A	N/A
2009A	164.60	12.80	7.65	0.54	21.04
2010E	172.90	10.95	6.50	0.47	24.17
2011E	183.55	13.10	7.80	0.56	20.29

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €5.47
Price as at 7 January 2011

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	11.0	3.8	(15.8)
Relative*	9.1	2.0	(15.4)

* % Relative to local index

Analyst

Fiona Orford-Williams

Antevenio (ALANT)

Market cap: €23m

COMPANY COMMENT

The worst appears over for Antevenio, with a resumption of top-line growth in H110 (+14%, +5% like for like). For FY10, the group is targeting double-figure revenue growth and operating margins of 9-10%. The largest contributor to revenues, performance advertising, is still subdued through lack of confidence in the financial sector, but better progress has been made in interactive advertising; 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, although their costs have taken a toll on operating margins.

INDUSTRY COMMENT

In August, Carat 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 59% of Spanish households have internet access, 57% with broadband. Growth has been comparatively slow due to relatively high prices and slow speeds, with most broadband users having bundled arrangements.

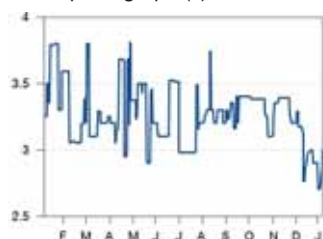
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	19.36	3.44	2.88	N/A	N/A
2009A	16.12	2.10	1.53	N/A	N/A
2010E	20.30	1.90	1.10	0.27	20.26
2011E	23.80	3.00	2.20	0.53	10.32

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €3.00
Price as at 7 January 2011

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	(5.4)	(11.2)	(7.7)
Relative*	(7.0)	(10.7)	(7.2)

* % Relative to local index

Analyst

Richard Finch

Aquila (ALQU)

Market cap: €5m

COMPANY COMMENT

Q3 top-line buoyancy (+7%) indicates that Q2 (-1%) was but a blip after double-digit growth in Q110 and 2009. Moreover, the performance is all the more impressive in view of a tough comparative. With current trading remaining strong (Q4 sales imminent), the increasing proportion of contracted income from national accounts, high client retention and sound finances underpin management confidence in Aquila's long-term prospects. 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.

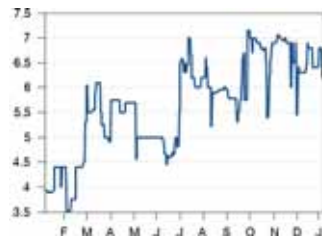
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	10.12	0.51	0.39	N/A	N/A
2009A	11.20	0.70	0.47	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Investment Companies

Price: €6.20
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.6)	(8.7)	62.8
Relative*	(3.2)	(12.9)	63.7

Analyst

Richard Finch

Assya (ALASS)

Market cap: €65m

COMPANY COMMENT

Assya Capital has completed its merger with Global Equities Capital Markets to form a pan-European financial services business. The new entity (called Assya) 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. Importantly, Assya is now establishing a wealth management operation in Luxembourg, reinforcing its presence in five countries.

INDUSTRY COMMENT

The former Assya Capital business 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. It invests across a range of sectors.

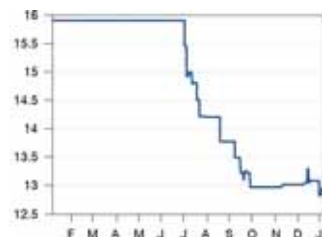
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	2.53	(8.16)	(21.57)	N/A	N/A
2009A	4.66	(6.97)	(9.12)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €12.90
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(0.9)	(0.5)	(18.9)
Relative*	(2.6)	(23.3)	(18.4)

Analyst

Roger Leboff

Astellia (ALAST)

Market cap: €33m

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 4G (LTE). 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.

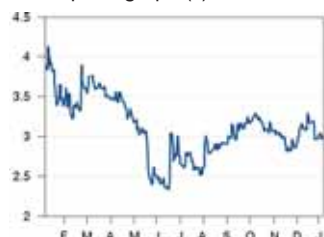
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	24.99	3.21	2.90	1.14	11.32
2009A	25.56	1.05	2.10	0.82	15.73
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Mining

Price: €2.99
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(4.2)	(8.8)	(19.9)
Relative*	(5.8)	1.6	(19.4)

* % Relative to local index

Analyst

Charles Gibson

Auplata (ALAUP)

Market cap: €51m

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. All told, Auplata has exploration rights over 436 square km and exploitation rights over 410 square km of French Guiana.

INDUSTRY COMMENT

Auplata is currently investigating a technique for the extraction of gold at Dieu Merci using a five-tonne-per-week sodium thiosulphate pilot plant, rather than conventional cyanidation (or mercury). Output has risen steadily throughout 2010, from 1,736oz in Q1, to 1,768oz in Q2 and 2,379oz in Q3 (exceeding the company's target of 643oz per month). In H110, Auplata made a net loss of €1.4m from €2.7m of revenues (vs a net loss of €2.6m in H109).

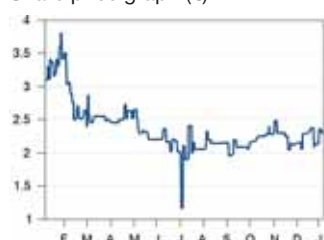
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	6.44	(7.02)	(12.15)	(0.99)	N/A
2009A	5.80	(4.03)	(3.80)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €2.30
Price as at 7 January 2011

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	0.9	6.0	(25.8)
Relative*	(0.8)	7.4	(25.4)

* % Relative to local index

Analyst

Richard Finch

Auto Escape (ALAUT)

Market cap: €12m

COMPANY COMMENT

Auto Escape has defied a difficult market with a marked resumption of growth in the all-important summer half (sales +11% at maintained margin against +2% in H1). This is all the more impressive as disruption caused by the Icelandic ash cloud, reduced visibility through later booking and fragile consumer confidence had invited caution after a disappointing 2009. The company continues its strategy of international expansion, with a move across Scandinavia and a growing internet presence (now over 70% of bookings against 27% in 2008). 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. Latest IATA statistics show this to be at an annualised rate of c 6%, which is in line with the long-term trend. Auto Escape is exposed to the leisure rather than the business rental market.

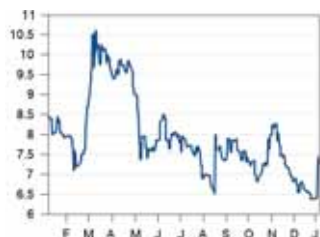
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.57	0.65	0.50	0.10	23.00
2009A	27.63	0.43	0.00	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Alternative Energy

Price: €7.25
Price as at 7 January 2011

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	10.7	(1.1)	(14.1)
Relative*	8.8	(18.1)	(13.6)

* % Relative to local index

Analyst

Roger Leboff

Bionersis (ALBRS)

Market cap: €23m

COMPANY COMMENT

Growth is in the early stages, with the group having invested c €25m in development projects to recover landfill biogas and generate Certified Emission Reductions (CERs) in Latin America and Asia. Optimal production levels are expected to be achieved in this calendar year but at this stage, H1 revenues at €1.3m were insufficient to offset operating expenses of €1.7m. The opportunity for strong cash flow generation over the next decade appears intact. The first half saw further investment in existing projects, plus entries into new markets such as Vietnam and Indonesia.

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: €5.14
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	(26.5)	(9.8)
Relative*	(1.7)	(36.7)	(9.3)

* % Relative to local index

Analyst

Fiona Orford-Williams

Brossard (ALBRO)

Market cap: €29m

COMPANY COMMENT

The disposal of Brossard's frozen food operations to Icelandic seafood group, Alfesca, was completed in August. Proceeds were estimated at €24.5m, but the full resultant financial position will not be clear until publication of the annual accounts. Residual revenues for bakery and patisserie products should be in the order of €68m and margins should improve. The group is indicating that it may use some of the proceeds to move into the biscuit segment, a considerably larger market estimated at €2bn.

INDUSTRY COMMENT

Carrefour, Auchan, Geant Casino, Intermarche, Leclerc, Systeme U (the first three being owners and operators, the latter three being buying groups) dominate the €171bn French food retail market, a position recently criticised by the French Competition Authority. Restrictive terms for suppliers and restrictive property covenants are likely to be tackled through revised legislation or regulation. Despite a spike in prices in the summer, deflation remains a concern.

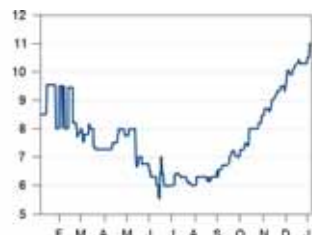
Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	118.90	7.51	0.67	N/A	N/A
2010A	66.43	8.01	(0.95)	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €11.00
Price as at 7 January 2011

Share price graph (€)



Company description

BSB employs over 300 people with offices in Belgium, Luxembourg, France and Ireland. It provides mission-critical solutions: Soliam, a portfolio management system for asset managers; and Solife, a life insurance policy administration system. It signed nine new clients during H110 and has over 80 clients in 16 countries.

Price performance

%	1m	3m	12m
Actual	11.1	46.9	29.4
Relative*	11.9	59.4	28.7

* % Relative to local index

Analyst

Roger Leboff

BSB (BSB)

Market cap: €23m

COMPANY COMMENT

The interims show the benefit of steady investment in 2009/H110. Revenues were up 23% y-o-y at €14.4m on the back of sales of licenses, services and maintenance; operational cash flow trebled to €1.7m and EBIT was €1m. BSB ended H1 with over €1.4m in cash (net). Software sales were 51% up y-o-y, 50% of total revenue. Both sides of the business grew internationally in H1, adding clients in Belgium, Luxembourg, Switzerland and the UK. The outlook is underpinned by a strong existing and prospective order book for H210.

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, Carmignac Gestion, Carrefour, Dexia Bank and ING Life. BSB will use its platform to expand into new international markets.

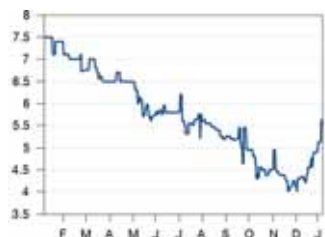
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.76	1.59	0.62	0.29	37.93
2009A	24.48	(0.11)	(0.52)	(0.25)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.62
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	29.5	17.1	(25.1)
Relative*	27.3	(11.0)	(24.6)

* % Relative to local index

Analyst

Richard Finch

Budget Telecom (ALBUD)

Market cap: €20m

COMPANY COMMENT

13% growth, entirely organic, in Q3 sales will have lifted spirits at Budget Telecom after a dismal H1 that saw 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 believes its subscriber base (+5% to over 200,000 in the half to September) enhanced distribution and the range of services should contribute to a recovery in profit in 2011. The acquisition of KAST has strengthened the core operation and allowed better group buying. The group remains strongly funded.

INDUSTRY COMMENT

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

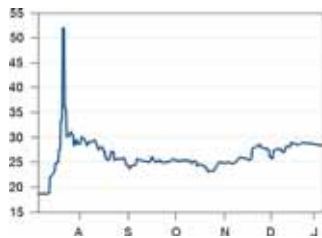
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.20	4.80	3.20	0.97	5.79
2009A	23.80	3.90	2.60	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €28.49
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	5.2	12.7	N/A
Relative*	3.4	34.8	N/A

* % Relative to local index

Analyst

Mick Cooper

CARMAT (ALCAR)

Market cap: €109m

COMPANY COMMENT

Carmat has been developing an implantable artificial heart since 1995 and expects the first human implant to take place in H211. The device is designed to mimic a natural heart with the same output characteristics, including altering the beats per minute and blood pressure according to a person's activity. Bench tests indicate that its life expectancy will be over five years. The artificial heart is the result of an alliance between Professor Carpentier (who developed the eponymous heart valve) and the aerospace company, EADS. The company raised €15.5m during its IPO in July 2010 and has sufficient cash to operate until the end of 2011.

INDUSTRY COMMENT

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

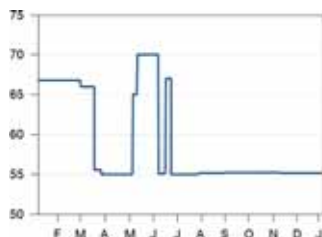
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	0.00	0.00	N/A	N/A
2009A	0.00	(5.98)	(4.72)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Basic Industries

Price: €55.15
Price as at 7 January 2011

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	0.0	(0.1)	(17.4)
Relative*	0.7	(7.0)	(17.9)

* % Relative to local index

Analyst

Richard Finch

Catala (CAT)

Market cap: €7m

COMPANY COMMENT

Continued profit recovery in H1 on an 8% lift in sales is all the more impressive given the sharp rise in raw material prices. Management is to be credited for successful cost-cutting, notably in energy and transport, which contributed to a return to marginal profit in H209, and a new early retirement scheme, as well as renegotiation of prices with clients. Catala is looking to restore margins and finances in H2 in the face of raw material pricing pressures.

INDUSTRY COMMENT

DS Smith has reported strong volume and revenue growth in its corrugated packaging businesses in the year to October with phased recovery of paper price increases allowing margins to be held. Industry 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.

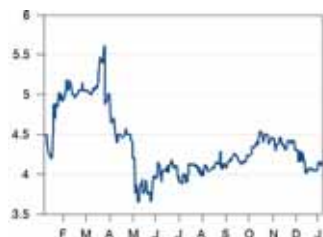
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	52.19	(2.25)	(2.97)	N/A	N/A
2009A	38.88	0.00	(0.60)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Property

Price: €4.17
Price as at 7 January 2011

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	0.0	(3.9)	(7.3)
Relative*	(1.7)	(6.8)	(6.8)

* % 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 Réunion, 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.

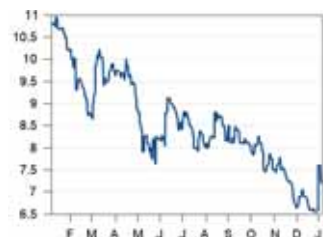
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	20.30	20.50	13.80	N/A	N/A
2009A	59.90	27.80	15.20	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €7.19
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	2.0	(10.6)	(33.5)
Relative*	0.3	(26.8)	(33.2)

* % Relative to local index

Analyst

Mick Cooper

Collectis (ALCLS)

Market cap: €84m

COMPANY COMMENT

Collectis 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: Collectis bioresearch provides meganuclease kits to life sciences researchers; Collectis plant sciences develops genetically modified plants for agricultural companies, including Monsanto; Collectis 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 €38.2m at the end of June 2010, and a net cash outflow before financing of €7.4m during H110.

INDUSTRY COMMENT

Collectis'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.

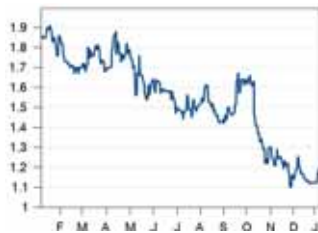
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	10.60	(3.45)	0.13	0.01	719.00
2009A	11.95	(8.74)	(3.85)	N/A	N/A
2010E	13.00	(16.00)	(6.00)	(0.50)	N/A
2011E	21.00	(10.00)	(2.00)	(0.12)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €1.20
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(0.8)	(25.5)	(35.5)
Relative*	(2.5)	(27.6)	(35.1)

* % Relative to local index

Analyst

Mick Cooper

Cerep (ALCER)

Market cap: €15m

COMPANY COMMENT

Trading conditions for Cerep continue to be challenging as sales fell 5.7% to €11.6m in H110 compared to H109. Many of its clients have frozen research programmes, especially in North America, which caused sales to fall by 19.6%. This decline was partly offset by an increase of 7.8% in Europe and 21.1% in Asia; and in October Roche extended a collaboration. Improved operating efficiency led to a reduction in the operating loss by €0.4m to €1.4m, although the net loss increased by €0.4m to €2.7m because of adverse currency movements. Its new Chinese subsidiary should further improve Cerep's operational performance.

INDUSTRY COMMENT

Pharmaceutical companies are outsourcing a greater proportion of their pre-clinical work, but there is an excess supply of many pre-clinical services. This was caused by CROs expanding their capabilities, at the same time that pharmaceutical companies put research projects on hold. There are now signs that the demand is increasing and many CROs have reduced their capacity.

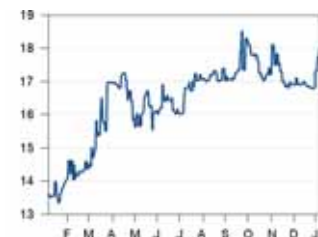
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	30.80	1.95	2.26	0.59	2.03
2009A	26.30	(1.71)	(1.92)	N/A	N/A
2010E	26.03	(0.30)	(0.40)	(0.03)	N/A
2011E	27.10	0.70	0.30	0.02	60.00

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €18.00
Price as at 7 January 2011

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	6.4	1.1	32.4
Relative*	4.7	(4.1)	33.1

* % Relative to local index

Analyst

Richard Finch

Clasquin (ALCLA)

Market cap: €42m

COMPANY COMMENT

Clasquin has effectively repeated its bumper performance of Q2 with Q3 sales growth of 73% as higher volumes (+24%) again accompanied much firmer freight rates. Material progress continues across the board, both by geography and by activity. The full-year outlook is confirmed to be similarly buoyant, with trading profit expected to rise by more than a third to pre-recession levels. 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 debt free.

INDUSTRY COMMENT

The WTO raised its forecast of 2010 world trade growth to 13% from 10% following a stronger than expected recovery in H1. Exports of developed countries are set to rise by 11%, compared with 16% 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	10.40
2009A	114.70	5.00	2.90	N/A	N/A
2010E	177.58	5.15	3.14	1.31	13.74
2011E	191.09	7.00	4.72	1.97	9.14

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €1694.00
Price as at 7 January 2011

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	0.2	24.1
Relative*	4.9	3.9	23.4

* % Relative to local index

Analyst

Fiona Orford-Williams

CoBrHa (COBH)

Market cap: €129m

COMPANY COMMENT

H110 results showed a modest increase in revenues and good cost control, enabling margins to move ahead. Progress in H210 will be against more onerous comparatives. H110 capex of €8.3m (FY10 estimate €16m) includes a new bottling line, commissioned in November. 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 to highlight foreign ownership of other brands.

INDUSTRY COMMENT

Belgian beer consumption has been falling for some time due to a static population, changing habits and falling consumer confidence, with the first half of 2010 seeing a further fall 1.8%, with the on-trade hardest hit. The majors have been discounting aggressively. The market is dominated by InBev (57%) and Heineken/Alken-Maes (11%). Industry consolidation is ongoing (with Alken-Maes buying Afligem; De Koninck taking Duvel Moortgat) and Haacht is the third-largest brewer.

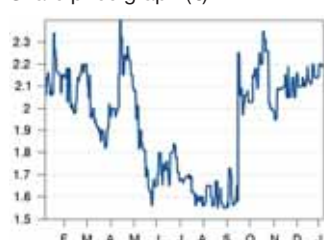
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	92.40	6.02	4.06	53.40	31.72
2009A	95.50	8.27	6.51	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €2.19
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	2.3	0.5	6.3
Relative*	0.6	15.7	6.9

* % Relative to local index

Analyst

Fiona Orford-Williams

Come & Stay (ALCSY)

Market cap: €9m

COMPANY COMMENT

Come & Stay specialises in email and mobile advertising through lead generation, e-CRM and social media. The exit from its Northern Europe operations has enabled it to return to profit in H110 and given a far stronger financial position. Trading within ongoing operations grew an impressive 18% year-on-year in H110, buoyed by a strong performance from the automotive sector, but like-for-likes will have weakened in H2 as comparators become more onerous. Visibility, though, is better than for most in the sector, due to longer-term contracts.

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, with android moving from 20k to 100k in the year to October 2010. In Q310, it was estimated that 13.7 million French people had accessed the internet via their mobile phone in the previous month (TSM/Mobile Consumer Insight). ComScore/Forrester project that French mobile internet penetration will increase to 41% by 2014 (11% in 2009).

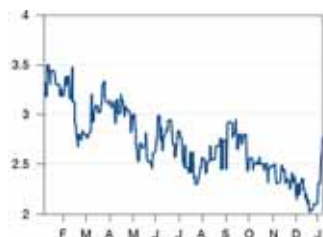
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	22.10	1.20	(7.80)	N/A	N/A
2009A	15.90	(0.70)	(3.50)	N/A	N/A
2010E	12.40	1.10	0.80	0.19	11.53
2011E	13.70	1.30	0.90	0.21	10.43

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €2.77
Price as at 7 January 2011

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	17.9	10.8	(16.6)
Relative*	15.9	(0.1)	(16.1)

* % Relative to local index

Analyst

Fiona Orford-Williams

CRM Company Group (ALCRM)

Market cap: €11m

COMPANY COMMENT

CRM Company Group and megalocompany merged in October 2010 under the latter brand. It remains a full-service marketing agency, with key verticals in services, IT, finance, automotive and luxury goods. H110 saw a return to normalised profits after a very difficult 2009 (which had undermined the strength of the balance sheet), with revenues recovering 14% and gross profits up 11%. Selective recruitment in H110 will add to the cost base but will strengthen the group's online brand management offer, which has been clarified by the merger.

INDUSTRY COMMENT

Estimates for the recovery in the French advertising market improved as the year progressed, from 1.0% to around 2.3%. The fastest growth is set to be (unsurprisingly) from online at 15.5% but television is set to remain the largest single medium, taking a 32% share of the pie, with newspapers remaining the next largest with a 21.7% share. Growth will be harder to come by in 2011 as the comparators become more onerous.

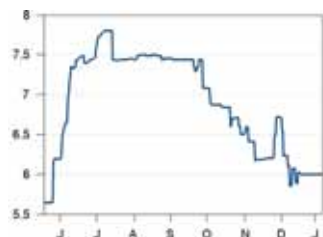
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	20.30	(5.10)	(6.50)	N/A	N/A
2009A	15.30	(3.00)	(3.30)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €6.00
Price as at 7 January 2011

Share price graph (€)



Company description

Custom Solutions specialises in the supply of marketing services.

Price performance

%	1m	3m	12m
Actual	2.6	(12.7)	N/A
Relative*	0.8	(31.8)	N/A

* % Relative to local index

Analyst

Fiona Orford-Williams

Custom Solutions (ALSOL)

Market cap: €29m

COMPANY COMMENT

Custom Solutions floated in May 2010, raising €7m. November's purchase of loyalty-scheme specialist GECIP from Omnicom will bias revenues slightly to promotional activities from 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

French H110 advertising spend showed 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 slightly exceed that rate for the year. E-commerce is growing much more strongly, with the numbers 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.

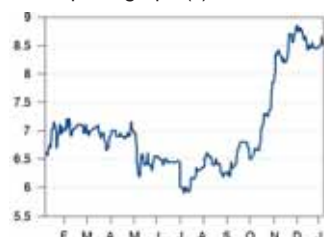
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.31	0.16	2.40	N/A	N/A
2009A	0.87	0.26	1.88	N/A	N/A
2010E	15.70	2.10	1.60	0.40	15.00
2011E	19.70	2.80	2.10	0.43	13.95

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €8.50
Price as at 7 January 2011

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	(2.3)	27.2	28.8
Relative*	(3.9)	25.7	29.5

* % Relative to local index

Analyst

Fiona Orford-Williams

D.L.S.I. (ALDLS)

Market cap: €22m

COMPANY COMMENT

Q310 revenue growth has continued to build, up 29% (+17% like-for-like ytd), with the group exceeding its forecast €150m for the year by the end of November. The SME bias of the business will have been helping. Overseas revenues continued to expand, albeit at a slower rate, and accounted for 32% in H110. Luxembourg and Switzerland are the largest markets outside France, with the Polish start-up broadening the scope further. In September, DLSI extended its reach in the south, with the purchase of Exess Interim for an undisclosed sum.

INDUSTRY COMMENT

Eurociett's figures to September 2010 show strong growth of 15.5% in revenues from temporary/agency workers on an increase of 21.0% 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 in September 2010 was running at 9.8%, broadly unchanged on the year. French GDP is forecast to rise 1.6% in FY10 and in FY11.

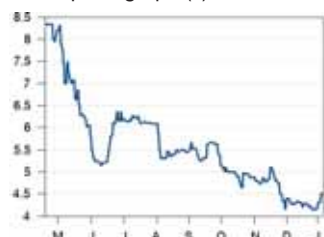
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	149.63	5.51	3.03	N/A	N/A
2009A	117.43	1.36	0.67	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €4.50
Price as at 7 January 2011

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	4.7	(10.0)	N/A
Relative*	2.9	(35.1)	N/A

* % Relative to local index

Analyst

Roger Leboff

Deinove (ALDEI)

Market cap: €22m

COMPANY COMMENT

Deinove reported that it had attained a number of key technological, financial and collaborative milestones in H110. It is in the early stages of a three- to four-year R&D programme and thus pre-revenues, but backed by €11.5m of net cash mid-year which, with €1.2m of operating costs, was in line with forecasts. It seeks 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.

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).

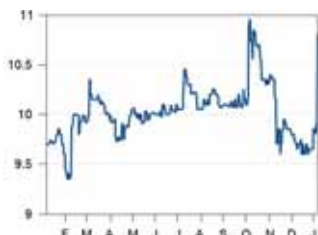
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	(1.03)	(0.44)	N/A	N/A
2009A	0.00	(1.88)	(1.25)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €10.80
Price as at 7 January 2011

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	11.9	0.6	11.3
Relative*	10.0	(4.7)	12.0

* % Relative to local index

Analyst

Fiona Orford-Williams

Demos (ALDMO)

Market cap: €63m

COMPANY COMMENT

Demos continues to expand internationally and by industry vertical, acquiring an Italian company and an insurance specialist early in the year. Revenues were 5.1% ahead in H110, with growth in e-Learning performing particularly strongly at +11% - a figure diluted by continued weakness in Spain/Portugal. 40% of H110 revenues were generated outside France, with the UK the next largest market. Lower personnel costs spurred a good recovery in margins to 3.2% (1.2%), with a target to regain the level achieved in 2009 of 4.6%.

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 providing 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. e-Learning is accelerating the pace of change.

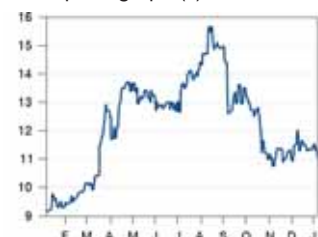
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	97.46	8.71	4.01	0.71	15.21
2009A	96.15	4.41	1.00	N/A	N/A
2010E	107.00	N/A	2.00	0.75	14.40
2011E	112.00	N/A	3.00	0.98	11.02

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €11.06
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(7.8)	(13.1)	20.3
Relative*	(9.4)	(27.9)	21.0

* % Relative to local index

Analyst

Richard Finch

DL Software (ALSDL)

Market cap: €49m

COMPANY COMMENT

A 7% decline in H1 trading profit thanks to an unexpectedly tough market has transformed full-year guidance from a 20% gain to a similar shortfall in H2. Visibility in DL Software's key healthcare business remains limited but there is some comfort as like-for-like sales held in Q3 after a 4% fall in H1. While group profit growth may not resume until H211, 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) could deliver more than double 2010's expected trading profit within two years.

INDUSTRY COMMENT

Capgemini's sales in France continued to stabilise in Q310 (flat 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.

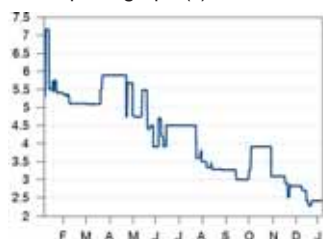
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	34.53	4.80	1.22	0.28	39.50
2009A	39.10	6.00	1.90	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €2.42
Price as at 7 January 2011

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	(12.0)	(38.3)	(54.4)
Relative*	(13.5)	(52.3)	(54.2)

* % Relative to local index

Analyst

Richard Finch

Dolphin Intégration (ALDOL)

Market cap: €3m

COMPANY COMMENT

Ahead of full-year results (due soon), sales growth in H2 of just 8% against guidance of up to 50% may well have dented management confidence that the worst was over. As major players move into Dolphin's specialist field, intensifying competition is recognised by management. It also admits that innovation, Dolphin's USP, comes at a price, so continued losses are likely in H2 (losses mounted in H1). 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

Gartner reports that 2010 was "a banner year" for the global semiconductor market with a rise of 31% against a 10% decline in 2009. Growth is forecast to moderate to about 5% in 2011. Companies with specific chip solutions in high-growth markets should outperform the sector.

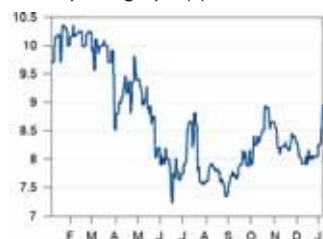
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.10	(0.15)	0.38	0.29	8.34
2009A	10.90	(0.67)	1.05	0.81	2.99
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €8.95
Price as at 7 January 2011

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	13.1	8.5	(7.7)
Relative*	11.2	(6.6)	(7.2)

* % Relative to local index

Analyst

Richard Finch

ECT Industries (ALECT)

Market cap: €11m

COMPANY COMMENT

October's lowering of 2010 sales guidance from a gain of c 10% to marginal at best contrasts with ECT Industries' strong H1 performance, which saw 16% organic sales growth (impressive in still unhelpful conditions) and trading profit up on maintained margin. 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. Management remains confident about the medium term.

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.

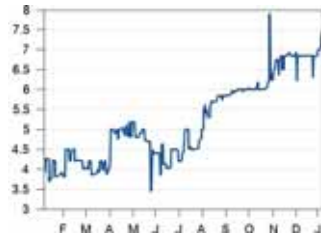
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	19.95	1.12	1.21	N/A	N/A
2009A	24.10	2.06	1.49	N/A	N/A
2010E	24.30	1.80	1.00	0.87	10.29
2011E	26.00	2.10	1.30	1.07	8.36

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €7.48
Price as at 7 January 2011

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	9.2	24.7	91.3
Relative*	7.4	42.7	92.4

* % Relative to local index

Analyst

Roger Leboff

eFront (ALEFT)

Market cap: €22m

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 in 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; it reports FY10 turnover on 2 February.

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.

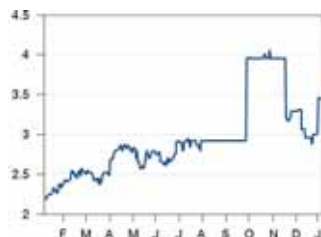
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	14.65	(1.37)	(1.69)	N/A	N/A
2009A	20.25	0.69	(1.00)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €3.45
Price as at 7 January 2011

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	12.7	(12.7)	59.0
Relative*	10.8	5.9	59.9

* % Relative to local index

Analyst

Roger Leboff

Emailvision (ALEMV)

Market cap: €68m

COMPANY COMMENT

Strong growth was maintained into the third quarter. Revenues for the period, at €10.6m, were 39% up y-o-y, and 44% ahead for the first nine months. The order book grew again to €51.1m at the end of Q310, 47% ahead of the same stage last year. The group appears in the Software 500 global rankings for the first time, at 264th place in the list and among the top 10 fastest-growing companies. Since EMV Holdco acquired a majority shareholding in July, it has increased its holding to 82.6%.

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.

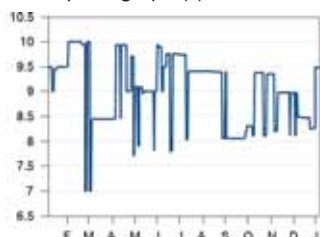
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.76	1.90	0.87	N/A	N/A
2009A	29.30	0.73	0.45	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €9.48
Price as at 7 January 2011

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	11.7	16.9	(0.2)
Relative*	12.5	(9.7)	(0.8)

* % Relative to local index

Analyst

Roger Leboff

Emakina Group (ALEMK)

Market cap: €36m

COMPANY COMMENT

A better H110 saw 8% turnover growth, to €16m, and improved operating profit and margins, from 3.6% to 4.3%; the latter a reflection of 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 customers shift to new digital technologies such as smartphones and tablet computing. In October the group was awarded a new contract framework from the EC worth €15m.

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.

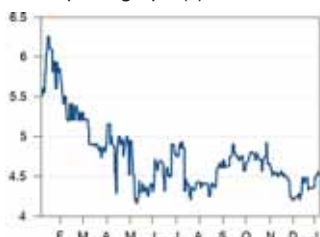
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	30.92	2.05	0.03	0.01	948.00
2009A	31.05	1.53	(0.63)	(0.01)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.51
Price as at 7 January 2011

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	5.4	(6.0)	(18.0)
Relative*	3.6	(18.8)	(17.5)

* % Relative to local index

Analyst

Richard Finch

Entrepaticuliers.com (ALENT)

Market cap: €16m

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 believes its paid advertisements business model is simply lagging the market (H110 paid advertisements -17% against 40% more new properties put up for sale) and will 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 has shown sustained recovery in 2010, with a rise of 35% in new properties put up for sale, according to Entrepaticuliers.com's respected 'barometer'. Prices have risen overall by about 5%, albeit with wide geographical variation. 2011 is forecast to see a stabilisation in volumes and price (still 5% below the pre-recession peak).

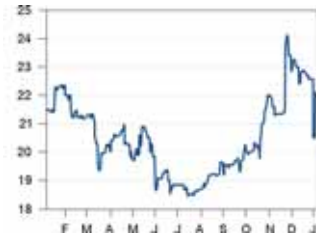
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	15.60	3.20	2.60	0.74	6.09
2009A	11.00	2.60	1.70	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €22.20
Price as at 7 January 2011

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	(3.5)	11.0	3.3
Relative*	(5.1)	4.5	3.9

* % Relative to local index

Analyst

Richard Finch

Environnement (ALTEV)

Market cap: €35m

COMPANY COMMENT

2010 ended with a flourish for Environnement with a significant order at the Russian space centre in Guyana and confirmation of a pick-up in European business, notably in the UK. This endorses long-standing management confidence that the recovery has been gathering pace despite lingering weakness in H1 (sales -7%). Services, deemed a priority area because of its long-term recurrent income, grew sales by 6% and hence its share of group revenue to over 40%, while Air Ambient rebounded strongly (sales +10%) after a tough 2009. Encouragingly, the group margin held at 9% and management confirmed its enthusiasm for its recent investment in Cairpol, a specialist in miniature air quality monitoring systems. December's €7m buyback of c 16% of shares at €27m was completed successfully.

INDUSTRY COMMENT

Recovery is apparent in Veolia Environnement's Water Solutions like-for-like turnover in Q310, which was down by 13% against 26% in H1. There is no guidance for the rest of 2010.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	44.00	3.40	3.20	1.74	12.76
2009A	41.90	3.10	3.10	1.65	13.45
2010E	41.00	3.10	2.90	1.54	14.42
2011E	43.40	3.60	3.20	1.99	11.16

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.57
Price as at 7 January 2011

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	5.0	(2.1)	23.0
Relative*	3.2	(9.3)	23.7

* % Relative to local index

Analyst

Roger Leboff

Esker (ALESK)

Market cap: €29m

COMPANY COMMENT

H110 saw accelerated growth in all territories, with group turnover up 18% at constant exchange rates. Asia Pacific (10% of sales) was the best performer at 66% growth, then the US (42% of sales), up 13%. This was a fair performance; clients are delaying investment decisions due to market uncertainty, particularly in Europe. The outlook is supported by new contracts secured with PARFIP Lease, Thomson Reuters UK and Nestlé subsidiary Jenny Craig since November.

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.

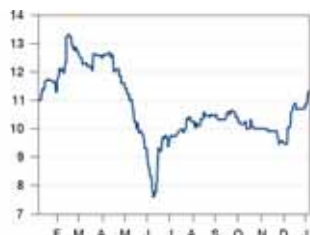
Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	26.59	(1.03)	(1.11)	N/A	N/A
2009A	27.48	0.86	1.16	N/A	N/A
2010E	31.60	1.90	1.20	0.29	22.66
2011E	34.10	2.20	1.50	0.34	19.32

Where available, consensus data has been sourced from Thomson Datastream

Sector: Food & Drink

Price: €11.37
Price as at 7 January 2011

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	13.2	11.9	3.4
Relative*	11.3	4.0	4.0

* % Relative to local index

Analyst

Fiona Orford-Williams

Eurogerm (ALGEM)

Market cap: €49m

COMPANY COMMENT

Sales were marginally ahead in H111, but with the earlier restructuring now coming through and the extension of the Saint-Apollinaire factory coming onstream, margins moved ahead from 8.2% to 9.5%. Export sales made further gains and now account for 46.4% of revenues. International expansion (with Europe, South America and Africa the primary target markets and Eurogerm USA launched in November) and new product innovation are core elements of group strategy. The 10-year 50:50 JV with Japanese-quoted bakery products group, Nisshin Seifun, enables access to ASEAN markets and allows technology share.

INDUSTRY COMMENT

The repercussions of 2010's weather sent grain prices sharply upwards and French bread prices followed. The impact on demand is not yet clear. 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.

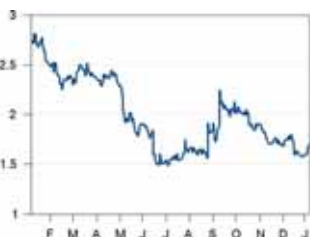
Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	51.90	4.20	3.10	N/A	N/A
2010A	50.01	0.00	1.79	0.46	24.72
2011E	52.05	N/A	2.27	0.59	19.27
2012E	53.47	N/A	2.46	0.64	17.77

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €1.71
Price as at 7 January 2011

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	(3.9)	(14.9)	(37.4)
Relative*	(5.6)	(1.9)	(37.1)

* % Relative to local index

Analyst

Roger Leboff

Europlasma (ALEUP)

Market cap: €26m

COMPANY COMMENT

In a tough market, Air Pollution Control (66% of sales) grew revenues by 10% y-o-y in H110, benefiting from a prior strategy to reposition sales resources on securing government contracts. Other divisions were also ahead. In July the group raised €6.3m in new equity and closed 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), with a €26m injection from its financial partner. This €40m contract will see over €15m in revenues recognised in FY10, the balance in FY11.

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.

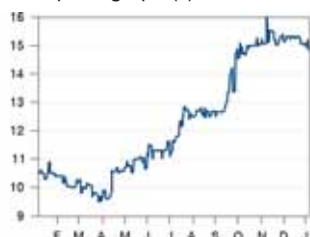
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	2.32	(2.41)	(1.43)	N/A	N/A
2009A	1.02	(3.94)	(3.14)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €14.85
Price as at 7 January 2011

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	(2.9)	1.0	42.0
Relative*	(4.6)	13.6	42.8

* % Relative to local index

Analyst

Richard Finch

Evolis (ALTV)

Market cap: €76m

COMPANY COMMENT

An acceleration in sales in Q3 (+35%) has led to yet another increase in 2010 top-line guidance from over 20% to 25% growth (to be announced soon). Progress at Evolis has been across the board, both by geography and activity, with retail notably benefiting from restructuring and marketing and distribution enhancements during the downturn. The forecast full-year trading margin has also been raised slightly to 16%, as achieved in H1. Strong finances (debt free at June and cash generative) will allow further expansion.

INDUSTRY COMMENT

US competitor Zebra Technologies goes from strength to strength. Q310 sales were up again by about a quarter, with the highest growth in Latin America and Asia Pacific. Q410 sales are forecast to be between 8% and 13% ahead despite tougher comparatives. HID/Fargo, part of the Swedish group ASSA ABLOY, reported continuing strong demand across the world in Q310 for identification solutions and access control.

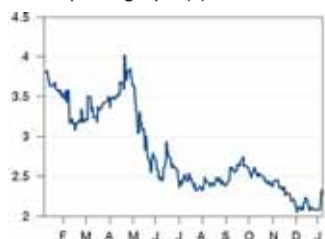
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	36.70	6.70	4.90	0.96	15.47
2009A	32.70	4.80	3.30	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €2.26
Price as at 7 January 2011

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	7.1	(13.1)	(40.5)
Relative*	5.3	(20.1)	(40.2)

* % Relative to local index

Analyst

Mick Cooper

ExonHit Therapeutics (ALEHT)

Market cap: €75m

COMPANY COMMENT

ExonHit continues to make good progress in both its therapeutics and diagnostics divisions, although its business development plans have suffered a significant setback. In 2010 its collaboration with Allergan was extended, ExonHit earned a milestone after the EHT/AGN 0001 programme was out-licensed to Bristol-Myers Squibb, and it was awarded two grants by the US government in December. However, the acquisition of the US company, Redpath, has been terminated. ExonHit had planned to buy Redpath for its sustainable revenues and US salesforce. The company has not indicated whether it is still aiming to grow by acquisition.

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	8.00	(7.00)	(6.00)	(0.18)	N/A
2011E	5.00	(8.00)	(6.00)	(0.18)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €3.71
Price as at 7 January 2011

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	9.4	9.4	(0.8)
Relative*	7.6	(6.0)	(0.3)

* % Relative to local index

Analyst

Richard Finch

Fashion B Air (ALFBA)

Market cap: €27m

COMPANY COMMENT

Activity continues a plenty with 2010 sales (due imminently) forecast to be up by 30% thanks to an especially buoyant Q4 (c +60%). Progress is reported across the board with owned shops generating a 26% increase in Q3 (+7% like-for-like) and visits to the group's website growing tenfold since its revamp in the summer. More of the same may be expected from an acceleration in outlet openings in France and abroad and in online sales (targeted €5m in 2012, potentially c 15% of the group's outturn). A recent €8m private fund-raising so soon after last summer's €2.5m transaction shows management's eagerness to capitalise on growing awareness of the Bel Air brand.

INDUSTRY COMMENT

Markit's latest survey shows French retail sales continuing to rise sharply in December, indeed at the fastest rate since pre-recession. Confidence persists about January sales despite lower consumer purchasing power and high unemployment. Bel Air's relatively mainstream position despite moving upscale is highly competitive owing to cheap imports and low barriers to entry.

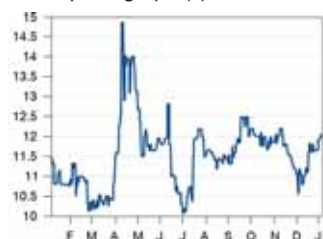
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	13.04	2.62	5.95	N/A	N/A
2009A	15.49	1.77	1.26	N/A	N/A
2010E	19.18	3.05	1.83	N/A	N/A
2011E	21.80	3.47	2.05	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €12.01
Price as at 7 January 2011

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	11.4	0.1	4.9
Relative*	9.5	1.1	5.5

* % Relative to local index

Analyst

Richard Finch

Fountaine Pajot (ALFPC)

Market cap: €18m

COMPANY COMMENT

The long-promised recovery duly materialised in Fountaine Pajot's half to August as sales rose for the first time since pre-recession (albeit more slowly than the c 10% guidance) and profitability was restored (again, only at a fraction of pre-recession levels). Encouragingly, the company is now well placed to benefit from its commitment to its model launch programme during hard times, which has delivered arguably the most modern and complete range in the market. The current period has started well.

INDUSTRY COMMENT

Strong interest at the winter shows has prompted Beneteau to confirm its forecast of boat sales up by 20% in its year to August. Recovery is endorsed also by Rodriguez, which grew sales by 10% in the half to last August and recently reported some significant transactions at the luxury end of the yacht market.

Y/E Aug	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	33.80	1.90	(0.50)	N/A	N/A
2010A	32.20	(1.80)	(2.40)	N/A	N/A
2011E	35.50	1.30	0.60	0.36	33.36
2012E	38.90	2.40	1.20	0.75	16.01

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €1.33
Price as at 7 January 2011

Share price graph (€)



Company description

GEI Aviation (formerly Reims Aviation Industries), 94% owned by GEI 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	0.0	(15.8)	(31.8)
Relative*	(1.7)	(16.9)	(31.4)

* % Relative to local index

Analyst

Richard Finch

GEI Aviation (ALRAI)

Market cap: €88m

COMPANY COMMENT

Development continues apace at GEI Aviation with work set to start soon on the production facility for the new Skylander aircraft (the first prototype is due to fly by the end of 2011 with deliveries starting a year later). Meanwhile capacity is being added to meet expected increasing demand for the F406, a proven leader in surveillance. An agreement with a Chinese client for 10 F406 underpins a group portfolio of about 30 aircraft (total value c €150m) subject to order or advanced negotiation. Excluding Skylander development costs, the company remained loss making at the trading level in H1 but will benefit from an expected doubling of sales in the half to March. NB 2010 results are for a 15-month period.

INDUSTRY COMMENT

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

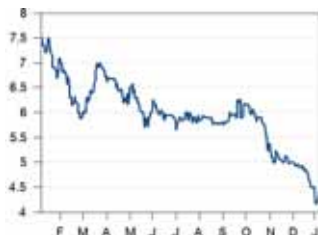
Y/E Dec / Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	5.63	(2.02)	(2.26)	N/A	N/A
2010A	9.30	0.00	(3.60)	N/A	N/A
2011E	18.40	(0.90)	(1.80)	(0.03)	N/A
2012E	22.00	2.30	1.30	0.02	66.50

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €4.44
Price as at 7 January 2011

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	(10.1)	(25.5)	(40.8)
Relative*	(11.6)	(32.7)	(40.5)

* % Relative to local index

Analyst

Mick Cooper

Genfit (ALGFT)

Market cap: €52m

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 that 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

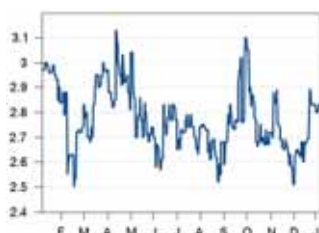
Sector: Pharma & Healthcare

GenOway (ALGEN)

Market cap: €17m

Price: €2.82
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	7.2	(1.7)	(5.1)
Relative*	5.4	(8.4)	(4.5)

* % Relative to local index

Analyst

Mick Cooper

COMPANY COMMENT

GenOway maintained its momentum in H110. The company reported its first profits in FY09 and in H110 it grew sales by 10% to €3.6m and its net income by 300% to €0.12m, despite exceptional costs. GenOway's competitive position was strengthened further in November 2010 when the USPTO issued a family of patents protecting an important product line, the MetaboMouse, until 2026; the company expects similar patents to be granted in Europe and Japan. It is optimistic about the future following the renewal of a major contract by the University of Frankfurt in September 2010 and believes further productivity gains can be made in 2011.

INDUSTRY COMMENT

Genetically modified animal models enhance the R&D process during the development of novel therapeutic drugs. 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 important in vivo analysis.

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	7.30	0.90	1.00	0.16	17.63
2011E	8.20	1.20	1.20	0.20	14.10

Where available, consensus data has been sourced from Thomson Datastream

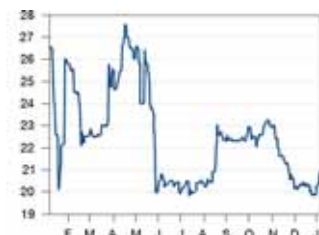
Sector: Property

Groupe Proméo (ALMEO)

Market cap: €64m

Price: €20.96
Price as at 7 January 2011

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	2.9	(6.8)	(21.1)
Relative*	1.2	(8.6)	(20.6)

* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

First-half turnover, at €47.5m, was 3.5% ahead of H109. Revenues from Village Heritage Center, the largest division, fell 8% to €33.7m due to product launch delays, but bookings were up 22% y-o-y by the end of August. Village Recreation Center achieved 52% H1 sales growth to €13.3m. A confident H2 outlook identified a €95.4m reservation backlog for VHC at the end of August, 5% ahead of H109 and 32% growth in VRC sales from accommodation by mid-September. In December the group launched seven new Mediterranean destinations for the 2011 season.

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	134.07	14.35	6.74	2.21	9.48
2011E	153.78	17.18	8.62	2.81	7.46

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €25.30
Price as at 7 January 2011

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	4.5	0.8	33.9
Relative*	2.8	(0.0)	34.6

* % Relative to local index

Analyst

Richard Finch

Harvest (ALHVS)

Market cap: €35m

COMPANY COMMENT

A 28% advance in Q3 sales exceeded best expectations, further endorsing Harvest's successful business model. The ability to serve key large accounts paid off as conditions improved, as did its long-standing focus on recurrent income (over two-thirds of group sales are from maintenance and licence leasing). Although Q4 gain is unlikely to match that of Q3, management is very positive about the rest of 2010 and the current year. 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.

INDUSTRY COMMENT

According to INSEE, the French economy should grow by 0.5% in Q410 (+1.6% for 2010 as a whole). In 2011 growth may weaken to 0.3% in Q1 and 0.4% in Q2. The economy should thus continue its moderate post-recession trend.

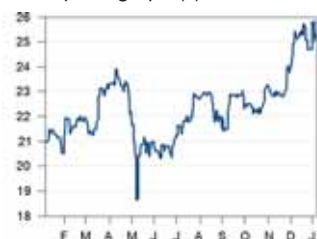
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.23	2.85	1.92	1.39	18.20
2009A	13.24	2.72	2.33	N/A	N/A
2010E	15.23	3.59	2.25	N/A	N/A
2011E	16.30	3.53	2.45	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €25.23
Price as at 7 January 2011

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	0.1	12.1	20.4
Relative*	(1.6)	5.1	21.1

* % Relative to local index

Analyst

Stephen Rogers

Heurtey Petrochem (ALHPC)

Market cap: €82m

COMPANY COMMENT

As we highlighted last quarter, the company is benefiting from a return to growth in its major end markets (particularly refining), as well as rising demand from emerging economies including India and China. Group revenues for the nine months to September were up 10% to €55.5m with the breakdown 47% refining, 29% petrochemicals and 24% hydrogen. This compares with the interim period when refining accounted for 43% of sales, with petrochemicals and hydrogen representing 32% and 25% respectively. Looking forward, it appears that refining will continue as the major driver of group revenues, accounting for 58% of the order backlog of €288m at the end of Q3.

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	20.68
2009A	200.10	7.40	2.80	0.80	31.54
2010E	226.28	8.50	5.11	1.71	14.75
2011E	241.45	9.00	6.49	2.13	11.85

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €8.00
Price as at 7 January 2011

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	(0.1)	23.3	32.2
Relative*	(1.8)	12.7	33.0

* % Relative to local index

Analyst

Roger Leboff

Hitechpros (ALHIT)

Market cap: €15m

COMPANY COMMENT

October's Q3 update confirmed growth in line with targets, up 21% over Q309 and 15% y-o-y for the first nine months of 2010. The Staffing business remains key to that performance, with Hitechpros reporting that over 100 companies, from SMEs to large multinationals, used it this year to build teams to implement IT projects. The positive outlook included further double-digit growth this year and €4m of cash. Full-year 2010 sales and profits will be announced on 28 February.

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	16.33
2009A	10.53	1.04	0.46	N/A	N/A
2010E	12.01	1.08	0.80	0.44	18.18
2011E	12.99	1.19	0.88	0.45	17.78

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €1.63
Price as at 7 January 2011

Share price graph (€)



Company description

Holosfind (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	(8.0)	(39.2)	(47.6)
Relative*	(9.5)	(42.4)	(47.3)

* % Relative to local index

Analyst

Roger Leboff

Holosfind (ALHOL)

Market cap: €5m

COMPANY COMMENT

Holosfind is adamant that a weaker first half is not representative of the full-year outcome. H110 turnover, at €4.40m, was around half that for the comparable period in 2009; EBITDA and operating profit were similarly well down. The statement, however, expects the benefits of a transformed business model, which has shifted the focus to higher margin, lower volume activities, such as iPhone applications and mobile internet marketing offerings, to flow through in the second half. This outlook is supported by a growing order book and customer base.

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).

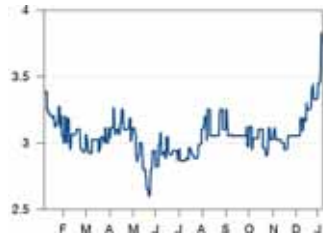
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	17.58	0.09	(0.08)	(0.28)	N/A
2009A	15.80	0.70	0.50	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €3.75
Price as at 7 January 2011

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	17.9	23.8	10.9
Relative*	15.9	16.3	11.6

* % Relative to local index

Analyst

Richard Finch

Homair (ALHOM)

Market cap: €50m

COMPANY COMMENT

Optimism has trumped the caution sparked by increased low-season losses and the failure of May's update to confirm guidance of c 10% EBITDA gain for the year to last September. In fact, not only did EBITDA rise by 14% on double-digit growth in mobile-home holiday sales but guidance is for an even sharper rise in EBITDA (over 20%) in the current period, assuming continued buoyancy and inclusion of the proposed purchase of Thomson Al Fresco, which will boost mobile-home stock by 15%. Such expansion contradicts competitors who have cut capacity (eg Eurocamp -4% for FY11), and have an asset-light model. At September (before the Thomson deal), Homair's gearing was over 100% and net debt/EBITDA 2.4x.

INDUSTRY COMMENT

The need to invest to meet the long-standing 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 almost flat FY10 sales despite 8% less capacity.

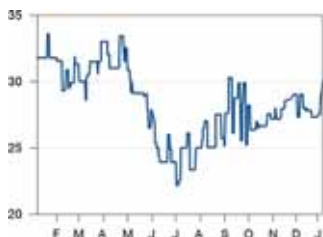
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	42.70	5.80	2.41	N/A	N/A
2010A	46.57	7.05	2.15	N/A	N/A
2011E	51.80	N/A	2.00	0.14	26.79
2012E	56.70	N/A	2.50	0.16	23.44

Where available, consensus data has been sourced from Thomson Datastream

Sector: Travel & Leisure

Price: €30.00
Price as at 7 January 2011

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	3.4	13.9	(5.5)
Relative*	1.7	6.5	(5.0)

* % Relative to local index

Analyst

Richard Finch

Hotel Regina Paris (ALHRP)

Market cap: €71m

COMPANY COMMENT

Although impressive RevPAR growth in Q3 spurred like-for-like revenue growth of 15%, there was no accompanying gain in trading profit, rather a material reverse, which is disheartening after progress in the previous quarter. Management has not commented further on its warning early last year of a predicted price war among Paris hoteliers. There is no formal guidance for 2010, other than for a net loss. The period bears the cost of re-opening one of the group's three properties, the Majestic, in January after a €25m refurbishment. Senior management has recently been reorganised and the share listing moved from Euronext to reflect better the company's status.

INDUSTRY COMMENT

Industry research shows trading in Paris to have picked up in November after the disruption caused by October's strikes. According to Deloitte, the 4-star segment achieved 7% RevPAR growth (10% YTD), driven by average room rate rather than occupancy, which was already high last year. There has been a strong rise in overseas visitors.

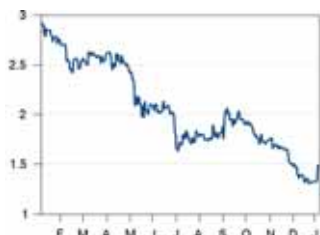
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.00	1.70	2.00	N/A	N/A
2009A	17.50	(0.20)	1.10	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €1.47
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	8.1	(22.2)	(49.7)
Relative*	6.3	(22.4)	(49.4)

* % Relative to local index

Analyst

Robin Davison

Hybrigenics (ALHYG)

Market cap: €18m

COMPANY COMMENT

Hybrigenics is developing an analogue of vitamin D3, inecalcitol, for the treatment of prostate cancer and severe psoriasis. The drug could potentially be launched in 2017 and generate revenues of c \$4bn across these two major indications. Recent data from a Phase IIa trial in castrate resistant prostate cancer provided evidence of inecalcitol's excellent tolerability in combination with doxorubicin (Taxotere) and promising indications of efficacy. The development of inecalcitol and the preclinical pipeline is partly funded by the income from Hybrigenics's service division, a leader in detecting protein-protein interactions using yeast two-hybrid techniques. Hybrigenics had a net cash position of €3.0m in June and can draw €11.6m from an equity line with Yorkville, which could fund clinical activity beyond 2012.

INDUSTRY COMMENT

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

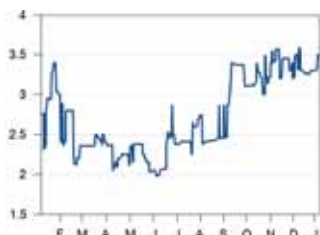
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	4.33	(7.20)	(6.40)	N/A	N/A
2009A	4.60	(4.90)	(4.20)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €3.48
Price as at 7 January 2011

Share price graph (€)



Company description

i2S specialises in designing, creating, manufacturing and marketing imaging systems and equipment.

Price performance

%	1m	3m	12m
Actual	(3.1)	11.5	26.1
Relative*	(4.7)	28.1	26.8

* % 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.

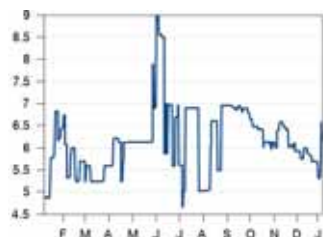
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	13.30	(0.50)	(0.40)	N/A	N/A
2009A	9.78	(0.07)	(0.30)	N/A	N/A
2010E	12.60	0.34	N/A	N/A	N/A
2011E	13.87	0.73	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Industrial Support Services

Price: €6.14
Price as at 7 January 2011

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	6.8	(5.1)	25.8
Relative*	5.0	8.9	26.5

* % Relative to local index

Analyst

Roger Leboff

IC Telecom (ALICT)

Market cap: €14m

COMPANY COMMENT

After a change in accounting policy, turnover for the year to end June 2010 came in at €18.3m, 16% ahead of FY09. Pre-tax profit was up from €0.7m to €2.3m, which reflected higher contribution from recurring revenues, at better margins. The group raised €3.2m in August 2010. This will finance investment to accelerate growth on the back of growing demand for IP telephony from the SOHO market and build its profile among a growing client base as a single point of contact for telecoms needs. Two new offices were opened this year, in Lille and Nantes.

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: €29.51
Price as at 7 January 2011

Share price graph (€)



Company description

IDSUD specialises in supplying financial services.

Price performance

%	1m	3m	12m
Actual	2.1	5.4	(0.7)
Relative*	0.4	16.3	(0.1)

* % Relative to local index

Analyst

Roger Leboff

IDSUD (ALIDS)

Market cap: €28m

COMPANY COMMENT

IDSUD has reported revenues of €4.1m for the first nine months of 2009, broadly in line with a year earlier. Travel activities were stable (with a 10% pick up in Q3), currency and precious metals transactions 3% ahead. That suggests some recovery may be underway after a difficult 2009, during which declines in underlying revenues were compounded by provisions within its real estate (France and Morocco) and gaming activities, which suffered a sharp loss in overseas territories due to an inability to secure previously agreed bank finance.

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 includes plans to seek disposals of elements of the property portfolio.

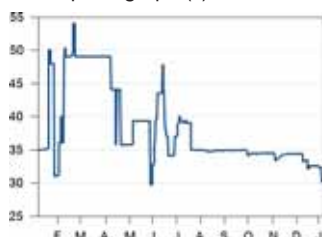
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	2.40	(5.30)	(2.30)	N/A	N/A
2009A	2.10	(8.10)	(4.70)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €30.50
Price as at 7 January 2011

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	(11.2)	(11.3)	(13.0)
Relative*	(12.7)	(31.1)	(12.5)

* % Relative to local index

Analyst

Richard Finch

Inventoriste (ALIVT)

Market cap: €40m

COMPANY COMMENT

A 15% rise in H1 sales has been driven by international expansion, notably a small acquisition in Belgium on the eve of the period and a Polish start-up in February. Core trading looks to have remained difficult as trading profit more than halved owing to continued client budget cuts and stock rationalisation. There is no formal guidance for the rest of 2010, which will include the company's new Moroccan franchise. Last summer long-standing investor Barberine increased its holding to 95%. In 2009 key investors, holding 87%, offered to buy out minority holders via a price guarantee of €24.

INDUSTRY COMMENT

Markit's latest survey shows French retail sales continuing to rise sharply in December, indeed at the fastest rate since pre-recession. Confidence persists about January sales despite lower consumer purchasing power and high unemployment.

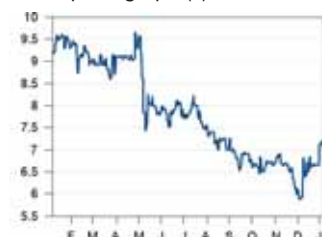
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	23.29	3.46	2.22	1.69	18.05
2009A	17.86	0.67	0.38	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €6.96
Price as at 7 January 2011

Share price graph (€)



Company description

Ipsogen develops molecular diagnostic tests for leukaemia and breast cancer.

Price performance

%	1m	3m	12m
Actual	2.4	5.1	(23.9)
Relative*	0.6	(20.8)	(23.5)

* % Relative to local index

Analyst

Mick Cooper

Ipsogen (ALIPS)

Market cap: €35m

COMPANY COMMENT

Ipsogen's sales increased 17% to €3.8m during H110, caused by the sales of diagnostic kits growing 36%. However, licensing revenue fell 11% as there were a large number of new contracts with non-recurring payments in H109. The key sales driver is its JAK2 test, which detects biomarkers for myeloproliferative disorders including leukaemia. Despite the sales growth, the net loss increased from €0.6m to €2.5m primarily because of higher sales and marketing expenses (+88%) and R&D costs (+87%). This investment should increase sales of its current kits and lead to the launch of new tests including one for breast cancer.

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.

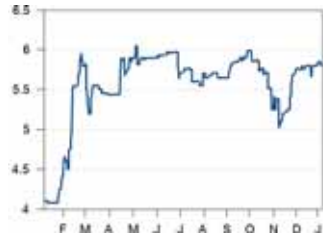
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	4.12	(1.27)	(1.10)	N/A	N/A
2009A	6.73	(2.70)	(2.57)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €5.81
Price as at 7 January 2011

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	0.2	(0.9)	41.7
Relative*	(1.5)	(10.5)	42.5

* % Relative to local index

Analyst

Roger Leboff

Keyyo (ALKEY)

Market cap: €17m

COMPANY COMMENT

A strong first half was maintained in Q310 which, at €5.1m revenues, was another record quarter. Group sales for the first nine months of the year were €14.7m, up 9% y-o-y, driven by sales of VoIP subscriptions to SMEs. Despite a tough year, direct sales to individual retail customers was just 2% short of the figure achieved for the comparable period. The outlook remains confident, backed by focus on profitable niches and ready capacity for three years of growth.

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	38.73
2009A	18.40	0.92	1.00	0.38	15.29
2010E	20.15	0.65	0.85	0.30	19.37
2011E	22.97	1.17	1.27	0.45	12.91

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €29.04
Price as at 7 January 2011

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	5.9	11.4	62.8
Relative*	4.2	17.1	63.7

* % Relative to local index

Analyst

Fiona Orford-Williams

LeGuide.com (ALGUI)

Market cap: €102m

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 11.6m unique visitors across Europe in August 2010, operating primarily on a CPC model. Q310 revenues were well ahead (+21%), representing ytd growth of 18%, all of which was organic. New partnerships have been instigated with La Poste and Liberation and the number of merchants represented continues to build; 64k at end September compared to 57k at the previous year-end.

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. Trade body FEVAD estimates that Q310 e-Commerce sales were +22% year-on-year, with Christmas shopping expected to be around €6.1bn, against €5bn for 2009.

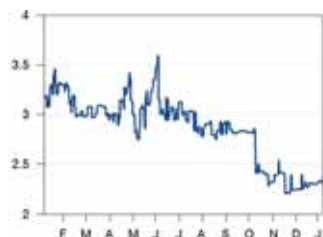
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	17.98	5.50	3.50	1.04	27.92
2009A	23.00	7.10	3.30	N/A	N/A
2010E	26.75	9.50	6.10	1.86	15.61
2011E	29.80	10.50	6.90	2.14	13.57

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.28
Price as at 7 January 2011

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).

Price performance

%	1m	3m	12m
Actual	(4.6)	(20.0)	(27.8)
Relative*	(6.2)	(32.3)	(27.4)

* % Relative to local index

Analyst

Roger Leboff

Logic Instrument (ALLOG)

Market cap: €5m

COMPANY COMMENT

The group reported a sharp 43% decline in revenues in H110, as the impact of the economic crisis caught up with military procurement cycles. The affect was compounded by the delayed launch of Fieldbook, its ultra mobile PC (UMPC), into Q2. A €1.23m capital injection underpins finances and will support development of new products. Profit margins have nonetheless held up well after group restructuring and refocus. During H110 the group signed two major contracts with Melchior (French army) and Atlas (UAE), with Thales. These should add €2.8m in H2, plus \$3.1m from its US subsidiary's deal with General Dynamics.

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 the new Fieldbook product in France, provide more confidence for the outlook, backed by 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: €13.88
Price as at 7 January 2011

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	3.6	4.4	46.9
Relative*	1.8	10.9	47.7

* % Relative to local index

Analyst

Richard Finch

Maesa (ALMAE)

Market cap: €43m

COMPANY COMMENT

Maesa's key Q3 has turned up trumps with sales up by 56% and a strong orderbook prompting full-year guidance to be raised from +21% to +25% and expectation of more than doubling EBITDA. Unsurprisingly, this optimism extends well into 2011, given breakthrough reference contracts with leading global retailers such as Zara and Payless and scope for developing existing accounts such as L'Oreal and Carrefour. Meanwhile there has been a strengthening of management and a marked reduction in debt following adjustment of the US earn-out and a €3m placing with US management. H1 losses (no comparatives available) apparently reflect trading seasonality (only 30% of annual sales).

INDUSTRY COMMENT

L'Oreal has confirmed its aim of "strengthening over the full-year its profitability", despite rising consumer spending pressures. Q3 saw organic growth (6%) on a par with H1 despite a less favourable base. New markets such as Asia Pacific and Latin America led the way with low double-digit growth, while Western Europe was up by 2% and North America by 4%.

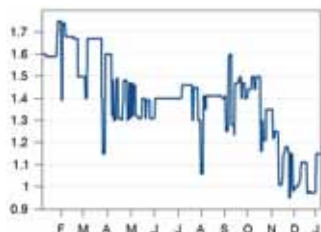
Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	38.70	5.60	2.00	N/A	N/A
2009A	62.80	0.60	(2.80)	N/A	N/A
2010E	70.70	N/A	2.50	0.77	18.03
2011E	81.60	N/A	4.70	1.42	9.77

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €1.15
Price as at 7 January 2011

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	12.7	(23.3)	(28.1)
Relative*	10.8	(30.1)	(27.7)

* % Relative to local index

Analyst

Fiona Orford-Williams

MaKheiA Group (ALSEQ)

Market cap: €6m

COMPANY COMMENT

MaKheiA 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. Like-for-like gross profits were down 13% for H110 y-o-y, but this reflects the group restructuring and walking away from unprofitable business. Lower overheads and a concentration on higher value-add business has enabled margins to recover strongly from 1.6% in H109 to 4.1% in H110.

INDUSTRY COMMENT

The rapidly changing background is making the management of brand image a far more complex activity, with social media exerting substantive influence. Estimates of current year advertising spend are around 8%, with a similar level of growth expected in FY11. The implementation of the 1% advertising tax has been delayed until July and it is as yet unclear what effect this will have.

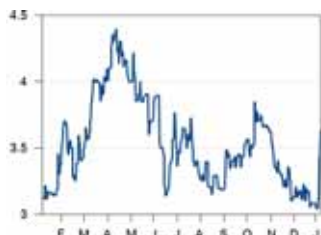
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	27.10	(0.20)	(0.17)	(0.03)	N/A
2009A	27.20	(1.06)	(1.24)	(0.25)	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Bldg Mat.

Price: €3.63
Price as at 7 January 2011

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	15.2	3.7	16.3
Relative*	13.3	(10.5)	17.0

* % Relative to local index

Analyst

Richard Finch

Mastrad (ALMAS)

Market cap: €19m

COMPANY COMMENT

A sharp fall in H2 profit at Mastrad's core French operation compounds July's disappointment of a missed full-year group sales target (+15% against +20%), and is all the more disappointing given previous success. North America remained unprofitable despite a respectable pick-up in H2 sales, while a reduced loss at Kitchen Bazaar on top of sales growth for the first time since 2008 may endorse management's decision to take full control of the persistent loss-maker. Guidance for FY11 is uncharacteristically cautious, suggesting only that a fast-expanding product range and a revamped sales team make Mastrad well-placed for further profit growth.

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.

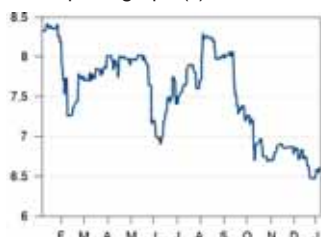
Y/E Jun	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	18.09	0.24	0.00	N/A	N/A
2009A	22.64	0.68	0.81	N/A	N/A
2010E	28.60	2.00	1.40	0.27	13.44
2011E	31.50	2.50	1.80	0.34	10.68

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €6.60
Price as at 7 January 2011

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	(1.8)	(8.3)	(20.8)
Relative*	(3.4)	(22.4)	(20.3)

* % Relative to local index

Analyst

Fiona Orford-Williams

Maximiles (ALMAX)

Market cap: €27m

COMPANY COMMENT

Maximiles has 7.5m members in mutual schemes on over 100 merchants' sites, with a further 50 white-label schemes, the latest significant signing being Virgin Megastores. H110 revenues were flat on the year. Maximiles has been investing in its online panels business, where growth has been much stronger. August's acquisition of German panels business, Panelbiz, extends the group's reach to seven European territories with over two million panellists. H110 direct marketing activities stayed weak (-39%) in a market undergoing structural change.

INDUSTRY COMMENT

French e-commerce continues to strengthen, with industry body FEVAD estimating Q310 sales up 22%. Spending over the Christmas period is anticipated to be €6.1bn against €5bn in 2009. Numbers of online merchants continue to increase, including many bricks-and-mortar retailers adding online channels. 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	10.00
2009A	15.58	1.90	0.62	N/A	N/A
2010E	16.55	1.90	1.05	0.36	18.33
2011E	19.65	2.40	1.35	0.46	14.35

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pharma & Healthcare

Price: €7.27
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	8.2	11.8	15.9
Relative*	6.4	7.5	16.6

* % Relative to local index

Analyst

Mick Cooper

MEDICREA International (ALMED) Market cap: €56m

COMPANY COMMENT

MEDICREA maintained its strong sales growth in Q310, with revenues rising 48% to €4.6m compared to 30% during H110. This has been driven primarily by sales of the PASSLP thoraco-lumbar fixation system in the US. There is still considerable growth potential in the US, the largest spinal market, where there are c 7,000 specialist US surgeons. Additional sales growth should come from the continued launch of the GRANVIA C, a cervical disk prosthesis, and the establishment of more distribution subsidiaries in Europe. MEDICREA believes the sales growth will enable it to deliver a positive operating cashflow and an EBIT throughout Q410 for the first quarter in its history.

INDUSTRY COMMENT

The orthopaedic implant market for spinal surgery is estimated to be worth \$9bn and to be growing at c 10% 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 that promote cost savings.

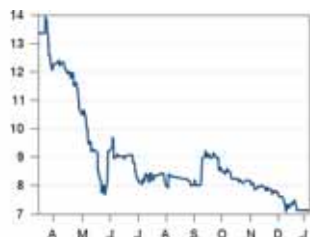
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	9.00	(3.80)	(5.10)	N/A	N/A
2009A	13.10	(2.40)	(2.60)	N/A	N/A
2010E	18.50	(0.70)	(1.50)	(0.20)	N/A
2011E	26.10	2.90	1.90	0.25	29.08

Where available, consensus data has been sourced from Thomson Datastream

Sector: Consumer Support Services

Price: €7.13
Price as at 7 January 2011

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	(3.0)	(16.1)	N/A
Relative*	(4.6)	(22.3)	N/A

* % Relative to local index

Analyst

Richard Finch

Merci Plus Groupe (ALMCI)

Market cap: €8m

COMPANY COMMENT

Following the disposal of the founder's 66% holding to Viadom, controlled by Rothschild funds, an offer is to be made to minority shareholders at €14.35 per share. This is the price at which Merci Plus was launched on the market last March and is about twice that immediately before the change of ownership, and is 43% higher than that realised by the founder (the shares are currently suspended). The group enjoyed a reasonable H110 with further growth in sales (+6%), partly reflecting agency expansion, and in margins (10% against 7% in 2009). Guidance was for lower overall sales growth and margins in the seasonally-weaker H2 because of tough conditions.

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.

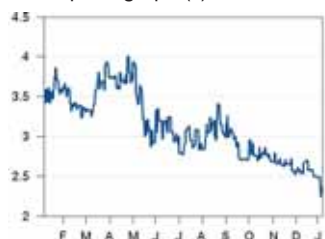
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.70	0.16	0.16	375.00	0.02
2009A	13.10	0.90	0.70	20.08	0.36
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €2.35
Price as at 7 January 2011

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	(7.8)	(14.9)	(34.4)
Relative*	(9.4)	(28.1)	(34.0)

* % Relative to local index

Analyst

Richard Finch

MG International (ALMGI)

Market cap: €8m

COMPANY COMMENT

In the absence of corporate news since H1 results, the weakness of MG's share price suggests caution about the resilience of high-ticket consumer items. The company remained in trading loss (albeit reduced) in the half to June despite sales up by 40% thanks to the 2009 merger with Maytronics. 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 is expected over the medium term as the commercial synergies of the Maytronics partnership are developed both in France and internationally.

INDUSTRY COMMENT

French retail sales continued to rise sharply in December (per Markit), indeed at the fastest rate since pre-recession. Confidence persists about January sales despite lower consumer purchasing power and high unemployment, which could stifle willingness to make major purchases such as swimming pools.

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: €9.52
Price as at 7 January 2011

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	(2.4)	7.7	18.3
Relative*	(4.0)	(0.5)	18.9

* % Relative to local index

Analyst

Roger Leboff

MGI Dig Graphic Tech (ALMDG)

Market cap: €45m

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	18.90	3.50	2.70	0.58	16.41
2011E	21.30	4.00	3.20	0.67	14.21

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €10.00
Price as at 7 January 2011

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	13.0	42.9	23.3
Relative*	11.1	36.7	24.0

* % Relative to local index

Analyst

Roger Leboff

Microwave Vision (ALMIC)

Market cap: €36m

COMPANY COMMENT

First-half momentum continued into Q3. The group achieved 31% - entirely organic - growth in sales in the first nine months of 2010, with contributions across all divisions and geographies. Aerospace and defence was particularly strong, up 59%, telecoms was 41% better. Revenues were evenly spread across North America, Asia and Europe. The order backlog was €32.2m at the end of October, from €30.3m at 30 June, providing good visibility for the second-half performance and beyond, assisted by efforts to control costs and improve margins.

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.

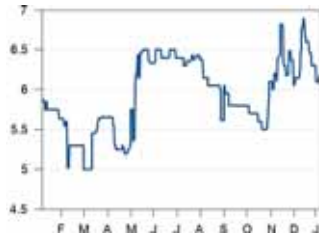
Y/E Mar / Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	21.33	(3.00)	(2.10)	N/A	N/A
2009A	34.83	(0.28)	(0.19)	N/A	N/A
2010E	43.60	3.80	3.10	0.91	10.99
2011E	47.50	5.40	3.70	1.06	9.43

Where available, consensus data has been sourced from Thomson Datastream

Sector: Pcare and household prd

Price: €6.17
Price as at 7 January 2011

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	(0.5)	8.2	4.9
Relative*	(2.2)	(14.5)	5.5

* % Relative to local index

Analyst

Roger Leboff

Millet Innovation (ALINN)

Market cap: €12m

COMPANY COMMENT

The group remains on track for 20% plus revenue growth for FY10. The first six months were ahead by 37% to €10.1m, with export markets particularly strong. Operating margins were slightly lower at 13.8% vs 15.3% for the prior period. That reflects the success of newer products tailored for a more cost-conscious market and investment in building the EPITACT brand - well established in France and Belgium - in international markets such as Switzerland, Italy and Portugal.

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.

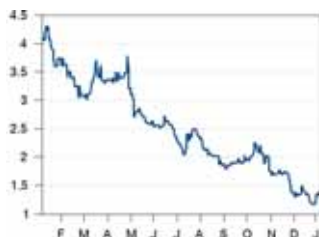
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.17	0.38	0.03	N/A	N/A
2009A	12.50	1.86	1.14	N/A	N/A
2010E	15.32	2.24	1.30	0.69	8.94
2011E	15.87	2.35	1.38	0.73	8.45

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €1.37
Price as at 7 January 2011

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	3.0	(32.2)	(66.6)
Relative*	1.3	(43.2)	(66.4)

* % Relative to local index

Analyst

Richard Finch

Mindscape (ALMIN)

Market cap: €7m

COMPANY COMMENT

Mindscape's H1 results were weak with a halving of gross profit, higher trading losses and sales down by 13%. Management contends that this is both a justification and a function of its wholesale re-positioning towards markets of high potential. Little fresh content was launched, after all, in its traditional areas and in Q3 the Australian operation was sold as non-core. There is no quick fix (-2% sales in Q3 confirmed this transitional period), with any pick-up expected only late in the 15-month period to March 2011, assuming successful development of games on new generations of platforms, including its own proprietary system, re-named Karotz.

INDUSTRY COMMENT

Further c 25% declines in the Nintendo DS and Nintendo Wii markets in H110 risk obscuring the strong growth prospects for global gaming (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	34.25

Where available, consensus data has been sourced from Thomson Datastream

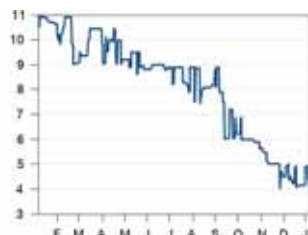
Sector: General Retailers

Monceau Fleurs (ALMFL)

Market cap: €23m

Price: €4.01
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(7.8)	(33.2)	(61.8)
Relative*	(9.4)	(60.0)	(61.6)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Imminent results for the year to September may explain Monceau's continuing share price weakness. The company found the going tough in the half to March, with sales up just 3% despite expansion 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.

INDUSTRY COMMENT

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

Y/E Sep	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	30.70	0.73	0.30	N/A	N/A
2009A	54.00	0.56	(2.10)	N/A	N/A
2010E	69.05	N/A	(0.82)	(0.08)	N/A
2011E	83.40	N/A	1.90	0.30	13.37

Where available, consensus data has been sourced from Thomson Datastream

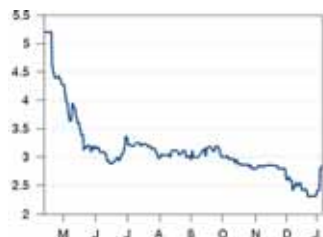
Sector: Pharma & Healthcare

Neovacs (ALNEV)

Market cap: €37m

Price: €2.82
Price as at 7 January 2011

Share price graph (€)



Company description

Neovacs is developing novel immunotherapies for the treatment of auto-immune and inflammatory diseases.

Price performance

%	1m	3m	12m
Actual	13.3	(5.1)	N/A
Relative*	11.3	(21.8)	N/A

* % Relative to local index

Analyst

Mick Cooper

COMPANY COMMENT

In 2010 Neovacs raised €9.1m net via its Alternext IPO, and made good progress with its clinical programme. Its Phase I/II trial with TNF-kinoid in Crohn's disease showed the drug was well tolerated, and a clinical response rate of c 50% was seen at the two higher doses (of three). Further data will be presented at the ECCO Congress in February. A Phase II trial with TNF-kinoid in rheumatoid arthritis and a Phase I/II trial with INF-kinoid in lupus are under way, and a Phase IIa trial in Crohn's disease with TNF-kinoid began recruitment this month. All three trials are expected to report data in H111. Neovacs had €12.7m at the end of June 2010, which is sufficient for it to complete the three clinical studies.

INDUSTRY COMMENT

Neovacs's kinoids are immunotherapeutic products. Its lead product, TNF-kinoid, is being targeted at the anti-TNF market for the treatment of rheumatoid arthritis and Crohn's disease, which is worth over \$18bn. This drug has the potential to become a significant competitor in the market.

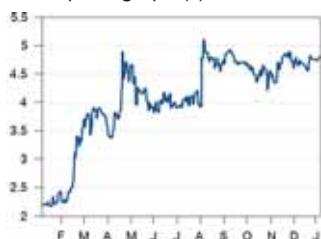
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.10	(5.29)	(4.63)	N/A	N/A
2009A	0.00	(8.38)	(6.90)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.82
Price as at 7 January 2011

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	1.7	4.8	119.1
Relative*	(0.0)	9.6	120.4

* % Relative to local index

Analyst

Fiona Orford-Williams

NetBooster (ALNBT)

Market cap: €47m

COMPANY COMMENT

While top-line like-for-like growth was hard to come by in H110, the buying in of the majority of Guava considerably boosted revenues. There were good client wins including lastminute.com, Eurosport Bet, TF1, Clarins, Thierry Mugler and Telemarket. Operating margins were greatly improved through productivity gains and cost control. The group operates in eight European countries, China, Brazil and the Philippines. In August, 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 over 90% on broadband. 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, with provisional estimates for 2011 of around 15%. It is as yet unclear what effect the new online advertising tax will have after its delayed introduction in July 2011.

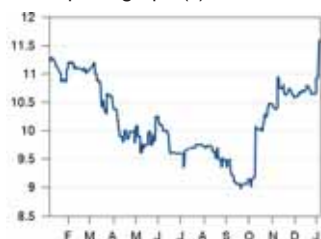
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2007A	33.60	1.77	0.48	0.08	60.25
2008A	43.80	1.20	(8.72)	N/A	N/A
2009E	N/A	N/A	N/A	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €11.59
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	8.8	26.4	3.5
Relative*	7.0	6.6	4.1

* % Relative to local index

Analyst

Roger Leboff

NEXEYA (ALNEX)

Market cap: €47m

COMPANY COMMENT

The group made an encouraging start to 2010/11, with Q1 (July-September 2010) sales ahead 18% at €27.5m. This was mainly due to the successful integration of BTS Industry, resulting in a 32% increase in systems division (61% of group sales) revenues. The services business produced a flat Q1, continuing its recovery back on an upward trend. The outlook is positive. The addition of BTS has positioned Nexeya among the leaders in the space field, with new product launches planned this year.

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)
2009A	109.51	7.40	4.20	N/A	N/A
2010A	111.48	7.84	5.34	N/A	N/A
2011E	124.60	9.50	6.10	1.50	7.73
2012E	129.60	10.00	6.50	1.61	7.20

Where available, consensus data has been sourced from Thomson Datastream

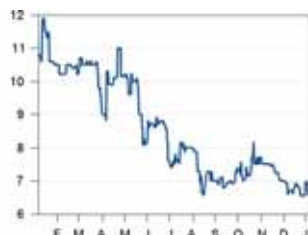
Sector: Technology

Notrefamille.com (ALNFA)

Market cap: €11m

Price: €6.50
Price as at 7 January 2011

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	(3.0)	(7.1)	(39.8)
Relative*	(4.6)	(23.1)	(39.5)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

Notrefamille.com is still finding the going tough, with Q3 sales down by 5% like-for-like. However, the sustained buoyancy of website traffic (up by almost a third year-on-year) and material investment, notably in staff, since the start of 2010 persuade management that returns will improve in the current year, albeit from a low base (H1 saw a sharp move into loss at the trading level). Last summer'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 enjoyed 22% growth in Q310 (29% in H1). While average transaction spend is stable, the drivers are new consumers (+17% in the year to June, reflecting a market much less developed than in the UK and Germany) and frequency of transaction. Genealogy is a mass-market activity in France, with almost two-thirds saying that they have engaged in research and know the company's site Genealogie.com, which 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	10.66
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

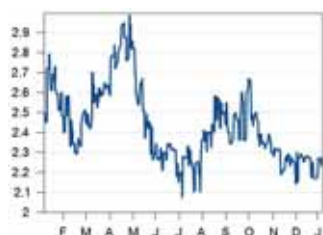
Sector: Technology

O2i (ALODI)

Market cap: €7m

Price: €2.27
Price as at 7 January 2011

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	(0.4)	(8.5)	(8.8)
Relative*	(2.1)	(11.3)	(8.3)

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

The half to June saw mixed fortunes for O2i's two market-leading activities. Engineering returned to profit despite unpromising conditions, whereas training (M2i on the Marche Libre) endured higher losses as a result of spending cutbacks being more severe than envisaged. Management is otherwise upbeat, reaffirming a "normalised" trading margin of 6% for engineering in 2012 (1% in H110) and a clear move into profit by training in the current year, thanks to higher sales and lower costs (management projects 5% to 7% organic top-line growth in a "normalised" market).

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: €10.50
Price as at 7 January 2011

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	(8.2)	(14.6)	(25.1)
Relative*	(9.8)	(34.4)	(24.7)

* % Relative to local index

Analyst

Richard Finch

Ober (ALOB)

Market cap: €15m

COMPANY COMMENT

Recent confirmation of Ober's long-standing sales target for 2010 and apparent successful integration of Stramiflex have failed to stem share price weakness. Despite a further pick-up in the group's major businesses in Q3, concern may justifiably persist about the Marotte subsidiary whose substantial H1 losses led to a halving of group margin; its Q3 sales are still falling, albeit less drastically than in H1. There may also be disappointment in Stramiflex, which was promoted on formation last year as high margin, yet H1 EBITDA was 9% against 17% at Oberflex. Stramiflex (60% of Stramica, a major counterpart in North Africa) brought new products, economies of scale and scope for expansion in Europe and the Middle East.

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.

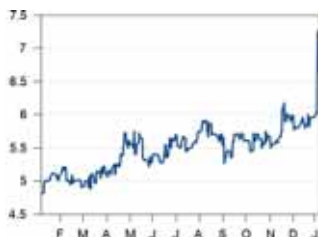
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	29.23	4.23	2.71	1.88	5.59
2009A	24.71	2.17	1.33	N/A	N/A
2010E	40.40	2.20	1.10	0.75	14.00
2011E	42.40	3.80	1.60	1.11	9.46

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.62
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	13.7	21.5	37.9
Relative*	11.8	6.8	38.7

* % Relative to local index

Analyst

Richard Finch

OCTO Technology (ALOCT)

Market cap: €23m

COMPANY COMMENT

It looks to be business as usual at OCTO as newly-announced Q4 sales growth of 23% confirms resumption of characteristic c 20% top-line growth. Impressively, the advance in 2010 has been organic, reflecting well on sustained investment in consultants and architects during the downturn and is now accelerating (+16% in H2 after +10% in H1 and +18% in 2009). H1 trading profit rose even faster than sales, by 30%, thanks to a higher achieved average daily rate despite pricing pressure. Management is looking also to repeat its success abroad with the recent opening of a branch in Belgium to follow Morocco and Switzerland (international sales more than doubled in 2010 to 8% of the group outturn).

INDUSTRY COMMENT

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

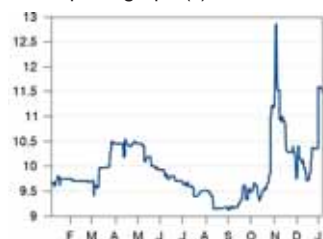
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	12.86	0.35	0.83	N/A	N/A
2009A	15.40	0.91	0.94	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €11.47
Price as at 7 January 2011

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	14.1	19.5	18.6
Relative*	12.2	5.1	19.3

* % Relative to local index

Analyst

Roger Leboff

Orolia (ALORO)

Market cap: €48m

COMPANY COMMENT

The Q3 update confirmed that 2010 remains on track, with 2011 also looking positive after recent acquisitions and benefiting from product launches this year. Third-quarter revenues were €12m, 81% ahead of Q309, or €7.5m and 14% like-for-like. This was achieved despite unfavourable seasonal factors and lower demand for emergency beacons for recreational marine and aviation. The navigation and timing divisions (52% of sales) had a strong quarter. Underlying organic revenue growth over the first nine months was 16.2%.

INDUSTRY COMMENT

The group's high-precision products are critical components for users in defence, security and telecommunication, with terrestrial, marine and aerospace applications. The global recession had the greatest affect on Orolia's test and measurement instruments division, but it has benefited from gradual recovery in the global economy and positive contributions from recent acquisitions. A broad portfolio should enable it to manage exposure to weaker areas, ie defence and tourism.

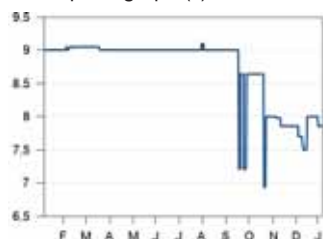
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	28.17	3.20	1.11	0.37	31.00
2009A	31.10	1.60	(3.10)	(1.11)	N/A
2010E	56.50	4.40	1.90	0.88	13.03
2011E	59.80	5.50	2.90	1.06	10.82

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €7.85
Price as at 7 January 2011

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	1.9	(9.1)	(12.8)
Relative*	0.2	(22.6)	(12.3)

* % Relative to local index

Analyst

Richard Finch

Piscines Groupe GA (ALPGG)

Market cap: €24m

COMPANY COMMENT

In the absence of corporate news (2010 results due in April), caution is understandable despite the apparent success of continued 20% sales growth in Q210 and a trebling of first-half trading profit. Management is sufficiently wary of consumer demand, aggressive pricing and weak comparatives to tone down its expectation last April of a return to profit in 2010 as a whole. Discouragingly, a volume increase of 25% in the seasonally stronger first half was barely a return to pre-recession levels and delivered lower profit despite substantial cost control. However, finances have improved through debt restructuring and stock rationalisation (minimal gearing at June).

INDUSTRY COMMENT

Market leader Piscines Desjoyaux reported continued recovery in French sales in the quarter to August, albeit more measured than in the previous quarter (+6% against +16%). As at Piscines Groupe, there is abiding pressure on margins. Modest market growth is expected in the current year.

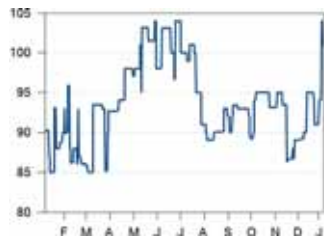
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	35.19	0.74	0.07	N/A	N/A
2009A	31.45	(0.43)	(1.18)	N/A	N/A
2010E	34.70	N/A	1.80	0.58	13.53
2011E	37.50	N/A	2.40	0.78	10.06

Where available, consensus data has been sourced from Thomson Datastream

Sector: Construction & Blding Mat.

Price: €101.01
Price as at 7 January 2011

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	13.2	6.3	12.0
Relative*	11.3	(10.4)	12.6

* % Relative to local index

Analyst

Roger Leboff

Poujoulat (ALPJT)

Market cap: €49m

COMPANY COMMENT

An upswing in construction, continued demand for renewable energies and international sales all contributed to accelerated growth in Q3. Consolidated Q3 revenues were €98.8m, 9% ahead y-o-y (exports up 24.5%), with the full year on track for around 10% growth. The caveat is a reported slowdown in areas related to commercial and industrial buildings, plus the affect of rising commodity and energy prices putting margins under pressure.

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.

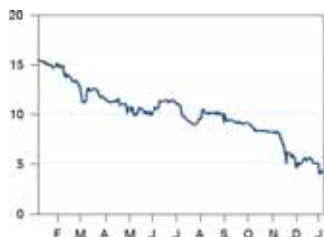
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	135.78	12.89	7.07	14.19	7.12
2009A	136.73	12.56	8.18	16.73	6.04
2010E	137.49	N/A	N/A	14.96	6.75
2011E	140.27	N/A	N/A	17.42	5.80

Where available, consensus data has been sourced from Thomson Datastream

Sector: Basic Industries

Price: €4.30
Price as at 7 January 2011

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	(18.9)	(49.9)	(72.3)
Relative*	(20.2)	(62.2)	(72.1)

* % Relative to local index

Analyst

Richard Finch

POWEO (ALPWO)

Market cap: €70m

COMPANY COMMENT

"Unsustainable" cash consumption, a doubling of forecast trading losses for 2010 thanks to weak energy prices and likely no quick fix to adverse regulatory conditions make dismal reading. Similarly, Q3 sales were sluggish compared with H1 as the seasonal dip in power generation could not make up for the continued structural fall in electricity sales ahead of market reform. Promised decisions on "strategic options" in respect of POWEO's finances are expected soon. Meanwhile, management has partially arranged the €400m financing of its planned doubling of generation capacity by early 2013.

INDUSTRY COMMENT

The French electricity market is viewed as one of long-term growth, even if demand management initiatives prove increasingly effective. Promised reform, aimed at ensuring that new entrants have access to incumbent operators' generation capacity at competitive prices, should clearly benefit alternative energy suppliers even if the full effect awaits publication of proposals still going through parliament.

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	687.50	(56.00)	(105.76)	(5.91)	N/A
2011E	837.40	(35.00)	(46.18)	(2.83)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €4.50
Price as at 7 January 2011

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	7.1	11.1	2.9
Relative*	5.3	1.1	3.5

* % Relative to local index

Analyst

Fiona Orford-Williams

Press Index (ALPRI)

Market cap: €7m

COMPANY COMMENT

Q310 revenues showed a return to modest growth, ranging from +0.7% in the domestic market (65% sales) to +5.9% in Italy (9% sales). Pickanews, a pan-European multimedia monitoring service officially launched in May 2010, 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 was launched during the quarter and has been well received. The transition to digital is in place and the group expects to grow for the full year.

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 (including social media monitoring), 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.

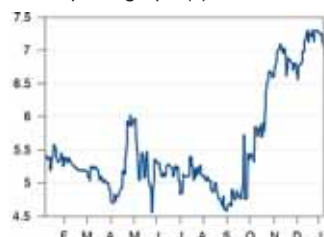
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	16.95	0.65	(2.41)	(1.46)	N/A
2009A	16.29	0.20	0.00	N/A	N/A
2010E	16.31	N/A	0.38	N/A	N/A
2011E	16.78	N/A	0.24	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €7.05
Price as at 7 January 2011

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	1.0	20.7	30.1
Relative*	(0.7)	22.6	30.8

* % Relative to local index

Analyst

Roger Leboff

Prodware (ALPRO)

Market cap: €30m

COMPANY COMMENT

Growth accelerated in Q3 across all divisions; turnover for the first nine months was up 7.2% on a comparable basis. The outlook remains for further growth in the current year, backed by significant contract wins and higher demand for its full range of services. This illustrates the benefits of investment over the last two years. H110 EBITDA was up 51%, with margins responding to close control over overheads and higher software sales to major French and international customers, supported by demand from SMEs.

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.

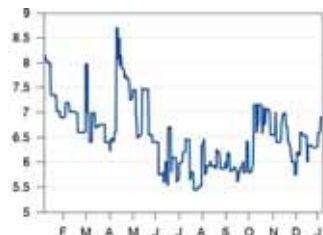
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	95.10	3.76	2.20	0.61	11.56
2009A	84.30	3.27	5.27	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.90
Price as at 7 January 2011

Share price graph (€)



Company description

Proservia specialises in providing engineering and computer services.

Price performance

%	1m	3m	12m
Actual	4.5	(3.5)	(15.3)
Relative*	2.8	(1.3)	(14.8)

* % Relative to local index

Analyst

Richard Finch

Proservia (ALPRV)

Market cap: €13m

COMPANY COMMENT

Proservia is continuing to outperform the market with further double-digit sales growth in Q3 and confidence about the quarter just ended. However, caution persists about pricing after a halving of H1 profit and a demanding 2009, when severe margin pressure was compounded by disappointment with two newer key ventures, which management sought to stem in the second half through cost cutting. Strong finances (€7m cash after the summer sale of WizTivi) allow the company to invest, including in active recruitment and growth by acquisition, eg, its newly announced deal with Finatel (brand NetLevel) that had sales of €6m in 2009 (Proservia €44m).

INDUSTRY COMMENT

Industry body Syntec has confirmed modest market growth in 2010 in line with its forecast. A slightly stronger rise (c 3%) is expected in the current year, albeit lower than pre-recession levels of 5% pa.

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: €0.18
Price as at 7 January 2011

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	(66.7)	(66.7)	(79.3)
Relative*	(67.2)	(70.4)	(79.2)

* % Relative to local index

Analyst

Richard Finch

Proventec (ALPTC)

Market cap: €7m

COMPANY COMMENT

While Proventec is glad to have restructured its debt, involving substantial conversion into equity, and to have disposed of some non-core businesses, management is under no illusion about the challenge of trading out of recession. However, high profile contract wins and expansion in the food manufacturing and automotive markets despite the company's financial uncertainty give encouragement, as do limited signs of market pick-up. The 18 months to September saw a 17% fall in gross profit on 3% lower sales (both like-for-like), owing to NHS spending cutbacks, a competitive janitorial supply market and the effect of weak sterling on buying.

INDUSTRY COMMENT

Reported MRSA and C difficile infections in the UK fell by a third in the year to March. This continuing and significant improvement is attributed to increased dedication to infection control in hospitals and in care homes (50% of infections not acquired in hospital). However, the bugs' capacity to develop resistance 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	1.40
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: Technology

ProwebCE (ALPRW)

Market cap: €32m

Price: €16.00
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	4.9	4.2	23.1
Relative*	3.2	28.5	23.8

* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

In its maiden results since its admission to Alternext in September, ProwebCE reported 24% organic growth in sales in H110. It reaped the benefits of investment in 2009 and the success of Meyclub, its e-commerce platform, which grew by 40% during the period. The average basket size and number of pages viewed on Meyclub were both sharply up in H1 and performed ahead of comparable sites, according to industry data. This was reflected in a 28% increase in pre-tax profit to €0.7m.

INDUSTRY COMMENT

There is potential for the group to grow its Meyclub user base over the next few years. First-half investment in business development and marketing helped it sign up 173 new customers, while initiatives such as September's launch of 'e-checks Meyclub' dematerialised gift certificates should contribute to future periods. The ProwebCE group has over 5,000 clients, all EC Works Councils whose budgets consist of subsidies paid by employer companies. The model provides strong visibility and a loyal client base.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	8.08	1.70	1.94	1.01	15.84
2009A	29.50	0.00	0.60	0.63	25.40
2010E	37.90	N/A	1.20	0.62	25.81
2011E	48.70	N/A	2.10	1.07	14.95

Where available, consensus data has been sourced from Thomson Datastream

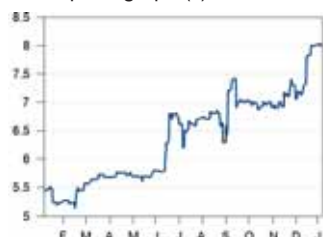
Sector: Construction & Bldg Mat.

Richel Serres (ALRIC)

Market cap: €40m

Price: €7.99
Price as at 7 January 2011

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	11.9	14.1	46.3
Relative*	10.0	13.6	47.2

* % Relative to local index

Analyst

Richard Finch

COMPANY COMMENT

While continued vigorous sales growth in Q2 contributed to a near-trebling of Richel's trading profit in the half to September, margin pressure (c 7% against c 9% in the half to March) owing to higher raw material costs, the sharp step-up in production and increasing competition should not be overlooked. Similarly, management guidance of 20%+ top-line growth for the full year would suggest no better than a broadly flat H2, even if the notoriously lumpy nature of export business dictates caution and comparatives will have toughened.

INDUSTRY COMMENT

Eurostat figures show eurozone industrial production to have been up by 0.7% in October compared with September and up by 7% year-on-year. Capital goods have fared more strongly (up by 2% and 12% respectively). MEPS forecasts a double-digit rise in EU steel prices this year following a 31% increase in 2010.

Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	87.20	3.10	2.00	N/A	N/A
2010A	93.60	6.30	3.60	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: Construction & Bldg Mat.

Price: €77.49
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	7.6	27.0	6.2
Relative*	(1.4)	17.2	1.4

* % Relative to local index

Analyst

Richard Finch

Royalreosink (ALRRE)

Market cap: €52m

COMPANY COMMENT

The company is proposing a joint venture with Ter Hoeven Groep to merge their DIY interests and thereby bring scale required to be competitive. The deal is subject to review, which may take a few months. 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 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.

INDUSTRY COMMENT

The CPB has newly maintained its GDP growth forecast of 1.5% for this year following 1.75% in 2010 and a contraction of 3.9% in 2009. The Dutch recession, defined as two consecutive quarters of shrinkage, ended in the third quarter of 2009.

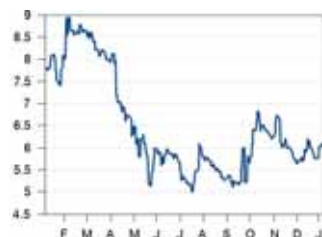
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	198.91	10.50	7.86	11.71	6.62
2009A	163.30	7.70	0.00	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €6.00
Price as at 7 January 2011

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	(6.0)	(22.6)
Relative*	3.7	0.4	(22.1)

* % Relative to local index

Analyst

Roger Leboff

Safetic (ALEGR)

Market cap: €76m

COMPANY COMMENT

The momentum built in H1 continued into Q3 with sales up 35% and, for the first nine months, up by 28% to €78m. That was the fourth consecutive quarter of entirely organic double-digit growth. The group remains on track to hit its 2010 (€115m turnover and €3m pre-tax profit) and 2011 (€160m/€15m) targets, underpinned by recent partnerships for DOC defibrillators with SFR and JC Decaux, and successful launches in Belgium, Switzerland and Spain. Based on current renewals, the order pipeline is c €200m over the next four years. In November, it raised €6.7m at €5.6/share to fund future investment.

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.

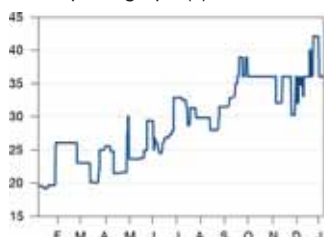
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	105.60	12.90	(1.40)	N/A	N/A
2009A	82.70	(12.00)	(18.90)	N/A	N/A
2010E	115.81	15.48	2.70	0.18	33.33
2011E	161.29	31.74	10.01	0.84	7.14

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €36.00
Price as at 7 January 2011

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	0.3	0.0	84.6
Relative*	(1.4)	(2.6)	85.7

* % Relative to local index

Analyst

Richard Finch

Serma Technologies (ALSER)

Market cap: €41m

COMPANY COMMENT

Robust organic sales growth (11%) at much improved margins in H1 looks to be broadly in line with management's March forecast of a 50% gain in 2010 trading profit, before R&D tax credit, on organic sales up by 15%. Guidance for 2009 proved optimistic; despite the expected pick-up in H2 sales, trading profit before R&D tax credit fell by a quarter rather than being maintained. The late 2009 German acquisition Axeneon (c 15% of enlarged group sales) confirmed Serma's readiness to grow externally (finances have remained sound). H1 saw its initial profit contribution to the group, although at relatively low margin (6% against 13% for the rest of Serma).

INDUSTRY COMMENT

Gartner reports that 2010 was "a banner year" for the global semiconductor market with a rise of 31% against a 10% decline in 2009. Growth is forecast to moderate to about 5% in 2011. Companies with specific chip solutions in high-growth markets should outperform the sector.

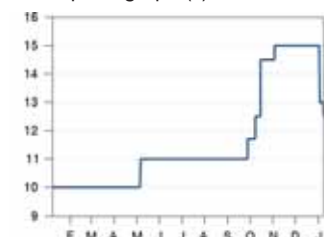
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	41.94	0.00	4.35	3.77	9.55
2009A	42.64	0.00	3.69	3.21	11.21
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Industrials

Price: €12.50
Price as at 7 January 2011

Share price graph (€)



Company description

Sical specialises in manufacturing and marketing of packaging.

Price performance

%	1m	3m	12m
Actual	(16.7)	0.0	25.0
Relative*	(17.3)	2.9	26.4

* % Relative to local index

Analyst

Richard Finch

Sical (ALSIC)

Market cap: €46m

COMPANY COMMENT

Sical has delivered another strong quarter with Q3 sales up by 13%. Corrugated, the principal activity, saw continued acceleration in growth (+10% against +9% in Q2 and +2% in Q1) despite lower selling prices. There was also a further step-change in the much smaller paper operation as sales more than doubled thanks to pricing and volume strength. 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 has reported strong volume and revenue growth in its corrugated packaging businesses in the year to October with phased recovery of paper price increases allowing margins to be held. Industry consolidation is afoot, with DS Smith buying Otor, which has c 20% of the French corrugated market. 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.

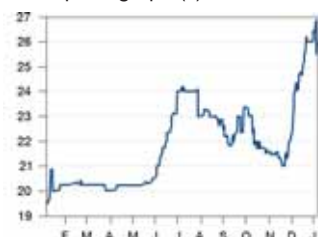
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	202.50	20.77	13.17	3.63	3.44
2009A	173.86	9.35	4.72	1.29	9.69
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €26.00
Price as at 7 January 2011

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	8.1	12.9	33.7
Relative*	6.2	(3.9)	34.4

* % Relative to local index

Analyst

Roger Leboff

Sidetrade (ALBFR)

Market cap: €34m

COMPANY COMMENT

The group's consistency was reflected in yet another quarter of double-digit growth - the eighth in succession. At €2.6m, Q3 revenues were 15% ahead y-o-y; the first nine months 17% better. The outlook is underpinned by client wins in France (Ricoh, Canal CE, Polygon) and internationally (Orange Business Services) and a subscription-based business model that provides recurring and highly visible revenues. The group seeks to use its competitive advantages, derived from its innovative software, in the inter-company credit market.

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 and 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.

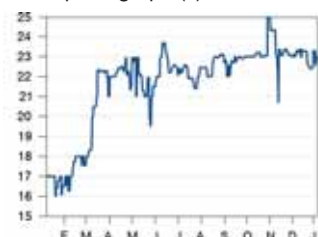
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	7.86	0.70	0.95	N/A	N/A
2009A	9.43	1.23	1.20	N/A	N/A
2010E	10.80	1.70	1.60	1.24	20.97
2011E	12.20	2.20	1.60	1.24	20.97

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €22.80
Price as at 7 January 2011

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	(2.1)	(0.9)	34.1
Relative*	(3.8)	(9.3)	34.9

* % Relative to local index

Analyst

Roger Leboff

Solutions 30 (ALS30)

Market cap: €55m

COMPANY COMMENT

The Q3 update confirmed that full-year revenues and pre-tax profit are in line with expectations. Acquisitions completed in 2009 and new contracts in 2010 - particularly for the deployment of smart meters for ERDF - both contributed to a 34% increase in revenues, to €40.6m for the first nine months. The group's international arm (13% of total sales) also helped, with the new German subsidiary recording its first revenues in July. The outlook for FY10 is a 20% plus increase in sales to €53m. Revenues for the period are due for release on 27 January.

INDUSTRY COMMENT

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

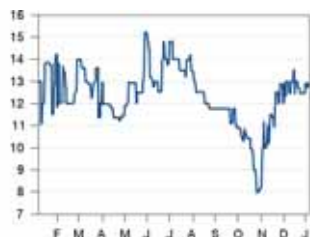
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	36.23	3.28	2.03	N/A	N/A
2009A	44.92	3.89	2.40	N/A	N/A
2010E	55.00	N/A	3.40	1.60	14.25
2011E	60.50	N/A	3.70	1.90	12.00

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €12.90
Price as at 7 January 2011

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	3.2	25.2	(0.8)
Relative*	1.5	(18.3)	(0.2)

* % Relative to local index

Analyst

Richard Finch

Sporever (ALSCO)

Market cap: €32m

COMPANY COMMENT

Excellent H1 results (like-for-like sales growth of 13% and trading margin more than doubled) reflect a busy period for major global sports events, some more profitable contracts and successful integration of Bouyaka, a broad-based production company. Although progress in H2 will be tempered by seasonal weakness, the loss of web and mobile rights to English football and France's failings at the World Cup, there is considerable excitement about October's launch of a betting service at paris365.fr, covering a range of sports, notably football, rugby, tennis and the Tour de France.

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 has been forecast to rise by 8% in 2010 (per Capgemini Consulting).

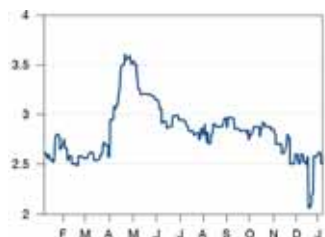
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	13.11	0.23	(0.08)	N/A	N/A
2009A	13.53	0.68	0.25	N/A	N/A
2010E	17.10	N/A	1.00	0.43	30.00
2011E	18.10	N/A	1.10	0.47	27.45

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €2.50
Price as at 7 January 2011

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	(3.8)	(13.2)	(4.6)
Relative*	(5.5)	(24.3)	(4.0)

* % Relative to local index

Analyst

Roger Leboff

Staff and Line (ALSTA)

Market cap: €4m

COMPANY COMMENT

Slippage in Q3 sales, down 24% at €1.9m, reflects deferral of four major projects in France; international sales recorded another quarter of growth. Aggregate revenues for the first nine months were €6.1m, down 14%. More encouragingly, over 55% of sales are recurrent revenues after a solid performance by maintenance activities and strong growth by the group's SaaS (Software as a Service) offering, both core components of the business model. That has shifted away from traditional software license sales to SaaS subscription revenues.

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.

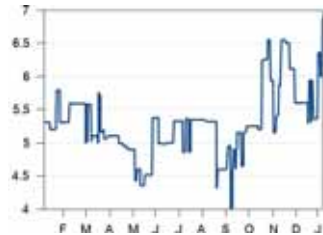
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	11.30	(1.05)	(1.70)	(1.10)	N/A
2009A	10.50	(0.21)	(0.20)	(0.13)	N/A
2010E	9.43	(1.40)	(0.80)	(0.62)	N/A
2011E	10.31	(0.50)	(0.09)	(0.26)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €6.88
Price as at 7 January 2011

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	22.6	31.0	29.6
Relative*	20.6	25.6	30.3

Analyst

Roger Leboff

Stradim - Espace Fin. (ALSAS)

Market cap: €12m

COMPANY COMMENT

The group reported 15% sales growth for H110 and a 165% increase in operating profit, to €1.7m. These results are still affected by the economic crisis due to lead times as long as 18 months, so there should be more growth to come in H2. Strong margin growth reflects a new pricing policy, likely to benefit FY10 and current year profit. Bookings were well ahead in H110 - 298 contracts for the period vs 279 in H109 - and on track for a revised target of 600 for the full year.

INDUSTRY COMMENT

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

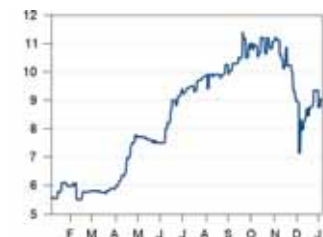
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	48.39	2.40	1.00	0.58	11.86
2009A	59.56	1.52	0.80	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €9.04
Price as at 7 January 2011

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	13.7	(17.0)	61.4
Relative*	11.8	(14.7)	62.4

Analyst

Roger Leboff

StreamWIDE (ALSTW)

Market cap: €24m

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.

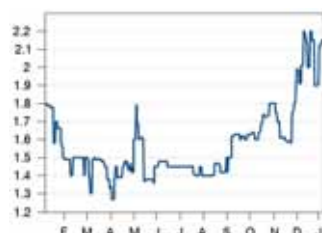
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	6.06	(1.85)	(0.50)	N/A	N/A
2009A	7.20	0.47	0.92	N/A	N/A
2010E	10.50	N/A	2.00	0.70	12.91
2011E	12.70	N/A	2.30	0.90	10.04

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €2.15
Price as at 7 January 2011

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	7.0	34.4	19.4
Relative*	5.2	31.5	20.1

* % Relative to local index

Analyst

Fiona Orford-Williams

The Marketinggroup (ALTMG)

Market cap: €7m

COMPANY COMMENT

Contact centres (phone marketing; outsourced and insourced) accounted for 85% H110 sales, as revenues from marketing communications fell away. Better utilisation rates across the centres helped to propel the group back into profit, helping the economics at both the enlarged Marseilles call centre and at Lyon. The lower-cost centre in Dreux, opened in June 2009, has 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 contact-centre market is the third largest in Europe, after the UK and Germany, with 3,500 centres and over 260,000 employees. Industry margins have been affected by overcapacity and high and inflexible labour costs, but cutbacks and overseas outsourcing are politically sensitive. Industry major, Teleperformance, is consulting on cutting its 22 French centres back to 14 after well-publicised problems in 2009, citing weak business in its domestic market.

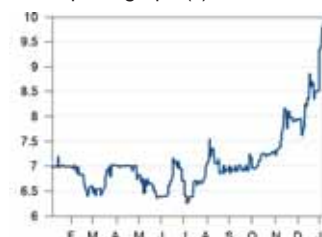
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	34.48	0.42	(0.04)	(0.01)	N/A
2009A	33.95	0.49	(0.20)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Support Services

Price: €9.85
Price as at 7 January 2011

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	27.1	40.7	41.5
Relative*	16.4	39.7	35.2

* % Relative to local index

Analyst

Roger Leboff

TMC Group (ALTCM)

Market cap: €35m

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.

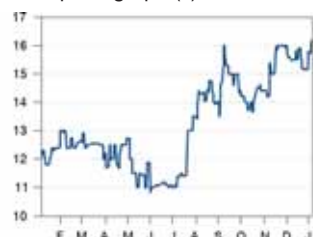
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	42.34	5.61	4.04	1.04	9.47
2009A	37.15	(4.01)	(4.74)	(1.21)	N/A
2010E	39.00	N/A	3.00	0.83	11.87
2011E	45.00	N/A	4.00	1.16	8.49

Where available, consensus data has been sourced from Thomson Datastream

Sector: Engineering

Price: €16.14
Price as at 7 January 2011

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	4.4	15.4	32.8
Relative*	2.6	25.6	33.6

* % Relative to local index

Analyst

Richard Finch

Trilogiq (ALTRI)

Market cap: €60m

COMPANY COMMENT

Trilogiq has delivered bumper results for the half to September. Sales rose by nearly a third (+8% in the preceding half) at an almost maintained margin, which is impressive in the light of higher raw material prices (especially steel). Current trading is similarly encouraging with the order book at December up by 31%. This reflects the pattern of H1 sales - ie particular strength in North and South America - but more positively, a significant pick-up in Western Europe, still much the largest division. Strong finances (virtually debt free at September) are allowing bold expansion (Italy, Iberia and Russia in the current half), and increased investment in areas of highest potential.

INDUSTRY COMMENT

Latest Eurostat figures show an acceleration in monthly eurozone industrial production (+1.2% in November compared with +0.7% in October). Year-on-year growth in November was 7% (capital goods +12%). MEPS forecast a double-digit rise in EU steel prices this year, following a 31% increase in 2010.

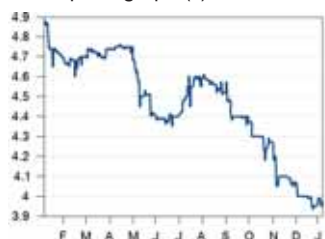
Y/E Mar	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2009A	46.52	8.23	5.34	N/A	N/A
2010A	44.37	8.57	6.02	1.70	9.49
2011E	48.90	N/A	7.00	1.85	8.72
2012E	53.85	N/A	7.20	1.90	8.49

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €3.97
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(0.8)	(7.7)	(18.6)
Relative*	(2.4)	(21.4)	(18.2)

* % Relative to local index

Analyst

Richard Finch

Turenne Invest. (ALTUR)

Market cap: €19m

COMPANY COMMENT

Q3 saw virtually maintained NAV per share (€7.22 at September) despite revaluation (up as well as down) of four of Turenne's 15 investments and one addition to the portfolio. Management is seeking still to exploit depressed valuations through its €8m fund-raising in late 2009, but is also mindful that in line with its strategy of holding stocks for between four and seven years, there may well be disposals (whole or part) in 2011. Turenne has four target sectors (healthcare, sustainable development, the internet and specialist distribution).

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 €10-100m, so Turenne's prospects depend on the French economy.

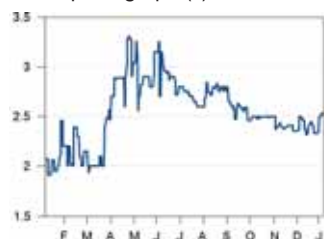
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	0.00	(1.36)	(1.32)	(0.41)	N/A
2009A	0.00	(1.20)	(1.42)	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: General Retailers

Price: €2.51
Price as at 7 January 2011

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	2.0	0.4	21.3
Relative*	0.3	(19.0)	22.0

* % Relative to local index

Analyst

Richard Finch

VDI Group (ALVDI)

Market cap: €12m

COMPANY COMMENT

Although underlying sales in 2010 were marginally down (the reported 2% gain was acquisition led), VDI's performance was creditable after allowing for customer destocking after exceptional purchases of H1N1-related products in the comparative period. Portable Energy grew full-year sales by 12% excluding Microbatt, which was purchased in July. Caution ahead of 2010 results (due in April) may nonetheless be understandable in view of unexpected weakness in VDI's trading profit in H1, which was attributed largely to the cost of investment across the group, higher freight rates notwithstanding. Management expects better conditions in 2011 as well as continued expansion at home and abroad.

INDUSTRY COMMENT

The fragmented nature of the health and safety at work market provides little guidance. However, Bunzl 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. Battery demand should reflect consumers' increasingly nomadic lifestyles.

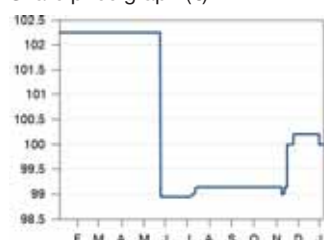
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	45.68	2.30	1.11	N/A	N/A
2009A	49.17	3.34	2.10	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Financials

Price: €100.00
Price as at 7 January 2011

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	(0.2)	0.9	(2.2)
Relative*	(1.9)	(10.4)	(1.6)

* % Relative to local index

Analyst

Richard Finch

Ventos (ALVEN)

Market cap: €142m

COMPANY COMMENT

Ventos enjoyed a buoyant Q3 with a 40% gain in trading profit, accompanied by 14% appreciation in NAV per share (€111.48 at September). Recent transactions, including the Q3 purchase of a €6m property outside Geneva and the Q4 sale of offices within the city for €2.6m, confirm the company's commitment to developing its real estate investment (60% of total gross asset value against 25% three years ago), despite having exploited depressed prices in 2009 to expand in venture capital. Continued low indebtedness (under 15% gearing at September) gives welcome flexibility.

INDUSTRY COMMENT

While Ventos aims for a balance between its investments and a diversification of risk, its real estate involvement is now well ahead of its stated policy of about a third of its assets. The rest is split between venture capital and financial holdings (food processing and environmental strategies are insignificant). Recovery depends on the Swiss, Spanish and Luxembourg real estate markets as well as on the fortunes of the stock market and the economy.

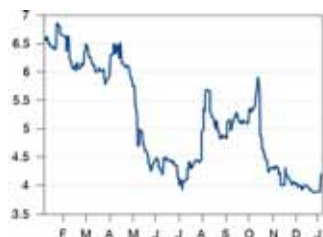
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	39.32	19.21	15.84	N/A	N/A
2009A	12.60	16.90	11.80	N/A	N/A
2010E	N/A	N/A	N/A	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Oil & Gas

Price: €4.17
Price as at 7 January 2011

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	6.1	(22.5)	(36.9)
Relative*	4.3	(9.3)	(36.5)

* % Relative to local index

Analyst

Richard Finch

Vergnet (ALVER)

Market cap: €27m

COMPANY COMMENT

Vergnet has substantiated the promised step-change in sales in 2010 with H2 growth expected to match 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. Trading losses are expected to have continued to fall in H2 (-30% in H1), with a move into profit in 2011 on a projected sales gain of up to 50% and further robust growth across the board in 2012, including from new wind projects in the French Overseas Territories.

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.

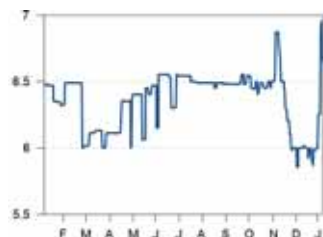
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	20.70	(7.20)	(5.90)	(0.93)	N/A
2009A	29.01	(9.00)	(9.40)	N/A	N/A
2010E	82.70	(4.90)	(5.05)	(0.77)	N/A
2011E	127.20	(0.90)	(0.20)	(0.03)	N/A

Where available, consensus data has been sourced from Thomson Datastream

Sector: Technology

Price: €6.65
Price as at 7 January 2011

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	10.8	3.3	2.8
Relative*	11.7	(5.7)	2.2

* % Relative to local index

Analyst

Roger Leboff

Vision IT Group (VIT)

Market cap: €43m

COMPANY COMMENT

The 52% y-o-y increase in Q310 revenues reflects the impact of recent acquisitions of GFI Informatik Germany and SCS GmbH Qwiser (Holland), respectively consolidated since March and July. Without these, the group still returned a second quarter of organic growth, ie 3%, and saw recovery in most territories. The acquisitions improve geographical reach and revenue spread; Benelux/Germany contributed 51% of sales and France 38%. There was also better results from Southern Europe despite the difficult economic environment, with Spain just 3% down (14% lower in Q1). A confident outlook confirmed a target of €100m of sales for FY10.

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 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	12.31
2009A	81.30	4.40	3.00	0.47	14.15
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: €26.67
Price as at 7 January 2011

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	7.8	27.0	64.1
Relative*	6.0	18.4	65.1

* % Relative to local index

Analyst

Richard Finch

Voyagers du Monde (ALVDM)

Market cap: €98m

COMPANY COMMENT

Voyagers du Monde has continued to outperform, with H1 sales up by 4% against a French market decline of 3%. Allowing for postponements because of the spring airspace closures, sales rose by 8%. While seasonal losses were boosted by a double-digit increase in labour costs associated with re-hiring after the recession, management is looking for a gain in 2010 net profit on sales up by 8% to 10%, ie 12% in the key second half, which is impressive. Strong finances allow targeted in-fill expansion (viz two recent specialist acquisitions), a key part of the group's strategy.

INDUSTRY COMMENT

While it is too early to comment meaningfully on summer 2011 in the French market, both Thomas Cook and TUI have reported positively on current winter trading. This follows a volume pick-up on higher achieved prices in summer 2010 after a slow winter. Re-balancing by the majors towards higher-margin, medium-haul product is both flattering and potentially a threat to Voyagers du Monde.

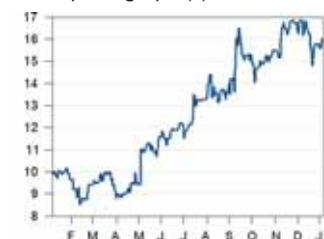
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	244.80	9.50	6.00	1.61	16.57
2009A	239.50	9.60	6.00	N/A	N/A
2010E	262.79	11.20	6.63	1.90	14.04
2011E	279.01	12.30	7.53	2.14	12.46

Where available, consensus data has been sourced from Thomson Datastream

Sector: Media & Entertainment

Price: €15.99
Price as at 7 January 2011

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.1)	8.8	61.7
Relative*	(2.7)	17.7	62.6

* % Relative to local index

Analyst

Fiona Orford-Williams

Weborama (ALWEB)

Market cap: €53m

COMPANY COMMENT

Weborama's focus on behavioural targeting is helping it gain traction with larger clients and build margins. Sales continued to build in Q310, up 27% in the quarter and up 44% year-on-year. Good recovery has been seen in the Spanish activities and The Netherlands has also performed well. February's purchase of Adrime, a Dutch rich media specialist, extended the offer to events. The group has over 300 clients, mostly in France, but with international sales building to around one third.

INDUSTRY COMMENT

The number of internet users in France continues to rise, with 70% of the population connected, over 90% of whom are on broadband. Online advertising gained 8% in H110 and is expected to sustain that rate for the year, improving further in 2011, although the effect of the intended online advertising tax is as yet unclear. 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.

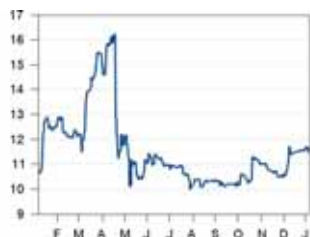
Y/E Dec	Revenue (€m)	Op. Profit (€m)	Net income (€m)	EPS (€)	P/E (x)
2008A	8.69	1.64	1.24	0.43	37.19
2009A	10.80	2.11	1.63	N/A	N/A
2010E	14.84	N/A	2.52	0.83	19.27
2011E	18.21	N/A	3.21	1.08	14.81

Where available, consensus data has been sourced from Thomson Datastream

Sector: Electrical Equipment

Price: €11.68
Price as at 7 January 2011

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	(0.2)	10.5	9.4
Relative*	(1.9)	(5.0)	10.0

Analyst

Richard Finch

XIRING (ALXIR)

Market cap: €46m

COMPANY COMMENT

XIRING delivered an encouraging Q3 update with a raising of its 2010 margin target (from 14% to up to 19%) and confirmation of its guidance of sales (to be announced imminently). Its acquisition of Telfix, a leader in the remote updating of Vitale social security cards, looks to be proving an excellent fit. Acquired in June but backdated to the start of 2010, Telfix achieved a robust 28% margin in H1, which partially made up for the erosion (7% against 16% year-on-year) in the healthcare and eID businesses. This fell short of management's projected 14% top-line growth (-21% in Q2 and down again in Q3), largely owing to the postponement of the German e-health programme.

INDUSTRY COMMENT

Industry body Eurosmart has raised its 2010 growth forecast for global microprocessor card shipments from 10% to 18%. A rise of 13% is in prospect for the current year, with particular strength in government/healthcare and financial services/retail. The market was up by 7% in 2009.

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	3.80	3.10	0.77	15.17
2011E	21.40	4.90	3.70	0.94	12.43

Where available, consensus data has been sourced from Thomson Datastream

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