



# PLUS Stock Exchange

## Half-yearly review

### August 2011



### **About PLUS Stock Exchange**

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

PLUS-SX also supports the execution of retail flow across a wide range of UK and European securities. Investors trading via PLUS-SX's retail service providers benefit from best execution and low transaction costs.

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

### **About Edison Investment Research**

Edison Investment Research is a leading investment research company. It has won industry recognition, with awards in both the UK and internationally. The team of more than 75 includes over 40 analysts supported by a department of supervisory analysts, editors and assistants. Edison writes on more than 350 companies across every sector and works directly with corporates, fund managers, investment banks, brokers and other advisers. Edison's research is read by institutional investors, alternative funds and wealth managers in more than 100 countries. Edison, founded in 2003, has offices in London and Sydney and is authorised and regulated by the Financial Services Authority.

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

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Prices as at 12 August 2011

Published 18 August 2011

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

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

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

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

Neil Shah

Director of Research

Edison Investment Research

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

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

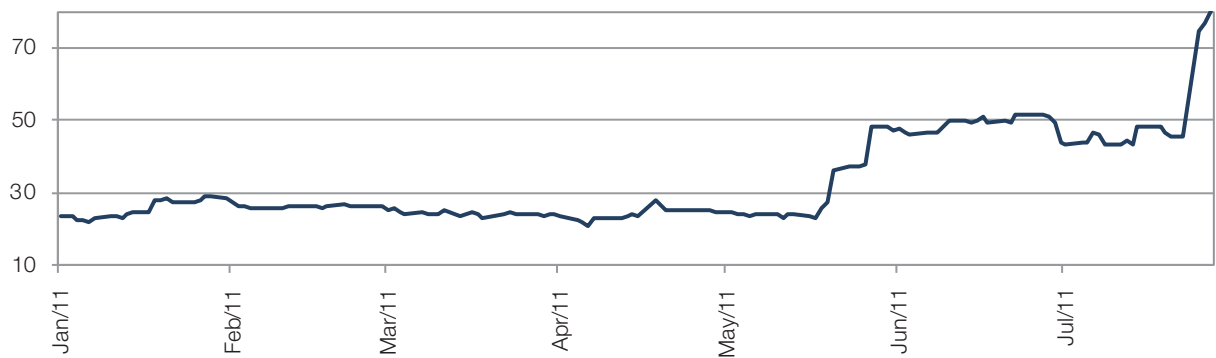
Vivienne Cassley

PLUS Markets Group

## Equity market overview and strategy

- Sovereign debt remains centre stage. The reluctance of policymakers to accept the scale and nature of the problem and consider correspondingly radical but optimal policy choices only increases the uncertainty and ultimate cost to growth.
- A disorderly collapse of the peripheral eurozone debt markets has been averted for now by a sensible agreement between eurozone nations. Bond yields for Spain and Italy initially declined significantly following the announcement of the plan but have since returned to elevated levels due to doubts over implementation.
- Within 24 hours of the positive European announcement US politicians failed to agree on measures to address the US budget deficit. Although bipartisan support has now been secured for a compromise deficit-cutting plan, it is clear political divisions in the US have been wholly underestimated by market participants.
- Though a formal default was always unlikely the US sovereign credit rating remains at risk. The bipartisan plan is much less ambitious in terms of deficit cuts than the failed Boehner/Obama negotiations.
- With the notable exception of Japan, inflationary episodes are often part of a sovereign debt work-out. It is therefore no surprise that gold is trading at all-time highs in US dollars. Developed market bond and cash yields are low in historical terms and appear to offer little or no premium for the risks of inflation, devaluation or default.
- UK and European equities are not expensive with current multiples of price/book at or significantly below 20-year averages. From current price levels equities should offer real returns in line with long-term averages. As investors face significant price level uncertainty, fairly valued equities can provide a useful (though not perfect) hedge against inflation.
- The clearest fundamental risk to equities lies in the very high level of profit margins being reported in the US and Europe. Corporate profits have been supported by government budget deficits and margins are at cyclical highs.
- Rising input costs and weak European demand has led to an increase in the frequency of profit warnings. To mitigate this risk investors should focus on shares with a compelling value case centred on asset value and business franchise arguments rather than earnings multiples.
- Volatility is likely to remain elevated and portfolios should be positioned to take advantage of risk on/risk off swings in sentiment. This means running with relatively high cash levels to facilitate an opportunity-driven approach to investment and staying disciplined on entry and exit points.

Exhibit 1: US 1 year credit default swap level (basis points)



Source: Bloomberg

## Sovereign debt centre-stage

### US debt compromise reached

While markets have been preoccupied with the peripheral eurozone debt crisis for over a year, only in the last few weeks has attention turned to the world's reference risk-free asset – the US Treasury bond. Since the failure of the Boehner/Obama negotiations credit insurance premiums on short-dated US debt have risen by nearly 50% to record highs, Exhibit 1.

Ultimately it was always highly probable that an agreement on the debt ceiling would be found and an imminent default avoided. The bipartisan agreement was therefore delivered as expected. However, the strength of the political divisions has cast serious doubt on the risk-free nature of US government debt. It is not at all clear why a triple-A credit rating (with its implication of a negligible risk of default) is appropriate at this juncture.

The compromise agreement approved by the US Congress calls for headline deficit reductions of US\$2.5trn over 10 years, of which US\$1.5trn is subject to a bipartisan congressional committee recommendation due in November 2011. This is substantially less ambitious than the US\$3.7trn of savings that, according to media reports, were under discussion in the Obama/Boehner negotiations. Despite this bipartisan agreement the implied level of ongoing political uncertainty makes a US sovereign downgrade likely. It is no surprise that gold is making new highs in the circumstances.

### Steps in the right direction

Events in the US have diverted market attention from a significant step in the right direction in Europe. On 21 July eurozone leaders formally recognised the Greek problem was one of solvency rather than liquidity.

Agreement on this basic point has facilitated a much better policy response.

Included in the announced package of measures was a substantial reduction in the net present value of Greek public debt via subsidised interest rates and write-downs on face value. Though the stated write-downs are almost certainly insufficient and are likely to rise over time, the principle has been established.

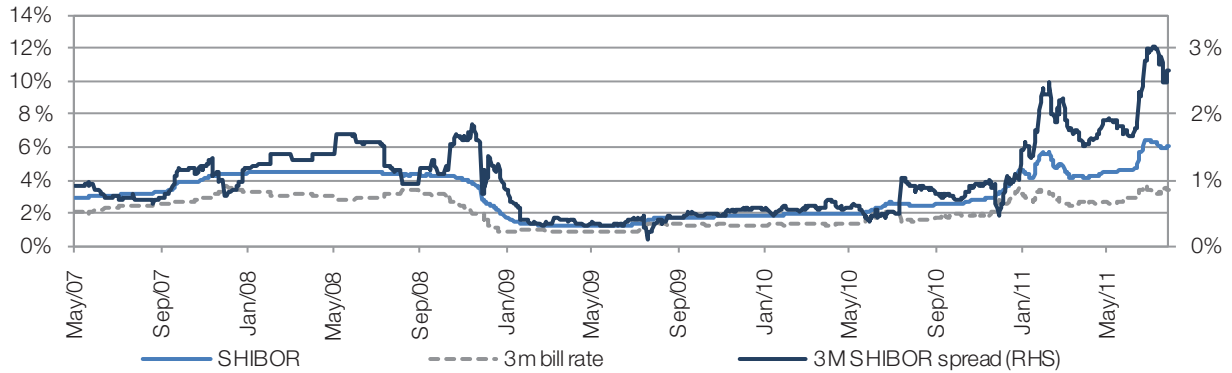
Furthermore, by providing heavily subsidised bail-out funding for Portugal and Ireland, eurozone leaders have also moved one step closer towards the optimal strategy of deploying the debt capacity of the entire eurozone to fix the debt problems of the periphery. With the core nations standing behind the periphery, the probability of a collapse of the eurozone has been reduced.

However, the precedent for Greece will give little comfort to other GIIPS bondholders. The private bond market has no incentive to hold bonds that have no security against being written down if bail-out funding is sought at a later date. The relaxation of the terms of bail-out loans makes further bail-outs a more attractive option for

distressed nations and therefore more likely. While the eurozone looks more secure investors may continue to move away from what could become legacy funding instruments – ie bonds issued by individual eurozone member states. Banks with large holdings of these bonds will clearly be at risk.

The phrase that was omitted from the communiqué of 21 July was “fiscal transfer”. Financial subsidies for bailed-out nations are a cost to the core. The political ramifications are clear – to survive the eurozone has to keep moving towards financial and fiscal integration.

**Exhibit 2: China inter-bank credit stress (SHIBOR less 3m bill rate)**



Source: PBOC, Bloomberg

### China inter-bank funding stress

While there is no sovereign debt problem at present in China the consensus growth story is being undermined by evidence of credit stress. Inter-bank funding costs have risen substantially since the start of the year as the PBOC has tightened reserve requirements and raised interest rates. Though monetary policy works with a lag, stress in the inter-bank market can create an immediate negative shock. Investors should remain attentive.

### Asset allocation in an uncertain world

#### Beware the risk-free asset

History has shown that sovereign indebtedness creates significant uncertainty in the outlook for inflation and exchange rates. The last resort to a debt problem is to print money to finance spending, which will tend to inflate away the problem (at the cost of leaving those on fixed incomes substantially worse off).

At present, ultra-low yields on developed market bonds and cash appear to offer little protection against inflation, devaluation or default. If there was any doubt about this, the recent comment from a senior insurance executive quoted in the FT (24 July) is illuminating – “We don’t want to buy bonds, we want to buy equities. But we can’t.”

**Exhibit 3: European non-financials – price/book**



Source: Edison Investment Research estimates

Exhibit 4: UK non-financials – price/book



Source: Edison Investment Research estimates

### Equities are not expensive

In comparison to the unattractive outlook for fixed income, UK and European equities are not expensive in a historical context. Price/book multiples for European non-financials are near the low end of the range of the last 20 years, Exhibit 3.

Income-based multiples are very low (especially on a forward-looking basis) but this is because of very high corporate profit margins, which are cyclical and therefore should not be the basis of an investment case.

Stating that equities are “not expensive” does not mean we expect out-size returns. Developed nation GDP growth is likely to be lower than the recent past due to the related issues of ageing populations and excess sovereign debt. Therefore despite relatively modest market valuations we expect equities to generate returns only in-line with historical averages (c 7% pa total return in nominal terms).

In addition to the market return, the skilful portfolio manager should be able to capture some alpha through stock selection. A well-managed equity portfolio could therefore reasonably have expectations of achieving a 10% return pa. This level of return compares very favourably to low fixed-income yields.

In terms of sectors, we should point out that the inherent uncertainty in the value of fixed-income securities and loan portfolios implies a cautious stance towards financials remains appropriate, except in niche areas or where valuations reflect the dynamics of a special situation.

### Profit margins at cyclical highs – the key portfolio risk

Corporate profit margins are at record highs across the developed world. In the US, corporate output has returned to the pre-financial crisis peak, yet unemployment remains at over 9%. Cash from government stimulus packages has been captured by the corporate sector rather than re-invested into new jobs.

Exhibit 5: US corporate profit margins at peak levels



Source: US Commerce Department



The US Commerce Department data has a long history and is illustrative of other markets, Exhibit 5. If governments start to take austerity seriously, budget deficits will be squeezed and the margin expansion will reverse.

The growth of emerging economies and structural natural resource depletion has led to strong input cost inflation over the last 12 months. Companies that have communicated cyclically high margin expectations but sell predominantly into developed markets are most at risk of disappointing investors, in our view.

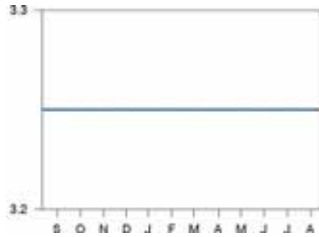
## Conclusion

In times of uncertainty, risk premiums should be elevated and this is why UK and European equity markets have struggled to rise in spite of the above-average profitability of the non-financial sector. At present UK and European equities are priced at relatively attractive levels compared to their 20-year history and there is no reason to think they should not deliver returns at least in line with historical averages while offering at least some protection against loss of purchasing power. In short, much of the bad news is in the price.

Sector: Property

Price: 3.25p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	10.6	13.8	(1.8)

\* % Relative to local index

## Analyst

Roger Leboff

## Ace Liberty &amp; Stone (ALSP)

Market cap: £6m

## COMPANY COMMENT

The group has completed two transactions since the interims. In April, it acquired a residential leasehold property in London for £0.99m settled via a £0.21m cash deposit, with the balance £0.62m cash/£0.17m shares after one year. In June, it sold part of a residential portfolio in Stoke on Trent for £0.43m, under a compulsory purchase by the local council. The proceeds have reduced debt; the sale generated a £0.03m profit. Final results are due in September, with the outcome underpinned by January's sale of two properties in Sheffield, which generated £0.74m profit and eliminated the accumulated deficit on retained earnings.

## INDUSTRY COMMENT

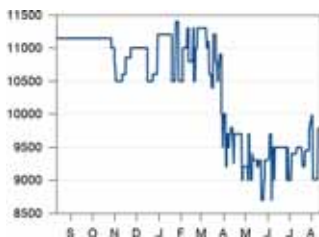
The prospects for the UK's commercial and residential property markets appear finely balanced, with sizeable industry debt to work through and vulnerability to interest rate rises. This should provide opportunities for buyers with cash, such as AL&S, to capitalise on opportunities to acquire assets both for short-term trading and medium-term investment growth.

Y/E Apr	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.44	(0.29)	(0.03)	N/A	N/A
2010A	0.15	(0.07)	(0.51)	(0.05)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 9800.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	3.2	5.4	(12.1)
Relative*	14.1	3.2	(13.7)

\* % Relative to local index

## Analyst

Richard Finch

## Adnams (ADB)

Market cap: £27m

## COMPANY COMMENT

Ahead of imminent H111 results, Adnams's latest update in May was predictably cautious, highlighting continued beer market decline and pressure across the board on its retail activities (pubs, hotels and shops). There was encouragement, however, in the reported pick-up in its beer volumes (+3% in the four months to April) after a disappointing 2010, even if the current period as a whole promises to be "challenging". Last year Adnams performed creditably in its seasonally stronger second half, almost making good the H1 shortfall in trading profit, which was attributed largely to unfavourable weather. The company remains securely financed, with 2010 interest cover of 7x.

## INDUSTRY COMMENT

UK beer sales weakened further in H111 (-7% per the British Beer & Pub Association), reflecting VAT and duty rises and the absence of a World Cup boost, which affected sales especially in supermarkets and shops (Q2 -15% compared with -4.5% in pubs).

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	51.30	3.24	3.11	449.00	21.83
2010A	50.90	3.18	2.81	456.00	21.49
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

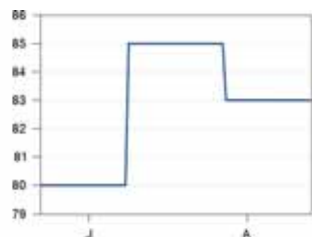
Sector: Financials

## AFH Financial Group (AFHP)

Market cap: £12m

Price: 83.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(2.4)	N/A	N/A
Relative*	8.0	N/A	N/A

\* % Relative to local index

## Analyst

Martyn King

## COMPANY COMMENT

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

## INDUSTRY COMMENT

Investment market volatility has only a short-term impact against the huge business opportunity within the wealth management space, especially for pensions, as life expectancy increases and government and employer pension schemes withdraw. We see a continued role for financial advice but expect a substantial reduction in the number of small IFAs, unable to meet the increased regulatory burden.

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

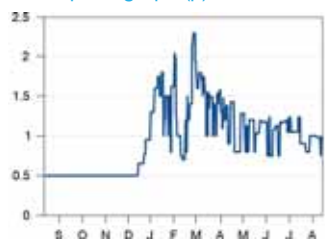
Sector: Mining

## All Star Minerals (ASMO)

Market cap: £2m

Price: 0.98p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(6.7)	(18.3)	96.0
Relative*	3.3	59.2	92.4

\* % Relative to local index

## Analyst

Tom Hayes

## COMPANY COMMENT

All Star Minerals is drilling its Gilpas uranium project in Sweden. The drill programme is expected to help assess the extent of uranium mineralisation associated with a 500m-long radon anomaly similar in size to Continental Precious Minerals' nearby Pleutajokk uranium deposit. In addition, All Star plans to undertake a scout drill programme of c 25m-deep holes to investigate the Samon magnetic anomaly. This follows promising results from a magnetometer survey recently completed over 750,000sqm, which identified the presence of the iron oxide mineral, magnetite. The scout drill programme will follow the conclusion of drilling at Gilpas. The exploration programme is being funded from the recent placing which raised £150,000 at 0.85p per share.

## INDUSTRY COMMENT

The uranium spot price is currently around \$50/lb of U3O8. All Star is exploring for both uranium and thorium, so is positioned to benefit from the thorium alternative and the continued use of uranium.

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

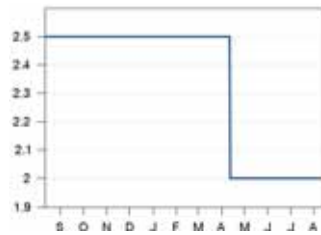
Sector: Financials

## Alpha Prospects (APHP)

Market cap: £3m

Price: 2.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

Alpha Prospects was established by the Directors for the purpose of acquiring and/or investing in niche companies operating in the independent travel sector.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(20.0)
Relative*	10.6	(9.0)	(21.5)

\* % Relative to local index

## Analyst

Martyn King

## COMPANY COMMENT

Alpha Prospects is an investment company with holdings in Active Energy, Ram, and more recently Hill Street Investments. It has invested in Alpha Consolidations (ACL) and the report and accounts for the year end 31 August 2010 draw attention to an outstanding £250,000 loan to ACL due for repayment 31 October 2014. Alpha invested in Hill Street in December 2010, which saw it take a little under 4% in return for an issue of capital to Hill Street giving it a 26% stake in Alpha. The AGM subsequently approved a new strategy, to acquire or invest in listed or unlisted companies across a variety of sectors including exploration and mining, food and wine, and health and beauty. In the latest trading update for the three months to 31 May 2011, Alpha reported no material change in its investment holdings but said it was continuing to evaluate a number of possible investment opportunities.

## INDUSTRY COMMENT

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

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.01	(0.42)	(0.16)	(0.18)	N/A
2010A	0.00	(0.39)	(0.39)	(0.37)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

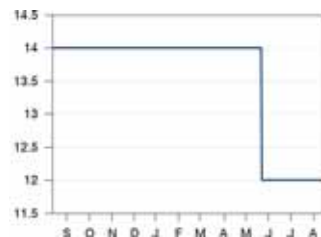
Sector: Technology

## Arrowpoint (ARWP)

Market cap: £24m

Price: 12.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	(14.3)	(14.3)
Relative*	10.6	(2.5)	(15.9)

\* % Relative to local index

## Analyst

Roger Leboff

## COMPANY COMMENT

The first half of the year saw an 11% dip in revenues when KeyTech (Arrowpoint's consulting business) and the group's staffing operation were hit as clients reined in spending and imposed a hiring freeze. A higher contribution from the largest client, Pension Benefit Guaranty Corporation, was insufficient to offset these declines, but the outlook remains for a "satisfactory" set of full-year results, likely to reflect product development, cost control and measures to generate revenues. Full-year results to 31 March 2011 are due by end-September.

## INDUSTRY COMMENT

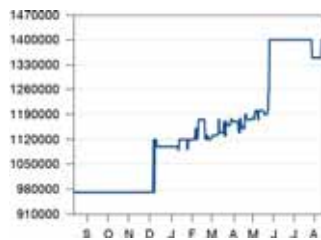
Arrowpoint's products target the US retirement industry, where it has an established market position and steady private and public sector client base. To counter a tighter domestic market, the group has made considerable investment in the development of products, such as asset liability management, from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

Y/E Mar	Revenue (US\$m)	Op. Profit (US\$m)	PBT (US\$m)	EPS (c)	P/E (x)
2009A	15.16	0.53	0.18	(0.31)	N/A
2010A	15.20	0.73	(0.44)	0.00	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 1400000.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	16.7	44.3
Relative*	10.6	35.5	41.7

\* % Relative to local index

## Analyst

Richard Finch

## Arsenal Holdings (AFCO)

Market cap: £807m

## COMPANY COMMENT

The recent offer (£11,750 cash per share) by US businessman Stan Kroenke closed with acceptances of 66%, with rejections notably by Alisher Usmanov's Red & White Holdings (29%) and the Arsenal Supporters' Trust. Ahead of full-year results in September, the sharp reduction in EBITDA (from £50m to £7m) in the half to November was much as expected, reflecting mainly lower property and transfer gains as well as higher wage costs. With the prospect of "a fairly significant cash windfall over the next few years" from property projects, the revitalised balance sheet is in tune with a market subject to increasing financial regulation.

## INDUSTRY COMMENT

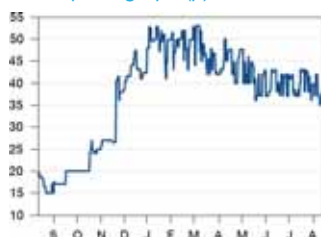
New UEFA regulations (Financial Fair Play) aim to restore stability to European football club finances. After a phased implementation, a break-even requirement will apply to 2012 financial statements, obliging clubs to spend no more than they generate over a rolling three-year period. No overdues (eg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

Y/E May	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	313.30	23.18	45.51	N/A	N/A
2010A	379.90	38.14	55.97	N/A	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 35.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(2.8)	(12.5)	70.7
Relative*	7.6	(20.4)	67.6

\* % Relative to local index

## Analyst

Roger Leboff

## Ascot Mining (ASMP)

Market cap: £23m

## COMPANY COMMENT

The first half saw £1.1m of pre-tax losses in line with development of a portfolio of mining operations. A third ball mill was been installed at the Chassoul Mill to improve potential gold yields. Combined with the planned commissioning of a new much larger leach tank, this will strengthen the circuit. Finances were underpinned by a £3.96m equity issue. Development and rehabilitation of its mines in Costa Rica means that it is close to commercial production of gold.

## INDUSTRY COMMENT

Ascot intends to expand its own gold production rates to over 20,000oz pa. Dramatic increases in gold prices in recent years reflect increased demand from investors, with central banks adding to holdings. The outlook is supported by gold's role as a reserve asset, as investors turn to alternative assets to balance the inflationary impact of Western governments' efforts to tackle huge fiscal deficits.

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

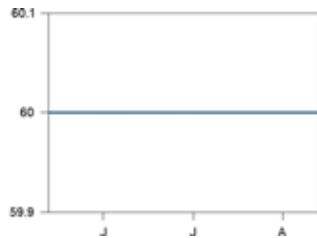
Sector: Financials

## Asia Wealth Group (AWLP)

Market cap: £7m

Price: 60.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	N/A	N/A
Relative*	10.6	N/A	N/A

\* % Relative to local index

## Analyst

Martyn King

## COMPANY COMMENT

AWG is an investment holding company incorporated in July 2010. It is seeking to acquire wealth management companies in Asia, or Europe-based companies that have the potential to expand into Asia. It made its first acquisition in April 2011, the Meyer Group of companies, which provides wealth management and advisory services focused on Asian HNWIs. It plans to strengthen Meyer's team of consultants in Bangkok and expand into other parts of the region. In the year to 28 February 2011, Meyer earned PBT of US\$942,000 on revenues of US\$2.77m. From its operational base in Singapore, AWG has been considering additional opportunities in Singapore, South Korea, Japan and China.

## INDUSTRY COMMENT

The prospects for Asian economic growth remain relatively bright in a global context. A recent 2011 global wealth management report by Cap Gemini and Merrill Lynch reports 12.1% growth in the aggregate Asia-Pacific wealth management market, with the number of HNWIs in the region ahead of Europe and second only to the US.

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

Sector: Pharma &amp; Healthcare

## Bioventix (BVXP)

Market cap: £9m

Price: 185.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(5.1)
Relative*	10.6	16.9	(6.9)

\* % Relative to local index

## Analyst

John Savin

## COMPANY COMMENT

Bioventix produces high-affinity monoclonal antibodies from sheep (SMAs) for use in immunodiagnostic tests. Its sales are derived from contracts to create a specific antibody, sales of purified antibodies or product royalties. Of its future portfolio, a new antibody to recognise Vitamin D (25-OH) and a cardiac testing troponin antibody are the most advanced. Research sales of Vitamin D contributed most recent growth. Interim sales were £890k, up 11%, with a 55% profit of £493k, up 28%. A 4.4p interim dividend was paid. Bioventix held £1.49m cash at 31 December 2010.

## INDUSTRY COMMENT

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

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	1.65	0.98	0.86	12.91	14.33
2010A	1.58	0.68	0.68	11.37	16.27
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

## Captive Audience (CADP)

Market cap: £4m

Price: 1.50p  
Profile correct as at 12 August 2011

### Share price graph (p)



### Company description

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

### Price performance

%	1m	3m	12m
Actual	(14.3)	(31.8)	71.4
Relative*	(5.2)	31.3	68.3

\* % Relative to local index

### Analyst

Fiona Orford-Williams

### COMPANY COMMENT

C-Ads has worked on various deals since it listed on PLUS-SX in 2008, focusing particularly on the Middle Eastern fuel retail market. It reached agreements with NAFTA (part of Corral Group) in Saudi and with Coral Oil in the Lebanon in 2010. The accounts to April 2010 were qualified but the group then raised equity (£84k in September and £306k in December) to cover operating costs and working capital requirements. Results to April 2011 have yet to be released. C-Ads holds 3m shares in US Oil & Gas, also PLUS-SX listed and worth £2.4m at current prices, and has been working closely with an unnamed worldwide media company to realise its ambitions. In February, C-Ads disclosed negotiating with Ritz Gold about an agreement of mutual benefit. These talks are ongoing.

### INDUSTRY COMMENT

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

Y/E Apr	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2009A	0.14	0.14	(0.77)	(0.43)	N/A
2010A	0.04	0.04	(0.31)	(0.17)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

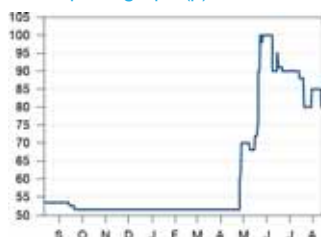
Sector: Mining

## C Asian Minerals & Res (CMRP)

Market cap: £14m

Price: 80.00p  
Profile correct as at 12 August 2011

### Share price graph (p)



### Company description

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

### Price performance

%	1m	3m	12m
Actual	(11.1)	17.6	49.5
Relative*	(1.7)	76.7	46.8

\* % Relative to local index

### Analyst

Rory Draper

### COMPANY COMMENT

Central Asian Minerals and Resources (CAMAR) was established to identify and acquire investment opportunities in the minerals and resources sector principally in Central Asia. Through its wholly-owned subsidiary Gulf International Minerals, it owns a 49% interest in the joint venture (JV) mining company, Aprelevka. Aprelevka is now focused on the development and exploitation of its sole asset, the Aprelevka gold mine in Tajikistan. The other party to the JV is the Ministry of Energy & Industry of the Republic of Tajikistan. CAMAR was admitted to trading on the PLUS stock exchange on 26 April 2011.

### INDUSTRY COMMENT

Gold remains an extremely attractive safe haven prospect for investors with the price now reaching record highs of \$US1,750/oz.

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

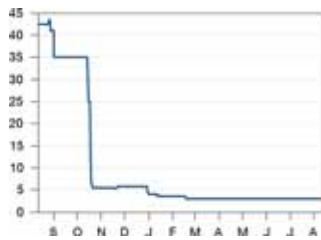
Sector: Support Services

## China CDM Ex Centre (CCEP)

Market cap: £2m

Price: 3.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

China CDM is a Jersey incorporated company providing brokerage, advisory and research services relating to the reduction of greenhouse gases in Asia.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(92.9)
Relative*	10.6	(2.5)	(93.1)

\* % Relative to local index

## Analyst

Richard Finch

## COMPANY COMMENT

The failure of the company's major customer (over 60% of annual revenue) to renew its contract at the end of last year explains the dramatic collapse in the share price. There has been no update about renewal discussions promised in the March contract announcement (a final decision on renewal is due by the end of October). The company confirmed otherwise that it was effectively business as usual. It is all the more disappointing that this should follow a "very good" 2010, with local currency revenue and gross profit up by 4% and 8% respectively and reported successful business development, notably in China. The company remained debt free at December 2010.

## INDUSTRY COMMENT

China is expected to overtake the US in greenhouse gases emissions by 2025 and become the major player in the global carbon market. It is already the largest seller of CDMs. Economic recovery should lead to a pick-up in international carbon trading prices, thereby encouraging new CDM projects.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	7.72	6.17	6.20	5.00	0.60
2010A	8.02	6.00	5.90	5.00	0.60
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Pharma &amp; Healthcare

## China Meihua Bio Tech (CMBP)

Market cap: £14m

Price: 22.50p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	10.6	13.8	(1.8)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## COMPANY COMMENT

China Meihua is the exclusive distributor for functional foods developed by Harbin Meihua for China and South-East Asia. These are based around probiotics, lactase and yoghurt fermentation agents. As a developing market, the investment in sales and marketing is partly an education function, so it is going to be a relatively slow build. The group is running at a sizeable loss but is supported by non interest-bearing directors' loans of RMB10m, to be repaid by 2016. These were agreed as part of a restructuring earlier this year that also involved Sunny Orient taking a 10% stake.

## INDUSTRY COMMENT

Having been a relatively constrained sector, there is a great deal of interest in Functional Foods and Beverages in China with a large number of academic papers and symposia. The market is building on an inherent understanding of the health properties of plants and natural extracts and the Institute of Nutrition estimated the market at up to RMB40bn in 2008. Growth will be supported by the growing middle class and comparative wealth.

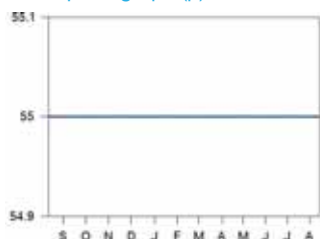
Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.39	(0.34)	(0.65)	(12.88)	N/A
2010A	0.89	(0.66)	(1.14)	(22.73)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A



Sector: Property

Price: 55.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

The company is both an investor in and a developer of real estate on the island of Crete.

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	10.6	13.8	(1.8)

\* % Relative to local index

## Analyst

Roger Leboff

## Cretan Group (CGRP)

Market cap: £110m

## COMPANY COMMENT

There was a small decline of €1.3m in the value of the property portfolio to €200.6m at the end of 2010. The deterioration in the Greek economy has, inevitably, affected access to development finance and Cretan is exploring alternative sources, particularly joint ventures with property funds. Pending news of such arrangements, the group does not anticipate any liquidity problems. It had minimal net debt (€3.6m) at end 2010 and expects to be in a position to capitalise on its ownership interests in three prime sites (3.43m sqm of land) in Crete in due course.

## INDUSTRY COMMENT

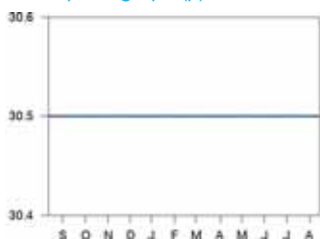
Cretan plans to undertake villa, hotel, golf course and marina development. It will remain circumspect while the Greek economy is under pressure, but Crete is an important component of the country's tourist industry. It is the largest of the Greek islands, and Heraklion receives 15% of all arrivals to Greece. According to Cretan's prospectus, the island represents roughly 85% of the country's overseas property market.

Y/E Jul	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2009A	0.00	(0.02)	(0.20)	(0.13)	N/A
2010A	0.00	(0.16)	(0.44)	(0.22)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Media &amp; Entertainment

Price: 30.50p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	10.6	13.8	(1.8)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## DHAIS (DHAP)

Market cap: £17m

## COMPANY COMMENT

The group is now established as a retailer of independent living and mobility products and hearing aids. DHAIS has substantially reduced the portfolio to 14 branches, from 27 at June 2009 as a result of previous acquisitions. The latest disposal has given two key benefits: a welcome cash injection, and a closer trading and shareholding relationship with Owen Hearing and Mobility and its parent company, Hearing and Health International, a well-funded Portuguese player with European ambitions. The bad weather early in the year adversely affected trading but the branches are now profitable on a rolling 12-month basis.

## INDUSTRY COMMENT

May's provisional OFT findings on the mobility aids market were that it appeared that greater transparency of prices was needed, including information on the costs of operating certain mobility aids and prices being made available upfront, particularly when selling at the 'doorstep'. The UK disability aid market is estimated at £500m with a further £1.1bn B2B, but it is highly fragmented with the NHS the largest supplier.

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	4.80	(0.38)	(0.44)	(0.80)	N/A
2010A	9.39	(1.29)	(1.52)	(2.62)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

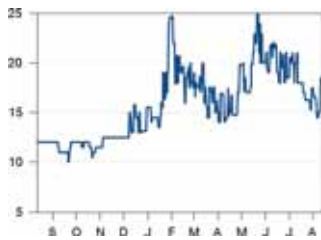
Sector: Pharma &amp; Healthcare

## Eden Research (EDE)

Market cap: £17m

Price: 18.45p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

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

\* % Relative to local index

## Analyst

Roger Leboff

## COMPANY COMMENT

The group secured new licensees in 2010 and achieved product approval milestones. At the start of the year, its encapsulation technologies were licensed to TEVA Animal Health, a subsidiary of the world's largest generic pharmaceutical company. This creates a strong platform to promote its products' advantages in both the agrochemical and unrelated sectors, such as animal health. The £3.3m FY10 pre-tax loss reflects the early stage and R&D. At the end of June, £0.12m of short-term debt and £2.7m of long-term debt was converted into 15.8m shares at 18p.

## INDUSTRY COMMENT

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

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

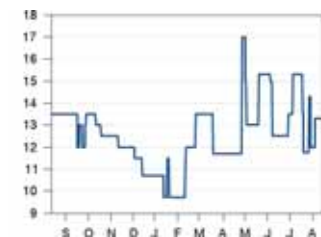
Sector: Food &amp; Drink

## English Wines Group (EWG)

Market cap: £6m

Price: 13.30p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(13.1)	2.3	(1.5)
Relative*	(3.8)	26.1	(3.3)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## COMPANY COMMENT

The 2010 harvest produced volumes up 30%, including the first fruit from Kits Coty in Aylesford (which should be fully productive this year). Sparkling wines will be released from 2012; still from 2011. Quality was high, underpinning prospects for premium sales. £350k was raised in a placing at 14p in June to continue the investment in growing the Chapel Down brand and in increasing production. Chapel Down has built a very good media profile, boosted by being served at the Royal Wedding and through the sparkling rose winning a gold medal at this year's International Wine Challenge.

## INDUSTRY COMMENT

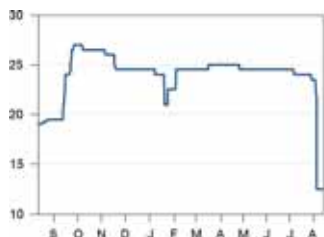
First indications are for a third consecutive decent English harvest, consolidating the progress made within the English viticulture sector. 2010 was excellent, with a hard winter, a mild spring (with no late frosts) and a hot June all helping produce a crop that was both plentiful and with a good balance in the fruit. The general policy of quality over quantity is driving greater recognition of English wines in domestic and international trade.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	2.49	0.15	(0.09)	(0.02)	N/A
2010A	2.67	0.20	0.33	0.08	166.25
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 12.50p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

Essenden is the second largest tenpin bowling operation in the UK with 37 bowling centres and an approximate 20% market share. Essenden's ordinary shares are listed on AIM and loan notes on PLUS-SX.

## Price performance

%	1m	3m	12m
Actual	(47.9)	(49.0)	(34.2)
Relative*	(42.4)	(42.0)	(35.4)

\* % Relative to local index

## Analyst

Jane Anscombe

## Essenden (ESS)

Market cap: £3m

## COMPANY COMMENT

Trading conditions remain very difficult with like-for-like sales down 8.8% in H111.

Management's turnaround plan has made progress, with new products and significant cost-cutting, but on 4 August Essenden announced a significant restructuring. A Company Voluntary Agreement (CVA) has been proposed for five of the 37 units, enabling it to exit those sites, reduce the cash drain and prevent a likely breach of bank covenants. Net debt (including loan notes) was £23.2m at December 2010 and we expect it to have risen since then.

## INDUSTRY COMMENT

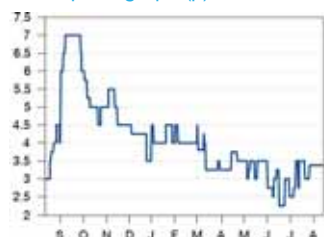
The tenpin bowling industry has experienced a prolonged period of sales decline, due partly to a lack of innovation and exacerbated by the recession. The core customer group - value-conscious families and 18-30 year-olds - continues to suffer from falling disposable income, high levels of unemployment and aggressive leisure competitor pricing. There are about 320 bowling centres in the UK with over-supply in some regions.

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

Sector: Financials

Price: 3.38p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(3.6)	(3.6)	12.5
Relative*	6.7	(4.0)	10.4

\* % Relative to local index

## Analyst

Martyn King

## Ezybonds (EZB)

Market cap: £10m

## COMPANY COMMENT

Ezybonds last reported on trading for the nine months to the end of March 2011. It continues to work closely with Ezybonds Inc as it rolls out new online e-commerce products and services. During that time it took greater control over the operations of Beijing Ozland Technologies (BOT) and renegotiated settlement terms with Ezybond Inc. Including a first major marketing contribution from Ezybond Inc, a positive EBIT contribution from BOT and costs in line with expectations, unaudited EBITDA was £54,488 and the EBIT loss £22,305. More recently, shareholders agreed to extend the final exercise date of outstanding warrants to 30 March 2012 from 30 July 2011.

## INDUSTRY COMMENT

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

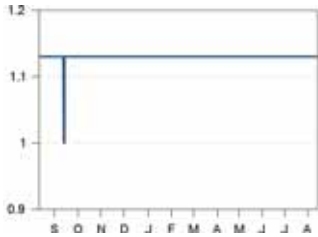
Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.05	(0.07)	(0.07)	(0.05)	N/A
2010A	0.21	(0.07)	(0.07)	(0.03)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

FreshTL (FTLP) Market cap: £3m

Price: 1.13p  
Profile correct as at 12 August 2011

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	0.0	0.0
Relative*	10.6	13.8	(1.8)

\* % Relative to local index

Analyst

Roger Leboff

COMPANY COMMENT

The group enlarged its business compliance SaaS offering via the acquisition, in June, of Mobile Safety Solutions, a software development business whose health and safety application, SafetyNET, helps users manage and monitor the state of compliance across their own or clients' businesses. Sales were modestly ahead in FY10 but, as a start up, cash is managed to ensure that there is enough working capital. In June it raised £0.31m of new equity and direct investment into Fresh T Limited, acquired in 2010.

INDUSTRY COMMENT

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

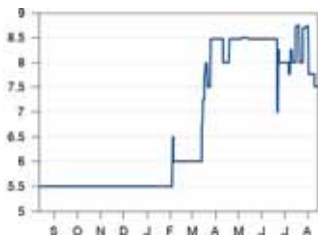
Y/E May	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.00	(0.03)	(0.02)	(0.02)	N/A
2010A	0.00	(0.03)	(0.02)	(0.02)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Oil & Gas

Frontier Resources Intl (FRGP) Market cap: £4m

Price: 7.52p  
Profile correct as at 12 August 2011

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(6.0)	(11.5)	36.7
Relative*	4.0	42.6	34.2

\* % Relative to local index

Analyst

Peter Dupont

COMPANY COMMENT

Frontier Resources has oil and gas exploration and production assets in south and north Texas and in January 2011 was awarded an exploration block in the frontier zone of Zambia. In Texas there are working and overriding royalty interests in four major projects. Production is modest and probably less than 5boe/d net. Frontier is seeking further US production opportunities and is poised to start an exploration programme in Zambia. This will include geological and geophysical studies and aeromagnetic and aerogravity surveys. To finance Zambia exploration and for general working capital purposes, Frontier raised £0.5m in June through a share placing at 6.5p.

INDUSTRY COMMENT

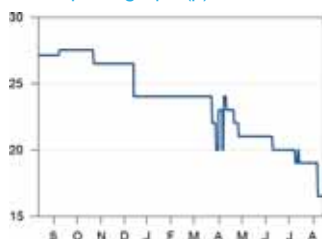
Zambia is unexplored territory. Frontier's exploration block there covers 6,400km square and is located about 150km south-west of Lusaka in the Kafue Trough. It is thought that this may form part of the south-western extension of the East African rift system which has provided major discoveries in Uganda.

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

Sector: Pharma &amp; Healthcare

Price: 16.50p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

General Medical Clinics provides primary medical care in the City of London, specialising in general practice, health screening, occupational health, physiotherapy, and travel vaccinations.

## Price performance

%	1m	3m	12m
Actual	(13.2)	(21.4)	(39.2)
Relative*	(3.9)	(21.8)	(40.3)

\* % Relative to local index

## Analyst

John Savin

## General Medical Clinics (GMCP)

Market cap: £3m

## COMPANY COMMENT

General Medical operates private central-London GP centres with related activities, such as dentistry and travel clinics. To 31 May 2010, turnover was flat (2.7% growth) at £6.8m. Interim results (30 November 2010) showed 1% growth to £3.8m with a £180k profit and EPS of 1.1p; cash was £1.48m. An NHS contract was not renewed in December, which could hit 2011 revenues by £1.7m; the centre has reopened privately but viability is unclear. On 25 July 2011, GenMed acquired Medicentres (UK) from the receiver, which will take proforma turnover to £9.4m.

## INDUSTRY COMMENT

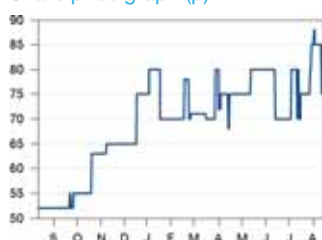
Business is focused on large corporate contracts with legal, accounting and banking firms, which will probably suffer as the financial sector implodes. While contracts held up as survivor firms protected staff, consultations (as lower client staff numbers) and travel-related business dropped, limiting growth. NHS reform offers unpredictable effects. The company has cash but needs to turn around the ex-NHS clinic and Medicentres.

Y/E May	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	6.60	0.05	0.12	0.30	55.00
2010A	6.79	(0.29)	(0.30)	(2.00)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Alternative Energy

Price: 85.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	21.4	13.3	63.5
Relative*	34.3	38.1	60.5

\* % Relative to local index

## Analyst

Roger Leboff

## Good Energy Group (GEGP)

Market cap: £6m

## COMPANY COMMENT

FY10 saw the successful repower of Green Energy's wind farm in Delabole, Cornwall, which now generates enough power for 7,800 homes and delivers roughly 20% of the group's supply requirements. That gives it better control over pricing and makes further wind farm developments a key part of its future strategy - it plans to add another 50MW over the next five years. It also benefits from the new Feed-in Tariff and its community of independent generators grew 70% over the last year. Financial performance and competitive positioning have been assisted by improvements to its trading systems.

## INDUSTRY COMMENT

Good Energy is ideally placed to benefit from the ongoing roll-out of the 'Green Agenda'. Further announcements are expected from the UK government on the Renewable Heat Incentive, Feed-in Tariffs and a new Green Deal for energy consumers. February 2010 launch by OFGEM of the Green Supply Guidelines (electricity accreditation scheme) is also positive for the medium term.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	18.29	0.68	0.66	6.80	12.50
2010A	20.03	0.72	0.71	7.50	11.33
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 14.95p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

GWM is a mineral exploration company focused on copper, silver, gold and other mineral targets in Mineral County Nevada, USA. Since incorporation in October 2004, the company has surveyed and staked 896 claims comprising c 7,305ha.

## Price performance

%	1m	3m	12m
Actual	(0.3)	(12.1)	10.7
Relative*	10.3	(2.8)	8.7

\* % Relative to local index

## Analyst

Tom Hayes

## Great Western Mining (GWMO)

Market cap: £5m

## COMPANY COMMENT

As part of its move from PLUS-SX to AIM, Great Western Mining is looking to raise c £1m (8,901,773 shares at 11p) to fund the development of its portfolio of exploration projects in Nevada, USA. Brokers Libertas are bringing the company to AIM where it is expected to trade with a post-money market capitalisation of £6.5m. As part of the AIM rules, the company recently released a Competent Persons Report covering its six blocks of wholly-owned, unpatented lode mining claims. The company's exploration has identified the wide-spread occurrence of high-grade, oxidized copper prospects, a number of which could represent targets for open pit mining and heap-leaching. Meanwhile, interim results (to 30 June 2011) are due to be released by the end of September.

## INDUSTRY COMMENT

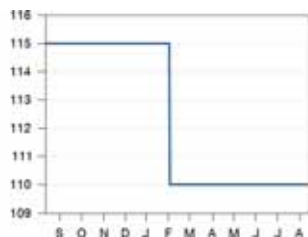
Economic concentrations of silver mineralisation may also be associated with these copper deposits while there is also evidence of narrow vein-hosted uranium and precious metals mineralisation, potentially exploitable via underground mining and heap leaching.

Y/E Dec	Revenue (€m)	Op. Profit (€m)	PBT (€m)	EPS (c)	P/E (x)
2009A	0.00	(0.26)	(0.26)	(0.93)	N/A
2010A	0.00	(0.33)	(0.33)	(1.16)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Basic Industries

Price: 110.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(4.3)
Relative*	10.6	13.8	(6.1)

\* % Relative to local index

## Analyst

Roger Leboff

## Green Chemicals (GNCP)

Market cap: £9m

## COMPANY COMMENT

The £0.36m interim pre-tax loss was expected, and represented overheads and costs relating to commercial negotiations, maintenance of IP and fundraising. The group had £0.48m of cash at the mid-year. In June 2011 it signed an initial 18-month license with Urban Retreats, for use of its proprietary hair colouring and colour removal systems. These will initially be launched at Urban Retreats' spa in Harrods, London, and may also be offered at the licensee's spa in Harvey Nichols in Manchester. Under the agreement, Green Chemicals will receive a share of net sales revenues.

## INDUSTRY COMMENT

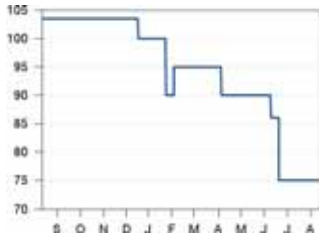
Green Chemicals seeks to commercialise IP belonging to emergent technology companies that it has either acquired or invested in. It carries out R&D into chemicals for industrial use across specific end markets such as textiles, paper, hair treatment and antimicrobials. It is in a number of early-stage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

Y/E Mar	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.00	(0.83)	(0.85)	(10.24)	N/A
2010A	0.08	(0.67)	(0.73)	(8.53)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price: 75.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	(16.7)	(27.5)
Relative*	10.6	(10.2)	(28.9)

\* % Relative to local index

## Analyst

Roger Leboff

## GSC Property Holdings (GSC)

Market cap: £8m

## COMPANY COMMENT

Portfolio performance in 2010 was steady, reflecting the underlying stability of the investment portfolio. Operating profit was up 31.4% at £7.6m. The year saw the sale of GSC's interest in a supermarket in Wakefield, at a £0.68m loss, but saving £0.1m pa. Property investment activity was otherwise low in a depressed market, although showed some sign of improvement towards the year end, with a better letting market and lower yields. At end of the year all vacant sites were under offer. The strategy remains to search for property investments on terms that fit its risk averse business model.

## INDUSTRY COMMENT

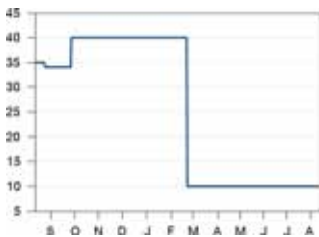
The short-term outlook for UK commercial property market is mixed but GSC's diversified portfolio (including hotel and leisure property), and lower-risk approach to commercial property investment should continue to generate stable operational performance. The group is under no pressure to make further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

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	8.34	5.71	0.40	3.91	19.18
2010A	7.73	7.60	1.98	18.72	4.01
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price: 10.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(71.4)
Relative*	10.6	13.8	(72.0)

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## HR GO (HRGO)

Market cap: £8m

## COMPANY COMMENT

HR GO is a long-established recruitment agency, with a JV business model. While it has some national verticals, its main strength is its local knowledge base and longstanding client relationships. FY10 figures showed good progress, with NFI moving ahead by 18%, pushing the group into profit and enabling a dividend to be declared. Temporary workers increased to a record 5,000 in November and 5,597 by the end of December. The group has negotiated a new £13m invoice-discounting facility with RBS to support the ongoing growth of the business. Directors own 83% of the equity.

## INDUSTRY COMMENT

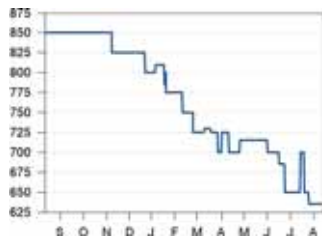
The latest REC/KPMG UK market survey shows demand for staff still growing in July, but at the slowest pace for eight months. Wage and salary growth ticked up in the month, but remains well below the 14-year average. The Monster Index of online recruitment indicates an 8% increase y-o-y, but there is a clear sense that the full impact of government spending cuts is yet to be felt, while the overall prospects for GDP growth are being reined in.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	73.25	(0.49)	(1.32)	(8.73)	N/A
2010A	92.60	1.88	1.59	2.52	3.97
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 635.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(2.3)	(11.2)	(25.3)
Relative*	8.1	(3.7)	(26.7)

\* % Relative to local index

## Analyst

Richard Finch

## Hydro Hotel (HYDP)

Market cap: £4m

## COMPANY COMMENT

Management's focus on cost control and vigorous marketing (more bed nights sold in the half to April, although at "very keen" prices) continues to pay off with a much-reduced low-season loss, complementing last year's doubling of profit at the trading level. This is all the more impressive given persisting difficulties in the UK regional hotel market (minimal RevPAR growth in the half to April). While therefore cautious, the company is confident it will benefit from continuing investment, eg in upgrading its booking system. Hydro Hotel remains debt free.

## INDUSTRY COMMENT

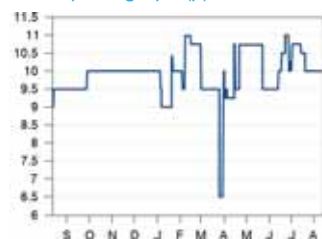
While the regional hotel market was notably buoyant in June (RevPAR +5%), TRI Hospitality Consulting warns "this may just be a blip in the right direction". Increasing hotel marketing and investment costs as well as a challenging conference sector have contributed to a reduction in estimated overall profitability per room in the year to date, according to TRI. Millennium & Copthorne also reports regional UK to "remain a challenge" (RevPAR -8% in Q211).

Y/E Oct	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	3.44	0.06	0.09	11.65	54.51
2010A	3.29	0.13	0.14	17.93	35.42
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 10.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

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

\* % Relative to local index

## Analyst

Roger Leboff

## Ideagen (IDGP)

Market cap: £7m

## COMPANY COMMENT

Full-year results to end-April were ahead of expectations, despite considerable investment in product range and sales team, and the integration of two acquisitions, Root 3 and Ideagen Software. Pre-tax was 21% ahead, the year-end cash balance, at £0.76m, 42% better. The group reports that it continues to secure ever-larger contracts, has strong recurring revenues (£1.7m covering 70% of fixed costs) and contract renewal rates at 95%. Current trading is in line with management expectations and the outlook is positive.

## INDUSTRY COMMENT

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

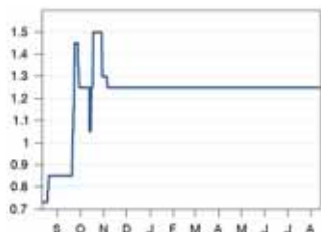
Y/E Apr	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	0.97	0.07	0.07	0.22	45.45
2011A	2.30	0.26	0.37	1.10	9.09
2012E	3.20	0.90	0.75	1.20	8.33
2013E	4.40	1.20	1.30	1.50	6.67



Sector: Consumer Support Services

Price: 1.25p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	72.4
Relative*	10.6	13.8	69.2

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Imperial Music and Media (IMMP) Market cap: £5m

## COMPANY COMMENT

Imperial Music & Media listed on PLUS-SX in June 2010, with the aim of building up a portfolio of investments in musicians and artists, primarily working in the rock, jazz and easy listening markets. It intends to invest in and develop artists at the early stage of their careers. In September 2010, it announced its first signing, British/Canadian mezzo soprano Patricia Hammond. Her first CD under this management, of popular songs from the early 20th century, is being prepared for release in October 2011.

## INDUSTRY COMMENT

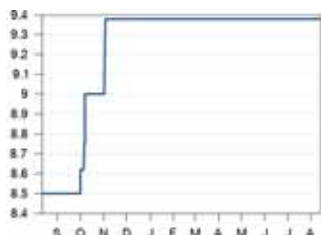
There is a vast array of talent available but very little of it will ever become commercially successful. Imperial's managing director, Nathan Grant Graves, has many years of industry experience at a variety of labels including Polygram and Universal, signing Jamie Cullum while at the latter. Since 2004, he has been working as a consultant for a number of acts and labels. The industry is still undergoing upheaval with the changes in distribution, but the government's recent announcement on changes to copyright laws has been broadly welcomed.

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

Sector: General Retailers

Price: 9.38p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

Isle of Man Enterprises is the holding company for a group of companies engaged in various sectors within the Isle of Man. It began trading on the island in 1972. It operates supermarkets and a Mercedes Benz dealership, and engages in property development.

## Price performance

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

\* % Relative to local index

## Analyst

Richard Finch

## Isle of Man Ent. (IM.P) Market cap: £7m

## COMPANY COMMENT

The company has decided that a listing is no longer in its interests owing to its perceived inability to access capital markets for necessary considerable investment in its stores. The timing of the delisting and associated opportunity for shareholders to sell their shares back to the company has yet to be confirmed. Although 2010 saw a return to profit at the pre-tax line and before exceptionals thanks to operational efficiencies and a resumption of growth in grocery retail revenue (+3%), management remains very cautious in the face of economic slowdown and competitive pressures. The company is still highly-g geared (70% at December 2010).

## INDUSTRY COMMENT

Sainsbury's has predictably confirmed that conditions are expected to remain "very competitive" for the rest of the year. Q211 like-for-like sales (excluding fuel) were up by just 1.9%. Perceived "value" will continue to be held at the fore.

Y/E Jan	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	70.52	0.25	(3.63)	(5.24)	N/A
20114A	72.47	0.79	0.53	0.78	12.07
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price: 0.92p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	25.3	(20.0)	(42.9)
Relative*	38.6	(24.7)	(43.9)

\* % Relative to local index

## Analyst

Roger Leboff

## Keycom (KCO)

Market cap: £6m

## COMPANY COMMENT

Turnover for H1 was 10% ahead y-o-y at £3.4m, on the back of 15% increase in core broadband services revenues, particularly to the military sector. Keycom started the year with 12,000 military sector broadband rooms and had hit 14,000 by the report date, a revenue run of £0.9m pa. Revenue from broadband and voice managed services in the university and NHS key-worker sector was £2.25m (£2.2m), 2% better y-o-y, with little change in the number of rooms serviced.

## INDUSTRY COMMENT

The principal driver is the number of broadband rooms serviced, c 45,000 at the mid-year report. Military broadband revenue should grow rapidly as take-up increases and new contracts with Defence Estates are implemented. Management also expects to see an increase in the number of universities seeking to outsource their broadband requirements for their residential accommodation and is already in negotiations likely to lead to significant growth in rooms serviced.

Y/E Sep	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	4.86	(0.25)	(0.59)	(0.12)	N/A
2010A	6.14	0.60	0.10	0.02	46.00
2011E	7.20	0.70	0.30	0.10	9.20
2012E	7.90	1.00	0.60	0.10	9.20

Sector: Consumer Support Services

Price: 207.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	7.2	45.3
Relative*	10.6	32.3	42.6

\* % Relative to local index

## Analyst

Richard Finch

## Mechan Controls (MECP)

Market cap: £4m

## COMPANY COMMENT

Ahead of imminent H111 results, Mechan's latest update in April was distinctly upbeat, with guidance of double-digit earnings growth for 2011 underpinned by a first quarter ahead of management expectations. This follows an impressive 20% advance in earnings last year on turnover up 11% as vigorous cost control combined with improved trading conditions. Successful expansion of the company's global network was reflected in the growth of over 60% in Continental Europe and US trading profit (almost 20% of 2010 group out-turn). Management is buoyed particularly by the prospect of focusing on marketing and distribution, given the breadth of its product development, and on making further bolt-on acquisitions (the company had net cash at December).

## INDUSTRY COMMENT

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

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	2.50	0.46	0.42	15.04	13.76
2010A	2.80	0.53	0.51	18.04	11.47
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

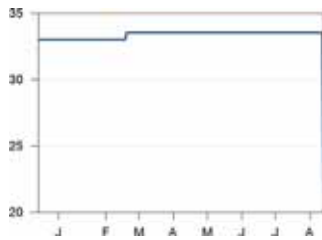
Sector: Pharma &amp; Healthcare

## MiLOC Group (ML.P)

Market cap: £14m

Price: 22.50p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

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

\* % Relative to local index

## Analyst

Roger Leboff

## COMPANY COMMENT

With business at an early stage, there were modest FY10 sales and distribution of traditional Chinese medicine (TCM). The HK\$9.35m loss reflected the acquisition, development and operation of TCM clinics and a hospital network to substantially increase distribution of TCM, and HK\$9.03m of general administrative costs. The net cash position as at 31 December 2010 was HK\$10.2m. NB: figures below are for 10 February to 31 December 2010.

## INDUSTRY COMMENT

MiLOC pursues three business development opportunities, all related to TCM: R&D into treating pandemic diseases; selling and distributing TCM; and developing a nationwide network of modernised TCM clinics and hospitals in Hong Kong, Macau and the PRC. TCM is a large segment of the pharmaceutical market in China, with 2007 sales of c US\$21bn - 40% of the total domestic pharmaceutical market (PCW). MiLOC intends to form various joint ventures to acquire a total of c 100 TCM clinics and hospitals in the four years following IPO, and build a network of modernised TCM clinics and hospitals.

Y/E Dec	Revenue (HK\$m)	Op. Profit (HK\$m)	PBT (HK\$m)	EPS (c)	P/E (x)
2009A	N/A	N/A	N/A	N/A	N/A
2010A	0.13	(9.35)	(9.30)	0.73	392.04
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

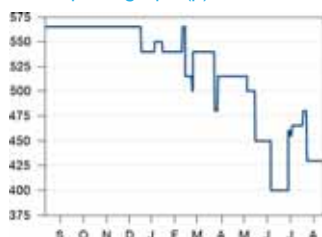
Sector: Travel &amp; Leisure

## Newbury Racecourse (NYR)

Market cap: £22m

Price: 430.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(7.5)	(14.0)	(23.9)
Relative*	2.3	(13.4)	(25.3)

\* % Relative to local index

## Analyst

Richard Finch

## COMPANY COMMENT

The company confirmed in June that the development of the racecourse as a 365-day leisure, events and entertainment business with horseracing at its core remains on track, with the submission of detailed planning applications due to be completed by the end of the year. Trading is said to be in line with management expectations, reflecting higher racing attendances and the need to support prize money owing to levy funding cuts. In addition to continued growth in events business, there should be no financial loss from February's tragic paddock incident, which led to the rescheduling of the important Totesport day.

## INDUSTRY COMMENT

Arena Leisure, the UK's leading racecourse operator, reported average attendance up by 11% in H111 and further recovery in key hospitality business, even if still materially below pre-recession levels. Uncertainty about the levy yield and caution about non-racing events are mitigated by the prospect of a media rights uplift in 2012 and recent government statements on licensing and taxation of offshore gaming.

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

Sector: Property

Price: 18.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	200.0	200.0	200.0
Relative*	231.9	241.3	194.5

\* % Relative to local index

## Analyst

Roger Leboff

## Prime Investments Int. Grp (PIIP) Market cap: £228m

## COMPANY COMMENT

Prime (formerly Phoenician Corp V) was re-admitted to PLUS on 8 July 2011. At admission, the group's main asset was a land bank of 67 plots (GFA 21.9m sq ft) within a master planned community development in the Eye of Ajman project in the Emirate of Ajman, UAE, valued by Ernst & Young Dubai at c \$400m. The overall master plan consists of 109 multi-use plots. The intention is to re-invest the profits generated from this and other acquired assets into new projects and avoid reliance on bank financing.

## INDUSTRY COMMENT

The group is at a relatively early stage in its investment strategy. The strategy is to identify real estate and other investments in Middle Eastern and North African countries, and other regions of the world. It intends to invest in a mix of yield and capital growth asset which are, where possible, Shari'ah compliant. It also has plans to target distressed real estate assets, mainly in the Middle East and North Africa.

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

Sector: Media &amp; Entertainment

Price: 110.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(15.2)	(18.5)	9.4
Relative*	(6.2)	(10.4)	7.4

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## Quercus Publishing (QUPP)

Market cap: £25m

## COMPANY COMMENT

The remarkable success of Stieg Larsson's Millennium Trilogy has propelled Quercus to a prominent position within the publishing sector in an unusually short time frame. Management has seized the opportunity and the cash flow to build up both its trade list and its contract publishing business to the extent that revenues are effectively stable. Quercus is also taking full advantage of the opportunities afforded by the shift to online and has recently signed up to Apple's iBookstore. International revenues will move ahead with the North American JV with Sterling Publishing and with the tie-up with Pan Macmillan in Australia.

## INDUSTRY COMMENT

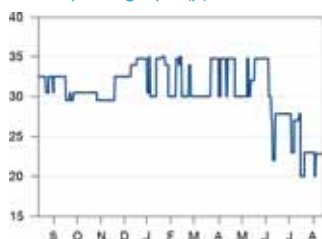
In the US, industry statistics from the Association of American Publishers show e-book and digital audio books having built up to 8.7% of trade sales for FY10, with Forrester forecasting e-book sales to treble to \$2.8bn by 2015. Digital sales are buoying publishers on both sides of the Atlantic, as high street booksellers continue to struggle in the face of lower sales and high overheads.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	19.13	1.19	0.87	3.50	31.43
2010A	31.78	7.63	7.48	30.81	3.57
2011E	31.80	N/A	7.80	28.00	3.93
2012E	33.40	N/A	8.30	29.70	3.70

Sector: Travel &amp; Leisure

Price: 22.80p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(15.6)	(24.0)	(29.9)
Relative*	(6.6)	(25.9)	(31.1)

\* % Relative to local index

## Analyst

Richard Finch

## Rangers Football Club (RFC)

Market cap: £22m

## COMPANY COMMENT

While reassurance of material investment in the playing squad has been given by the new majority shareholder, entrepreneur Craig Whyte, his company's acquisition of all the club's debt (£18m) and the potential threat from a tax claim brought against Rangers by HMRC bring understandable uncertainty. The club's recent failure to qualify for the lucrative group stages of the Champions League is of particular concern. Last year's results show its significance with a quadrupling of commercial income, thanks to the Champions League contributing to a 42% rise in club revenue and an impressive return to profit.

## INDUSTRY COMMENT

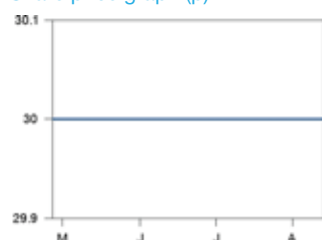
New UEFA regulations (Financial Fair Play) aim to restore stability to European football club finances. After a phased implementation, a break-even requirement will apply to 2012 financial statements, obliging clubs to spend no more than they generate over a rolling three-year period. No overdues (eg,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

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	39.70	(17.32)	(14.08)	(11.63)	N/A
2010A	56.29	5.09	4.21	3.87	5.89
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 30.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	N/A	N/A
Relative*	10.6	N/A	N/A

\* % Relative to local index

## Analyst

Rory Draper

## Rare Minerals (RM.P)

Market cap: £10m

## COMPANY COMMENT

Rare Minerals (RM) was established as an investment vehicle to acquire companies engaged in exploring and mining high value commodities such as rare earth and precious metals, or energy producing assets. RM's investment strategy is to target assets based in Asia and Africa that contain capital growth opportunities, and where prospective vendors would consider shares as part or all of the consideration of the transaction. RM was admitted to trading on PLUS-SX on 28 April 2011.

## INDUSTRY COMMENT

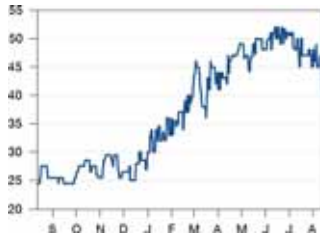
China produces more than 90% of the world's rare earths but has recently placed restrictions on rare earth mines and exports, leading to a spike in the price. This move has encouraged global miners to accelerate rare earth production outside China. Until these operations reach production, the price is expected to remain at a high.

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

Sector: Financials

Price: 41.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

Rivington Street Holdings is a media and financial services group founded in 2004, which provides services to more than 100 companies quoted on AIM and PLUS-SX.

## Price performance

%	1m	3m	12m
Actual	(15.5)	(11.8)	67.3
Relative*	(6.5)	26.1	64.3

\* % Relative to local index

## Analyst

Martyn King

## Rivington Street Holdings (RIVP) Market cap: £18m

## COMPANY COMMENT

Interim results to February showed strong progress with unaudited underlying EBITDA up 210% year-on-year to £1.77m and net cash at £601,000, prompting a maiden interim dividend of 0.25p per share. Management expects results to be weighted towards the second half as is traditionally the case, although not immediately apparent in progress for the eight months to 30 April 2011, when unaudited adjusted EBITDA reached £2.32m. Following release the of full-year results to 31 August 2011, probably in January 2012, RVH plans to move its listing to the more liquid AIM market.

## INDUSTRY COMMENT

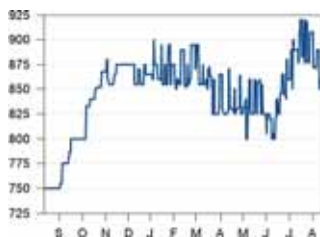
Low stockmarket-related activity continues to provide a challenging headwind to Rivington's traditional activities in fund management, stockbroking, corporate finance and financial public relations. But it remains confident of its ability to deliver on growth, generating cash flow from mature operations to fund organic growth of newer operations and acquisitions in non-equity market related activities.

Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	4.10	0.30	0.30	0.82	50.00
2010A	6.20	(0.19)	(0.09)	(0.36)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Travel &amp; Leisure

Price: 850.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(4.2)	3.0	15.2
Relative*	6.0	8.6	13.1

\* % Relative to local index

## Analyst

Richard Finch

## Shepherd Neame (SHEP) Market cap: £97m

## COMPANY COMMENT

Continued strong trading in the five months to May underpins guidance that full-year results should be in line with market expectations. The second half has seen a particular acceleration in the growth of like-for-like sales in managed pubs and of own beer volume. Impressively in the six months to December, Shepherd Neame overrode the impact of consumer uncertainty, market decline and harsh weather to hold underlying trading profit on record turnover and beer volume. Investment in brewery modernisation, high-quality pub acquisitions and brands and marketing continues to pay off. A recent pub estate review elicited a surplus over book value of £68m. However, in line with accounting policies, this valuation, which equates to 57% of net assets at end 2010, will not be shown in the accounts.

## INDUSTRY COMMENT

UK beer sales weakened further in H111 (-7% per the British Beer & Pub Association), reflecting VAT and duty rises and the absence of a World Cup boost, which affected sales especially in supermarkets and shops (Q2 -15% compared with -4.5% in pubs).

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	109.47	7.85	6.94	44.70	19.02
2010A	115.36	11.40	8.71	49.90	17.03
2011E	118.95	12.15	8.10	43.79	19.41
2012E	123.00	12.85	8.40	48.04	17.69

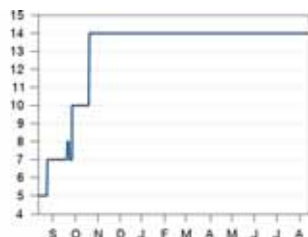
Sector: Mining

## Silver Mines (SVLP)

Market cap: £19m

Price: 14.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	180.0
Relative*	10.6	13.8	174.8

\* % Relative to local index

## Analyst

Charles Gibson

## COMPANY COMMENT

The company is currently engaged in an ongoing drilling program at its flagship Webbs silver project in New South Wales, Australia. Its objective is to expand the JORC-compliant resource of 1.06Mt in the inferred category and 0.167Mt in the indicated category. The resource grades between 240-360g/t Ag. A scoping study completed at Webbs in April this year envisages an open pit operation and concentrator processing 350,000 tonnes per year. A capital cost of US\$69m and operating costs of US\$57.37/t have been estimated. Silver Mines is also exploring to the north of Webbs where it has confirmed the presence of silver mineralisation.

## INDUSTRY COMMENT

Silver has risen 22% since February, to its current price of c US\$39/oz, its highest price since 1980. Record high gold prices and a weak US Dollar bode well for a positive silver price outlook.

Y/E Jun	Revenue (A\$m)	Op. Profit (A\$m)	PBT (A\$m)	EPS (c)	P/E (x)
2009A	0.00	(0.67)	(0.67)	(0.01)	N/A
2010A	0.00	(0.49)	(0.49)	(0.01)	N/A
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

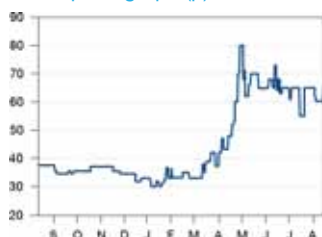
Sector: Pcare and household prd

## Sprue Aegis (SPRP)

Market cap: £23m

Price: 65.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(7.3)	(8.7)	60.7
Relative*	2.5	105.8	57.7

\* % Relative to local index

## Analyst

Fiona Orford-Williams

## COMPANY COMMENT

Sprue Aegis's strong performance continued through H210, with full-year sales more than doubling and operating profit up by 53%. Revenue was boosted by sales of products branded with the BRK, First Alert and Dicon names under the exclusive distribution agreement signed with BRK Brands Europe in April 2010. This arrangement involves paying a fixed fee. FireAngel range sales also increased in double digits. Net cash was £4.5m at the year-end, allowing for a doubled final dividend and higher levels of planned investment.

## INDUSTRY COMMENT

Changes to UK purchasing frameworks are not anticipated to have made much difference to the overall level of sales to the Fire and Rescue Services. The group's greater exposure to Continental European markets looks to have been timely. Sales to UK retailers (including B&Q and Tesco) have been strong, as safety is increasingly regarded as non-discretionary spend. The trade, social housing and utilities sectors are also working on improving safety specifications.

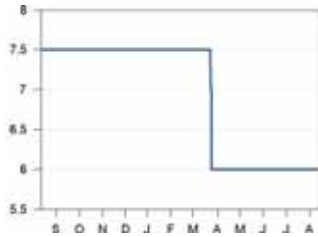
Y/E Dec	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	14.35	2.00	1.91	4.67	13.92
2010A	29.90	3.10	3.00	6.24	10.42
2011E	37.00	3.70	3.70	7.80	8.33
2012E	41.30	5.20	5.20	10.90	5.96

Sector: Pharma &amp; Healthcare

## Sunrise Biotech Holdings (SBHP) Market cap: £16m

Price: 6.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	0.0	0.0	(20.0)
Relative*	10.6	(9.0)	(21.5)

\* % Relative to local index

## Analyst

Roger Leboff

## COMPANY COMMENT

A difficult year was reflected in a sharp fall in turnover and £7.3m operating loss. That includes £1.1m of bad debts written off, £0.76m losses on disposal of fixed assets and a £1.6m loss on disposal of biological assets. The group's Japanese customer was affected by the local economy and recent earthquake. It will continue to purchase products but expected sales levels may not be reached until 2012. Also, sales promotions have been affected by delays in raising new capital. The group closed its plantation at Hebei and temporarily ceased production in Beijing, with serious short-term operational and financial implications.

## INDUSTRY COMMENT

Demand for Sunrise products is derived from China's rapidly developing economy and modernisation of its agriculture industry. The content of animal feed is increasingly important as producers seek cost-effective ways to increase yields, to meet demands caused by industrialisation and compensate for the reduction in land available for agriculture.

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

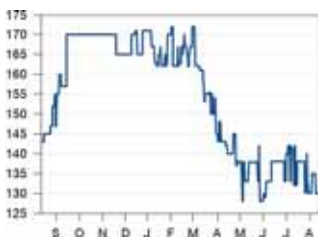
Sector: Travel &amp; Leisure

## Thwaites (Daniel) (THW)

Market cap: £82m

Price: 130.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(1.5)	(2.3)	(9.1)
Relative*	9.0	(9.3)	(10.8)

\* % Relative to local index

## Analyst

Richard Finch

## COMPANY COMMENT

A 10% fall in trading profit pre-exceptionals in both the brewery/pub and hotels businesses in the half to March is disappointing after the impressive 20% underlying advance in the previous six months. Although lower financial costs and improved property returns led to a near doubling at the pre-tax level, tough H2 trading is a reminder of the "extremely challenging" conditions faced by Thwaites, notably continuing weakness in on-trade beer volumes (-9%) and pressure on room rates. Management caution is tempered, however, by enthusiasm at its scope (gearing of just 17% at March) to upgrade its pub estate by investment and selective acquisition while actively churning the bottom end and plans for a new "state-of-the-art" brewery over the longer term.

## INDUSTRY COMMENT

Fuller's has "traded well" in the four months to July with like-for-like profits in its tenanted pubs up 1% and own brewed beer volumes up 2%. 2011 remains challenging for UK regional hotels, per TRI Hospitality Consulting.

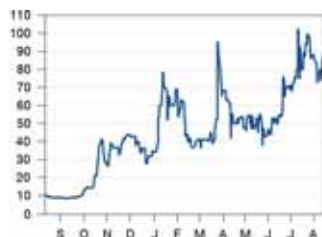
Y/E Mar	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	135.20	13.30	5.70	5.70	22.81
2011A	126.70	12.30	7.00	8.60	15.12
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A



Sector: Oil &amp; Gas

Price: 89.00p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(8.2)	89.3	768.3
Relative*	1.5	130.1	752.3

\* % Relative to local index

## Analyst

Peter Dupont

## US Oil and Gas (USOP)

Market cap: £37m

## COMPANY COMMENT

US Oil and Gas is an oil exploration junior focused on the Sevier thrust-fold belt of central and western Nevada. The stock has surged 17 fold since the January 2010 IPO driven by the estimate of possible recoverable reserves for the Eblana-1 prospect on the Hot Creek Valley property of up to 113mm barrels. According to USOP, a three-well drilling programme is expected to commence shortly. Financing is in place following two placings in 2011 that raised \$7.3m. A heads of terms agreement was also announced earlier in 2011 to raise \$5.1m via a convertible note.

## INDUSTRY COMMENT

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

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

Sector: Financials

Price: 40.05p  
Profile correct as at 12 August 2011

## Share price graph (p)



## Company description

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

## Price performance

%	1m	3m	12m
Actual	(19.9)	8.2	19.6
Relative*	(11.4)	24.8	17.4

\* % Relative to local index

## Analyst

Roger Leboff

## Western Selection (WESP)

Market cap: £7m

## COMPANY COMMENT

Western reported a £0.33m interim profit (H110: £0.13m). That growth comprised higher dividends from strategic investments, recovery of an impairment provision made this time last year, and an improved performance by Hartim. Administrative expenses were contained, including a temporary reduction in directors' fees, which it planned to reverse in H2. With substantial undrawn facilities, Western is well placed to take advantage of any attractive investment opportunities. Mid-year NAV per share was 71p, up from 61p over the period.

## INDUSTRY COMMENT

The group investment policy is to hold strategic stakes in a few special situations and maintain a diversified portfolio of high quality UK and internationally listed equities to generate income to cover central costs. In H1 the portfolio increased in value by 13% to £2.5m, so 20% of Western's assets. It continues to seek higher international diversification, primarily through investment in major offshore companies with global interests.

Y/E Jun	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2009A	0.21	(1.03)	(0.86)	(4.80)	N/A
2010A	0.16	0.11	0.26	1.40	28.61
2011E	N/A	N/A	N/A	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price: 20.00p  
Profile correct as at 12 August 2011

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	(37.3)	(37.3)	(43.7)
Relative*	(30.6)	(36.8)	(44.7)

\* % Relative to local index

Analyst

Roger Leboff

Woodspeen Training (WSTP) Market cap: £7m

COMPANY COMMENT

Underlying FY11 operating profit was £0.87m (FY10: £0.8m), but an exceptional impairment charge of £1.95m resulted in a pre-interest and tax loss of £1.3m (FY10: £0.64m profit). That related to the impact of government policy changes, such as replacement of New Deal employment programmes with the 'Work Programme'. A group strategic review led to the decision to cease involvement with employment programmes. Performance from S&S Training Services, in its first full year since acquisition was therefore disappointing. Woodspeen ended FY11 with cash of £3.76m.

INDUSTRY COMMENT

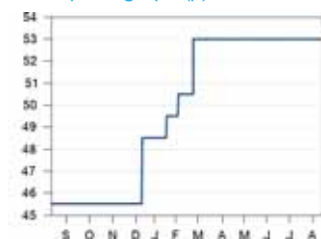
The austerity programme and proposed UK government policy changes create an uncertain short-term outlook for Woodspeen, due to dependence on government funding for its programmes. An additional £250m for apprenticeship training is positive, offset by the withdrawal of the Educational Maintenance Allowance (EMA). The group will continue to grow key areas organically and via acquisitions/industry consolidation.

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

Sector: Support Services

Price: 53.00p  
Profile correct as at 12 August 2011

Share price graph (p)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	0.0	16.5
Relative*	10.6	13.8	14.3

\* % Relative to local index

Analyst

Roger Leboff

Zeta Compliance (ZCGP) Market cap: £4m

COMPANY COMMENT

Strong FY11 growth, with a 28% increase in revenues to £3.0m (FY10: £2.3m), reflected a £0.15m contribution from the Fire Strategy Company acquired in May 2010, and £0.04m from a start up business unit offering carbon reduction services. Excluding the £0.25m loss made by these two operations, group EBITDA was £0.65m, 37.3% y-o-y growth. Zeta announced a 0.5p/share maiden dividend. The outlook is supported by the completion of Zetasafe 2.0 in SaaS-compliant format ready for launch later this year.

INDUSTRY COMMENT

The growth in the group's core water and air quality business is supported by its customers' need to comply with EU legislation. Recent acquisitions extend expertise into carbon-hygiene building energy management and fire strategy, and create opportunities to cross-sell new services to existing clients. Although this is quite a mature industry, Zeta's innovative technologies will help win business and increase its share of a substantial, albeit competitive, potential market.

Y/E Jan	Revenue (£m)	Op. Profit (£m)	PBT (£m)	EPS (p)	P/E (x)
2010A	2.32	0.35	0.30	3.01	17.61
2011A	2.98	0.27	0.27	2.81	18.86
2012E	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A

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