Insight

Strategic perspective • Sector focus • Company profiles

July 2012

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Contents

Prices at 13 July 2012

Published 19 July 2012

US$/£ exchange rate: 0.6413
€/£ exchange rate: 0.7977
C$/£ exchange rate: 0.6289
A$/£ exchange rate: 0.6528
TRY/£ exchange rate: 0.3537
ZAR/£ exchange rate: 0.0775
HK$/£ exchange rate: 0.0827

RMB/£ exchange rate: 0.1015
DKK/£ exchange rate: 0.1072
NOK/£ exchange rate: 0.1063
JPY/£ exchange rate: 0.0081
SG$/£ exchange rate: 0.5050
CHF/£ exchange rate: 0.6641
SEK/£ exchange rate: 0.0916

Welcome to the July edition of the Edison Insight. We now have over 350 companies under coverage, of which 261 are profiled in this edition.

The book opens with a strategy piece from Alastair George, who believes markets are efficiently discounting both declining economic growth prospects and the prospect of QE3 in the US. Sectors that are exposed to the periphery of Europe or commodity prices have underperformed. From a strategic perspective we continue to avoid the periphery of Europe, banks and basic resources. We favour equities over bonds and in particular dividend paying companies with quality franchises and balance sheets.

In our sector focus this month, our mining sector head, Charles Gibson, looks at the likelihood of another round of QE.

We have added Acal, Hawkley Oil and Gas, London Stock Exchange and Neovacs this month.

Readers wishing more detail should visit our website, where reports are available for download (www.edisoninvestmentresearch.co.uk). All PBT and earnings figures shown are normalised.

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We welcome any comments/suggestions our readers may have.

Neil Shah
Director of research

Global perspectives: Clarity and opacity

- **Incessant political activity has yielded little in 2012.** Yet another EU summit has passed with the publication of bold statements of intent but little in the way of deliverability. Our strategy of avoiding banks and the periphery of Europe is working and we see no reason to change our position at the present time. The non-deliverability of European policy initiatives is becoming painfully obvious to all.
- **Markets balancing declining economic prospects with potential for US QE3.** The ECB and the Bank of England have eased monetary policy over the last month. We expect the US to do the same over the summer. US new order survey data is declining as sharply as in 2008 and US inflation expectations are back to QE-supportive levels.
- **Investors looking-through declining earnings expectations.** Our top-down earnings forecasts remain much lower than consensus, although still at levels that represent solid profitability from the non-financial sector. We believe earnings declines have been discounted to a large extent and, in the short term, markets are now driven by the views of the US Federal Reserve.
- **In contrast to the clouded short-term outlook, the long-term evidence is clear.** We believe a return to traditional long-term equity investing will become increasingly popular as short-term trends become more random. In a difficult economic environment we believe the share prices of the best-placed companies will outperform weaker competitors. This supports our quality focus and avoidance of banks, basic resources and the European periphery. With real yields turning negative, the tail-end of the AAA-sovereign bond bull market is becoming an irrelevance for long-term investors.

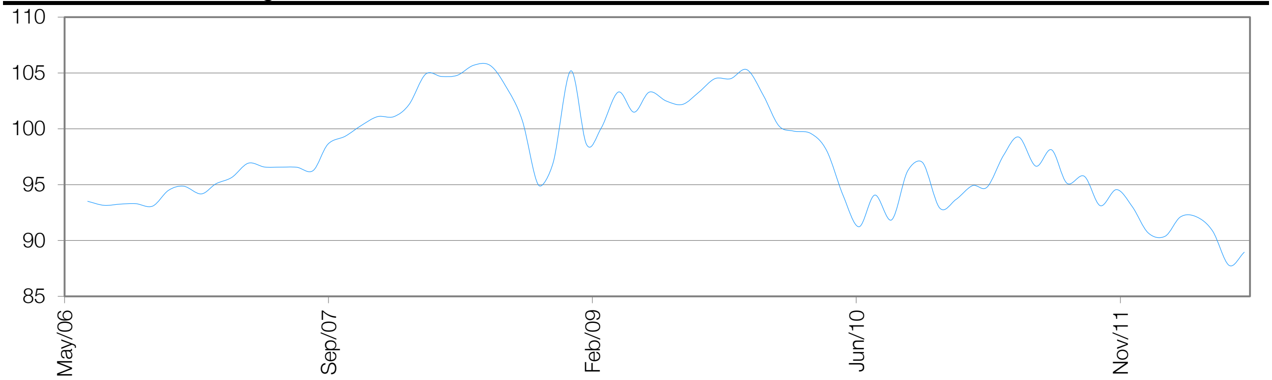
Incessant political activity has yielded little

Yet another EU summit has passed by with the publication of a bold statement of intent but little in the way of deliverability. The summit statement of 29 June talked encouragingly of direct recapitalisation of Spanish lenders, thus breaking the sovereign-banking system feedback loop. But as soon as political leaders returned home it became obvious this was another statement that would be short on deliverability. Even the European Stability Mechanism has been delayed, courtesy of the German constitutional court that will meet in September to judge the merits of legal challenges to its implementation.

In the meantime, both Italian and Spanish 10-year bond yields have stayed near their highs. These funding costs are clearly unsustainable for any length of time. We see no reason to change our stance on avoiding the periphery – or banks, which would suffer in the case of a disorderly collapse.

However, the failure of politics is pushing market solutions to the foreground. We note the decline – finally – in the value of the euro on a trade-weighted basis. This will be incrementally helpful in terms of profitability (approximately 50% of Stoxx-600 sales are outside the eurozone) and labour competitiveness for the whole of Europe.

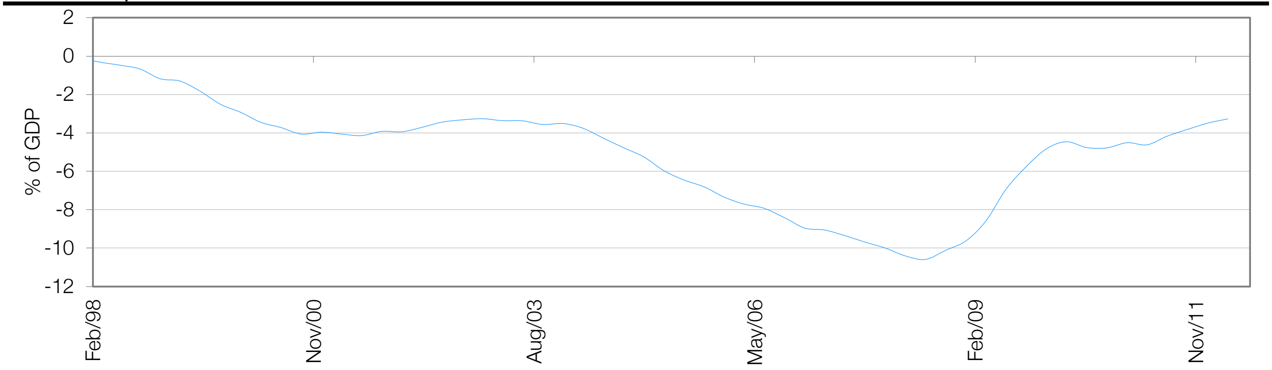
Exhibit 1: Euro trade-weighted index



Source: Bank of England

Furthermore, the collapse of the 'wrong kind' of growth (ie real-estate construction) in Spain has dramatically improved the current account balance. From a small surplus in 1998 the current account deficit peaked at over 10% of GDP (EUR12bn per month) in mid-2008 but is now only 3% of GDP. The bleeding on this particular wound has slowed to a trickle.

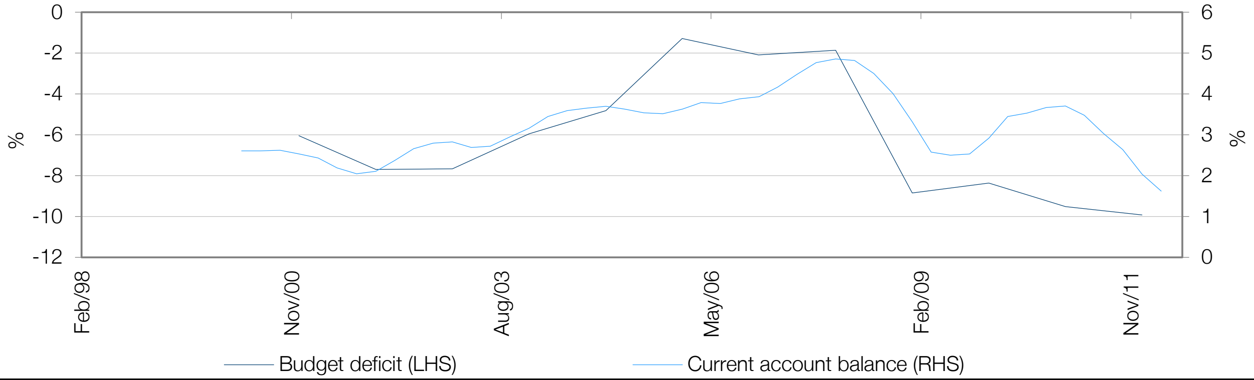
Exhibit 2: Spain current account balance



Source: Bloomberg

We cannot help but think that Japan is fortunate not to be geographically proximate to Europe. Japan's government debt load is 208% of GDP and 10-year Japanese government debt yields only 0.75%. A steadily declining current account balance and sharply expanding budget deficit which is now 10% of GDP, Exhibit 3, make us wonder for how long this situation can be sustained.

Exhibit 3: Japan's budget deficit and current account balance

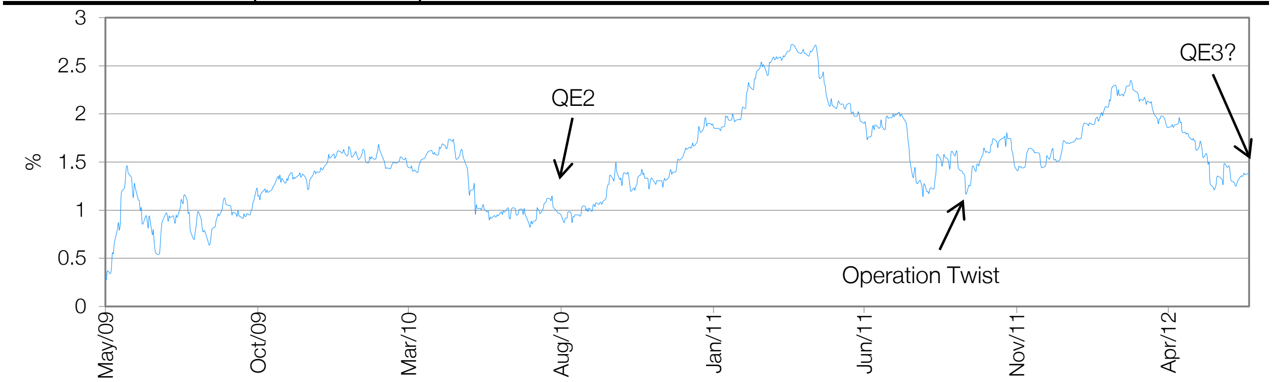


Source: OECD, Bloomberg

Monetary policy easing coming through as expected – and supporting markets

Sharp declines in survey data and declining earnings expectations would normally be associated with declining equity markets. This time markets have been rising in anticipation of monetary easing. Over the last few weeks the ECB and the Bank of England have eased monetary policy.

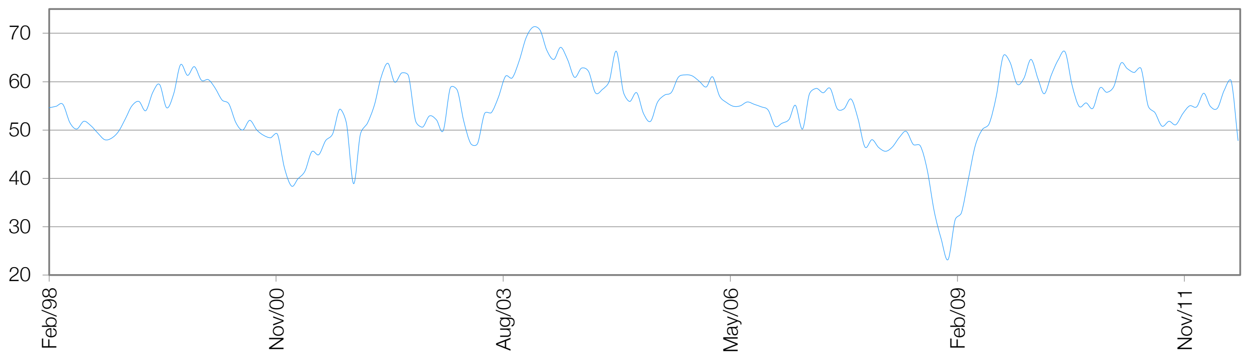
Exhibit 4: US market-implied inflation expectations



Source: Bloomberg

We expect the US Federal Reserve to follow suit, possibly as soon as next month. US inflation expectations are falling back to the levels that triggered QE2 in 2010, Exhibit 4. US survey data is declining as sharply as in 2008, as shown by the purchasing managers' new orders index, Exhibit 5. We do not expect QE3 to lead to a significant rally in global equity markets as it has been well anticipated by investors.

Exhibit 5: US PMI new orders index



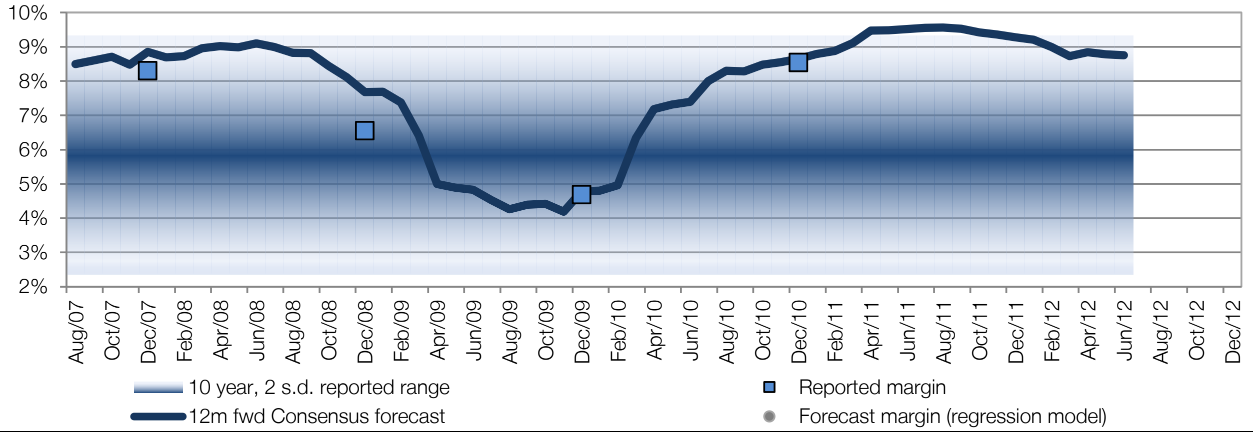
Source: Bloomberg

Investors looking-through declining earnings expectations

Our top-down model continues to indicate profit margins for European industrials will ultimately prove to be significantly below the current analyst consensus, Exhibit 6. We think this has been largely discounted by the loss of market momentum over Q2; recent downgrades have not been an impediment to the rising market.

At present the economic outlook is still consistent with a robust profits performance from the corporate sector in 2012. The fundamental picture is that demand would have to fall much further to take industrial margins to below mid-cycle levels.

Exhibit 6: Edison top-down profit margin forecast v consensus – European industrials



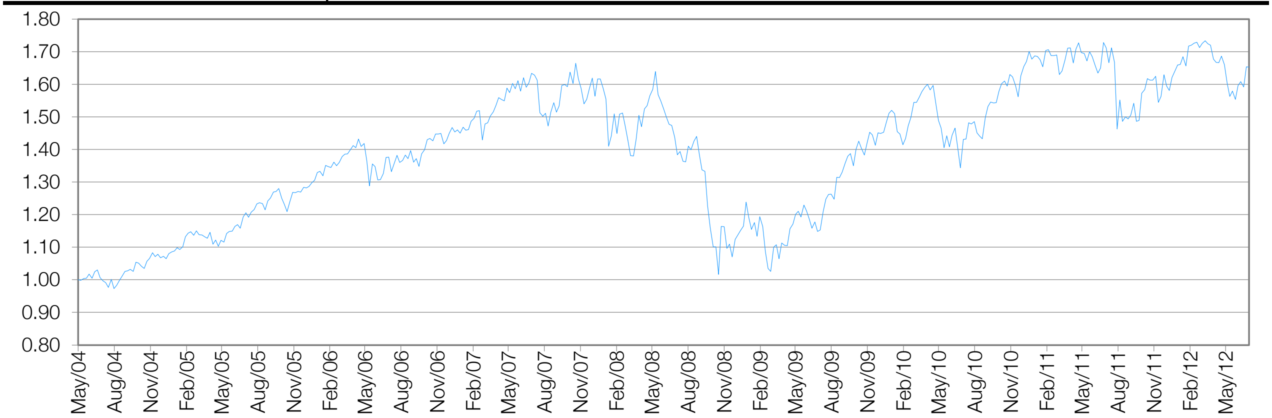
Source: IMF, Bloomberg

A focus on the long term will pay dividends

We believe in recent months equity markets have efficiently discounted both the prospects of further monetary easing and declining earnings expectations. Sectors that have underperformed have typically done so for a reason – whether it is banks, peripheral European equities or the basic resources sector on concerns of a China slowdown. In our view there are not any compelling short-term opportunities.

Despite the significant short-term ebb and flow, the tide is coming in for investors in dividend-paying quality equities. There is no bear market here – the FTSE non-financials index is close to new highs. The arithmetic is simple – if dividends are at sustainable levels a yield of close to 4%, quality equities are likely to outperform bonds significantly over the long term.

Exhibit 7: FTSE Non-financials price index – no bear market in industrials



Source: IMF, Bloomberg

Based on current valuation levels we believe non-financial equities are priced at or above their long-term average rates of return, even we assume economic growth remains weak (dividend yield + growth rate = c. 7%). Clearly this is not exceptional – it is the risk premium over bonds yielding 1.5% which is the outlier.

Conclusion

The short term is particularly difficult to discern at present as markets have efficiently discounted a revival in growth driven by global monetary policy easing over H212 and we take no position. Over the long term, the rate of return (dividend yield + growth) on Europe's industrial equities points to a historically large risk premium in favour of equities over bonds.

We have a sense that both bulls and bears are likely to be disappointed as events unfold. Bears will be frustrated by policy responses to declining growth while bulls will be stuck with the dividend return and only a grudging re-rating. In uncertain times a policy of sticking with quality equities will continue to pay dividends.

Focus on:

Mining

Sector focus: Mining

Analyst

Charles Gibson

Not over 'til the bearded man buys

As these words were written, the market was in one of its periodic convulsions about the global economic outlook. The minutes of the Federal Reserve's last meeting seemed to hint at potential stimulus, but did not actually announce as much. Operation Twist has been extended, but initiatives fell well short of the gold market's hopes and it promptly sold off US$75/oz. Since then, there has been a spate of disappointing macroeconomic news. At home, the IMF has downgraded its economic growth forecast for the UK in 2012 to a rather anaemic 0.8%. Abroad, annualised second-quarter growth in the US was recorded as 1.8%, but already there are dark mutterings from the private sector about downgrades and some are even predicting that the US is nearing recession. In the meantime, commentators decry the unemployment rate and note that, while it has indeed fallen by two percentage points from its peak of 10% in 2009, it has now held above 8% for 41 consecutive months. Ironically, the worse the news, the more gold rallies as the prospects for future stimulus appear brighter and, as a result, gold has regained some of its former poise, trading fairly equably around t US$1,600/oz. Nevertheless, investors can be forgiven for feeling confused. In the same summary of financial news, these three headlines could be read, effectively side by side: "gold drops as Fed refrains from further specific easing measures", "copper rises for first day in three on US stimulus speculation" and "Bernanke sees range of options for Fed to stimulate growth".

So what are the chances of another round of quantitative easing? In our opinion, good. Consider this. Estimates for the losses incurred as a result of the global financial crisis range between about US$4tn and US$8tn. Of this approximately half is in the form of home equity, with the rest roughly evenly distributed between retirement and pension assets and savings and investment assets. Of the total loss, approximately US$1tn is estimated to have occurred in the US banking system, with another US$1.4tn having occurred in overseas banking systems. As such, the Fed's combined US$2.0tn quantitative easing programme can be seen as roughly sufficient to refinance the banks, but no more. Moreover, as anyone on the high street will tell you, to save a bank is not the same thing as incentivising it to lend. So while the risk of a major financial failure in the US has receded, the 'real' economy continues to be burdened with the same (high) level of debt that it had before the crisis started, is still nursing the same losses on its assets (give or take) and, in general, is unable to access the debt funding needed for investment to expand its businesses even if it wanted to. Not surprisingly therefore, economies in the western world, with few exceptions, are stagnating, which inevitably deters businesses from seeking additional debt funding to invest and expand, thereby exacerbating the problem. The two ways out of this are 1) to undertake a programme of debt reduction (which will inevitably mean enduring a low growth, high unemployment environment for years) or 2) to monetise a portion of the private sector's debt. Of course, such initiatives are anathema to central bankers of a certain persuasion and the issue will have to be very diplomatically handled with large overseas investors in US assets (notably China). In the light of the politicians' promises to reduce unemployment and to stimulate economic growth in a timely fashion, however, we believe that, in the end, the adoption of option 2 will become inevitable. And that will mean more than just the US$2tn in QE that we've had so far.

Sector: Media & Entertainment

Price:	269.0p
Market cap:	£71m
Forecast net cash (£m)	11.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

4imprint Group is an international supplier of promotional products with market leading businesses in the US and UK. It is driven mainly by the US division where a strategy of investment in marketing and sales has led to strong sales and profit growth.

Price performance

%	1m	3m	12m
Actual	(5.6)	(5.3)	0.0
Relative*	(8.8)	(5.1)	4.8

* % Relative to local index

Analyst

Derek Terrington

4imprint Group (FOUR)

INVESTMENT SUMMARY

The Q1 IMS reported North American revenue at 4imprint Direct Marketing up 14% in dollar terms (15% in sterling), with the group on track to achieve our full-year estimates. On 11 June, 4imprint announced that Kevin Lyons-Tarr (president of 4imprint Direct Marketing) will join the main board. The share price has been steady over the past three months (other ad-linked groups have seen falls) and YTD the shares are up 24% (FTSE +2%). Interim results are due on 2 August.

INDUSTRY OUTLOOK

The North American promotional products market outpaced the North American advertising market again in 2011, rising 6.5% vs a rise of 2.3% (2010: up 12% vs a rise of 2%). The outlook for North American advertising is positive. Zenith Optimedia (March 2012) expects annual growth of 3.6%, 3.8% and 4.8% in 2012, 2013 and 2014. The PPAI reports US revenue up 6% for Q1. This provides a positive background, but the key to company growth lies in sustained investment in marketing and in the efficiency of the direct marketing business.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	143.7	8.3	5.8	17.1	15.7	6.7
2011A	158.8	10.5	8.1	21.5	12.5	4.2
2012E	181.8	11.7	10.0	23.1	11.6	9.6
2013E	208.5	14.0	12.5	28.7	9.4	5.2

Sector: Pharma & Healthcare

Price:	€1.56
Market cap:	€79m
Forecast net cash (€m)	12.6
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

4SC is a Munich-based drug discovery and development company focused on the development of small-molecule compounds for treating cancer and autoimmune diseases. Its R&D pipeline has six NCEs, five of which are in clinical trials.

Price performance

%	1m	3m	12m
Actual	(6.2)	(35.9)	(12.9)
Relative*	(12.0)	(35.6)	(3.5)

* % Relative to local index

Analyst

Robin Davison

4SC (VSC)

INVESTMENT SUMMARY

4SC faces a strategic challenge following its recent €12.6m fund-raising, namely whether to take vidofludimus into a Phase IIb study in Crohn's disease ahead of a partnering deal (for either it or resminostat). With pro forma cash of c €24m, it probably has the resources to do so, but financially this would be a risky decision. 4SC maintains its preference would be to conduct this (and a planned Phase III trial for resminostat in advanced liver cancer) with a partner (or partners). However, if it can secure a licensing deal on one of its two lead products, it could allow the advancement of the other independently, potentially allowing capture of the full value from a positive result.

INDUSTRY OUTLOOK

There are only a handful of competing small molecule drugs development programmes in Crohn's disease, this indication does, however, have one high-profile compound, GSK1605786, which is in a four-study Phase III programme. There are also four injectable products in mid/late-stage development candidates for Crohn's disease.

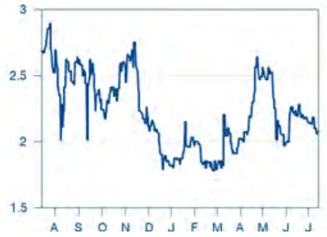
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	1.0	(18.5)	(18.9)	(48.9)	N/A	N/A
2011A	0.8	(17.1)	(17.3)	(43.1)	N/A	N/A
2012E	1.0	(14.2)	(14.4)	(31.2)	N/A	N/A
2013E	0.9	(17.8)	(18.0)	(35.8)	N/A	N/A

Edison investment research

Sector: Pharma & Healthcare

Price:	US$2.08
Market cap:	US$81m
Forecast net cash (US$m)	9.9
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Aastrom Biosciences uses autologous cell therapy to process and inject the patient's own cells. The lead Phase III product aims to reduce the amputation rate in patients with blocked leg arteries: this has $1.25bn sales potential.

Price performance

%	1m	3m	12m
Actual	(5.5)	(4.6)	(22.4)
Relative*	(8.4)	(3.6)	(24.6)

* % Relative to local index

Analyst

John Savin

Aastrom Biosciences (ASTM)

INVESTMENT SUMMARY

In Q1, Aastrom started the REVIVE Phase III study with Ixmyelocel-T, a key event. The company aims to market directly in the US; we assume an EU partnering deal and a 2013 upfront payment. The Q112 $40m funding gave cash of $36.7m as of 31 March. Q1 R&D was $6.8m, with $1.8m in administration. There was a non-cash loss of $0.9m on warrants.

INDUSTRY OUTLOOK

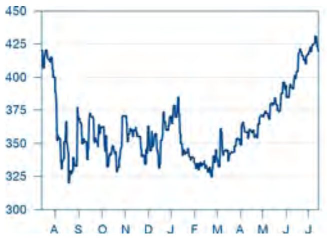
Phase II RESTORE CLI data showed a statistically significant reduction in the combined amputation risk endpoint (p=0.0032). The pivotal REVIVE Phase III in 594 patients has an FDA SPA. If it meets its 12-month REVIVE endpoint, Ixmyelocel-T should be the first marketed cell therapy for CLI and the only US treatment option for 100,000-150,000 potential amputees per year. In ischaemic dilated cardiomyopathy, a Phase IIa indicated good safety and some responses. Recent preclinical data shows reduction in infarct size after coronary ischaemia. Aastrom is planning a Phase IIb study. Ixmyelocel-T has c 25% M2 macrophages, which may be critical for efficacy.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.3	(11.4)	(11.6)	(39.7)	N/A	N/A
2011A	0.0	(28.4)	(29.0)	(75.1)	N/A	N/A
2012E	0.0	(32.5)	(37.1)	(96.0)	N/A	N/A
2013E	0.0	(35.4)	(41.1)	(106.4)	N/A	N/A

Sector: Pharma & Healthcare

Price:	419.2p
Market cap:	£831m
Forecast net cash (£m)	45.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Abcam produces and sells antibodies and other protein tools for use in research via its website. Its main clients are universities, research institutes and pharmaceutical companies across the world.

Price performance

%	1m	3m	12m
Actual	4.5	16.5	(0.1)
Relative*	0.9	16.7	4.7

* % Relative to local index

Analyst

Mick Cooper

Abcam (ABC)

INVESTMENT SUMMARY

Abcam's acquisition of Epitomics boosts its growth rate in the light of sustained economic headwinds. The deal brings a range of products in one of the fastest-growing segments of the protein reagents market, but at high takeover multiples. In our view the deal has contained a potential competitive threat and was needed to maintain Abcam's dominant position. Our resulting valuation is 324p per share, 2p per share higher than our previous valuation, based on slower revenue in H112, offset by the value created by the deal. However, we believe the current market price reflects an over-optimistic view of Abcam's prospects of growth and profitability.

INDUSTRY OUTLOOK

More biological research is conducted into proteins, increasing the demand for protein research tools. However, the funding of academic research is coming under greater pressure as governments look to reduce their debts. Abcam is the market leader for research antibodies but has a limited market position in the wider protein research tools market.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	71.1	27.2	26.0	10.9	38.5	30.0
2011A	83.3	33.3	32.3	13.4	31.3	23.0
2012E	97.9	37.0	36.6	14.9	28.1	22.9
2013E	126.7	44.3	43.6	16.5	25.4	19.1

Sector: Property

Ablon Group (ABL)

Price:	19.5p
Market cap:	£27m
Forecast net debt (€m)	222.0
Forecast gearing ratio (%)	112.0
Market	LSE

Share price graph (p)

Company description

Ablon Group is a leading developer and investor in commercial and residential property in Central & Eastern Europe. It holds a portfolio of 33 assets, 14 income-producing investments and 19 development projects.

Price performance

%	1m	3m	12m
Actual	(4.9)	(18.8)	(64.2)
Relative*	(8.1)	(18.6)	(62.5)

* % Relative to local index

Analyst

Roger Leboff

INVESTMENT SUMMARY

The IMS for 1 January to 17 May 2012 confirmed stable portfolio operational performance, with a small drop in occupancy and rents from Budapest offices after lease expiries. In early July, construction began on a new logistics unit at Airport City in Budapest, pre-let to German company Benteler. Ablon's key Eastern European property markets remain challenging and discussions continue with lenders over loan extensions. It received an EGM acquisition in June, with the meeting scheduled for 24 July. It has instructed a new valuer to carry out an appraisal of the portfolio valuations as at end June 2012.

INDUSTRY OUTLOOK

Ablon has 15 income-generating investment properties plus 24 other projects and a landbank in Budapest, Prague, Bucharest, Warsaw and Gdansk. The key market is Budapest, although it also hold a completed residential apartments scheme in Prague and has permission to build a grade A office development in Warsaw, one of Europe's more robust economies and letting markets.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	30.7	11.1	2.5	12.5	2.0	2.9
2011A	30.4	11.0	1.6	(10.2)	N/A	2.0
2012E	29.0	11.6	2.2	1.3	18.8	3.6
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Ablynx (ABLX)

Price:	€2.83
Market cap:	€124m
Forecast net cash (€m)	54.7
Forecast gearing ratio (%)	N/A
Market	Euronext Brussels

Share price graph (€)

Company description

Ablynx is a drug-discovery company with a proprietary technology platform. It is developing a novel class of therapeutic proteins called Nanobodies to treat a range of indications; seven products are in clinical development.

Price performance

%	1m	3m	12m
Actual	8.8	(12.1)	(65.4)
Relative*	2.6	(11.7)	(61.6)

* % Relative to local index

Analyst

Mick Cooper

INVESTMENT SUMMARY

Ablynx has developed a broad pipeline using its Nanobody technology in many disease areas. These therapeutic proteins have the specificity of monoclonal antibodies and many of the benefits of small molecules. Its lead Nanobody, ozoralizumab (ATN-103 for the $24bn TNF market), showed promising efficacy, low immunogenicity and was well tolerated in Phase II studies in RA, which could enable Ablynx to re-partner the product (Pfizer previously had the rights). Two other Nanobodies are in Phase II trials, ALX-0081/0681 in TTP and ALX-0061 in RA; data from the latter study is due in H212. Ablynx is also planning to form new collaborations and partner other Nanobodies. With a cash position of €85m at 31 March 2012, Ablynx should have enough cash to fund operations for the next two to three years.

INDUSTRY OUTLOOK

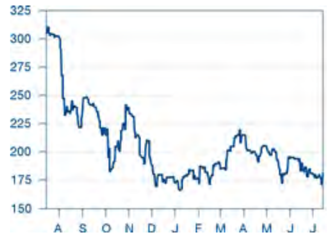
There is a strong demand for novel pharmaceutical products. The characteristics of Ablynx's Nanobodies and initial clinical trial results mean they have considerable commercial potential in many indications.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	31.4	(23.0)	(24.0)	(56.9)	N/A	N/A
2011A	21.9	(42.8)	(43.3)	(99.1)	N/A	N/A
2012E	26.2	(36.9)	(39.1)	(89.6)	N/A	N/A
2013E	36.7	(28.1)	(30.8)	(70.4)	N/A	N/A

Sector: Technology

Price:	181.5p
Market cap:	£52m
Forecast net cash (£m)	3.5
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Acal is a supplier of specialist technologies across Europe and South Africa, operating through two Divisions: Electronics (80% of sales) and Supply Chain (20% of sales).

Price performance

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

* % Relative to local index

Analyst

Katherine Thompson

Acal (ACL)

INVESTMENT SUMMARY

Acal is a specialist electronics supplier focused on the European market. By supplying niche, technically demanding products and in-house design expertise it can earn higher gross margins than commodity distributors. Successful refocusing of the business and a strengthened competitive position enabled it to beat its gross margin target in FY12, grow operating margins, and generate strong cash flows. We estimate that the specialist focus will enable Acal to continue to grow margins even in the current weak economic environment, and this should drive share price upside.

INDUSTRY OUTLOOK

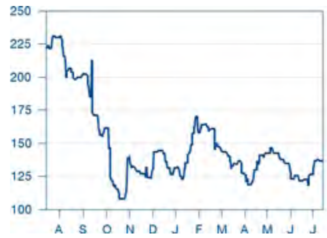
Acal's solutions are used in both the design and production phases of a customer's product. Design activity is more technology driven, and Acal saw an increase in design opportunities through FY12. Production activity is more geared to general economic conditions and has been affected by the weaker markets, particularly in H2. Strong design activity means that when the economy does start to recover, Acal is well positioned for volume orders.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	264.8	9.1	7.4	19.6	9.3	N/A
2012A	257.8	10.2	7.8	21.6	8.4	N/A
2013E	248.4	10.5	8.2	22.0	8.3	N/A
2014E	263.3	12.6	10.4	25.2	7.2	N/A

Sector: Financials

Price:	136.5p
Market cap:	£27m
Forecast net cash (£m)	4.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

ACM is a fully integrated shipbroking business focused principally on the global oil tanker market. It arranges spot and time charters and offers a number of other services, including the sale and purchase of ships.

Price performance

%	1m	3m	12m
Actual	12.3	5.0	(38.9)
Relative*	8.5	5.2	(36.0)

* % Relative to local index

Analyst

Nigel Harrison

ACM Shipping Group (ACMG)

INVESTMENT SUMMARY

ACM has emerged from a very challenging year to March 2012, with underlying pre-tax profits of £4.32m, 29% below the figure for the previous year and slightly below our target of £4.5m. Margins were undermined by global shipping over-capacity, forcing freight rates to historically low levels. However, the number of movements managed by the group continued to rise, despite these challenges. ACM had also to contend with the defection of key members of its Sale & Purchase team, leading to an exceptional goodwill impairment charge of £7.8m.

INDUSTRY OUTLOOK

The shift in global manufacturing capacity towards lower-cost areas has irreversibly enhanced the overall potential for shipping, although the recession and over-capacity have created weakness in freight rates. The major shipbrokers are better equipped to provide effective advice to customers. A combination of being close to the bottom of the cycle and the cash-generative nature of shipbroking suggests strong buying opportunities across the sector.

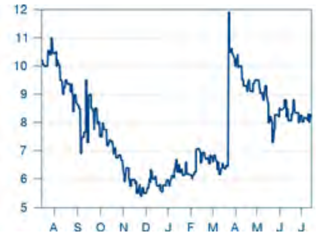
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	29.3	6.2	6.1	24.7	5.5	4.2
2012A	26.6	4.4	4.3	17.3	7.9	16.8
2013E	27.5	4.6	4.4	17.5	7.8	7.8
2014E	28.5	5.0	4.8	18.5	7.4	7.2

Addex Therapeutics (ADXN)

Sector: Pharma & Healthcare

Price:	CHF8.20
Market cap:	CHF64m
Forecast net cash (CHFm)	14.4
Forecast gearing ratio (%)	N/A
Market	Swiss Stock Exchange

Share price graph (CHF)



Company description

Addex Therapeutics is a Swiss biotech company with a proprietary allosteric modulator discovery platform and a pipeline in CNS, inflammatory and metabolic disorders. It has a partnership with J&J (Ortho-McNeil-Janssen).

Price performance

%	1m	3m	12m
Actual	1.7	(11.8)	(19.6)
Relative*	(2.2)	(13.4)	(21.6)

* % Relative to local index

Analyst

Robin Davison

INVESTMENT SUMMARY

Addex has seen an unexpected boost to the prospects for its lead partnered product, JNJ-40411813, as a result of a trial setback reported last week with Lilly's pomaglumetad methionil, a mechanistically-close competitor. The news may allow Janssen Pharmaceuticals, Addex's partner, to catch up with a rival that had hitherto been several years ahead. Both products aim to up-regulate mGluR2, but Lilly's is an orthosteric mGluR2/3 agonist, while Addex's is a more selective mGluR2 PAM. Meanwhile J&J is completing its own Phase II study in schizophrenia and is starting a Phase II study in anxiety co-morbid with depression. We maintain our risk-adjusted NPV of $232m/CHF227m.

INDUSTRY OUTLOOK

Addex Therapeutics has established the industry's leading position in allosteric drug discovery and is generating a stream of high-value novel small molecule products in CNS, metabolic, inflammatory and other diseases. Dipraglurant is fast catching up with Novartis's mavoglurant (AFQ056), also an mGluR5 negative allosteric modulator, in the PD-LID indication.

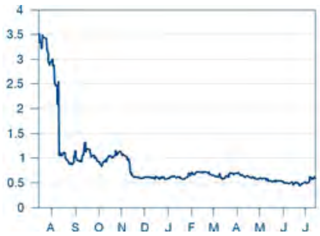
Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2010A	4.0	(29.4)	(32.2)	(5.3)	N/A	N/A
2011A	3.7	(27.2)	(29.8)	(4.0)	N/A	N/A
2012E	0.6	(21.7)	(22.7)	(2.9)	N/A	N/A
2013E	0.6	(17.2)	(17.9)	(2.3)	N/A	N/A

ADVENTRX Pharmaceuticals (ANX)

Sector: Pharma & Healthcare

Price:	US$0.59
Market cap:	US$28m
Forecast net cash (US$m)	34.4
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Adventrx Pharmaceuticals is a development-stage US pharmaceutical company focused on the development of ANX-188, a potential treatment for sickle cell disease complications. A pivotal Phase III study with ANX-188 is expected to start by the end of 2012.

Price performance

%	1m	3m	12m
Actual	15.3	(8.1)	(84.5)
Relative*	11.8	(7.2)	(84.9)

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

Fundamental to ADVENTRX's investment case is the successful development and commercialisation of ANX-188, a product that has the potential to become the standard of care for the treatment of severely painful 'crisis' episodes in patients with sickle cell anaemia. Discussions are ongoing with the FDA over the design of the Phase III trial required for approval and reaching agreement, which ADVENTRX expects in H212, presents an important milestone and potential catalyst. ADVENTRX has secured the manufacture and supply of ANX-188 required for the trial, through recently signed contracts with Pierre Fabre (for active ingredient) and Patheon (to formulate, fill and finish).

INDUSTRY OUTLOOK

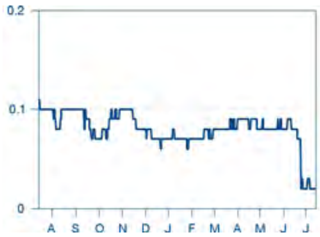
ANX-188 is the lead candidate in a limited development field to become the first approved therapy to reduce the duration of crisis episodes, which typically require hospitalisation for six to seven days. We assume ADVENTRX will commercialise ANX-188 itself in the US but a partner could be secured.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.5	(8.5)	(8.5)	(106.91)	N/A	N/A
2011A	0.0	(13.4)	(13.3)	(47.06)	N/A	N/A
2012E	0.0	(16.9)	(16.9)	(35.15)	N/A	N/A
2013E	0.0	(18.7)	(18.7)	(38.31)	N/A	N/A

Sector: Oil & Gas

Price:	A$0.02
Market cap:	A$11m
Forecast net debt (A$m)	2.7
Forecast gearing ratio (%)	26.0
Market	ASX

Share price graph (A$)



Company description

ADX Energy is an oil and gas exploration business listed in Australia with exploration activities in Tunisia, offshore Italy and Romania. It has mining interests that have been demerged and relisted in Australia under the name of Riedel Resources.

Price performance

%	1m	3m	12m
Actual	(69.6)	(72.1)	(78.2)
Relative*	(69.7)	(70.2)	(75.7)

* % Relative to local index

Analyst

Colin McEnery

ADX Energy (ADX)

INVESTMENT SUMMARY

On 26 June ADX announced the well tests at Sidi Dhaher were unsuccessful. The well flowed formation water and drilling mud and ADX has decided to plug and abandon it. This affects the company's strategy. Near-term cash flows that could have financed ADX's prospects in the Sicily Channel are no longer available. To progress these prospects ADX must achieve very favourable farm-out terms. Without this, significant capital funding would be required.

INDUSTRY OUTLOOK

Without near-term production from Sidi Dhaher, ADX is likely to face funding challenges. Its Romanian activity is largely carried but any activity in the Sicily Channel will be heavily dependent on getting a farm-out. We highlight significant equity dilution as a key risk.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(1.0)	(2.1)	(0.8)	N/A	N/A
2011A	0.0	(9.8)	(9.8)	(2.6)	N/A	N/A
2012E	0.0	(6.0)	(6.0)	(1.5)	N/A	N/A
2013E	0.0	(5.0)	(5.2)	(1.3)	N/A	N/A

Sector: Mining

Price:	50.4p
Market cap:	£53m
Forecast net cash (US$m)	38.8
Forecast gearing ratio (%)	N/A
Market	AIM, TSX

Share price graph (p)

Company description

Afferro Mining is a West African iron ore explorer/developer that owns 100% of the 1.42bt Nkout project in Cameroon and 38.5% of the 3.24bt Putu project in Liberia.

Price performance

%	1m	3m	12m
Actual	24.4	(22.4)	(49.6)
Relative*	20.2	(22.2)	(47.2)

* % Relative to local index

Analyst

Andrey Litvin

Afferro Mining (AFF)

INVESTMENT SUMMARY

Afferro released the NI43-101 compliant PEA followed by the mineral resource update for its 100%-owned Nkout iron ore project in Cameroon. The study considers three production scenarios with the saleable output int eh range of 15-35mtpa and a mine life of 21-48 years. The required external funding is estimated at US$2.5-3.9bn on a shared infrastructure basis, while pre-royalty opex is seen at US$33-38/t. The preliminary met tests indicate a high-grade product with high iron recoveries pointing to low processing cost and impurities. The company is conducting the bulk testing aiming to confirm the strong early results not included in the PEA. The project’s overall resource was upgraded 26% to 2.5bt, with 36mt of high-grade cap supporting an early-stage DSO operation. Afferro is the cheapest exposure to the WA iron ore space with a major catalyst being a potential strategic partnership at Nkout.

INDUSTRY OUTLOOK

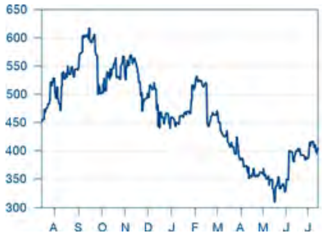
We expect iron ore pricing to remain capped on the back of the weakening underlying demand.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(2.9)	(3.6)	(5.3)	N/A	N/A
2011A	0.0	(4.1)	(3.8)	(4.1)	N/A	N/A
2012E	0.0	(4.0)	(4.7)	(4.5)	N/A	N/A
2013E	0.0	(4.0)	(4.6)	(4.4)	N/A	N/A

Sector: Mining

Price:	405.1p
Market cap:	£1661m
Forecast net cash (US$m)	591.7
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

African Barrick Gold was historically the Tanzanian gold mining business of Barrick and is one of Africa's five largest gold producers with output from four mines, namely Bulyanhulu, Buzwagi, North Mara and Tulawaka.

Price performance

%	1m	3m	12m
Actual	3.9	13.6	(10.0)
Relative*	0.3	13.8	(5.7)

* % Relative to local index

Analyst

Charles Gibson

African Barrick Gold (ABG)

INVESTMENT SUMMARY

Lower unit working costs in Q1 helped African Barrick Gold (ABG) exceed our forecasts. Since then, it has received approval for its potentially acid-forming waste rock permit at North Mara, which will allow it to open higher grade zones in H212, and board approval for a 2.4Mtpa CIL circuit at Bulyanhulu to produce up to 40koz Au pa at US$554/oz from H114 (a project we valued previously at 22.6c per share). It has also agreed to pay an additional, voluntary 1% royalty to the Tanzanian government, which will strengthen its relationship and allow it to address legacy issues at its mines. Q2 results are scheduled for release on 23 July.

INDUSTRY OUTLOOK

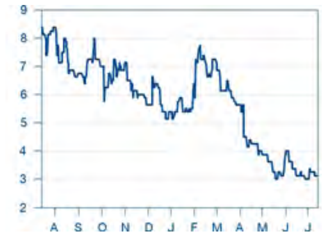
ABG's shares have rallied strongly since end-May, outperforming the gold price. Nevertheless, it remains the cheapest of its peers in terms of its resource multiple (US$59/oz) and its EV/EBITDA multiple for the year to Dec 2014 - the year we forecast its dividend yield will exceed 4%. It also continues to trade below book value of US$6.73 per share.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	975.0	445.2	335.1	59.5	10.6	7.5
2011A	1217.9	544.1	402.7	67.0	9.4	5.2
2012E	1203.3	440.9	282.8	47.0	13.4	6.5
2013E	1233.2	516.8	346.9	58.0	10.9	5.2

Sector: Mining

Price:	3.1p
Market cap:	£22m
Forecast net cash (£m)	10.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

African Eagle is focused on developing its Dutwa nickel laterite project in Tanzania, where a total indicated and inferred resource of 98.6Mt has been defined (according to JORC) at a nickel grade of 0.93% equivalent to 948kt of contained nickel.

Price performance

%	1m	3m	12m
Actual	(7.4)	(28.6)	(62.3)
Relative*	(10.5)	(28.4)	(60.5)

* % Relative to local index

Analyst

Tom Hayes

African Eagle Resources (AFE)

INVESTMENT SUMMARY

David Newbold was appointed African Eagle's (AFE) new finance director on 2 July. He has 35 years' experience in the natural resources industry, with over 20 years specifically focused on mineral resource development. This inclueds financing initiatives, mining, processing and marketing of base and precious metals globally. His time at Placer Dome saw him advance projects exceeding US$4bn in value to development decision. His appointment and expertise will help African Eagle secure the necessary finance to develop the Dutwa nickel project. As a result of this appointment, Robert McLearon, interim executive director since 20 June 2012, resigned his position on the board. AFE is focused on developing its Dutwa nickel laterite project in Tanzania, where a total indicated and inferred JORC resource of 98.6Mt has been defined at a nickel grade of 0.93% equivalent to 948kt of contained nickel.

INDUSTRY OUTLOOK

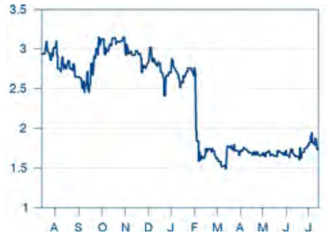
A tonne of Ni currently trades at c US$16,400/t.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(1.1)	(1.1)	(0.4)	N/A	N/A
2011A	0.0	(4.8)	(4.8)	(1.2)	N/A	N/A
2012E	0.0	(1.5)	(1.4)	(0.2)	N/A	N/A
2013E	0.0	(1.5)	(6.3)	(0.5)	N/A	N/A

Sector: Pharma & Healthcare

Price:	€1.74
Market cap:	€89m
Forecast net cash (€m)	2.7
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)



Company description

Agennix is a drug development company based in Germany and the US. Its lead product talactoferrin is being developed for the treatment of cancer.

Price performance

%	1m	3m	12m
Actual	4.8	3.0	(41.0)
Relative*	(1.7)	3.4	(34.6)

* % Relative to local index

Analyst

Mick Cooper

Agennix (AGX)

INVESTMENT SUMMARY

Agennix is developing talactoferrin for the treatment of non-small cell lung cancer (NSCLC) and potentially other cancers. There are two Phase III trials underway in NSCLC. The most advanced is FORTIS-M in third-line+ NSCLC, data from which are due July/August. In a Phase II study (n=100) in second-line+ NSCLC, patients receiving talactoferrin had a median overall survival of 6.1 months vs 3.7 months for those on placebo. Agennix has signed manufacturing agreements with Lonza and DSM for the potential commercial launch. Talactoferrin was also being developed for severe sepsis, but a Phase II trial was terminated and further development in this indication is unlikely. There is no read-across from this study to FORTIS-M as sepsis and cancer are very different indications. Agennix has enough cash to operate into Q113.

INDUSTRY OUTLOOK

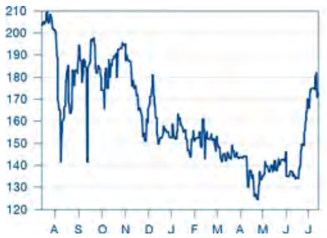
Efficacious oncology products can enjoy premium pricing and be sold by relatively small sales forces, but there is significant competition. Talactoferrin has the potential to become complementary to the current treatments in oncology.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.2	(35.5)	(36.4)	(106.7)	N/A	N/A
2011A	0.0	(41.6)	(42.6)	(98.3)	N/A	N/A
2012E	0.0	(41.7)	(42.3)	(82.5)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	NOK172.90
Market cap:	NOK7353m
Forecast net cash (NOKm)	632.6
Forecast gearing ratio (%)	N/A
Market	OSE

Share price graph (NOK)



Company description

Algeta is a Norwegian biotech company with the leading position in alpha-emitting pharmaceuticals for oncology. Its lead product Alpharadin is in development as a potential new treatment for cancer patients with bone metastases.

Price performance

%	1m	3m	12m
Actual	28.1	25.8	(15.5)
Relative*	17.1	29.5	(11.2)

* % Relative to local index

Analyst

Robin Davison

Algeta (ALGETA)

INVESTMENT SUMMARY

Updated data from the pivotal Phase III ALSYMPCA study of Alpharadin presented at ASCO confirm the 3.6-month increase in median survival (14.9 vs 11.3 months) in metastatic castration-resistant prostate cancer to a highly significant level (p=0.00007). Also disclosed was a 5.5-month increase in time to first on-study skeletal-related event. Survival benefits were also confirmed in the pre- and post-docetaxel subgroups. The hazard ratio (0.695) suggests a 30.5% reduction in the relative risk of death and a 44% improvement in overall survival. Filing is now set for H212 and we assume launch, pending approval, in early 2013. We value Algeta at NOK1.9bn, equivalent to NOK258/share.

INDUSTRY OUTLOOK

Algeta is the world leader in the development of alpha-pharmaceuticals. Interest around Alpharadin is growing after positive Phase III data and the approvals for metastatic castration-resistant prostate cancer of Dendreon's Provenge, Sanofi's Jevtana and J&J's Zytiga.

Y/E Dec	Revenue (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (öre)	P/E (x)	P/CF (x)
2010A	270.9	26.1	23.1	58.47	295.7	N/A
2011A	250.4	23.7	19.9	49.75	347.5	N/A
2012E	641.3	338.5	333.8	791.37	21.8	46.2
2013E	711.8	257.0	251.1	590.64	29.3	56.5

Alkane Resources (ALK)

Sector: Mining

Price:	A$0.90
Market cap:	A$337m
Forecast net debt (A$m)	393.9
Forecast gearing ratio (%)	265.0
Market	ASX

Share price graph (A$)

Company description

ALK is a multi-commodity explorer with projects in New South Wales. It owns the Tomingley Gold (100%) and Dubbo rare metal and rare earths (100%) projects and has a 49% (moving to 25%) stake in the McPhillamys Gold project with JV partner Newmont.

Price performance

%	1m	3m	12m
Actual	(3.7)	(33.0)	(58.1)
Relative*	(3.9)	(28.3)	(53.4)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Alkane (ALK) has released assay results from drilling at its Railway prospect, 4km north-west of the Dubbo Zirconium Project's (DZP) Toongi deposit. Railway deposit assay grades are c 50% of those at Toongi, but Railway appears to carry a greater ratio of HREE/LREE of 30%/70% (vz Toongi at 25%/75%). Drilling completed to date shows an exploration target of 35-40Mt for Railway at grades of 0.85-.99% ZrO_2, 0.21-0.23% HfO_2, 0.21-0.26% NbO_5, 0.013-0.15% Ta_2O_5 and 0.43-0.48% TREO (Y_2O_3+REO), along with remarkable continuity between drill holes. ALK announced on Monday 16 July that it had signed an MOU with Japan's Shin-Etsu Chemical to enter in to an agreement to process and have priority to purchase separated rare earths produced by the DZP. This is a critical step to securing DZP revenues (agreements for zirconium and niobium production are already in place), significantly, with a major non-Chinese rare earth company. Our base case valuation for the DZP is A$3.02 (at a 10% discount).

INDUSTRY OUTLOOK

Our valuation uses A$1,350/oz Au price and REE prices obtained from Alkane.

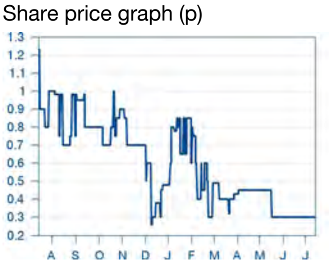
Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	10.1	7.6	7.9	3.18	28.3	N/A
2011A	1.0	(3.4)	(2.6)	(1.02)	N/A	N/A
2012E	39.0	6.8	(15.8)	(4.63)	N/A	126.6
2013E	N/A	N/A	N/A	N/A	N/A	N/A

All Star Minerals (ASMO)

Sector: Mining

Price:	0.3p
Market cap:	£0m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	PLUS

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	0.0	(33.3)	(75.6)
Relative*	(3.4)	(33.2)	(74.5)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

All Star Minerals (ASMO) announced on 28 June that Blue Doe Gold, in which ASMO hold 50m shares, has completed its pre-IPO funding. Blue Doe raised £352,000 via the issue of 12.8m shares at 2.75p. Blue Doe Gold owns the Blue Doe & Eagle Hawk Au projects, and the Edward Au-Ag-Cu project in Queensland Australia. ASMO has also agreed to accept £50,000 loan facility from Conrad Windham, CEO of ASMO, for an 18 month period. The proceeds from this facility will be used for general working capital. ASMO is now gearing up to complete a ground magnetics survey on its Samon (uranium) licence area in the Jokkmokk municipality, Northern Sweden in August 2012, releasing data as it receives its consultant's report.

INDUSTRY OUTLOOK

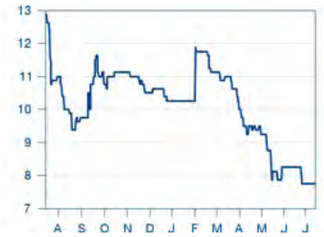
The uranium spot price remains flat at around $50.75/lb of U_3O_8, the sector continues to be depressed despite China and India progressing its significant nuclear ambitions.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.1)	(0.1)	(0.1)	N/A	N/A
2011A	0.0	(0.2)	(0.2)	(0.1)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	7.8p
Market cap:	£32m
Forecast net debt (£m)	2.0
Forecast gearing ratio (%)	14.0
Market	AIM

Share price graph (p)



Company description

Allergy Therapeutics is a European-based speciality pharmaceutical company focused on the treatment and prevention of allergy.

Price performance

%	1m	3m	12m
Actual	(6.1)	(18.4)	(41.5)
Relative*	(9.2)	(18.3)	(38.7)

* % Relative to local index

Analyst

Lala Gregorek

Allergy Therapeutics (AGY)

INVESTMENT SUMMARY

With a restructured balance sheet, Allergy has the flexibility to focus on executing business development objectives (new products, infrastructure, geographies, European consolidation) to deliver on its three-part growth strategy. It has a medium-term aim of becoming a sustainable, cash-flow positive business and a top-three global allergy immunotherapy (AIT) player. Two key catalysts (expected around mid-2012) should boost revenue and profit: German regulatory feedback on Pollinex Quattro (PQ) Grass and FDA approval of PQ clinical trial protocols/lift of the US clinical hold. The core European business is profitable, but 2013 sales will be marginally affected by the UK Anapen recall. The US AIT opportunity could further boost growth after 2013, but is contingent on a partnership.

INDUSTRY OUTLOOK

Pollinex Quattro (c 50% of revenues) is an ultra short-course allergy vaccine given as four shots over three weeks, which has comparable efficacy to existing vaccines (typically requiring 16-50 injections under specialist supervision pre hay-fever season).

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	40.8	3.0	0.3	0.3	26.0	21.8
2011A	41.6	2.0	(1.7)	(0.7)	N/A	N/A
2012E	43.0	3.9	1.2	0.4	19.5	6.3
2013E	47.1	4.5	2.6	0.5	15.6	8.8

Sector: Mining

Price:	129.5p
Market cap:	£265m
Forecast net cash (US$m)	14.8
Forecast gearing ratio (%)	N/A
Market	ASX, LSE, TSX

Share price graph (p)

Company description

Allied Gold Mining is a gold explorer-producer. Its main assets are the Simberi Oxide Gold mine in Papua New Guinea and the Gold Ridge mine in the Solomon Islands.

Price performance

%	1m	3m	12m
Actual	33.5	10.2	(31.5)
Relative*	29.0	10.4	(28.2)

* % Relative to local index

Analyst

Tom Hayes

Allied Gold Mining (ALD)

INVESTMENT SUMMARY

The boards of St Barbara (SBM) and Allied Gold (ALD) have announced (29 June) that they have reached agreement on the terms of a recommended offer under which St Barbara will acquire the entire issued and to be issued ordinary share capital of ALD for A$1.025 in cash and 0.8 SBM Consideration Shares for each ALD share. Based on an SBM share price of A$2.12 (its close price on 28 June 2012), the offer values the entire share capital of ALD at c £360m and each ALD share at 176 pence. Both companies "believe that the combination has a clear strategic and financial rationale", with the enlarged group having complimentary business, development and funding profiles. SBM has operations in Western Australia, with ALD's located in PNG and the Solomon Islands.

INDUSTRY OUTLOOK

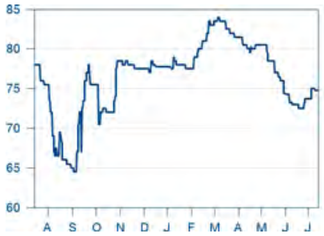
Gold continues to hold at c US$1,600/oz, with forecasts predicting this level to the end of 2013. Downward price pressure comes from a strong US dollar, with upside linked to further US stimulus and its use as a hedge against inflation.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	N/A	N/A	N/A	N/A	N/A	16.2
2011A	146.4	29.2	(5.7)	(3.0)	N/A	3.7
2012E	315.0	84.2	117.2	46.3	4.4	3.1
2013E	374.1	94.0	129.4	51.0	4.0	N/A

Sector: Technology

Price:	74.8p
Market cap:	£48m
Forecast net cash (£m)	3.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Allocate Software is the leading provider of software applications designed for workforce optimisation within global organisations employing large, multi-skilled workforces.

Price performance

%	1m	3m	12m
Actual	2.4	(6.6)	(4.2)
Relative*	(1.1)	(6.4)	0.4

* % Relative to local index

Analyst

Dan Ridsdale

Allocate Software (ALL)

INVESTMENT SUMMARY

Allocate's trading update confirmed that full-year results are expected to be in line. While the large win with the Australian Defence Force was a major factor in the H2 uplift, helped by a broadened product offering, demand within healthcare appears to have remained robust. For 2013 we see plenty of scope for earnings growth through cross-selling, a new platform rollout and licence extensions in the NHS. We see the shares as at least 20% undervalued.

INDUSTRY OUTLOOK

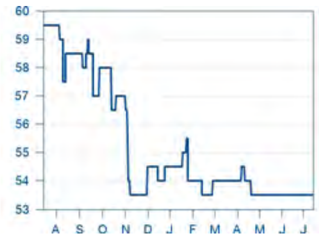
Disruption within the NHS has lengthened approval cycles but Allocate does have a genuine spend to save offering. Cross-selling opportunities are substantial. Continued progress overseas should be supported by the new software platform with multilingual support, among other enhancements.

Y/E May	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	22.0	3.7	3.5	6.3	11.9	8.0
2011A	30.1	5.8	5.4	6.2	12.1	8.1
2012E	36.0	6.2	5.7	6.5	11.5	9.3
2013E	38.8	7.0	6.5	7.3	10.2	6.7

Sector: Financials

Price:	53.5p
Market cap:	£5m
Forecast net cash (£m)	3.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Alpha Strategic plans to pool a portion of the revenue streams from several single strategy hedge funds.

Price performance

%	1m	3m	12m
Actual	0.0	(0.9)	(10.1)
Relative*	(3.4)	(0.7)	(5.8)

* % Relative to local index

Analyst

Neil Shah

Alpha Strategic (APS)

INVESTMENT SUMMARY

The most significant development over the last month is the announcement that Nicola Meaden Grenham was stepping down as CEO, but will continue to have an involvement in Alpha as a non-executive. The former CEO is looking to focus more time to Dumas Capital, another company she has involvement in. While Alpha looks for a new CEO, chairman Colin Barrow will act as chief executive and executive chairman. Under Nicola's stewardship, Alpha was able to diversify its stake beyond Winton, adding IKOS to the stable and the option of further transactions following the capital injection from Northhill. The next name may bring additional relationships that would allow Alpha to make further progress in diversifying its revenue streams.

INDUSTRY OUTLOOK

Hedge fund outflows surged to their highest level in almost three years in June 2012 based on data from hedge fund administrator GlobeOp. There were concerns that investors may be losing faith in the sector after mixed performance amid choppy markets.

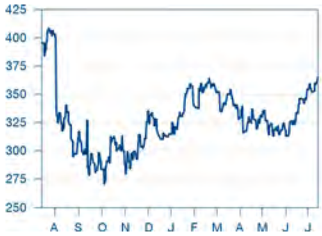
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.4	(0.5)	(0.5)	(9.4)	N/A	N/A
2011A	0.6	(0.1)	(0.1)	(2.0)	N/A	N/A
2012E	0.9	0.2	0.1	2.0	26.8	32.2
2013E	1.0	0.3	0.2	2.9	18.4	19.9

Sector: Financials

Amlin (AML)

Price: 365.0p
Market cap: £1814m
Forecast net cash (£m) N/A
Forecast gearing ratio (%) N/A
Market LSE

Share price graph (p)



Company description

Amlin is an international insurer/reinsurer domiciled in London. It focuses on providing commercial insurance and reinsurance, operating in the UK, within Lloyd's, Continental Europe and Bermuda.

Price performance

%	1m	3m	12m
Actual	12.8	12.1	(9.5)
Relative*	9.0	12.3	(5.2)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

Net tangible assets per share declined 22% in 2011 as catastrophe losses pushed PBT to the expected loss of £194m. Premiums were up 10% in the first four months of 2012, with average rate increases on renewals of 4.3%, but much more in catastrophe reinsurance. Amlin has extended its reinsurance protection against any repeat of last year's record industry cat losses, and ACI appears to improving its performance, with no new large claims in Q1. As ACI improves and if cat losses return to more normal levels (the year has been benign so far), we expect profitability to markedly improve. But the 2011 decline in NAV and partial recovery in share price appears to be largely factoring this in.

INDUSTRY OUTLOOK

US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more so. This is supporting smaller increases in a range of primary insurance rates. Investment returns remain stubbornly low.

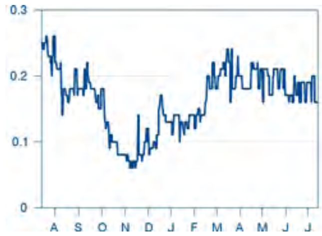
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	1929.0	N/A	261.8	45.4	8.0	N/A
2011A	1977.0	N/A	(193.7)	(30.3)	N/A	N/A
2012E	2079.0	N/A	255.9	43.9	8.3	N/A
2013E	2191.0	N/A	292.0	50.2	7.3	N/A

Sector: Pharma & Healthcare

AmpliPhi Biosciences (APHB)

Price: US$0.16
Market cap: US$3m
Forecast net debt (US$m) 2.2
Forecast gearing ratio (%) 73.0
Market OTC

Share price graph (US$)



Company description

AmpliPhi Biosciences is a US/UK biotech company focused on developing of bacteriophages (viruses that infect bacteria) for therapeutic applications. Its lead development product, BioPhage-PA, has potential in treating chronic ear infections.

Price performance

%	1m	3m	12m
Actual	(20.0)	(11.1)	(33.3)
Relative*	(22.5)	(10.2)	(35.3)

* % Relative to local index

Analyst

Christian Glennie

INVESTMENT SUMMARY

AmpliPhi is seeking to launch new studies of its bacteriophage approach to treating a range of bacterial infections, mainly for human use, and will require additional funding to progress its R&D portfolio. In November 2011 it raised £2.7m in a credit loan note from the prominent financiers Jim Mellon and Gwynn Williams, who are presumed to be key investors. BioPhage-PA has completed a Phase II trial targeting gram negative bacteria often resistant to existing antibiotics for chronic inner ear infections. BioPhage-PR is in preparation for clinical trials for the treatment of pseudomonas-based lung infections in cystic fibrosis patients.

INDUSTRY OUTLOOK

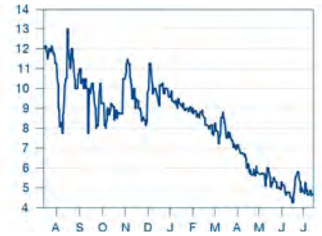
The growth of resistance to antibiotics is a serious problem, and pharma companies are increasingly seeking alternative methods of combating bacterial infections to conventional chemical antibiotics. AmpliPhi's pioneering development of bacteriophages, which specifically target bacteria, might benefit from a faster and less expensive path to market.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2009A	12.2	2.4	2.1	10.2	1.6	N/A
2010A	2.1	(2.1)	(2.2)	(10.2)	N/A	N/A
2011E	0.4	(5.2)	(5.2)	(11.6)	N/A	N/A
2012E	0.4	(12.1)	(12.2)	(27.0)	N/A	N/A

Sector: Mining

Price:	4.6p
Market cap:	£16m
Forecast net cash (US$m)	3.5
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Amur Minerals is an exploration and development company focused on base metal projects located in Russia's far east. The company's principal asset is the Kun-Manie nickel sulphide deposit, located in the Amur Oblast.

Price performance

%	1m	3m	12m
Actual	2.8	(22.6)	(61.5)
Relative*	(0.7)	(22.4)	(59.6)

* % Relative to local index

Analyst

Tom Hayes

Amur Minerals (AMC)

INVESTMENT SUMMARY

Drilling is now underway as Amur (AMC) starts its 2012 field programme. Drilling is first being conducted immediately adjacent to the southeast of Maly Kurumkon, located in the West Zone of the 15km x 2.5km Kurumkon Trend. This drilling follows successful field mapping, trenching and geochemical sampling programmes undertaken by AMC in 2011. These results were very favourable and bode well for further resource expansion. Fourteen drill holes are planned along this extension, testing for Ni & Cu, with results being used to plan for further drill campaigns.

INDUSTRY OUTLOOK

Amur also released its FY11 results on 25 June 2012. At end December 2011 AMC had US$4.4m in cash and cash equivalents, largely due to one of its Lanstead agreements being settled early. Further funding was achieved with Lanstead in Q111 for US$4m, with proceeds of US$1.2m being received by year's end. VAT refunds totalling US$1.2m were also received throughout 2011. AMC's NAV at end 2011 was 7.6c (4.8p).

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2009A	0.0	(1.4)	(1.6)	(1.1)	N/A	N/A
2010A	0.0	(1.9)	(1.9)	(1.0)	N/A	N/A
2011E	0.0	(2.4)	(2.3)	(0.9)	N/A	N/A
2012E	0.0	(2.4)	(2.3)	(0.7)	N/A	N/A

Sector: Mining

Price:	12.0p
Market cap:	£19m
Forecast net cash (£m)	1.1
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Anglesey has a 26% interest in Labrador Iron Mines and 100% of the Parys Mountain deposit in North Wales with an historical resource in excess of 7Mt at over 9% combined copper, lead and zinc.

Price performance

%	1m	3m	12m
Actual	2.1	(47.8)	(80.5)
Relative*	(1.3)	(47.7)	(79.6)

* % Relative to local index

Analyst

Anthony Wagg

Anglesey Mining (AYM)

INVESTMENT SUMMARY

On 31 May Labrador Iron Mines (LIM) announced the Houston deposit has confirmed ameasured and indicated resource of 23Mt, an increase from 22Mt. The inferred resource has increased to 3.7Mt. It announced an NI 43-101 measured and indicated resource estimate of 5.7Mt at 54.2% Fe at Knob Lake, compared with the previous historical 4.0Mt IOC estimate at 48.4% Fe. This deposit is 3km from the Silver Yards process plant and may be included in Stage 1. LIM plans to spend a record C$8.6m on exploration, aiming at Houston, Gill, Malcolm and other nearby deposits. The diamond drilling at Parys Mountain in Anglesey has completed seven holes and has determined the limits of the Engine Zone. This will be added into the planning for possible mining with the nearby White Rock Zone. More holes will now be drilled.

INDUSTRY OUTLOOK

Iron ore spot prices continue around $135/t Fe 62% with no trend developing.

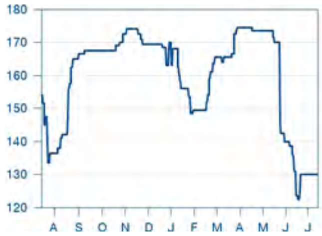
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.3)	(0.6)	(0.4)	N/A	N/A
2011A	0.0	(0.5)	(1.7)	(1.1)	N/A	N/A
2012E	0.0	(0.5)	5.1	3.3	3.6	N/A
2013E	0.0	(0.5)	20.8	13.1	0.9	0.8

Edison investment research

Sector: Pharma & Healthcare

Price:	130.0p
Market cap:	£27m
Forecast net cash (£m)	3.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Animalcare markets and sells licensed veterinary pharmaceuticals, animal identification products and animal welfare goods for the companion animal market across the UK. Its products are sold in Europe through distributors.

Price performance

%	1m	3m	12m
Actual	(0.8)	(25.5)	(16.9)
Relative*	(4.1)	(25.4)	(13.0)

* % Relative to local index

Analyst

Mick Cooper

Animalcare Group (ANCR)

INVESTMENT SUMMARY

Animalcare's sales fell by 10% to £5.4 in H112, largely because a supplier stopped making Buprecare ampoules (5.5% of FY11 sales) in July 2011 and because of weak pet identification sales. Underlying operating profit fell 18% to £1.2m. This weakness has continued in H212 because of the impact of Buprecare and because pet identification sales fell by c 32%. However, Animalcare should return to strong growth in H113 despite challenging market conditions. Underlying growth (excluding Buprecare) of its core veterinary medicines business grew by c 15% in H212. Animalcare will be relaunching its Buprecare ampoules in H113. It launched four new products in the last six months, and has a robust pipeline. The company has a strong balance sheet (net cash of £1.75m at H112).

INDUSTRY OUTLOOK

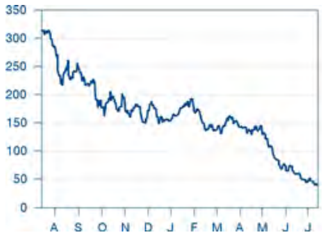
The companion animal market, which was previously growing at c 5% in the UK, is now flat. Future market growth will probably depend on the development of innovative treatments and products to offset the impact of the government's debt reduction measures.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	11.2	3.2	2.8	10.6	12.3	9.4
2011A	11.8	3.5	3.3	13.1	9.9	8.6
2012E	12.2	3.5	3.5	13.3	9.8	7.7
2013E	13.1	3.9	3.9	14.7	8.8	7.3

Sector: Mining

Price:	41.8p
Market cap:	£197m
Forecast net cash (US$m)	125.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Aquarius is the world's fourth largest PGM producer, with five mines in southern Africa: Kroondal (50%), Marikana (50%), Blue Ridge (50%) Everest (100%) and Mimosa (50%) as well as tailings retreatment operations and exploration projects.

Price performance

%	1m	3m	12m
Actual	(31.2)	(69.2)	(86.8)
Relative*	(33.5)	(69.2)	(86.2)

* % Relative to local index

Analyst

Andrey Litvin

Aquarius Platinum (AQP)

INVESTMENT SUMMARY

In its operational update Aquarius highlighted its measures to keep the business profitable in the current tough market conditions. In particular, it announced its decision to terminate the contract mining agreement with Murray and Roberts becoming an owner-operator of the mines. At the moment this transition will only affect Kroondal, but it should result in a one-off cost of c US$23m and is expected to bring the visible operating cash cost savings. After the recent announcements the Blue Ridge, Marikana and Everest mines remain on care and maintenance. The company reported attributable production of 413koz of 4E PGMs to June 2012 and guides FY13 production of 328koz on an attributable basis. It is expected to remain profitable at EBITDA levels at a PGM price of R10,300/oz (c US$1,235/oz) and above.

INDUSTRY OUTLOOK

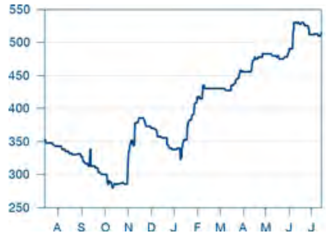
PGM prices will remain volatile on the back of the uncertain global macroeconomic situation.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	457.9	135.9	110.9	16.8	3.9	2.5
2011A	682.9	215.8	123.3	32.2	2.0	1.6
2012E	758.2	195.8	156.6	24.2	2.7	1.7
2013E	819.0	207.4	163.6	25.4	2.6	1.5

Sector: Financials

Price: 515.0p
Market cap: £77m
Forecast net cash (£m) N/A
Forecast gearing ratio (%) N/A
Market AIM

Share price graph (p)



Company description

Arbuthnot Banking Group is engaged in retail, investment and private banking and other financial services.

Price performance

%	1m	3m	12m
Actual	(2.8)	9.0	44.9
Relative*	(6.1)	9.2	51.7

* % Relative to local index

Analyst

Mark Thomas

Arbuthnot Banking Group (ARBB)

INVESTMENT SUMMARY

Arbuthnot Banking Group's (ABG) is delivering strong organic growth in the retail bank and Secure Trust Bank (STB), as well as steady progress at the private bank. This organic growth is being supplemented by acquisitions such as Everyday Loans bought in June. This deal introduces accounting complexity for 2012/13 but is a good business opportunity arising from funding problems elsewhere. ABG's own market cap remains well below the value of its 75.5% majority holding in STB and it has strong yield support. ABG should benefit from customer dissatisfaction with big banks which is increasing with events such as the LIBOR rigging scandal (to which it has no involvement/exposure).

INDUSTRY OUTLOOK

For companies like ABG - with good funding and strong capital ratios - it is a good time to grow, as weaker competition has expanded lending margins and opened new opportunities, both organic and by acquisition. Private banking is competitive and low interest rates limit the value of deposits, but there are lending opportunities.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	37.8	N/A	4.1	19.0	27.1	N/A
2011A	45.5	N/A	5.1	20.7	24.9	N/A
2012E	70.3	N/A	12.4	41.2	12.5	N/A
2013E	93.2	N/A	17.7	61.1	8.4	N/A

Sector: Mining

Price: 14.0p
Market cap: £42m
Forecast net cash (US$m) 1.9
Forecast gearing ratio (%) N/A
Market AIM, TSX

Share price graph (p)

Company description

Listed on AIM and the TSX, Arian Silver specialises in Mexican silver deposit exploration and development. Its San Jose mine started production in October 2010. Its other projects are Calicanto and San Celso, located in Zacatecas.

Price performance

%	1m	3m	12m
Actual	(18.2)	(27.7)	(63.2)
Relative*	(21.0)	(27.6)	(61.4)

* % Relative to local index

Analyst

Charles Gibson

Arian Silver (AGQ)

INVESTMENT SUMMARY

Tonnes milled at San Jose rose 6.2% in Q112 vs Q411, although the head grade fell by 13.9% as a result of Arian optimising the total number of tonnes extracted in one of the Santa Ana blocks. As a consequence, silver concentrate tonnes produced increased by 18.0%, while Ag ounces produced declined by 13.0%. However, the mill has now achieved its target throughput rate of 400tpd as a result of a fourth in-line ball mill becoming operational in May. Arian is conducting a scoping study into its mill options, including the potential for a modular, bespoke mill.

INDUSTRY OUTLOOK

In March, Arian Silver announced a 32.4% increase in its mineral resource estimate at San Jose, to 117.3Moz at 112.2g/t (3.6opt) - equivalent to 2.3Moz of gold at 2.24g/t. At this level, its resource multiple now equates to just US$0.56/oz Ag. Estimates assume that Arian will achieve a production rate of 375t concentrate per quarter at 405oz per tonne in Q213, by which time the milling rate will have increased to 500tpd.

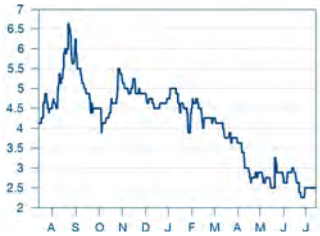
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.2	(2.0)	(1.7)	(0.7)	N/A	N/A
2011A	7.5	(10.3)	(11.0)	(3.4)	N/A	N/A
2012E	13.5	1.3	1.2	0.4	54.6	176.0
2013E	13.1	1.7	1.5	0.5	43.7	37.5

Edison investment research

Sector: Mining

Price:	2.5p
Market cap:	£7m
Forecast net debt (£m)	0.4
Forecast gearing ratio (%)	8.0
Market	AIM

Share price graph (p)



Company description

Ariana is a gold exploration company focused on exploration and development projects in the Republic of Turkey.

Price performance

%	1m	3m	12m
Actual	(16.7)	(16.7)	(37.5)
Relative*	(19.5)	(16.5)	(34.5)

* % Relative to local index

Analyst

Tom Hayes

Ariana Resources (AAU)

INVESTMENT SUMMARY

Ariana (AAU) announced an update on its joint venture in the Artvin province (containing the Salinbas and Ardala Au projects) of north-eastern Turkey with new partners Eldorado Gold Corp (who recently acquired former partners European Goldfields). The new agreement sees Ariana take the role of operator of the JV with overall responsibility for implementing exploration programmes. Eldorado will also commit US$1.77m to exploration at Artvin in 2012. The Salinbas project has already produced very promising drill results, of 9.5m @ 6.48g/t Au & 39.4g/t Ag; 11.3m @ 4.98g/t Au & 42.8g/t Ag and 25m @3.34g/t Au & 7.9g/t Ag, recorded during 2011. A preliminary resource model is currently underway by Ariana on Salinbas to aid in future drill targeting and infill/step-out drilling, due in Q312. AAU also undertook a small (£24,180 net) equity issue of 1,038,712 ordinary shares at 2.39p, announced 27 June. Proceeds are to be used for general working capital purposes.

INDUSTRY OUTLOOK

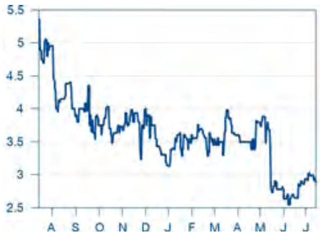
Gold is currently worth c US$1,600/oz.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.4)	(0.4)	(0.2)	N/A	N/A
2011A	0.0	(1.4)	(1.3)	(0.5)	N/A	N/A
2012E	0.1	(1.2)	(1.2)	(0.2)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	2.9p
Market cap:	£6m
Forecast net cash (£m)	4.9
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Ark Therapeutics specialises in product development and GMP manufacturing contract services for viral-based products. It has gene therapy and small molecule pipeline candidates for treating vascular diseases and cancer and is seeking partners for more development.

Price performance

%	1m	3m	12m
Actual	7.5	(17.9)	(42.2)
Relative*	3.8	(17.7)	(39.5)

* % Relative to local index

Analyst

Christian Glennie

Ark Therapeutics (AKT)

INVESTMENT SUMMARY

Ark Therapeutics is focused on generating revenues by securing manufacturing service contracts for multiple types of viral-based products at its GMP manufacturing facility in Kuopio, Finland. Service contracts are being offered for viral-mediated gene therapies, oncolytic viruses, vaccines and virus-like particles. Ark already has manufacturing deals with PsiOxus and Glasgow University, and is in late stage contract negotiations with three further potential partners. Discussions are also underway with another 20 companies (pharma/biotech/CRO/CMO) and academic institutions. Ark expects its manufacturing facility to break-even on its £3.6m overhead costs in 2012/13.

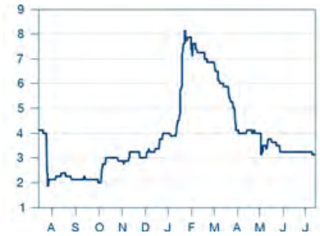
INDUSTRY OUTLOOK

The fields of gene therapy and oncolytic virus development are relatively active despite a number of late-stage failures. This suggests a number of opportunities for Ark in terms of potential pipeline development partners, as well as companies and academic institutions requiring manufacturing expertise and capabilities.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	3.1	(13.2)	(15.1)	(6.7)	N/A	N/A
2011A	7.1	(1.7)	(4.1)	(1.5)	N/A	N/A
2012E	3.6	(6.2)	(8.5)	(3.7)	N/A	N/A
2013E	5.5	(4.9)	(7.0)	(3.0)	N/A	N/A

Sector: Electrical Equipment	
Price:	3.1p
Market cap:	£3m
Forecast net debt (£m)	8.5
Forecast gearing ratio (%)	32.0
Market	AIM

Share price graph (p)



Company description

Armour Home designs and distributes a comprehensive upmarket range of home entertainment products, and Armour Auto supplies in-car communications and entertainment components and systems.

Price performance

%	1m	3m	12m
Actual	(3.9)	(24.2)	(26.5)
Relative*	(7.1)	(24.1)	(23.0)

* % Relative to local index

Analyst

Nigel Harrison

Armour Group (AMR)

INVESTMENT SUMMARY

Management has responded to a major reversal in the Home division by cutting the cost-base by £2.5m, but is maintaining the flow of new innovative products, the lifeblood of both group divisions. Several recent new product introductions, and others in the pipeline, point to a more positive medium-term outlook despite the challenging UK consumer goods market. The balance sheet remains under pressure, alleviated by a loan from a business controlled by the group chairman. Last month's interim results underline the challenges but point positively to the future.

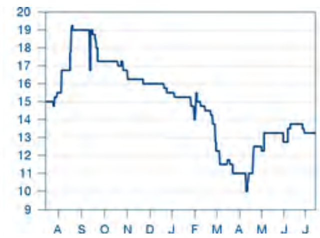
INDUSTRY OUTLOOK

The macro environment remains fragile, with consumers holding back on expenditure because of economic fears across Europe. Experience shows businesses that invest in innovation and quality consistently outperform their peers, despite the short-term impact on the bottom line. We continue to support Armour's investment strategy, which should ultimately drive recovery, but the short-term outlook across the sector remains difficult.

Y/E Aug	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	56.6	2.8	1.0	1.38	2.2	1.1
2011A	42.3	(1.4)	(2.1)	(1.74)	N/A	N/A
2012E	37.0	(0.6)	(1.6)	(1.22)	N/A	16.6
2013E	37.0	2.5	0.2	0.16	19.4	1.2

Sector: Construction & Blding Mat.	
Price:	13.2p
Market cap:	£8m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Ashley House supplies project management and consultancy services. These are primarily allied to the delivery of new medical facilities for NHS-led primary care, the management of assets and clinical services.

Price performance

%	1m	3m	12m
Actual	(3.6)	20.4	(11.7)
Relative*	(6.9)	20.7	(7.5)

* % Relative to local index

Analyst

Roger Leboff

Ashley House (ASH)

INVESTMENT SUMMARY

The group has confirmed that two schemes reported as delayed in its May update now have NHS approval, with the related profit to accrue to the first half of this financial year. That puts it on track to report a small positive FY12 EBITDA. There is unlikely to be much growth in underlying profitability this year, but newer initiatives are starting to deliver results and growth should resume in FY14. New sources include healthcare property development for non-PCT clients and extra care social housing schemes for local authorities. Results are due on 24 July.

INDUSTRY OUTLOOK

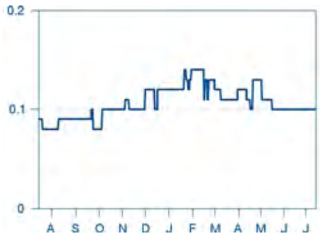
Delayed completion of NHS reform prompted efforts to reduce dependence on PCT clients and secure work from other sources. In the medium term, the core business should benefit as NHS reform underpins demand for modern healthcare facilities and prompts renewed commitments from clients. It has a substantial (design-and-build value) pipeline of schemes where it is already working on, or expects to recognise, revenues over the next two years.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	24.9	4.2	4.1	7.0	1.9	N/A
2011A	27.5	3.0	2.9	5.7	2.3	2.3
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price:	A$0.10
Market cap:	A$24m
Forecast net debt (A$m)	4.0
Forecast gearing ratio (%)	23.0
Market	ASX

Share price graph (A$)



Company description

Aspermont is a multi-platform B2B media group focused on the global resources industry, especially mining (80% of revenue and profits). In FY11, 42% of revenues come from outside Australia. It also runs a portfolio of investments in young resources groups.

Price performance

%	1m	3m	12m
Actual	0.0	(9.1)	11.1
Relative*	(0.2)	(2.8)	23.7

* % Relative to local index

Analyst

Derek Terrington

Aspermont (ASP)

INVESTMENT SUMMARY

In its 26 June FY12 shareholder update, Aspermont indicated revenue growth of A$5.5m (22%) to reach $30.5m, below our estimate of £32.5m, due to lower than forecast print revenue. EBITDA before one-off items will be A$5.5-5.8m or A$6.3-6.6m adding back a bonus payable to the events management, which was not in our estimate of A$6.4m. With strong forward bookings, the FY13 trading outlook is good in all formats. Strategically, the reliance on mining revenue continues to fall.

INDUSTRY OUTLOOK

Aspermont is a leader in the market for information and events for the global mining industry, which still accounts for 80% of group revenue and profits. The underlying demand for such information remains strong. PwC estimates that completed M&A deals in the metals industry will rise by 8% in 2012 and the number of deals in global mining will rise by 11% in 2012. These trends reflect consolidation in the industry, but also continuing demand for funds for exploration and expansion.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	20.9	0.9	(0.1)	(0.34)	N/A	88.4
2011A	25.0	3.4	2.0	0.80	12.5	5.4
2012E	32.5	6.4	5.3	1.69	5.9	4.1
2013E	37.1	7.7	7.2	1.97	5.1	3.3

Sector: Pharma & Healthcare

Price:	US$2.25
Market cap:	US$210m
Forecast net cash (US$m)	141.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)

Company description

The newly renamed Astex Pharmaceuticals was formed by the merger of SuperGen and Astex earlier this year. The company is now a UK-US focused oncology drug discovery and development company.

Price performance

%	1m	3m	12m
Actual	18.4	32.4	(27.2)
Relative*	14.8	33.7	(29.3)

* % Relative to local index

Analyst

Robin Davison

Astex Pharmaceuticals (ASTX)

INVESTMENT SUMMARY

Astex is focusing on the results of the European regulatory review for Dacogen due in H2. EU marketing exclusivity on Dacogen could provide significant royalty streams from J&J if the drug is approved. Catalysts this year include top-line data from Phase II studies with AT13387, SGI-110 (for which dose expansion was recently initiated), amuvatinib and AT7519. AT13387 and SGI-110 will each see two new solid tumour study initiations; one of the SGI-110 trials will be in ovarian cancer. Separately, a £3.5m milestone payment was recently triggered through initiation of a Phase I of a FGFR Kinase Inhibitor. Our base-case valuation of $384m provides potential for significant upside.

INDUSTRY OUTLOOK

Astex offers a low-risk, oncology play with multiple study read-outs in 2012. Although the potential approval of Dacogen in AML offers a material near-term catalyst, we see the investment case in the longer term being centred on Astex's ability to exploit its strong financial position to generate value from its R&D pipeline and fragment-based discovery technology.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	53.0	18.6	17.9	29.2	7.7	8.4
2011A	66.9	11.4	9.8	17.0	13.2	31.3
2012E	68.5	16.3	13.9	15.0	15.0	12.6
2013E	73.3	20.5	18.1	19.4	11.6	9.8

Sector: Support Services

Price:	35.5p
Market cap:	£35m
Forecast net debt (£m)	4.5
Forecast gearing ratio (%)	9.0
Market	AIM

Share price graph (p)

Company description

Augean manages hazardous waste streams through three divisions: Land Resources; Waste Network and Oil & Gas. The group provides its services at 10 locations across the UK.

Price performance

%	1m	3m	12m
Actual	1.8	7.6	24.6
Relative*	(1.7)	7.8	30.5

* % Relative to local index

Analyst

Roger Johnston

Augean (AUG)

INVESTMENT SUMMARY

Augean's AGM IMS continued the positive news with trading good and the strategic progress of the previous six months highlighted, including the recently announced JV with oil services partner Scomi to broaden the offering in the North Sea oil and gas market. Augean will take a controlling stake in Augean North Sea Services (ANSS), which will provide customers with a complete end-to-end offering for managing, treating and disposing of offshore waste while positioning Augean to provide a long-term solution to offshore decommissioning. Management is now focused on delivering this and other strategic opportunities such as LLW.

INDUSTRY OUTLOOK

There is an increasing trend towards treatment, recovery and recycling within the waste hierarchy as highlighted in the government's Strategy for Hazardous Waste Management. While new regulations since 2004 initially caused confusion we believe that, as the industry understands what is required and enforcement improves, volumes will become increasingly predictable.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	34.1	5.2	0.4	0.2	177.5	6.1
2011A	37.5	6.0	1.1	1.3	27.3	7.5
2012E	42.5	7.7	2.7	1.9	18.7	5.0
2013E	47.2	9.1	4.4	3.0	11.8	4.1

Sector: Mining

Price:	55.8p
Market cap:	£67m
Forecast net cash (US$m)	14.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

TSX- and AIM-listed Aureus Mining is a West African-focused gold developer/ explorer. Its flagship project is the 1.5Moz New Liberty gold project in Liberia.

Price performance

%	1m	3m	12m
Actual	(1.8)	(16.2)	(33.6)
Relative*	(5.1)	(16.0)	(30.5)

* % Relative to local index

Analyst

Michael Stoner

Aureus Mining (AUE)

INVESTMENT SUMMARY

Following recent updates, the resource estimate for the New Liberty project now totals 15.53Mt at 3.48g/t with 1.74Moz of contained gold. Aureus has now submitted the environmental impact statement for New Liberty. Environmental permitting is a critical hurdle in the path to production there and is the final permit required as the company moves towards production. Away from New Liberty, Aureus continues to make positive exploration progress at the Leopard Rock Prospect and its other targets, including 13.9g/t over 4m. We look to the DFS (now due in Q3) to display the economics of New Liberty and expect the company to continue to add value via its exploration programme.

INDUSTRY OUTLOOK

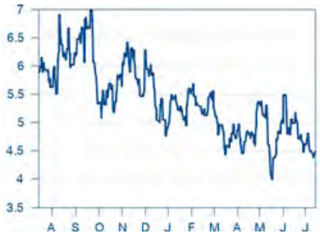
The project has a pre-tax NPV of US$260m and generates an IRR of 62% at an 8% discount rate and a gold price of US$1,350/oz. Aureus estimates capital requirements of US$113m including pre-stripping 11Mt of waste. Additional sustaining capex, fleet leasing and mine closure costs total US$48.6m.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	N/A	N/A	N/A	N/A	N/A	N/A
2011A	0.0	(7.6)	(7.8)	(6.9)	N/A	N/A
2012E	0.0	(3.4)	(3.3)	(2.8)	N/A	N/A
2013E	0.0	(3.4)	(3.5)	(2.9)	N/A	N/A

Sector: Mining

Price:	C$4.49
Market cap:	C$738m
Forecast net cash (C$m)	234.8
Forecast gearing ratio (%)	N/A
Market	NYSE MKT, TSX

Share price graph (C$)



Company description

Aurizon Mines is a Canadian gold company with two major assets in the Abitibi region of Canada, namely Casa Berardi and Joanna plus options over a range of other properties.

Price performance

%	1m	3m	12m
Actual	(11.3)	(7.2)	(25.2)
Relative*	(11.4)	(3.0)	(13.4)

* % Relative to local index

Analyst

Charles Gibson

Aurizon Mines (ARZ)

INVESTMENT SUMMARY

Changes to the mining sequence in Q112 affected both ore throughput and grades. While the mining sequence changed, however, the mine plan has not and official production guidance for the year remains unchanged at 155-160koz, with unit working costs averaging C$134/t. Since then, a decision to develop the Hosco pit at Joanna has been deferred pending more exploration after high grade intercepts were encountered at both Heva and the Hosco West Extension. In the meantime, underground drilling at Casa Berardi has identified three new mineralised lenses since 31 December with the potential for new zones, while Phase II drilling at Marban has revealed the "presence of wide mineralised intervals, as well as smaller high grade intervals located mainly within the Western High Grade Zone".

INDUSTRY OUTLOOK

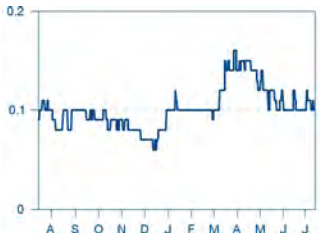
Current forecasts are predicated on US$1,600/oz Au until Dec 2013, on which basis Aurizon trades at an EV/EBITDA discount to the NYSE Arca Gold BUGS index of 12.0% in FY12 and 24% in FY13.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	178.7	68.6	33.2	11.7	38.4	11.2
2011A	260.0	125.1	86.6	26.7	16.8	4.5
2012E	251.8	119.0	83.8	27.6	16.3	6.2
2013E	268.1	141.4	101.6	33.9	13.2	5.3

Sector: Oil & Gas

Price:	A$0.10
Market cap:	A$33m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

AusTex was formed in 2006 and is an oil and gas explorer and producer with operations in the US mid-continent states of Kansas and Oklahoma. Its current focus is on developing its Mississippi Lime play.

Price performance

%	1m	3m	12m
Actual	3.1	(33.3)	14.9
Relative*	2.9	(28.7)	27.9

* % Relative to local index

Analyst

John Kidd

AusTex Oil (AOK)

INVESTMENT SUMMARY

AusTex has built a significant net acreage position in oil-prone mid-continent regions, with a particular focus on the Mississippi Lime shallow oil play that spans northern Oklahoma and southern Kansas. Due to its porous limestone formations and shallow reservoir depth, the play presents very favourable oil netbacks, and is comparable with the prolific Marcellus and Bakken shale oil plays. AusTex intends listing on the TSX-V in H212 and to support this in early July announced inaugural proved and probable reserves of 6mmboe.

INDUSTRY OUTLOOK

The North American unconventional sector is a story of two halves. The proliferation of shale gas has resulted in substantial gas market oversupply, dragging wholesale gas price indices to historic lows. The story is quite different for players with oil-rich shale acreage and production, where the economics and netbacks of liquids production are far more compelling. A number of major international oil companies have recently been jostling for positions in this space.

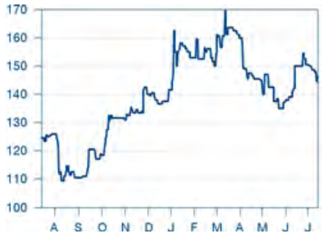
Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	N/A	N/A	N/A	N/A	N/A	N/A
2011A	2.1	(4.2)	(4.6)	0.0	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Avesco (AVS)

Sector: Media & Entertainment

Price:	146.5p
Market cap:	£37m
Forecast net debt (£m)	24.0
Forecast gearing ratio (%)	62.0
Market	AIM

Share price graph (p)



Company description

Avesco is an international media services group, providing broadcast and audio-visual equipment and services to the corporate, entertainment, sports and broadcast markets worldwide.

Price performance

%	1m	3m	12m
Actual	3.2	(0.7)	17.7
Relative*	(0.3)	(0.5)	23.3

* % Relative to local index

Analyst

Jane Anscombe

INVESTMENT SUMMARY

Interim results (14 June) showed good progress (normalised PBT £1.4m) and underpin our expectation of very strong profits growth in FY12. Avesco is a major beneficiary of the Olympics but also of a more general trend to live events and face-to-face marketing. Avesco also announced the amicable departure of CEO Ian Martin, who presided over a successful period of growth; a decision about a new CEO will be made in due course. Meanwhile the share rating remains undemanding even before the hoped-for 2013 windfall from the Celador/Disney case, worth US$60m or c 140p per share.

INDUSTRY OUTLOOK

Major sporting and entertainment events are fairly immune to the economic cycle and benefit from new technology such as 3D and high definition. Corporate exhibitions and conferences are taking a growing share of marketing spend as digital delivery puts pressure on traditional channels. Corporate spending is affected by recession but Avesco's main markets remain strong and the UK is boosted by very big events in 2012.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	117.2	19.7	(0.1)	(1.2)	N/A	1.8
2011A	125.5	20.3	0.9	2.6	56.3	1.9
2012E	141.0	26.5	5.0	15.0	9.8	2.1
2013E	136.0	25.5	3.7	10.8	13.6	1.6

Avingtrans (AVG)

Sector: Engineering

Price:	81.0p
Market cap:	£21m
Forecast net debt (£m)	9.0
Forecast gearing ratio (%)	37.0
Market	AIM

Share price graph (p)

Company description

Avingtrans is a supplier of highly engineered components and services to the energy, medical, scientific and research communities, traffic management, automation and aerospace industries worldwide.

Price performance

%	1m	3m	12m
Actual	19.1	27.1	31.7
Relative*	15.1	27.3	38.0

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Avingtrans's IMS highlighted an in-line performance and further strategic developments. Revenues are expected to be 20% ahead with contributions from all divisions, Aerospace and Industrial in particular. While Energy and Medical continue a slower trend with ramp-up of next-generation MRI in early stages and ongoing difficult conditions at Crown, improved operational performance and signs of new orders provide a brighter outlook. Developments also continue following the Composites acquisition as highlighted by preferred bidder status on the EU's Clean Sky programme and a flow of orders across divisions.

INDUSTRY OUTLOOK

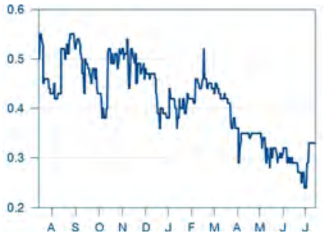
The focus areas of aerospace, energy and medical ensures the group addresses long-term structural growth markets. This supports strategic contracting and provides a base on which incremental revenue can be layered. The key potential comes through developing its global supply-chain offering with European design and manufacturing capability, allied with manufacturing facilities in China.

Y/E May	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	28.6	2.3	0.6	3.0	27.0	5.5
2011A	36.3	3.1	1.6	5.5	14.7	6.9
2012E	42.9	4.0	2.1	6.2	13.1	8.6
2013E	50.3	5.2	2.9	8.5	9.5	4.7

Sector: Mining

Price:	C$0.33
Market cap:	C$63m
Forecast net cash (US$m)	8.6
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

Avnel Gold owns an 80% interest in the Kalana exploitation permit in south-western Malia. In addition, the company has a 90% interest in the adjacent Fougadian exploration permit.

Price performance

%	1m	3m	12m
Actual	10.0	(7.0)	(32.6)
Relative*	9.8	(2.8)	(22.1)

* % Relative to local index

Analyst

Rory Draper

Avnel Gold Mining (AVK)

INVESTMENT SUMMARY

With IAMGOLD and Avnel having agreed to an extension of the exploration phase originally scheduled for Q312 (but now due by 31 December 2012), the drill program continues with its aim to delineate a NI 43-101 compliant resource of at least 2m ounces of gold. The extension was agreed due to the delays in June's rainy season and also because of the recent coup d'etat that occurred through March and April. A Malian unity government is expected to be established by the end of this month, and should hopefully provide a clear timeline for exit from the current political crisis.

INDUSTRY OUTLOOK

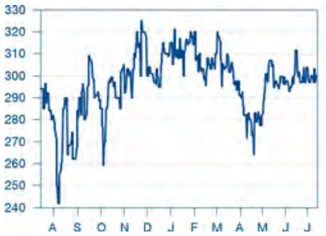
Gold has fallen from recent highs of US$1,650/oz down to US$1,550/oz, as negative sentiment persists in the eurozone, but lacks momentum through an extreme event that would provide the safe haven status afforded to it.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	13.7	0.0	(2.4)	(2.5)	N/A	N/A
2011A	14.7	(0.7)	(2.6)	(1.8)	N/A	N/A
2012E	8.7	(2.0)	(3.5)	(1.8)	N/A	N/A
2013E	2.0	(0.6)	(0.6)	(0.3)	N/A	72.3

Sector: Aerospace & Defence

Price:	300.0p
Market cap:	£92m
Forecast net debt (£m)	7.5
Forecast gearing ratio (%)	27.0
Market	LSE

Share price graph (p)



Company description

Avon Rubber designs, develops and manufactures products in the respiratory protection, defence (72% of 2011 sales) and dairy (28%) sectors. Its major contracts are with national security and safety organisations such as the DoD.

Price performance

%	1m	3m	12m
Actual	0.0	7.1	5.3
Relative*	(3.4)	7.4	10.3

* % Relative to local index

Analyst

Roger Johnston

Avon Rubber (AVON)

INVESTMENT SUMMARY

Avon's interims were robust but affected by the timing of certain filter contracts and non-recurrence of the same level of international contracts, which should reverse after receipt of a £15m order. Positive developments across the group, through enhanced sales channels and an increasing product range to capture market share and move up the value chain, create an exciting opportunity for growth. With investment in the Dairy management team and a new sales and distribution facility in China adding impetus to these operations, we feel opportunities remain substantial across the group.

INDUSTRY OUTLOOK

Despite pressured budgets, the protective nature of Avon's products provides resilience, supported by the long-term US DoD contract giving a base to target other security and safety agencies and international militaries. While timing is difficult to predict, the emerging portfolio effect should enable continued growth, while Dairy expansion in the BRICs provides further long-term opportunity.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	117.6	13.6	7.1	15.3	19.6	7.1
2011A	107.6	15.7	10.2	25.2	11.9	7.6
2012E	108.5	16.3	11.0	26.1	11.5	5.8
2013E	115.9	19.0	13.3	30.8	9.7	5.8

Babcock (BAB)

Sector: Aerospace & Defence

Price:	868.0p
Market cap:	£3117m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Babcock is a primarily UK-based support service company with operations in marine (34%), defence (18%), support services (33%) and international (15%).

Price performance

%	1m	3m	12m
Actual	(1.0)	5.8	23.1
Relative*	(4.3)	6.1	29.0

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Babcock's prelims demonstrated the benefits of the outsourcing business model. Underlying continuing revenue was up 14% (6% organic), operating profit was up 19% (15% organic) and EPS was up 17% to 61.47p (64.33p including discontinued US operations). This was ahead of forecasts and highlights Babcock's ability to deliver healthy growth in a cost-down budgetary environment. This was shown in the increase in order book to £13bn (2011: £12bn), the substantial uplift in order pipeline and the cash generative nature of the business, which saw the net debt/EBITDA ration reduce to just 1.8x. We are reviewing our forecasts in light of results and the completed disposal of VT US for $99m (£61m).

INDUSTRY OUTLOOK

The UK defence market is set to undergo a period of pressure with budget cuts and a strict focus on supporting operations. However, this provides opportunities for outsourcing and, when combined with growth in international and recovery in non-defence markets, leaves Babcock well placed to benefit.

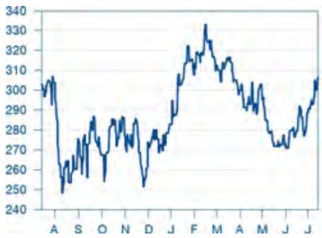
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	2703.2	306.6	216.7	52.3	16.6	9.1
2012A	3070.4	362.6	274.1	61.2	14.2	11.9
2013E	N/A	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A	N/A

BAE Systems (BA.)

Sector: Aerospace & Defence

Price:	306.4p
Market cap:	£9954m
Forecast net debt (£m)	853.0
Forecast gearing ratio (%)	17.0
Market	LSE

Share price graph (p)



Company description

BAE Systems is a global defence company with activities spanning production and support across air, land, sea and security markets. The group has operations in the UK, US, Kingdom of Saudi Arabia, Sweden, Australia and now India.

Price performance

%	1m	3m	12m
Actual	10.8	4.6	0.2
Relative*	7.1	4.8	5.0

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

BAE's IMS confirmed trends seen in the 2011 results, including the adverse downturn in US land and armaments sales, the UK's Strategic Defence and Security Review and delays on the Salam contract while escalation changes are being negotiated. These combined to drive sales down 14% to £19.2bn. As a result of substantial cost cutting and including several charges and benefits related to programmes, underlying EBITA was down 7% to £2.0bn. Due to lower net finance charges and a better than-forecast underlying tax charge, EPS increased by 15% to 45.6p; excluding the 5.9p benefit of UK R&D tax credit settlement, EPS was down marginally to 39.7p.

INDUSTRY OUTLOOK

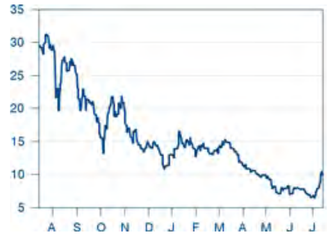
The UK's Strategic Defence and Security Review re-prioritised BAE's programmes, including cancelling Nimrod MRA4, retiring the Harrier fleet and decommissioning HMS Ark Royal. However, this has been largely offset by the positives of the confirmation of the aircraft carrier and a full complement of seven Astute submarines.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	22275.0	2553.0	1988.0	39.8	7.7	6.8
2011A	19154.0	2406.0	1826.0	45.6	6.7	12.7
2012E	19797.0	2364.0	1854.0	40.9	7.5	4.4
2013E	20235.0	2475.0	1955.0	42.5	7.2	4.2

Sector: Mining

Price: 9.9p
Market cap: £26m
Forecast net cash (£m) 4.5
Forecast gearing ratio (%) N/A
Market AIM

Share price graph (p)



Company description

Baobab Resources is focused on developing its Tete iron-vanadium-titanium open-pit project in central-western Mozambique. It has published a scoping study on a 1Mtpa pig iron producing operation and a pre-feasibility study is underway.

Price performance

%	1m	3m	12m
Actual	25.4	(7.1)	(67.4)
Relative*	21.1	(6.9)	(65.8)

* % Relative to local index

Analyst

Andrey Litvin

Baobab Resources (BAO)

INVESTMENT SUMMARY

With a JORC-compliant resource of 482Mt at 33% Fe, Baobab (BAO) has increased its mineral inventory more than 10 times in a year. Drilling is ongoing at Ruoni Flats (resource target 120-260Mt at 38% Fe) and Monte Muande, where Baobab has a 60% interest (target 200-250Mt). Drilling at Ruoni Flats has intersected a c 80-100m heavily mineralised package that "clearly represents the down-dip continuations to the Ruoni North and Tenge resource blocks" from depths of 175m to 294m. Initial metallurgical test work also indicates low deleterious elements and premium quality concentrate grades (eg 69%).

INDUSTRY OUTLOOK

On an estimated end-June EV/t Fe multiple of just US$0.14, BAO is the seventh cheapest stock in the global iron ore sector. Based on a global sector average multiple of US$0.50/t applied to a resource of 682Mt at 34% (ie including 200Mt at 35% Fe for Ruoni Flats), its shares should be worth 29pps. Baobab raised £4m in cash on 6 July and has £14.8m of an equity draw-down facility remaining.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(2.0)	(2.0)	(1.4)	N/A	N/A
2011A	0.0	(6.1)	(6.1)	(3.6)	N/A	N/A
2012E	0.0	(6.7)	(6.6)	(3.3)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 145.9p
Market cap: £758m
Forecast net debt (US$m) N/A
Forecast gearing ratio (%) N/A
Market LSE

Share price graph (p)

Company description

Beazley is the parent company of a global specialist insurance business with operations in the UK, US, France, Norway, Germany, Ireland, Hong Kong, Singapore and Australia.

Price performance

%	1m	3m	12m
Actual	5.9	4.8	15.2
Relative*	2.3	5.0	20.6

* % Relative to local index

Analyst

Martyn King

Beazley (BEZ)

INVESTMENT SUMMARY

Beazley's business mix, with a high share of more stable medium-tail specialty lines, protected it from the worst impacts of record natural-catastrophe losses for the industry in 2011. It made a positive start to the current year, according to the Q1 IMS. Compared with last year, the claims environment has been benign for industry natural catastrophe events and for the underlying book. Beazley's 2011 catastrophe loss estimates also remained unchanged. Average premium rates across the book were up 2% and the 9% increase in gross premium written is in line with our full-year expectation. We forecast a c 16% return on tangible NAV estimate for 2012 (2011 c 7%) if catastrophe losses follow a more normal path.

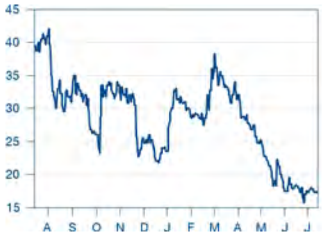
INDUSTRY OUTLOOK

US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more so. This is now supporting gentle increases in a range of primary insurance rates, though not casualty. Investment returns remain stubbornly low.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	1470.8	N/A	221.4	35.5	6.4	N/A
2011A	1452.4	N/A	62.7	12.4	18.3	N/A
2012E	1519.6	N/A	181.9	28.9	7.9	N/A
2013E	1606.8	N/A	217.6	34.4	6.6	N/A

Sector: Mining	
Price:	17.5p
Market cap:	£128m
Forecast net cash (US$m)	87.3
Forecast gearing ratio (%)	N/A
Market	AIM, ASX

Share price graph (p)



Company description

Bellzone Mining is focused on developing its Kalia and Forécariah iron assets in Guinea. It has an attributable JORC resource of 6.2bt of magnetite, upgradable to 68% Fe, and 111Mt of oxide and supergene BIF upgradeable to 127mt of 58% Fe.

Price performance

%	1m	3m	12m
Actual	(2.1)	(36.9)	(56.1)
Relative*	(5.4)	(36.8)	(54.0)

* % Relative to local index

Analyst

Andrey Litvin

Bellzone Mining (BZM)

INVESTMENT SUMMARY

First ore was loaded on the trans-shipping barges at the Farecariah project in July. The company guides first exports in Q312. Earlier, the company published the updated resource at its 100% owned Kalia mine in Guinea. The high grade oxide and SBIF resource was increased by 45% to 414mt at 36% Fe. The magnetite resource remains at 6.2bn grading 22% Fe. Overall, the project now has the potential for some 1.7bn of beneficiated product with 151mt of saleable product coming from oxide and SBIF and the remainder from BIF and schist. The metallurgical testing completed to date suggests that oxide and SBIF will be blended for a saleable product grading of 60% Fe with 5.1% silica and 3.8% alumina. The impurities appear to be on the high end compared to benchmarks. The company plans to conduct further met test-work in Q312 as well as to update the SBIF resource following the ongoing drilling.

INDUSTRY OUTLOOK

Further weakness in iron ore price is likely as steel industry fundamentals remain weak.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(21.7)	(24.1)	(4.5)	N/A	N/A
2011A	0.0	(42.3)	(42.7)	(6.5)	N/A	N/A
2012E	120.0	60.5	49.1	5.9	4.6	3.9
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining	
Price:	23.2p
Market cap:	£15m
Forecast net cash (£m)	6.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

BZT has a 40% stake in the Mankayan copper-gold project in the Philippines and an option to acquire the remainder for ~US$40,000. It has a 46% stake in a JV with AngloGold Ashanti in Tanzania and has acquired the Eureka copper/gold project in Argentina.

Price performance

%	1m	3m	12m
Actual	(2.1)	(8.8)	(40.4)
Relative*	(5.4)	(8.6)	(37.6)

* % Relative to local index

Analyst

Rory Draper

Bezant Resources (BZT)

INVESTMENT SUMMARY

Bezant Resources' share price has fallen of late with a depressed copper price and concerns over Argentine politics following the nationalisation of the oil company YPF. The company continues to wait for approval of the recently completed environmental impact and baseline studies for its Eureka Project in Argentina. Once approved by the director of Mines and Energy Resources, Bezant will be permitted to start exploratory trenching, surface sampling, drill programmes and underground sampling. Bezant's management remains confident the option over the Mankayan copper-gold porphyry project in the Philippines will be exercised by Gold Fields.

INDUSTRY OUTLOOK

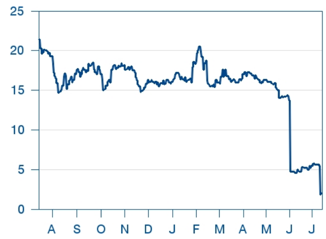
Copper has risen slightly from its six-month lows of $3.33/lb to $3.40/lb. However, with negative sentiment continuing to persist in the eurozone, the copper price continues to remain volatile. The current price is still well above our long-term price of US$2.96/lb.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(1.6)	(1.6)	(3.7)	N/A	N/A
2011A	0.0	(1.5)	(1.5)	(2.9)	N/A	N/A
2012E	0.0	(1.5)	(1.4)	(3.4)	N/A	5.1
2013E	0.0	(1.5)	(1.3)	(2.1)	N/A	N/A

Sector: Pharma & Healthcare

Price:	SEK1.99
Market cap:	SEK147m
Forecast net cash (SEKm)	95.0
Forecast gearing ratio (%)	N/A
Market	NASDAQ OMX Mid Cap

Share price graph (SEK)



Company description

BioInvent is a human therapeutic antibody company based in southern Sweden. It has a lead product, BI-505 in Phase I for multiple myeloma.

Price performance

%	1m	3m	12m
Actual	(59.0)	(88.2)	(90.7)
Relative*	(61.0)	(88.0)	(89.8)

* % Relative to local index

Analyst

John Savin

BioInvent International (BINV)

INVESTMENT SUMMARY

BI-204 is not formally dead but we expect the funeral once the Genentech inquest concludes. No primary endpoint efficacy was seen; the secondary endpoint data is still being analysed but offers slim hope. After the TB-402 failure and return of TB-403, the investment case now rests on BI-505. As a Phase I cancer candidate this is risky but, in our long-standing view, has the best chance of ultimate success. BioInvent is cutting costs significantly and has cash into H213, H1 cash was SEK 186m.

INDUSTRY OUTLOOK

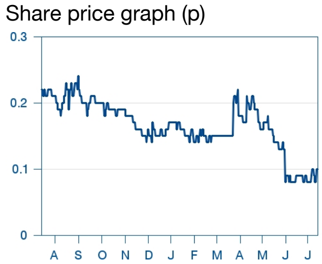
If BI-505 can be directly marketed it would be very valuable, given its orphan indication (multiple myeloma). Management may partner too early for immediate cash but investors should either back the internal development project or sell the business. BI-505 should progress into Phase II and has a optimal biological dose level; data is due in late H2. The n-CoDeR projects and other collaborations may yield milestones if partners progress projects; H1 revenues were SEK21m; SEK 45m expected for FY12.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2010A	83.0	(135.0)	(124.0)	(2.08)	N/A	N/A
2011A	125.0	(66.0)	(67.0)	(1.00)	N/A	N/A
2012E	45.0	(179.0)	(180.0)	(2.49)	N/A	N/A
2013E	50.0	(71.0)	(74.0)	(1.00)	N/A	N/A

Sector: Basic Industries

Price:	0.1p
Market cap:	£6m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Biome's main activity is bioplastics, developing and supplying natural rather than oil-based resins that are biodegradable and from sustainable sources, for use in producing plastics. A radio frequency application operation is also part of the group.

Price performance

%	1m	3m	12m
Actual	25.0	(47.4)	(53.5)
Relative*	20.8	(47.3)	(51.3)

* % Relative to local index

Analyst

Toby Thorrington

Biome Technologies (BIOM)

INVESTMENT SUMMARY

A H1 update quantified the impact of a lull in biodegradeable plastics adoption. Bioplastics division revenue in Q2 was around half that in Q1; Biotec (-58%) contracted more sharply than wholly owned operations (-26%). Overall, Bioplastics revenues appear to be one quarter lower than the H1 FY11 equivalent. RF continues to trade in line with management expectations. Net cash at the end of June was £1.1m; a post period end Biotec refinancing released a further €0.255m back to Biome. We have withdrawn estimates pending greater market clarity.

INDUSTRY OUTLOOK

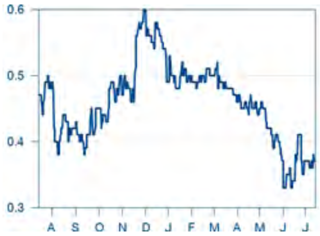
Around Europe, plants with capacities between 5-60Mt are now in place as the consumer and regulatory drive to move away from petroleum-based plastics gathers momentum. Bioplastics are still more expensive than petroleum-based products. However, growth is being achieved by targeting niches where packaging is a small proportion of the overall cost of a product, and the consumer appeal of being eco-friendly adds enough differentiation. A range of third-party estimates indicates industry CAGRs of 12-20% in the coming years.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	13.4	(1.3)	(1.8)	0.0	N/A	N/A
2011A	19.1	(0.3)	(0.6)	0.0	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	€0.37
Market cap:	€143m
Forecast net debt (€m)	30.7
Forecast gearing ratio (%)	66.0
Market	OMX

Share price graph (€)



Company description

Biotie Therapies is a Finnish/US biotech company with a focus on clinical programmes in CNS and niche inflammatory diseases. Its lead project nalmefene, for the treatment of alcohol dependency, is partnered with Lundbeck. UCB is a strategic partner.

Price performance

%	1m	3m	12m
Actual	12.1	(17.8)	(22.9)
Relative*	7.0	(11.0)	(2.0)

* % Relative to local index

Analyst

Lala Gregorek

Biotie Therapies (BTH1V)

INVESTMENT SUMMARY

Biotie's retention of SYN120 rights after Roche decided not to opt-in to a development license for strategic reasons means the company now has three unencumbered Phase II-ready assets (including BTT-1023 and ronomilast) available for global licensing. A deal on any of these could extend the current cash reach beyond early 2013, although Biotie may explore other options to raise additional funds this year. Catalysts expected by year-end include the European approval decision for alcohol dependency therapy Selincro, which could mean a Q113 launch (triggering an undisclosed milestone payment from partner Lundbeck), and data from the Phase IIb tozadenant Parkinson's disease trial. Commercial success of these partnered projects has the potential to transform Biotie.

INDUSTRY OUTLOOK

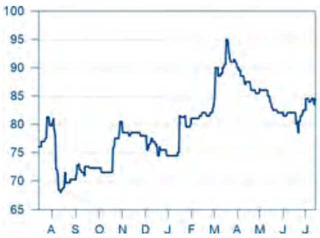
Biotie's focus is on neurodegenerative and psychiatric diseases, and niche inflammation indications. It is an active consolidator; it completed the €94m purchase of private company Synosia in February 2011.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	2.0	(7.3)	(8.5)	(5.2)	N/A	N/A
2011A	1.0	(28.3)	(20.8)	(3.5)	N/A	N/A
2012E	0.1	(27.2)	(28.0)	(6.7)	N/A	N/A
2013E	0.1	(28.6)	(29.6)	(7.5)	N/A	N/A

Sector: Technology

Price:	84.5p
Market cap:	£68m
Forecast net cash (£m)	12.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Brady provides trading and risk management software for global commodity markets. It has more than 20 years of expertise and more than 500 users worldwide, including some of the largest financial institutions and mining corporations.

Price performance

%	1m	3m	12m
Actual	3.0	(3.4)	11.2
Relative*	(0.4)	(3.2)	16.5

* % Relative to local index

Analyst

Richard Jeans

Brady (BRY)

INVESTMENT SUMMARY

Brady has released an in-line trading update and said that revenue growth in H1 exceeded 30%. This growth includes just under four months contribution from Navita and five months from Syseca. Eight new significant licences were signed in H1, compared to six in H111; notably, the average deal size was more than double that of the corresponding period. The group appears to be weathering the weak economic backdrop well and management says it anticipates a very busy H2. As at the time of the update, the group had cash of £9.3m and no debt. On a cash-adjusted basis the rating looks attractive, at c 12x FY12 earnings.

INDUSTRY OUTLOOK

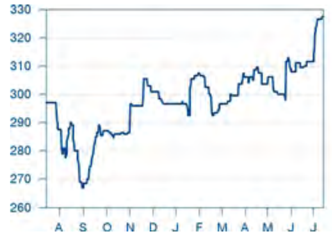
Brady provides trading, risk and connectivity software solutions to the global commodity and energy market – mining and oil companies, fabricators, traders, banks etc. Key operational drivers are that the target market is under-invested in IT, auditors and regulators are seeking increased reporting and accountability and the fundamental changes such as electronic trading and the EEGI.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	11.1	2.1	1.9	6.0	14.1	21.1
2011A	19.2	3.7	3.3	5.8	14.6	15.3
2012E	29.5	5.9	5.2	6.0	14.1	10.9
2013E	33.3	6.7	6.0	6.3	13.4	9.2

Sector: Media & Entertainment

Price:	327.5p
Market cap:	£41m
Forecast net cash (£m)	5.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

BrainJuicer carries out quantitative online research using innovative, bespoke software to produce insightful market research for large, multinational companies.

Price performance

%	1m	3m	12m
Actual	5.3	6.2	10.6
Relative*	1.7	6.4	15.9

* % Relative to local index

Analyst

Fiona Orford-Williams

BrainJuicer (BJU)

INVESTMENT SUMMARY

BrainJuicer is scheduled to update on its first-half trading shortly. The group's culture of innovation challenges the established MR wisdom and clearly differentiates the group from its peers, but also makes it harder to win clients in a conservative marketplace. That it does so is testament to the value its internally-developed products deliver. The geographic expansion continues, funded from cash flow, with a cash-positive balance sheet. The comparatively full rating reflects the record and looks much less demanding in an international context.

INDUSTRY OUTLOOK

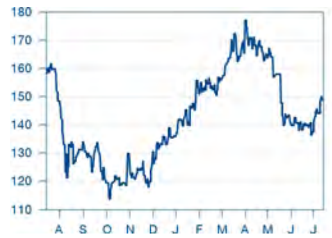
The largest MR buyers, FCMG groups, increasingly award global projects and mandates. They are also becoming more open to innovative techniques, leading to a phase of industry consolidation as integrated providers look to add 'glitz' to their offer. Fewer suppliers now define themselves as providing traditional MR, with the emphasis now firmly on a collaborative approach, providing business consultancy services based on strategic insight.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	16.4	2.4	2.2	11.3	29.0	11.7
2011A	20.7	3.2	2.8	14.1	23.2	16.0
2012E	26.0	3.5	3.1	16.0	20.5	11.6
2013E	30.4	4.0	3.6	18.6	17.6	9.8

Sector: Financials

Price:	148.6p
Market cap:	£370m
Forecast net debt (£m)	89.9
Forecast gearing ratio (%)	56.0
Market	LSE

Share price graph (p)



Company description

Brewin Dolphin is one of the largest independent private client investment managers in the UK and manages around £25bn. It provides a complete service for private investors, charities and pensions and has an investment banking division.

Price performance

%	1m	3m	12m
Actual	6.1	(11.7)	(2.7)
Relative*	2.5	(11.5)	1.9

* % Relative to local index

Analyst

Mark Thomas

Brewin Dolphin (BRW)

INVESTMENT SUMMARY

Brewin Dolphin (BD) offers focused, geared equity-market exposure to long-term, high-growth wealth management in the UK and Ireland. It has consistently grown funds under management faster than benchmarks by attracting teams, selectively opening new offices and having specialist charities and IFA teams. Its strategic review should help offset near-term challenges, enhance cross-selling financial planning and improve efficiency. The target operating margin is 20%+, up over a third, over the next 2.5 years. The shares offer a current yield of c 4.7% as well as the long-term earnings growth.

INDUSTRY OUTLOOK

We believe the wealth management market is very attractive over the long term. It offers a superior growth market driven by increasing personal wealth, the timing of wealth transfers, demographics, personal provision for retirement, tax and regulatory changes, and the expected decline in IFAs from 2012/13 (associated with the implementation of the FSA's Retail Distribution Review).

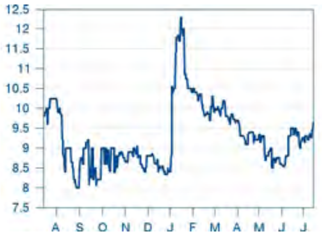
Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	240.0	N/A	37.1	12.5	11.9	N/A
2011A	264.0	N/A	39.4	11.3	13.2	N/A
2012E	268.0	N/A	37.9	10.5	14.2	N/A
2013E	275.5	N/A	44.7	12.5	11.9	N/A

Bridge Energy (BRIDGE)

Sector: Oil & Gas

Price:	NOK9.65
Market cap:	NOK612m
Forecast net cash (NOKm)	131.5
Forecast gearing ratio (%)	N/A
Market	OSE

Share price graph (NOK)



Company description

Bridge Energy is a petroleum exploration and production company with activities in Norway and the UK. It has offices in Oslo and Aberdeen.

Price performance

%	1m	3m	12m
Actual	3.8	6.0	1.5
Relative*	(5.2)	9.2	6.8

* % Relative to local index

Analyst

Ian McLelland

INVESTMENT SUMMARY

While 2011 and H112 have been about M&A and development, the second half of 2012 is set to see Bridge and its partners embark on a drilling programme of 4-5 exploration wells that will target 30mmboe of risked net resources. The programme starts with the UK Northern North Sea Contender well before moving across to 3-4 wells in Norway. Bridge is careful to manage its cost exposure, with the recent farm out of an interest in its Geite well to Cairn Energy a good example. Production comes from the Victoria gas and Duart oil field along with the recent acquisition of a 1.55% interest in the Boa field. Our pre-Boa core NAV of NOK20.8 suggests a significant valuation anomaly, while the 2012 exploration programme adds NOK8.1.

INDUSTRY OUTLOOK

Bridge trades at only a fraction of peers Faroe and Valiant, based on EV/reserves and resources. An anticipated AIM listing later in 2012 to increase liquidity and broaden access to capital could well make Bridge one of the best-value E&P stocks on the London market.

Y/E Dec	Revenue (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (öre)	P/E (x)	P/CF (x)
2010A	103.5	(23.9)	(100.1)	(86.2)	N/A	N/A
2011A	218.3	102.0	(19.1)	132.2	7.3	3.4
2012E	268.8	165.9	81.7	131.3	7.3	2.2
2013E	250.8	130.6	82.1	129.5	7.5	5.4

Brightside Group (BRT)

Sector: Financials

Price:	19.4p
Market cap:	£88m
Forecast net debt (£m)	8.9
Forecast gearing ratio (%)	11.0
Market	AIM

Share price graph (p)

Company description

Brightside Group's principal activities are insurance broking; the provision of premium finance and medical reports; lead generation; and the provision of debt management solutions.

Price performance

%	1m	3m	12m
Actual	(3.1)	(1.9)	(34.3)
Relative*	(6.4)	(1.7)	(31.2)

* % Relative to local index

Analyst

Martyn King

INVESTMENT SUMMARY

Brightside used its AGM to update on trading for the first five months of the year, in line with the current market expectation. Like-for-like sales adjusted for acquisitions) were 9.3% ahead and eCar is growing again, supported by additional (external) underwriting capacity. It has also announced two white-label full service insurance agreements with Debenhams (motor insurance) and Asda (motor and household insurance). These agreements will use the growing panel of insurance underwriters assembled for eCar and the expanded Web Services division capability that includes Quote Exchange, ESystems and eDevelopment, all acquired in 2011. Martin Holman has succeeded Arron Banks as CEO; he joined the group seven years ago and was previously director of insurance broking.

INDUSTRY OUTLOOK

Personal lines insurance rates are likely to flatten out after a period of increase.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	66.2	13.5	12.3	1.85	10.5	N/A
2011A	80.4	18.5	16.5	2.51	7.7	7.6
2012E	91.1	23.7	19.4	2.99	6.5	3.8
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Basic Industries

Price:	355.0p
Market cap:	£94m
Forecast net debt (£m)	29.8
Forecast gearing ratio (%)	46.0
Market	LSE

Share price graph (p)

Company description

BPI is the largest manufacturer of polythene film products in Europe. It is also Europe's largest recycler of waste polythene film.

Price performance

%	1m	3m	12m
Actual	6.0	(1.4)	8.6
Relative*	2.4	(1.2)	13.7

* % Relative to local index

Analyst

Toby Thorrington

British Polythene Industries (BPI)

INVESTMENT SUMMARY

Conditions for BPI are pretty much in line with comments made with the AGM IMS in May. Specifically, overall volumes were lower in H1 with more cyclical sectors remaining weak, but being partially offset by further progress from silage stretchwrap revenues. The euro has weakened modestly providing a drag on the translation of profits in Europe. However, polymer prices have confirmed the downward turn first noted in April. Overall, these features are broadly in balance and profitability in H1 is expected to be in line with last year. FY estimates are unchanged. H1 results are to be announced on August 28.

INDUSTRY OUTLOOK

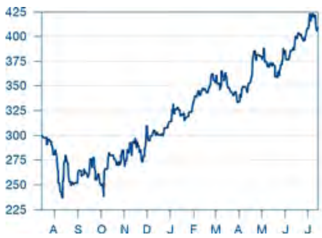
After some easing in market polymer prices in H211, they rose sharply again in Q112, which now appears to be the usual seasonal pattern. These gains started to unwind during Q2 and period end costs appeared to be heading back towards levels seen at the beginning of the year.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	477.7	30.5	15.8	45.4	7.8	4.1
2011A	507.9	34.2	19.1	53.2	6.7	2.4
2012E	515.7	35.4	19.1	52.4	6.8	3.1
2013E	536.3	36.8	20.3	55.5	6.4	3.0

Sector: Pharma & Healthcare

Price:	409.4p
Market cap:	£1342m
Forecast net cash (£m)	141.1
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

BTG is a UK-based biopharmaceutical company with a direct commercial presence in US acute care medicine and interventional oncology. It has a number of internal and partnered R&D programmes.

Price performance

%	1m	3m	12m
Actual	3.9	16.1	36.3
Relative*	0.4	16.3	42.8

* % Relative to local index

Analyst

Robin Davison

BTG (BTG)

INVESTMENT SUMMARY

BTG has enjoyed a strong run of positive news in 2012 that has been reflected in a rising share price, up some 30% year to date. This year has seen the filing of Lemtrada (alemtuzumab) in multiple sclerosis and the presentation of Phase III data on Zytiga (abiraterone) at ASCO, while BTG has itself reported highly positive efficacy in Phase III studies with Varisolve. We have revised our forecasts, and indicate a fair value of 430p per share, largely supported by the DCF value of its core business activities, with near-term catalysts related to its partnered R&D programmes.

INDUSTRY OUTLOOK

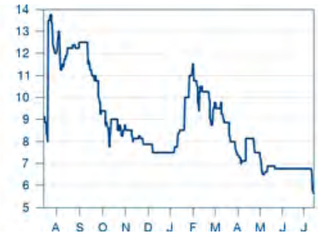
BTG presents a defensive growth business whose valuation is largely underpinned by the DCF valuation of its core US speciality pharma and interventional activities, its cash and predictable royalty streams.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	111.4	16.0	16.6	13.6	30.1	N/A
2012A	197.0	57.3	57.2	14.9	27.5	27.7
2013E	190.0	39.2	39.2	9.4	43.6	42.9
2014E	223.5	53.0	53.5	12.1	33.8	37.5

Sector: Basic Industries

Price:	5.6p
Market cap:	£8m
Forecast net cash (£m)	0.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Byotrol has developed and controls patents for a unique technology to facilitate the safe eradication of harmful microbes. These include several high profile infections, such as MRSA, c.difficile and swine flu.

Price performance

%	1m	3m	12m
Actual	(16.7)	(30.8)	(38.4)
Relative*	(19.5)	(30.6)	(35.4)

* % Relative to local index

Analyst

Nigel Harrison

Byotrol (BYOT)

INVESTMENT SUMMARY

Results to March 2012 reflected the cautious year-end update. The difficult global consumer climate delayed the introduction of certain products employing Byotrol technology, holding back revenue growth. However, recently-announced licence agreements and others in the pipeline point to strong progress over the next two to three years, while last year's fund raising left the group with £1.6m cash at March 2012, hopefully sufficient to take the group through to cash-positive trading. FD Richard Bell has retired from the board to be replaced by Duncan Grosvenor.

INDUSTRY OUTLOOK

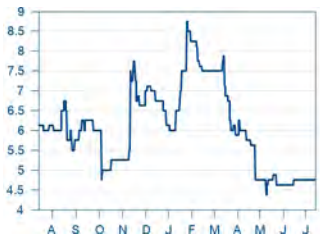
The global market for specialist antimicrobial technology is enormous, as awareness of infection and diseases increases. While many products use chemicals (sometimes solving one problem to create another), a product that can damage the reproductive capacity of various bacteria offers considerable attractions to users. The main challenge for such innovators is convincing major industry players of the efficacy of their technology.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	1.9	(2.2)	(2.3)	(2.3)	N/A	N/A
2012A	2.0	(2.7)	(2.8)	(2.2)	N/A	N/A
2013E	3.0	(1.0)	(1.1)	(0.7)	N/A	N/A
2014E	5.0	(0.1)	(0.2)	(0.1)	N/A	N/A

Sector: Mining

Price:	4.8p
Market cap:	£24m
Forecast net debt (C$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Caledonia mines gold at its main operating asset, the Blanket Gold Mine, in southern Zimbabwe. It holds large-scale mining licences for base metals (primarily copper and cobalt) and exploration licences for PGEs, nickel and copper.

Price performance

%	1m	3m	12m
Actual	2.7	(17.4)	(22.4)
Relative*	(0.8)	(17.2)	(18.8)

* % Relative to local index

Analyst

Tom Hayes

Caledonia Mining (CMCL)

INVESTMENT SUMMARY

On 21 June Caledonia (CMCL) announced that it had concluded its sale agreement with the National Indigenisation and Economic Empowerment Fund (NIEEF) and received an indigenisation compliance certificate. This was possible due to CMCL reaching a conditional agreement to transfer 16% of Blanket for a consideration of US11.742m to NIEEF. This was the last element of the MoU signed with the Zimbabwean government on 20 February 2012, and follows successful conditional agreements being reached - ie 15% sold to a consortium of Indigenous Zimbabweans for US$11.008m; 10% sold to The Blanket Mine Employment Trust for US$7.339m, with the final 10% donated to the Gwanda Community Share Ownership Trust along with a donation of US$1.0m. CMCL has facilitated the funding of the MoU, with the loan due to be repaid via dividends attributable to Indigenous Zimbabwean Shareholders. CMCL expects to redeploy proceeds received in its projects.

INDUSTRY OUTLOOK

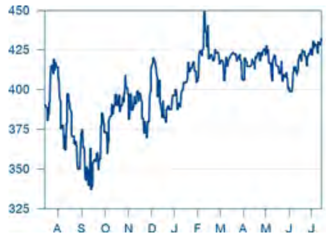
We use a long-term Au price of US$1,350/oz in our valuations.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	22.4	2.1	2.1	0.2	38.2	5.8
2011A	55.7	24.3	24.2	2.9	2.6	1.5
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 432.3p
Market cap: £1563m
Forecast net cash (US$m) N/A
Forecast gearing ratio (%) N/A
Market LSE

Share price graph (p)



Company description

Catlin Group is a specialist insurer/reinsurer domiciled in Bermuda. It operates six underwriting hubs in London, Bermuda, the US, Asia Pacific, Europe and Canada. The London hub includes the Catlin Syndicate at Lloyd's and Catlin Insurance (UK).

Price performance

%	1m	3m	12m
Actual	4.8	3.7	9.0
Relative*	1.2	3.9	14.2

* % Relative to local index

Analyst

Martyn King

Catlin Group (CGL)

INVESTMENT SUMMARY

Catlin made a good start to 2012 with continued growth and no catastrophe losses. Premium growth was 12% in Q1, including 17% in the US and 27% from the international hubs. Renewal rates were up 4% on average and the company expects further gains. Own reinsurance protection gave considerable relief from industry catastrophe losses in 2011 and underlying claims experience was favourable. Earnings retention in H211 and capital efficiency measures provide the capital support for Catlin's growth ambitions. The stock has re-rated in recent months leaving future performance more sector dependent.

INDUSTRY OUTLOOK

US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more so. This is now supporting gentle increases in a range of primary insurance rates, though not casualty. Investment returns remain stubbornly low.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	3411.0	N/A	406.0	92.8	7.3	N/A
2011A	3864.0	N/A	71.0	10.6	63.6	N/A
2012E	4263.0	N/A	401.0	88.3	7.6	N/A
2013E	4789.0	N/A	429.0	95.4	7.1	N/A

Sector: Mining

Price: 0.1p
Market cap: £12m
Forecast net cash (A$m) 66.6
Forecast gearing ratio (%) N/A
Market ASX

Share price graph (p)

Company description

Celamin Holdings is focused on the exploration, development and mining of resources in Tunisia and Algeria. It is currently concentrating on its Bir Al Afou phosphate project in Tunisia.

Price performance

%	1m	3m	12m
Actual	(25.0)	(25.0)	(67.4)
Relative*	(25.1)	(19.8)	(63.7)

* % Relative to local index

Analyst

Rory Draper

Celamin Holdings (CNL)

INVESTMENT SUMMARY

Celamin Holdings NL resumed trading on 18 June 2012, having successfully raised the minimum A$5m required under the recent prospectus issue so as to complete the acquisition of Celamin Limited. Subsequently, Celamin Holdings NL has presented a further prospectus for a pro-rata bonus issue of one bonus option for every two shares held by eligible shareholders. The bonus options are being issued for no consideration and no funds will be raised under the issue. Should the approximately 75.9m options be exercised the company will receive approximately A$26.6m, to be used to fund ongoing exploration and evaluation activities.

INDUSTRY OUTLOOK

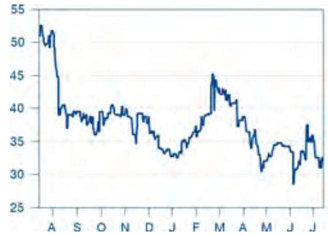
Rising demand for agricultural commodities has put increasing pressure on land resources, pushing fertiliser demand higher. However, the International Fertilizer Industry Association (IFIA) has warned of potential surpluses in nitrogen fertiliser by 2015 and said the potash industry would avoid massive surpluses only because of possible delays in projects.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(0.4)	(0.5)	(2.7)	N/A	N/A
2011A	0.0	(1.0)	(1.0)	(2.8)	N/A	N/A
2012E	0.0	(1.0)	(1.1)	(1.7)	N/A	N/A
2013E	0.0	(1.1)	(4.0)	(1.3)	N/A	N/A

Sector: Media & Entertainment

Price:	32.0p
Market cap:	£45m
Forecast net debt (£m)	7.2
Forecast gearing ratio (%)	6.0
Market	LSE

Share price graph (p)



Company description

Centaur is a business publishing, events and information group, with leading positions in law, marketing, engineering, construction, financial services and business information.

Price performance

%	1m	3m	12m
Actual	0.0	(10.5)	(30.4)
Relative*	(3.4)	(10.3)	(27.1)

* % Relative to local index

Analyst

Derek Terrington

Centaur Media (CAU)

INVESTMENT SUMMARY

In its year-end trading statement (12 July) Centaur said it should see FY12 profits in line with expectations, with underlying revenue growth at 2%. After continued strong growth, digital revenues are now 30% of the group total (26% last year). Good growth from events continues. Net debt will be £7.2m (vs our estimate of £8.9m) due to lower tax and capex, and higher disposal receipts. EBITDA margins are higher than we forecast at 18%, but we cut revenue estimates by £1m to £65.8m, due to disposals, raising our EBITDA margin estimate to 17.8% (17.4%). For 2013 debt estimates fall from £14.1m to £12.3m.

INDUSTRY OUTLOOK

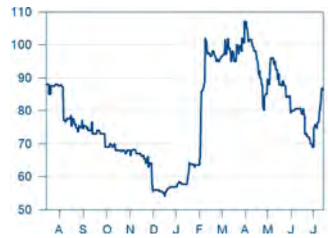
Economic uncertainty has led to increased customer caution and this has affected trading in some of Centaur's markets. Print advertising has weakened, mainly in marketing and financial advice, while legal recruitment advertising has seen some softness recently. However, within information markets generally, events and digital revenues continue to grow and Centaur's performance reflects these trends.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	59.9	6.6	3.7	2.0	16.0	7.2
2011A	68.3	9.9	6.7	3.4	9.4	4.8
2012E	65.8	11.6	8.2	4.2	7.6	5.2
2013E	82.0	16.1	11.6	6.1	5.2	2.7

Sector: Mining

Price:	86.2p
Market cap:	£74m
Forecast net cash (US$m)	17.5
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Central Asia Metals owns, via its wholly owned subsidiary Sary Kazna, 60% of the Kounrad copper project with state-owned Kazakh partner Saryarka taking 40% on a free-carried basis. It also explores for copper and precious metals at its projects in Mongolia.

Price performance

%	1m	3m	12m
Actual	7.1	(12.0)	(0.3)
Relative*	3.5	(11.8)	4.4

* % Relative to local index

Analyst

Tom Hayes

Central Asia Metals (CAML)

INVESTMENT SUMMARY

On 2 July 2012, CAML announced that it has initiated a share repurchase programme of up to 4.3m shares, representing approximately 5% of CAML's issued share capital. CEO Nick Clarke commented that the decision to repurchase shares had been taken due the depressed level CAML's shares recently, and in order to enhance shareholder value. To date, 104k shares costing c £79k have been purchased. CAML's share price performance is in stark contrast to its operational performance at Kounrad, which continues to produce Cu cathode ahead of schedule. Between April 29 and June 30 2012, a total of 1,728t of Cu cathode had been produced, making CAML's 2012 production target of 5,000t and our EPS forecast of 7c/share look eminently achievable. A total of 1,386 tonnes of LME A-grade Cu cathode has now been sold to Traxys Europe. CAML has also provided clarity on the actual end capex bill for Kounrad, stating the project came in 15% under its budget, at US$40m.

INDUSTRY OUTLOOK

The current Cu price is c US$7,515/t.

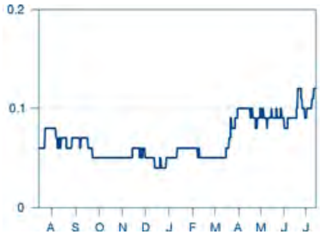
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	1.4	(6.3)	(6.7)	(12.89)	N/A	N/A
2011A	1.1	(5.9)	(5.9)	(6.90)	N/A	N/A
2012E	19.8	7.4	7.2	6.67	20.2	34.6
2013E	40.4	24.5	24.2	22.47	6.0	5.8

Central Petroleum (CTP)

Sector: Oil & Gas

Price:	A$0.12
Market cap:	A$173m
Forecast net cash (A$m)	3.6
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Central Petroleum is an oil and gas junior focused on exploration in the basins of central Australia. It currently has four exploration projects primarily in the NT and is seeking a joint venture partner to undertake a GTL project.

Price performance

%	1m	3m	12m
Actual	35.9	26.3	101.6
Relative*	35.6	35.0	124.4

* % Relative to local index

Analyst

Peter Dupont

INVESTMENT SUMMARY

The appointment of the new CEO, Richard Cottee, was duly confirmed at an EGM on 22 June. Significantly, the three-month extended production test (EPT) commenced at the Surprise discovery in NT late June and the first oil shipment was made on 4 July. Following the EPT and subject to favourable results, CTP has indicated that a development programme is likely to be undertaken at Surprise. Discussions are also underway with prospective joint venture partners. CTP is hopeful that a partner will be announced in the 'near future'. The stock remains lowly valued selling on $2.4/acre.

INDUSTRY OUTLOOK

The central Australian basins have been attracting increasing interest, reflecting strong commodity prices, improving geophysical knowledge and the unconventional potential of the region. Recent entrants include large oil companies such as Hess, ConocoPhillips and BG, and the juniors PetroFrontier, Falcon and Rodina. PetroFrontier at the end of June announced a JV with Statoil.

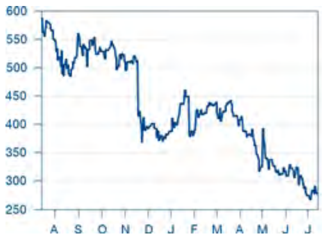
Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(12.2)	(11.5)	(3.4)	N/A	N/A
2011A	0.0	(37.2)	(36.6)	(3.8)	N/A	N/A
2012E	0.0	(18.7)	(19.0)	(1.7)	N/A	N/A
2013E	0.0	(55.8)	(56.1)	(4.5)	N/A	N/A

Chemring Group (CHG)

Sector: Aerospace & Defence

Price:	279.2p
Market cap:	£540m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Chemring Group is a global leader in aircraft and naval countermeasures and other energetic materials for military use in training, peacekeeping and conflict. It has activities in the US, UK, Italy and Australia, primarily supplying home governments and NATO forces.

Price performance

%	1m	3m	12m
Actual	(8.8)	(26.7)	(53.1)
Relative*	(11.9)	(26.6)	(50.9)

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Chemring's interims have shown the full extent of the order delays and uncertainty, with revenues from continuing operations up 4% to £333.3m. But, with major swings in certain divisions such as counter-IED, operational efficiency was affected. This led to underlying PBT dropping 21% to £39.2m and EPS down 23% to 16.0p. While the delayed orders were received on the last day of the period, the consequent H2 weighting leaves Chemring exposed to another potentially challenging time to meet its full-year expectations, particularly with the potential distraction of the US election. Finance director, Paul Rayner, will step down by 31 July 2012 and a search for a replacement remains in progress.

INDUSTRY OUTLOOK

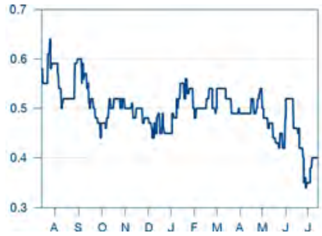
Many investors still view Chemring as a pure war stock. We believe there are counters to such an argument: difficulty in predicting the pace of withdrawal, continuing global unrest, the group's balance between front-line and training, and acquisitions providing new opportunities.

Y/E Oct	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	597.1	149.1	118.7	49.7	5.6	4.1
2011A	745.3	159.0	125.6	51.6	5.4	4.7
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	A$0.40
Market cap:	A$19m
Forecast net cash (A$m)	13.2
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Circadian's focus is on its VEGF-C and VEGF-D portfolio, with a receptor blocking antibody (IMC-3C5) in Phase I trials with ImClone (Lilly), and a VEGF-C targeting antibody (VGX-100) due to enter glioblastoma trials in late 2011.

Price performance

%	1m	3m	12m
Actual	(12.1)	(18.4)	(28.6)
Relative*	(12.2)	(12.7)	(20.5)

* % Relative to local index

Analyst

John Savin

Circadian Technologies (CIR)

INVESTMENT SUMMARY

Circadian is focused on developing VGX-100, a VEGF-C inhibitory monoclonal antibody for anti-cancer therapy. Preclinical data suggests synergistic action with Avastin in glioblastoma. The US-run Phase I trial is underway. An exploratory Phase IIa trial could start in 2013. A dry-eye disease indication shows preclinical promise and VGX-300 (against VEGF-D) is in preclinical development. There are also two diagnostic products, one of which (to identify unknown cancers) has excellent evaluation data and was launched on 16 July.

INDUSTRY OUTLOOK

On a DCF basis to March 2012, we estimate a revised indicative value of A$100m (A$2.16 per share). Avastin is not very effective in glioblastoma and may be synergistic with VGX-100. Value should develop strongly as new VGX-100 indications become clearer. The return of the ThromboGenics/BioInvent PlGF antibody by Roche removes a possible glioblastoma competitor although TB-403 may be developed for eye indications.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.6	(10.2)	(8.5)	(19.1)	N/A	N/A
2011A	0.4	(11.5)	(10.1)	(20.9)	N/A	N/A
2012E	0.5	(8.7)	(7.7)	(14.1)	N/A	N/A
2013E	1.1	(11.2)	(10.8)	(23.3)	N/A	N/A

Sector: Pharma & Healthcare

Price:	NOK60.00
Market cap:	NOK2025m
Forecast net cash (NOKm)	146.6
Forecast gearing ratio (%)	N/A
Market	OSE

Share price graph (NOK)

Company description

Clavis has two Phase III cancer therapies. CP-4126 (improved gemcitabine) targets pancreatic cancer; Elacytarabine (improved ara-C) targets refractory AML.

Price performance

%	1m	3m	12m
Actual	28.5	(9.8)	35.4
Relative*	17.4	(7.1)	42.4

* % Relative to local index

Analyst

John Savin

Clavis Pharma (CLAVIS)

INVESTMENT SUMMARY

Clavis develops cancer therapies with improved delivery characteristics that also overcome low hENT1, a widespread drug resistance mechanism to effective therapeutics like gemcitabine and cytarabine. There are two late-stage compounds: CP-4126 for metastatic pancreatic cancer is globally partnered with Clovis (as CO-1.01) and potentially pivotal LEAP trial top-line results are due in Q412; Elacytarabine, for acute myeloid leukaemia, is in Phase III and results are due in Q113. Most value is in CP-4126. The May capital markets days reinforced the potential of the two lead projects.

INDUSTRY OUTLOOK

If LEAP is pivotal, CP-4126 might launch in H114. With recruitment complete, 64% of patients are low hENT. There is US protection till 2021 and to 2024 in the EU. Currently, Clavis plans to sell elacytarabine direct in the EU, maximising profitability; a US partner is expected. Elacytarabine US protection runs to 2021; 2024 in the EU. We estimate the 2013 value to Clavis of the milestones and royalties on CO-1.01 would be NOK6.2bn.

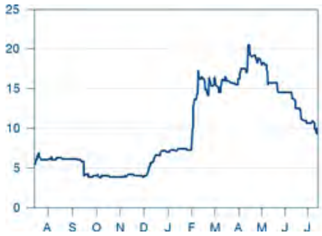
Y/E Dec	Revenue (NOKm)	EBITDA (NOKm)	PBT (NOKm)	EPS (öre)	P/E (x)	P/CF (x)
2010A	29.6	(108.7)	(105.3)	(411.92)	N/A	N/A
2011A	43.5	(149.7)	(144.1)	(470.03)	N/A	N/A
2012E	42.7	(157.1)	(156.1)	(466.11)	N/A	N/A
2013E	39.1	(173.2)	(178.2)	(531.98)	N/A	N/A

Edison investment research

Sector: Industrial Support Services

Price:	10.0p
Market cap:	£14m
Forecast net cash (£m)	0.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Clean Air Power (CAP) has developed and manufactures Dual-Fuel technology that enables diesel engines to operate primarily on natural gas.

Price performance

%	1m	3m	12m
Actual	(27.3)	(51.2)	90.5
Relative*	(29.7)	(51.1)	99.5

* % Relative to local index

Analyst

Graeme Moyse

Clean Air Power (CAP)

INVESTMENT SUMMARY

Clean Air Power's trading statement has demonstrated the significant increase in revenues with over 100 systems delivered in six months (2011:37). It has developed a technology that allows heavy-duty truck engines to operate using either Dual-Fuel (diesel and natural gas) or just diesel and switch between the two modes of operation. In January Volvo began producing trucks employing the Dual-Fuel technology, while further progress has been made in Europe with the Genesis EDGE system. Discussions with US OEMs are continuing while evaluation of Genesis EDGE for the US market has also begun. Our DCF analysis indicates that c 1,250 OEM units are needed to be sold in 2016 to justify a 20p/share valuation, equivalent to c EV/Sales of 2.8x and with 250 orders in 2012, this appears credible.

INDUSTRY OUTLOOK

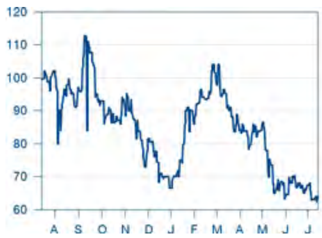
Clean Air Power estimates annual savings of £15k for a truck travelling 100k miles a year using its Dual-Fuel technology. Fuel price projections indicate this advantage appears set to continue.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	5.8	(1.4)	(1.5)	(1.7)	N/A	N/A
2011A	4.6	(1.8)	(1.9)	(1.8)	N/A	N/A
2012E	9.7	(1.2)	(1.3)	(1.0)	N/A	N/A
2013E	16.5	0.7	0.5	0.4	25.0	13.5

Sector: Mining

Price:	64.0p
Market cap:	£108m
Forecast net cash (US$m)	6.6
Forecast gearing ratio (%)	N/A
Market	AIM, TSX

Share price graph (p)



Company description

Dual-listed on AIM and the TSX, Cluff has one producing mine (Kalsaka in Burkino Faso – 78% ownership), one development project (Baomahun in Sierra Leone, 100%) and one operation on care and maintenance (Angovia in Côte d'Ivoire, 90%).

Price performance

%	1m	3m	12m
Actual	(8.9)	(19.5)	(30.4)
Relative*	(12.0)	(19.3)	(27.1)

* % Relative to local index

Analyst

Charles Gibson

Cluff Gold (CLF)

INVESTMENT SUMMARY

CLF reported a small loss in Q1 solely as a result of an inflated tax charge relating to withholding tax. Despite a 15% decline in grade q-o-q, costs rose only 3% to US$960/oz, implying a 20% fall in unit working costs to US$29.27/t. As a result, production guidance and Edison's forecasts for FY12 remain substantially unchanged. In the meantime, Cluff's flagship project, Baomahun, is fully permitted and will be the subject of a resource update in Q312, followed by publication of a full feasibility study. It will then remain to conclude a hydropower off-take agreement to reduce electricity costs from 23c/kWh to 8c/kWh.

INDUSTRY OUTLOOK

Exploration at Baomahun is now proceeding according to a new structural interpretation, targeting coincident arsenic and electro-magnetic signatures. Exploration at Yaoure is targeting newly-identified zones with a target of defining >1m 'inferred' oz by the year end. A preliminary economic assessment of Sega is scheduled for July with permitting following in Q4.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	115.8	20.3	(1.0)	(4.9)	N/A	5.3
2011A	121.7	40.5	25.4	9.2	10.8	3.2
2012E	101.8	42.0	20.8	7.7	13.0	4.1
2013E	153.2	75.2	20.7	7.6	13.1	2.5

Sector: Technology

Price:	275.0p
Market cap:	£43m
Forecast net cash (£m)	6.5
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

CML Microsystems supplies semiconductors into specialist communications and embedded flash memory storage applications.

Price performance

%	1m	3m	12m
Actual	(3.5)	(9.1)	20.9
Relative*	(6.8)	(8.9)	26.6

* % Relative to local index

Analyst

Dan Ridsdale

CML Microsystems (CML)

INVESTMENT SUMMARY

The economic impact may have taken some of the upside out of CML's full year estimates, but performance was resilient in a difficult environment. Importantly, the company's SATA storage products remain on track to start commercial shipments in Q4 of this year. Given significantly higher ASP of these SATA products over the company's current PATA memory controllers, good customer traction has the potential to create a step change in storage sales and earnings. The current rating looks fair, with better visibility on SATA progress being the key catalyst for upside.

INDUSTRY OUTLOOK

While CML's focus on niche, professional applications gives it some shielding from economic swings, the current environment does weigh down on progress. However, longer-term fundamentals for the company's storage products look very positive. We expect wireless sales to resume at a single digit growth rate, driven by increasing adoption of solutions embracing CML's baseband, RF and voice processing products.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	22.1	6.2	2.8	13.5	20.4	5.5
2012A	23.4	6.3	3.7	17.9	15.4	6.3
2013E	24.9	7.1	4.5	21.9	12.6	6.5
2014E	26.6	7.6	5.2	25.4	10.8	6.0

Sector: Mining

Price:	30.5p
Market cap:	£203m
Forecast net debt (US$m)	2.9
Forecast gearing ratio (%)	1.0
Market	AIM, ASX, JSE

Share price graph (p)

Company description

CZA's Mooiplaats Mine began production in 2008. Earlier in 2010, CZA acquired NuCoal's producing mines for ZAR650m. It is also developing its Vele and Makhado coking coal projects.

Price performance

%	1m	3m	12m
Actual	(17.3)	(44.0)	(63.4)
Relative*	(20.1)	(43.9)	(61.6)

* % Relative to local index

Analyst

Andrey Litvin

Coal of Africa (CZA)

INVESTMENT SUMMARY

Coal of Africa announced a major resource upgrade at its Greater Soutpansberg area, which, following the completion of the Chapudi project acquisition from Rio Tinto, was reorganised into three regional groups - the Chapudi, Makhado and Mopane regions. The company's overall GTIS resource for the whole area was increased by 429% to 8.0bn tonnes, with the mineable tonnes in situ (MTIS) rising 209% to 2.0bn. Based on the price paid for the assets, this equates into a very low EV/Resource multiple of US$0.06 per MTIS. Importantly, in its independent technical statement the company provided washed coal qualities, which confirmed the project's high coking coal potential. We believe that all the reported areas contain either high volatile hard coking coal or semi-hard type.

INDUSTRY OUTLOOK

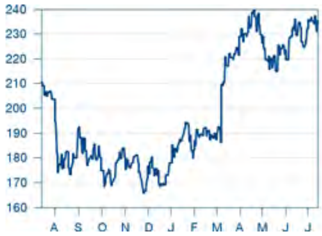
Thermal coal prices are to remain under pressure on the back of the sluggish economic backdrop and improved seaborne coal availability from the US, where low gas prices result in higher coal exports.

Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	98.4	12.6	(46.2)	(7.7)	N/A	N/A
2011A	261.4	14.7	(120.7)	(22.9)	N/A	N/A
2012E	300.5	40.5	(28.5)	(8.5)	N/A	54.7
2013E	377.4	71.4	15.9	(1.2)	N/A	5.4

Sector: Aerospace & Defence

Price:	235.4p
Market cap:	£2539m
Forecast net debt (£m)	130.0
Forecast gearing ratio (%)	13.0
Market	LSE

Share price graph (p)



Company description

Cobham is an international aerospace & defence equipment supplier with businesses across aerospace & security, defence systems, mission systems and aviation services.

Price performance

%	1m	3m	12m
Actual	1.7	1.2	10.3
Relative*	(1.8)	1.4	15.5

* % Relative to local index

Analyst

Roger Johnston

Cobham (COB)

INVESTMENT SUMMARY

Cobham's pursuit of Thrane & Thrane culminated in a recommended offer at DKK435 per share, which has since completed. This valued the share capital at c £275m and gives Cobham a strategic and complementary position in the SATCOM arena and provides new international opportunities. It is anticipated to be earnings accretive before synergies, which could be up to £4m pa. It will become Cobham's principal location for marine satellite communications, receiving investment under the EiD programme. This was followed by disposal of the Emergency Locator Beacon business for $73m, previously highlighted as non-core. These two deals demonstrate the ongoing evolution of the group.

INDUSTRY OUTLOOK

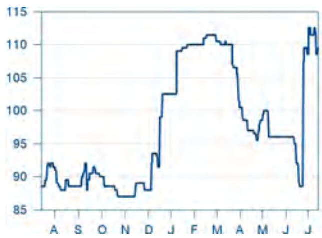
With 72% of Cobham's business related to defence and security and 52% derived from the US, we feel the business will manage slowing defence spend, although timing of orders is slow and active portfolio management is being undertaken to refocus and strengthen the group's market position in key strategic business units.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	1903.0	408.0	306.0	19.7	11.9	9.1
2011A	1854.0	426.0	328.0	22.0	10.7	7.4
2012E	1722.0	426.0	320.0	22.4	10.5	6.3
2013E	1773.0	449.0	341.0	23.8	9.9	5.5

Sector: Aerospace & Defence

Price:	109.5p
Market cap:	£45m
Forecast net cash (£m)	9.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Cohort is a UK-based provider of services and products into the defence industry. The business operates through three divisions: SCS (34% of FY10 sales); Mass (27%); and SEA (39%).

Price performance

%	1m	3m	12m
Actual	15.3	12.9	23.7
Relative*	11.4	13.1	29.6

* % Relative to local index

Analyst

Roger Johnston

Cohort (CHRT)

INVESTMENT SUMMARY

Cohort's prelims demonstrated the group contiunes to head in the right direction, regaining control in all three divisions despite a challenging market environment, with revenue up 16%, operating profit up 48% and EPS up 62%. This was achieved through a combination of cost reduction, improving flexibility, new management at SEA and some strong margins achieved on end of contract risk reductions. With changes starting to affect results, the operational outlook for the group is much improved and we have updated our forecasts accordingly.

INDUSTRY OUTLOOK

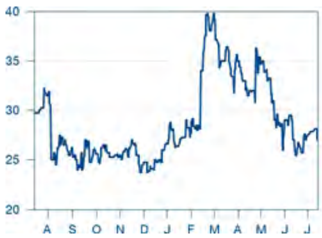
With 71% of revenues derived from the UK MoD, we remain wary of the eventual impact of cuts. With a growing focus on export and non-defence opportunities across space and transportation, there are signs of hope; however, this diversification may have contributed to the previous SEA issues and the ongoing management of this performance improvement remains essential.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	78.2	4.7	4.0	7.7	14.2	10.1
2011A	65.1	5.7	4.9	10.7	10.2	6.5
2012E	69.7	6.8	5.9	11.8	9.3	7.5
2013E	71.2	7.8	6.9	14.1	7.8	6.6

Sector: Support Services

Price:	27.0p
Market cap:	£37m
Forecast net debt (£m)	22.7
Forecast gearing ratio (%)	17.0
Market	LSE

Share price graph (p)



Company description

Communisis is a data led marketing services provider delivering targeted communications across multiple platforms.

Price performance

%	1m	3m	12m
Actual	0.0	(14.3)	(9.2)
Relative*	(3.4)	(14.1)	(4.9)

* % Relative to local index

Analyst

Derek Terrington

Communisis (CMS)

INVESTMENT SUMMARY

On 19 June, Communisis announced the acquisition of 49% of full service integrated marketing company The Garden Marketing Limited (TGML) for £0.4m plus an option to acquire the balance for about £0.6m. This expands the creative and marketing part of the group. The trading update confirmed that business has been encouraging since the 2 May IMS, with a strong pipeline of opportunities. After the update and ahead of what should be a positive interim result (due 26 July) the share price has picked up, but does not reflect the rising underlying profitability of the group.

INDUSTRY OUTLOOK

Macroeconomic uncertainties may affect discretionary marketing spending, which is a large part of Communisis's revenue. However, the shift to digital in this market continues, driven by precision marketing and the demand for insight, eg Gartner expects digital strategies to influence 80% of US consumer's discretionary spending by 2015. Communisis's data-led marketing services strategy is in line with these trends.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	193.2	14.7	6.1	3.1	8.7	4.1
2011A	208.3	15.9	9.0	4.6	5.9	4.2
2012E	225.0	18.1	10.2	5.8	4.7	3.0
2013E	228.9	19.0	10.6	6.0	4.5	2.3

Sector: Technology

Price:	€0.42
Market cap:	€45m
Forecast net debt (€m)	0.1
Forecast gearing ratio (%)	0.0
Market	OMX

Share price graph (€)

Company description

Comptel is a leading independent supplier of operations support software to telecommunications service providers.

Price performance

%	1m	3m	12m
Actual	(4.5)	(25.0)	(28.8)
Relative*	(8.9)	(18.9)	(9.5)

* % Relative to local index

Analyst

Dan Ridsdale

Comptel (CTL1V)

INVESTMENT SUMMARY

Comptel's profits warning was clearly disappointing, but given the immaturity of the new products and the economic environment, we do not believe the turnaround plan has gone off the rails. We take some encouragement that the cost structure is now being better aligned with current revenue levels and the economic outlook. The EV/Sales rating of 0.5x is exceptionally low for a software company. Both the P/E and EBIT margin forecast for 2013 (8.1%) are undemanding, but visibility on uptake of the newer products is likely to be needed before estimates and rating move upwards.

INDUSTRY OUTLOOK

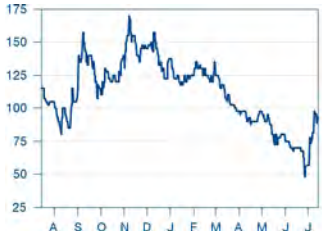
The competitive landscape in telecoms software is crowded, but demand should be supported by operators' need to use and monitise their customer data. This was a very clear theme at the mobile world congress in February. If Comptel can successfully combine its newly acquired analytics capability with its long-standing capability in data collection, it should be very well positioned to capitalise on this trend.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	77.9	14.4	8.1	4.01	10.5	2.8
2011A	76.8	7.7	2.0	0.90	46.7	N/A
2012E	84.0	5.3	0.1	0.05	840.0	10.9
2013E	88.2	12.4	6.5	4.11	10.2	3.6

Sector: Mining

Price:	93.5p
Market cap:	£29m
Forecast net cash (£m)	0.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Condor Gold is a gold exploration and development company with a focus on highly prospective concessions in mining-friendly Nicaragua. It is targeting a 2Moz resource at feasibility status.

Price performance

%	1m	3m	12m
Actual	33.6	1.1	(18.7)
Relative*	29.1	1.3	(14.8)

* % Relative to local index

Analyst

Julian Emery

Condor Gold (CNR)

INVESTMENT SUMMARY

Name change from Condor Resources to Condor Gold coincided with a 1 for 20 equity consolidation. The company aims to lift compliant gold resources at its La India project in Nicaragua to over 2Moz in 2012 and move to feasibility status. The successful exploration campaign continues with further near surface high grsde results from the current drilling and trenching programme on the La India Vein, which may justify fast-track production from open-pit operations. The initial target is to expand resources on three defined vein sets plus near-surface veins and breccia structures. The multiple epithermal veins system should be largely amenable to selective underground mining with an initial concept production option at 80koz pa.

INDUSTRY OUTLOOK

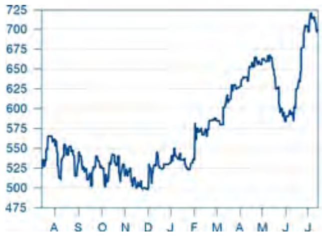
Nicaragua has a long mining history and recognises the economic worth of active facilitation of mining projects within a workable legal, taxation and royalty structure. La India has good infrastructure access and should prove an important new gold operation.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.5)	(1.3)	(0.26)	N/A	N/A
2011A	0.0	(2.0)	(1.6)	(0.30)	N/A	N/A
2012E	0.0	(0.8)	(0.8)	(0.13)	N/A	N/A
2013E	0.0	(0.8)	(0.8)	(2.62)	N/A	N/A

Sector: Pharma & Healthcare

Price:	700.0p
Market cap:	£203m
Forecast net debt (£m)	34.9
Forecast gearing ratio (%)	34.0
Market	LSE

Share price graph (p)



Company description

Consort Medical is an international medical devices company. It operates through two divisions: Bespak (inhalation and injection technologies) and King Systems (airway management products).

Price performance

%	1m	3m	12m
Actual	16.2	7.2	32.7
Relative*	12.2	7.4	39.0

* % Relative to local index

Analyst

Lala Gregorek

Consort Medical (CSRT)

INVESTMENT SUMMARY

Consort Medical's FY12 results provide evidence of execution on its growth strategy, with record full-year revenues and profits; the company remains well positioned to deliver further top-line growth. The management target of double-digit profit growth in the medium term should be achieved organically in the core business (increased volumes) and through new opportunities. Consort is leveraging its strong market position in design, development and manufacturing of high-margin disposable medical devices which, coupled with investment in operational improvements and the ongoing expansion and diversification of its pipeline, should mean it continues to offer a defensive, dividend-paying growth opportunity for investors.

INDUSTRY OUTLOOK

Consort designs, develops and manufactures high-margin disposable medical devices through its Bespak (drug delivery technologies) and King Systems (airway management) divisions. These have leading positions in strong defensive, but relatively fragmented, markets.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	126.8	26.6	17.4	44.7	15.7	9.4
2012A	136.6	28.0	19.4	50.6	13.8	8.1
2013E	141.0	30.1	21.1	55.1	12.7	7.0
2014E	151.1	33.0	23.6	61.6	11.4	6.5

Continental Coal (COOL)

Sector: Mining

Price:	6.0p
Market cap:	£26m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM, ASX

Share price graph (p)

Company description

Continental Coal is a thermal coal producer with a portfolio of mines and development projects in South Africa. The most advanced of these, Vlakvarkfontein, commenced production in Q210.

Price performance

%	1m	3m	12m
Actual	(32.4)	(52.9)	N/A
Relative*	(34.7)	(52.9)	N/A

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

Continental Coal (Conticoal) has provided an update on the Penumbra mine development. The major activities at the mine continue to centre on the advance of the twin declines by the contractor Murray and Roberts. By the end of May, the declines were advanced to a total length of 233m (out of the overall 390m). Penumbra is expected to produce 750kt of ROM coal, yielding some 500kt of saleable product destined for both domestic and export markets. The mine's cash cost is estimated at ZAR490/t (2011 money terms). Production is forecast to start in Q412. The company has also announced appointment of Maritz Smith to the position of CFO. Before this, Mr Smith was CFO and group FD of the South African diversified mining company Motorex, a subsidiary of Jinchuan Group.

INDUSTRY OUTLOOK

We expect thermal coal prices to remain under pressure on the back of the sluggish global economic backdrop as well as the improved availability of the US coal on the international seaborne market.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(13.1)	(25.5)	(1.3)	N/A	110.0
2011A	50.8	(8.8)	(23.7)	(0.5)	N/A	68.6
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Cupid (CUP)

Sector: Travel & Leisure

Price:	198.2p
Market cap:	£162m
Forecast net cash (£m)	14.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Cupid is a leading provider of online dating services. It has over 23m members in 39 countries (those countries with >1,000 members), with a growing proportion of members coming from outside of the UK.

Price performance

%	1m	3m	12m
Actual	1.1	(4.5)	(9.9)
Relative*	(2.3)	(4.3)	(5.6)

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

Cupid's trading update confirms it is on track to meet our ambitious targets for the year. The market continues to grow and change rapidly, with considerable opportunities presented by increasingly constant interactivity by subscribers across proliferating channels and by the sheer level of available data. There are fewer players who can afford the investment in systems, platforms and marketing spend essential to maintain and grow share. Despite the spend, Cupid is set to deliver strong earnings growth, weighted to H2, bringing the rating to a more attractive level.

INDUSTRY OUTLOOK

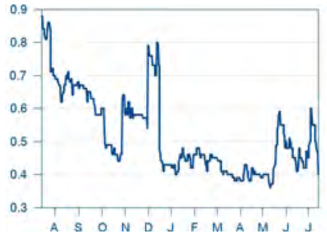
The rapid expansion of mobile (through adoption of smartphones) and social media (across all platforms) has broadened the range of access points for dating services. Channel proliferation is changing the type of recruitment campaign necessary to feed the subscription hopper, presenting a different set of challenges not all suppliers are equipped to deal with, giving Cupid further opportunity to put clear water between itself and the competition.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	25.7	5.6	5.5	6.4	31.0	32.3
2011A	53.6	10.6	10.4	11.0	18.0	35.2
2012E	74.0	16.0	15.8	14.3	13.9	12.5
2013E	86.4	20.5	20.3	18.6	10.7	9.0

Sector: Technology

Price:	0.4p
Market cap:	£6m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Cyan Holdings is a system supplier to the wireless utility metering and street lighting control markets.

Price performance

%	1m	3m	12m
Actual	(12.2)	4.0	(54.9)
Relative*	(15.2)	4.2	(52.7)

* % Relative to local index

Analyst

Katherine Thompson

Cyan Holdings (CYAN)

INVESTMENT SUMMARY

Cyan proposes raising £2.1m before expenses by placing 602.73m shares at 0.35p per share. Proceeds will be used for working capital requirements, business development and product development. The placing shares would make up 26.6% of the enlarged share capital. The company also proposes to issue one warrant for every two shares placed, giving the warrant holder the right to subscribe for shares at 0.5p per share within 12 months of admission. The company has scheduled a General Meeting for 2 August 2012, and assuming the placing is approved, the shares would be admitted for trading on 6 August 2012.

INDUSTRY OUTLOOK

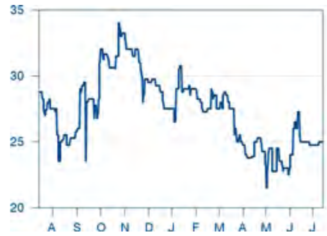
Cyan designs solutions for the smart metering and street lighting control markets. Demand for its products, particularly in developing markets, is driven by several factors: growing demand for energy, rising energy prices, insufficient generation capacity, growing environmental awareness and the need to stem revenue losses from the theft of energy.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.1	(2.8)	(2.9)	(0.3)	N/A	N/A
2011A	0.5	(3.3)	(3.4)	(0.3)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	25.0p
Market cap:	£34m
Forecast net cash (US$m)	3.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

DDD Group develops and licenses software and hardware IP and technologies in the TV, PC and mobile markets for converting 2D content to 3D and supplying originally made 3D content.

Price performance

%	1m	3m	12m
Actual	(8.3)	4.7	(13.8)
Relative*	(11.4)	4.9	(9.7)

* % Relative to local index

Analyst

Martin Lister

DDD (DDD)

INVESTMENT SUMMARY

Q112 revenues came in at $1.8m, up 86% on Q111. Some 3.5m units of the group's TriDef products were shipped in Q112, up 50% on Q111 and up 63% on Q411. Importantly, shipments are broadening out across product type, with a strong contribution from higher royalty rate PCs. This data provides solid comfort for the group to meet our FY12 estimates, with a good opportunity to surpass. DDD is making good progress integrating its software into the sizeable I-Cafe market in China and with its '3D Everywhere' initiative via its Yabazam! 3D app, most recently this month with the launch of Samsung 3D TV movie app.

INDUSTRY OUTLOOK

NPD Displaysearch's 3D TV 2012 forecast is 50m. IHS iSuppli has forecast 3D TV shipments of 100m+ in 2014. NPD has also forecast shipments in 2018 of 10m 3D-ready monitors, 17.7m 3D notebook PCs, and 71m 3D mobile phones. Jon Peddie Research expects that the 3D PC market could reach 75m by 2014, with gaming being the primary driver.

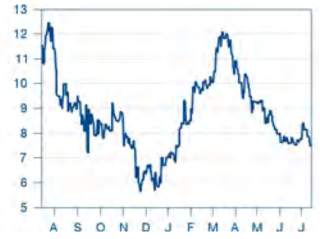
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	2.0	(0.5)	(1.0)	(1.1)	N/A	N/A
2011A	5.5	1.4	0.5	0.0	N/A	54.1
2012E	8.0	2.5	1.6	0.5	78.0	22.9
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Deinove (ALDEI)

Sector: Alternative Energy

Price:	€7.50
Market cap:	€37m
Forecast net debt (€m)	0.2
Forecast gearing ratio (%)	9.0
Market	Alternext

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(1.1)	(27.6)	(38.5)
Relative*	(5.7)	(27.1)	(27.7)

* % Relative to local index

Analyst

Graeme Moyse

INVESTMENT SUMMARY

Last year Deinove recorded a loss before tax of €3.9m (we forecast loss of €3.7m), but also reported a net financial position of €8.9m. It expects to receive a further €2.9m in milestone payments from OSEO which, combined with a tax credit, provides sufficient cash resources to fund the company until late 2013. Further milestone payments for the Deinol advanced biofuel project on industrial strain selection are expected this year and would provide additional funds and an external validation of Deinove's progress. Assuming successful development of Deinove's process for the production of advanced biofuels, commercial deployment is scheduled to take place in 2014. Our DCF analysis (20% discount rate) suggests the market is assuming c 25-30% probability of success for Deinove's project.

INDUSTRY OUTLOOK

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

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.6	(2.4)	(2.5)	N/A	N/A	N/A
2011A	0.6	(3.8)	(3.9)	(67.3)	N/A	N/A
2012E	0.7	(3.6)	(3.9)	(69.1)	N/A	N/A
2013E	1.5	(3.0)	(3.3)	(39.5)	N/A	N/A

Deltex Medical Group (DEMG)

Sector: Pharma & Healthcare

Price:	25.0p
Market cap:	£38m
Forecast net debt (£m)	1.6
Forecast gearing ratio (%)	164.0
Market	AIM

Share price graph (p)

Company description

Deltex is a UK medical device company that manufactures and sells the CardioQ-oesophageal Doppler monitor and disposable probes for haemodynamic monitoring to reduce recovery times after high-risk and major surgery.

Price performance

%	1m	3m	12m
Actual	(11.9)	(7.8)	1.0
Relative*	(14.9)	(7.7)	5.8

* % Relative to local index

Analyst

John Savin

INVESTMENT SUMMARY

The 6 July trading update disclosed H1 UK probe sales rising at 30% to £1.32m, a gain of £300k. A further 50 monitors were installed with the proportion sold rather than placed increasing due to the lower price. Sales in January to May were 40% higher but June was poor due to fewer operations with the Queen's Diamond Jubilee and industrial action. Overall H112 sales at £3.2m were 6.7% up on H111, £200k higher.

INDUSTRY OUTLOOK

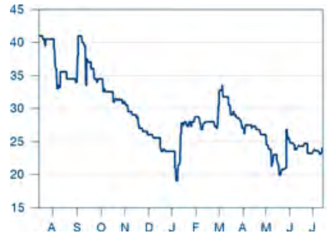
The Enhanced Recovery Partnership, an NHS expert consensus report, strongly backed CardioQ for intraoperative fluid management on 3 July. The Intraoperative Fluid Management Technologies Adoption Pack issued on 8 May allows comparable products to CardioQ, but only CardioQ can be bought directly without a tendering process as it is already approved by the NHS supply chain. Only CardioQ has NICE validation for GDFM. Competing systems like LiDCO and FloTrac cannot generate adequate data due to their inherent technical limitations. Consequently, Deltex has a clear run at the NHS market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	6.3	(0.7)	(1.0)	(0.72)	N/A	N/A
2011A	6.3	(0.8)	(1.1)	(0.71)	N/A	N/A
2012E	7.1	(0.5)	(0.8)	(0.57)	N/A	184.2
2013E	8.6	0.0	(0.3)	(0.20)	N/A	195.2

Sector: Oil & Gas

Price:	24.0p
Market cap:	£10m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

DEO Petroleum is an oil and gas development and production company with assets in the Central North Sea.

Price performance

%	1m	3m	12m
Actual	(1.5)	(11.9)	(41.5)
Relative*	(4.9)	(11.8)	(38.7)

* % Relative to local index

Analyst

Colin McEnery

DEO Petroleum (DEO)

INVESTMENT SUMMARY

On 28 May 2012 Parkmead announced a takeover bid for DEO Petroleum. The consideration of 29.50p per share values the company at c £12.7m. The offer price represents a 40.5% premium over the closing price on 25 May 2012. Under the Takeover Panel rules, Edison is deemed an associate of DEO Petroleum so we are unable to publish any forecasts or forward-looking statements.

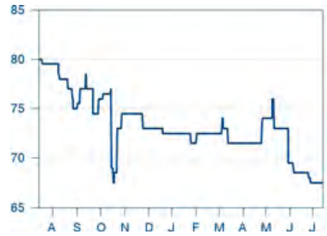
INDUSTRY OUTLOOK

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.8)	(0.8)	(6.0)	N/A	N/A
2011A	0.0	(0.6)	(0.5)	(1.2)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	67.5p
Market cap:	£12m
Forecast net cash (£m)	1.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Dillistone is a developer and vendor of software and services to the recruitment market.

Price performance

%	1m	3m	12m
Actual	(1.5)	(5.6)	(15.6)
Relative*	(4.8)	(5.4)	(11.6)

* % Relative to local index

Analyst

Richard Jeans

Dillistone Group (DSG)

INVESTMENT SUMMARY

In its May AGM update, Dillistone said it had continued to make good progress, despite the turbulent backdrop. Dillistone Systems is working on a number of larger than average projects with both current and prospective executive search clients while Voyager Software is on target for the launch of its new platform, Infinity, in H2. In July Dillistone's chairman more than doubled his shareholding via the purchase of 145k shares. On our maintained forecasts, the rating looks attractive on c 9x our cash adjusted EPS in FY12, falling to c 7x in FY13.

INDUSTRY OUTLOOK

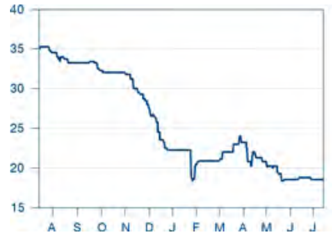
Dillistone is a developer and vendor of software to the recruiting industry. It has two subsidiary companies: Dillistone Systems, which targets the executive search sector, and Voyager, acquired in September 2011, which broadens the offering into the much larger recruitment agency market. Dillistone's FileFinder product has a very strong following among executive recruitment firms across the globe and the group is seeking to sell Voyager's products globally, as it has successfully done with FileFinder.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	4.3	1.3	1.2	5.1	13.2	6.8
2011A	5.4	1.5	1.4	6.3	10.7	6.7
2012E	7.4	1.6	1.5	6.6	10.2	6.3
2013E	8.3	2.0	1.9	7.8	8.7	5.0

Sector: Property

Price:	18.5p
Market cap:	£123m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Dolphin Capital Investors is a leading developer of high-end integrated leisure and residential property developments in the eastern Mediterranean and the Americas (Panama and the Dominican Republic).

Price performance

%	1m	3m	12m
Actual	(1.3)	(15.9)	(47.1)
Relative*	(4.7)	(15.7)	(44.6)

* % Relative to local index

Analyst

Roger Leboff

Dolphin Capital Investors (DCI)

INVESTMENT SUMMARY

The Q1 trading update included encouraging signs of progress on advanced schemes and sales. Aristo secured €13m of sales in Cyprus in the three months to end May, a 46% y-o-y increase in unit numbers. May's figures - 31 units for c €9.4m - were the best month for three years, almost at pre-crisis levels, with strong demand from overseas purchasers; 84% of sales were to international buyers, notably Russian and Chinese. Construction of Amanzoe in Greece is on track to accommodate first guests on 1 August, and initial marketing is underway for the seafront villas. There was also news on possible sales of 75% stakes in the Nikki Beach Resort at Porto Heli and 100% of Port Kundu in Turkey.

INDUSTRY OUTLOOK

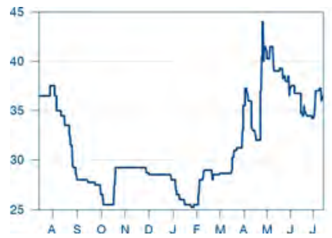
The portfolio is positioned to leverage appetite for luxury goods and holidays from wealthy emerging market buyers (China, Russia, India, Brazil). Purchaser appetite for leisure property would benefit from a more settled economic backdrop and increased project maturity over the next few months.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	69.9	(37.1)	(53.5)	(7.6)	N/A	N/A
2011A	32.8	(6.1)	(36.1)	(3.9)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	36.5p
Market cap:	£50m
Forecast net cash (£m)	8.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

e-Therapeutics is a drug discovery and development company with a proprietary network pharmacology discovery platform and a clinical pipeline (with potential to be out-licensed post-Phase II).

Price performance

%	1m	3m	12m
Actual	(0.7)	10.6	0.0
Relative*	(4.0)	10.8	4.8

* % Relative to local index

Analyst

Lala Gregorek

e-Therapeutics (ETX)

INVESTMENT SUMMARY

e-Therapeutics was busy behind the scenes in 2011, securing funding, strengthening its management team and board, revitalising its discovery activities and preparing for new clinical trial starts. 2012 is a year for execution. The first Phase I ETS2101 trial in brain cancers is now enrolling, a second (solid tumours) is imminent, and two other assets are due to enter the clinic this year. With new hires and a new network pharmacology hub, the discovery division is fully active. Business development activity is ramping up. e-Therapeutics has been highly visible on the conference circuit, raising the profile of its discovery platform and existing pipeline.

INDUSTRY OUTLOOK

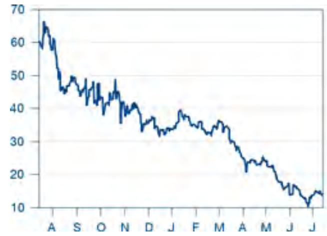
Network pharmacology could potentially revolutionise drug discovery and, in the process, shorten the path to market by minimising technical risks (failure on safety or efficacy grounds) and drug development costs. e-Therapeutics is well positioned with limited direct competition and growing industry acceptance of, and interest in, systems biology-based multi-target approaches to drug discovery.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	0.0	(2.5)	(2.7)	(3.5)	N/A	N/A
2012A	0.0	(4.0)	(3.9)	(2.5)	N/A	N/A
2013E	0.0	(6.2)	(6.1)	(3.7)	N/A	N/A
2014E	0.0	(6.3)	(6.3)	(3.8)	N/A	N/A

Sector: Mining

Price:	14.1p
Market cap:	£131m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM, JSE, TSX

Share price graph (p)



Company description

Eastern Platinum is a mid-tier producer of platinum. It has an 87.5% interest in the Crocodile River Mine in South Africa. It also has four development projects Mareesburg (75.5%), Spitzkop (93.4%), DGV (87.5%) and Kennedy's Vale (87.5%).

Price performance

%	1m	3m	12m
Actual	(7.4)	(41.8)	(75.7)
Relative*	(10.5)	(41.6)	(74.5)

* % Relative to local index

Analyst

Andrey Litvin

Eastern Platinum (ELR)

INVESTMENT SUMMARY

Eastplats has made a series of announcements about revising its mining and development activities. It has decided to freeze funding for the Mareesburg open pit mine and Kennedy's Vale concentrator project on the eastern limb. According to Eastplats, the project was 30% complete and is now expected to be restarted when market conditions improve. Before this, Eastplats announced that the Crocette section of CRM was put on hold, with all development activities stopped in early 2012. The revision has also affected the operating Crocodile River mine where it was decided to switch from the stoping production to the on-reef development at the Zandfontein section. The aim is to reduce operating costs, minimise capex and increase operating flexibility. Eastplats plans to update on the production guidance for 2012 and 2013 in the next 30 days.

INDUSTRY OUTLOOK

Given the uncertain economic backdrop, PGM prices are likely to remain volatile in the short term.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	155.0	33.0	10.3	1.9	11.6	5.7
2011A	113.2	(13.3)	(32.3)	(2.4)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Media & Entertainment

Price:	88.0p
Market cap:	£52m
Forecast net debt (£m)	15.5
Forecast gearing ratio (%)	37.0
Market	AIM

Share price graph (p)

Company description

Ebiquity is a leading provider of a range of business critical data, analysis and consultancy services to advertisers, media owners and PR professionals, both in the UK and internationally.

Price performance

%	1m	3m	12m
Actual	4.1	2.9	(3.3)
Relative*	0.6	3.1	1.3

* % Relative to local index

Analyst

Martin Lister

Ebiquity (EBQ)

INVESTMENT SUMMARY

Ebiquity's FY12 results show strong growth, driven by four strategic acquisitions during the year and 9% organic growth in the group's Analytics division. Revenue grew 20% to £52.9m, 76% of which now comes from international sources. Normalised operating profit (up 55%) and pre-tax profit (up 58%) came in just above our estimates, while EPS (up 23%) hit our estimate of 7.4p. The group's divisional mix has now swung towards Analytics and this trend will increase in FY13 with full-year contributions from the FY12 additions. These results add comfort to our FY13 estimates, which we raised in March after the acquisition of Fairbrother Lenz Eley.

INDUSTRY OUTLOOK

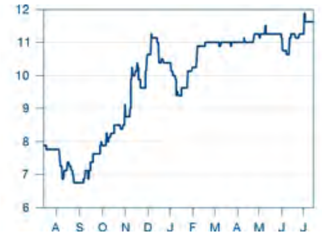
Advertisers continue to focus on achieving better returns on their marketing investment. IDC estimates that business analytics could see 7% annual growth between 2009 and 2014. The growing influence of social media is changing the way that marketing departments view the overall media arena, especially non-paid social media.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	44.2	6.4	4.8	6.0	14.7	N/A
2012A	52.9	9.5	7.6	7.4	11.9	N/A
2013E	66.8	12.1	9.6	8.7	10.1	N/A
2014E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	11.6p
Market cap:	£24m
Forecast net cash (£m)	7.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Eckoh provides a hosted speech recognition platform for the customer contact centre market. Eckoh also provides web, mobile and smartphone self-service applications.

Price performance

%	1m	3m	12m
Actual	4.5	5.7	47.6
Relative*	0.9	5.9	54.6

* % Relative to local index

Analyst

Katherine Thompson

Eckoh (ECK)

INVESTMENT SUMMARY

Eckoh reported FY12 results in line with expectations, generating double-digit revenue and earnings growth and doubling the dividend. The launch of new products (EckohPROTECT, EckohASSIST) is attracting new customers and driving the expansion of existing contracts, with PCI DSS-compliant payment solutions making up a large proportion of the pipeline. The recent signing of partnerships in the telecom and payment processing markets should help Eckoh to win new business more efficiently. We have revised our FY13 and FY14 EPS forecasts to reflect the exercise of options by management.

INDUSTRY OUTLOOK

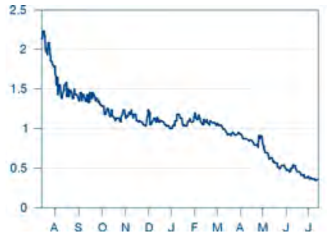
Eckoh's customer base consists of consumer-facing companies that typically offer phone-based services to customers to enable them to buy products or services, pay bills or find out information. Its hosted services help companies make their call centres more efficient while providing an automated process to aid customers with more routine enquiries or services.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	9.0	1.4	0.8	0.54	21.5	27.4
2012A	10.4	2.1	1.3	0.60	19.3	15.4
2013E	11.5	2.5	1.7	0.82	14.1	10.7
2014E	12.6	2.9	2.1	0.99	11.7	9.1

Sector: Mining

Price:	0.3p
Market cap:	£3m
Forecast net debt (£m)	3.1
Forecast gearing ratio (%)	25.0
Market	AIM

Share price graph (p)



Company description

ECR Minerals is a mineral development company with a substantial interest in THEMAC Resources Group, which is developing the Copper Flat copper project in New Mexico, and holdings in West Wits Mining, ACS Asia and Paniai Gold.

Price performance

%	1m	3m	12m
Actual	(33.3)	(58.6)	(85.0)
Relative*	(35.6)	(58.5)	(84.2)

* % Relative to local index

Analyst

Sheldon Modeland

ECR Minerals (ECR)

INVESTMENT SUMMARY

ECR Minerals has released its unaudited interim results for the six months ending 31 March 2012. It reported net assets of £15.2m representing a 5.5% increase over the same period in 2011. The higher assets reflect the gain in value of ECR's holding in THEMAC Resource Group, which is developing the Copper Flat copper-molybdenum-gold-silver porphyry project in New Mexico. ECR has also announced the issue and allotment of 35.0m shares for a total consideration of £0.13m under its standby equity distribution agreement (SEDA) with YA Global Master SPV. The proceeds will be used to fund the gold exploration project in Argentina and for general corporate purposes. The company is also planning to generate cash through the sale of certain assets under attractive terms in order to support its activities in Argentina.

INDUSTRY OUTLOOK

Despite the recent downturn in the commodities market our long-term price remains at US$1,350/oz for gold and US$24.63/oz for silver.

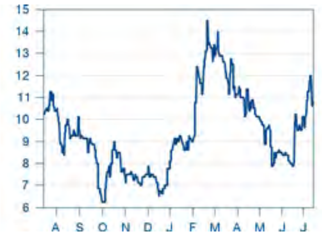
Y/E Jun / Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	4.8	(1.7)	(2.2)	(1.0)	N/A	N/A
2011A	5.0	(1.5)	(2.0)	(0.4)	N/A	N/A
2012E	4.9	(1.5)	(1.9)	(0.4)	N/A	N/A
2013E	5.1	(1.5)	(1.9)	(0.3)	N/A	N/A

Sector: Mining

EMED Mining (EMED)

Price:	10.8p
Market cap:	£105m
Forecast net cash (€m)	1.1
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

EMED Mining aims to restart copper production at its 100% owned Rio Tinto Mine (PRT) in Spain. In Slovakia, the company has discovered a 1.1Moz (JORC) gold deposit. The company also has a 20% stake in Kefi Minerals.

Price performance

%	1m	3m	12m
Actual	34.4	(5.5)	4.9
Relative*	29.8	(5.3)	9.9

* % Relative to local index

Analyst

Rory Draper

INVESTMENT SUMMARY

EMED is now confident of triggering the restart of the Rio Tinto mine by the end of 2012 and commissioning production by the end of 2013. This is underpinned by the major Andalucían political parties announcing policies for the permitting of the Rio Tinto mine by Q312 and subsequent copper off-take sales and loan financing arrangements with Yanggu Xiangguang Copper Co (XGC) and Goldman Sachs International, detailed engineering and project restart permitting. These off-take and finance packages will fund the capital required for restart of the Rio Tinto mine in return for copper pre-sale agreements. We value EMED at 25.7p/share on a sum-of-the-parts basis.

INDUSTRY OUTLOOK

Copper has risen slightly from six-month lows of \$3.33/lb to \$3.40/lb. However, negative sentiment stemming from the eurozone continues to depress the short-term copper price.

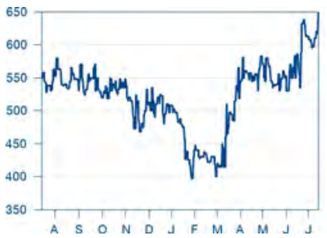
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(10.1)	(11.3)	(1.5)	N/A	11.8
2011A	0.0	(10.2)	(11.4)	(1.1)	N/A	N/A
2012E	0.0	(8.4)	(9.4)	(1.0)	N/A	N/A
2013E	0.0	(8.4)	(41.7)	(4.0)	N/A	N/A

Sector: Technology

EMIS (EMIS)

Price:	648.5p
Market cap:	£380m
Forecast net cash (£m)	14.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

EMIS is a clinical software supplier to the primary care market in the UK, supplying over 50% of UK GP practices. EMIS also supplies software to UK pharmacies through its 78.9% stake in RX Systems.

Price performance

%	1m	3m	12m
Actual	11.3	16.4	20.1
Relative*	7.6	16.7	25.9

* % Relative to local index

Analyst

Katherine Thompson

INVESTMENT SUMMARY

For H112, EMIS is trading slightly ahead of expectations. It has rolled out EMIS Web to 387 practices in H112, of which 121 were in June. EMIS confirmed it is still on track to reach 200 installations/month by September, and we believe our 1,200 forecast for FY12 (which implies 813 for H212) is achievable. The company has been awarded a framework agreement in Wales, along with one other supplier, which should enable the company to grow its Welsh market share. We make no changes to our forecasts at this point, and believe that significant share price upside from here will require material upgrades.

INDUSTRY OUTLOOK

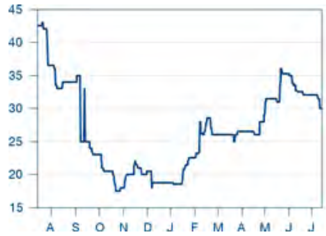
EMIS is the dominant software supplier to the UK GP market with greater than 50% market share. The rollout of EMIS Web to its customer base is in line with the trend to move data to the cloud and will enable EMIS to sell its products to a wider NHS audience, fitting well with the government's 'Connect All' strategy which promotes greater interoperability between NHS departments.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	61.9	24.8	21.8	29.9	21.7	16.5
2011A	73.2	28.0	24.4	33.7	19.2	12.6
2012E	84.7	31.7	26.3	33.9	19.1	12.8
2013E	94.3	36.6	29.1	37.5	17.3	11.0

Sector: Support Services

Price:	30.0p
Market cap:	£13m
Forecast net debt (£m)	5.4
Forecast gearing ratio (%)	19.0
Market	AIM

Share price graph (p)



Company description

Empresaria is a multi-disciplined international specialist staffing group, operating in 18 countries with an investment focus on developing staffing markets and emerging economies.

Price performance

%	1m	3m	12m
Actual	(7.7)	13.2	(31.8)
Relative*	(10.8)	13.4	(28.6)

* % Relative to local index

Analyst

Fiona Orford-Williams

Empresaria (EMR)

INVESTMENT SUMMARY

Having come through a period of uncertainty, Empresaria is now again in a position to focus on its strategy and objectives. Under the leadership of Joost Kreulen, the group will drive growth in its existing brands and sector verticals in key locations worldwide, retaining its devolved business culture, but leveraging on its sector knowledge and experience. We would expect the discount to close as the market sees evidence building that the group can deliver both on its strategy and on its financial targets.

INDUSTRY OUTLOOK

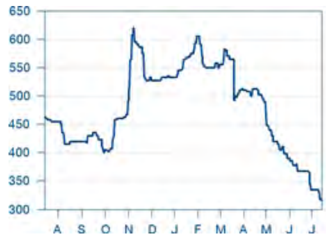
With mature market GDP growth forecasts still retrenching, recruiters' plans remain subdued. In the UK, the latest REC/KPMG Report on Jobs showed the first fall in permanent recruitment for six months and a seventh successive reduction in temporary hiring, demonstrating just how fragile employer confidence is. Ex-Europe, markets vary by specialism, but are generally stronger, while European markets are unsurprisingly those with the weaker prospects.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	215.1	8.4	6.9	6.5	4.6	1.4
2011A	208.9	6.1	4.4	4.1	7.3	3.1
2012E	214.0	7.4	5.7	5.5	5.5	2.1
2013E	220.9	7.8	6.2	6.3	4.8	2.1

Sector: Technology

Price:	315.0p
Market cap:	£48m
Forecast net cash (US$m)	5.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Endace supplies high-end network traffic monitoring and analysis technology, with a fundamental competence and ability to capture all of the packets flowing through high-speed data networks.

Price performance

%	1m	3m	12m
Actual	(14.3)	(38.5)	(32.5)
Relative*	(17.2)	(38.4)	(29.3)

* % Relative to local index

Analyst

Dan Ridsdale

Endace (EDA)

INVESTMENT SUMMARY

Following its strategic review process, Endace's key focus will be on addressing the opportunity in the enterprise data centre market using strategic channel partners to extend reach and enhance scalability. Geographically, the main thrust will be on building the company's market-facing presence in the US and Asia Pacific. Continued investment in growth suppresses earnings so the P/E multiple remains high, but the 2013 EV/sales multiple of 1.5x now looks attractive given the company's growth prospects.

INDUSTRY OUTLOOK

In the short term, the economic climate will lengthen decision cycles, but we still believe Endace remains very well placed to benefit from the structural trend towards faster and more critical data. The shift from 1GB to 10GB Ethernet in data centres is accelerating, with research from Dell'Oro Group estimating that 10G Ethernet ports shipped will increase seven times to 62.2m over the next five years.

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011A	38.4	6.9	3.3	18.4	26.7	7.6
2012A	41.2	5.3	1.7	7.8	63.0	12.3
2013E	47.6	5.3	1.3	6.7	73.3	9.9
2014E	54.6	8.0	2.5	12.1	40.6	9.4

Sector: Media & Entertainment

Price:	155.5p
Market cap:	£305m
Forecast net debt (£m)	43.0
Forecast gearing ratio (%)	19.0
Market	LSE

Share price graph (p)

Company description

Entertainment One is a leading international entertainment company specialising in the acquisition, production and distribution of film and television content rights across all media worldwide.

Price performance

%	1m	3m	12m
Actual	1.1	(4.6)	(12.2)
Relative*	(2.3)	(4.4)	(8.0)

* % Relative to local index

Analyst

Jane Anscombe

Entertainment One (ETO)

INVESTMENT SUMMARY

eOne continues to grow strongly as returns come through from past investment in both film and television (the recent commission of season four of Rookie Blue is just one example - it is an attractive international property). eOne has expanded its geographic reach and continues to review potential acquisitions - on 28 May it confirmed talks with Alliance Films, which could be a transformational deal (to be funded by a mix of debt and equity, but only at the right price). We await further news, while the Q1 IMS is normally due end July.

INDUSTRY OUTLOOK

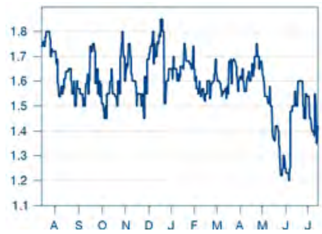
2012 box offices are performing solidly (UK up 4% ytd), with a strong slate of H2 releases. Digital channels are growing rapidly and beginning to be effectively monetised, as eOne's FY12 deal with LOVEFiLM illustrated. DVD markets are in structural decline, not helped by a difficult retail environment. eOne continues to benefit from 'Twilight' but also has a very broad slew of film, TV and children's content for international exploitation.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	469.7	42.5	32.3	13.0	12.0	2.6
2012A	502.7	52.6	43.0	15.4	10.1	2.4
2013E	540.0	57.5	48.5	16.9	9.2	1.7
2014E	567.0	63.5	55.0	19.0	8.2	1.5

Sector: Industrial Support Services

Price:	C$1.42
Market cap:	C$108m
Forecast net cash (C$m)	13.6
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

EnWave is an industrial technology company that licenses the rights to proprietary technology that allows foods and pharmaceuticals to be dried faster and cheaper than freeze drying, with better quality than air or spray drying.

Price performance

%	1m	3m	12m
Actual	(5.3)	(11.2)	(19.3)
Relative*	(5.5)	(7.2)	(6.6)

* % Relative to local index

Analyst

Edwin Lloyd

EnWave Corporation (ENW)

INVESTMENT SUMMARY

EnWave develops technologies used to dry foods, bulk liquids and biopharmaceuticals. Its technology is a direct alternative to the freeze-, spray- and air-drying methods currently used. Its strategy is to target multinational pharmaceutical or FMCG companies with at least a 25% market share in their product or region. EnWave is buying 75.1% of Hans Binder, its key outsource manufacturer of MIVAP machines, which will position it as a global leader in REV technology.

INDUSTRY OUTLOOK

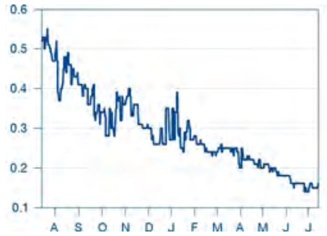
Globally, approximately $400bn of products are manufactured each year using some kind of drying technology. The market for fruit, vegetables, meats and other foods is estimated at $140bn. The current strategy is to license its technology, and EnWave is gaining traction by signing licensees and establishing partnerships with global manufacturers - including Nestlé, Merck and Kellogg. Continued conversion of trials-to-contracts would secure royalty streams and provide the base for potential significant valuation uplift.

Y/E Sep	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.1	(2.6)	(2.6)	(4.3)	N/A	N/A
2011A	0.2	(3.5)	(3.5)	(5.2)	N/A	N/A
2012E	1.1	(3.6)	(3.6)	(5.0)	N/A	N/A
2013E	2.8	(2.4)	(2.4)	(3.2)	N/A	N/A

Sector: Pharma & Healthcare

Price:	US$0.16
Market cap:	US$13m
Forecast net debt (US$m)	3.8
Forecast gearing ratio (%)	15.0
Market	OMX, OTCQX US

Share price graph (US$)



Company description

EpiCept is a specialty pharmaceutical company focused on the development and commercialisation of pharmaceutical products for cancer treatment and pain management.

Price performance

%	1m	3m	12m
Actual	(1.5)	(27.6)	(69.3)
Relative*	(4.6)	(26.9)	(70.2)

* % Relative to local index

Analyst

Wang Chong

EpiCept (EPCT)

INVESTMENT SUMMARY

EpiCept's investment case is centred on finding a development partner for AmiKet, a product for chemotherapy-induced peripheral neuropathy. Although EpiCept's valuation is depressed as a result of the ongoing regulatory and commercial setbacks with respect to Ceplene and Azixa, the upside from a successful deal could be considerable. Epicept recently realised $2.6m from the recent sale of the European rights to Ceplene to Meda, and while it has enough cash to last until Q3 or Q4, our valuation is under review pending evaluation of the impact of the Ceplene sale.

INDUSTRY OUTLOOK

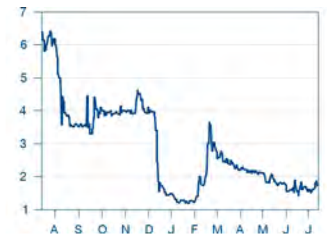
There are many products in clinical development for AML induction therapy; the main direct rivals for maintenance of remission and prevention of relapse include clofarabine and IL-2 monotherapy, although the IL-2 monotherapy has not been shown to be effective to date.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	1.0	(15.4)	(15.4)	(32.1)	N/A	N/A
2011A	1.0	(14.1)	(15.3)	(22.9)	N/A	N/A
2012E	0.4	(9.2)	(10.3)	(9.4)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	€1.75
Market cap:	€15m
Forecast net cash (€m)	4.4
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)



Company description

Epigenomics is a German molecular diagnostics company focused on early detection of cancer. Its main product is Epi proColon, a blood-based DNA test for colorectal cancer that uses a sophisticated PCR assay to detect methylated copies of the septin9 gene.

Price performance

%	1m	3m	12m
Actual	(7.1)	(19.7)	(72.2)
Relative*	(12.9)	(19.4)	(69.2)

* % Relative to local index

Analyst

Wang Chong

Epigenomics (ECX)

INVESTMENT SUMMARY

Epigenomics finished its first quarter with cash and equivalents of €11.5m, having reported lower revenues owing to a one-off payment a year ago, and lower R&D and administrative spending thanks to cost-cutting efforts. The third module (analytical validation) of a US filing for Epi proColon have been filed. The fourth (clinical data) hinges on the outcome of a 300-sample head-to-head study with the FIT assay that has started enrolment. While on current assumptions we see sufficient cash to last beyond 2013, the company cautions that lack of funding might pose a threat, and says it is evaluating all options, including a capital markets transaction.

INDUSTRY OUTLOOK

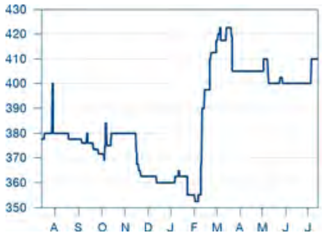
Epi proColon offers patients a simple and convenient alternative to faecal occult blood testing, and should increase compliance for colorectal screening by addressing those individuals who currently do not participate in screening programmes. Epi proLung is an aid in the diagnosis of lung cancer from bronchial lavage using the SHOX2 biomarker.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	1.8	(10.0)	(10.3)	(127.5)	N/A	N/A
2011A	1.4	(7.9)	(8.3)	(96.9)	N/A	N/A
2012E	1.0	(8.4)	(8.6)	(98.5)	N/A	N/A
2013E	6.8	(4.8)	(5.1)	(59.3)	N/A	N/A

Sector: Pharma & Healthcare

Price:	410.0p
Market cap:	£36m
Forecast net cash (£m)	2.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Epistem has a profitable contract services business and an emerging clinical biomarker technology with Sanofi as a big client. Novel Therapeutics is partnered with Novartis although the active collaboration has now ended.

Price performance

%	1m	3m	12m
Actual	2.5	1.2	8.6
Relative*	(1.0)	1.4	13.8

* % Relative to local index

Analyst

John Savin

Epistem Holdings (EHP)

INVESTMENT SUMMARY

Epistem reported H112 sales of £3.1m. The PBT loss(after £257k of capitalised R&D) was £536k and there was a £145k tax credit gain. Year end cash stood at £5.3m. Divisionally, CRO services were flat at £1.4m, helped by increased US biodefense work. Biomarker services grew to £1.7m due to Sanofi buying c £1m of genetic analysis tests for its R&D projects; this level may not be sustained into H2. GeneDrive sales were at £0.3m; other hair test projects were flat at £0.4m. The GeneDrive TB test recently gained CE-IVD registration.

INDUSTRY OUTLOOK

Epistem believes Genedrive (a DNA-based diagnostic system for point-of-care use) will change the shape of the DNA diagnostics. The latest data on its TB test showed a respectable 90% sensitivity (true cases found), however a weak 80% specificity (false positive rate), which means this test is mainly useful to confirm a probable diagnosis or test drug resistance (no data), not for 'wellness' screening. The TB market seems a good one as other tests are unreliable or expensive.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	5.7	0.5	0.4	3.8	107.9	N/A
2011A	5.8	(0.4)	(0.6)	(7.0)	N/A	N/A
2012E	5.3	(1.0)	(1.1)	(14.1)	N/A	N/A
2013E	5.6	(1.0)	(1.1)	(13.9)	N/A	N/A

Sector: Pharma & Healthcare

Price:	CHF0.38
Market cap:	CHF63m
Forecast net cash (CHFm)	5.8
Forecast gearing ratio (%)	N/A
Market	Swiss Stock Exchange

Share price graph (CHF)

Company description

Evolva is an international biosynthesis company. It has developed a technology platform which it uses to create new methods of making nutritional and consumer health products and novel drugs.

Price performance

%	1m	3m	12m
Actual	(9.5)	(11.6)	(67.0)
Relative*	(13.0)	(13.2)	(67.8)

* % Relative to local index

Analyst

Mick Cooper

Evolva (EVE)

INVESTMENT SUMMARY

Evolva has developed an innovative biosynthesis platform mainly focused on developing new production methods for nutritional and consumer health products. Its most advanced programmes in this field are for vanilla (at scale-up phase) and stevia (moving to pilot-scale); Evolva could find partners for both projects this year. It has also formed nutritional alliances with partners such as BASF, IFF (recently expanded) and Roquette. The platform is also used to develop pharmaceutical products. Evolva's lead pharmaceutical product, EV-077, is in a Phase IIa trial for complications associated with diabetes, results are due mid-2012. After this, EV-077 could be out-licensed. Evolva also has a collaboration with Roche. It had cash of SFr23m at end-2011 and has a SFr30m equity line so it can operate to the end of 2013.

INDUSTRY OUTLOOK

The manufacturers of nutritional and consumer health products are always interested in cheaper production methods, especially if the product is natural and has health benefits. Evolva is primarily targeting this market.

Y/E Dec	Revenue (CHFm)	EBITDA (CHFm)	PBT (CHFm)	EPS (CHFc)	P/E (x)	P/CF (x)
2010A	18.6	(20.7)	(23.5)	(16.7)	N/A	N/A
2011A	11.1	(24.6)	(26.5)	(14.0)	N/A	N/A
2012E	11.0	(20.4)	(22.7)	(12.7)	N/A	N/A
2013E	11.3	(20.3)	(22.4)	(10.9)	N/A	N/A

Sector: Pharma & Healthcare

Price:	€2.40
Market cap:	€284m
Forecast net cash (€m)	44.2
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)

Company description

Evotec is a drug discovery business that provides outsourcing solutions to pharmaceutical companies, including Boehringer Ingelheim, Pfizer and Roche. It has operations in Germany, India, UK and US.

Price performance

%	1m	3m	12m
Actual	14.8	(5.9)	(3.8)
Relative*	7.7	(5.5)	6.7

* % Relative to local index

Analyst

Mick Cooper

Evotec (EVT)

INVESTMENT SUMMARY

Evotec reported a second year of profit in 2011, after sales grew by 45% to €80.1m and net income by 123% to €6.7m. Sales growth continued in Q112, increasing by 33% to €20.1m; however, its operating loss increased to €1.0m, due to set-up costs for two major drug discovery contracts, and investment in its capabilities. Evotec continues to invest in its capabilities as it aims to double sales by 2016 at the latest. It has developed a high throughput screening process for monoclonal antibodies, EVOmAb. Also, a collaboration with Harvard (CureBeta), which began last year, has just led to a new alliance with Janssen. Evotec has maintained its guidance of >10% sales growth and improved profitability compared to 2011.

INDUSTRY OUTLOOK

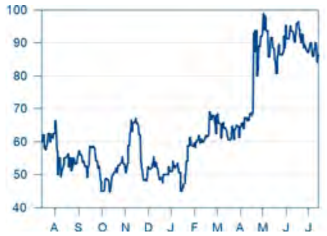
Pharmaceutical companies are outsourcing their drug discovery activities to improve their productivity and decrease the fixed costs associated with them. In this expanding market, Evotec's growth depends on it being able to provide a high-quality integrated service that cheaper service providers are unable to deliver.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	55.3	6.5	4.5	3.8	63.2	148.7
2011A	80.1	7.5	7.5	5.6	42.9	26.1
2012E	89.1	12.3	6.4	4.8	50.0	19.8
2013E	104.4	19.1	11.5	8.9	27.0	13.7

Sector: Oil & Gas

Price:	86.2p
Market cap:	£276m
Forecast net cash (US$m)	77.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Falkland Oil and Gas is a frontier exploration company operating in the Southern Basin of the Falklands.

Price performance

%	1m	3m	12m
Actual	(4.4)	25.9	39.1
Relative*	(7.7)	26.2	45.7

* % Relative to local index

Analyst

Ian McLelland

Falkland Oil and Gas (FOGL)

INVESTMENT SUMMARY

After months of waiting, Falkland Oil and Gas (FOGL) is about to start drilling its two deep-water wells, Loligo and potentially Scotia, that will see it target over four billion barrels net of oil and gas. FOGL's campaign follows a two-well programme by Borders and Southern who have made two technical discoveries although Stebbing appears to be uncommercial and Darwin success will depend on ongoing reservoir analysis. FOGL recently announced EDF-backed Edison as its 25% farm-in partner, a key endorsement of the technical work done by the company to date. FOGL continues to trade at a significant discount to peers and we would expect multiple share price gains if a commercial discovery is declared with either of its 2012 wells.

INDUSTRY OUTLOOK

The Falklands continues to attract international oil companies with the recent Premier/Rockhopper deal following on the back of the Edison farm-in. We would expect success in the 2012 drilling campaign to attract more names to the region.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(2.6)	(3.8)	(2.5)	N/A	N/A
2011A	0.0	(2.9)	(6.6)	(3.6)	N/A	N/A
2012E	0.0	(2.5)	(0.4)	0.0	N/A	N/A
2013E	0.0	(2.7)	(1.3)	0.0	N/A	25244.0

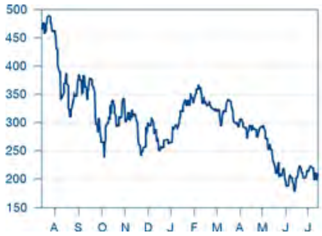
Edison investment research

Ferrexpo (FXPO)

Sector: Mining

Price:	210.4p
Market cap:	£1238m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Ferrexpo is involved in producing and exporting iron ore pellets to the global steel industry. Backed by one of the largest iron ore resources in the world, it aims to realise the potential of its unique resource and to be a globally recognised iron ore pellet supplier.

Price performance

%	1m	3m	12m
Actual	17.3	(28.6)	(55.4)
Relative*	13.3	(28.4)	(53.3)

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

Ferrexpo has released its Q212 operating results, revealing a 4.1% q-o-q increase in the overall pellet production to 2.4mt. Notably, production of the high-grade 65% Fe product went up by 6% q-o-q to 1.13mt. In the six months to June 2012 the company delivered 4.7mt of pellets, a 1.3% reduction compared to the similar period of 2011. At the same time, the 65% Fe pellet output fell 10.3% y-o-y to 2.2mt. This negative dynamic reflects the overall deterioration in global demand for iron ore. Given the moderate recovery in steel industry performance, we would expect Ferrexpo to demonstrate a further modest q-o-q increase in pellet output in Q312.

INDUSTRY OUTLOOK

We believe that downside risk to iron ore prices prevails as underlying demand remains weak and China's steel industry shows signs of slow down.

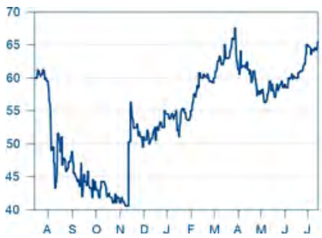
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	1294.9	579.8	509.2	73.6	4.5	5.1
2011A	1788.0	798.1	691.3	97.2	3.4	2.8
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Fiberweb (FWEB)

Sector: Basic Industries

Price:	65.5p
Market cap:	£114m
Forecast net cash (£m)	33.8
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Fiberweb manufactures specialty industrial and construction materials. Its materials are used in filtration applications, buildings, civil engineering, agriculture, landscaping, forestry & viticulture, medical, graphic arts and other specialty industrial areas.

Price performance

%	1m	3m	12m
Actual	8.7	6.9	11.0
Relative*	5.0	7.2	16.3

* % Relative to local index

Analyst

Toby Thorrington

INVESTMENT SUMMARY

An H1 update confirmed trends noted at the AGM stage, with a good uplift in US residential activity but ongoing weakness in European construction. Other markets are more stable overall, though hygiene demand in Europe has been good. A site visit to Maldon highlighted the global approach to geosynthetics and the significant integration and investment that has been undertaken to address market opportunities. Cost savings and recent polymer price reductions will aid momentum going into H2 but, at this stage, we expect the H1 and FY results to be similar to FY11. H1 results are due on 1 August.

INDUSTRY OUTLOOK

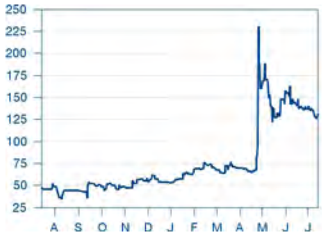
Volume growth in industrial activities is expected to come from product and sector innovation, together with complementary bolt-on acquisitions in this area. Fiberweb now has an ungeared balance sheet and is expected to apply this increased financial flexibility to raise margins and investment returns.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	463.2	48.5	15.1	10.7	6.1	2.1
2011A	297.8	22.2	(3.6)	0.1	655.0	5.3
2012E	310.0	29.0	15.0	6.1	10.7	7.0
2013E	322.0	31.6	16.8	6.8	9.6	3.9

Sector: Oil & Gas

Price:	131.0p
Market cap:	£47m
Forecast net cash (US$m)	47.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Forum Energy, focused exclusively on the Philippines, is an AIM-quoted company developing oil and gas assets.

Price performance

%	1m	3m	12m
Actual	(9.0)	97.0	178.7
Relative*	(12.1)	97.4	191.9

* % Relative to local index

Analyst

Ian McLelland

Forum Energy (FEP)

INVESTMENT SUMMARY

Forum's share price has risen significantly since the announcement in April of a resource increase across its SC72 permit, which contains the Sampaguita gas field. Having assessed commercial quantities of contingent gas and condensate resources across Sampaguita, we expect the company to embark on a $75m early-appraisal campaign to delineate the field, which could lead to a development plan firming up and possible value crystallisation in the medium term, with partner discussions thought to be ongoing. Regional gas prices for power generation support our undiluted RENAV of 302p based on $7/mscf and a 12% discount rate. Floating or land-based LNG tie-ups could increase this dramatically, although there is significant downside risk if Forum cannot achieve at least $7/mscf via its chosen development route.

INDUSTRY OUTLOOK

The SC72 Sampaguita field is a potential company maker for Forum. In the context of the UK sector of the North Sea, a 3TCF find would be one of the largest in the last 25 years.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	6.1	2.1	(0.6)	(2.0)	N/A	35.4
2011A	12.7	8.6	3.4	10.1	20.2	7.0
2012E	11.1	7.6	4.0	10.8	18.9	60.9
2013E	10.8	7.4	3.4	8.5	24.0	12.6

Sector: Engineering

Price:	19.5p
Market cap:	£30m
Forecast net cash (£m)	4.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Fulcrum Utility Services is a provider of gas connection services to the residential, commercial and industrial market in the UK.

Price performance

%	1m	3m	12m
Actual	1.3	(4.9)	25.8
Relative*	(2.1)	(4.7)	31.8

* % Relative to local index

Analyst

Graeme Moyse

Fulcrum Utility Services (FCRM)

INVESTMENT SUMMARY

Over the last year Fulcrum has focused on reshaping the business, reducing costs, re-negotiating its relationships with contractors, relocating offices, restructuring its sales and marketing function, relaunching its IT platform and rebranding its customer offering. Some of the benefit from these actions can be seen in its 2012 results, which showed revenue generation +14% to £41m and a reduction of the loss at the EBITDA level, from £9.0m to £2.1m. Our forecasts remain under review but we expect a return to profitability this year as Fulcrum increases revenues and expands the margin. We believe Fulcrum's current market rating, which stands at a discount to other utility service providers, fails to take account of the recovery potential.

INDUSTRY OUTLOOK

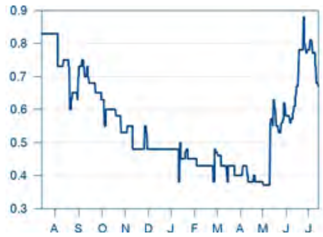
We expect the market for gas connection services will remain flat. However, connections provided by distribution network operators and suppliers could be outsourced to a credible independent operator such as Fulcrum.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	37.6	(13.5)	(13.5)	N/A	N/A	N/A
2011A	37.0	(9.3)	N/A	N/A	N/A	N/A
2012E	44.9	(2.5)	(3.1)	(2.0)	N/A	N/A
2013E	58.4	7.0	6.0	3.9	5.0	N/A

Sector: Oil & Gas

Price:	0.7p
Market cap:	£10m
Forecast net debt (£m)	1.9
Forecast gearing ratio (%)	228.0
Market	AIM

Share price graph (p)



Company description

Gasol is an African-focused gas independent. The company's prime focus is on the monetisation of gas reserves in Sub-Saharan Africa by its aggregation, liquefaction and shipment to high-value markets worldwide.

Price performance

%	1m	3m	12m
Actual	9.0	77.3	(24.0)
Relative*	5.3	77.7	(20.4)

* % Relative to local index

Analyst

Ian McLelland

Gasol (GAS)

INVESTMENT SUMMARY

Gasol is a conceptual development company with, as yet, no secured assets - either as tangible equipment or intangible agreements. As such, it can be considered an investment in management that can provide a potentially low-cost, early-stage entry into West African gas infrastructure development. The company has recently bolstered its management team as it prepares to execute its evolving strategy. This currently involves securing availability of regasified LNG as an interim fuel supply to support current power generation in the West Africa region.

INDUSTRY OUTLOOK

Gasol's strategy is aimed at the monetisation of stranded gas reserves in sub-Saharan Africa. The strategy is to work along the LNG value chain and sell LNG into high-value gas-to-power markets in West Africa, where there is a significant price arbitrage between more expensive liquid fuels (such as diesel) and gas. If successful, this would allow Gasol to generate healthy returns relative to exporting LNG internationally.

Y/E Feb / Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(4.4)	(5.1)	(0.5)	N/A	N/A
2011A	0.0	(1.6)	(2.1)	(0.2)	N/A	N/A
2012E	0.0	(1.7)	(2.0)	(0.1)	N/A	N/A
2013E	0.0	(1.7)	(2.1)	(0.1)	N/A	N/A

Sector: Technology

Price:	79.2p
Market cap:	£86m
Forecast net cash (£m)	6.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

GB Group has complementary identity management offerings of verification, capture, maintenance and analysis, enabling companies to identify and understand their customers.

Price performance

%	1m	3m	12m
Actual	18.7	21.9	77.6
Relative*	14.7	22.2	86.0

* % Relative to local index

Analyst

Martin Lister

GB Group (GBG)

INVESTMENT SUMMARY

At this month's AGM, management said the group is making good progress in the first quarter of FY13, with strong year-on-year growth, and continues to perform well. GB's FY12 results showed the benefit of economies of scale and the group's recent acquisitions - revenue grew 31% to £31.8m, while normalised pre-tax profit more than doubled to £3.7m. Further economies of scale are likely and we see strong growth in normalised EPS for both FY13 and FY14. With £4.8m cash and £7m of revolving credit facility, the group has the firepower to add further acquisitions.

INDUSTRY OUTLOOK

Growth in internet trading, regulatory pressure and the need for checks for money-laundering, age and anti-fraud are behind growing interest in increasingly complex and comprehensive verification of personal data. More and more companies are switching to electronic verification from manual (and expensive) methods.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	24.2	2.2	1.8	2.1	37.7	39.9
2012A	31.8	4.1	3.7	3.8	20.8	20.7
2013E	40.1	5.5	5.0	4.5	17.6	17.5
2014E	44.0	6.8	6.2	5.5	14.4	15.9

Sector: Mining

Gemfields (GEM)

Price:	36.2p
Market cap:	£118m
Forecast net cash (US$m)	37.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Gemfields mines and markets emeralds from Zambia and has several interests in gemstone projects in Zambia and Madagascar.

Price performance

%	1m	3m	12m
Actual	(5.2)	1.8	70.6
Relative*	(8.4)	2.0	78.7

* % Relative to local index

Analyst

Julian Emery

INVESTMENT SUMMARY

Gemfields reported that the four emerald auctions in the financial year to June 2012 have realised revenues of US$77.9m The most recent sale showed lower demand for the lowest-quality roughs, some of which were retained. Gemfields has delivered a consistent high-quality product that reflects the strong cash position and operational performance. This enables the inventory to be controlled to adapt to market conditions. Meanwhile, the major high-wall push-back is well advanced and this waste removal programme should open new production areas to ensure project longevity.

INDUSTRY OUTLOOK

The next high-grade auction will test the view that higher quality emeralds are less vulnerable to economic instability and can often be seen as a store of value in times of uncertainty. A new alliance will fine jewellery house, Amrapali, will showcase prime examples of ethical Zambian emeralds. Gemfields is also acquiring a controlling interest in the Montez ruby licences in Mozambique through a recent equity payment.

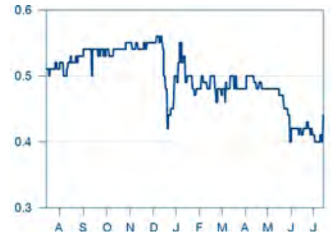
Y/E Jun	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	19.9	2.0	(2.0)	(0.4)	N/A	112.3
2011A	40.2	22.3	19.6	5.0	11.3	10.6
2012E	82.0	55.1	46.7	7.2	7.8	3.5
2013E	91.5	54.5	40.1	5.9	9.6	3.3

Sector: Mining

Gold One (GDO)

Price:	A$0.44
Market cap:	A$630m
Forecast net cash (A$m)	45.9
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Formed from the takeover of Aflease by BMA Gold in 2009, Gold One is an emerging mid-tier gold producer with significant assets in the Witwatersrand basin and growing assets outside.

Price performance

%	1m	3m	12m
Actual	4.7	(9.2)	(11.9)
Relative*	4.5	(2.9)	(1.9)

* % Relative to local index

Analyst

Sheldon Modeland

INVESTMENT SUMMARY

After the recent illegal strike and dismissal of 1,035 employees at its Modder East operations in South Africa, Gold One is trying to normalise its work force and meet its production guidance. The company is currently in negotiations with the National Union of Mineworkers and is actively recruiting potential employees. The company has also released its Q212 results and, as anticipated, production was down from the Modder East operations compared with the previous quarter. Gold production from all operations was 62,904oz, which was 9% below the guidance set for Q212. Although production from Modder East was down 22% - primarily due to the illegal industrial action - the Randfontein Surface operations increased 30% over the same period due to higher volumes and grades. Production from the Cooke underground operations was just 4% below forecast, but was 12% higher than the previous quarter.

INDUSTRY OUTLOOK

Despite the recent downturn in commodity prices, our long-term price for gold remains at US$1,350/oz.

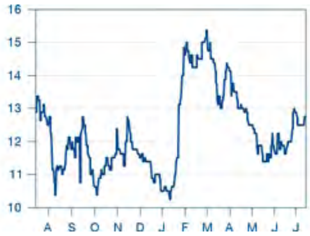
Y/E Dec	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	89.3	39.4	19.3	1.8	24.4	8.7
2011A	188.3	92.3	68.7	6.0	7.3	3.4
2012E	424.6	153.8	129.9	4.9	9.0	3.6
2013E	525.4	236.6	209.5	8.6	5.1	2.7

Edison investment research

Sector: Mining

Price:	12.8p
Market cap:	£21m
Forecast net cash (£m)	8.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Goldplat is a small profitable, African gold producer and exploration company with five primary assets including three mining and development projects in Kenya, Burkina Faso and Ghana, and two gold recovery operations in South Africa and Ghana.

Price performance

%	1m	3m	12m
Actual	7.4	(1.9)	5.2
Relative*	3.7	(1.7)	10.2

* % Relative to local index

Analyst

Rory Draper

Goldplat (GDP)

INVESTMENT SUMMARY

Goldplat has more than doubled its JORC compliant resource at its Kilimapesa gold mine in Kenya to 649,804oz. The additional 402,320oz represents a 162% increase from the previously published resource in May 2012. The resource was calculated from both the Kilimapesa Hill and Red Ray target areas. Goldplat has now exceeded the 500,000oz resource base targeted for 2012. The increased resource ensures that it carries sufficient gold reserves so as to produce at a rate of 10,000oz Au per annum from FY13. Management suggest that, with ongoing drilling at Kilimapesa, the possibility exists for increasing the resource in excess of 1moz of gold.

INDUSTRY OUTLOOK

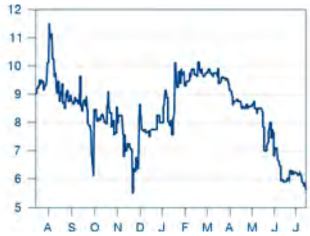
We have seen gold fall over the last month, from US$1,650/oz down to US$1,550/oz. This still exceeds our long-term gold price used for valuation of US$1,350/oz.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	10.7	2.5	2.2	1.58	8.1	10.0
2011A	19.6	3.4	3.1	1.63	7.9	23.0
2012E	26.2	5.6	5.1	2.13	6.0	2.5
2013E	36.5	14.4	13.8	6.58	1.9	1.7

Sector: Oil & Gas

Price:	US$5.63
Market cap:	US$768m
Forecast net debt (US$m)	159.8
Forecast gearing ratio (%)	24.0
Market	AIM

Share price graph (US$)



Company description

Green Dragon Gas is a China-focused vertically integrated gas production and distribution company that also has significant pipeline and manufacturing interests. The upstream operations are based on six CBM projects in east-central and southern China.

Price performance

%	1m	3m	12m
Actual	(5.9)	(35.7)	(34.8)
Relative*	(9.1)	(35.6)	(31.7)

* % Relative to local index

Analyst

Peter Dupont

Green Dragon Gas (GDG)

INVESTMENT SUMMARY

Green Dragon Gas's (GDG) Q1 production data reflected a strengthening trend. Production for the quarter was 414mmcf, up 34% on a year earlier and 10% above the 2011 quarterly average. We expect the trend to continue strengthening over the rest of 2012 and in 2013, driven by the lagged impact of earlier drilling activity, an increase in the number of wells coming on-stream and the growing proportion of the more productive LiFaBriC wells. GDG's key medium-term objective remains to boost CBM output from an annual rate of 1.68bcf at the end of 2011 to 18bcf. This may be achievable by late 2013 and depends on a $250m investment programme.

INDUSTRY OUTLOOK

The Chinese government is promoting the use of natural gas as a low carbon fossil fuel. It is also attempting to reduce dependence on imported energy sources. The key objective is to raise the weighting of natural gas in the energy mix to 10% by 2020. CBM is expected to account for about 10% of natural gas production.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	49.7	2.5	(9.2)	(10.1)	N/A	N/A
2011A	75.2	(4.0)	(16.2)	(12.5)	N/A	N/A
2012E	103.2	0.3	(15.6)	(11.4)	N/A	552.5
2013E	138.6	7.7	(21.1)	(15.5)	N/A	68.5

Greenwich Loan Income Fund (GLIF)

Sector: Investment Companies

Price:	47.8p
Market cap:	£47m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

GLIF is an authorised closed-ended investment company. It aims to produce a predictable dividend yield and long-term preservation of net asset value. It invests in senior, secured loans, primarily to the US mid-corporate market.

Price performance

%	1m	3m	12m
Actual	1.1	(0.5)	13.0
Relative*	(2.4)	(0.3)	18.4

* % Relative to local index

Analyst

Mark Thomas

INVESTMENT SUMMARY

Greenwich Loan Income Fund (GLIF) is a closed-ended investment vehicle in the US mid-corporate senior secured loan market. Proactive portfolio management, further deals (potentially equity financed and modestly diversifying the book) and a focus on shareholder value are the strategic messages. Q411 saw increased cash flows, which will be supplemented by the substantial cut in its management fees starting Q112. The annualised dividend (Q1 1.15p) means the yield is an attractive c 9.5%. We estimate the franchise value at end-March 2012 was c 51.5p.

INDUSTRY OUTLOOK

The US corporate middle market is less covered than major corporate debt, creating more opportunities, with higher risk more than matched by higher reward. This can generate excellent long-term returns. Critically, the US mid-corporate market offers investors more credit risk control than major corporate situations. Recent trends in pricing and credit have been favourable.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	17.1	11.1	11.1	12.70	3.8	N/A
2011A	10.0	3.2	3.2	3.34	14.3	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Greka Drilling (GDL)

Sector: Oil & Gas

Price:	28.4p
Market cap:	£122m
Forecast net debt (US$m)	23.1
Forecast gearing ratio (%)	22.0
Market	AIM

Share price graph (p)

Company description

Greka Drilling, headquartered operationally in Zhengzhou, is a provider of specialised drilling services to the unconventional gas sector in China. Presently it is focused on the commercial development of GDG's CBM operations in Shanxi Province.

Price performance

%	1m	3m	12m
Actual	0.4	(25.6)	(47.5)
Relative*	(3.0)	(25.4)	(45.0)

* % Relative to local index

Analyst

Peter Dupont

INVESTMENT SUMMARY

Greka Drilling (GDL) announced its 2011 earnings in April. The performance lagged our expectations but operations were solidly profitable. More significantly, perhaps, has been GDL's success in applying its pioneering LiFaBriC drilling method in unlocking the CBM potential of China's geologically challenging coal basins. As a result, GDL is poised to obtain third-party (non-Green Dragon Gas) contracts and expand the rig fleet. We continue to believe there is scope for a surge in earnings in 2012 and beyond, driven by an expansion in the rig fleet and leveraging the cost base.

INDUSTRY OUTLOOK

The Chinese government is promoting the use of natural gas as a low carbon fuel. It is also attempting to reduce dependence on imported energy. The key objective is to raise the weighting of natural gas in the energy mix from 4% presently to 10% by 2020. CBM is expected to account for about 10% of natural gas production. In early August Shell announced a joint venture with Henan CBM to develop unconventional gas.

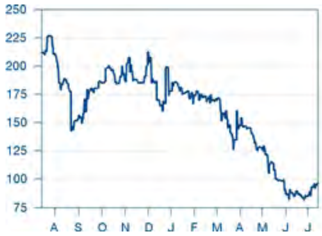
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	24.3	4.7	2.3	0.5	88.6	21.0
2011A	43.8	7.0	4.0	0.7	63.3	N/A
2012E	150.4	38.9	32.3	5.5	8.1	5.4
2013E	186.9	54.3	46.9	7.8	5.7	3.9

Gulfsands Petroleum (GPX)

Sector: Oil & Gas

Price:	97.0p
Market cap:	£115m
Forecast net cash (US$m)	110.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

The group's major focus is on the MENA where it has significant oil exploration and development projects in Syria (suspended owing to sanctions), and oil exploration projects in Tunisia. Gulfsands also has production assets in the Gulf of Mexico.

Price performance

%	1m	3m	12m
Actual	14.1	(33.1)	(54.2)
Relative*	10.2	(33.0)	(52.1)

* % Relative to local index

Analyst

Colin McEnery

INVESTMENT SUMMARY

As the EU sanctions remain in force, all activity in Syria continues to be halted. Taking cash burn into consideration, we estimate Gulfsands currently has c $110m of cash, held in various UK and US accounts and short-term instruments. It has no debt and plans to divest the remaining Gulf of Mexico assets which should pay for its yearly cash burn. In our opinion, Gulfsands is financially secure. The unsuccessful well test at Sidi Dhaher in June 2012 is disappointing as it represented near-term cash flow, but considering the size of the resource, it was not material for the company.

INDUSTRY OUTLOOK

Gulfsands continues to trade at a significant discount to its peers. Based on its reserves, Gulfsands trades at c $0.85/bbl (EV/2P+2C). Political discount weighs heavily on the share price, creating a significant opportunity for investors who believe there will be a resolution in Syria. The market currently does not ascribe a high probability of this. Our PBT numbers are normalised for exceptional items.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	16.6	(30.4)	(26.5)	44.5	3.4	2.6
2011A	7.9	(48.0)	(23.9)	69.1	2.2	1.9
2012E	2.0	(18.5)	(13.5)	(11.1)	N/A	N/A
2013E	0.0	(19.0)	(16.5)	(13.6)	N/A	N/A

Gunson Resources (GUN)

Sector: Mining

Price:	A$0.10
Market cap:	A$23m
Forecast net debt (A$m)	84.8
Forecast gearing ratio (%)	454.0
Market	ASX

Share price graph (A$)

Company description

Gunson Resources is a mining exploration and development company. Its major heavy mineral sands project is construction ready. It has projects in copper and nickel in South Australia and gold in the Northern Territory.

Price performance

%	1m	3m	12m
Actual	(4.5)	(52.3)	(40.0)
Relative*	(4.7)	(49.0)	(33.2)

* % Relative to local index

Analyst

Julian Emery

INVESTMENT SUMMARY

Gunson has been negotiating with major Korean steel producer POSCO for a strategic minority investment in its construction-ready Coburn mineral sands project, to progress it to production. In April 2012, POSCO requested an extension until mid-August 2012 to complete its internal review process and obtain board approval for the investment but continues to be proactive. Gunson has demonstrated confidence in this timing target by commissioning a value engineering review from the engineering contractor, focused on key project costs and construction schedules.

INDUSTRY OUTLOOK

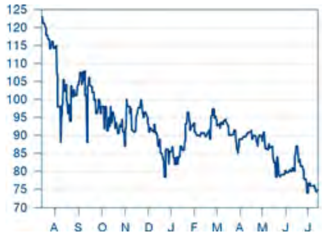
Gunson is taking advantage of the delay as the value engineering review will prioritise opportunities to reduce capital costs and streamline the production schedule. A timely positive result of the POSCO negotiations is essential to restore market credibility and establish Coburn as one of the few new producers in the mineral sands industry. Product markets are strong and discussions with strategic partners on project funding are well advanced.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.2	(0.4)	(0.4)	(0.2)	N/A	N/A
2011A	0.1	(1.7)	(1.7)	(0.6)	N/A	N/A
2012E	0.0	(0.1)	(9.0)	(4.2)	N/A	37.0
2013E	0.0	(0.1)	(15.0)	(6.8)	N/A	N/A

Sector: Pharma & Healthcare

Price:	74.9p
Market cap:	£100m
Forecast net cash (£m)	26.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

GW Pharmaceuticals is a UK speciality pharma company focused on developing cannabinoids as pharmaceuticals. Lead product Sativex is marketed in a number of European countries for multiple sclerosis-associated spasticity.

Price performance

%	1m	3m	12m
Actual	(6.4)	(17.7)	(39.4)
Relative*	(9.6)	(17.6)	(36.6)

* % Relative to local index

Analyst

Lala Gregorek

GW Pharmaceuticals (GWP)

INVESTMENT SUMMARY

GW remains focused on fully exploiting its lead cannabinoid drug Sativex and on its pipeline potential. The company continues to make solid operational progress as it transitions from an R&D company to a commercial business, and thus remains an attractive opportunity for investors seeking lower-risk healthcare exposure. Near-term focus is on supporting Sativex's European roll-out for MS spasticity (a second MRP recommended approval in 10 additional EU countries, further national approvals/launches are expected from end-2012), pipeline growth and manufacturing capacity expansion (supporting broader commerical operations ahead of potential Sativex US cancer pain launch in 2015).

INDUSTRY OUTLOOK

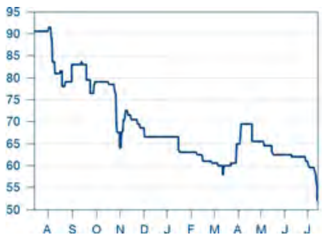
GW is a leader in the field of cannabinoid drugs, which have the potential to become novel therapies for a broad range of diseases. Cannabinoids are diverse chemical compounds which GW extracts from different cannabis plant varieties (chemotypes) it has bred. Sativex is GW's lead drug; we estimate it will achieve 5-10% market share in its approved indications.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	30.7	5.9	5.2	4.1	18.3	24.7
2011A	29.6	3.7	3.3	2.7	27.7	46.3
2012E	30.6	2.0	1.3	2.3	32.6	N/A
2013E	25.7	(5.6)	(6.3)	(3.4)	N/A	N/A

Sector: General Retailers

Price:	52.0p
Market cap:	£12m
Forecast net debt (£m)	21.4
Forecast gearing ratio (%)	190.0
Market	LSE

Share price graph (p)



Company description

After major restructuring, HR Owen mainly comprises its luxury cars business involving franchises for Bentley, Rolls-Royce, Ferrari, Maserati, Lamborghini, Aston Martin, Bugatti and Pagani. It operates aftersales franchises for Audi, BMW/Mini and Lotus.

Price performance

%	1m	3m	12m
Actual	(16.1)	(25.2)	(42.5)
Relative*	(19.0)	(25.0)	(39.8)

* % Relative to local index

Analyst

Nigel Harrison

HR Owen (HRO)

INVESTMENT SUMMARY

H R Owen continues to deliver to City expectations, despite the challenging climate. Last year's appointment of a new CEO created a new impetus, implementing the strategic review of operations published mid-way through the year. Recent developments, including the new Knightsbridge atelier with Ferrari and the acquisition of a regional business comprising one Aston Martin and three Bentley dealerships, all point to an improving medium-term potential. Forthcoming interim results should make positive reading, following encouraging registration figures.

INDUSTRY OUTLOOK

City sentiment towards the motor distribution sector remains cautious. Fears about current-year trading remain, despite registrations running ahead of earlier SMMT expectations. The leading groups all appear to be gaining share of the new and used car markets, while their aftermarket work is holding up well. Profits remain under pressure in the short term, but this provides acquisition opportunities for those with the necessary facilities.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	154.0	3.6	1.7	5.5	9.5	N/A
2011A	192.4	3.9	1.6	4.7	11.1	N/A
2012E	240.0	4.1	1.6	4.9	10.6	10.7
2013E	250.0	4.2	1.7	5.3	9.8	5.9

Sector: Mining

Price:	1.5p
Market cap:	£15m
Forecast net cash (US$m)	2.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Hambledon Mining is a gold production company, which operates the Sekisovskoye gold mine close to Ust Kamenogorsk in East Kazakhstan.

Price performance

%	1m	3m	12m
Actual	(4.7)	(16.4)	(61.9)
Relative*	(7.9)	(16.3)	(60.1)

* % Relative to local index

Analyst

Tom Hayes

Hambledon Mining (HMB)

INVESTMENT SUMMARY

Hambledon (HMB) released a production update for Q212, detailing 179kt ore had been processed and 5,917oz Au produced, in line with managements expectations. Constraints to tailings storage (due to be lifted Q312) and harder ores (limiting Au recovery) have held back production slightly. However production should improve through H212 as HMB's expanded mine fleet is utilised more for ore extraction, now waste stripping in the open pit is complete. Underground (UG) development will continue to ramp up over 2012, contributing around 34% of gold production by end year. Underground resource drilling is also delivering favourable Au assays. Concerning the TD3 fines, the Supreme Court of Kazakhstan has "upheld the company’s disagreement over the amount of fines to be paid". If HMB is successful in its appeal, an as yet unknown proportion of the US$3.8m in fines will be returned.

INDUSTRY OUTLOOK

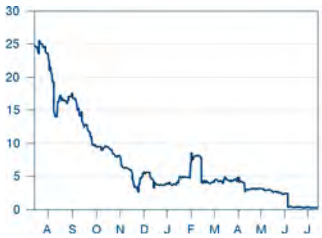
We use Au prices of US$1,700/oz (2012), US$1,600/oz (2013) & US$1,350/oz long term in our valuation.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	29.1	4.0	3.5	0.6	3.9	3.0
2011A	33.3	(2.5)	(2.8)	(0.2)	N/A	5.1
2012E	46.2	6.4	5.6	0.6	3.9	2.7
2013E	66.4	14.6	13.4	1.0	2.3	1.8

Sector: Aerospace & Defence

Price:	0.3p
Market cap:	£1m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Hampson is the largest manufacturer of composite tooling and assembly systems for global aerospace. It manufactures highly engineered components and assemblies for airframe and engine applications using advanced lightweight materials.

Price performance

%	1m	3m	12m
Actual	(8.3)	(90.8)	(98.9)
Relative*	(11.4)	(90.8)	(98.9)

* % Relative to local index

Analyst

Roger Johnston

Hampson Industries (HAMP)

INVESTMENT SUMMARY

Hampson has announced that little equity value was likely to remain for shareholders despite the potential sales process due to the level of interest and indicative offers; the assessment of current trading and operating liabilities; and the level (and prepayment terms) of the debt obligations owed to its lenders. This was subsequently followed by a trading update that indicated further trading issues in Tooling and a reluctance from customers to place new orders while the uncertainty surrounding the group continues, which all make the sale process and outlook more difficult.

INDUSTRY OUTLOOK

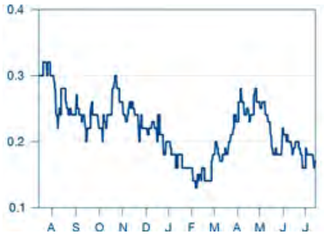
Since 2004, Hampson has been the leading player in the fragmented composite tooling market through acquisitions. This market is set to grow significantly once production of the B787 and A350 truly start. We believe Hampson was unlucky with timing rather than strategic direction, but the acquisitions left the group overexposed to high debt as delays began to bite.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	169.1	37.3	25.2	10.7	0.0	0.0
2011A	197.5	21.9	10.8	6.0	0.1	0.2
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & Gas

Price:	A$0.17
Market cap:	A$49m
Forecast net cash (A$m)	7.9
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Hawkley Oil & Gas an ASX-listed oil and gas development company with 100% owned assets in the Dnieper-Donets Basin, the most prolific gas basin in Ukraine.

Price performance

%	1m	3m	12m
Actual	(10.5)	(32.0)	(43.3)
Relative*	(10.7)	(27.3)	(36.9)

* % Relative to local index

Analyst

Ian McLelland

Hawkley Oil & Gas (HOG)

INVESTMENT SUMMARY

Ukraine-focused Hawkley Oil & Gas offers investors solid upside via its self-funded development of 7.8mmboe of 2P reserves alongside extensive appraisal opportunities across its two licences - Sorochynska and Chernetska. Low-cost production and ready access to infrastructure ensures robust economics across a wide range of commodity prices and fiscal structures. Currently fully funded for 2012/13, appraisal success could unlock significant upside to our core NAV of 33.5c, requiring further funding for which a proposed AIM listing in 2012 would provide fresh routes to capital.

INDUSTRY OUTLOOK

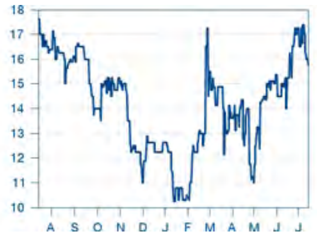
Hawkley's business strategy is to drill on previously explored and/or producing assets with existing infrastructure. With 100% interests across its two licences the company limits third-party risk, but at the expense of greater cost exposure. Although we would expect investors to be wary of Ukraine's evolving regulatory regime, we consider the economics to be robust across a wide range of stress-test scenarios.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(3.0)	(6.0)	(4.4)	N/A	N/A
2011A	10.0	0.6	0.5	(1.2)	N/A	N/A
2012E	35.8	15.9	13.0	3.5	4.9	4.1
2013E	71.6	34.8	28.9	8.2	2.1	1.6

Sector: Alternative Energy

Price:	15.8p
Market cap:	£21m
Forecast net cash (£m)	6.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Helius Energy identifies, develops, owns and builds biomass generation projects in the UK.

Price performance

%	1m	3m	12m
Actual	3.3	9.6	(13.1)
Relative*	(0.2)	9.8	(9.0)

* % Relative to local index

Analyst

Graeme Moyse

Helius Energy (HEGY)

INVESTMENT SUMMARY

The current financial year could be one of significant progress for Helius. The Rothes project is under construction and is scheduled to begin testing this autumn, with commercial operation set for H113. Helius is also negotiating electricity off-take agreements for Avonmouth, while bankers are carrying out due diligence on the project. Financial close is expected to take place late this summer and Helius will seek a developer's fee at this stage. If Helius successfully generates a profit from Avonmouth development fees, it could translate into significant upside for the shares as, in our view, this is not being valued by the market.

INDUSTRY OUTLOOK

The UK has a significant requirement for renewable energy and we expect biomass to play an important part in helping the UK meet its renewable targets.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(7.3)	(6.2)	(7.2)	N/A	N/A
2011A	0.1	(0.7)	0.1	0.1	158.0	N/A
2012E	0.3	2.7	3.4	2.7	5.9	8.8
2013E	0.5	(2.3)	(2.2)	(1.2)	N/A	N/A

Edison investment research

Sector: Financials

Price:	421.8p
Market cap:	£1657m
Forecast net cash (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Hiscox is an international specialist insurer/reinsurer domiciled in Bermuda. Its strategy is characterised by the balancing of higher margin but more volatile catastrophe exposed business with less volatile local speciality insurance.

Price performance

%	1m	3m	12m
Actual	2.0	6.7	4.1
Relative*	(1.5)	7.0	9.0

* % Relative to local index

Analyst

Martyn King

Hiscox (HSX)

INVESTMENT SUMMARY

Net tangible assets per share showed a modest decline of 3% (after dividend payments) in 2011 as catastrophe losses were offset by profits from the non-cat Lloyds and retail businesses. This year has so far been benign for cat losses and rates have responded positively to last year's losses. Gentle increases are being seen in many other lines. We like Hiscox for the balance of its portfolio (between volatile catastrophe reinsurance business and more steady regional and local insurance business) and its good track record and balance sheet strength, and we think a premium to the sector is justified. But material upside will require a broader increase in premium rates/and or better investment returns.

INDUSTRY OUTLOOK

US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more so. This is now supporting gentle increases in a range of primary insurance rates, though not casualty. Investment returns remain stubbornly low.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	1253.0	N/A	209.0	45.0	9.4	N/A
2011A	1187.0	N/A	14.0	4.3	98.1	N/A
2012E	1297.0	N/A	175.0	37.2	11.3	N/A
2013E	1393.0	N/A	214.0	46.2	9.1	N/A

Sector: Support Services

Price:	60.8p
Market cap:	£193m
Forecast net debt (£m)	45.0
Forecast gearing ratio (%)	133.0
Market	LSE

Share price graph (p)

Company description

Hogg Robinson is a major global player in corporate travel services.

Price performance

%	1m	3m	12m
Actual	(3.6)	(12.9)	(9.3)
Relative*	(6.8)	(12.7)	(5.0)

* % Relative to local index

Analyst

Richard Finch

Hogg Robinson Group (HRG)

INVESTMENT SUMMARY

Hogg Robinson Group (HRG) has come up trumps once again with impressive profit growth in tough markets. Better-than-expected full-year results confirmed its ability to raise margin despite meagre top-line gains and endorsed its March decision to take complete ownership of expense management company Spendvision. 10% trading profit gain on just 2% higher revenue (both constant currency) is testament to HRG's tried and tested fee-based model and to better productivity. Robust finances afford ample scope for a generous dividend policy. We are maintaining forecasts for the current year, which has begun well (IMS due 25 July).

INDUSTRY OUTLOOK

Corporate travel market indicators, although not correlating strictly with HRG's business, are broadly positive. For 2012 IATA forecasts passenger growth of almost 5% (international traffic +7.5% in the year to date), while newly-confirmed guidance of RevPAR growth of 6-8% from hotel major Marriott is on a par with its constant currency RevPAR gain last year, suggesting it remains business as usual.

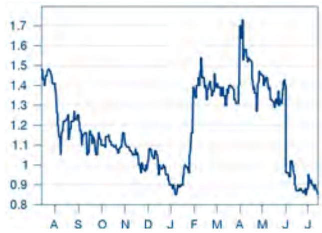
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	358.0	51.6	32.9	7.28	8.4	3.9
2012A	374.2	57.9	38.2	8.28	7.3	4.6
2013E	386.0	61.2	39.5	8.68	7.0	3.7
2014E	N/A	N/A	N/A	N/A	N/A	N/A

Hybrigenics (ALHYG)

Sector: Pharma & Healthcare

Price:	€0.85
Market cap:	€15m
Forecast net cash (€m)	3.9
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	(10.5)	(44.4)	(43.3)
Relative*	(14.7)	(44.1)	(33.4)

* % Relative to local index

Analyst

Mick Cooper

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

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

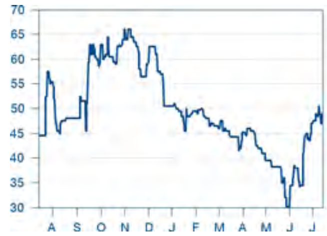
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	4.6	(4.0)	(4.6)	(34.5)	N/A	N/A
2011A	6.6	(2.0)	(2.5)	(14.2)	N/A	N/A
2012E	6.3	(2.9)	(3.1)	(14.8)	N/A	N/A
2013E	6.8	(3.2)	(3.3)	(14.9)	N/A	N/A

i-design (IDG)

Sector: Media & Entertainment

Price:	49.0p
Market cap:	£7m
Forecast net cash (£m)	0.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

i-design is a specialist provider, via its propriety solution, joono, of software and marketing services for banks and ATM network owners worldwide to run both internal marketing campaigns and third-party advertising.

Price performance

%	1m	3m	12m
Actual	38.0	7.7	10.1
Relative*	33.4	7.9	15.3

* % Relative to local index

Analyst

Martin Lister

INVESTMENT SUMMARY

Last month i-design's interims showed continuing progress, with revenue up 13% and gross profit rising 39%. Normalised EPS came in at 0.6p versus a loss of 0.4p a year ago. This provides good comfort for our FY12 and FY13 estimates. Following the addition of a large Canadian bank last November and more joono licences added this month, the total ATM and self-service estate has increased to 28,000, up 30% on nine months ago. However, third-party media revenue was at a similar level to a year ago, set against tough market conditions, which have continued into the second half. The group is well positioned to expand globally and has significant medium-term growth potential.

INDUSTRY OUTLOOK

i-design has established a strong footprint within the UK's c 65,000 ATM market, and is making inroads overseas. US-based market research publisher Global Industry Analysts is predicting that the worldwide installed base of ATMs will reach 3.1m by 2015, up from an estimated 2.2m in 2009.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	2.2	(0.9)	(0.9)	(5.0)	N/A	N/A
2011A	3.5	0.1	0.1	1.0	49.0	42.9
2012E	4.0	0.2	0.1	1.2	40.8	N/A
2013E	4.6	0.4	0.3	2.4	20.4	19.8

Sector: Financials

IFG Group (IFG)

Price:	€1.43
Market cap:	€181m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	Irish Stock Exchange, LSE

Share price graph (€)

Company description

IFG provides financial services comprising a pension administration and personal advisory business operating in the UK, Ireland and international corporate and trustee administration services.

Price performance

%	1m	3m	12m
Actual	7.5	(3.4)	(18.3)
Relative*	2.1	(3.5)	(25.4)

* % Relative to local index

Analyst

Mark Thomas

INVESTMENT SUMMARY

IFG is now strategically focused as the largest provider of UK bespoke SIPPs with a profitable fee-based UK IFA operation. UK wealth managers are typically trading on a low-/mid-teens multiple well above IFG's level. On company numbers and despite SIPP age-related attrition, the return on the 2010 James Hay investment should be +20% and it should soon move into net account growth. The UK IFA business continues to grow strongly. There are modest residual Irish operations in the same areas. We await more details on the deployment of strategically-challenged, international-business sale proceeds (earnings neutrality with a buy-back of c £40m).

INDUSTRY OUTLOOK

The UK SIPP market is expected to deliver mid-teens growth, with an ageing population, greater self-provision, and higher tax rates encouraging tax-efficient saving. It is a dynamic market with customer and regulatory requirements evolving, and having scale and a well recognised brand should be competitive advantages.

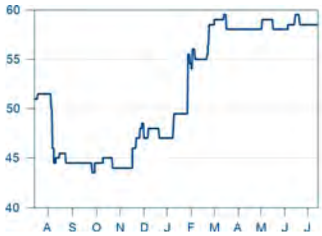
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	103.5	16.8	20.9	16.1	7.1	10.6
2011A	110.8	23.3	22.6	14.8	7.7	11.7
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Alternative Energy

Ilika (IKA)

Price:	58.5p
Market cap:	£27m
Forecast net cash (£m)	0.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Ilika searches for new materials in the renewable and clean energy space. It is unique in that it has patented technology that allows it to discover new materials much faster than conventional methods.

Price performance

%	1m	3m	12m
Actual	0.0	0.9	14.7
Relative*	(3.4)	1.1	20.1

* % Relative to local index

Analyst

Edwin Lloyd

INVESTMENT SUMMARY

The real value in Ilika will come from discoveries of new materials where the company gets to keep the intellectual property. If these new materials are commercialised and sell in volumes, then Ilika can look forward to a long flow of royalties. An example is the proposed new man-portable power supply being developed using IP jointly held with Toyota. We value the business at 92p/share. We estimate that each additional discovery could add 10p to the share price. Meanwhile, its technology would make an attractive acquisition to a number of materials companies. The company raised further funds in April.

INDUSTRY OUTLOOK

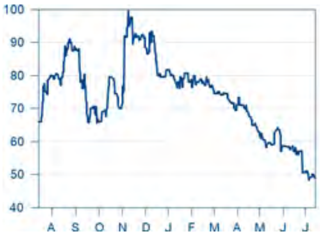
Ilika finds new materials for renewable and clean energy applications that improve or enable future technologies such as batteries for electric cars or fuel cells. Its unique and patented technology allows new materials to be discovered and tested 10 to 100 times faster than traditional methods.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	1.3	(2.5)	(3.2)	(18.6)	N/A	N/A
2011A	1.9	(2.4)	(3.1)	(5.3)	N/A	N/A
2012E	2.9	(2.2)	(2.7)	(4.6)	N/A	N/A
2013E	4.8	(0.7)	(1.2)	(2.2)	N/A	N/A

Sector: Pharma & Healthcare

Price:	49.0p
Market cap:	£40m
Forecast net cash (£m)	7.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

ImmuPharma is a UK drug development company linked to the leading French research organisation (CNRS). The lead project, Lupuzor for lupus, has completed a Phase IIb trial and a development partner is being sought.

Price performance

%	1m	3m	12m
Actual	(15.9)	(29.0)	(24.6)
Relative*	(18.7)	(28.8)	(21.0)

* % Relative to local index

Analyst

Christian Glennie

ImmuPharma (IMM)

INVESTMENT SUMMARY

ImmuPharma is seeking a development partner for its Phase III-ready lupus candidate, Lupuzor, having reclaimed global rights from Cephalon after Cephalon's acquisition by Teva in October 2011. A deal with a larger pharmaceutical/biotech partner, or a contract research organisation, will ideally be concluded in 2012. The FDA has agreed an SPA for a Phase III programme, based on ImmuPharma's Phase IIb study completed in 2009, and granted fast-track status. The Phase I/IIa escalating-dose study of N6L in cancer has completed and results are due in H112. ImmuPharma reported a net loss of £3.4m in 2011 and held £11.2m net cash, sufficient for three years at a projected annual cash burn rate of £3.5m.

INDUSTRY OUTLOOK

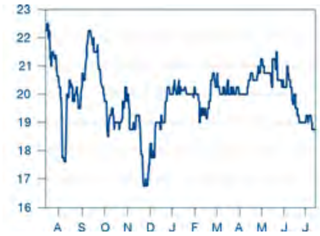
GSK has made an unsolicited $2.6bn bid to acquire HGSI, seeking full ownership of partnered lupus drug Benlysta (as well as albiglutide and darapladib). Q112 sales of Benlysta were $35.6m; sales uptake has been slower than expected due to high price and reimbursement issues.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(3.9)	(2.2)	(2.1)	N/A	N/A
2011A	0.0	(3.6)	(3.4)	(3.9)	N/A	N/A
2012E	0.1	(3.7)	(3.7)	(4.3)	N/A	N/A
2013E	0.1	(3.9)	(3.9)	(4.5)	N/A	N/A

Sector: Technology

Price:	18.8p
Market cap:	£180m
Forecast net cash (£m)	25.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Innovation Group is one of the leading solution providers to the global insurance industry through the development of a flexible combination of business process outsourcing, supply chain management and technology solutions.

Price performance

%	1m	3m	12m
Actual	(5.1)	(8.5)	(16.7)
Relative*	(8.3)	(8.3)	(12.7)

* % Relative to local index

Analyst

Dan Ridsdale

Innovation Group (TIG)

INVESTMENT SUMMARY

Innovation Group's platform for growth and margin expansion now looks well established. All major products have been launched on the Insurer v7 software platform, strengthening the foundation for higher-margin software sales growth. Prospects for BPO look solid and the ongoing enterprise roll-out should support further gross margin improvements. The company enjoys a growth rating but this is not out of kilter with its closest UK peers and, while it prices in some further margin expansion beyond the 9.4% forecast, delivery of 15% would clearly add substantial upside. We raised our 2013 earnings by 2% following the acquisition of Value Partners.

INDUSTRY OUTLOOK

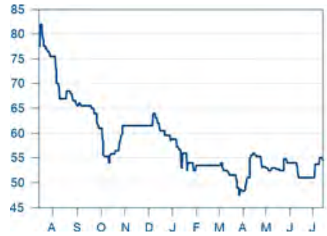
Innovation's solutions add much-needed efficiency and flexibility to an insurance industry being shaken up by the entry of consumer brands and comparison engines. Economic weakness is reducing automotive claims volumes, to which Innovation's BPO sales are tied, but strong deal flow should offset this.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	162.1	15.9	9.8	0.62	30.3	12.3
2011A	175.9	21.2	15.1	1.02	18.4	8.5
2012E	203.0	25.8	18.5	1.06	17.7	7.5
2013E	225.6	31.7	22.5	1.30	14.5	6.2

Sector: Consumer Support Services

Price:	54.5p
Market cap:	£30m
Forecast net debt (£m)	38.0
Forecast gearing ratio (%)	68.0
Market	AIM

Share price graph (p)



Company description

International Greetings is a world leading designer, manufacturer, importer and distributor of gift wrap, stationery, gift bags, crackers, greeting cards and accessories.

Price performance

%	1m	3m	12m
Actual	6.9	(2.7)	(28.8)
Relative*	3.2	(2.5)	(25.4)

* % Relative to local index

Analyst

Fiona Orford-Williams

International Greetings (IGR)

INVESTMENT SUMMARY

International Greetings has delivered preliminary results marginally ahead of the indications given in the trading update, with particularly good progress made on reducing net debt. Top line growth will be difficult to achieve given the underlying consumer environment, but the improvement in gross margin looks sustainable. The current year should start to see manufacturing efficiencies following from the capital investment coming through, with further gains pencilled in for FY14. Each announcement is helping rebuild credibility, which should (with time) rebuild the rating.

INDUSTRY OUTLOOK

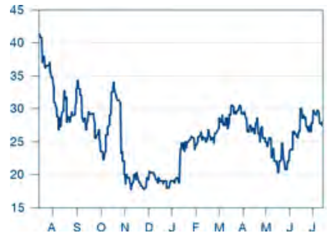
Deflationary pressures are acute within the commoditised sector and the best way to counter these is by being the supplier with which buyers want to deal. That means delivering the product that will sell through, on time, on budget and with the least hassle - which in turn means having exemplary customer service, innovative and practical design skills and the capacity to provide full category management, as well as producing at the right price.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	216.9	12.5	5.5	8.2	6.6	2.7
2012A	220.8	15.0	7.6	7.6	7.2	2.4
2013E	225.7	16.0	8.4	8.2	6.6	2.2
2014E	233.3	17.0	9.5	9.6	5.7	1.9

Sector: Technology

Price:	28.0p
Market cap:	£164m
Forecast net debt (£m)	9.6
Forecast gearing ratio (%)	15.0
Market	AIM

Share price graph (p)



Company description

IQE has established itself as a one-stop shop for the compound semiconductor wafer needs of the world's leading semiconductor device manufacturers.

Price performance

%	1m	3m	12m
Actual	5.7	3.7	(32.5)
Relative*	2.1	3.9	(29.3)

* % Relative to local index

Analyst

Dan Ridsdale

IQE (IQE)

INVESTMENT SUMMARY

The acquisition of RFMD's wafer production operations expands IQE's wireless operations by around 30% and considerably diversifies its customer exposure. It also gives the company capacity to significantly scale up its CPV solar production with a minimal capital outlay. We increased our 2013e earnings by 25% after the deal and believe the risk to our estimates remains on the upside. The rating is now a discount to its peers, so does not reflect the transformative impact that this deal will have on IQE's competitive position or its cash generation potential.

INDUSTRY OUTLOOK

Fundamentals in wireless remain positive, driven by ongoing smartphone and 4G adoption. Execution risk is still present in CPV solar, but the possibility of this application generating significant incremental revenues is looking more tangible and the RFMD deal negates the need for significant up-front capex to deliver it. Opportunities elsewhere are more fragmented but offer a good portfolio for growth.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	72.7	13.1	7.6	1.5	18.7	12.6
2011A	75.3	14.0	8.2	1.5	18.7	13.5
2012E	91.6	16.9	8.6	1.4	20.0	15.5
2013E	121.5	24.3	12.9	2.1	13.3	7.2

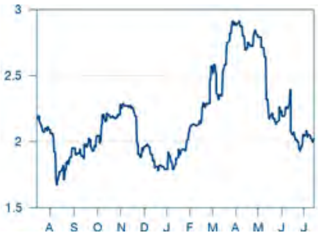
Edison investment research

Sector: Financials

Is Private Equity (ISGSY)

Price:	TRY2.02
Market cap:	TRY117m
Forecast net debt (TRYm)	N/A
Forecast gearing ratio (%)	N/A
Market	IS

Share price graph (TRY)



Company description

Is Private Equity was established in 2000 to provide investment funds and advice to Turkey's rapidly growing SME sector.

Price performance

%	1m	3m	12m
Actual	(2.8)	(13.6)	7.0
Relative*	(9.7)	(16.5)	8.1

* % Relative to local index

Analyst

Jonathan Goslin

INVESTMENT SUMMARY

Is Private Equity (ISGSY) is a leading private equity firm in Turkey with 13 investments made since 2000 and eight exits successfully completed as of March 2012. The company reports that these eight exits have achieved an average IRR of 22.6% (on a US-dollar basis) and an average cash exit multiple of 1.9x. Well-timed exits have provided ISGSY with ample cash to capitalise on investment opportunities in this ongoing market volatility. ISGSY expects to make further investments by the end of the year.

INDUSTRY OUTLOOK

Turkey's economic growth slowed to 3.2% in Q112 from 5.2% in Q411, reinforcing expectations that it is heading for a soft landing this year. Turkey has continued to lower its current account deficit which has fallen for the seventh month in a row to $5.8bn from $7.9bn a year earlier thanks largely to lower oil prices. However, inflation remains high at c 8% which is well above the central banks 2012 forecast of 6.5%.

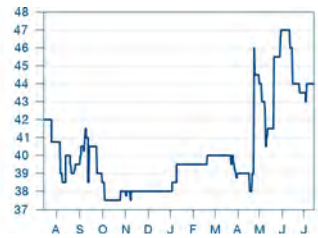
Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (Kr)	P/E (x)	P/CF (x)
2010A	17.1	0.8	12.1	23.8	8.5	N/A
2011A	76.0	40.0	42.5	83.6	2.4	12.3
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

IS Solutions (ISL)

Price:	44.0p
Market cap:	£11m
Forecast net cash (£m)	0.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

IS Solutions is a systems integrator focused on the internet. The group offers software products, specialist projects and managed services across three key areas – portals, content/document management and analytics.

Price performance

%	1m	3m	12m
Actual	(4.3)	12.8	4.8
Relative*	(7.6)	13.1	9.7

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

FY11 adjusted EBIT rose 20% to £0.9m as the margin jumped by 3.2% to 10%. We forecast revenues to rise by 14% in FY12 to £10.3m (previously £10.9m) and 10% in FY13 to £11.3m (£11.8m) - the cuts are due to lower software sales. However, we maintain our adjusted EBIT forecasts with a 23% rise in FY12 to £1.1m and 15% in FY13 to £1.3m. Net debt was £0.7m (or £0.2m adjusted for a cashable investment) and we forecast net cash of £0.4m (£0.8m) at end FY12. The shares look attractive trading on c 12x our FY12 EPS, falling to c 11x in FY13.

INDUSTRY OUTLOOK

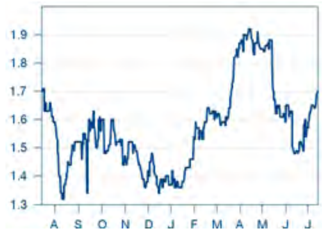
IS Solutions (ISL) has carved out a niche as a specialist systems integrator, offering software products, projects and managed services to support organisations' internet infrastructures. Demand is supported by the increasing complexity of IT infrastructure and the requirement to integrate many continually evolving technologies. ISL has established an interesting position in analytics, which is used by organisations to better understand their online customers. In our view, the outlook for internet/e-commerce is strong vs the overall IT market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	11.0	0.9	0.7	2.6	16.9	16.8
2011A	9.1	1.0	0.9	3.2	13.8	9.5
2012E	10.3	1.2	1.1	3.7	11.9	9.3
2013E	11.3	1.4	1.2	4.1	10.7	8.1

Sector: Investment Companies

Price: TRY1.70
Market cap: TRY486m
Forecast net cash (TRYm) 1854
Forecast gearing ratio (%) N/A
Market IS

Share price graph (TRY)



Company description

Is Yatirim Menkul Degerler (also known as Is Investment) offers brokerage, corporate finance, investment advisory services and portfolio management services. It also advises on IPOs.

Price performance

%	1m	3m	12m
Actual	14.9	(2.6)	7.5
Relative*	6.8	(5.8)	8.5

* % Relative to local index

Analyst

Jonathan Goslin

Is Yatirim (ISMEN)

INVESTMENT SUMMARY

Is Yatirim Menkul Degerler (ISY) recorded its strongest ever set of quarterly results in Q1, due to a notable jump in its prop book trading income. Operating revenues rose 39% on Q411 and 140% y-o-y to TRY87.9m vs a weaker Q111. Contribution from subsidiaries helped bolster NPAT, which rose to TRY31.6m on a consolidated basis (TRY25.0m excluding subsidiaries). However, ISY is now trading on a FY12 P/E of c 5x. Despite the inevitable short-term volatility, ISY remains well positioned for long-term growth due to its market-leading position, robust balance sheet and diversified income streams.

INDUSTRY OUTLOOK

Turkey's economic growth slowed to 3.2% in Q112 (5.2% Q411), reinforcing expectations it is heading for a soft landing this year. It has, however, been able to lower its current account deficit for the seventh month in a row, to $5.8bn from $7.9bn a year earlier, thanks to lower oil prices. Despite this, inflation remains high at c 8%, which is well above the central bank's 2012 forecast of 6.5%.

Y/E Dec	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (Kr)	P/E (x)	P/CF (x)
2010A	N/A	N/A	112.7	32.1	5.3	N/A
2011A	N/A	N/A	98.9	20.2	8.4	N/A
2012E	N/A	N/A	130.3	30.5	5.6	N/A
2013E	N/A	N/A	147.3	35.5	4.8	N/A

Sector: Oil & Gas

Price: 112.0p
Market cap: £290m
Forecast net cash (US$m) 27.2
Forecast gearing ratio (%) N/A
Market AIM

Share price graph (p)

Company description

Ithaca Energy is a Canadian independent oil and gas company with exploration, development and production assets in the UK North Sea.

Price performance

%	1m	3m	12m
Actual	3.7	(43.1)	(24.6)
Relative*	0.2	(43.0)	(21.0)

* % Relative to local index

Analyst

Ian McLelland

Ithaca Energy (IAE)

INVESTMENT SUMMARY

Ithaca spudded its Hurricane appraisal well this month, which - if successful and developed - would be tied into its existing Stella/Harrier infrastructure. Existing 2P reserves for Hurricane are 2.7mmboe net, although we would expect this to increase if the appraisal well is successful. Meanwhile, the company has indicated that problems with the P1 production well at Athena are currently restricting production to 12,000bopd gross (2,700bopd net). Ithaca is fully funded for its development programme and, with an increased $400m senior debt facility recently agreed, it now has excess debt capacity available if required. The company also has $330m of UK tax allowances.

INDUSTRY OUTLOOK

Although Ithaca's recent takeover discussions have been terminated, a number of deals continue to be struck in the UK North Sea. The Parkmead Group has had an offer recommended for DEO Petroleum while more recently Cairn Energy has made a move for Nautical Petroleum.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	135.1	89.8	64.9	31.6	5.5	3.6
2011A	129.1	55.7	22.4	6.7	26.1	4.4
2012E	343.3	267.7	223.2	80.6	2.2	26.4
2013E	420.0	336.1	251.4	90.7	1.9	1.5

Sector: Financials

Price:	54.8p
Market cap:	£103m
Forecast net debt (£m)	132.5
Forecast gearing ratio (%)	97.0
Market	AIM

Share price graph (p)

Company description

JRIC is a specialist investor in rented Japanese residential property. It owns a freehold portfolio of 2,200 apartments, comprising 51 mainly newer buildings located in major metropolitan areas close to train or subway stations.

Price performance

%	1m	3m	12m
Actual	(3.1)	(3.1)	10.6
Relative*	(6.4)	(2.9)	15.9

* % Relative to local index

Analyst

Roger Leboff

Japan Residential Investment Co. (JRIC)

INVESTMENT SUMMARY

The external portfolio valuation at end May 2012 was ¥31,114m (£258m), at a 5.9% yield (H110: 5.98%). That was 0.1% ahead y-o-y and the second consecutive like-for-like increase. The fund's first acquisition since 2008 was completed at the end of June. This reflects its confidence in the outlook for Japan's residential sector, the attractive purchase terms available and its ability to take advantage of a strong financial condition to secure new debt and assets on an earnings and NAV enhancing basis. Recent share price weakness is at odds with solid operational performance and provides an opportunity to lock into a progressive yield.

INDUSTRY OUTLOOK

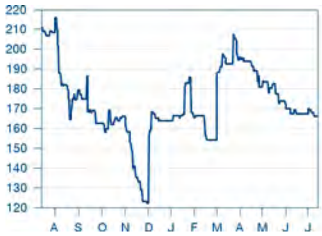
The high-quality Japanese residential assets at the core of JRIC's investment strategy have demonstrated recession-resistant characteristics, including low rent volatility relative to other commercial property. Asset values appear to have stabilised after a prolonged period of market weakness; the fund reported 12 months of modest increases and market dynamics support a continued upward trend in local residential values.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	18.1	10.0	5.4	3.8	14.4	7.1
2011A	19.2	10.9	7.8	4.0	13.7	10.0
2012E	19.8	11.3	8.3	4.3	12.7	9.2
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	166.0p
Market cap:	£47m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

K3 provides Microsoft Dynamics-based, Sage and SYSPRO ERP solutions and managed services to SMEs in the retail, distribution and manufacturing sectors.

Price performance

%	1m	3m	12m
Actual	(2.1)	(14.4)	(23.5)
Relative*	(5.4)	(14.3)	(19.9)

* % Relative to local index

Analyst

Katherine Thompson

K3 Business Technology Group (KBT)

INVESTMENT SUMMARY

K3 reported strong profitability in H112, despite difficult trading conditions. Margins were reduced by focused investment in product development and service delivery for key business lines. Recent acquisitions have been integrated and add to the potential customer base for K3's hosting solutions. On 1 March the board announced the strategic review of the business was complete and that, as it had received a number of indicative bids materially above the share price at that time, it would be entering into a formal sales process. NB: FY10 is an 18-month period.

INDUSTRY OUTLOOK

K3 is Microsoft's biggest Dynamics partner in the UK, supplying the retail, distribution and manufacturing sectors. The provision of solutions with a growing proportion of K3's own IP differentiates it from other IT service companies and resellers. While the retail and manufacturing markets are expected to be tough in 2012, K3's Managed Services business is well positioned to benefit from the growing demand for cloud computing.

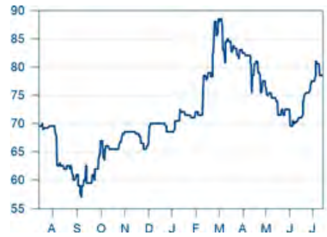
Y/E Dec / Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	59.8	10.3	7.6	23.4	7.1	5.6
2011A	52.8	10.6	8.7	27.0	6.1	7.6
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Edison investment research

Sector: Technology

Price:	78.5p
Market cap:	£44m
Forecast net cash (£m)	0.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

KBC is a leading independent consulting and technology group delivering competitive advantage to owners and operators in the oil refining, petrochemical, and other processing industries worldwide.

Price performance

%	1m	3m	12m
Actual	10.6	0.0	12.1
Relative*	6.8	0.2	17.5

* % Relative to local index

Analyst

Dan Ridsdale

KBC Advanced Technologies (KBC)

INVESTMENT SUMMARY

The acquisition of Infochem gives KBC a good foothold in upstream oil and gas and substantially expands the company's software capability. KBC is paying a premium rating for these attributes, but this is a strategically important step, the process was competitive and a low cost of debt keeps the acquisition earnings enhancing. We remain mindful of the need to replace the Pemex business as it drops away next year, but with clarity on this, we believe that appreciation to a double-digit 2013 P/E rating would be very justifiable, implying at least 13% share price upside.

INDUSTRY OUTLOOK

KBC is an independent provider of consultancy services and software tools to the energy and refining industry. While political volatility in the Middle East and North Africa clearly presents some difficulties, oil price volatility and customer M&A activity should support consulting activities. The launch of Petro-SIM V4 is helping to drive software sales and associated consultancy activity.

Y/E Dec / Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	53.1	6.0	4.9	5.5	14.3	7.4
2011A	55.7	7.0	5.9	7.1	11.1	7.6
2012E	61.2	8.5	7.1	8.3	9.5	5.3
2013E	63.4	9.2	7.7	9.0	8.7	4.9

Sector: Mining

Price:	SEK3.50
Market cap:	SEK57m
Forecast net debt (SEKm)	20.9
Forecast gearing ratio (%)	16.0
Market	NASDAQ OMX First North

Share price graph (SEK)

Company description

Kopy Goldfields is a gold exploration company focused on the development of its nine licences in Russia. Together these cover 486 sq km and have C1, C2 and P1 reserves/resources of 2.0Moz. The company has JORC resources of 117koz.

Price performance

%	1m	3m	12m
Actual	(2.8)	(20.5)	(28.3)
Relative*	(7.5)	(19.1)	(21.4)

* % Relative to local index

Analyst

Sheldon Modeland

Kopy Goldfields (KOPY)

INVESTMENT SUMMARY

Kopy Goldfields continues its exploration programme on its Krasny project, which includes 10,000m of drilling to test up to 2km of additional strike length. The first phase of drilling (1,800m) will focus on testing mineralisation at depth within existing drill sections. The second stage will comprise up to 5,000m and is contingent on results from the first phase. Phase three will consist of up to 3,200m testing near-surface mineralisation. Initial results are expected by the end of summer 2012.

INDUSTRY OUTLOOK

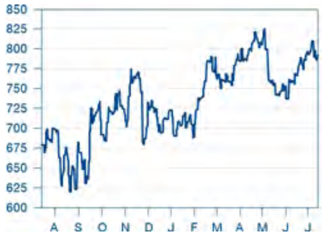
Kopy Goldfields recently increased its exploration area in Russia to 486 square km via the acquisition of two properties within the Lena goldfield. The Purpolskaya license borders the 3Moz Polyus-owned Chertovo Koryto deposit, while Verkhnyaya Orlovka borders tenements owned by Severstal and Stargold Mines. Kopy's management believes these tenements show strong synergy with its current portfolio and support its long-term ambition of developing a resource of 5Moz.

Y/E Dec	Revenue (SEKm)	EBITDA (SEKm)	PBT (SEKm)	EPS (fd) (öre)	P/E (x)	P/CF (x)
2010A	0.4	(9.8)	(13.2)	(284.7)	N/A	N/A
2011A	3.2	(19.1)	(94.2)	(1265.3)	N/A	N/A
2012E	3.2	(19.1)	(19.8)	(154.1)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price: 792.0p
Market cap: £1281m
Forecast net cash (US$m) N/A
Forecast gearing ratio (%) N/A
Market LSE

Share price graph (p)



Company description

Lancashire Holdings is a global specialty insurance and reinsurance company, domiciled in Bermuda. It also operates in London and has a marketing operation in Dubai.

Price performance

%	1m	3m	12m
Actual	4.8	(1.0)	20.0
Relative*	1.3	(0.8)	25.7

* % Relative to local index

Analyst

Martyn King

Lancashire Holdings (LRE)

INVESTMENT SUMMARY

Lancashire is very focused on ROE/RONTA and highly selective in the generally short-tail, low-probability but high-severity risks that it accepts. Despite a record year of industry catastrophe losses in 2011, Lancashire reported a good level of return on capital and very solid underwriting profit. This continues an excellent record of controlling risk and exploiting market opportunities. Q1 was also solid but slightly tempered by the Costa Concordia loss. Premiums are growing (+36% in Q1) as Lancashire takes advantage of more positive catastrophe pricing. Share price progress versus more diversified peers with larger balance sheets and yield support may be difficult.

INDUSTRY OUTLOOK

US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more so. This is now supporting gentle increases in a range of primary insurance rates, though not casualty. Investment returns remain stubbornly low.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	701.0	N/A	340.0	187.0	6.6	N/A
2011A	631.0	N/A	198.0	112.0	11.0	N/A
2012E	623.0	N/A	267.0	149.9	8.2	N/A
2013E	659.0	N/A	291.0	163.6	7.5	N/A

Sector: Pharma & Healthcare

Price: 147.5p
Market cap: £29m
Forecast net debt (US$m) N/A
Forecast gearing ratio (%) N/A
Market AIM

Share price graph (p)

Company description

Lifeline Scientific is a US medical technology company that sells LifePort units for kidney graft preservation and transport, plus consumables and preservation solutions. The business is US focused, and expansion in the EU, Brazil and China is under way.

Price performance

%	1m	3m	12m
Actual	(4.5)	(4.8)	(25.3)
Relative*	(7.8)	(4.7)	(21.8)

* % Relative to local index

Analyst

Robin Davison

Lifeline Scientific (LSI)

INVESTMENT SUMMARY

Lifeline Scientific recently received regulatory approval to sell its LifePort kidney transporter device in Brazil, and initial orders are being processed. The company expects to make investments this year to expand geographically and develop its liver transporter; it says that on the back of this operating and product development costs could be well above those seen in 2011. It sold 49 LifePort devices last year versus 47 in 2010, bringing the total worldwide installed base to 441. Sales could increase next year on the back of new business in the EU, Brazil and maybe China. Our forecasts are under review.

INDUSTRY OUTLOOK

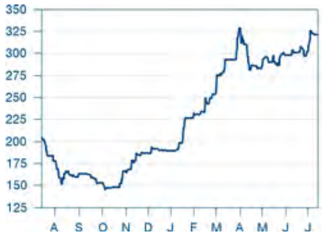
The 2009 machine perfusion study showed improved clinical outcomes from the use of the LifePort kidney transporter, and other papers have shown overall cost savings. Lifeline has a high share of the organ static preservation market with its SPS-1 solution.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	23.2	5.0	2.7	13.5	17.0	9.5
2011A	25.4	2.7	2.9	20.5	11.2	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	321.0p
Market cap:	£56m
Forecast net cash (£m)	8.5
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Lo-Q is a technology provider to operators of theme parks, water parks and other leisure attractions. The group designs, installs and operates virtual queuing systems that allow guests make reservations for rides and shows without waiting in a physical queue.

Price performance

%	1m	3m	12m
Actual	6.8	14.0	66.3
Relative*	3.2	14.3	74.2

* % Relative to local index

Analyst

Richard Jeans

Lo-Q (LOQ)

INVESTMENT SUMMARY

Lo-Q reported a healthy 13.7% increase in H1 revenues to £3.7m, driven by increased conversion of existing customers to premium products, with average revenue per customer increasing by 14%. Nevertheless, the business is acutely seasonal, with most revenues generated in H2. The H1 loss increased slightly due to the accelerated investment. While the shares look pricey at c 23x our maintained FY12 EPS, there is plenty of momentum, which is set to drive growth over the next few years. Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

INDUSTRY OUTLOOK

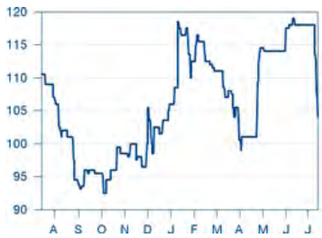
Lo-Q designs, installs and operates virtual queuing systems, which are deployed on a revenue-share basis with theme parks and other attractions. Some 14 years have been spent developing these technologies, many of which are patent protected. The group's Q-bot products are used by four of the 10 largest theme park operators globally, while the newer Q-band is opening up new markets, including water parks.

Y/E Oct	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	20.3	2.5	2.4	12.0	26.8	17.2
2011A	24.5	3.1	2.8	12.1	26.5	18.7
2012E	30.4	4.2	3.3	14.0	22.9	12.3
2013E	34.1	4.7	3.7	15.2	21.1	11.9

Sector: Property

Price:	104.0p
Market cap:	£27m
Forecast net debt (£m)	24.0
Forecast gearing ratio (%)	61.0
Market	AIM

Share price graph (p)



Company description

Lok'nStore is one of the UK's leading self-storage operators with 22 stores across Southern England. It was founded by CEO Andrew Jacobs, who is also a substantial shareholder.

Price performance

%	1m	3m	12m
Actual	(11.9)	3.0	(5.9)
Relative*	(14.8)	3.2	(1.4)

* % Relative to local index

Analyst

Andrew Saunders

Lok'nStore Group (LOK)

INVESTMENT SUMMARY

Lok'nStore looks well placed to leverage operational scale and improve returns through the addition of new stores opened via collaborative ventures, and from further bolt-on acquisitions. The company also has a strategic opportunity to increase its prices pending a proposed change to the VAT regime. These opportunities suggest growing momentum in EBITDA that is not fully represented in the valuation.

INDUSTRY OUTLOOK

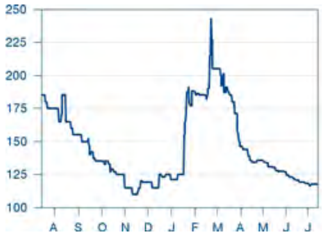
The chancellor proposed changes to the current VAT structure on 21 March 2012 that will seek to close current loopholes and anomalies and give clarity to the industry. If approved, these changes will come into effect on 1 October 2012. Several of Lok'nStore's key competitors have not historically charged VAT on their product. Should the proposed changes be brought into effect later this year, these competitors will be forced to either increase their prices to recover this extra cost, or absorb it. Big Yellow has stated it would raise prices by a minimum of 10% to its domestic customers.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	10.4	2.7	0.4	0.9	115.6	N/A
2011A	10.8	3.3	1.1	4.1	25.4	N/A
2012E	13.0	3.8	1.2	4.7	22.1	N/A
2013E	13.5	4.1	1.3	5.2	20.0	N/A

Sector: Pharma & Healthcare

Price:	117.5p
Market cap:	£24m
Forecast net cash (£m)	12.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Lombard Medical Technologies is a manufacturer and supplier of cardiovascular implants. The principal product, Aorfix, is a flexible endovascular stent graft for the treatment of abdominal aortic aneurysm (AAA).

Price performance

%	1m	3m	12m
Actual	(2.9)	(13.3)	(36.5)
Relative*	(6.2)	(13.1)	(33.5)

* % Relative to local index

Analyst

Emma Ulker

Lombard Medical Technologies (LMT)

INVESTMENT SUMMARY

Data from the US Pythagoras study of Aorfix for repair of abdominal aortic aneurysms (AAA) were presented at the Society of Vascular Surgery annual meeting. The trial reported a non-inferior 12-month mortality rate and a significantly lower incidence of major adverse events versus open surgery. The US market's acceptance of minimally invasive surgical techniques and Aorfix's unique application could offer a significant commercial opportunity for Lombard. A £14.2m tranche of equity funding is contingent on 2012 FDA approval, which is targeted for Q412. We maintain our valuation at £89m.

INDUSTRY OUTLOOK

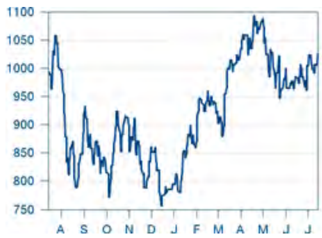
Lombard will compete with larger US corporations to achieve further penetration in the $1.2bn global AAA market on the basis of US FDA approval for Aorfix. The 0-90° label claim (above 60° would be unique) and clinical evidence provide a potential competitive edge for Aorfix in the endovascular aneurysm repair-receptive US market.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	3.0	(8.4)	(8.4)	(73.5)	N/A	N/A
2011A	4.0	(11.0)	(11.1)	(60.1)	N/A	N/A
2012E	4.9	(10.0)	(10.3)	(43.7)	N/A	N/A
2013E	12.3	(10.7)	(11.0)	(35.5)	N/A	N/A

Sector: Financials

Price:	1026.0p
Market cap:	£2781m
Forecast net cash (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

London Stock Exchange is Europe's leading exchange group in cash equities with c 50% of the FTSEurofirst 100 by market cap and the most liquid order book by value and volume traded.

Price performance

%	1m	3m	12m
Actual	4.2	(0.9)	1.9
Relative*	0.7	(0.7)	6.7

* % Relative to local index

Analyst

Mark Thomas

London Stock Exchange Group (LSE)

INVESTMENT SUMMARY

In less than five years, the London Stock Exchange Group (LSE) has been transformed. Traditional cash equities trading and company listing operations now account for around a quarter of revenue and, with the LCH.Clearnet deal, will fall further. There are fixed income and derivative businesses and, since 2008, post trade, information and technology services have each added £50m or more to revenue. Market uncertainty has kept the volume and value of shares traded under pressure, although there is a major offset in Treasury income where the same factors have squeezed Italian bank liquidity, and so pushed up spreads the LSE earns on margin deposits. LSE has also aggressively tackled costs. A strong sterling/weak euro depresses the reported Italian profits.

INDUSTRY OUTLOOK

We see little to change market uncertainty in the near future. This will keep commissions and fundraising revenue under pressure with some treasury offset. The weak euro also looks unlikely to change in the near term.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	675.0	283.0	296.0	73.7	13.9	N/A
2012A	815.0	357.0	401.0	100.6	10.2	N/A
2013E	871.0	354.0	391.0	96.9	10.6	N/A
2014E	893.0	372.0	419.0	102.0	10.1	N/A

Sector: General Retailers

Price:	66.0p
Market cap:	£255m
Forecast net debt (£m)	57.6
Forecast gearing ratio (%)	26.0
Market	LSE

Share price graph (p)

Company description

Lookers is one of the leading UK motor vehicle distributors operating 111 outlets covering 28 marques. Management is ambitious and the group is set to grow strongly over the medium term.

Price performance

%	1m	3m	12m
Actual	11.9	4.8	21.7
Relative*	8.1	5.0	27.4

* % Relative to local index

Analyst

Nigel Harrison

Lookers (LOOK)

INVESTMENT SUMMARY

Lookers' acquisition of Lomond Motors for a cash consideration of £15m adds four significant Audi dealerships across Scotland including Glasgow, Edinburgh, Strling and Ayr, as well as the distribution of trade parts for the VW Group in Glasgow and Edinburgh. This follows the recent IMS suggesting encouraging interim results for 2012, reinforcing our hopes for further progress over last year's record profits while the group's above-average involvement with the after-market sector (60% of gross profits) justifies a premium rating relative to the sector.

INDUSTRY OUTLOOK

City sentiment towards motor distributors remains cautious. Fears about current-year trading remain, despite registrations running ahead of earlier SMMT expectations. The leading groups all appear to be gaining share of the new and used car markets, while their aftermarket work is holding up well. Profits remain under pressure in the short term, but this provides acquisition opportunities for those with the necessary facilities.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	1884.0	54.7	33.6	6.49	10.2	5.1
2011A	1899.0	54.5	33.8	7.02	9.4	6.2
2012E	2000.0	55.6	35.0	6.75	9.8	6.6
2013E	2200.0	56.2	35.5	6.85	9.6	5.9

Sector: Construction & Blding Mat.

Price:	62.0p
Market cap:	£179m
Forecast net debt (£m)	76.5
Forecast gearing ratio (%)	45.0
Market	AIM

Share price graph (p)

Company description

Low & Bonar produces yarns and fabrics for a variety of end markets by combining polymers with specialty additives and pigments. It operates as two divisions: Performance Technical Textiles (c 70% FY11 revenues) and Technical Coated Fabrics (30%).

Price performance

%	1m	3m	12m
Actual	14.0	4.2	(18.4)
Relative*	10.2	4.4	(14.6)

* % Relative to local index

Analyst

Toby Thorrington

Low & Bonar (LWB)

INVESTMENT SUMMARY

H1 results delivered margin progression aided by strong product pricing discipline in still volatile raw material markets. US markets were most favourable, benefitting both the Flooring and Building Products sectors. Other growth areas (including eg emerging markets and civil engineering) have been more restrained so far, while Yarns remains a tough market. Euro weakness has increasingly impacted and, even allowing for the Xeroflor acquisition and a likely better polymer pricing environment, we have trimmed FY estimates. Strategy is intact and has evolved further in a new technical fabrics structure and the interplay between margin and revenue progression will be closely watched.

INDUSTRY OUTLOOK

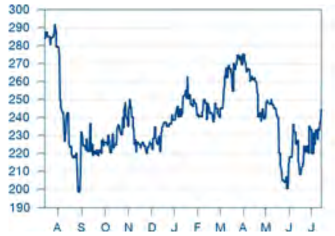
Management aims to double earnings within four years to 2013, representing organic growth of c 15% pa, derived from a flagged 10% return on sales and a revenue uplift in excess of GDP growth. Key drivers will be company initiatives with new products and markets with some underlying and cyclical growth to come from sector diversity also.

Y/E Nov	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	344.6	39.8	18.6	4.4	14.1	5.3
2011A	388.7	43.8	23.4	6.3	9.8	6.8
2012E	384.5	47.3	25.6	6.5	9.5	3.6
2013E	406.9	50.2	28.6	7.3	8.5	4.3

Sector: Property

Price:	244.5p
Market cap:	£255m
Forecast net debt (£m)	28.0
Forecast gearing ratio (%)	38.0
Market	LSE

Share price graph (p)



Company description

LSL Property Services is one of the UK's leading residential property services companies and its second biggest estate agency chain. It provides a broad range of services to corporate (mortgage lenders) and retail clients.

Price performance

%	1m	3m	12m
Actual	7.6	(6.4)	(14.2)
Relative*	4.0	(6.2)	(10.1)

* % Relative to local index

Analyst

Roger Leboff

LSL Property Services (LSL)

INVESTMENT SUMMARY

The IMS for 1 January to 16 May 2012 confirmed trading was in line with management's expectations, despite a subdued UK residential market. Q1 was strong, with estate agency revenues up 19% on a like-for-like basis, reflecting growing contributions from lettings and financial services. March benefited as clients sought to beat changes in stamp duty, which dented April but May was back on track. We have held forecasts, which already incorporate a challenging trading environment. The rating appears undemanding at c 9x 2012 EPS, given the attractive cash generation and potential for upside on any market recovery.

INDUSTRY OUTLOOK

With an uncertain UK housing market recovery, we have built in flat residential transactions of 600,000 pa for the next two years, c 50% of levels previously seen as the cyclical low. We also assume that any surveying contracts due to expire over the next two years are not renewed. That is deliberately worse case, but seeks to put a floor under forecast revenues and profits.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	208.3	33.7	30.2	20.6	11.9	14.7
2011A	220.1	33.7	29.2	24.2	10.1	10.4
2012E	248.4	40.5	34.5	25.3	9.7	6.5
2013E	254.4	42.9	39.9	27.1	9.0	5.3

Sector: Oil & Gas

Price:	21.8p
Market cap:	£56m
Forecast net cash (US$m)	28.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Madagascar Oil holds the largest position in onshore exploration and development in Madagascar.

Price performance

%	1m	3m	12m
Actual	(12.1)	(22.7)	(52.2)
Relative*	(15.1)	(22.5)	(49.9)

* % Relative to local index

Analyst

Ian McLelland

Madagascar Oil (MOIL)

INVESTMENT SUMMARY

Madagascar Oil offers significant investment potential from its portfolio of both billion-barrel heavy oil assets and conventional exploration upside. Its share price has languished since title issues resulted in suspension of trading in 2011 after floating on AIM at a placing price of 95p. However, these issues have since been resolved, while contingent resources from MOIL's flagship Tsimiroro heavy oil field have increased 75% to c 1.1bn. Based on Tsimiroro-contingent resources, we carry a core NAV of 201p for which a steam flood pilot - expected to start by end 2012 - could prove commerciality.

INDUSTRY OUTLOOK

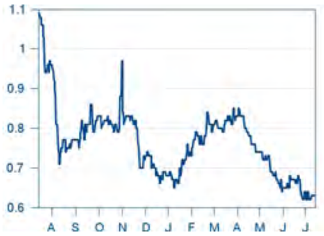
With Madagascar lying close to Africa's current 'hot' discoveries offshore Mozambique and Tanzania, we expect activity levels across the region to continue to grow. Meanwhile, a potential Madagascar presidential election in 2013 could prompt a shift in investor appetite and attract larger companies to partner MOIL both for Tsimiroro development, assuming commercial, and conventional exploration.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(10.7)	(11.3)	(8.2)	N/A	N/A
2011A	0.0	(13.1)	(13.1)	(6.7)	N/A	N/A
2012E	0.0	(12.9)	(11.7)	(4.6)	N/A	N/A
2013E	0.0	(13.2)	(12.4)	(4.8)	N/A	N/A

Sector: Travel & Leisure

Price:	TRY0.63
Market cap:	TRY55m
Forecast net debt (TRYm)	N/A
Forecast gearing ratio (%)	N/A
Market	IS

Share price graph (TRY)



Company description

Marti Otel is a long-established owner and operator of resort hotels and a marina on Turkey's south-west coast. Recently it opened a full-service five-star hotel in Istanbul. Its 48%-held subsidiary Marti REIT is developing a major residential park near Istanbul.

Price performance

%	1m	3m	12m
Actual	(6.0)	(20.2)	(41.1)
Relative*	(12.6)	(22.9)	(40.6)

* % Relative to local index

Analyst

Richard Finch

Marti Otel Isletmeleri (MARTI)

INVESTMENT SUMMARY

Marti Otel is in transition with its array of potentially exciting projects necessarily coming at a price. Unfortunately the year to March continued to frustrate, with higher than expected SG&A, financial costs and real estate delays obscuring bumper returns from resort hotels. While core trading remains strong, the much-heralded breakthrough in profit in the current period relies on key new ventures, particularly a newly-opened five-star full service hotel in Istanbul, which read well but arguably require greater earnings visibility.

INDUSTRY OUTLOOK

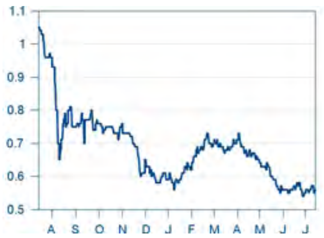
Turkey is proving to be a strong beneficiary of the re-shaping of programmes by tour operators in response to the unrest in North Africa and Greece. This development complements the tour operators' strategic move away from the mature commodity package to higher margin differentiated/unique holidays for which Turkey and Marti, with its upscale offering, are well suited. 2011 foreign visitors to Turkey were up by 10% and to Istanbul by 16% (+18% in the year to date).

Y/E Mar	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (fd) (Kr)	P/E (x)	P/CF (x)
2011A	55.8	(0.4)	(3.3)	(6.20)	N/A	N/A
2012A	75.7	1.6	(9.6)	(10.50)	N/A	5.7
2013E	N/A	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price:	TRY0.56
Market cap:	TRY62m
Forecast net debt (TRYm)	N/A
Forecast gearing ratio (%)	N/A
Market	IS

Share price graph (TRY)



Company description

Marti REIT (GYO) owns an investment and development portfolio of hotels in some of Turkey's most popular tourist destinations, and a residential development scheme in Çerkezköy, a suburb of Istanbul.

Price performance

%	1m	3m	12m
Actual	0.0	(15.2)	(46.7)
Relative*	(7.0)	(18.0)	(46.2)

* % Relative to local index

Analyst

Roger Leboff

Marti REIT (MRGYO)

INVESTMENT SUMMARY

Hotel rent, apartment sales and pre-tax profit were ahead of forecast, although residential margins were lower than anticipated. We are reviewing our forecasts to incorporate the agreed pre-sale of remaining unsold units in phase one of the Narin Park residential development in Çerkezköy, near Istanbul and will update for the progress of new hotels. The medium-term plans are on track; a hotel portfolio with 4,000-bed capacity and US$20m in revenues over a four-year period to end 2014. The shares trade well below end Q3 NAV/share of TRY1.29, which ignores any upside for completed schemes.

INDUSTRY OUTLOOK

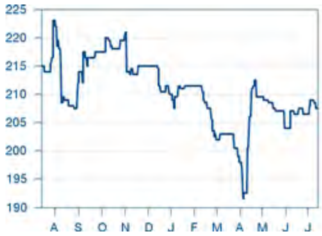
The portfolio is diversified between hotel ownership, and hotel/residential development. The hotels are in areas popular with Russians (last summer 43% of visitors vs just 6% from the UK). New hotel development and openings are phased, ie construction of a new hotel in Sarigerme is due to get underway in October 2012 and open in April 2014, with the next hotel project, Diamond, due a year later.

Y/E Mar	Revenue (TRYm)	EBITDA (TRYm)	PBT (TRYm)	EPS (Kr)	P/E (x)	P/CF (x)
2011A	19.1	7.1	7.5	8.9	6.3	N/A
2012A	25.8	0.1	1.9	1.7	32.9	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Support Services

Price:	207.5p
Market cap:	£49m
Forecast net debt (£m)	16.0
Forecast gearing ratio (%)	59.0
Market	AIM

Share price graph (p)



Company description

Matchtech Group has grown into one of the UK's leading technical, professional and outsourcing recruitment groups. Split into four business units, each a solutions specialist in its area of recruitment in providing contract, temporary and permanent staff.

Price performance

%	1m	3m	12m
Actual	0.5	0.7	(3.3)
Relative*	(2.9)	0.9	1.3

* % Relative to local index

Analyst

Fiona Orford-Williams

Matchtech Group (MTEC)

INVESTMENT SUMMARY

Matchtech is due to update on trading on 2 August. The interims were as expected and our FY12 and FY13 figures were unchanged. The group's bias to engineering, built environment and IT gives exposure to stronger UK recruitment sectors, while the investment in headcount in professional services is paying off in the step up in permanent fees, now a third of group NFI. NFI/head increased 12%, while conversion rates just shy of 20% should improve in H212 with the normal seasonality. The shares remain on a modest rating with a premium, safe yield.

INDUSTRY OUTLOOK

The latest REC/KPMG Report on Jobs showed the first retrenchment in permanent recruitment for six months and the seventh successive fall in temporary hiring. The rate of growth of vacancies has also slowed further and pay is muted. The Monster Employment Index having slowed previously has now flatlined. Demand for engineers, though, remains good at +9% y-o-y, although this rate of growth has slowed. The fastest growth segment currently is public sector, defence & community, rising 24%.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	264.4	9.3	8.6	25.4	8.2	12.6
2011A	301.8	7.3	6.4	20.2	10.3	N/A
2012E	354.5	9.4	8.3	25.8	8.0	6.7
2013E	372.2	10.4	9.3	29.1	7.1	5.4

Sector: Financials

Price:	66.0p
Market cap:	£12m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

MCB Finance Group is a leading online provider of short- and medium-term loans to customers in Finland, Estonia, Latvia and Lithuania using the Credit24 brand.

Price performance

%	1m	3m	12m
Actual	22.2	1.5	(4.3)
Relative*	18.1	1.7	0.2

* % Relative to local index

Analyst

Mark Thomas

MCB Finance Group (MCRB)

INVESTMENT SUMMARY

MCB Finance Group (MCB) was profitable throughout the credit crunch in all countries except Latvia. Its internet-based lending in the Fenno-Baltic region is delivering strong growth. As well as good regional GDP growth, the product is under-penetrated and MCB can grow by geography, product and retailer distribution. Credit controls have been enhanced and there are no signs of deterioration in the book. Medium-term funding has been secured through a three-year bond offering. Management (and financier) has taken up options. The Q1 results saw strong revenue growth offset by normalising credit costs (from high recovery levels), costs of restructuring finances and investments in new markets.

INDUSTRY OUTLOOK

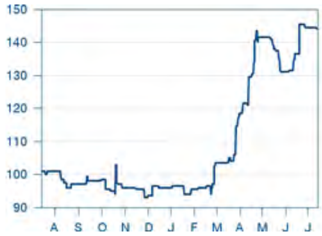
After GDP falls in 2009, from 8% in Finland to 18% in Latvia, economic growth is now forecast (IMF 2012 estimates are c 2-4% regional real GDP growth, and c 2% falls in unemployment). The crisis led to more rational market practices. These conditions are favourable to statistically-modelled lenders.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	11.1	0.6	0.6	1.24	66.7	13.1
2011A	17.0	3.6	3.7	17.26	4.8	N/A
2012E	23.2	5.0	5.1	21.23	3.9	N/A
2013E	26.2	5.7	5.8	24.39	3.4	N/A

Sector: Mining

Price:	144.0p
Market cap:	£54m
Forecast net cash (US$m)	15.4
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

MDM Engineering is a metallurgical engineering company established in February 2006. It undertakes mineral resources projects of varying size and concentrates on the gold, base metals, industrial metals and diamond sectors.

Price performance

%	1m	3m	12m
Actual	6.7	11.2	41.9
Relative*	3.0	11.4	48.6

* % Relative to local index

Analyst

Rory Draper

MDM Engineering (MDM)

INVESTMENT SUMMARY

MDM's annual results for the year ended 31 March 2012 have exceeded our forecasts and greatly exceeded the results from the prior year. Revenue was US$89.1m, up 428% y-o-y (US$20.8m) and exceeding our forecast revenue of c US$70m, PBT was US$7.8m with basic EPS of US15.37c and a full year dividend of US7.70c per share. With eight current execution projects and up to 10 more studies in the pipeline, successful studies like Amari Manganese's US$500m Kongoni project and the Gold One/Goldfields/Rand Uranium JV could be worth a potential US$1.0-1.5bn. MDM has become a market leader in servicing the junior and mid-cap mining space in Africa and is now working with an impressive blue-chip client base, including ENRC, Metorex, Gold Fields and African Barrick Gold.

INDUSTRY OUTLOOK

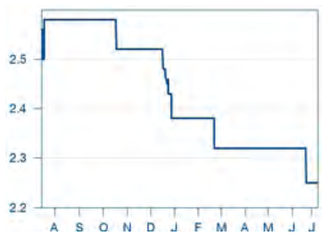
Successful project execution and increased bullishness in the commodities market, along with greater capex spend by mining companies has been favourable to MDM over the last six months.

Y/E Dec / Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	33.2	4.2	5.0	9.2	24.4	N/A
2011A	20.8	(2.3)	(2.3)	(3.6)	N/A	10.5
2012E	70.3	5.5	5.6	12.8	17.5	212.6
2013E	44.7	5.8	5.9	11.9	18.9	8.3

Sector: Pharma & Healthcare

Price:	€2.25
Market cap:	€21m
Forecast net cash (€m)	0.4
Forecast gearing ratio (%)	N/A
Market	MAB

Share price graph (€)



Company description

Medcom Tech distributes a wide range of innovative orthopaedic products across Spain, Portugal and Italy. Its portfolio includes knee and hip implants, plates and screws to repair bone and spine fractures, and advanced types of bone cement.

Price performance

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

* % Relative to local index

Analyst

Mick Cooper

Medcom Tech (MED)

INVESTMENT SUMMARY

Revenues grew by 18% to €14.5m in 2011. This marked a rapid return to growth after sales fell by 8% in H210, despite the market shrinking by over 10%. Growth was driven by a larger sales force and the quality of its portfolio. Despite the sales growth, net income fell by 88% to €0.18m. This was largely because of one-off costs associated with consultants for an SAP system and recruiting for senior roles. Strong growth should continue and be increasingly profitable, as it benefits from its reps becoming more productive and working capital constraints being lifted. The central Spanish government is settling invoices worth c €6.5m.

INDUSTRY OUTLOOK

The Spanish orthopaedic market is estimated to be worth €400m. The market was growing at c 5% pa prior to the implementation of austerity measures, but it is now estimated to be declining by c 5%. The growth drivers partially offsetting budget constraints are the ageing population, political pressure and technical innovations.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	12.3	2.5	1.7	16.3	13.8	N/A
2011A	14.5	1.5	0.3	2.0	112.5	N/A
2012E	17.8	4.8	3.1	22.2	10.1	2.3
2013E	22.8	7.1	5.3	38.6	5.8	5.4

Sector: Property

Price:	77.0p
Market cap:	£198m
Forecast net debt (£m)	130.0
Forecast gearing ratio (%)	75.0
Market	LSE

Share price graph (p)

Company description

MedicX Fund is a specialist investor in primary care infrastructure. It holds a portfolio of 58 properties (including six under construction and two due to get underway this year), let mainly to government funded (NHS) tenants and pharmacies.

Price performance

%	1m	3m	12m
Actual	0.0	(1.9)	(1.2)
Relative*	(3.4)	(1.7)	3.5

* % Relative to local index

Analyst

Roger Leboff

MedicX Fund Limited (MXF)

INVESTMENT SUMMARY

Progress in H1 put MedicX on track to beat our previous full-year portfolio growth target. Undrawn debt and equity is in place for further EPS accretive growth, post acquisition of 11 properties in H1 (a £46m commitment) vs our £60m pa full-year target. Another asset purchase and two forward fundings totalling £11m have been announced since end H1. There is a potential further pipeline of £135m, including nine assets from the investment adviser's own development arm, worth potentially c £9m pa to group revenues. H1 rents were 17% up y-o-y from portfolio growth and reviews, which achieved 3.2% pa.

INDUSTRY OUTLOOK

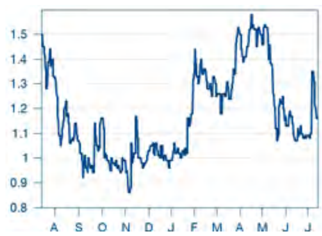
The Health and Social Care Bill was passed at the end of March after a year of debate. It looks positive for primary care, as it transfers budget responsibility from PCTs to GPs to extract better returns from NHS budgets. Further modernisation of the primary care estate would benefit investors such as MedicX. According to a March 2010 BMA report, 60% of GPs still work from unsuitable premises.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	11.1	7.7	2.7	2.2	35.0	13.4
2011A	12.5	9.0	4.1	2.4	32.1	14.9
2012E	16.1	12.5	5.7	2.5	30.8	21.4
2013E	20.0	16.4	8.0	3.0	25.7	13.3

Sector: Pharma & Healthcare

Price:	€1.16
Market cap:	€43m
Forecast net cash (€m)	19.9
Forecast gearing ratio (%)	N/A
Market	Deutsche Borse

Share price graph (€)



Company description

Medigene is a German biotech company with a focus on cancer and autoimmune diseases. It has brought two products to the market and research efforts are focused on anti-rheumatic agent RhuDex.

Price performance

%	1m	3m	12m
Actual	6.6	(23.8)	(25.9)
Relative*	0.1	(23.5)	(17.9)

* % Relative to local index

Analyst

Christian Glennie

Medigene (MDG)

INVESTMENT SUMMARY

Medigene has made significant recent pipeline progress. Anti-rheumatic agent RhuDex is poised to start a Phase II proof-of-concept study in primary biliary cirrhosis (PBC) by end 2012, while EndoTAG-1, a novel formulation of paclitaxel, now has an Asian development/commercialisation partner in SynCore Biotechnology to cover 50% of the cost of a global Phase III trial in 400 patients with triple negative breast cancer; an NDA is expected in 2018. We estimate Q212 cash of €26m - boosted by €19.1m received from Astellas and Cowen Royalty for complete disposal of economic interest in Eligard (for hormone-resistant prostate cancer) - will last into 2014. The genital warts ointment Veregen has gained EU-wide approval and launches in a further 17 European markets, through existing or new partnerships, are expected in 2012 and 2013.

INDUSTRY OUTLOOK

RhuDex's new development path in PBC, an orphan drug indication, offers a potentially lucrative market opportunity with limited pipeline competition.

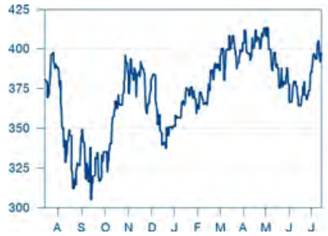
Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	2.3	(17.3)	(17.2)	(47.15)	N/A	N/A
2011A	4.7	(16.6)	(15.5)	(26.47)	N/A	6.4
2012E	6.7	(9.0)	(10.3)	(27.89)	N/A	N/A
2013E	8.0	(9.2)	(11.1)	(29.98)	N/A	N/A

Meggitt (MGGT)

Sector: Aerospace & Defence

Price:	397.8p
Market cap:	£3112m
Forecast net debt (£m)	721.0
Forecast gearing ratio (%)	37.0
Market	LSE

Share price graph (p)



Company description

Meggitt is a leading international company specialising in high performance components and sub-systems for aerospace, defence and energy markets.

Price performance

%	1m	3m	12m
Actual	7.7	(0.7)	3.9
Relative*	4.0	(0.5)	8.8

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Meggitt's IMS confirmed expectations in line with double-digit underlying revenue growth, excluding the impact of the PacSci acquistion. With PacSci delivering to plan and integration going better, synergy targets have been increased to $22.5m by 2014 (up 25%), and several contracts have been won for integrated fire detection and suppression. While currency will provide more of a headwind in 2012, guidance decreased by £4m to a £12m headwind on PBT. We remain confident that growth will remain across all markets and are reviewing our forecasts for a potential upgrade to reflect the reduced currency headwind.

INDUSTRY OUTLOOK

The resumption of growth is now in train with all Meggitt's end-markets. In particular, we highlight management's expectations for the higher margin civil aftermarket to grow at a compound rate of 8-9% over the next five years. The lower growth areas are in military, but Meggitt feels it is well positioned for individual platforms.

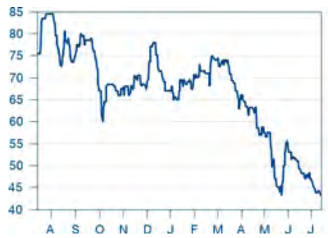
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	1162.0	333.0	256.0	27.8	14.3	8.7
2011A	1455.0	392.0	323.0	31.9	12.5	8.1
2012E	1653.0	458.0	365.0	35.5	11.2	7.6
2013E	1748.0	492.0	397.0	38.4	10.4	7.2

Minera IRL (MIRL)

Sector: Mining

Price:	43.2p
Market cap:	£66m
Forecast net cash (US$m)	5.5
Forecast gearing ratio (%)	N/A
Market	AIM, BVL, TSX

Share price graph (p)



Company description

Minera IRL is a gold producer and explorer with assets in Peru and Argentina. Its flagship project is the 2.6Moz Ollachea gold project in Peru, which is anticipated to produce at rate of c 120,000oz from late 2014.

Price performance

%	1m	3m	12m
Actual	(15.2)	(31.6)	(40.8)
Relative*	(18.1)	(31.5)	(37.9)

* % Relative to local index

Analyst

Sheldon Modeland

INVESTMENT SUMMARY

Minera IRL has recently announced a 10-year social licence agreement with the communities of Jaramillo and Fitz Roy for the development of the Don Nicolas project within the mining friendly Santa Cruz province in southern Argentina. The agreement will focus on developing policies for local training, employment and sustainable health programmes. Local companies will also be established to help supply goods and services required for the future Don Nicolas mine. The project is under the permitting process and continues to receive strong support from the local authorities. Once approved, the mine is expected to begin production in late 2013 and is projected to produce an average of 52,000oz of gold and 56,000oz of silver per year. We are updating our valuation models.

INDUSTRY OUTLOOK

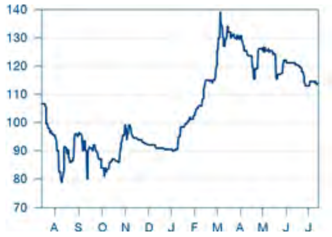
Despite a recent downturn in commodity markets, our long-term price for gold remains at US$1,350/oz and US$24.63/oz for silver.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	41.1	10.0	9.4	5.2	13.0	6.6
2011A	53.0	17.0	16.7	8.1	8.3	3.9
2012E	43.0	10.3	10.4	5.6	12.0	4.7
2013E	27.7	(2.2)	(2.1)	(1.7)	N/A	17.1

Sector: Engineering

Price:	114.0p
Market cap:	£23m
Forecast net cash (£m)	6.4
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Molins is a specialist engineering group supplying processing and packaging machinery, and scientific services to the global tobacco, pharmaceutical and FMCG industries.

Price performance

%	1m	3m	12m
Actual	(5.8)	(7.7)	6.0
Relative*	(9.0)	(7.5)	11.1

* % Relative to local index

Analyst

Nigel Harrison

Molins (MLIN)

INVESTMENT SUMMARY

The Molins share price has drifted back since peaking at 140p in the aftermath of the preliminary results announcement in March. The stockmarket itself has been weak, while the forthcoming 2012 interim figures were always going to be behind those of last year. The relative medium-term outlook continues positive, especially in Scientific Services with new FDA regulations on testing tobacco products coming into force in the US. The share price weakness provides a useful buying opportunity.

INDUSTRY OUTLOOK

The capital goods market has changed materially in the past few years, with successful businesses anticipating and responding to specific customer problems. Many companies, including Molins, have transferred their manufacturing operations to lower-cost countries to maintain competitiveness. The tobacco products industry is increasingly regulated in many developed markets and worldwide consumption continues to rise.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	86.4	7.0	3.6	13.1	8.7	1.8
2011A	89.9	7.5	4.5	17.4	6.6	3.2
2012E	90.0	8.0	4.5	16.4	7.0	2.5
2013E	92.0	8.3	4.8	17.4	6.6	2.5

Sector: Media & Entertainment

Price:	€0.49
Market cap:	€13m
Forecast net debt (€m)	2.0
Forecast gearing ratio (%)	7.0
Market	Milan Stock Exchange

Share price graph (€)

Company description

Mondo TV is a leading Italian producer and distributor of animated TV series and feature-length cartoons. It also licenses and merchandises its rights through home video, music, multimedia productions and publishing.

Price performance

%	1m	3m	12m
Actual	7.8	(44.4)	(72.7)
Relative*	1.8	(41.8)	(63.5)

* % Relative to local index

Analyst

Jane Anscombe

Mondo TV (MTVI)

INVESTMENT SUMMARY

Q1 results (14 May) showed EBITDA of €0.8m (vs €3.0m in Q111, boosted by French deliveries). Q412 is again expected to be the strongest quarter for Mondo TV, as per the business plan published 15 May (plan EBITDA €8.0m, PBT €1.9m). Market conditions are very tough but the balance sheet is stronger post the April capital increase of €11.3m. Positive recent newsflow includes another distribution deal with Turner (Middle East and North Africa), a second series of 'Grachi' and a new co-production with Russian Mobile Television, 'Cat Leopold'.

INDUSTRY OUTLOOK

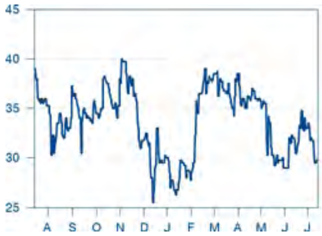
The traditional animation business model based on TV sales has become extremely difficult due to pressure on broadcaster budgets, and this also affects high-margin library sales. Successful cartoons have enormous global licensing appeal, although the present retail environment is very tough. Mondo TV is partnering large and successful toy companies, such as Giochi Preziosi and MEG, who are keen to promote new toys and characters with cartoons.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	16.5	4.0	(0.2)	8.0	6.1	1.3
2011A	20.1	9.6	(1.1)	25.8	1.9	0.6
2012E	19.0	7.5	1.2	4.3	11.4	1.2
2013E	23.0	11.0	3.2	9.1	5.4	1.8

Sector: Technology

Price: 29.8p
Market cap: £309m
Forecast net cash (£m) 16.2
Forecast gearing ratio (%) N/A
Market AIM

Share price graph (p)



Company description

Monitise provides a mass market technology platform that enables banks, card schemes and other financial providers to offer mobile banking and payment services.

Price performance

%	1m	3m	12m
Actual	(7.0)	(17.9)	(20.7)
Relative*	(10.2)	(17.8)	(16.9)

* % Relative to local index

Analyst

Katherine Thompson

Monitise (MONI)

INVESTMENT SUMMARY

We have revised our forecasts to reflect the acquisition of Clairmail. For FY12, the impact from Clairmail is minimal, although we forecast slightly higher losses for the original Monitise business. In FY13, we forecast revenue growth of 111% to £71.9m (up from £46.9m), an EBITDA loss of £10.8m (vs £5.1m) and a net loss of £14.7m (vs £7.2m). The combined US operation can now focus on driving US user growth from both direct sales and via partners FIS and Visa Inc. Until profitability is reached (FY14 target), we expect the share price to move with the achievement of key milestones that demonstrate or drive user adoption.

INDUSTRY OUTLOOK

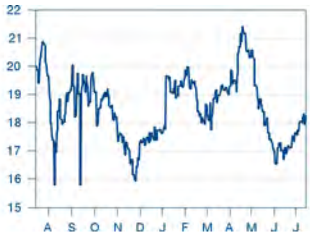
With close to six billion mobile phone connections globally, handset-based services such as mobile banking continue to show strong growth. For example, mobile banking in the UK is showing fast adoption, with well over five million users. Further growth is likely from the use of mobile phones for retail payments and as mobile wallets for those without bank accounts.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	6.0	(13.2)	(14.0)	(3.0)	N/A	N/A
2011A	14.0	(14.8)	(15.2)	(1.8)	N/A	N/A
2012E	34.0	(15.2)	(17.1)	(2.2)	N/A	N/A
2013E	71.9	(10.8)	(14.7)	(1.4)	N/A	N/A

Sector: Pharma & Healthcare

Price: €18.24
Market cap: €422m
Forecast net cash (€m) 139.5
Forecast gearing ratio (%) N/A
Market FRA

Share price graph (€)



Company description

MorphoSys is a German biotechnology company. It uses its proprietary technologies to develop human antibodies for therapeutic use across a range of indications. It also develops diagnostic antibodies and sells antibodies for use in research.

Price performance

%	1m	3m	12m
Actual	7.2	(11.9)	(10.4)
Relative*	0.6	(11.5)	(0.6)

* % Relative to local index

Analyst

Mick Cooper

MorphoSys (MOR)

INVESTMENT SUMMARY

MorphoSys is a profitable biotechnology company with a broad portfolio of products (19 antibodies in clinical studies) and partnerships based on its HuCAL antibody platform. In 2011 it generated revenues of €101m pa and net income of €8.2m, fully funding its proprietary pipeline. In 2012 revenues will fall by c 25% (due to a one-off milestone in FY11), but MorphoSys should remain profitable. The company is entering a key period for its own pipeline as data from the Phase I/II trial in rheumatoid arthritis with MOR103 (the most advanced of its three proprietary clinical antibodies) is due in Q312; these results could result in MOR103 being out-licensed. MorphoSys could also form major new alliances this year based on its new antibody platform, Ylanthia. MorphoSys had cash of €127m at the end of Q112.

INDUSTRY OUTLOOK

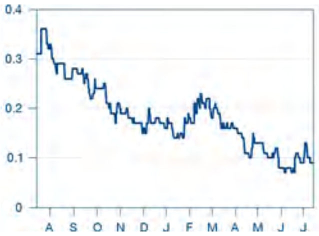
The pharmaceutical industry is out-licensing more drug discovery and developing more biological products, as it looks to increase R&D productivity and to create better products that are more resistant to generic competition. Both trends should benefit MorphoSys.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	87.0	16.0	17.9	59.2	30.8	90.6
2011A	100.8	18.8	21.9	72.3	25.2	14.6
2012E	75.3	6.8	5.5	21.2	86.0	57.7
2013E	79.7	7.9	8.3	30.5	59.8	41.5

Sector: Media & Entertainment

Price:	0.1p
Market cap:	£3m
Forecast net debt (£m)	0.4
Forecast gearing ratio (%)	13.0
Market	AIM

Share price graph (p)



Company description

Motive Television is a digital TV, technology software and services provider, offering TV broadcasters a ‘Television Anytime Anywhere’ platform as a basis for earning new revenues from existing and new content.

Price performance

%	1m	3m	12m
Actual	13.3	(22.7)	(72.1)
Relative*	9.5	(22.6)	(70.8)

* % Relative to local index

Analyst

Derek Terrington

Motive Television (MTV)

INVESTMENT SUMMARY

In the US, the 50/50 Broadcast Cloud Joint Venture LLC (BCJV) with Granite Broadcasting was established on 21 May. BCJV develops and enables terrestrial broadcasting to iPads/tablets using Motive's technology. On 2 July, a five-year contract was signed with CME to support a new Czech Republic TV service, with commercial launch due in early 2013 and potential for rolling out into other countries. After acquiring the minority stake in its Spanish subsidiary on 3 July for just €70,116, Motive now owns all of its IPR assets.

INDUSTRY OUTLOOK

Motive's customer base for its Television Anytime Anywhere technology is the global TV industry, including broadcasters and pay TV operators. Zenith Optimedia (March 2012) says TV will continue to hold its share of global advertising spend through to 2014 at 40%, with stronger growth in the USA and in developing countries than in Europe. Time spent watching TV continues to rise in developed markets, while in emerging markets TV advertising is growing strongly.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	1.3	(1.0)	(1.2)	(0.08)	N/A	N/A
2011A	2.0	(2.4)	(3.2)	(0.14)	N/A	N/A
2012E	4.6	(0.9)	(1.4)	(0.04)	N/A	N/A
2013E	6.5	0.1	(0.5)	(0.01)	N/A	47.4

Sector: Mining

Price:	4.3p
Market cap:	£48m
Forecast net cash (US$m)	55.0
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Formed in 2003 and listed in 2005, Mwana Africa became the first African-owned, African-managed resource company to be listed on AIM.

Price performance

%	1m	3m	12m
Actual	16.0	(19.4)	(3.3)
Relative*	12.1	(19.3)	1.2

* % Relative to local index

Analyst

Charles Gibson

Mwana Africa (MWA)

INVESTMENT SUMMARY

Mwana's assets include an 85% interest in the Freda Rebecca Gold Mine (FRGM), a 52.9% interest the Bindura Nickel Corporation (BNC), an 80% interest in Zani Kodo and a 100% interest in SEMHKAT (Cu). Mwana has already returned FRGM to production, while BNC has announced a US$21m rights issue to restart the Trojan nickel mine (an additional US$12m of start-up capital will probably be raised from other sources next year). FY12 revenue increased 86% vs FY11 and gross profit by +146% before central and care & maintenance costs (-16%). The milling rate at FRGM is currently 2,700tpd and 17,950oz Au were produced in Q113, implying both an improvement in grade and metallurgical recovery. Management believes it can increase the 2Moz Zani-Kodo resource by c 1Moz pa for at least the next three years.

INDUSTRY OUTLOOK

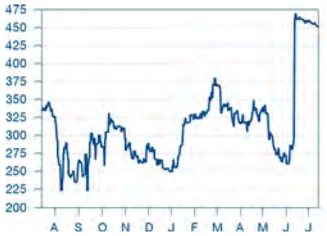
Adjusting for its results and the sale of a 15% minority interest in FRGM, Edison values the cash flow from FRGM and BNC at 14.65c and Mwana’s exploration assets at 3.87c to give a total of 18.52c (11.8p).

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011A	43.7	(20.0)	(24.9)	(4.38)	N/A	N/A
2012A	81.3	3.9	(1.2)	(0.09)	N/A	59.9
2013E	123.9	30.9	26.1	1.80	3.7	2.8
2014E	173.7	55.9	50.4	2.28	2.9	1.3

Sector: Oil & Gas

Price:	451.5p
Market cap:	£396m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Nautical Petroleum was established in 2005 to secure, develop and add value to heavy oil discoveries, initially on the UKCS and continental Europe.

Price performance

%	1m	3m	12m
Actual	(2.3)	41.3	32.1
Relative*	(5.6)	41.6	38.4

* % Relative to local index

Analyst

Ian McLelland

Nautical Petroleum (NPE)

INVESTMENT SUMMARY

Nautical announced on 13 June 2012 that it has reached an agreement with Cairn Energy on the terms of a recommended cash offer. This is to be made by Cairn Energy subsidiary, Capricorn Energy, for the entire issued and to be issued share capital of Nautical at 450p per share, equivalent to £414m. The offer price represents a premium of 51% to the closing price on 12 June 2012. Under the Takeover Panel rules, Edison is deemed an associate of Nautical Petroleum so we are unable to publish any forecasts or forward-looking statements.

INDUSTRY OUTLOOK

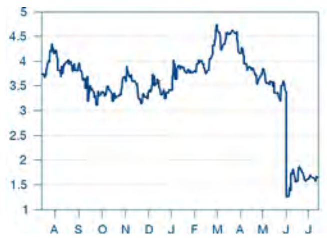
North Sea M&A activity continues with the Nautical/Cairn deal following a recent recommended offer by The Parkmead Group for DEO Petroleum, valuing DEO at £12.7m. Ithaca Energy has recently walked away from acquisition talks, while Premier Oil acquired Encore Oil in 2011 in a £221m deal.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.1	(1.8)	(1.8)	(2.6)	N/A	N/A
2011A	0.2	(4.2)	(3.5)	(3.3)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	€1.66
Market cap:	€26m
Forecast net debt (€m)	0.1
Forecast gearing ratio (%)	4.0
Market	Euronext Paris

Share price graph (€)



Company description

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

Price performance

%	1m	3m	12m
Actual	0.0	(57.1)	(56.3)
Relative*	(4.7)	(56.8)	(48.7)

* % Relative to local index

Analyst

Wang Chong

Neovacs (ALNEV)

INVESTMENT SUMMARY

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

INDUSTRY OUTLOOK

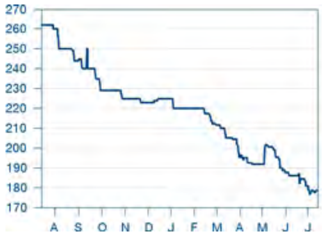
Neovacs's kinoids are immunotherapeutic products. Its lead product, TNF-kinoid, is being targeted at the anti-TNF market for the treatment of rheumatoid arthritis and Crohn's disease, which is worth over $20bn. For lupus, there are limited treatments available; the FDA has just approved the first new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

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(10.0)	(10.3)	(69.2)	N/A	N/A
2011A	0.4	(10.2)	(10.3)	(52.0)	N/A	N/A
2012E	0.0	(10.2)	(10.2)	(55.9)	N/A	N/A
2013E	0.0	(10.7)	(10.7)	(58.2)	N/A	N/A

Sector: Property

Price:	178.5p
Market cap:	£55m
Forecast net debt (£m)	141.5
Forecast gearing ratio (%)	184.0
Market	AIM

Share price graph (p)



Company description

NewRiver Retail is a specialist REIT focused on the UK retail property sector, targeting the food and value sub-sectors. It is an opportunistic acquirer of high-yielding assets, to which it intends to add value via active asset management and development.

Price performance

%	1m	3m	12m
Actual	(4.0)	(7.3)	(31.9)
Relative*	(7.3)	(7.1)	(28.6)

* % Relative to local index

Analyst

Roger Leboff

NewRiver Retail (NRR)

INVESTMENT SUMMARY

NRR achieved sustainable revenue growth in FY12 despite a challenging UK retail backdrop. The AGM statement confirmed positive rent collection and void rates at both the March and June 2012 quarter dates. This illustrates the resilience of a high-yielding retail property portfolio and tenant weighting towards food and value retail. It completed £93m of net acquisitions in FY12 at 8.5% pa average initial yields. A doubled final payment brought the full-year distribution to a fully-covered 15p per share, a 8.4% yield (9.3% for 2012).

INDUSTRY OUTLOOK

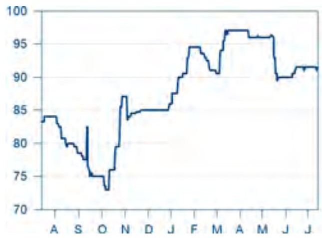
Opportunities remain for NRR to acquire retail assets at c 8.5% pa average yields, funded by debt at an all-in cost of c 4% pa. Asset management and risk-controlled development will build sustainable cash flow, helping to drive returns without help from the underlying market. Returns in 2012 were derived from 70 positive ‘leasing events’ (new lettings, lease renewals and re-gears), 92% ahead of the business plan and at average rents 1% ahead of market.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	4.8	2.5	0.8	6.3	28.3	8.4
2012A	15.0	9.7	4.4	16.9	10.6	4.9
2013E	17.6	11.7	5.7	18.1	9.9	5.7
2014E	18.7	12.9	6.0	18.8	9.5	4.1

Sector: Media & Entertainment

Price:	91.5p
Market cap:	£53m
Forecast net debt (£m)	1.5
Forecast gearing ratio (%)	4.0
Market	AIM

Share price graph (p)



Company description

NFC is a worldwide digital marketing communications and public relations group serving clients in the technology and consumer sectors, with autonomous PR, research, digital, investor relations and policy communications subsidiaries.

Price performance

%	1m	3m	12m
Actual	1.1	(4.7)	10.2
Relative*	(2.3)	(4.5)	15.5

* % Relative to local index

Analyst

Martin Lister

Next Fifteen Communications (NFC)

INVESTMENT SUMMARY

Next Fifteen’s FY12 interims showed 11% revenue growth, adjusted pre-tax up 15% and EPS up 12%. Digital marketing lead the way with 39% organic growth. Overall, 4% organic growth reflected the strong growth among the group’s agencies, offset by weakness in Europe and the group’s UK consumer business. Management is addressing the latter by accelerating digital capabilities across the UK consumer activities, which should reap benefit in FY13 and beyond. In May, subsidiary Lexis completed the acquisition of Paratus, a London based PR and social media marketing agency with a strong client roster and a well-regarded digital operation.

INDUSTRY OUTLOOK

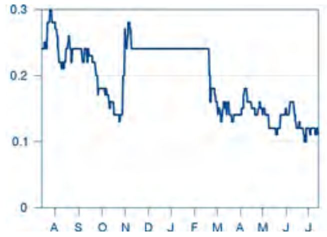
Digital communications are increasingly becoming the focus of all forms of marketing as companies grapple with the shift away from traditional media towards social networks, social media, and the growing consumption of web-based content. This is creating a great opportunity for agency groups like Next Fifteen that have developed expertise in this area.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	72.3	8.4	6.6	7.5	12.2	7.6
2011A	86.0	10.7	8.4	8.7	10.5	4.2
2012E	93.0	12.3	9.5	9.5	9.6	4.5
2013E	99.0	14.4	10.7	10.6	8.6	3.9

Sector: Mining

Price:	A$0.11
Market cap:	A$65m
Forecast net cash (A$m)	1.5
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Nkwe Platinum is a platinum group metals (PGM) development company with two main projects, Garatau and Tubatse, on the Eastern Limb of South Africa's Bushveld Complex.

Price performance

%	1m	3m	12m
Actual	(21.4)	(29.0)	(56.9)
Relative*	(21.6)	(24.1)	(52.0)

* % Relative to local index

Analyst

Andrey Litvin

Nkwe Platinum (NKP)

INVESTMENT SUMMARY

Nkwe Platinum released the results of the optimised BFS for its Garatau PGM project in the Bushveld complex. The optimised study is based on mining of the Merensky reef only and does not take into account the UG2 resource. This decision reduces the project's lead time and capital cost. The subsequent inclusion of UG2 could therefore extend the project's life of mine, which currently stands at 17 years based on 10.8Moz mineable reserve at 3.2g/t (5PGE). The steady state saleable output is estimated at 330koz pa with first production achievable in 2015, ramping up to full capacity by 2017. The project is expected to have a competitive unit cash cost, which is estimated at US$858/oz. The project requires A$641m in funding.

INDUSTRY OUTLOOK

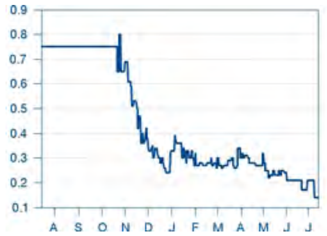
PGM prices have stabilised following the recent sharp correction, which saw them falling to the marginal cash cost of production. Given the uncertain global macroeconomic backdrop we expect prices to remain volatile in the short to medium term.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.6	(9.4)	(9.4)	(1.7)	N/A	N/A
2011A	0.0	(5.9)	(5.8)	0.1	110.0	N/A
2012E	0.0	(4.3)	(4.2)	(0.7)	N/A	N/A
2013E	191.7	63.2	63.3	7.2	1.5	0.9

Sector: Oil & Gas

Price:	C$0.14
Market cap:	C$8m
Forecast net cash (C$m)	8.9
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

North Sea Energy is an oil and gas exploration, appraisal and development company. Its development portfolio comprises oil in the Inner Moray Firth with exploration prospects predominantly in the Moray Firth Basin.

Price performance

%	1m	3m	12m
Actual	(33.3)	(50.9)	(81.3)
Relative*	(33.4)	(48.6)	(78.4)

* % Relative to local index

Analyst

Colin McEnery

North Sea Energy (NUK)

INVESTMENT SUMMARY

On 4 July, North Sea Energy (NSE) lost its case against Ithaca over the J03 well. NSE is required to pay the legal costs of Ithaca amounting to £500k. This is a disappointing result for NSE. It has, however, sufficient cash to cover the damages and therefore in our opinion is a non-material event. Focus for the next six months will be farming out the Echo block prospects, the completion of Norfolk seismic and the result of the company bids in the 27th licencing round.

INDUSTRY OUTLOOK

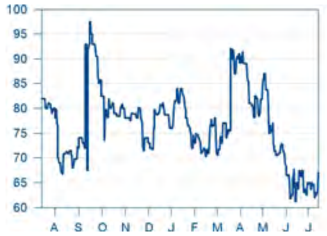
2012 will be NSE's first year in public life. Unlike many of its peers, it is in production and has net cash. NSE's objective is to leverage that position to exploit the resource potential in its exploration and appraisal portfolio.

Y/E Aug	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	21.9	15.4	5.1	8.11	1.7	0.4
2011A	7.2	(4.2)	(1.0)	(3.36)	N/A	2.7
2012E	10.1	7.0	4.1	4.26	3.3	1.3
2013E	8.2	5.5	4.4	7.51	1.9	1.4

Sector: Oil & Gas

Price:	67.0p
Market cap:	£64m
Forecast net debt (€m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Northern Petroleum is an oil and gas production, development, exploration and asset trading company with a political exposure limited to countries in the European Union.

Price performance

%	1m	3m	12m
Actual	4.7	(17.3)	(18.3)
Relative*	1.1	(17.1)	(14.4)

* % Relative to local index

Analyst

Colin McEnery

Northern Petroleum (NOP)

INVESTMENT SUMMARY

With the short-lived ban in Guyane removed, E&A activity can now progress. The second well, GM-ES-2, was spudded on 6 July 2012. This well will target c 300mmboe and is expected to take three months to complete. Two follow-up wells will target c 330mmboe and are expected to complete in 2013. Success with the drill bit in Guyane could be a significant share price catalyst for Northern. In the Southern Adriatic the company's focus remains: completing the 3D seismic, farming out the acreage, securing a rig and drilling a well. Assuming no delays, we would expect the well to spud late 2013. With acreage that contains independently verified billions of barrels in place, exploration success in Italy could prove as equally transformative as success in Guyane.

INDUSTRY OUTLOOK

With strong industry partners, Northern is well placed to offer investors both value and growth. Strong Netherlands gas prices support cash flow, while Italy and Guyane both offer exploration upside. Our numbers are currently under review.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	15.0	4.9	0.0	(1.3)	N/A	6.6
2011A	24.5	14.9	7.4	3.4	24.7	6.0
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price:	358.0p
Market cap:	£231m
Forecast net cash (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Novae Group is a London-based specialist insurer/reinsurer that underwrites entirely through Lloyd's. The business's operations are split between insurance (around 65%) and reinsurance (around 35%).

Price performance

%	1m	3m	12m
Actual	(2.7)	(3.8)	(1.6)
Relative*	(6.0)	(3.6)	3.1

* % Relative to local index

Analyst

Martyn King

Novae (NVA)

INVESTMENT SUMMARY

Novae has been pursuing a number of initiatives designed to lift pre-tax return on equity towards that of peers, eg improving capital use and shifting towards better priced, shorter-tail property and reinsurance business. Assuming more normal cat losses in 2012 (so far experience has been benign), returns should improve materially – although we estimate they will still be lower than many peers, largely due to scale. Gross premium was up 5.7% in Q1 but we expect the rate of increase to slow through the year and likely decline in 2013 due to recent employee defections from the Novae Re unit. Novae is well managed and the discount to NAV gives no credit for management's efforts to make further progress in the medium term.

INDUSTRY OUTLOOK

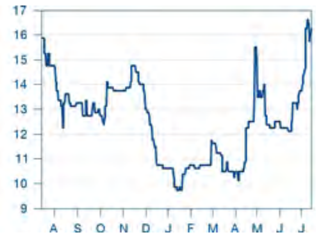
US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more so. This is now supporting gentle increases in a range primary insurance rates, though not casualty. Investment returns remain stubbornly low.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	457.0	N/A	35.3	34.0	10.5	N/A
2011A	556.0	N/A	(7.5)	(14.0)	N/A	N/A
2012E	554.0	N/A	38.2	44.6	8.0	N/A
2013E	571.0	N/A	44.8	51.9	6.9	N/A

Sector: Pharma & Healthcare

Price:	16.2p
Market cap:	£14m
Forecast net debt (£m)	0.1
Forecast gearing ratio (%)	1.0
Market	AIM

Share price graph (p)



Company description

Omega is a UK-based company focused on developing and marketing in-vitro diagnostic products in infectious and autoimmune diseases and for food intolerance. Intolerance tests account for over 40% of revenues.

Price performance

%	1m	3m	12m
Actual	34.0	49.4	1.6
Relative*	29.5	49.7	6.4

* % Relative to local index

Analyst

John Savin

Omega Diagnostics (ODX)

INVESTMENT SUMMARY

FY12 revenue, at £11.12m, was up 5% on a like-for-like basis, with an adjusted PBT of £1.0m and reported profit after tax of £0.32m. Development of a 40-50 launch test menu for allergy-iSYS is on track for a March 2013 launch. The Indian subsidiary traded from July 2012 and adds up to £448k of additional revenue in FY13. New Point of Care (PoC) tests should be marketed from the first half of FY14. These are ideal for developing world use and could gain rapid government and NGO sales.

INDUSTRY OUTLOOK

Omega's allergy division tests for IgE, the clinical basis of allergy, rather than IgG, as in food intolerance tests. The allergy test market is worth c $600m. Progress in moving the 40-50 launch test menu to the iSYS is steady for a March 2013 launch. The main PoC product is a test for CD4+ white cells; if the CD4+ cells are too low, retroviral therapy against HIV is required yet 65% of developing-world HIV patients are not monitored. A syphilis test for screening in pregnancy is also important.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	6.2	0.7	0.6	2.9	5.6	14.7
2011A	7.9	0.9	0.7	1.7	9.5	8.1
2012E	11.1	1.2	0.9	0.9	18.0	24.8
2013E	13.0	1.6	1.3	1.3	12.5	9.7

Sector: Financials

Price:	66.5p
Market cap:	£162m
Forecast net cash (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Omega Insurance Holdings is domiciled in Bermuda and listed on the London Stock Exchange. It is an international insurer/reinsurer with a focus on short-tail, property-oriented classes.

Price performance

%	1m	3m	12m
Actual	0.8	10.4	(11.9)
Relative*	(2.7)	10.6	(7.7)

* % Relative to local index

Analyst

Martyn King

Omega Insurance (OIH)

INVESTMENT SUMMARY

Omega shareholders have approved the acquisition by Canopius although the deal requires regulatory approval before completing. In its Q1 IMS Omega shows a small decline in gross premium written, reflecting its intended non-renewal of third-party business in Bermuda. The group said it had benefited from a benign catastrophe experience in Q1 with no overall adverse change in estimates for prior-year catastrophes.

INDUSTRY OUTLOOK

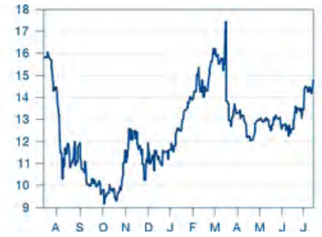
US property catastrophe premium rates are increasing, with loss affecting international catastrophe reinsurance rates even more. This is feeding through into modest increases in primary insurance rates.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	261.0	N/A	(40.0)	(15.9)	N/A	N/A
2011A	257.0	N/A	(92.0)	(35.3)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	US$14.79
Market cap:	US$215m
Forecast net cash (US$m)	72.3
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

OncoGenex is a drug discovery and development company creating novel treatments for various cancers. Its leading products are antisense therapies which promote the programmed cell death of tumour cells.

Price performance

%	1m	3m	12m
Actual	19.3	21.2	(8.9)
Relative*	15.6	22.4	(11.5)

* % Relative to local index

Analyst

Mick Cooper

OncoGenex Pharmaceuticals (OGXI)

INVESTMENT SUMMARY

OncoGenex has two promising antisense therapies in clinical trials, both with the potential to treat many cancers. Its lead product, custirsen, is in a pivotal Phase III trial, SYNERGY, in castration resistant prostate cancer (CRPC); this study should report data in Q413. Two other Phase III trials should start in 2012, one in non-small cell lung cancer and one in CRPC (this replaces the SATURN trial). Custirsen is partnered with Teva and increased median overall survival by 41% to 23.8 months in a Phase II study in CRPC. Its second clinical drug, OGX-427, demonstrated promising anti-tumour activity and was well tolerated in a Phase II in CRPC and Phase I in bladder cancer. A Phase II trial in CRPC with OGX-427 and abiraterone should start this year. It had net cash of $110m at Q112 after raising $54m in equity.

INDUSTRY OUTLOOK

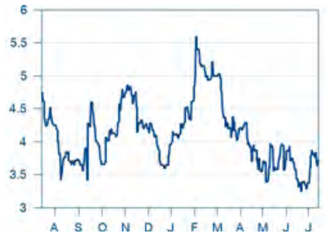
There remains a significant unmet need for efficacious oncology products, in particular for those that do not impair a patient's quality of life. Both OncoGenex's products appear to be highly efficacious and have limited side effects.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	13.6	(10.7)	(11.5)	(164.2)	N/A	N/A
2011A	5.5	(22.3)	(14.7)	(150.8)	N/A	N/A
2012E	18.7	(27.3)	(28.5)	(210.8)	N/A	N/A
2013E	0.0	(34.5)	(34.4)	(227.4)	N/A	N/A

Sector: Pharma & Healthcare

Price:	C$3.72
Market cap:	C$285m
Forecast net cash (C$m)	30.4
Forecast gearing ratio (%)	N/A
Market	NASDAQ, TSX

Share price graph (C$)



Company description

Oncolytics Biotech is a Canadian company focused on developing Reolysin, a pharmaceutical formulation of the oncolytic reovirus, for the treatment of a wide variety of human cancers (Phase III trial in head and neck cancer).

Price performance

%	1m	3m	12m
Actual	3.9	(5.1)	(25.4)
Relative*	3.8	(0.8)	(13.7)

* % Relative to local index

Analyst

Wang Chong

Oncolytics Biotech (ONC)

INVESTMENT SUMMARY

Oncolytics Biotech's investment case hinges on the outcome of its pivotal Phase III trial of Reolysin in squamous cell carcinoma of the head and neck (SCCHN). This study is due to render interim data in mid-2012, which could be the trigger for a major pharmaceutical licensing partnership. Oncolytics has 12 other ongoing clinical trials with Reolysin, including Phase II studies in non-small cell lung, pancreatic, melanoma and ovarian cancers, and a Phase I trial in colorectal cancer. Four new Phase II randomised trials sponsored by CTG are due to start in 2012.

INDUSTRY OUTLOOK

Oncolytics's rivals are the companies developing oncology products in the same therapeutic areas, but there are some interesting viral oncolytic companies, including Jennerex, Genelux and Viralytics, suggesting a new era in cancer treatment. Oncolytics is one of the two leaders in the area, with Amgen the other after its acquisition of BioViex for up to US$1bn.

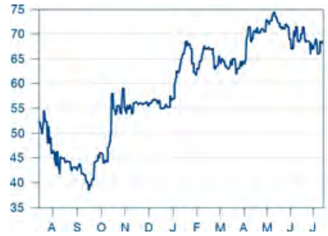
Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(20.0)	(20.0)	(29.5)	N/A	N/A
2011A	0.0	(28.7)	(28.3)	(39.9)	N/A	N/A
2012E	0.0	(40.9)	(40.9)	(52.4)	N/A	N/A
2013E	0.0	(34.9)	(35.0)	(44.8)	N/A	N/A

Edison investment research

Sector: Technology

Price:	68.5p
Market cap:	£88m
Forecast net cash (US$m)	67.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Optimal Payments is an independent alternative payments processor with two business lines: NETBANX provides payment processing services to merchants; and NETELLER provides stored value services including eWallets and pre-paid cards.

Price performance

%	1m	3m	12m
Actual	0.0	(2.8)	16.4
Relative*	(3.4)	(2.6)	21.9

* % Relative to local index

Analyst

Katherine Thompson

Optimal Payments (OPAY)

INVESTMENT SUMMARY

Optimal Payments (OP) had a strong start to the year and is trading in line with market expectations, providing comfort for our FY12 14% revenue growth forecast. OP has seen volume growth in the NETBANX business and promising signs that recent enhancements to NETELLER will lead to higher use. OP has a strong pipeline of new business, with new banking partnerships under discussion in N. America and Europe. We have revised our FY13 EPS forecast to reflect the issue of shares to partially settle deferred consideration for merchant contracts.

INDUSTRY OUTLOOK

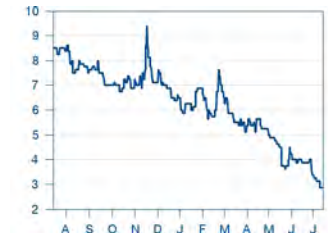
STP should benefit from the growth in its customers' transaction volumes and values. Online retail sales are forecast to continue to show strong growth: Forrester predicts US e-commerce revenue growth at a CAGR of 10% and Europe at 10.5% from 2010-2015, as more retail sales shift from on premise, mail order or telephone to online. The SV business depends on the growth in online gaming, and could benefit if OP is able to re-enter the US market.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	61.5	9.9	3.3	2.8	38.1	15.6
2011A	128.0	18.7	4.3	3.4	31.4	3.7
2012E	146.1	22.0	12.8	9.2	11.6	7.9
2013E	158.2	26.4	18.5	11.1	9.6	6.2

Sector: Mining

Price:	2.9p
Market cap:	£6m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Oracle Coalfields plc is a coal exploration and development company. Block VI, its main project, has total measured resources (JORC) of 1.4bn tonnes of lignite coal and is located in southern Pakistan's Thar coalfield.

Price performance

%	1m	3m	12m
Actual	(28.1)	(48.9)	(66.2)
Relative*	(30.6)	(48.8)	(64.6)

* % Relative to local index

Analyst

Sheldon Modeland

Oracle Coalfields (ORCP)

INVESTMENT SUMMARY

Oracle Coalfields signed a joint development agreement with the Karachi Electric Supply company on 26 June 2012 through its 80% owned subsidiary Sindh Energy Limited. This agreement supersedes the memorandum of understanding signed on 12 December 2009 and will see Sindh Energy provide Karachi Energy with a long-term supply of coal and water. Karachi Energy plans to construct a coal-fired power plant adjacent to Oracle's planned coal mine in Block IV of the Thar coalfield in southeastern Pakistan. The coal and water will be used by the proposed 300MW plant which potentially can be upgraded to 1,100MW. The signed agreement follows the granting of a mining lease to Oracle Coalfields announced on 12 April 2012.

INDUSTRY OUTLOOK

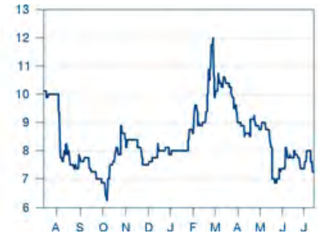
The Pakistan government continues to support the development of the Thar coalfield as part of its strategy to meet growing domestic demand for low-cost energy via the replacement of oil and gas with coal energy.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.2)	(0.2)	(0.2)	N/A	N/A
2011A	0.0	(1.0)	(0.9)	(0.4)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price: 7.2p
Market cap: £27m
Forecast net cash (€m) 1.3
Forecast gearing ratio (%) N/A
Market AIM, IEX

Share price graph (p)



Company description

Ormonde Mining is an AIM and ESM listed mineral development and exploration company with properties in western Spain. It is advancing a low-cost tungsten operation at Barruecopardo slated for first production in 2013.

Price performance

%	1m	3m	12m
Actual	(6.5)	(15.9)	(27.5)
Relative*	(9.6)	(15.8)	(24.1)

* % Relative to local index

Analyst

Sheldon Modeland

Ormonde Mining (ORM)

INVESTMENT SUMMARY

Ormonde mining has recently released its 2011 financial results as well as drill results from its JV gold project with Aurum Mining in western Spain. The company has €3.39m of funds available and posted a loss of €0.97m for 2011. Expenditures totalled €4.3m for the same period. The company also released drill results from its Peralonso permit in western Spain. A total of three holes were drilled, testing the extension of gold mineralisation previously identified from trenches within an 400m x 400m area of anomalous gold-in-soil. Two of the drill holes intersected mineralisation. Drill hole PERDD001 intersected three separate intervals: 18m @ 1.10 g/t gold, 10.1m @ 3.39g/t gold and 14.95m @ 2.33 g/t. The latter interval also included 1.4m grading at 21.5g/t gold. We are currently updating our valuation model.

INDUSTRY OUTLOOK

Tungsten pricing should be well supported in the medium term as supply remains constrained in light of China curtailing its presence on the international market.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(1.1)	(1.1)	(0.4)	N/A	N/A
2011A	0.0	(0.9)	(0.9)	(0.3)	N/A	N/A
2012E	0.0	(0.9)	(0.9)	(0.2)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price: 2.4p
Market cap: £27m
Forecast net cash (£m) 15.9
Forecast gearing ratio (%) N/A
Market LSE

Share price graph (p)

Company description

Oxford BioMedica is a UK biotech with a leading position in gene therapy, based on its LentiVector technology, and in cancer vaccines. It is focusing on ophthalmology, with four collaborative projects with Sanofi, and has two clinical assets (ProSavin and TroVax).

Price performance

%	1m	3m	12m
Actual	(5.2)	(42.8)	(67.0)
Relative*	(8.4)	(42.7)	(65.4)

* % Relative to local index

Analyst

Lala Gregorek

Oxford BioMedica (OXB)

INVESTMENT SUMMARY

Payment of $3m on opt-in by Sanofi to exclusive global licenses to two ocular assets (StarGen and UshStat) - coupled with an intention to raise up to £14.5m net via a firm placing and open offer - will significantly strengthen Oxford BioMedica's balance sheet. The company will have a cash runway into 2014 and the funds to fully leverage its proprietary LentiVector gene delivery platform and manufacturing, as well as to dedicate investment into its growing ocular portfolio. The latter is important given the focus of its growth strategy on high value fast-growing markets. ProSavin and TroVax development continues (the latter recently began a Phase II colorectal cancer trial), with the aim of generating further data to support partnering, although no new money from the fund raise will be allocated to these programmes.

INDUSTRY OUTLOOK

Gene therapy can correct dysfunctional cells and/or create endogenous therapeutic protein factories. Oxford BioMedica's LentiVector platform is well suited for ocular diseases, a novel area of unmet need supported by orphan drug pricing potential.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	11.2	(6.5)	(6.6)	(0.9)	N/A	N/A
2011A	7.7	(10.1)	(10.3)	(0.9)	N/A	N/A
2012E	9.0	(8.1)	(8.4)	(0.6)	N/A	N/A
2013E	0.5	(14.9)	(15.3)	(0.9)	N/A	N/A

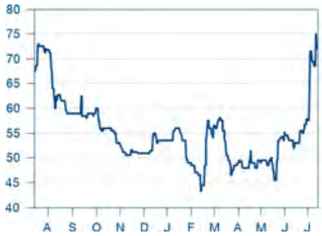
Edison investment research

Sector: Basic Industries

Oxford Catalysts Group (OCG)

Price:	72.5p
Market cap:	£65m
Forecast net debt (£m)	10.7
Forecast gearing ratio (%)	29.0
Market	AIM

Share price graph (p)



Company description

Oxford Catalysts is developing and commercialising catalysed microchannel reactor technology, initially targeted at the synthetic oil market. By intensifying the chemical process, the company allows for localised production and distribution of alternative fuels.

Price performance

%	1m	3m	12m
Actual	39.4	51.0	5.1
Relative*	34.7	51.4	10.1

* % Relative to local index

Analyst

Neil Shah

INVESTMENT SUMMARY

A significant development this month, with Oxford Catalysts Group (OCG) being selected to supply its Fischer-Tropsch technology for GreenSky London's waste to jet fuel project by Solena. Solena requested Fluor Corporation to conduct a formal evaluation of technologies for the project. The selection of OCG from a competitive field is a key marker in terms of validation of its technology platform. GreenSky London's key partner is British Airways. It is well known that airlines are looking at ways to meet their renewable fuel obligations and targets and this looks to be a part of that strategy. If the plant is implemented, it would lead to $30m of revenues through the construction phase and $50m ongoing revenues pa.

INDUSTRY OUTLOOK

Oxford Catalysts is focusing on gas to liquids (GTL), with 75% of its pipeline in this space. A successful small-scale GTL offering is attracting plenty of interest, particularly in onshore US where shale gas technology has allowed the exploitation of a significant reserve base.

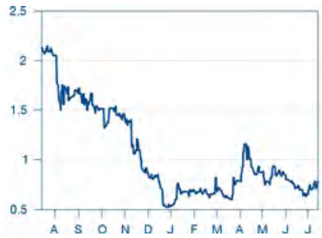
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	7.7	(6.9)	(7.6)	(10.7)	N/A	N/A
2011A	4.7	(9.5)	(10.4)	(11.4)	N/A	N/A
2012E	4.8	(9.5)	(9.7)	(11.5)	N/A	N/A
2013E	5.0	(9.2)	(10.3)	(12.2)	N/A	N/A

Sector: Pharma & Healthcare

Paion (PA8)

Price:	€0.78
Market cap:	€20m
Forecast net cash (€m)	8.4
Forecast gearing ratio (%)	N/A
Market	FRA

Share price graph (€)



Company description

Paion is a biopharmaceutical company specialising in the development of CNS products. The company has four NCEs in its R&D portfolio, with the lead programme, remimazolam, partnered with Ono Pharmaceutical in Japan.

Price performance

%	1m	3m	12m
Actual	6.0	(23.2)	(62.4)
Relative*	(0.6)	(22.8)	(58.3)

* % Relative to local index

Analyst

Emma Ulker

INVESTMENT SUMMARY

Paion ended the first quarter with €21.5m of cash and equivalents, helped by the recent sale of the ischaemic stroke project desmoteplase to Lundbeck, and a degree of cost retrenchment. Japanese partner Ono has published successful Phase II results for remimazolam, which could support partnering discussions for other territories. Paion has recently confirmed its license agreement with Yichang for remimazolam rights in China, which entails a €3m signing fee plus future milestones up to €4m with 10% ongoing royalties. Reinforcing the existing cash reach which extends into 2014. The company received a €0.7m grant to research the potential of thrombomodulin mutants in haemophilia.

INDUSTRY OUTLOOK

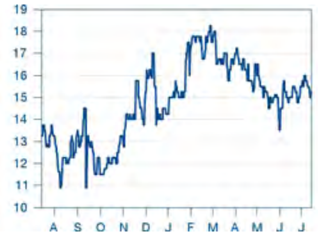
Remimazolam has important advantages over competing products, including fast onset and offset of action and the fact that a reversal agent exists if there is oversedation. Morphine-6-glucuronide has an interesting competitive profile, although Paion is funding only the maintenance of its patents at present.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	4.5	(7.7)	(8.4)	(32.1)	N/A	N/A
2011A	3.2	(6.2)	(6.9)	(25.9)	N/A	N/A
2012E	23.1	14.3	14.3	46.9	1.7	1.9
2013E	0.0	(9.6)	(9.4)	(35.7)	N/A	N/A

Sector: Mining

Price:	15.2p
Market cap:	£221m
Forecast net cash (£m)	15.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Pan African Resources is a South African mining company with gold mines and a platinum project (Phoenix) in South Africa. It produces c 100koz of gold annually and is ramping up to 12,000oz PGMs. It is also in the process of acquiring Evander from Harmony.

Price performance

%	1m	3m	12m
Actual	3.4	(6.2)	13.0
Relative*	(0.1)	(6.0)	18.3

* % Relative to local index

Analyst

Charles Gibson

Pan African Resources (PAF)

INVESTMENT SUMMARY

On 30 May, Pan African agreed to buy 100% of Evander Gold Mines (EGM) from Harmony for ZAR1.5bn (US$181m), equivalent to US$5.26 per resource ounce. Historically, Evander's principal constraint has been a lack of refrigeration. Before being sold however, Harmony invested ZAR256m into refrigeration infrastructure at EGM. In addition, the main twin decline system has been relocated so that refrigeration has been both limited and concentrated in an initiative that has also provided improved access to the high grade areas of the target ore body.

INDUSTRY OUTLOOK

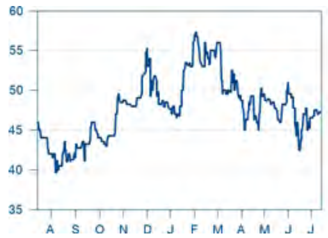
Edison's estimate of EGM's 2.8p contribution to PAF's EPS in FY13 more than doubles its EPS forecast of 1.75p in FY12. As a result, it estimates that Pan African's P/E ratio will decline from 8.8x diluted EPS in FY12 to 3.5x in FY13 and 2.6x in FY14 – approximately half Anglogold Ashanti's and Gold Fields' ratings. In absolute terms, it estimates that the net present value of PAF's potential dividend stream to investors to FY39 is 24.04p.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	68.3	27.0	24.4	1.2	12.7	8.2
2011A	79.1	31.3	29.2	1.4	10.9	9.0
2012E	103.2	50.1	45.5	2.0	7.6	4.9
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Financials

Price:	47.2p
Market cap:	£79m
Forecast net cash (£m)	10.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Park Group is a financial services business. It is the UK's leading multi-redemption voucher business, focused on the corporate gift voucher and Christmas savings markets. Sales are generated through agents, a direct sales force and the internet.

Price performance

%	1m	3m	12m
Actual	2.7	(4.1)	2.7
Relative*	(0.8)	(3.9)	7.6

* % Relative to local index

Analyst

Martyn King

Park Group (PKG)

INVESTMENT SUMMARY

Results for the year to 31 March 2011 were stronger than we forecast (by 7% for adjusted PBT), mainly due to stronger gross margin. The 23% increase in the final dividend (+18% for the year) was also stronger than we expected, supported by strong cash flow. Flexecash continues to drive growth across the corporate, consumer, and online distribution platforms. Innovative applications for flexecash incorporating web-based and mobile technology continue. We have increased our FY13 estimate by c 4% and have introduced a FY14 estimate (c 9% growth). With flexecash establishing a strong record, the expected continued earnings and dividend growth looks attractive with the shares off early year highs.

INDUSTRY OUTLOOK

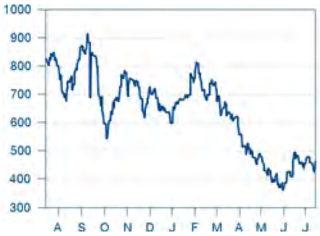
Park has so far continued to win corporate customers through challenging economic conditions and flexecash should support this trend. Consumer customers are up despite pressure on disposable income, especially at the lower end.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	279.9	6.8	7.3	3.1	15.2	N/A
2012A	279.0	8.7	9.3	4.0	11.8	13.4
2013E	282.5	9.5	10.2	4.4	10.7	11.5
2014E	294.9	10.4	11.1	4.8	9.8	11.1

Sector: Mining

Price:	461.6p
Market cap:	£867m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Petropavlovsk's principal assets are in the Amur region of Russia, comprising the Pokrovskiy mine and associated operations, Pioneer and Malomir. The company was founded in 1994 and listed on AIM in 2002.

Price performance

%	1m	3m	12m
Actual	12.3	(8.9)	(42.1)
Relative*	8.5	(8.7)	(39.3)

* % Relative to local index

Analyst

Charles Gibson

Petropavlovsk (POG)

INVESTMENT SUMMARY

FY11 results demonstrated a 317% increase in basic EPS before impairments, with total cash costs restrained to US$662/oz. Production guidance for FY12 has since been increased from 680koz to 700koz. In addition, cost inflation guidance has been revised down from +30-45% to +15-20%. A 1.8Mtpa RIP line at Albyn and a fourth 2.0Mtpa line at Pioneer were commissioned in June (vs expectations of H212). Like African Barrick Gold, POG is trading at a share price below its December 2011 book value of US$8.69/sh.

INDUSTRY OUTLOOK

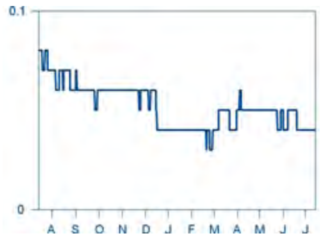
In February, POG announced a 6% and an 11% increase in its resources and reserves, respectively, to c 24.6Moz and c 10.2Moz, more than offsetting the c 0.63Moz mined in 2011. Ore from refractory sources will comprise c 50% of the total in approximately two years, when the stripping ratio falls such that increased processing costs (in this case autoclave) are approximately offset by reduced mining costs - such that overall costs remain broadly unchanged at c US$750/oz in real terms.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	612.0	201.6	94.5	24.5	29.4	16.4
2011A	1262.5	530.0	358.9	122.5	5.9	3.8
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	A$0.04
Market cap:	A$18m
Forecast net cash (A$m)	6.0
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Phylogica is a drug discovery company with a proprietary technology platform based on naturally derived Phylomer peptides. Its business model centres on drug discovery collaborations with large pharma partners, including Roche, MedImmune, Pfizer and Janssen.

Price performance

%	1m	3m	12m
Actual	(16.7)	(20.0)	(51.2)
Relative*	(16.8)	(14.4)	(45.7)

* % Relative to local index

Analyst

Lala Gregorek

Phylogica (PYC)

INVESTMENT SUMMARY

Phylogica's strategy is to leverage its Phylomer peptide drug discovery platform to become a preferred discovery partner for large pharma. The investment case continues to rest on its ability to monetise its proprietary discovery platform, by both achieving milestones under its four existing collaborations and securing additional deals. Phylogica received an undisclosed research milestone from Pfizer this month and should reach other key value inflection points in the next six months. Active discussions are ongoing for four new discovery alliances with prospective partners, some with larger deal economics, although timelines have been impacted by large pharma reorganisations. Cash at end-June was $2.8m.

INDUSTRY OUTLOOK

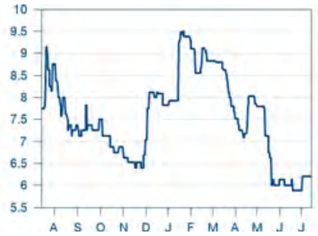
Peptides have some advantages of small molecules (stability, formulation flexibility and COGS) and the binding specificity of antibodies, but their key benefit is the ability to address intractable intracellular targets. Phylomer libraries are a source of novel peptide drug leads; which due to their diversity yield better quality and quantity hits vs random peptide libraries.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.6	(4.1)	(4.1)	(1.8)	N/A	N/A
2011A	2.4	(3.5)	(3.5)	(1.2)	N/A	N/A
2012E	5.2	(0.9)	(1.0)	(0.2)	N/A	N/A
2013E	5.7	(0.6)	(0.7)	0.0	N/A	N/A

Sector: Pharma & Healthcare

Price:	6.2p
Market cap:	£22m
Forecast net cash (£m)	7.3
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Phytopharm is a UK biotech company principally focused on the development of drugs for neurodegenerative disease. Lead candidate Cogane is undergoing a Phase II study in Parkinson's disease, with results due in February 2013.

Price performance

%	1m	3m	12m
Actual	3.3	(13.6)	(18.7)
Relative*	(0.2)	(13.4)	(14.8)

* % Relative to local index

Analyst

Christian Glennie

Phytopharm (PYM)

INVESTMENT SUMMARY

Phytopharm's near-term focus is on Cogane, which is being studied in a 400-patient Phase II trial (Confident-PD) in Parkinson's disease, and also now has a solid pre-clinical data package in amyotrophic lateral sclerosis (ALS). Dosing into Confident-PD should be completed in December 2012, with topline data due in February 2013, a significant potential catalyst for the stock and stimulus for securing a development partner. A pre-clinical study of the chemically-related Myogane proved inconclusive due to a failure of the animal model of glaucoma to induce sufficient neuronal cell death in both treatment and control groups. Cash of £13.3m as of 31 March 2012 provides funding until the end of 2013.

INDUSTRY OUTLOOK

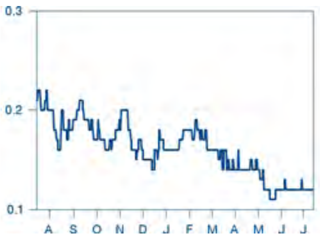
Cogane, a small molecule orally active agent, is one of the leading industry-wide pipeline candidates with disease-modifying potential for Parkinson's disease. Potential partners could advance the development of Cogane for multiple neurodegenerative indications.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.7	(4.3)	(4.1)	(1.3)	N/A	N/A
2011A	0.1	(8.4)	(8.0)	(2.2)	N/A	N/A
2012E	0.0	(10.5)	(10.4)	(2.7)	N/A	N/A
2013E	0.0	(8.3)	(8.2)	(2.2)	N/A	N/A

Sector: Oil & Gas

Price:	A$0.12
Market cap:	A$13m
Forecast net debt (€m)	7.1
Forecast gearing ratio (%)	28.0
Market	ASX

Share price graph (A$)



Company description

Po Valley Energy is an ASX-listed oil and gas company with an operational focus on Italy and in particular the Po Valley region in the north of the country.

Price performance

%	1m	3m	12m
Actual	0.0	(17.9)	(45.2)
Relative*	(0.2)	(12.2)	(39.1)

* % Relative to local index

Analyst

Ian McLelland

Po Valley Energy (PVE)

INVESTMENT SUMMARY

Po Valley Energy (PVE) has built a portfolio of assets across the Po Valley region of northern Italy, which it is now looking to appraise and develop. A recent farm-in deal with PETROREP on two licences is a first step in accelerating its work programme through drilling low-risk assets with farm-in partners to move contingent resources to reserves. Modest capital additions are required to access 15bcf of gas, while 20.2mmboe of additional resources offers numerous upside options. Our core NAV of 37c offers more than three-times upside to current share prices, while a wide range of drill options targeting 20.2mmboe of gross resources offer multiple options for exploration upside.

INDUSTRY OUTLOOK

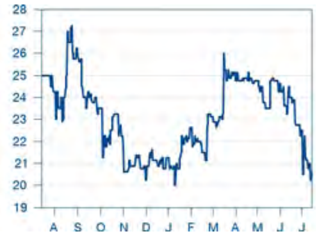
Focusing on onshore discoveries, PVE is significantly less exposed than most E&P peers to the usual subsurface and environmental risks. However, its economics are dependent on strong gas prices, while successful permit applications and farm-outs can be problematic in Italy, given its bureaucratic complexities.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	7.2	2.2	(1.2)	(1.1)	N/A	8.5
2011A	9.1	4.4	1.0	0.8	12.3	3.3
2012E	13.7	7.8	2.0	1.8	5.5	1.4
2013E	16.7	10.1	3.4	3.1	3.2	1.2

Sector: General Industrials

Price:	20.6p
Market cap:	£59m
Forecast net cash (€m)	21.7
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Powerflute is a holding company established to acquire and improve underperforming businesses and assets in the broadly defined international paper and packaging sector. It operates a niche packaging papers producer based in Finland.

Price performance

%	1m	3m	12m
Actual	(15.8)	(17.1)	(18.3)
Relative*	(18.7)	(16.9)	(14.4)

* % Relative to local index

Analyst

Toby Thorrington

Powerflute (POWR)

INVESTMENT SUMMARY

Plant problems during Q212 - although resolved in June - ultimately led to the loss of sales volume in the first half. This will not be recovered in H2, leading to a €2m reduction in our FY12 estimates. However, demand conditions and pricing remain reasonable overall so we still expect y-o-y progress this year. The company remains in a strong net cash position and is cash generative. EV multiples are now, in our opinion, unsustainably low.

INDUSTRY OUTLOOK

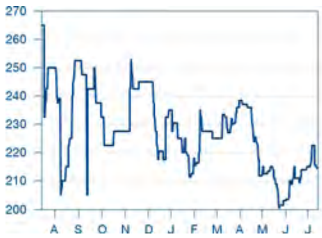
Powerflute aims to build a portfolio of niche paper and packaging businesses. It has demonstrated financial and operational judgement in transactions so far and now needs to take the group to the next level. Typical target companies will have turnover ranging €150-200m and/or produce in excess of 300,000 tonnes of product. At any one time, the portfolio is unlikely to exceed five businesses to maintain the operational focus overseen by the executive board.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	310.6	12.4	(0.8)	0.5	51.6	2.8
2011A	121.5	17.3	10.6	2.8	9.2	3.9
2012E	119.1	16.7	11.1	2.9	8.9	4.5
2013E	127.1	18.9	13.2	3.5	7.4	4.3

Sector: Travel & Leisure

Price:	214.5p
Market cap:	£89m
Forecast net debt (€m)	455.0
Forecast gearing ratio (%)	237.0
Market	LSE

Share price graph (p)



Company description

PPHE Hotel Group (previously Park Plaza Hotels) is an integrated owner and operator of four-star, deluxe and boutique hotels in gateway cities and regional centres predominantly in Europe.

Price performance

%	1m	3m	12m
Actual	(0.2)	(9.1)	(23.4)
Relative*	(3.6)	(8.9)	(19.8)

* % Relative to local index

Analyst

Richard Finch

PPHE Hotel Group (PPH)

INVESTMENT SUMMARY

Ahead of Interims in mid-August, May's confirmation of robust London trading may not surprise, given continuing upbeat market news, but is no less welcome. Group RevPAR gain of 5.3% in Q1 was well ahead of our full-year estimate (admittedly in the least representative quarter and currency boosted). Its origination predominantly from higher room rate rather than occupancy should also allow PPHE to mitigate cost pressures. We have revised forecasts for the purchase of Dutch minority interests. PPHE is inexpensive in terms of EV/EBITDA and the Dutch tidy-up should only compound rich scope for asset appreciation.

INDUSTRY OUTLOOK

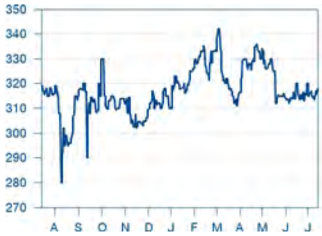
London hoteliers remain positive even if low visibility and economic uncertainty advise caution. Accor achieved "excellent" RevPAR in Q112 with occupancy and price gains; its optimism about Olympic benefit is newly endorsed by Marriott despite market concern about displacement of regular business and leisure custom. PKF expects "a strong year" in London (YTD RevPAR +5%, per TRI Hospitality) on the back of a "golden summer".

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	139.8	37.6	6.1	15.0	17.9	3.0
2011A	202.4	65.0	13.6	32.6	8.2	2.6
2012E	226.0	71.5	15.0	36.2	7.4	1.6
2013E	239.0	74.5	16.5	39.6	6.8	1.6

Sector: Property

Price:	318.0p
Market cap:	£237m
Forecast net debt (£m)	343.0
Forecast gearing ratio (%)	176.0
Market	LSE

Share price graph (p)



Company description

PHP invests in primary healthcare property, which is let to GPs, PCTs and other NHS entities backed by the UK government. This tenant profile provides an exceptionally secure rental outlook.

Price performance

%	1m	3m	12m
Actual	1.1	(3.0)	(0.4)
Relative*	(2.3)	(2.8)	4.3

* % Relative to local index

Analyst

Roger Leboff

Primary Health Properties (PHP)

INVESTMENT SUMMARY

PHP continues to see a strong pipeline of potential acquisitions on terms that would enhance EPS and cash generation. Its capacity to capitalise on these was enhanced by a £19m placing (6.23m shares at 305p) in May, a new four-year £175m debt facility with RBS and Santander, and a successful £75m 5.375% bond issue in July. Six potential acquisitions for £25m in total are well advanced. The shares are underpinned by a 5.9% prospective yield derived from a portfolio fully let to mainly NHS-backed tenants on long-term leases.

INDUSTRY OUTLOOK

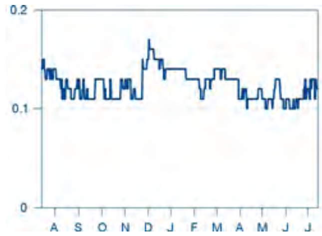
A key element of the medium-term outlook, the new Health and Social Care Bill, passed into statute at the end of March. Over time, we expect increased approvals for new medical centres, with the impact probably felt during FY13 as new NHS management structures are implemented later this year. Underlying revenue visibility and quality is supported by the fact that the NHS Commissioning Board, a public sector body, will be responsible for reimbursing GP premises costs.

Y/E Jun / Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	26.9	21.9	9.1	14.7	21.6	8.7
2011A	30.7	25.1	9.7	14.6	21.8	8.8
2012E	34.2	28.3	9.2	12.7	25.0	7.0
2013E	37.5	31.3	9.3	11.9	26.7	9.4

Sector: Pharma & Healthcare

Price:	C$0.12
Market cap:	C$51m
Forecast net debt (C$m)	N/A
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

ProMetic Life Sciences is an international biopharmaceutical business, comprised of a group of companies focused on developing ligand-based technologies and therapeutics.

Price performance

%	1m	3m	12m
Actual	14.3	9.1	(17.2)
Relative*	14.1	14.1	(4.2)

* % Relative to local index

Analyst

Lala Gregorek

ProMetic Life Sciences (PLI)

INVESTMENT SUMMARY

ProMetic's investment case rests on deriving greater value from proprietary ligand enabling technologies by moving up the value chain and developing higher-value/less-commoditised technologies. 2012 should be a positive year financially: C$21m of base case revenues have already been secured, with potential for upside. Confirmed revenues include $3.5m of recurring orders, a $4.2m follow-on purchase order, $5.9m from Octapharma, $2m under a newly-announced Hematech deal, a $1.9m US biopharma purchase order and $1.4m from a European biotech. Revenues will be more heavily weighted to H2 and should improve the funding requirement. The balance sheet has been improved by a secured loan restructuring, $1m strategic equity investment and achievement of final Celgene milestones (allowing deferred recognition of US$6m). Our forecasts are under review.

INDUSTRY OUTLOOK

Business focus is on validating the plasma-derived therapies manufacturing subsidiary, boosting resin sales, and securing further partners for its novel oral small molecule drugs.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	11.4	(8.4)	(10.4)	(3.3)	N/A	N/A
2011A	17.6	(0.2)	(1.9)	(0.9)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Proteome Sciences (PRM)

Sector: Pharma & Healthcare

Price:	36.5p
Market cap:	£70m
Forecast net debt (£m)	4.8
Forecast gearing ratio (%)	740.0
Market	AIM

Share price graph (p)

Company description

Proteome Sciences is a protein biomarker contract research organisation. It has a broad patent portfolio covering isobaric mass-tagging in mass spectrometry and biomarkers for various neurological and oncology indications.

Price performance

%	1m	3m	12m
Actual	33.3	(0.7)	44.5
Relative*	28.8	(0.5)	51.4

* % Relative to local index

Analyst

Mick Cooper

INVESTMENT SUMMARY

Proteome Sciences has a broad IP portfolio covering mass spectrometry techniques and biomarkers, which is now being commercialised. The company earns royalties and manufacturing payments from Thermo Fisher Scientific, which sells Proteome's TMT products. PS Biomarker Services carries out protein assays and biomarker discovery for pharmaceutical companies, including Eisai and J&J. Proteome Sciences also out-licenses its proprietary biomarkers non-exclusively to diagnostic companies. The value of Proteome's technology platform has received further validation from GSK's acquisition of Cellzome, which has used Proteome's TMT products since 2008. Underlying sales grew by 127% to £1.0m in FY11 and are forecast to rise to 3.2m in FY12, largely due to growth of PS Biomarker Services sales.

INDUSTRY OUTLOOK

Pharma companies are expanding their biomarker programmes due to pressure from regulators and to improve productivity. Protein biomarkers promise to be particularly useful as they provide a direct read-out of changes occurring in a person.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.5	(4.5)	(4.9)	(3.0)	N/A	14.5
2011A	1.0	(4.1)	(4.5)	(2.1)	N/A	N/A
2012E	3.2	(2.4)	(2.8)	(1.4)	N/A	N/A
2013E	6.7	0.4	(0.1)	0.0	N/A	N/A

Psion (PON)

Sector: Electrical Equipment

Price:	87.4p
Market cap:	£124m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Psion designs and sells ruggedized mobile computers, which are used by field workers and in supply chain and logistics functions.

Price performance

%	1m	3m	12m
Actual	50.6	55.3	16.5
Relative*	45.5	55.6	22.0

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

On 15 June 2012, Psion announced a recommended cash offer at 88p per share had been made for the business by Motorola Solutions. The offer values the entire issued and to be issued share capital of Psion at c £129.3m. Under the Takeover Panel rules, Edison is deemed an associate of Psion so we are unable to publish any forecasts or forward-looking statements.

INDUSTRY OUTLOOK

The market for rugged mobile computers is estimated to be worth $2.1bn, and VDC believes it is growing at 8-10% per year. Psion holds c 7% market share, but plans to expand this substantially. These plans revolve around the move towards a modular product architecture and leveraging a network of partners to drive product innovation.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	174.5	10.7	(1.9)	(0.9)	N/A	N/A
2011A	176.0	11.9	(0.1)	(0.1)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Property

Price:	17.2p
Market cap:	£18m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Public Service Properties Investments is a specialist real estate investment and financing company. Its main focus until recently has been on the expansion of its UK portfolio of care homes, which make up the majority of the value of its portfolio.

Price performance

%	1m	3m	12m
Actual	60.5	(21.6)	(74.6)
Relative*	55.0	(21.4)	(73.4)

* % Relative to local index

Analyst

Roger Leboff

Public Service Properties Invest. (PSPI)

INVESTMENT SUMMARY

PSPI has announced a proposal to combine the majority of its UK portfolio with the assets of its sole UK tenant, European Care Group, in a non-cash transaction. With irrevocable commitments from 72% of shareholders this should be approved at the general meeting on 24 July. Around £33m of group net assets (27 care home properties, £155m aggregate gross assets) are being transferred to the new company, in which PSPI will hold a 20% stake. The proforma balance sheet leaves PSPI with £71m of net assets; 10 UK properties valued at c £51m and holdings in Germany, Switzerland and the US.

INDUSTRY OUTLOOK

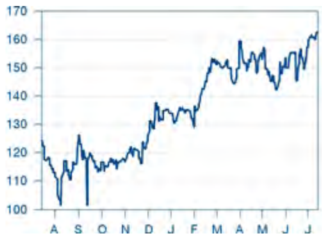
Although the outlook for care home performance is underpinned by demographics and statutory obligations for care provision, pressure on public sector budgets is affecting occupancy and fee rates. ECG has reported lower portfolio occupancy due to rebuilding periods taking longer than expected. Occupancy in the UK portfolio, excluding refurbishments, was 86-88% throughout 2011, but 83% in late March 2012.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	21.9	17.6	8.1	14.1	1.2	1.2
2011A	20.5	16.6	9.1	11.4	1.5	1.3
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Aerospace & Defence

Price:	162.2p
Market cap:	£1071m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

QinetiQ Group provides technical advice, services and solutions to customers in the aerospace, defence and security markets, primarily in the UK and US.

Price performance

%	1m	3m	12m
Actual	4.7	6.7	28.5
Relative*	1.2	6.9	34.6

* % Relative to local index

Analyst

Roger Johnston

QinetiQ Group (QQ.)

INVESTMENT SUMMARY

QinetiQ's results highlighted the impact of the two-year transformation programme. Having completed and achieved targets, this enabled the business to counteract an 11% decline in revenues. As a result, underlying operating margins improved by 250bp, driven by UK Services and Global Products. Despite an accelerated interest payment on early repayment of US private placement notes, PBT increased to £118.3m (2011: £114.6m) and FY12 EPS increased by 3% to 14.5p (18.0p ex-accelerated interest). With continued strong cash flow, which has generated >£500m over the past two years, net debt improved to £122m, equivalent to just 0.5x net debt:EBITDA. With the outlook remaining uncertain, and the next phase of transformation now in motion, we are reviewing forecasts.

INDUSTRY OUTLOOK

The UK business is underpinned by some good long-term contracts such as the LTPA. However, with MoD delays plaguing the wider business and the US suffering its own delays, the services businesses remain under pressure.

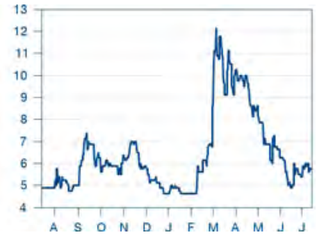
Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	1702.6	190.5	114.6	14.0	11.6	4.2
2012A	1469.6	202.8	118.3	14.5	11.2	4.4
2013E	N/A	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A	N/A

Edison investment research

Sector: Basic Industries

Price:	5.8p
Market cap:	£42m
Forecast net cash (£m)	1.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Quadrise Fuels International (QFI) has a licence to manufacture and market MSAR, an oil-in-water fuel emulsion that is a low-cost substitute for heavy fuel oil used in marine, power and other industrial units.

Price performance

%	1m	3m	12m
Actual	12.2	(42.5)	17.9
Relative*	8.4	(42.4)	23.6

* % Relative to local index

Analyst

Anne Margaret Crow

Quadrise Fuels Int. (QFI)

INVESTMENT SUMMARY

Quadrise (QFI) continues to make progress in three key projects, any one of which has the potential to make MSAR a commercial success. Initial results from the first phase of sea trials of MSAR on one of Maersk's container ships were positive. The test programme is progressing with Maersk's full support. QFI has recently taken control of all MSAR fuel business developments in Central and South America. These were previously handled by a Canadian associate, so there may be a write-down in the carry value of QFI's Canadian investments. However, the transfer has already produced a memorandum of agreement between QFI and consultants Nexidea for two initial prospects in Central and South America that are evaluating options for project developments with the potential to include MSAR fuel production.

INDUSTRY OUTLOOK

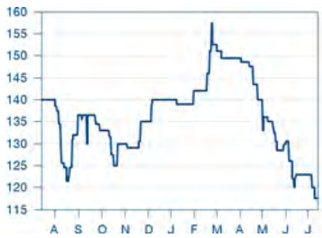
Quadrise has the licence to manufacture and market an environmentally friendly substitute for heavy fuel oil that can be sold at a material discount to traditional fuels and is branded MSAR.

Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(1.0)	(1.0)	(0.2)	N/A	N/A
2011A	0.0	(1.8)	(1.9)	(0.3)	N/A	N/A
2012E	0.0	(1.6)	(1.6)	(0.2)	N/A	N/A
2013E	1.4	(0.1)	0.0	0.0	N/A	873.0

Sector: Media & Entertainment

Price:	117.5p
Market cap:	£23m
Forecast net debt (US$m)	79.1
Forecast gearing ratio (%)	175.0
Market	LSE

Share price graph (p)



Company description

Quarto is an international publisher of books produced under its own imprints and licensed to other publishers.

Price performance

%	1m	3m	12m
Actual	(2.1)	(20.3)	(16.1)
Relative*	(5.4)	(20.2)	(12.1)

* % Relative to local index

Analyst

Fiona Orford-Williams

Quarto (QRT)

INVESTMENT SUMMARY

Quarto is undergoing a gentle and managed process of generational change. With the Q1 trading update in April, the group announced the appointment of Marcus Leaver as COO and CEO designate. He has an extensive background in publishing in the US and the UK and understands Quarto's business model well. This is unlikely to be a seismic change in approach; more an evolution of style that should bring through the inherent strengths of the business. We have not changed our forecasts ahead of the August interims but do reiterate how undervalued the shares are.

INDUSTRY OUTLOOK

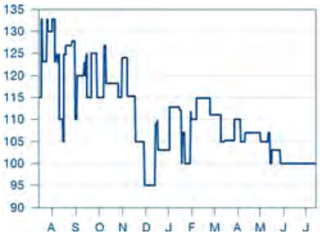
Book retailing in the major English language markets has been undergoing a seismic shift as major retail chains undergo substantive change, with implications for discoverability and marketing. Growth in eBooks in fiction is substantial, but the trend is slower in other categories. The outcome of the DoJ's lawsuit against Apple and several publishing houses is keenly awaited, given its implications for the eBook distribution business model.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	176.4	36.3	11.5	42.3	4.3	1.0
2011A	186.1	37.2	12.1	45.6	4.0	1.1
2012E	190.5	38.2	11.6	43.1	4.3	1.1
2013E	194.3	38.5	12.2	46.0	4.0	1.0

Sector: Media & Entertainment

Price:	100.0p
Market cap:	£21m
Forecast net cash (£m)	4.5
Forecast gearing ratio (%)	N/A
Market	PLUS

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	0.0	(6.5)	(24.2)
Relative*	(3.4)	(6.3)	(20.6)

* % Relative to local index

Analyst

Fiona Orford-Williams

Quercus Publishing (QUPP)

INVESTMENT SUMMARY

Quercus's AGM statement confirmed that sales for the first five months of the year are on track, although the decay in the Larsson franchise will mean that performance will be more H2 weighted than has been the case to date. With no legacy business, the group is able to focus on multi-channel distribution and has been developing its online marketing and social media presence to back up its sales of both physical books and eBooks, which have increased further to represent 25% of year-to-date sales. The directors are evaluating the options for the listing in light of the PLUS market situation. The price has yet to reflect the potential opportunity from the broader roster of authors and imprints built over recent months.

INDUSTRY OUTLOOK

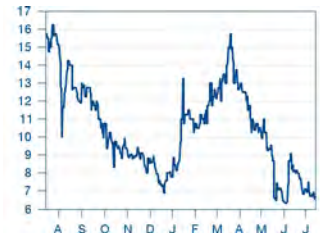
The overall market for physical books remains difficult as the distribution chain adjusts to the growth in eBooks, with no help likely from the economic background. In these circumstances, seeking out the most attractive content remains key, coupled with adopting broader and stronger marketing strategies.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	31.8	7.7	7.5	26.7	3.7	2.5
2011A	24.8	6.0	5.9	22.0	4.5	4.3
2012E	28.9	7.1	7.0	25.0	4.0	6.8
2013E	34.5	9.2	9.1	32.9	3.0	3.6

Sector: Oil & Gas

Price:	6.7p
Market cap:	£142m
Forecast net cash (A$m)	15.9
Forecast gearing ratio (%)	N/A
Market	AIM, ASX

Share price graph (p)



Company description

Range Resources is a dual ASX and AIM-listed E&P junior with projects in Puntland-Somalia, the Republic of Georgia, Texas and Trinidad.

Price performance

%	1m	3m	12m
Actual	(20.7)	(43.0)	(57.5)
Relative*	(23.4)	(42.9)	(55.4)

* % Relative to local index

Analyst

Peter Dupont

Range Resources (RRL)

INVESTMENT SUMMARY

The results of the Shabeel North drilling in Puntland are anticipated by early August. The target here is the Upper Cretaceous Jesomma sands, which yielded encouraging results 3.5km to the south at Shabeel-1. Best estimate prospective resources across the two wells are a highly significant 170-300mm barrels gross. Success at Shabeel North will substantially de-risk the broader Dharoor play. During Q3 Range may announce the disposal of its NCR, Texas, interests. Reflecting this, the intensive development programme in Trinidad and the recently acquired exploration/development blocks in Colombia's Putamayo Basin, Range will probably evolve as a Latin American E&P play.

INDUSTRY OUTLOOK

Exploration interest is rapidly gathering momentum in the rift plays of East Africa. Recent evidence pointing to the prospectivity of the region is Tullow's Ngamia-1 discovery in Kenya. In Colombia interest in the Putamayo Basin is increasing. Amerisur is one of the more recent entrants.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.7	(2.4)	(2.5)	(0.4)	N/A	N/A
2011A	3.5	(4.3)	(4.6)	(0.3)	N/A	N/A
2012E	28.4	4.7	1.5	0.1	102.6	62.6
2013E	66.1	23.4	15.6	0.2	51.3	9.7

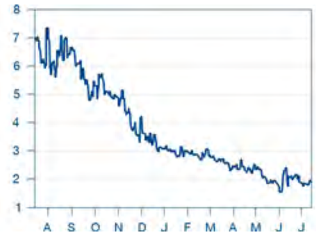
Edison investment research

Sector: Mining

Red Rock Resources (RRR)

Price:	1.9p
Market cap:	£17m
Forecast net cash (£m)	1.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Listed on AIM in July 2005, Red Rock Resources is now a combination of a junior gold explorer and a mineral property investment company focused on the discovery and development of iron ore, manganese, uranium and gold, primarily in Australia and Africa.

Price performance

%	1m	3m	12m
Actual	8.0	(21.8)	(73.6)
Relative*	4.3	(21.6)	(72.4)

* % Relative to local index

Analyst

Michael Stoner

INVESTMENT SUMMARY

This month has seen Red Rock announce the completion of the 13,375m drill programme at the Mikei Gold Project, the assay results are consistent with earlier Red Rock work and historic drilling results, totalling 50,590m. The assay results will refine the company's understanding of the complex shear and vein system at Mikei. The results returned positive intercepts, including 5m at 6.51g/t Au, this work is expected to culminate in a JORC-compliant resource estimate. Outside of Kenya the company has begun its 2012 drilling programme at the Melville Bugt project in Greenland.

INDUSTRY OUTLOOK

Recently there has been significant fluctuation in the value of Red Rock's stake in Jupiter Mines. It was subsequently announced that the Jupiter share price fluctuation was due to a non-binding indicative offer to buy one of the assets owned by Jupiter. Given the fluctuation in the Jupiter Mines share price our valuation and forecasts are under review.

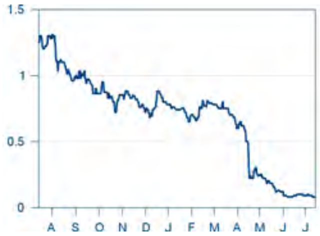
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.9)	(1.5)	(0.26)	N/A	N/A
2011A	0.9	(1.1)	(1.6)	0.01	190.0	N/A
2012E	4.7	0.4	(1.0)	(0.25)	N/A	4.1
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: General Industrials

RedFlow (RFX)

Price:	A$0.08
Market cap:	A$5m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

RedFlow designs and manufactures high performance energy storage systems, which include its proprietary zinc bromine battery, the ZBM. These are sold to electricity distribution companies for large scale energy storage.

Price performance

%	1m	3m	12m
Actual	3.7	(82.8)	(93.4)
Relative*	3.5	(81.6)	(92.6)

* % Relative to local index

Analyst

Edwin Lloyd

INVESTMENT SUMMARY

RedFlow has announced a radical restructuring of its business. This involves halving the number of employees in Brisbane, removing the existing CEO (following several changes to the board) and increasing losses. The relationship with Jabil, and plans for outsourced manufacture are also under review in the short term, until volumes build up. This all follows longer-than-anticipated trial periods. Our forecasts remain under review.

INDUSTRY OUTLOOK

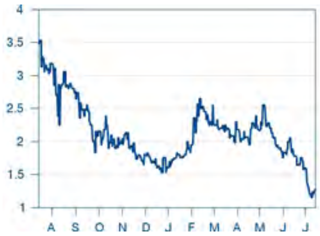
Electricity generation used to be designed to match demand. In future, demand is expected to be met by renewable energy sources that are not generating power all the time. This makes technology that enables energy to be stored when it is generated and released when it is demanded very important. RedFlow's battery systems are well positioned to exploit this huge potential growth of large-scale energy storage. There are competitor manufacturers and technologies, but RedFlow actually produces successfully-working systems.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	1.0	(1.1)	(1.1)	(11.2)	N/A	N/A
2011A	2.3	(6.5)	(6.8)	(12.6)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Mining

Price:	1.3p
Market cap:	£9m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Regency Mines is a multi-commodity exploration and investment company trading on AIM, Frankfurt and PLUS. Its flagship assets are the large-scale Mambare nickel laterite project in Papua New Guinea and a 17% interest in Red Rock Resources.

Price performance

%	1m	3m	12m
Actual	(30.1)	(38.1)	(63.8)
Relative*	(32.5)	(38.0)	(62.1)

* % Relative to local index

Analyst

Michael Stoner

Regency Mines (RGM)

INVESTMENT SUMMARY

Regency has announced that its partner, Direct Nickel (DNi), has completed stage one construction of the Perth test plant, which is expected to complete testing of a Nickel Laterite bulk sample by H213. This is positive news as progress in this is critical to demonstrate the economic viability of the Mambare deposit. If the technology testing is successful, we see potential for the deposit to be a low-cost producer relative to its peers. Our forecasts remain under review.

INDUSTRY OUTLOOK

An updated JORC compliant resource for the 50% owned Mambare project quotes a total resource across the indicated and inferred categories of 162.5Mt at 0.94% Ni with 1.53Mt of contained Ni. We value the new Mambare resource at $57.1m, equal to 2.8p/Regency share. The resource alone more than supports the current share price, which shows that the market ascribes no value resource upside, nor the ongoing metallurgical work being carried out by Direct Nickel (DNi).

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(0.5)	0.4	0.1	13.0	N/A
2011A	0.2	(1.3)	0.8	0.2	6.5	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Alternative Energy

Price:	46.0p
Market cap:	£48m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Renewable Energy Generation's core business is the development and operation of onshore wind farms in the UK.

Price performance

%	1m	3m	12m
Actual	(1.6)	(5.6)	(4.2)
Relative*	(4.9)	(5.5)	0.4

* % Relative to local index

Analyst

Graeme Moyse

Renewable Energy (WIND)

INVESTMENT SUMMARY

Interim results showed revenue of £6.3m, 47% above the same period last year, helped by higher output (55.7GWh, +88%) due to more favourable wind conditions and greater installed capacity. Wind data for the period since the half year suggest that our forecast of 107GWh output for the year remains achievable. We forecast that Renewable Energy can double current capacity over the next three years and it continues to progress its project pipeline as shown by the recent purchase of turbines for its Orchard End project and the start of operations at Sancton Hill (10MW). We believe that Renewable Energy could be worth c 73p/share based on a valuation of operational capacity of £1.35m/MW. Applying transaction multiples (£1.8m/MW) would increase the valuation to over 85p/share.

INDUSTRY OUTLOOK

According to the DECC, the UK has among the best wind resources in Europe, and analysis conducted by Arup indicates the potential for 13GW of onshore capacity by 2020.

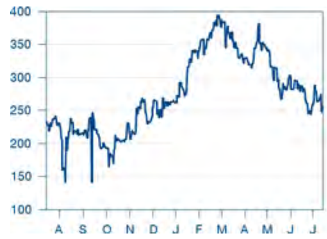
Y/E Jun	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	6.2	(0.9)	(2.4)	(1.8)	N/A	N/A
2011A	9.8	0.0	(2.3)	(1.9)	N/A	29.7
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Edison investment research

Sector: Oil & Gas

Price:	254.8p
Market cap:	£724m
Forecast net cash (US$m)	100.9
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Rockhopper Exploration is an oil and gas exploration company focused on the North Falkland Basin in the southern Atlantic.

Price performance

%	1m	3m	12m
Actual	(11.6)	(25.9)	6.3
Relative*	(14.5)	(25.7)	11.3

* % Relative to local index

Analyst

Ian McLelland

Rockhopper Exploration (RKH)

INVESTMENT SUMMARY

After months of speculation Rockhopper has announced a farm-out of its Falkland licences to Premier Oil. The deal sees 60% of its licences go to Premier for $231m along with a carry of $770m and effectively values Rockhopper at £625m or 220p per share. Long term, the deal is probably good for Rockhopper with immediate funding questions now removed and a large operator at the helm of both development and further exploration in the North Falklands Basin. Interestingly Rockhopper and Premier are jointly going to explore in Southern Africa and more details on this could, in time, play into our valuation. However, for now the investment focus is the Falklands and for this we drop our core NAV to 323p, although a short-term lack of drill catalysts may make it difficult for the share price to approach this level.

INDUSTRY OUTLOOK

Premier is the second company to farm-in to the Falklands in 2012 and further underlines the confidence that industry has in the prospectivity around the islands.

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2011A	0.0	(2.6)	(1.5)	(0.7)	N/A	N/A
2012A	0.0	(7.9)	(6.6)	(2.4)	N/A	N/A
2013E	0.0	(7.8)	(6.8)	(2.4)	N/A	N/A
2014E	0.0	(8.2)	(5.9)	(2.1)	N/A	N/A

Sector: Aerospace & Defence

Price:	876.0p
Market cap:	£16401m
Forecast net cash (£m)	1454.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Rolls-Royce is a global power systems business with activities in civil aerospace, defence, marine and energy. The business supplies both original equipment (53% FY11 sales) and aftermarket services (47%).

Price performance

%	1m	3m	12m
Actual	5.3	9.6	37.6
Relative*	1.8	9.8	44.2

* % Relative to local index

Analyst

Roger Johnston

Rolls-Royce (RR.)

INVESTMENT SUMMARY

Since the IMS, contracts have been won for industrial Trents, support to the UK transport and tanker fleet and a £1bn+ contract for reactor cores for UK submarines, as well as announcing the acquisition of the remaining 50% of its Aero Engine Controls JV with Goodrich and numerous aero-engine contracts at Farnborough. With substantial investment in new facilities, R&D, expansion of service centres and programme ramp-ups continuing, Rolls-Royce is using its strong cash position to build the next leg of the long-term future. Strategic moves undertaken include the Tognum acquisition, restructuring of IAE and creation of a next generation narrow body JV with P&W.

INDUSTRY OUTLOOK

With the business well balanced across civil aerospace, defence, marine and energy markets, Rolls-Royce's long-term future is driven by the recovery in the economic climate. With civil air traffic recovering, new aircraft build rates set to increase and global defence expenditure relatively stable, we view the outlook as encouraging.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	10866.0	1247.0	955.0	38.7	22.6	11.4
2011A	11277.0	1447.0	1157.0	48.5	18.1	10.7
2012E	13167.0	1779.0	1474.0	57.3	15.3	9.7
2013E	15210.0	1969.0	1659.0	61.4	14.3	8.9

Sector: Basic Industries

Price:	396.3p
Market cap:	£655m
Forecast net debt (£m)	149.4
Forecast gearing ratio (%)	48.0
Market	LSE

Share price graph (p)

Company description

RPC is Europe's leading supplier of rigid plastic packaging through its activities injection moulding (58% of FY12e sales), blow moulding (16%) and thermoforming (26%).

Price performance

%	1m	3m	12m
Actual	5.8	8.8	11.5
Relative*	2.2	9.0	16.8

* % Relative to local index

Analyst

Toby Thorrington

RPC Group (RPC)

INVESTMENT SUMMARY

FY12 results were comfortably ahead of our estimate. Injection moulding led the way with synergies coming through well and favourable mix effects from faster growing, higher value added lines. Blow moulding also performed well. Thermoforming experienced some drag from lower vending activity in Europe and this activity is being exited. Overall, EPS and DPS both grew by a healthy 25%, while net debt ended the year at £168m. Despite a weaker £/euro rate, good progress is expected again in FY13.

INDUSTRY OUTLOOK

Plastic is the fastest growing of the high-volume packaging segments owing to its innovation potential and substitution effects compared with other materials. Industry data suggest global polymer supply is coming online at the fastest rate in over five years, although recent increases in oil prices do affect polymer input costs. RPC does, however, typically recover raw material inflation with a three-month lag.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	819.2	87.9	52.6	29.9	13.3	6.4
2012A	1129.9	142.4	80.2	37.3	10.6	5.5
2013E	1144.4	152.8	87.8	40.8	9.7	4.7
2014E	1201.6	162.9	94.8	44.0	9.0	4.0

Sector: Oil & Gas

Price:	2.9p
Market cap:	£26m
Forecast net debt (ZARm)	18.2
Forecast gearing ratio (%)	3.0
Market	AIM, JSE

Share price graph (p)

Company description

SacOil Holdings is an independent Pan-African upstream oil and gas company, listed both on AIM and JSE markets. Its portfolio includes offshore and onshore appraisal projects in Nigeria and an exploration project with Total in the DRC.

Price performance

%	1m	3m	12m
Actual	2.7	(32.4)	(95.6)
Relative*	(0.8)	(32.2)	(95.4)

* % Relative to local index

Analyst

Ian McLelland

SacOil Holdings (SAC)

INVESTMENT SUMMARY

SacOil continues to ramp up activity across its asset base. In the DRC, partner Total has increased its interest in Block III to 66.7%, reinforcing a work programme where SacOil enjoys an effective interest of 12.5%, a contingent cash bonus of $54m and a free carry on exploration up to FID. Meanwhile, in Nigeria the company's interest in OPL 233 has progressed with a $25m performance bond approval that allows the project to move to seismic acquisition. OPL 281 completes the portfolio and is where reprocessed seismic is being used to define an appraisal programme.

INDUSTRY OUTLOOK

Unlike many pan-African independents, SacOil is an African company, and we see this as a key strength in a market where local partners are required. Although success ultimately depends on exploration/development, SacOil is well placed to benefit given its stock market listings and portfolio.

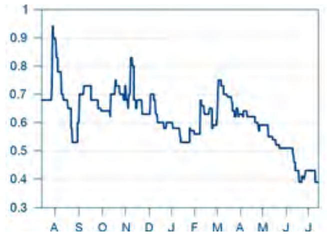
Y/E Dec	Revenue (ZARm)	EBITDA (ZARm)	PBT (ZARm)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	31.7	4.2	6.8	3.2	11.7	91.9
2011A	35.1	0.8	1.4	0.3	124.7	N/A
2012E	37.2	(3.9)	(21.4)	(15.5)	N/A	N/A
2013E	299.8	217.8	193.4	8.7	4.3	1.4

Edison investment research

Sector: Electrical Equipment

Price:	0.4p
Market cap:	£3m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Sarantel develops and manufactures the world's most advanced miniature filtering antennas for mobile, wireless and hand-held devices.

Price performance

%	1m	3m	12m
Actual	(14.3)	(36.6)	(40.0)
Relative*	(17.2)	(36.5)	(37.1)

* % Relative to local index

Analyst

Katherine Thompson

Sarantel Group (SLG)

INVESTMENT SUMMARY

Sarantel reports that it has shipped half of the $2m+ military contract announced in February and is on track to ship the remainder by February 2013. In July 2011 it received production orders for rugged GeoHelix GPS antennas for use in the US military's Rifleman radio (part of the Joint Tactical Radio System programme), which is being supplied by General Dynamics and Thales. The US Army estimates it will need at least 190k radios - Sarantel expects orders to be placed over five years, generating estimated revenues of at least $6m over the programme life. Sarantel is not aware of any delays to the programme and General Dynamics has recently updated the market on testing and evaluation.

INDUSTRY OUTLOOK

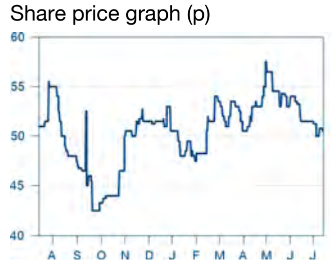
The well-publicised iPhone4 antenna issues have focused attention on the impact of the human body on radio performance. GPS penetration is growing in a number of consumer products including digital cameras and smartphones. Other GPS products are showing recovery after a period of weakness.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	2.9	(1.7)	(2.8)	(0.9)	N/A	N/A
2011A	2.2	(2.2)	(3.0)	(0.6)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Technology

Price:	50.5p
Market cap:	£15m
Forecast net cash (£m)	1.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

SciSys provides a range of professional services in support of the planning, development and use of computer systems primarily in the space, government and media/broadcast sectors.

Price performance

%	1m	3m	12m
Actual	(5.2)	(4.7)	(1.0)
Relative*	(8.4)	(4.5)	3.7

* % Relative to local index

Analyst

Richard Jeans

SciSys (SSY)

INVESTMENT SUMMARY

In its AGM trading statement in late May, SciSys said that H1 trading was proving more buoyant than had been originally budgeted mainly due to some business shifting forward from H2. Nevertheless, we are maintaining our forecasts on the grounds that some work previously budgeted for H2 will slip into 2013. The overall story is unchanged, with the environment under intense pressure from public sector cuts, while the group's other four divisions retain healthy order books. The shares look attractive, trading on c 7x our FY12 earnings forecast.

INDUSTRY OUTLOOK

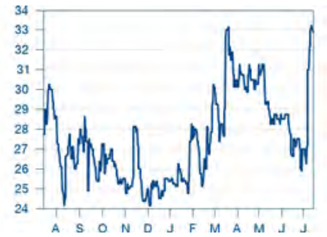
SciSys is a specialist provider of high-value IT solutions, focusing on four vertical markets (space, government and defence, environment and media, and broadcast). Its fifth division provides application support across these markets. Space and government and defence divisions led the recent contract flow, while environment suffered from the government spending review. Nevertheless, the group has a balanced portfolio with many of its public sector contracts in key priority areas and c 45% of revenues generated overseas.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	43.6	2.8	2.0	5.0	10.1	3.7
2011A	42.3	3.1	2.2	6.8	7.4	5.3
2012E	45.6	3.7	2.4	6.9	7.3	4.3
2013E	47.2	4.2	3.0	8.1	6.2	3.8

Sector: Alternative Energy

Price:	32.9p
Market cap:	£23m
Forecast net cash (£m)	19.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

SeaEnergy is focused on developing an energy services business, comprising operations and maintenance support vessels for offshore windfarms, and complementary services developed organically and via acquisition.

Price performance

%	1m	3m	12m
Actual	18.5	10.0	21.8
Relative*	14.5	10.3	27.5

* % Relative to local index

Analyst

Graeme Moyse

SeaEnergy (SEA)

INVESTMENT SUMMARY

SeaEnergy is returning £6.9m to shareholders via a tender offer (priced at 36p/share) that will close on 24 July. Beyond its return of value SeaEnergy is pursuing a three-pronged strategy: leveraging its design for an offshore wind-farm support vessel, acquiring small profitable businesses that offer complementary O&M services, and developing businesses that offer consulting services to the offshore wind market. Even allowing for the retention by Repsol of a £849,000 warranty claim (out of a total of £3m owed to SeaEnergy), relating to the sale of SERL last year, a significant gap continues to exist between the market price of SeaEnergy (33p/share) and the value of its cash balance (32p/share) and its holding in Lansdowne Oil and Gas (14p/share).

INDUSTRY OUTLOOK

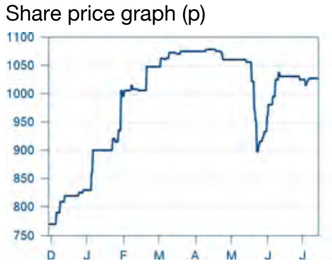
Analysis Arup performed for the DECC suggests that installed capacity of offshore wind could reach 23.5GW by 2020 and 52GW by 2030.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(3.0)	(4.5)	(7.1)	N/A	N/A
2011A	0.0	(3.6)	(3.5)	(5.4)	N/A	N/A
2012E	0.0	(2.7)	(2.6)	(4.0)	N/A	N/A
2013E	0.0	(2.8)	(2.6)	(4.0)	N/A	N/A

Sector: Financials

Price:	1027.5p
Market cap:	£146m
Forecast net cash (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Secure Trust Bank is a well funded, strongly-capitalised bank whose lending is focused in several niches in the UK personal market. It is also building non-interest income from budget accounts and current accounts.

Price performance

%	1m	3m	12m
Actual	(0.2)	(4.6)	N/A
Relative*	(3.6)	(4.5)	N/A

* % Relative to local index

Analyst

Mark Thomas

Secure Trust Bank (STB)

INVESTMENT SUMMARY

Secure Trust Bank (STB) is exploiting the vacuum created by the financial crisis, growing niche lending and deposits in excess of 70% in 2011. It is also rapidly building non-interest income from current/budget accounts. This organic growth is supplemented by acquisition, eg, Everyday Loans in June. This deal introduces accounting complexity for 2012/2013 but is a good business opportunity arising from funding problems elsewhere. STB should benefit from customer dissatisfaction with big banks rising with events such as the LIBOR rigging scandal (to which it has no involvement or exposure). Our forecasts are organic, with upside potential from further acquisitions.

INDUSTRY OUTLOOK

Many banks face challenges in funding, capitalisation and regulation. They have withdrawn into core business with limited appetite to lend. A number of product lines around current/budget accounts remain under-served. Banks with strong capital and funding can grow strongly and profitably both organically and by acquisition.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	24.2	N/A	10.6	55.5	18.5	N/A
2011A	28.5	N/A	9.6	55.6	18.5	N/A
2012E	49.1	N/A	15.7	82.9	12.4	N/A
2013E	69.8	N/A	20.3	107.3	9.6	N/A

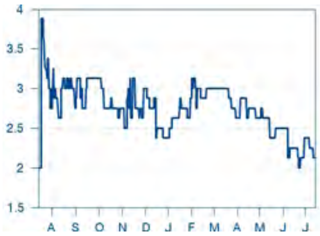
Edison investment research

Sector: Technology

Seeing Machines (SEE)

Price:	2.1p
Market cap:	£9m
Forecast net debt (A$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Seeing Machines is a technology company focused on designing vision-based human machine interfaces.

Price performance

%	1m	3m	12m
Actual	(5.6)	(19.1)	6.2
Relative*	(8.8)	(18.9)	11.3

* % Relative to local index

Analyst

Richard Jeans

INVESTMENT SUMMARY

In late June Seeing Machines (SM) announced two significant contracts for its DSS fatigue monitoring systems in the mining sector. Booyco Electronics, SM's South African distributor, signed its largest contract to date with BHP Energy Coal South Africa (BECSA) for supplying and installing the DSS in participating BECSA operations in South Africa. SM has also received a purchase order from Cloud Peak Energy for the first element of a broader roll-out that follows a successful trial across three sites in the US states of Wyoming and Montana. The order includes 31 new DSS units and the upgrade of the nine trial units to the new DSS version 3. We expect SM to report its interim results in August.

INDUSTRY OUTLOOK

SM has exposure to a number of industry sectors, including automotive and mining (DSS), healthcare (TrueField Analyzer), and computer gaming/3D visualisation (faceAPI). The recent surge in DSS mining sector deals have diversified the opportunity and we note the market size in both global road transport and mining operations is substantial.

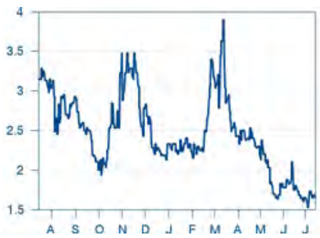
Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	4.2	(1.7)	(1.7)	(0.5)	N/A	N/A
2011A	7.1	(2.0)	(2.0)	(0.5)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Oil & Gas

Sefton Resources (SER)

Price:	1.6p
Market cap:	£8m
Forecast net debt (US$m)	11.8
Forecast gearing ratio (%)	70.0
Market	AIM

Share price graph (p)



Company description

Sefton Resources is an exploration, development and production company with oil and gas assets in North America. The majority of its production is derived from the heavy oil Tapia field in California. It also has pipeline and oil and gas assets in East Kansas.

Price performance

%	1m	3m	12m
Actual	(21.4)	(31.2)	(44.1)
Relative*	(24.1)	(31.1)	(41.4)

* % Relative to local index

Analyst

Colin McEnery

INVESTMENT SUMMARY

Sefton has reported that California is now producing at a rate of 170bopd. This is up significantly from the end-2011 position of 109bopd. While this is encouraging, the full potential from steaming will only be realised once Sefton has reservoir engineering specialist Dr Ali's final report and implemented its recommendations. The report has suffered some delays but management expects it to be finalised in Q312. In Kansas, Sefton has begun to connect its pipelines to the interstate pipeline. This will allow it to flow gas into a network that spans from San Francisco to Chicago, therefore not relying on the local market. Once connected, Sefton plans to flow equity and third-party gas by end 2012 into the pipeline creating a second revenue stream for the business.

INDUSTRY OUTLOOK

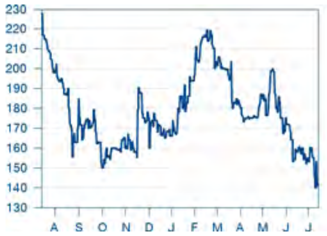
Sefton has a balanced portfolio of oil and gas assets in USA. It benefits from a premium over NYMEX on its Californian crude and will hopefully be supplementing this with a second revenue stream once it is fully operational in Kansas.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	3.9	1.3	0.4	0.0	N/A	3.2
2011A	4.1	0.7	0.2	0.01	249.5	13.5
2012E	6.0	2.1	0.9	0.18	13.9	119.4
2013E	9.6	4.4	3.2	0.63	4.0	2.9

Sector: Engineering

Price:	141.5p
Market cap:	£126m
Forecast net debt (£m)	26.5
Forecast gearing ratio (%)	20.0
Market	LSE

Share price graph (p)



Company description

Severfield-Rowen is a leading UK structural steelwork fabricator operating across a broad range of market sectors. A new facility in India is approaching full operation.

Price performance

%	1m	3m	12m
Actual	(8.1)	(19.3)	(39.8)
Relative*	(11.2)	(19.1)	(36.9)

* % Relative to local index

Analyst

Toby Thorrington

Severfield-Rowen (SFR)

INVESTMENT SUMMARY

Severfield has identified cost overruns on two complex projects, which will increase the previously flagged H2 bias to 2012 results and make existing estimates more of a stretch. Some of this could be made up between now and the year end, leaving a realistic PBT range of c £11m to £12.8m for the full year (equivalent to a H2 PBT range of £9.2-11m). While unwelcome, we do not believe these specific issues change the previously identified mid-cycle potential of the UK business. H1 results will be announced on 21 August.

INDUSTRY OUTLOOK

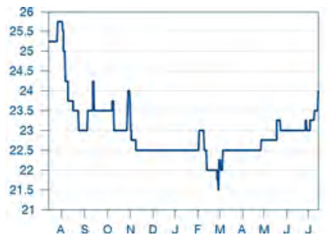
The primary strategic aim is to maintain the company's position as the leading structural steelwork supplier in the UK. Recent market projections indicate an expected fall in value by 1.6% in 2012 before climbing by 3.8% and 7.0% in the subsequent two years. Management has valued the Indian construction market at c £100bn pa, growing at a high single-digit percentage rate with a very low penetration of steel structures currently. The JV is targeting similar sectors to those served in the UK.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	266.7	21.6	15.8	13.1	10.8	N/A
2011A	267.8	19.6	10.7	8.7	16.3	N/A
2012E	268.5	18.9	12.8	10.8	13.1	6.9
2013E	273.0	19.9	14.4	12.2	11.6	6.9

Sector: Financials

Price:	24.0p
Market cap:	£34m
Forecast net cash (£m)	13.3
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Share plc owns The Share Centre and Sharefunds. The Share Centre is a self-select retail stockbroker that also offers share services for corporates and employees. A high proportion of income is derived from stable fee and interest-based revenues.

Price performance

%	1m	3m	12m
Actual	4.3	6.7	(5.0)
Relative*	0.8	6.9	(0.4)

* % Relative to local index

Analyst

Mark Thomas

Share plc (SHRE)

INVESTMENT SUMMARY

In Q112 market share gains were made, continuing Share plc's multi-year record of growing revenue faster than peers. We expect more years of above-market growth from retail stock-broking and several adjacent businesses (eg, equity-related corporate services or trustee accounts) with strong operational gearing. Small acquisitions of customer portfolios such as JPJ in June may supplement this growth. Market conditions have seen falling trading commissions, a continuation of which would be likely to see estimates cut for 2012 although Share plc is less dependent on them than peers. The P/E is undemanding (especially adjusting for the cash) and other valuation measures have upside.

INDUSTRY OUTLOOK

We expect long-term market growth from the demographic, economic and social changes. The retail market may also see a huge step change when the government 'popularises' its holdings in banks (especially if given away). Share plc has consistently taken market share in normal trading conditions.

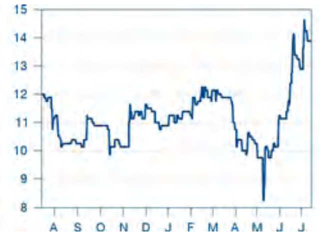
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	15.6	3.2	3.7	1.71	14.0	12.2
2011A	14.3	1.5	2.0	1.04	23.1	25.5
2012E	15.4	2.0	2.3	1.16	20.7	18.5
2013E	16.8	2.8	3.1	1.59	15.1	12.6

Edison investment research

Sector: Industrial Support Services

Price:	13.9p
Market cap:	£43m
Forecast net debt (£m)	5.5
Forecast gearing ratio (%)	14.0
Market	AIM

Share price graph (p)



Company description

Silverdell offers industrial services in regulated activities, operating as a prime contractor or subcontractor to blue-chip companies across the UK. Its core activity is the remediation of asbestos.

Price performance

%	1m	3m	12m
Actual	18.1	38.8	6.7
Relative*	14.1	39.0	11.8

* % Relative to local index

Analyst

Edwin Lloyd

Silverdell (SID)

INVESTMENT SUMMARY

Silverdell is already the largest specialist environmental support services company in the UK. Its background lies in asbestos but its future lies in offering specialist industrial services to companies that operate in high-hazard regulated environments (weapons research labs, oil refineries etc). The recent interim results showed the company now has a growing order book of £133m. Our conservative DCF suggests a 20p/share fair value and there is the promise of a dividend. The deal to buy Euro Dismantling Services (EDS) doubles the size of the company and should be earnings accretive. It also expands Silverdell's horizons outside the UK.

INDUSTRY OUTLOOK

Silverdell's business comes predominantly from the public and private sector. While direct contracts from the construction sector are low (just 6% of revenues), austerity measures could reduce activity (in refurbishment, upgrades, and new build) in all business segments. Increasing the range of services is the key to offsetting this effect.

Y/E Sep	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	56.7	3.9	2.6	0.9	15.4	10.9
2011A	59.7	4.1	3.0	1.3	10.7	92.1
2012E	80.5	6.6	5.3	1.4	9.9	4.2
2013E	130.3	13.8	11.5	2.2	6.3	3.2

Sector: Oil & Gas

Price:	C$0.11
Market cap:	C$25m
Forecast net cash (C$m)	6.2
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)

Company description

Simba Energy is a pan-African oil and gas company focused on onshore projects. It holds a PSC contract for Block 2A in Kenya and has a 60% interest in a PSC for Block 1 and 2 onshore Republic of Guinea.

Price performance

%	1m	3m	12m
Actual	(40.5)	(15.4)	(31.2)
Relative*	(40.6)	(11.5)	(20.4)

* % Relative to local index

Analyst

Ian McLelland

Simba Energy (SMB)

INVESTMENT SUMMARY

Simba's investor focus is likely to centre firmly on Kenya for the foreseeable future. The recent Block 2A CPR has booked the company's first prospective resources while corporate deal flow in the region and highly encouraging news from the Tullow operated Ngamia-1 well could make Kenya the next hot address in Africa. Valuations remain highly speculative, but 60c a share could be realistic if prospectivity in the Mandera-Lugh basin is proven and Simba can move its Kenya assets to being drill ready.

INDUSTRY OUTLOOK

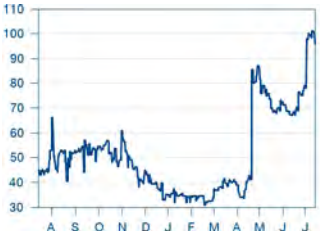
Simba operates in countries with limited or no exploration activity, but a portfolio of assets mitigates risk. The recent approval of 60% PSC interests in Guinea Blocks 1&2 are the latest additions to a growing portfolio that includes Liberia, Ghana and Mali.

Y/E Dec	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(1.4)	(1.4)	(3.0)	N/A	N/A
2011A	0.0	(6.1)	(4.9)	(4.4)	N/A	N/A
2012E	0.0	(3.6)	(3.7)	(2.3)	N/A	N/A
2013E	0.0	(2.3)	(2.1)	(0.9)	N/A	N/A

Sector: Pharma & Healthcare

Price:	96.0p
Market cap:	£23m
Forecast net debt (£m)	92.2
Forecast gearing ratio (%)	127.0
Market	LSE

Share price graph (p)



Company description

SkyePharma is a drug delivery specialist. It uses its technologies and expertise to develop new formulations of established drugs and new chemical entities, bringing clinical and lifecycle management benefits.

Price performance

%	1m	3m	12m
Actual	42.2	137.0	115.1
Relative*	37.4	137.5	125.3

* % Relative to local index

Analyst

Robin Davison

SkyePharma (SKP)

INVESTMENT SUMMARY

The European Commission's adoption of a legally-binding decision in favour of granting marketing authorisations for Flutiform effectively marks the conclusion of the tortuous EU regulatory process and prompting a 30% rally in the share price. Flutiform's launch by Mundipharma in the initial EU markets – the UK and Germany – can now be assumed for late Q3. The EU approval and launch is an essential condition for SkyePharma to restructure its balance sheet. Once achieved, this should mean shareholders at last see returns that reflect its operating performance.

INDUSTRY OUTLOOK

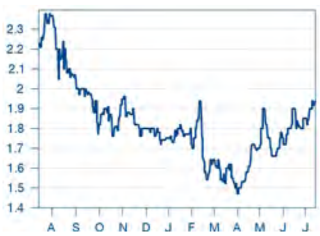
Flutiform is an inhaled corticosteroid/long-acting beta-agonist combination of fluticasone and formoterol for treating asthma. With EU approval now confirmed, the next key to boosting the equity value is the refinancing of SkyePharma's £83m of convertible bonds, which must be done before the first put date in November 2013.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	58.1	18.9	8.3	33.8	2.8	0.9
2011A	55.2	12.6	(0.2)	(3.3)	N/A	1.8
2012E	54.4	19.0	6.3	25.1	3.8	1.2
2013E	65.0	22.4	9.7	37.3	2.6	1.3

Sector: Financials

Price:	A$1.94
Market cap:	A$327m
Forecast net debt (A$m)	116.0
Forecast gearing ratio (%)	77.0
Market	ASX

Share price graph (A$)



Company description

Slater & Gordon is the leading consumer law firm in Australia, also active in family law and large project litigation. Established in 1935, it was the first law firm anywhere in the world to list on the stock market (2007).

Price performance

%	1m	3m	12m
Actual	6.6	22.4	(11.4)
Relative*	6.4	30.9	(1.4)

* % Relative to local index

Analyst

Martyn King

Slater & Gordon (SGH)

INVESTMENT SUMMARY

We have included Slater & Gordon's (SGH) completed £54m acquisition of UK law firm Russell Jones & Walker (RJW) in our estimates as well as the A$10 non-cash write-down of work in progress on a lost major litigation case. RJW contributes modestly to forecast revenue in FY12 but more meaningfully to forecast revenues and profits in FY13. We treat the litigation write-down as exceptional. H1 results to 31 December 2011 showed revenue weakness in the former Keddies practice, acquired in 2010, and investment costs for growing the business. We anticipate a stronger H2 in underlying terms when SGH reports on 23 August. The market opportunity in the UK is 4-5x larger than in Australia where SGH leads already.

INDUSTRY OUTLOOK

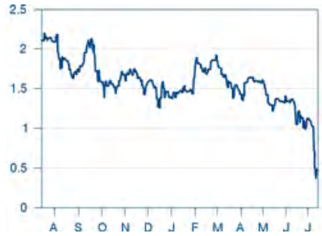
Consumer law in both Australia and the UK has historically been relatively insensitive to the economy. PI continues to grow in Australia and we expect considerable industry shifts in market share in the UK.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	124.7	31.1	27.8	17.5	11.1	8.3
2011A	182.3	47.5	42.2	20.0	9.7	10.9
2012E	216.6	52.4	43.1	19.5	9.9	11.4
2013E	308.2	76.2	66.0	26.5	7.3	7.1

Sector: Mining

Price:	C$0.46
Market cap:	C$53m
Forecast net cash (US$m)	33.9
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

South American Silver intends to develop its wholly owned Malku Khota silver-indium-gallium project in Bolivia and explores for copper-gold-silver at its wholly owned Escalones project in Chile.

Price performance

%	1m	3m	12m
Actual	(64.9)	(72.0)	(77.9)
Relative*	(64.9)	(70.7)	(74.4)

* % Relative to local index

Analyst

Tom Hayes

South American Silver Corp (SACC)

INVESTMENT SUMMARY

On 10 July South American Silver (SAC) announced that it was extremely disappointed in the Bolivian government statement that it intends to nationalise the company's development stage Malku Khota silver-indium-gallium project. SAC has not received any formal notice from the government about the cancellation of its concession and is actively seeking clarification about the government's intentions. Greg Johnson, president and CEO of SAC, said "We strongly object to the government's stated course of actions and we will pursue all legal, constitutional and diplomatic options". SAC remains well funded with US$38m cash and continues to explore its Chilean copper asset, Escalones (100%).

INDUSTRY OUTLOOK

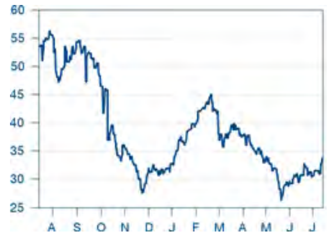
Our long-term prices for Au, Ag and Cu are $1,350/oz, $24.63/oz and $2.75/lb, respectively.

Y/E Mar	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(3.8)	(3.8)	(4.3)	N/A	N/A
2011A	0.0	(10.2)	(9.9)	(10.1)	N/A	N/A
2012E	0.0	(4.0)	(3.4)	(3.2)	N/A	N/A
2013E	0.0	(4.0)	(3.6)	(3.2)	N/A	N/A

Sector: Travel & Leisure

Price:	33.8p
Market cap:	£225m
Forecast net cash (£m)	61.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Sportingbet is a leading online sports betting and gaming operator focused on European and Australian markets supplemented by a small but fast-growing emerging markets business.

Price performance

%	1m	3m	12m
Actual	14.4	(4.9)	(38.9)
Relative*	10.5	(4.7)	(36.0)

* % Relative to local index

Analyst

Jane Anscombe

Sportingbet (SBT)

INVESTMENT SUMMARY

Our review dated 7 June highlighted that SBT Australia is growing strongly, the Spanish business has just been licensed and we are confident that management can hold Europe at its target break-even in a period of regulatory and economic change. We expect the next trading update in mid-August. With over €130m of Turkey disposal proceeds still to come, our sum-of-the-parts valuation ranges from 42-55p and the FY13 EV/EBITDA remains at a discount. Near-term regulatory uncertainties remain but the shares have significant medium-term upside potential.

INDUSTRY OUTLOOK

Spain issued licences on 1 June and SBT's website was up and running in time for Euro 2012; the tournament usually provides an industry boost. The Greek licensing process appears to be on hold during the current uncertainties, while in Germany (a small market for Sportingbet) the licensing situation remains confused. In Australia it is possible that in-play betting and some poker will be allowed later in the year, which would be very positive.

Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	208.0	46.5	35.2	6.2	5.5	N/A
2011A	206.0	51.4	37.5	6.3	5.4	N/A
2012E	193.0	42.5	34.5	3.8	8.9	N/A
2013E	200.0	46.0	46.5	5.0	6.8	N/A

Sector: Technology

Price:	88.5p
Market cap:	£54m
Forecast net debt (£m)	4.4
Forecast gearing ratio (%)	10.0
Market	AIM

Share price graph (p)

Company description

StatPro Group provides asset management software and asset pricing to the global investment industry.

Price performance

%	1m	3m	12m
Actual	3.5	(4.8)	(14.9)
Relative*	0.0	(4.7)	(10.9)

* % Relative to local index

Analyst

Richard Jeans

StatPro Group (SOG)

INVESTMENT SUMMARY

StatPro released an in-line H1 trading update. Uptake of StatPro Revolution appears robust, with 100 customers now signed up, raised from 60 in March, including 10 fund administrators. Further, StatPro Seven sales are holding up well, with new customer sign-ups and improved renewal rates despite the recent strategic sales shift to cloud services. We do not see the rating (c 18x our maintained FY12 EPS, falling to c 17x in FY13) as demanding given the transitional nature of the model and the earnings potential once the transition is made.

INDUSTRY OUTLOOK

StatPro's products are targeted at the global wealth management industry. While this target market has clearly suffered a fair amount of turmoil over the last few years, volatility and a lower interest rate environment should help underpin retail demand for equities and bonds, and therefore the longer-term industry growth profile. In addition, competitive, cost and regulatory pressures all require asset managers to maintain and upgrade their reporting and risk management systems.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	33.1	8.5	6.6	8.2	10.8	5.1
2011A	31.7	6.1	4.4	5.7	15.5	5.4
2012E	31.3	5.7	4.3	5.0	17.7	7.0
2013E	32.1	5.7	4.5	5.2	17.0	6.1

Sector: Support Services

Price:	117.2p
Market cap:	£406m
Forecast net debt (£m)	168.1
Forecast gearing ratio (%)	34.0
Market	LSE

Share price graph (p)

Company description

Stobart Group operates a multimodal transport business, including Transport & Distribution (93%), Infrastructure & Civil Engineering (2%), Stobart Air (2%), Stobart Biomass (2) and Stobart Estates (1%).

Price performance

%	1m	3m	12m
Actual	2.8	(8.1)	(17.2)
Relative*	(0.7)	(7.9)	(13.2)

* % Relative to local index

Analyst

Roger Johnston

Stobart Group (STOB)

INVESTMENT SUMMARY

Stobart has made progress in the first year of a four-year plan to create significant shareholder value. With the difficult environment creating ongoing volatility in transport and distribution, management's swift actions to restructure the ambient fleet have not only mitigated a large portion of risk, but also positioned the group to capture more outsourced logistics contracts from customers. In addition, the on-time and on-budget delivery of the upgrade to London Southend Airport has demonstrated the success of the business to take a complex build programme and create a growing airport operation, underpinned by easyJet. This should see passenger numbers surge towards one million by the end of the year.

INDUSTRY OUTLOOK

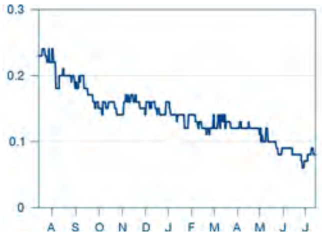
93% of the group's revenues continue to come from the core logistics business. We believe this is in increasing demand due to the shared user operating model and a greater focus on more environmental transportation options for customers, reducing costs and supporting green targets.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	500.4	57.2	34.5	9.6	12.2	10.9
2012A	551.9	55.8	35.2	8.0	14.7	6.6
2013E	621.7	71.2	48.0	10.2	11.5	8.1
2014E	682.6	81.8	58.7	12.4	9.5	7.4

Sector: Mining

Price:	A$0.08
Market cap:	A$15m
Forecast net debt (£m)	18.7
Forecast gearing ratio (%)	146.0
Market	ASX

Share price graph (A$)



Company description

Sumatra Copper & Gold is an emerging producer and explorer located on the island of Sumatra in Indonesia. It owns seven mining business permits (IUPs) covering 3,219 sq km.

Price performance

%	1m	3m	12m
Actual	(15.2)	(37.6)	(66.1)
Relative*	(15.4)	(33.3)	(62.3)

* % Relative to local index

Analyst

Tom Hayes

Sumatra Copper & Gold (SUM)

INVESTMENT SUMMARY

Through securing a A$5m convertible debt finance facility, Sumatra (SUM) is sufficiently funded for its near-term development objectives and is on course (pending successful financing) to develop Tembang and start production in 2013. There are several recent catalysts that support this. They include a reserve statement using its Tembang resource base, totalling 5.5Mt @2.3g/t Au and 31.4g/t Ag for 513koz AuEq; a revised mine plan detailing a 55% reduction in Stage 1 capex to US$10m; a 39% increase in mined AuEq ounces of 189k; a reduction in construction time to six months; the initial open pit mining at Belinau, followed by Asmar open pit development concurrently with underground mining at Belinau (post open pit works); and acquisition of the pre-existing process plant designs from AMEC. We will revise our valuation after SUM releases refined operating cost parameters.

INDUSTRY OUTLOOK

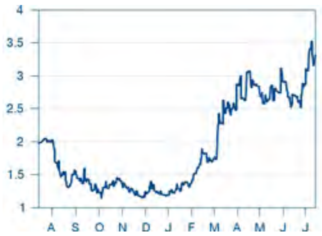
We will use Au prices of US$1,600/oz (2012), US$1,600/oz (2013) and US$1,350/oz thereafter in our upcoming valuation.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	0.0	(1.3)	(1.2)	(0.5)	N/A	N/A
2011A	0.0	(1.9)	(1.8)	(0.9)	N/A	N/A
2012E	0.0	(4.4)	(5.7)	(2.1)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	US$3.32
Market cap:	US$156m
Forecast net cash (US$m)	5.7
Forecast gearing ratio (%)	N/A
Market	NASDAQ

Share price graph (US$)



Company description

Sunesis Pharmaceuticals is US biotech company focused on the development of anticancer drugs. Its lead compound, vosaroxin, is in a Phase III study for relapsed/refractory AML.

Price performance

%	1m	3m	12m
Actual	29.7	8.9	66.0
Relative*	25.7	9.9	61.2

* % Relative to local index

Analyst

Robin Davison

Sunesis Pharmaceuticals (SNSS)

INVESTMENT SUMMARY

Sunesis is moving closer to its key 2012 event, the interim analysis of its pivotal VALOR Phase III study of vosaroxin in relapsed/refractory acute myeloid leukaemia. The 187-event trigger point for the interim analysis is now projected in September. The VALOR study has enrolled 317 patients so far and should reach full recruitment of 450 in Q4. Sunesis's investment case rests entirely on the outcome of the VALOR study and so the interim analysis is of critical importance. Our model indicates a valuation of $300m (of which AML contributes $270m). Sunesis offers a potentially highly geared upside linked to success in the VALOR study, albeit with a high single-product risk.

INDUSTRY OUTLOOK

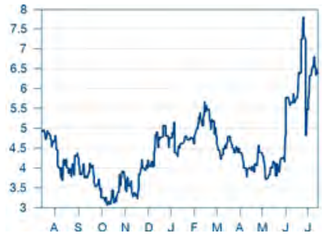
Vosaroxin is one of around 10 agents in Phase III studies for various AML settings, but is the lead compound in the relapsed/refractory setting. There is, however, more competition in the front-line setting.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(21.3)	(24.6)	(593.7)	N/A	N/A
2011A	5.0	(25.8)	(20.1)	(43.3)	N/A	N/A
2012E	0.0	(32.5)	(30.5)	(65.4)	N/A	N/A
2013E	0.0	(32.5)	(32.9)	(70.5)	N/A	N/A

Sector: Pharma & Healthcare

Price:	US$6.37
Market cap:	US$367m
Forecast net debt (US$m)	7.9
Forecast gearing ratio (%)	48.0
Market	NASDAQ

Share price graph (US$)



Company description

Synta Pharmaceuticals is a US biopharmaceutical company focused on developing small molecules for treating cancer. It has two lead products: ganetespib (Phase IIb/III) and elesclomol (Phase II).

Price performance

%	1m	3m	12m
Actual	12.9	59.2	30.5
Relative*	9.5	60.8	26.8

* % Relative to local index

Analyst

Robin Davison

Synta Pharmaceuticals (SNTA)

INVESTMENT SUMMARY

Synta has disclosed the interim data that supported a decision to go ahead with the Phase III stage of its GALAXY study of ganetespib in second-line, non-small cell lung cancer (NSCLC). This showed a 2.5- to 3-fold improvement in PFS in two subgroups of adenocarcinoma, namely those with mutant KRAS and with elevated LDH. Improvements were seen in PFS and OS in the all adenocarcinoma group, but not in non-adeno. We maintain our valuation of the R&D pipeline of $702m.

INDUSTRY OUTLOOK

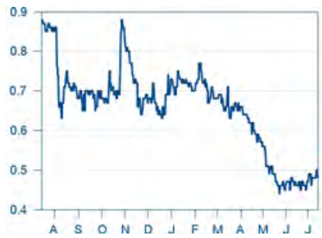
Synta intends to present the interim data at a medical conference later in the year, probably ESMO (28 Sept-2 Oct). It believes this is the first time any product has shown meaningful clinical improvements without severe added toxicities as part of a doublet with chemotherapy in second-line NSCLC as well as the first time an HSP90 inhibitor has been successful in a randomised trial in this indication. Ganetespib is one of around 10 new agents in or entering Phase III trials specifically for second-line NSCLC.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	14.8	(30.4)	(33.4)	(92.8)	N/A	N/A
2011A	7.6	(40.6)	(44.0)	(104.4)	N/A	N/A
2012E	0.1	(61.4)	(64.3)	(121.6)	N/A	N/A
2013E	0.0	(67.9)	(70.6)	(120.6)	N/A	N/A

Sector: Pharma & Healthcare

Price:	€0.48
Market cap:	€44m
Forecast net debt (€m)	0.1
Forecast gearing ratio (%)	0.0
Market	Euronext Brussels

Share price graph (€)



Company description

TiGenix produces cell therapeutics. Its lead Phase III development candidate, Cx601, treats perianal fistulas in Crohn's disease. ChondroCelect is approved and sold direct in the EU for knee cartilage repair.

Price performance

%	1m	3m	12m
Actual	4.3	(22.6)	(46.1)
Relative*	(1.6)	(22.3)	(40.2)

* % Relative to local index

Analyst

John Savin

TiGenix NV (TIGB)

INVESTMENT SUMMARY

The Dutch healthcare system now fully reimburses ChondroCelect enabling TiGenix to invest in marketing and product support into Holland. Private insurers often specify use of only ChondroCelect. The crucial Cx601 ADMIRE-CD study in perianal fistulas started on 10 July as expected. The Cx621 safety study showed that intralymphatic groin injection of adipose stem cells was safe and well tolerated. A US partner on Cx601 may be agreed in H212-H113. Cx611 (autoimmune diseases) reports in H113. Q112 results showed a strong ChondroCelect performance with sales up 123% to €700k. Cash was solid at €16.7m. TiGenix is funded into 2013 but may need up to €4m from non-dilutive funding.

INDUSTRY OUTLOOK

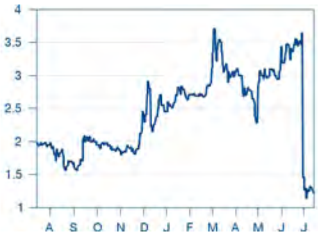
ChondroCelect sells for €18,000, so 1,670 implantations a year (85 in 2011; maybe 40 in Q1) could take TiGenix to profit. In Crohn's disease, about 120,000 patients fistulas. With direct EU sales from 2016 plus an anticipated US partner, Cx601 could be highly lucrative.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.6	(13.8)	(13.8)	(43.6)	N/A	N/A
2011A	1.1	(15.1)	(14.6)	(21.4)	N/A	N/A
2012E	3.2	(12.8)	(13.3)	(14.6)	N/A	N/A
2013E	8.5	(9.6)	(10.2)	(11.1)	N/A	N/A

Sector: Pharma & Healthcare

Price:	DKK1.22
Market cap:	DKK162m
Forecast net cash (DKKm)	42.9
Forecast gearing ratio (%)	N/A
Market	OMX

Share price graph (DKK)



Company description

Topotarget is a Danish drug development company in the field of oncology. Its lead product is belinostat and it has out-licensed the North American and India rights to Spectrum Pharmaceuticals.

Price performance

%	1m	3m	12m
Actual	(62.4)	(54.8)	(38.4)
Relative*	(64.7)	(55.6)	(41.2)

* % Relative to local index

Analyst

Mick Cooper

Topotarget (TOPO)

INVESTMENT SUMMARY

Topotarget is only developing belinostat, which is partnered with Spectrum Pharmaceuticals. Data from a pivotal Phase II trial, BELIEF, for peripheral T-cell lymphoma (PTCL) are due in H212, which could lead to the drug being approved in the US in 2013. Belinostat is also being developed for cancer of unknown primary (CUP) and non-small cell lung cancer (NSCLC). Recent Phase II data in CUP showed belinostat almost doubled the response rate to chemotherapy, but surprisingly there was no progression-free survival benefit. Spectrum is buying another company with a drug for PTCL, but says it is still committed to belinostat. Topotarget should be able to operate into Q213 with its current cash reserves (DKK89m, c $15m, at Q112).

INDUSTRY OUTLOOK

Topotarget's belinostat is a histone deacetylase inhibitor (HDACi). Two such drugs have been approved and nine others are in clinical development. However, belinostat has a favourable safety profile and could be the first HDACi approved for solid tumours in combination therapy.

Y/E Dec	Revenue (DKKm)	EBITDA (DKKm)	PBT (DKKm)	EPS (DKK)	P/E (x)	P/CF (x)
2010A	107.8	(3.8)	(6.7)	1.01	1.2	0.1
2011A	65.6	(28.0)	(31.4)	(0.25)	N/A	N/A
2012E	2.4	(79.5)	(82.8)	(0.62)	N/A	N/A
2013E	2.2	(73.5)	(78.0)	(0.59)	N/A	N/A

Sector: Oil & Gas

Price:	3.0p
Market cap:	£42m
Forecast net debt (US$m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Tower Resources is an AIM-listed, London-based, independent oil and gas exploration company with a regional focus on sub-Saharan Africa.

Price performance

%	1m	3m	12m
Actual	(1.6)	(2.5)	(55.1)
Relative*	(5.0)	(2.3)	(53.0)

* % Relative to local index

Analyst

Peter Dupont

Tower Resources (TRP)

INVESTMENT SUMMARY

The key news item of late has been Repsol's announcement that it intends taking a 44% stake and become the operator for the Namibian offshore licence 0010 in the Namibe/Walvis Basin. This will reduce Arcadia's interest to 41% but leave Tower's unchanged at 15%. Assuming Repsol concludes farm-in terms in the near future and secures a rig, the path would now appear to be clear to drill one of the two Delta prospects in H113. The two combined are estimated to have unrisked resources of 5.3bn boe. Tower is carried for the first two wells. Near-term (Q3) attention will be focused on the Petrobras/Chariot Kabeljou well further south in the Luderitze Basin.

INDUSTRY OUTLOOK

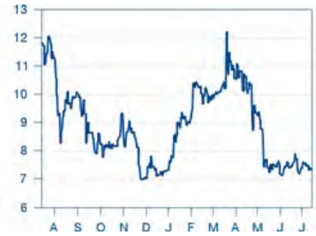
A wave of drilling activity is planned in 2012 and 2013 offshore Namibia. Brazilian independent, HRT, and Petrobras/Chariot are both scheduled to drill in 2012 ahead of Tower/Arcadia in early 2013. With multi-billion barrel prospects, the area is one of the most interesting frontier exploration plays available.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(1.1)	(1.1)	(0.11)	N/A	N/A
2011A	0.0	(1.4)	(1.4)	(0.13)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	€7.33
Market cap:	€232m
Forecast net cash (€m)	57.4
Forecast gearing ratio (%)	N/A
Market	Euronext Paris

Share price graph (€)



Company description

Transgene is a French drug discovery and development company focused on the treatment of cancer and infectious diseases with immunotherapies. It has four products in Phase II development.

Price performance

%	1m	3m	12m
Actual	(1.1)	(31.0)	(38.6)
Relative*	(5.7)	(30.5)	(27.8)

* % Relative to local index

Analyst

Mick Cooper

Transgene (TNG)

INVESTMENT SUMMARY

Transgene has four immunotherapy products in Phase II clinical trials, which could lead to it to becoming a fully-integrated pharmaceutical company in five years. Its lead product, TG4010, is a therapeutic vaccine and has started a Phase IIb/III trial in non-small cell lung cancer. This could lead to Novartis exercising its option to in-license the drug in 2013. Its second drug, JX594, an oncolytic virus, is in a Phase IIb study in hepatocellular carcinoma (HCC, data due in Q113) after it significantly increased survival in a Phase II study in HCC. Initial Phase II data in HCV with TG4040 showed promising levels of efficacy; further data is expected this year. However, TG4001 now needs to be partnered for development in HPV-related cancers, following disappointing Phase II data in CIN. It has sufficient cash to operate into H214.

INDUSTRY OUTLOOK

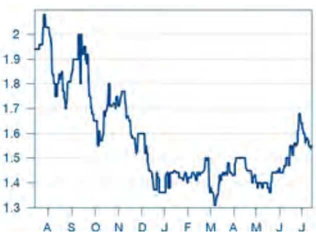
There is currently considerable interest in immunotherapies, both therapeutic vaccines and oncolytic viruses, especially for the treatment of cancers after the approval of Provenge and Yervoy. They are generally well tolerated and are showing promising levels of efficacy.

Y/E Dec	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	14.1	(32.2)	(33.8)	(122.5)	N/A	N/A
2011A	14.4	(42.1)	(42.9)	(137.1)	N/A	N/A
2012E	14.9	(50.3)	(52.3)	(164.9)	N/A	N/A
2013E	15.4	(53.0)	(55.1)	(173.9)	N/A	N/A

Sector: Property

Price:	S$1.55
Market cap:	S$393m
Forecast net debt (S$m)	925.4
Forecast gearing ratio (%)	68.0
Market	Singapore Exchange

Share price graph (S$)



Company description

TCT's main objective is to maximise capital growth from a portfolio of properties in China. The focus is on large-scale development opportunities in the commercial sector and on income-producing assets such as office, logistics and retail properties.

Price performance

%	1m	3m	12m
Actual	3.7	3.0	(20.1)
Relative*	(3.5)	2.7	(17.6)

* % Relative to local index

Analyst

Roger Leboff

Treasury China Trust (TCT)

INVESTMENT SUMMARY

There is potential for asset sales to transform group finances this year. Two properties may be sold: Beijing Logistics Park and - according to a Wall Street Journal article at end March - Central Plaza in Shanghai. At book values these would generate c RMB1bn net of debt, enough to complete the HQ without recourse to debt, restore the H211 dividend and cover distributions to end FY13. The Q1 update (H1 results due 24 July) contained reassuring data on portfolio occupancy, rental levels and the HQ retail pre-leasing. Finances were further stabilised by an extension to the Treasury Building facility to June 2015. The shares look attractive at a 66% discount to underlying NAV.

INDUSTRY OUTLOOK

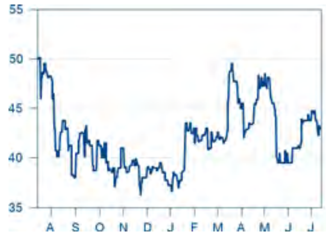
We have incorporated conservative rental growth projections after PRC government efforts to suppress inflation and property speculation. Recent project delays relate to stricter market-wide building regulations and redesigns to fit specific requests and requirements of new tenants.

Y/E Dec	Revenue (S$m)	EBITDA (S$m)	PBT (S$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	39.6	6.1	(9.4)	(4.2)	N/A	31.6
2011A	92.7	33.4	(10.3)	(4.8)	N/A	10.5
2012E	105.0	42.5	(3.5)	(2.1)	N/A	2.9
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Engineering

Price:	43.0p
Market cap:	£46m
Forecast net debt (£m)	7.3
Forecast gearing ratio (%)	13.0
Market	LSE

Share price graph (p)



Company description

Trifast is a leading global manufacturer and distributor of industrial fasteners. Principal operations are in Europe and South-East Asia, with a modest, but growing presence in North America.

Price performance

%	1m	3m	12m
Actual	4.9	(0.9)	(14.0)
Relative*	1.3	(0.7)	(9.9)

* % Relative to local index

Analyst

Nigel Harrison

Trifast (TRI)

INVESTMENT SUMMARY

Full-year results, at the top end of City estimates, confirmed the group is on course. A combination of organic growth and a maiden contribution from its £15m Malaysian acquisition led to 24% advance in underlying EPS. The core group business continues to grow, despite the challenging trading climate, securing important new contracts and lifting revenues without conceding margin. Tight control of working capital has ensured a strong balance sheet to enable management to respond effectively to recessionary challenges.

INDUSTRY OUTLOOK

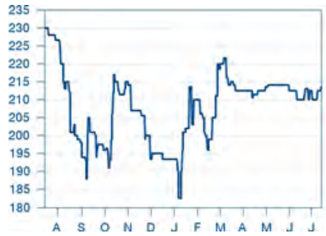
The global industrial fasteners market is valued at over £20bn. Successful manufacturers and distributors responded to the shift in manufacturing to lower-cost regions by developing their own local facilities or supply routes. They have also created effective logistical services and shifted the emphasis towards more complex products to increase value added. The global recession has caused pain across the sector but provides consolidation opportunities for stronger businesses.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	106.1	5.3	3.8	3.23	13.3	N/A
2012A	112.5	6.4	5.0	3.76	11.4	8.9
2013E	130.0	8.6	7.0	4.62	9.3	8.3
2014E	135.0	9.4	7.8	5.15	8.3	6.0

Sector: Technology

Price:	213.5p
Market cap:	£47m
Forecast net cash (£m)	5.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Ubisense provides end-to-end real-time location systems to enable companies to track people and assets with a high degree of accuracy. Ubisense solutions also bring visibility and control to business processes by using the data generated from tracking such assets.

Price performance

%	1m	3m	12m
Actual	1.7	0.9	(3.8)
Relative*	(1.8)	1.1	0.7

* % Relative to local index

Analyst

Katherine Thompson

Ubisense Group (UBI)

INVESTMENT SUMMARY

Ubisense's Real-Time Location Systems (RTLS) division has developed a wireless technology for tracking moving assets with a high degree of accuracy. We expect this to be adopted by an increasing number of manufacturing customers, with the recent news that Hyundai Kia had installed its first system evidence of progress. RTLS has the potential to drive substantial revenue growth and build on the earnings generated by the geospatial consulting business. With net cash, the company is well positioned to grow organically and through acquisitions.

INDUSTRY OUTLOOK

The RTLS market is forecast to show a CAGR of 30% from 2012 to 2022 to reach c $4bn in annual revenues (source: IDTechEx). Ubisense is well positioned to benefit as RTLS solutions are adopted within the manufacturing sector. The geospatial software and services market was worth $3bn in 2011 and is forecast to reach $5bn by 2018, a CAGR of 7.6% (source: DARATECH). Ubisense has a strong position in the utilities and telecoms segment of this market.

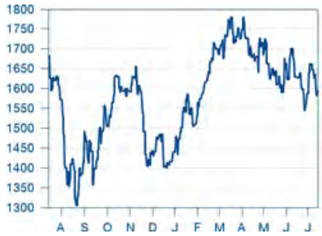
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	17.7	1.0	0.4	3.3	64.7	36.9
2011A	23.8	1.4	0.6	2.6	82.1	N/A
2012E	28.5	1.3	0.3	0.8	266.9	29.0
2013E	32.9	2.8	1.5	4.8	44.5	19.2

Ultra Electronics (ULE)

Sector: Aerospace & Defence

Price:	1593.0p
Market cap:	£1102m
Forecast net debt (£m)	11.3
Forecast gearing ratio (%)	4.0
Market	LSE

Share price graph (p)



Company description

Ultra Electronics is a global specialist aerospace and defence electronics company with operations across three divisions: tactical and sonar systems (43% 2009 sales); aircraft and vehicle systems (24%); and information and power systems (33%).

Price performance

%	1m	3m	12m
Actual	(2.2)	(5.2)	(6.1)
Relative*	(5.5)	(5.0)	(1.7)

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Ultra has demonstrated that the power of the business lies in the management approach and business model to identify areas of long-term spend, and to develop niche applications for those markets. This is done through organic investment in R&D, or through investment in acquisitions to provide adjacent technologies and access to customers such as that of Giga Technologies and Barron McCann Technology. The IMS has proven Ultra can deliver in challenging times, while 2012 is also set to benefit from 2011 acquisitions and the ramp-up of the £200m+ Omani airports contract.

INDUSTRY OUTLOOK

With defence drivers moving towards a greater demand for electronic equipment and information management, Ultra is well positioned to benefit from more frequent upgrade cycles. Also, with civil airport infrastructure booming in the emerging economies (see £200m increase info and power systems order book from Oman contract) and an increasing civil aircraft build rate, Ultra stands to benefit from its diversified end markets.

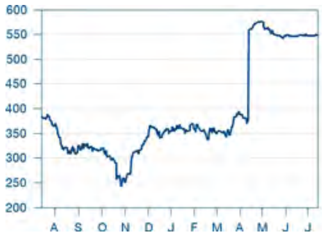
Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	710.0	118.7	102.7	107.9	14.8	8.9
2011A	731.7	131.3	114.9	119.8	13.3	7.3
2012E	794.6	142.7	123.3	128.1	12.4	8.2
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Umeco (UMC)

Sector: Aerospace & Defence

Price:	548.2p
Market cap:	£266m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)



Company description

Umeco is an international provider of advanced composite materials to aerospace & defence (34%), wind energy (14%), recreation (17%), automotive (7%) and other industrial (28%).

Price performance

%	1m	3m	12m
Actual	0.3	(2.1)	44.1
Relative*	(3.1)	(1.9)	51.0

* % Relative to local index

Analyst

Roger Johnston

INVESTMENT SUMMARY

Umeco announced its 2012 results with revenues up 7.5% to £223m, PBT up 24% to £20.3m and EPS up 16% to 28.6p. On 12 April US-based Cytec Industries made a recommended cash offer for Umeco at a price of 550p per share. The acquisition will be affected by a scheme of arrangement after receiving shareholder approval on 28 May. The sanction of the court is anticipated to become effective on 20 July. Under the Takeover Panel rules, Edison is deemed an associate of Umeco so we are unable to publish any forecasts or forward-looking statements.

INDUSTRY OUTLOOK

Umeco's core markets of aerospace, automotive and wind energy are moving into a recovery mode.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2011A	207.4	23.2	16.4	24.3	22.6	16.9
2012A	223.0	25.5	20.3	28.4	19.3	13.8
2013E	N/A	N/A	N/A	N/A	N/A	N/A
2014E	N/A	N/A	N/A	N/A	N/A	N/A

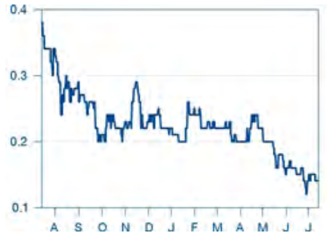
Edison investment research

Sector: Mining

Universal Coal (UNV)

Price:	A$0.14
Market cap:	A$23m
Forecast net cash (A$m)	7.4
Forecast gearing ratio (%)	N/A
Market	ASX

Share price graph (A$)



Company description

Universal Coal is a coal development company with advanced thermal and coking coal projects in South Africa. A New Order Mining Right has been awarded at the Kangala thermal coal project where first production is expected by the end of next year.

Price performance

%	1m	3m	12m
Actual	(12.5)	(34.9)	(60.6)
Relative*	(12.6)	(30.4)	(56.1)

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

The Brakfontein ownership was recently increased to 50% +1 share. Earlier, the company announced a resource upgrade at its Kangala project, which came on the heels of an MOU with Eskom. After completing a 30-hole drill programme, the project's overall JORC-compliant resource was increased by 18% to 147Mt with proved reserves of 20Mt, measured and indicated resources of 74Mt and 20Mt, respectively, and 34Mt in inferred resource category. There is potential to further increase the resource as the company has recently been granted an additional prospecting right over the farm adjacent to the proposed Kangala mine. At the Berenice-Cygnus project, the second phase of the resource drilling continues and the overall 77 holes are expected to be drilled by the end of Q312, aiming at upgrading the project's inferred and indicated resource.

INDUSTRY OUTLOOK

Thermal coal price weakness to persist on the back of the sluggish economic growth and export coal availability from the US.

Y/E Jun	Revenue (A$m)	EBITDA (A$m)	PBT (A$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(5.1)	(5.2)	(9.9)	N/A	N/A
2011A	0.0	(10.6)	(10.2)	(5.6)	N/A	N/A
2012E	0.0	(5.2)	(4.7)	(2.0)	N/A	N/A
2013E	17.0	0.7	1.1	0.5	28.0	N/A

Sector: Pharma & Healthcare

Vectura (VEC)

Price:	74.0p
Market cap:	£246m
Forecast net cash (£m)	68.0
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Vectura is a UK speciality pharmaceutical company developing a range of inhaled therapies and technologies, principally for the treatment of respiratory diseases such as asthma and COPD.

Price performance

%	1m	3m	12m
Actual	11.3	23.3	(22.1)
Relative*	7.5	23.6	(18.4)

* % Relative to local index

Analyst

Lala Gregorek

INVESTMENT SUMMARY

Vectura is a step closer to European approval and launch of its once-daily LAMA Seebri Breezhaler (NVA237) in H212 following a positive CHMP recommendation. EMA approval will trigger a $10m milestone from partner Novartis. Japan approval is also expected by year end, with potential for a further $2.5m milestone. However, data presentations at the European Respiratory Society (1-5 September) are the next major catalyst: additional results from the IGNITE Phase III QVA149 programme are expected (four trials have read-out positively to date). The Phase III data will support Europe and Japan QVA149 filings expected in Q412, while agreement between Novartis and the FDA on NVA237/QVA149 trial protocols means new Phase III trials will start in the near future, permitting US filings in 2014.

INDUSTRY OUTLOOK

Vectura offers exposure to potential generic ICS/LABA asthma combinations (despite US regulatory complexity) and a novel LAMA (NVA237) and LABA/LAMA combination (QVA149), which could become first-in-class therapies, at least ex-US, in the blockbuster COPD market.

Y/E Mar	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	42.9	3.0	1.7	1.9	38.9	89.2
2012A	33.0	(4.2)	(4.6)	1.3	56.9	N/A
2013E	28.8	(5.1)	(5.7)	(0.5)	N/A	N/A
2014E	20.5	(14.1)	(14.8)	(3.8)	N/A	N/A

Sector: Pharma & Healthcare

Price:	22.9p
Market cap:	£101m
Forecast net cash (£m)	80.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Vernalis is a UK speciality pharma company with a late-stage US cough/cold pipeline and an early to mid-stage R&D pipeline of CNS and cancer projects. Its latest fundraise will enable it to build a US-based sales force for the former.

Price performance

%	1m	3m	12m
Actual	4.6	(7.1)	(44.0)
Relative*	1.0	(6.9)	(41.4)

* % Relative to local index

Analyst

Lala Gregorek

Vernalis (VER)

INVESTMENT SUMMARY

Vernalis's £65.9m net equity raise and in-licensing of up to six novel late-stage ER cough/cold drugs for the US prescription market with Tris Pharma is a significant step towards becoming a diversified, profitable and sustainable speciality pharma company. Pipeline expansion via in-licensing was critical to its transformation strategy; the scope of the Tris deal and the addressable market size means Vernalis is closer to its goal. Vernalis is also making clinical pipeline progress (partner Novartis presented AUY922 proof-of-concept data at ASCO) and balancing investment in research (adding Genentech and a third Servier deal to its collaborations in 2012). Interims report on 1 August.

INDUSTRY OUTLOOK

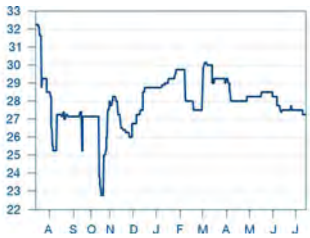
The Tris deal provides Vernalis with a fast clinical and regulatory path into the large and valuable $2bn US prescription cough/cold market. First launch is potentially in 24-36 months. 2012 should also bring new trial starts for tosedostat (Phase II/III in AML/MDS) and V15886 (Phase II in pain), although the latter may be partnered first, as may V158411.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	14.2	(2.0)	(3.4)	(1.0)	N/A	N/A
2011A	12.2	(6.0)	(6.3)	(3.4)	N/A	N/A
2012E	10.5	(8.4)	(8.6)	(1.9)	N/A	N/A
2013E	10.1	(9.4)	(9.7)	(1.9)	N/A	N/A

Sector: General Retailers

Price:	27.2p
Market cap:	£54m
Forecast net cash (£m)	3.6
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Vertu was established to build a major motor vehicle distribution group. This is being achieved through the completion and subsequent improved performance of a series of acquisitions.

Price performance

%	1m	3m	12m
Actual	(0.9)	(2.7)	(15.5)
Relative*	(4.3)	(2.5)	(11.5)

* % Relative to local index

Analyst

Nigel Harrison

Vertu Motors (VTU)

INVESTMENT SUMMARY

Results for the year to February 2012 beat City estimates, despite the challenging trading climate in volume cars. Vertu raised its retail market share, while used-car and aftermarket operations also performed well. Vertu's strategy remains to develop regional clusters of franchises with chosen OEM partners. It still has a strong balance sheet, with substantial facilities available to finance strategic acquisitions. The skills in resuscitating underperforming dealerships point to the profit potential from recent deals and from those still in the pipeline.

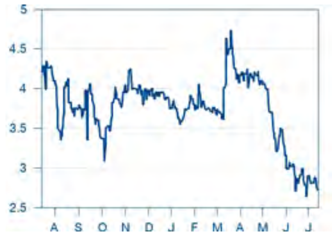
INDUSTRY OUTLOOK

City sentiment towards the motor distribution sector remains cautious. Fears about current-year trading remain, despite registrations running ahead of earlier SMMT expectations. The leading groups all appear to be gaining share of the new and used car markets, while their aftermarket work is holding up well. Profits remain under pressure in the short term, but this provides acquisition opportunities for those with the necessary facilities.

Y/E Feb	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	998.9	12.1	8.4	3.23	8.4	4.9
2012A	1088.3	12.3	7.3	3.19	8.5	7.2
2013E	1150.0	12.5	7.5	2.86	9.5	4.7
2014E	1200.0	13.7	8.5	3.23	8.4	3.7

Sector: Oil & Gas	
Price:	2.7p
Market cap:	£74m
Forecast net cash (US$m)	3.8
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Victoria Oil & Gas is an E&P company with a focus on both Africa and the Former Soviet Union.

Price performance

%	1m	3m	12m
Actual	(6.0)	(35.0)	(35.6)
Relative*	(9.2)	(34.8)	(32.5)

* % Relative to local index

Analyst

Ian McLelland

Victoria Oil & Gas (VOG)

INVESTMENT SUMMARY

With three customers now hooked up, Victoria Oil & Gas (VOG) has moved to 24-hour operation of its Logbaba production facilities, onshore Cameroon. End-2012 target production remains at 8mmscf/d but is now likely to come from a combination of both industrial thermal and on-site power generation use. VOG remains primarily a development play with its 95% interest in Logbaba that has 212bcf of gas and 4.4mmboe of condensate booked as 2P reserves. The company expects to exploit these through thermal, on-site power, conventional gas to power and potentially even mini-LNG. Longer-term upside comes from Russia where the company is expected to drill two wells starting late 2012 where 1.4 billion barrels of prospective resources are being targeted. Our forecasts are under review.

INDUSTRY OUTLOOK

While underdeveloped gas infrastructure in West Africa can pose many problems to its peers, VOG has a distinct advantage in being able to provide gas from its Logbaba facility directly to industrial customers.

Y/E May	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(6.3)	(6.1)	(0.6)	N/A	N/A
2011A	0.0	(4.7)	(4.7)	(0.3)	N/A	N/A
2012E	0.6	(5.5)	(5.9)	(0.2)	N/A	50.1
2013E	60.0	47.7	48.3	1.9	2.2	5.5

Sector: Technology	
Price:	30.0p
Market cap:	£34m
Forecast net cash (£m)	10.7
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Vislink is a global technology business specialising in solutions for the collection and delivery of high-quality video and associated data from the field to point of usage. These are used in the broadcast and surveillance markets.

Price performance

%	1m	3m	12m
Actual	1.7	(8.1)	69.0
Relative*	(1.8)	(7.9)	77.0

* % Relative to local index

Analyst

Anne Margaret Crow

Vislink (VLK)

INVESTMENT SUMMARY

The reinvigorated management team has instigated a strategy that uses new product and market development to drive revenue growth and restructuring and improved procurement to drive profits. Assuming that progress continues to plan, we believe there is scope longer-term for the shares to reach levels comparable with net asset value.

INDUSTRY OUTLOOK

Vislink supplies solutions for the secure collection and delivery of high-quality video and associated data from the field to point of use. Vislink is the largest supplier in the broadcast contribution sector with an estimated 20% global share. For example, Vislink systems will be used by a large number of broadcasters and outside broadcast operations throughout the Olympic games.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	43.1	(3.3)	(8.6)	(6.2)	N/A	10.4
2011A	50.3	3.1	(0.1)	(0.1)	N/A	N/A
2012E	59.5	6.5	2.7	1.8	16.7	5.2
2013E	65.5	8.2	4.4	2.7	11.1	4.4

Sector: Pcare and household prd

Price:	70.0p
Market cap:	£41m
Forecast net cash (£m)	0.2
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

Walker Greenbank is a luxury interior furnishings group, combining specialist design skills with high-quality upstream manufacturing facilities. Leading brands include Harlequin, Sanderson, William Morris and Zoffany.

Price performance

%	1m	3m	12m
Actual	0.0	0.7	33.3
Relative*	(3.4)	0.9	39.7

* % Relative to local index

Analyst

Nigel Harrison

Walker Greenbank (WGB)

INVESTMENT SUMMARY

Last year's figures demonstrated another impressive performance in the face of challenging market conditions. UK sales growth of 5% in a flat market was supplemented by strong growth in exports. Management continues to invest in new product across the group brands and to extend the scope and potential of specialist manufacturing businesses. Longer-term strategy is enhanced by the introduction of the new Scion contemporary brand, plus a number of strategic licence agreements with leading global third-party consumer brands.

INDUSTRY OUTLOOK

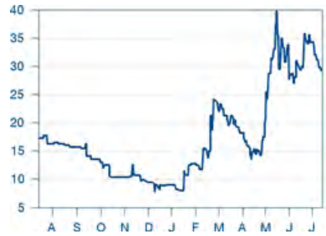
The UK interior furnishing industry has experienced uncertainty for many years under the influence of fashion changes. Many brands have failed to grow, while several specialist manufacturing facilities have closed down. Manufacture for the volume segment of the market has largely moved overseas. However, success is being delivered by operators able to differentiate themselves from competition by consistently offering innovative and high-quality design and products.

Y/E Jan	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2011A	68.8	6.9	5.0	6.40	10.9	8.9
2012A	74.0	7.8	5.7	7.26	9.6	8.8
2013E	78.0	8.3	5.9	7.50	9.3	8.0
2014E	82.0	8.7	6.3	8.01	8.7	7.3

Sector: Support Services

Price:	29.1p
Market cap:	£9m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Westminster is predominantly an established niche player in the provision of advanced technical security solutions, along with close protection services and training.

Price performance

%	1m	3m	12m
Actual	(3.7)	97.5	68.8
Relative*	(7.0)	97.8	76.8

* % Relative to local index

Analyst

Roger Johnston

Westminster Group (WSG)

INVESTMENT SUMMARY

Westminster's announcement that it has raised £1.4m from strategic investors linked to the Asia target market follows 2011 results, which highlighted significant progress and an inflection in delivery. With a record order intake of £14.7m (2012: £3.2m) and annual revenue of £10.1m (£3.8m), the group is benefiting from its ability to deliver larger, complex longer-term contracts. This showed in improved gross margins at 24% (2010: 10%) and the flurry of new orders received in 2012. Momentum is rapidly building with Westminster creating a dedicated Aviation Security division, starting the $150m+ airport contract in West Africa, announcing a number of strategic investors, and opening the Longmoor Training Academy.

INDUSTRY OUTLOOK

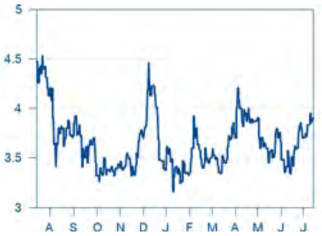
Westminster is a niche player providing advanced technical security solutions to UK and overseas customers, representing 74% of turnover. The balance comprises the provision of close protection services and training, as well as a 24/7 alarm receiving centre and control room.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	3.8	(2.7)	(2.8)	(13.1)	N/A	N/A
2011A	10.1	(0.6)	(1.0)	(6.5)	N/A	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Pharma & Healthcare

Price:	€3.90
Market cap:	€97m
Forecast net debt (€m)	3.4
Forecast gearing ratio (%)	68.0
Market	FRA

Share price graph (€)



Company description

Wilex develops therapeutic and diagnostic products for cancer. Lead development programmes are Redectane (pre-registration), Rencarex (Phase III for adjuvant treatment of renal cancer) and Mesupron (Phase II for pancreatic and breast cancers).

Price performance

%	1m	3m	12m
Actual	16.7	(1.2)	(9.7)
Relative*	9.5	(0.8)	0.1

* % Relative to local index

Analyst

John Savin

WILEX (WL6)

INVESTMENT SUMMARY

Wilex reported H1 revenues of €7.2m made of €5.9m of research payments and deferred income from the 2011 Prometheus deal plus €0.2m of diagnostic and €1.2m of research for customers. Other income, including grants, was €1m. Guidance for FY12 has increased to €16-18m; the H2 rise of €2m is mainly due to the deferred recognition of $17.5m cash received from Prometheus in July in respect of Rencarex. H1 operating costs were €13.3m, of which €6.9m was R&D. The cash use is €1.7-2m per month. (€20-24m annually). Losses in H1 reduced to €5.6m vs €10.6m.

INDUSTRY OUTLOOK

The Mesupron plus capecitabine Phase II breast cancer trial showed a subgroup 8.3-month progression free survival vs 4.3 months on capecitabine alone; a positive trend. On 25 July, the FDA ODAC discusses if imaging provides useful clinical information for identification of ccRCC. This advice could affect the development strategy on Redectane. Rencarex data should be available in Q412 and could lead to filing for clear-cell renal cancer.

Y/E Nov	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (c)	P/E (x)	P/CF (x)
2010A	1.3	(22.4)	(22.5)	(134.4)	N/A	N/A
2011A	11.7	(12.8)	(13.6)	(65.8)	N/A	N/A
2012E	17.4	(10.0)	(10.9)	(44.9)	N/A	N/A
2013E	20.6	(7.3)	(8.3)	(33.3)	N/A	N/A

Sector: Mining

Price:	ZAR30.00
Market cap:	ZAR1035m
Forecast net debt (ZARm)	453.9
Forecast gearing ratio (%)	85.0
Market	JSE, TSX

Share price graph (ZAR)

Company description

Wits Gold is a gold and uranium exploration company in South Africa with indicated resources of 23.5Moz, including reserves of 8.5Moz.

Price performance

%	1m	3m	12m
Actual	(14.3)	(25.0)	(28.6)
Relative*	(13.7)	(25.2)	(31.7)

* % Relative to local index

Analyst

Charles Gibson

Wits Gold (WGR)

INVESTMENT SUMMARY

As the deal to acquire a 50% interest in Evander has receded, Wits Gold has turned its attention to its flagship De-Bron Merriespruit project in the southern Free State. A positive pre-feasibility study (PFS) announced on 13 June envisages average annual production of 200,000oz Au from shafts sunk to a depth of 660m to exploit an ore-body between 480m and 1,000m in depth over an 18-year mine life at a cash cost of US$628/oz and a total life of mine capital cost of ZAR5.4bn (c US$645m at ZAR8.3771/US$).

INDUSTRY OUTLOOK

The PFS updates an earlier scoping study that indicated production of c 150,000oz pa over 25 years at operating and capital costs of US$570/oz and ZAR4.0bn, respectively. At $1,350/oz Au, ZAR7.00/US$ and assuming ZAR1.86bn in equity funding, Edison estimated a value for WGR of ZAR106.00 (US$12.65) per share based on the previous study (at a 10% discount rate). Our estimates and valuation of WGR are under review. In the meantime, Wits Gold continues to pursue an acquisition strategy targeting producing assets that meet its criteria.

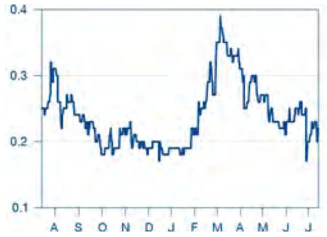
Y/E Feb / Dec	Revenue (ZARm)	EBITDA (ZARm)	PBT (ZARm)	EPS (c)	P/E (x)	P/CF (x)
2010A	N/A	N/A	N/A	N/A	N/A	N/A
2011A	0.0	(29.4)	(23.6)	(68.5)	N/A	N/A
2012E	0.0	(26.2)	(25.9)	(59.5)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Woulfe Mining Corp (WOF)

Sector: Mining

Price:	C$0.22
Market cap:	C$68m
Forecast net cash (C$m)	1.2
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

Woulfe Mining is developing mineral resources in South Korea. Its flagship project is the Sangdong tungsten-molybdenum mine slated for production in 2013. It is also fast-tracking the Muguk gold deposit.

Price performance

%	1m	3m	12m
Actual	(10.2)	(25.4)	(8.3)
Relative*	(10.3)	(22.0)	6.1

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

Woulfe Mining announced the results of the feasibility study for its flagship Sangdong tungsten project in South Korea. The study envisages a 400,000mtu per year operation producing saleable APT based on the 13.3Mt of probable tungsten reserve grading 0.425%, which supports a mine life of 11.5 years. The initial capital outlay is estimated at US$151m and includes mine, process plant and APT plant costs as well as US$8m in contingency. The project's operating cost is seen at US$62 per tonne of ore processed (US$186 per saleable mtu) and does not account for the by-products. After completing the FS, IMC has four months to finalise the deal providing its part of funding. The FS has already been reviewed by the independent consultants working with IMC. In the meantime, the company announced US$20m convertible debt offering to avoid the delays in project commissioning.

INDUSTRY OUTLOOK

Despite some moderate easing, APT pricing remains at the elevated levels supported by the global shortage of tungsten.

Y/E Jun	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	0.0	(1.9)	0.0	0.0	N/A	N/A
2011A	0.0	(3.5)	(3.5)	(0.02)	N/A	N/A
2012E	0.0	(3.5)	(3.5)	(0.01)	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Xaar (XAR)

Sector: Technology

Price:	245.5p
Market cap:	£181m
Forecast net cash (£m)	19.3
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Xaar designs and manufactures inkjet printheads. Its Platform 1 products are used primarily for outdoor advertising. Platform 3 widens the addressable market to include industrial, labelling and other applications.

Price performance

%	1m	3m	12m
Actual	21.6	6.7	(10.6)
Relative*	17.5	6.9	(6.3)

* % Relative to local index

Analyst

Dan Ridsdale

INVESTMENT SUMMARY

We believe Xaar remains on track to meet our full-year estimates. Price reductions have been put through in response to emerging competition in ceramics, but Xaar has now secured design wins with the top three Chinese OEMs. China accounts for c 50% global ceramics production. Xaar has significant IP and good long-term growth prospects, but the 2013 P/E of 11.7x is a discount to other high-tech electronics suppliers (13.4x). A re-rating may require improved visibility on the impact of competition, but delivery to our forecasts should drive the share price closer to 300p.

INDUSTRY OUTLOOK

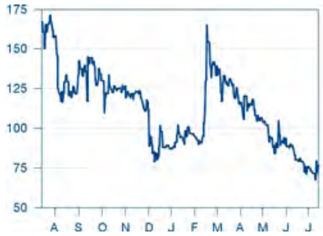
Opportunities for P3 products look significant. Demand from the ceramics market is the primary driver, where manufacturers are migrating from analogue to digital production. Competition is intensifying but we expect Xaar to retain a strong market share due to its technology lead. Opportunities in labelling and printed laminates also have scope for good growth, while new products are key to reversing declines in graphic arts.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	54.7	10.4	5.6	6.3	39.0	22.7
2011A	68.8	16.6	10.7	10.8	22.7	12.3
2012E	78.9	22.1	14.5	14.7	16.7	9.3
2013E	92.4	29.4	19.3	19.5	12.6	7.1

Sector: Oil & Gas

Price:	77.0p
Market cap:	£205m
Forecast net debt (£m)	N/A
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)



Company description

Xcite Energy is an oil appraisal and development company focused on heavy oil resources in the UK sector of the North Sea. It has one project, the Bentley field, in which it is has 100% working interest.

Price performance

%	1m	3m	12m
Actual	(7.2)	(33.3)	(55.2)
Relative*	(10.4)	(33.2)	(53.0)

* % Relative to local index

Analyst

Ian McLelland

Xcite Energy (XEL)

INVESTMENT SUMMARY

Xcite has announced the first production from its Phase 1A Bentley flow test that will last 90 days and produce in excess of 45,000bbls as the company tests water movement through the reservoir. Critically the company has also secured a $155m reserve-based loan facility that will fund a significant percentage of the company's Phase 1B capex requirements. As well as ensuring there will not be excessive equity dilution this RBL is also a major endorsement of Xcite's Bentley development plan. Our forecasts remain under review.

INDUSTRY OUTLOOK

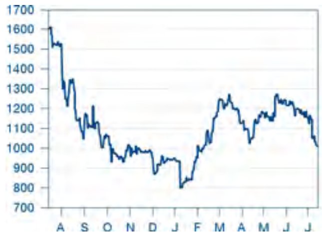
With 116mmbbls of reserves Xcite is one of the largest independents in the North Sea by reserves. North Sea stocks continue to attract investor interest with recent M&A deals.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	P/CF (x)
2010A	0.0	(2.6)	(2.4)	(1.9)	N/A	4.7
2011A	0.0	0.0	0.1	0.1	770.0	N/A
2012E	N/A	N/A	N/A	N/A	N/A	N/A
2013E	N/A	N/A	N/A	N/A	N/A	N/A

Sector: Electrical Equipment

Price:	1010.0p
Market cap:	£194m
Forecast net debt (£m)	13.7
Forecast gearing ratio (%)	21.0
Market	LSE

Share price graph (p)



Company description

XP Power is a developer and designer of power control solutions with a production facility in China and design, service and sales teams across Europe, the US and Asia.

Price performance

%	1m	3m	12m
Actual	(13.3)	(3.8)	(37.8)
Relative*	(16.2)	(3.6)	(34.8)

* % Relative to local index

Analyst

Katherine Thompson

XP Power (XPP)

INVESTMENT SUMMARY

XP Power has reported another stable bookings quarter, with bookings for H112 16% higher than H211, which should drive higher revenues in H212. Combined with the expected H1 revenue decline, XP is tracking in line with our FY12 revenue forecasts. Assuming bookings continue to grow through H2, we leave our revenue and earnings forecasts unchanged. As XP announced a Q2 dividend (11p/share) 10% higher than our forecast, we increase our dividend forecast for FY12 by 9%. While the stock is already up 32% since January's low, further upside could be triggered by evidence of a sustained improvement in H2 bookings.

INDUSTRY OUTLOOK

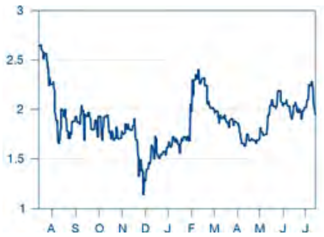
The three end-markets supplied by XP are growing at different rates. Healthcare equipment manufacturers are reporting relatively stable bookings and revenue growth, with book-to-bill ratios above one. Technology customers are experiencing weakness after strong growth in 2010/11. The industrial sector was later to recover, but recently has shown signs of weakening.

Y/E Dec	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	91.8	21.6	18.7	83.7	12.1	15.1
2011A	103.6	27.5	24.3	106.4	9.5	9.1
2012E	100.0	25.7	22.3	94.6	10.7	7.8
2013E	106.0	28.8	25.4	108.1	9.3	6.7

Sector: Pharma & Healthcare

Price:	C$1.95
Market cap:	C$307m
Forecast net cash (C$m)	120.5
Forecast gearing ratio (%)	N/A
Market	NYSE MKT, TSX

Share price graph (C$)



Company description

YM BioSciences is an oncology-focused business developing compounds licensed from academia and acquired through takeovers. Its stock is listed on NYSE MKT and the Toronto Stock Exchange.

Price performance

%	1m	3m	12m
Actual	2.6	11.4	(27.0)
Relative*	2.5	16.5	(15.5)

* % Relative to local index

Analyst

Christian Glennie

YM BioSciences (YM)

INVESTMENT SUMMARY

A pivotal programme for CYT387 in myelofibrosis is being finalised and, subject to regulatory clearance, could begin in the second half of 2012. YM BioSciences also says it is designing clinical studies of CYT387 in additional indications. 2012 should see final nine-month data from the compound's core Phase I/II study, interim results from an extension trial and interim data from a twice-daily dosing Phase II study. The company finished its fiscal third quarter with C$137m in cash and equivalents, after raising C$74m in February 2012 through a public offering, and says it is weighing licensing discussions against the prospect of retaining CYT387's full commercial economics.

INDUSTRY OUTLOOK

CYT387 is one of the most advanced unpartnered JAK1/2 inhibitors in development, and has a potentially significant efficacy advantage. Incyte/Novartis's ruxolitinib (Jakafi) is the most advanced competing JAK inhibitor, gaining FDA approval in 2011 for the treatment of myelofibrosis.

Y/E Jun	Revenue (C$m)	EBITDA (C$m)	PBT (C$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	2.6	(17.3)	(17.3)	(26.8)	N/A	N/A
2011A	1.0	(24.4)	(24.0)	(25.7)	N/A	N/A
2012E	1.3	(31.5)	(22.5)	(15.7)	N/A	N/A
2013E	1.3	(35.4)	(35.3)	(22.5)	N/A	N/A

Sector: Media & Entertainment

Price:	67.0p
Market cap:	£65m
Forecast net cash (£m)	8.5
Forecast gearing ratio (%)	N/A
Market	AIM

Share price graph (p)

Company description

YouGov is a professional research and consulting organisation, pioneering the use of the internet and information technology to collect high quality, in-depth data for market research and stakeholder consultation.

Price performance

%	1m	3m	12m
Actual	3.1	(1.5)	6.3
Relative*	(0.4)	(1.3)	11.4

* % Relative to local index

Analyst

Fiona Orford-Williams

YouGov (YOU)

INVESTMENT SUMMARY

YouGov continues to broaden its revenue base both geographically and by enhancing its offer in data services and products, with two further products launched recently. The growth in US earnings has resulted in YouGov's inclusion in the Honomichl Top 50, a high-profile industry publication. April's interims showed good organic revenue growth and outperformance of local markets in all group territories. The group has indicated its intention to instigate dividend payments with the prelims. The valuation is no longer at a discount to the sector, although the faster forecast earnings per share growth could justify further accretion.

INDUSTRY OUTLOOK

Forecasts for global ad spend have been reined in, with WARC's latest global consensus figure for 2012 now +4.8% (+2.1% in real terms) with the US of 4.1% and the UK +3.8%. For FY13, the consensus is +5.2% (2.5% real). Major MR players mostly reported healthy Q112 revenue growth. Aggregated forecasts for the global quoted MR sector for FY12 and FY13 show revenues increasing around 6% for both years.

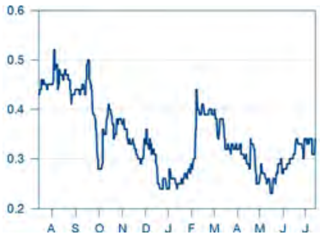
Y/E Jul	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	44.2	4.4	4.0	2.5	26.8	13.4
2011A	56.1	5.9	5.8	4.5	14.9	11.3
2012E	63.9	6.3	6.1	4.7	14.3	10.3
2013E	69.4	7.1	7.0	5.3	12.6	8.7

Sector: Mining

Yukon-Nevada Gold (YNG)

Price:	C$0.34
Market cap:	C$338m
Forecast net cash (US$m)	352.6
Forecast gearing ratio (%)	N/A
Market	TSX

Share price graph (C$)



Company description

Yukon-Nevada Gold operates its Jerritt Canyon mine and processing plant in north Nevada, US. It also explores for gold and base metals in the Yukon Territory at its Ketza River project.

Price performance

%	1m	3m	12m
Actual	11.5	15.2	(21.8)
Relative*	11.3	20.5	(9.6)

* % Relative to local index

Analyst

Tom Hayes

INVESTMENT SUMMARY

Yukon-Nevada Gold (YNG) has reached a new level of confidence in its ability to mine and process gold ores. It stated on 18 June that it had been processing an average 4,112t of ore per day, an important milestone towards achieving its forecast 2012 production target of 140-150koz Au. This has only been possible with the US$200m+ financing via off-market forward gold purchase agreements and private equity raisings. We forecast YNG moving strongly into profit by end 2012 as it achieves its production target, and value its assets at US$0.56/share. Upside is geared to YNG using its plant further by establishing unit-cost-friendly toll treatment agreements with third parties, potentially adding US$0.23 to our base case and moving the Smith mine to owner-operator (adding US$0.04 to our base case). YNG is still considering this option.

INDUSTRY OUTLOOK

Our valuation is based on Au prices of US$1,600/oz (2012), reducing to a long-term US$1,350/oz from 2014 and a 10% discount rate.

Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (c)	P/E (x)	P/CF (x)
2010A	71.4	(18.0)	(85.3)	(12.9)	N/A	N/A
2011A	105.1	(34.0)	(70.2)	(7.2)	N/A	5.3
2012E	232.2	89.3	80.1	8.1	4.1	6.4
2013E	327.2	134.1	102.9	10.0	3.3	2.8

Sector: Mining

Zanaga Iron Ore (ZIOC)

Price:	71.0p
Market cap:	£199m
Forecast net cash (US$m)	41.2
Forecast gearing ratio (%)	N/A
Market	LSE

Share price graph (p)

Company description

Zanaga Iron Ore Company manages its 50% less one share in the Zanaga iron ore project located in Congo Brazzaville. The project has JORC resources of 4.3bn tonnes at 33% Fe, is expected to deliver first production in 2017 and is managed by Xstrata.

Price performance

%	1m	3m	12m
Actual	16.4	(31.7)	(53.3)
Relative*	12.4	(31.6)	(51.1)

* % Relative to local index

Analyst

Andrey Litvin

INVESTMENT SUMMARY

Zanaga Iron Ore owns a 50% less one share interest in the Zanaga iron ore project (ZIOP) in the Congo (Brazzaville). ZIOP boasts 4.3bn tonnes of JORC resource and Xstrata is undertaking a feasibility study (FS), which gained full management control in Q111. While the FS is underway, two development options – a 45mt railway and a 30mt slurry pipeline – were identified, with capex estimates ranging from US$6.1bn to US$7.5bn. The project has capital intensity in line with its peers and is expected to deliver a premium product similar to Brazilian fines, with an Fe grade of at least 65% by 2017. With an estimated FOB cash cost below the US$22/t level (including contingency), ZIOP will be positioned in the first quartile of the global cash cost curve. In the short term, we expect the company to update on the results of the pipeline PFS, which should be concluded in Q312.

INDUSTRY OUTLOOK

We expect the iron ore price to remain under pressure on the back of the weak macro and steel industry fundamentals.

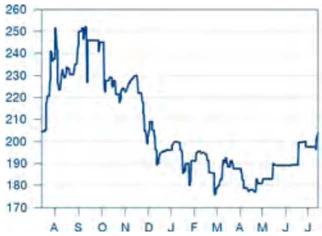
Y/E Dec	Revenue (US$m)	EBITDA (US$m)	PBT (US$m)	EPS (fd) (c)	P/E (x)	P/CF (x)
2010A	0.0	(13.9)	(13.9)	(5.38)	N/A	N/A
2011A	0.0	(14.5)	(14.4)	(5.22)	N/A	N/A
2012E	0.0	(9.0)	(8.8)	(3.22)	N/A	N/A
2013E	0.0	(9.0)	(8.9)	(3.22)	N/A	N/A

Sector: Food & Drink

Zetar (ZTR)

Price:	203.5p
Market cap:	£27m
Forecast net debt (£m)	10.8
Forecast gearing ratio (%)	23.0
Market	AIM

Share price graph (p)



Company description

Zetar is a leading manufacturer of confectionery and natural snacks, with a reputation for quality and product innovation. It has strong relationships with all major UK food retailers and with many global media brand licensors.

Price performance

%	1m	3m	12m
Actual	7.4	14.3	0.0
Relative*	3.8	14.6	4.8

* % Relative to local index

Analyst

Fiona Orford-Williams

INVESTMENT SUMMARY

Zetar's prelims came in in-line with forecasts as revised in March, with lower sales of Easter stock. Our FY13 numbers are broadly unchanged and show a good recovery, thanks to positive momentum in new business wins in both own-brand everyday lines and branded sales, and the first signs of meaningful progress in France, which should break even in its first full year of operation. L-f-l sales in the first 11 weeks of the new year are up 7%, with Olympic gifting product adding another £1.5m to the top line. The valuation remains overly harsh.

INDUSTRY OUTLOOK

Following the multiple retailers' caution leading to suppressed orders for Easter 2012, there was a clean and early sell-through of Easter stock - an encouraging position for FY13. We expect the supplier base to consolidate further, driven by grocers seeking to improve efficiency by cutting their rosters and smaller competitors struggling to make the necessary investment to meet increasingly high levels of consistency and quality demanded.

Y/E Apr	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (fd) (p)	P/E (x)	P/CF (x)
2010A	131.9	9.6	6.4	35.4	5.7	2.8
2011A	135.0	9.8	6.7	38.5	5.3	7.5
2012E	128.0	8.8	5.5	32.1	6.3	2.5
2013E	139.0	10.5	7.2	41.7	4.9	2.8

Events diary

Listed below are the expected dates of forthcoming events from Monday 23 July 2012.

If you would like to attend an Edison investor event, please contact Kathy Boate on +44 (0)20 3077 5711.

Date	Company	Event
Monday 23 July	Dialight Domino's Pizza Group Hammerson Microgen XP Power	Interims
Tuesday 24 July	PZ Cussons	Finals
	APR Energy Croda International CSR International Personal Finance Man Group Norsk Hydro OJSC Magnit Provident Financial	Interims
	Edison golf day	Edison Investor Access golf day (Stoke Park golf course)
Wednesday 25 July	Renishaw	Finals
	ARM Holdings British American Tobacco Capita GlaxoSmithKline Informa Lancashire Holdings Mecom Group Morgan Crucible Co Synectics Tarsus Group Telekomunikacja Polska Torchmark Corp Tullow Oil	Interims
	Scottish Oriental Smaller Companies Trust	Edison Investor Access event (Edinburgh)

Date	Company	Event
Thursday 26 July	British Sky Broadcasting Group	Finals
	Arbuthnot Banking Group Arnoldo Mondadori Editore AstraZeneca BG Group Capital Shopping Centres Group Centrica Communisis Hongkong Land Holding Intertek Group ITV Lloyds Banking Group Mandarin Oriental International (Singapore) National Express Group Nichols Petroleum Geo Services Promethean World Rathbone Brothers Reed Elsevier Rolls-Royce Holdings Royal Dutch Shell 'A' Royal Dutch Shell B Secure Trust Bank St James's Place Unilever	Interims
Friday 27 July	Anglo American Barclays Jardine Matheson Holdings Pearson Travis Perkins	Interims
Monday 30 July	Banco Espirito Santo Eramet Fidessa Group Hiscox Keller Group Reckitt Benckiser Group Ultra Electronics Holdings	Interims
Tuesday 31 July	Allocate Software	Finals
	BP Brammer Devro Dignity Erste Group Bank Fresnillo GKN Hutchison China Meditech Inchcape JCDecaux LSL Property Services Man Tullett Prebon	Interims

Date	Company	Event
Wednesday 1 August	Avocet Mining Filtrona First Quantum Minerals International Power Rexam Rightmove Shire Smurfit Kappa Group StatPro Group Vernalis Xchanging	Interims
Thursday 2 August	4Imprint Group Aggreko BAE Systems Ladbrokes Millennium & Copthorne Hotels Robert Walters RPS Group RSA Insurance Group Schroders Schroders (Non-voting) Smith & Nephew Spirent Communications Trinity Mirror	Interims
Friday 3 August	Bank Pekao Inmarsat International Consolidated Airlines Group Logica Novae Group Royal Bank of Scotland Group	Interims
Monday 6 August	Catlin Group Morgan Sindall Group PostNL Share Telecity Group	Interims
	HSBC Holdings	Edison Investor Access lunch (Edinburgh)
Tuesday 7 August	BBA Aviation Clarke Corio Greggs Meggitt Mondi Premier Foods Rio Tinto Xstrata Zotefoams	Interims
Wednesday 8 August	Cobham Old Mutual Stada Arzneimittel	Interims

Date	Company	Event
Thursday 9 August	Aquarius Platinum Oil & Gas Development Company	Finals
	Amec Aviva Bumi Hardy Underwriting Bermuda Hellenic Telecom Industries Hill & Smith Holdings Randgold Resources	Interims
Monday 13 August	Michael Page International Petrofac	Interims
Tuesday 14 August	NWF Group	Finals
	CRH Dragon Oil JKX Oil & Gas Menzies (John) New Europe Property Investments Standard Life	Interims
Wednesday 15 August	Stagecoach Theatre Arts	Finals
	Balfour Beatty Eurasian Natural Resources Interserve PPHE Hotel Groyp Resolution	Interims
Thursday 16 August	Cineworld Group Hikma Pharmaceuticals PV Crystalox Solar Talvivaara Mining Company Xaar	Interims
Friday 17 August	Melrose Resources	Interims
Monday 20 August	Amlin Bovis Homes Group	Interims
Tuesday 21 August	Afren Capital Drilling Coca-Cola HBC Fisher (James) & Sons Gem Diamonds Glencore International H&T Group Persimmon Severfield-Rowen Wood Group (John)	Interims
Wednesday 22 August	BHP Billiton	Finals
	Carillion Clarkson Derwent London Elringklinger Hardy Oil & Gas London Capital Group Holdings Plaza Centers TT Electronics	Interims

Date	Company	Event
Thursday 23 August	Diageo Haynes Publishing Group	Finals
	Aegis Group Alpha UK Multi Property Trust Camellia Delcam IMI Kazakhmys New World Resources Petropavlovsk Premier Oil Salamander Energy Signet Jewelers	Interims
Friday 24 August	Eurocommercial Properties Goodwin	Finals
	Aga Rangemaster Group Berendsen	Interims

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4imprint Group	Media	Flash	04/05/12
4SC	Pharmaceuticals & Biotech	Outlook	13/07/12
Aastrom Biosciences	Pharmaceuticals & Biotech	Review	23/03/12
Aberdeen New Thai Investment Trust	Investment Companies	Investment Trust Review	12/06/12
Ablon Group	Property	Update	25/05/12
Ablynx	Pharmaceuticals & Biotech	Update	14/03/12
Acal	Technology	Outlook	28/06/12
Acencia Debt Strategies	Investment Trusts	Investment Company Review	30/03/12
ACM Shipping Group	Transportation	Outlook	28/06/12
Addex Therapeutics	Pharmaceuticals & Biotech	Update	06/06/12
ADVENTRX Pharmaceuticals	Pharmaceuticals & Biotech	Outlook	25/05/12
ADX Energy	Oil & Gas	Flash	09/06/11
Afferro Mining	Mining	Update	11/07/12
African Barrick Gold	Mining	Update	18/07/12
African Eagle Resources	Mining	Update	11/04/12
Agennix	Pharmaceuticals & Biotech	Outlook	13/06/12
Ai Claims Solutions	Financials	Update	29/02/12
Algeta	Pharmaceuticals & Biotech	Update	19/06/12
Alkane Resources	Mining	Update	26/01/12
Allergy Therapeutics	Pharmaceuticals & Biotech	Update	11/04/12
Allied Gold	Mining	Update	29/05/12
Allocate Software	Technology	Update	26/06/12
All Star Minerals	Mining	Update	25/05/11
AmpliPhi Biosciences	Pharmaceuticals & Biotech	Outlook	09/08/11
Amur Minerals	Mining	Update	17/05/12
Anglesey Mining	Mining	Update	07/12/11
Animalcare	Pharmaceuticals & Biotech	Outlook	19/07/12
Arbuthnot Banking Group	Financials	Update	13/06/12
Ariana Resources	Mining	Update	12/04/12
Ark Therapeutics	Pharmaceuticals & Biotech	Outlook	23/03/12
Arian Silver	Mining	Update	14/03/12
Armour Group	Electronics & Electrical Equipment	Update	07/12/11
Ashley House	Property	Update	31/01/12
Asian Growth Properties	Property	Update	31/03/10
Aspermont	Media	Outlook	18/04/12
Astex Pharmaceuticals	Pharmaceuticals & Biotech	Update	17/02/12
Augean	Support Services	Update	01/06/12
Aureus Mining	Mining	Flash	03/07/12
Aurizon Mines	Mining	Update	16/05/12
Avesco Group	Media	Outlook	19/06/12
Avingtrans	Industrial Engineering	Update	16/07/12
Avnel Gold Mining	Mining	Outlook	21/06/11
Avon Rubber	Aerospace & Defence	Outlook	09/05/12
Baobab Resources	Mining	Update	06/03/12
BB Biotech	Investment Companies	Investment Company Review	08/05/12
Beazley	Non-life insurance	Flash	10/05/12
Bellzone Mining	Mining	Update	24/02/11
Bezant Resources	Mining	Update	15/12/11
BioInvent	Pharmaceuticals & Biotech	Update	18/07/12
Biome Technologies	Engineering	Update	07/09/11
Bionomics	Pharmaceuticals & Biotech	Review	11/08/11
Biotech Growth Trust, The	Investment Trusts	Review	10/11/11
Biotie Therapies Corp	Pharmaceuticals & Biotech	Update	06/07/12
BrainJuicer	Media	Update	19/07/12
Brewin Dolphin	Asset Management	Update	01/06/12
Brady	Technology	Update	18/07/12
Bridge Energy	Oil & Gas	Outlook	02/04/12

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British Polythene Industries	General Industrial	Update	04/07/12
BTG	Pharmaceuticals & Biotech	Outlook	03/07/12
Byotrol	Basic Industries	Update	01/02/12
Caledonia Mining	Mining	Flash	11/05/12
Carador Income Fund	Investment Companies	Update	08/05/12
Celamin Holdings	Mining	Outlook	12/03/12
Cenkos Securities	Financials	Outlook	30/09/11
Centaur Media	Media	Update	27/06/12
Central Asia Metals	Mining	Update	11/06/12
Central Petroleum	Oil & Gas	Outlook	19/03/12
Circadian Technologies	Pharmaceuticals & Biotech	Update	14/03/12
City Natural Resources	Investment Companies	Investment Trust Review	27/03/12
Clavis Pharma	Pharmaceutical & Healthcare	Update	09/07/12
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ClearStream Technologies Group	Pharmaceuticals & Biotech	Update	22/06/11
Cluff Gold	Mining	Update	04/04/12
CML Microsystems	Technology	Update	13/06/12
Coal of Africa	Mining	Update	27/06/12
Communisis	Consumer Support Services	Update	20/06/12
Comptel	Technology	Update	19/06/12
Condor Resources	Mining	Outlook	28/05/12
Consort Medical	Pharmaceuticals & Biotech	Outlook	18/06/12
Continental Coal	Mining	Update	23/05/12
CQS Rig Finance	Investment Companies	Investment company review	14/06/12
Cupid	Travel & Leisure	Update	05/07/12
Cyan Holdings	Technology	Flash	17/05/12
Daisy Group	Technology	Update	01/12/11
DDD Group	Technology	Update	12/06/12
Deinove	Chemicals	Update	22/02/12
Deltex Medical	Pharmaceuticals & Biotech	Update	23/04/12
DEO Petroleum	Oil & Gas	Update	19/01/12
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Diverse Income Trust (The)	UK growth & Income	Investment Trust Review	01/06/12
Dolphin Capital Investors	Real Estate	Update	03/04/12
DouglasBay Capital	Investment Companies	Update	14/04/11
Eastern Platinum	Mining	Update	22/06/12
Ebiquity	Media	Update	18/07/12
Eckoh	Support services	Outlook	12/06/12
Eco City Vehicles	General Retailers	Flash	17/11/10
ECR Minerals	Natural Resources	Update	07/06/12
EMED Mining	Mining	Update	10/07/12
Empresaria	Support Services	Outlook	18/07/12
Endace	Technology	Update	19/06/12
Entertainment One	Media	Update	30/05/12
EnWave Corporation	Technology	Update	17/07/12
EpiCept Corporation	Pharmaceuticals & Biotech	Update	13/06/12
Epigenomics	Pharmaceuticals & Biotech	Update	04/04/12
Epistem Holdings	Pharmaceuticals & Biotech	Update	31/03/11
e-Therapeutics	Pharmaceuticals & Biotech	Outlook	19/06/12
European Assets Trust	Investment Companies	Investment Trust Review	15/12/11
Evolva	Pharmaceuticals & Biotech	Outlook	04/04/12
Evotec	Pharmaceuticals & Biotech	Update	05/04/12
Exonhit	Pharmaceuticals & Biotech	Outlook	21/05/12
Falkland Oil and Gas	Oil & Gas	Outlook	22/03/12
Ferrexpo	Mining	Outlook	26/01/11
Fiberweb	Basic Industries	Update	01/02/12
Finsbury Growth & Income Trust	Investment Trusts	Investment Trust Review	23/03/12

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Forum Energy	Oil & Gas	Update	01/05/12
Frontier Mining	Mining	Update	17/02/11
Frontline Gold	Mining	Flash	08/11/11
Fulcrum Utility Services	Specialty Finance	Update	01/12/11
Gasol	Oil & Gas	Outlook	07/02/12
GB Group	Technology	Outlook	30/05/12
Geiger Counter	Investment Companies	Investment Company Review	26/09/11
Gemfields	Mining	Flash	27/06/12
Gold One	Mining	Outlook	24/05/12
Golden Prospect Precious Metals	Investment Companies	Investment Company Review	26/04/12
Goldplat	Mining	Update	28/05/12
Green Dragon Gas	Oil & Gas	Outlook	22/11/11
Greenwich Loan Income Fund	Specialist Debt	Flash	27/04/12
Greka Drilling	Oil & Gas	Update	03/11/11
Gulfsands Petroleum	Oil & Gas	Outlook	31/05/12
Gunson Resources	Mining	Flash	07/03/12
GW Pharmaceuticals	Pharmaceuticals & Biotech	Update	29/05/12
Hambledon Mining	Metals & Mining	Update	25/06/12
HarbourVest Global Private Equity	Listed private equity	Update	09/07/12
Hawkley Oil & Gas	Oil & Gas	Outlook	06/07/12
Helius Energy	Electricity	Outlook	21/06/12
Henderson Fledgling Trust	Investment Trusts	Investment Trust Review	28/09/11
Henderson Global Trust	Investment Trusts	Investment Trust Review	02/04/12
Henderson International Income Trust	Investment Trusts	Investment Trust Review	09/12/11
Hogg Robinson Group	Support Services	Flash	24/05/12
H R Owen	General Retailers	Update	22/05/12
Hybrigenics	Pharmaceuticals & Biotech	Update	22/06/12
i-design	Media	Update	27/06/12
IFG Group	Financials	Update	13/06/12
Ilika	Alternative Energy	Review	10/01/12
ImmuPharma	Pharmaceuticals & Biotech	Outlook	05/07/12
Innovation Group	Technology	Update	29/05/12
International Biotechnology Trust	Investment Trust	Investment Trust Review	16/04/12
International Greetings	Household Goods	Update	06/07/12
IQE	Technology	Update	13/06/12
Is Private Equity	Investment Companies	Outlook	04/05/12
IS Solutions	Technology	Outlook	26/03/12
Is Yatirim Menkul Degerler	General Financial	Update	23/05/12
Ithaca Energy	Oil & Gas	Outlook	16/12/11
IQE	Technology	Update	10/02/12
Japan Residential Investment Company	Real Estate	Flash	02/07/12
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KBC Advanced Technologies	Technology	Flash	09/05/12
Kopy Goldfields	Mining	Update	06/12/11
Lifeline Scientific	Pharmaceuticals & Biotech	Outlook	11/05/10
Lochard Energy Group	Oil & Gas	Outlook	20/05/11
Lok'nStore Group	Support Services	Outlook	19/06/12
Lookers	General Retailers	Update	11/05/12
Lombard Medical Technologies	Pharmaceutical & Healthcare	Update	10/07/12
London Stock Exchange Group	Financials	Outlook	25/06/12
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Low & Bonar	Construction & Building Materials	Update	11/06/12
LSL Property Services	Property	Update	21/05/12
Madagascar Oil	Oil & Gas	Update	24/10/11
Management Consulting Group	Support Services	QuickView	12/03/12
Marti Otel Isletmeleri	Hotels and Restaurants	Update	30/03/12

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Martin Currie Global Portfolio Trust	Investment Companies	Investment Trust Review	28/02/12
Matchtech Group	Support Services	Update	12/04/12
Maxima Holdings	Technology	Update	09/08/11
MCB Finance Group	Financials	Update	10/05/12
MDM Engineering Group	Mining	Update	16/12/11
Medcom Tech	Pharmaceuticals & Biotech	Review	13/06/12
MedicX Fund	Property	Update	06/06/12
Medigene	Pharmaceutical & Healthcare	Update	12/07/12
Merchants Trust (The)	Investment Trust	Investment Trust Review	03/04/12
Midas Income & Growth Trust	Investment Trusts	Investment Trust Review	15/03/12
Minera IRL	Mining	Outlook	19/07/12
Molins	Engineering	Update	02/07/12
Mondo TV	Media	Update	03/02/12
Monitise	Technology	Update	17/07/12
MorphoSys	Pharmaceuticals & Biotech	Outlook	07/06/12
Motive Television	Media	Update	25/04/12
Mwana Africa	Mining	Update	04/07/12
Nautical Petroleum	Oil & Gas	Update	30/03/12
Neovacs	Pharmaceuticals & Biotech	Outlook	06/07/12
Newmark Security	Support Services	Review	03/02/12
Next Fifteen Communications	Media	Update	24/04/12
New City Energy	Investment Trusts	Investment Company Review	25/01/12
NewRiver Retail	Property	Update	01/06/12
North Sea Energy	Oil & Gas	Flash	21/05/12
Northern Petroleum	Oil & Gas	Update	10/06/11
Omega Diagnostics Group	Pharmaceuticals & Biotech	Update	03/05/12
Omega Insurance Holdings	Insurance	Flash	02/05/12
OncoGenex Pharmaceuticals	Pharmaceuticals & Biotech	Update	20/06/12
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Optimal Payments	Financial Services	Update	24/05/12
Oracle Coalfields	Mining	Update	08/07/11
Ormonde Mining	Mining	Outlook	17/05/12
Oxford BioMedica	Pharmaceuticals & Biotech	Update	06/07/12
Pacific Assets Trust	Investment Trusts	Investment Trust Review	26/06/12
Paion	Pharmaceuticals & Biotech	Update	16/03/12
Pan African Resources	Mining	Update	28/06/12
Panmure Gordon	Financials	Flash	13/05/11
Park Group	Financial Services	Update	02/07/12
PPHE Hotel Group	Travel & Leisure	Update	17/05/12
Pharming Group	Pharmaceuticals & Biotech	Update	17/05/11
Phylogica	Pharmaceuticals & Biotech	Update	11/05/12
Phytopharm	Pharmaceuticals & Biotech	Outlook	13/07/12
Po Valley Energy	Oil & Gas	Outlook	16/05/12
Powerflute	Basic Industries	Update	05/07/12
Primary Health Properties	Property	Update	19/04/12
ProMetic Life Sciences	Pharmaceuticals & Biotech	Update	03/02/12
Proteome Sciences	Pharmaceuticals & Biotech	Outlook	03/04/12
Psion	Technology	Update	08/05/12
Public Service Properties Investments	Property	Update	02/05/12
PXP Vietnam Fund	Investment Trusts	Investment Trust Review	31/05/12
Quadrise Fuels International	Oil & Gas	Update	26/03/12
Quarto Group (The)	Media	Update	18/07/12
Quercus Publishing	Media	Update	29/05/12
Range Resources	Oil & Gas	Update	15/12/11
RedFlow	Industrials	Update	02/11/11
Red Rock Resources	Mining	Update	10/02/12
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Renn Universal Growth Investment Trust	Investment Trusts	Investment Trust Review	06/03/12
Rockhopper Exploration	Oil & Gas	Outlook	08/11/11
RPC Group	Basic Industries	Flash	27/01/12
SacOil Holdings	Oil & Gas	Update	24/11/11
Sceptre Leisure	Travel & Leisure	Update	15/12/11
SciSys	Technology	Update	31/05/12
Scottish Oriental Smaller Cos Trust	Investment Trusts	Investment Trust Review	01/02/12
SeaEnergy	Alternative Energy	Update	10/05/12
Secure Trust Bank	Financials	Update	13/06/12
Securities Trust of Scotland	Investment Companies	Investment Trust Review	12/07/12
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Sefton Resources	Oil & Gas	Outlook	12/04/12
Severfield-Rowen	Industrial Engineering	Update	12/06/12
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Silverdell	Support Services	Update	04/07/12
Simba Energy	Oil & Gas	Update	03/07/12
Sirius Minerals	Mining	Update	27/03/12
Sirius Real Estate	Property	Update	16/12/11
SkyePharma	Pharmaceuticals & Biotech	Update	04/07/12
Slater & Gordon	Consumer Services	Update	16/02/12
South American Silver	Metals & Mining	Update	17/05/12
Sportingbet	Travel & Leisure	Review	07/06/12
StatPro	Technology	Update	12/07/12
Stobart Group	Support Services	Review	21/06/12
Sumatra Copper & Gold	Metals & Mining	Update	21/09/11
Sunesis Pharmaceuticals	Biotechnology	Update	04/04/12
SuperGen	Pharmaceuticals & Biotech	Review	08/08/11
Synta Pharmaceuticals	Pharmaceuticals & Biotech	Update	02/07/12
TiGenix	Pharmaceuticals & Biotech	Update	16/07/12
TopoTarget	Pharmaceuticals & Biotech	Update	12/04/12
Tower Resources	Oil & Gas	Flash	09/01/12
Transgene	Pharmaceuticals & Biotech	Update	23/05/12
Treasury China Trust	Property	Update	21/05/12
Tribal Group	Support Services	Flash	11/04/11
Trifast	Engineering	Update	20/06/12
Ubisense Group	Technology	Outlook	16/05/12
Umeco	Aerospace & Defence	Update	09/11/11
Vectura	Pharmaceuticals & Biotech	Update	09/05/12
Vernalis	Pharmaceuticals & Biotech	Update	19/04/12
Vertu Motors	General Retailers	Update	21/05/12
Victoria Oil & Gas	Oil & Gas	Update	19/04/12
Vislink	Technology hardware & equipment	Update	26/04/12
Volex Group	Electronic & Electrical Equipment	Outlook	05/07/12
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Walker Greenbank	Household Goods	Review	17/04/12
Westminster Group	Support Services	Flash	09/03/10
Wilex	Pharmaceuticals & Biotech	Update	18/07/12
Witwatersrand Cons. Gold Resources	Mining	Update	09/03/12
Worldspreads	Financial Services	Flash	28/02/12
Worldwide Healthcare Trust	Investment Companies	Investment Trust Review	10/02/12
Woulfe Mining	Mining	Outlook	27/03/12
Xaar	Technology	Update	28/06/12
Xcite Energy	Oil & Gas	Update	02/02/12
XP Power	Electronic & Electrical Equipment	Update	09/07/12
YM BioSciences	Pharmaceuticals & Biotech	Update	01/03/12
YouGov	Media	Update	10/02/12

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Yukon-Nevada Gold	Mining	Outlook	12/07/12
Zanaga Iron Ore Company	Mining	Outlook	12/12/11
Zetar	Food Producers	Update	15/05/12

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