

# Hardman & Co

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## THE MONTHLY JULY 2008

Both the stock market and the UK economy are being supported by an inflow of overseas money, primarily from oil producing countries but also from India and China. This has welcome benefits – the inflows prop up the Pound and keep our imports (including oil) cheaper, and it supports our domestic stock market. Where would the Index be without foreign buying? Certainly down a lot more than 7.1%. Where would the rights issues and bail-outs for the quoted banks be? Even more heavily under water on their rights issue prices than they are at present, and possibly without additional funding at all, with all that implies for a tougher credit squeeze and yet more inflationary Government intervention.

Downgrade follows downgrade, the movement of quoted companies into administration is starting to accelerate (a fashion house here, a chain of wine bars there), and apart from the very top tier mining stocks, there is no secure hiding place. Even rarely traded AIM and PLUS stocks, hitherto protected by their lack of marketability, are no longer immune. For investment managers and private investors alike, if you have a liquidity problem then every couple of thousand helps, and raising some short term cash becomes more important than trashing the valuation of the remainder of your holding. The institutional flight to big stocks is no surprise, but it deserves emphasising once again. According to last month's Arbuthnot survey, only 38% of investment managers are considering increasing their exposure to AIM, half the level of two years ago.

The private equity market is not totally healthy either, and acquisitions will very shortly become a great deal cheaper for buyers with cash. Conventional corporate finance is the last area to be in right now, the number of NOMADs is falling and for all the newspaper stores of £50,000 being the minimum NOMAD fee we hear of deals being done a great deal cheaper. There are hardly any primary equity issues because the conventional investment managers have had all their spare cash sucked out of them by the bank rights issues. There are robust and healthy buyers out there, but they are either overseas (Dubai, Hong Kong, Moscow) or are run by less conventional investment managers who make up the deeper thinking, fundamentals and strategy driven part of the hedge fund market.

Companies and corporate financiers looking for money shouldn't give up. But they will need to be more imaginative.

The readership of our own research is increasingly reflecting these trends, and our distribution list is changing shape to match these market trends. The future is overseas, not just in terms of origin of companies quoted on the three UK markets, but in terms of the money that is supporting their expansion.

### SHARES UP

Photo-Me	36.4%
Lombard Risk Mgt	25.6%
Lighthouse Group	9.1%
Staegecoach Theatre	4.7%
General Medical	2.7%

### SHARES UNCHANGED

IAF Group	0.0%
Winning Pitch	0.0%

### SHARES DOWN

Wichford	-0.7%
Mart Resources	-3.2%
Emed	-5.1%
R.E.A. Holdings	-5.2%
Primary Health	-6.7%
Alliance Pharma	-6.9%
FTSE Index	-7.1%
Eden Research	-8.0%
Eleco	-8.1%
Oak Holdings	-8.8%
Printing.com	-9.2%
Minoan	-10.7%
Espro	-10.8%
SHG plc	-11.1%
Lok'nStore	-11.5%
Accident Exchange	-12.7%
Nanika/New Cantech	-12.8%
Tethys Oil	-14.8%
Murgitroyd	-14.9%
Cosalt	-15.7%
YouGov	-16.5%
Dori Media	-17.8%
Irvine Energy	-19.1%
Nautical Petroleum	-19.5%
Marchpole	-21.1%
Park Group	-23.2%
Sefton Resources	-23.6%
European Nickel	-25.3%
Thor Mining	-25.9%
Colliers CRE	-26.0%
Vianet	-26.1%
TNG	-32.6%

## **ACCIDENT EXCHANGE**

Full year results showed sales, adjusted pre-tax profit and eps all ahead of our reduced forecasts following the £50m Convertible Loan Note issue in January. Having refinanced the business the balance sheet is strong (working capital headroom is £37m) and cash collections are trending upwards with daily cash receipts currently running at 93% of the estimated daily break-even level.

Our forecasts are being updated and we will be publishing a new research note soon.

## **ALLIANCE PHARMA**

We saw the management team of Alliance Pharma at the Growth Company Investor show last month. The first half of the year is going according to plan with the company reporting that “the first four months of 2008 was substantially ahead of the same period the previous year”. This is not surprising given the unfortunate supply issues that have plagued the team at Alliance in the past. With management’s focus more on improving the profitability of the trading arm of the business than on development, we look forward to this re-focus becoming evident in the company’s results.

## **COLLIERS CRE**

There has been no news this month from property consultancy Colliers CRE and there remains little to cheer about in their market sector. While the MPC has held interest rates at 5% inflation risks are clearly to the upside and there has been serious talk about

whether an immediate rise in the official bank rate might be warranted. On top of this credit conditions remain tight and a further three UK banks raised their rates only last week.

We attended Colliers CRE’s mid-summer retail presentation last week at which their presenters suggested at least another year of property market despondency.

## **COSALT**

Interim results were accompanied by newsflow on several important developments. The Holiday Homes division has been put up for sale, a new acquisition serving the Norwegian sector of the North Sea has been announced and a new finance director has been appointed.

The H1 results showed sales up 55% and headline operating profits up a massive 238% in the core Safety and Protection business reflecting the benefits of a full 6 month contribution from acquisitions Bofort, SSM and GTC and some good organic volume growth within the existing marine safety businesses.

Under IFRS Accounting Standards ‘discontinued’ activities are taken through the p & l account after Net Profit. This has given rise to a hefty £14.3m charge in these latest interim results and includes the exceptional costs of exiting the Banner schoolwear business and a £6.3m asset write-down on Holiday Homes. Whilst the business has been restructured and management is keeping a tight lid on working capital

and cash, the market was down 20% in May so it is conceivable that the actual loss on disposal will be higher.

Cosalt plans to become a global player in the legislation-driven safety and protection marine and offshore oil and gas safety markets. Several acquisitions are on the cards in the US (marine and oil and gas), Far East (marine and oil and gas) and Middle East (marine and oil and gas) and we expect this company will be substantially larger in a year’s time.

We have revised our estimates and now look for sales of £110m and adjusted eps of 19.3p (on a continuing business basis). For 2009, we look for a sharp rise in adjusted eps, possibly to 30p on account of 12 months of accretive earnings from new acquisition Myhre-Maritime and continued margin growth, particularly at GTC. Further strategic acquisitions could prompt us to upgrade our 2009 forecasts in due course.

## **COUNTRY FOOD AND DINING**

We understand that the company is progressing well. This is one of the very few investment vehicles in the restaurant/café business segment to be experiencing positive like-for-likes at the moment. Farm shops and their associated businesses appear to be surviving the consumer spending squeeze well.

## **DORI MEDIA**

Last month saw DMG assigned an investment grade A2 rating by Israeli

credit rating agency Midroog (a subsidiary of Moody's). This will allow the company to attract bond financing in order to fund its projects.

The shares have recently fallen from the 150p level to 116p. The media sector as a whole has been performing badly, with a number of ad agencies and major media companies (particularly print media) reporting poor trading. However, DMG is a content producer, and does not make a significant amount of revenue from advertising sales. While the climate may be cooler than it has been, this should not impact content producers unduly.

#### **EDEN RESEARCH**

Eden Research's full year results announcement confirms the progress being made by the company. The safety testing and dossier preparation for the lead product, trisoprene (3AEY), a botrytis-preventative product has been completed. Testing has confirmed its safe nature and Eden is 'confident that approval in the 27 countries of the EU will follow rapidly'. The company is 'identifying and developing relationships with new partners, particularly in Asia'. Under an agreement signed with Danish manufacturer Cheminova in 2007, Eden is due to receive a EUR2.2m milestone payment plus royalty revenues once the marketing of trisoprene commences. We expect at least part of this payment to fall into the current financial year. Beyond that date, the next product, an environmentally safe nematocide, should generate income in a similar way. The nematocide market is five times the size of the market for botrytis.

Operating loss has been significantly reduced thanks to revenue generation (£0.4m), but also capitalisation of R&D costs (£0.6m) and extension of the IP amortisation period from 10 to 20 years (£0.6m). Bringing products close to market has made this possible by establishing the technical feasibility and the future economic benefits of the products involved. Conversion of convertible loans into equity improved the equity position. The cash position also improved thanks to revenue generation and a £0.45m loan granted in Dec 07. Eden is now considering paying dividends at some point and to facilitate this, it is planning to apply for authorization to offset its negative retained earnings against equity.

#### **ELECO**

Eleco's year end was 30 June. We continue to believe that the company had a good second half, and that our estimates are in the right place. We think that Eleco has probably sidestepped a lot of the problems caused by the credit crunch, making it most unusual, if not unique, in the construction and building materials area.

In particular, we have been impressed by the strategic decision to move into the schools market in a big way at SpeedDeck, its roofing systems business. Schools is one of the few areas of the construction marketplace that is still expanding. Also, the connector plate business in Germany has been heavily orientated towards supermarket construction projects, rather than residential work.

The big driver in group profits at the moment is pre-

cast concrete, which entered H2 with such a strong order book that we would be astonished if there were any problems. The only parts of the business with exposure to the UK housing market are timber framing, and nailplates, which are a minority of the total business.

Eleco's shares are on a p/e ratio well down in single figures. In a way we can understand this because as a consequence of the credit crunch conventional institutional investment managers are taking a zero risk approach to investment in this sector as a whole. However, at the end of H1, Eleco had no net debt and in fact had surplus cash. We expect that still to be true and given Eleco's strong financial position, its rating gives management very little credit for its achievements.

#### **EMED MINING**

EMED looks set to restart operations at the Rio Tinto Mine in the Spanish part of the Iberian Pyrite Belt following its successful raising of £10m on the equity market. This is expected to leverage the company well in its bid to raise the £75m capital required to kick start the mine. EMED could move swiftly into production, but only once mining approval is given by the government. The equipment and processing plant are already in place and in working condition. Mine permit is not seen to be an obstacle once environmental issues are ratified as the project has considerable local support due to the anticipated job market in a region of high unemployment.

At the Bierly Vrch gold project in Slovakia, exploration results have been encouraging and EMED could be at the verge of a major porphyry gold deposit discovery. To date, 50Mt at 0.8 -1.1g/t Au have been delineated by the recent drilling, and the mineralisation remains open along strike and down dip. The geometry of the ore body is consistent with other low grade deposits that are mined economically by high tonnage low cost open pit methods.

### **ESPRO IT**

Espro's trading statement shows the first half of the year has been excellent, with a 30% increase in revenues, and profitability achieved for the period.

However, the company will be withdrawing its shares from the Plus Market, citing poor liquidity and low valuation as the main reasons for its decision. This withdrawal will be effective as from August 4th.

### **EUROPEAN NICKEL**

ENickel looks set to consolidate its position in the Philippines as a nickel producer following its acquisition last month of substantial stakes in companies focused on Filipino nickel laterites. To date, Toledo Mining Corp has appointed Simon Purkiss and Felix Pole, Managing Director and the former Chairman of ENickel respectively, to the board of Toledo as non-executive directors following the approval of ENickel's acquisition of a stake in Toledo.

The Caldag project in Turkey remains ENickel's principal project where the

company is progressing towards the development of a mine. The bottleneck holding back progress is the approval of permits to start mining from the relevant authorities. The direct ore selling (DOS) of laterite nickel ore which has been going on is expected to stop due to pit optimization and licensing constraints.

### **GENERAL MEDICAL CLINICS**

General Medical Clinics is in close period, and full year results will be announced in September. General Medical Clinics continues to actively seek potential acquisition and organic growth opportunities.

### **IAF GROUP**

Other quoted stockbrokers are experiencing disastrous trading conditions, with primary issues almost non-existent and secondary market trading volumes well down from previous year comparables. IAF is less exposed to these conditions than some, because it does not have NOMAD status and therefore has never built up a big corporate finance department with its associated overheads. Nevertheless, IAF does have overheads, and needs to scale up its private client broking/wealth management operations at the very least. A modest equity raising to secure the regulatory capital base was successfully completed with remarkably little fuss.

### **IRVINE ENERGY**

The most important news for investors is that Irvine's first wells in Kansas have come in, in-line with the company's predictions. We would suggest this goes some way to de-risking the

Kansas project for investors and as Irvine have taken such a conservative line we expect them to meet or beat all the way.

At the 'Rock' block in Kansas the third well drilled, Rock 1-32, found hydrocarbons in the Arbuckle formation with live oil shows seen in the cuttings. Petrophysical analysis confirmed oil saturation and porosities of 10 to 15%. Production casing has been or is being run on the two successful wells where oil cuts are projected to be in the range of 5-10%, equating to projected production rates of between 35 to 100 barrels of oil per well per day ('BOPD'). The Arbuckle oil is high quality sweet crude which will be priced at NYMEX rates less around USD\$4.00/BBL. Payout on the successful wells (in which the Company holds a 75% working interest) is expected to be in less than six months. With only the one dry hole – (at a nominal cost of USD\$150k) Irvine should be set to become an oil producer in Kansas very soon which with current oil prices will have an immediate effect on Irvine's bottom line.

The current conventional drilling portfolio is set to be expanded following interpretation of the recent Ayres 3D seismic shoot and a fifth well, Ayers 1-20, will now be added to the current programme. Oklahoma Project  
Irvine's first Woodford shale well, Farrow 1-24, is being readied for gas production while the first horizontal Woodford shale well, Jones 1-5H, commenced drilling on 29 May 2008. Fracture stimulation and clean up of this well should take approximately 6-8 weeks

and production rates should be known by the end of August 2008.

An initial four Hartshorne coal bed methane ('CBM') locations have been selected and will be drilled in H2 2008. Mapping of the coal is complete and the resource assessment is currently in progress by Netherland, Sewell & Associates, Inc. Finally at Niobrara 18 wells are going to sales with four to be fracture stimulated and added to sales in early summer, bringing total number of producing wells to 22. Current plans are to drill a minimum of 20 new wells commencing in Q3 2008.

Irvine's recent share price slide is unwarranted by any measure of company performance and is, if anything, an opportunity for stake building at lowly levels before what will undoubtedly be a news packed year.

#### **LEIGHTON & HENLEY**

There have been no further announcements from this company.

#### **LIGHTHOUSE GROUP**

The Board has been strengthened by the appointment of Alex Scott-Barren, 53, as non-executive director. Mr Scott-Barren is a qualified chartered accountant and has extensive experience of the asset management industry following a lengthy career with the Cazenove Group of Companies. He also has considerable experience in the areas of regulation and pension's administration, specifically SIPP's, having served as Chairman of life assurance group Suffolk Life. Mr Scott-Barren's current listed company directorships

include Northumbrian Water Group plc and General Capital Group plc.

In other news an additional 8,201 shares have been issued taking the total number in issue to 127.7m following an exercise of options by an IFA under the Lighthouse Adviser Share Option Scheme.

#### **LOK'NSTORE**

The interim results released earlier this month by Safestore, the UK's largest self-storage operator, were encouraging. Echoing the views of Lok'nStore, Safestore management described the business as showing 'resilience in the face of an economic and housing slowdown'. Yes, like-for-like occupancy levels have dipped slightly, and occupancy growth will be harder to come by this year for all the operators but Safestore managed to push through a 12.4% price rise in the six months to end April 2008 and is confident of continued growth in terms of average rates per square foot.

Meanwhile, a first half property valuation by Cushman & Wakefield put the value of the group's property portfolio at £645m, an increase of £61m, or 10.5% on the October 2007 valuation. Almost half of the uplift was accounted for by the six new stores opened during the half. A further quarter was delivered by the operational out-performance of the existing estate as opposed to yield shift, which remained surprisingly stable at 7.14% despite the slowdown in the commercial property market. Adjusted NAV per share was up 36.3% to 214.6p.

Management take the view that self storage yields are more stable than property assets in general, principally because of the specific nature of self-storage assets, and in particular the strong cash generation achieved by established units. We believe the news on yields provides some comfort for Lok'nStore shareholders ahead of the group's annual property revaluation in July 2008.

Safestore has a full pipeline of stores for 2009 and like Lok'nStore is showing no signs of slowing down the pace of its expansion programme.

#### **LOMBARD RISK MANAGEMENT**

Results for 2007 have now come out and while they show a loss for the whole year, the company swung into profit in the second half of the year. The second half also showed a record level of revenue, at just over GBP 5m well up on the GBP 3m-ish level seen in the preceding three half-year periods. We believe this year should see the company making a profit, though it won't be till H2 that we see the full impact of cost savings from the Shanghai development and lower property costs in London.

Since the results, the share price has ticked up, with reasonable volumes traded – but it remains below its year high.

#### **MARCHPOLE**

Full year results will probably be announced during the next month. A number of new licensing agreements have been signed. Also subsidiary JC Castelbajac has entered into a further agreement with

Lee Cooper to supply a minimum of 100,000 pieces of denim wear a year which will be sold through its own outlets with guaranteed minimum annual incomes.

A new store for trading its Jean Charles de Castelbajac (JCC) ranges has been opened in Conduit Street in the West End. This is viewed by Marchpole as a flagship store for the range, and a key development.

### **MART RESOURCES**

Mart Resources have announced their first crude oil export cargo from the Umusadege field consisting of approximately 92,000 barrels of oil. Approximately 120,000 barrels of oil have been produced from the UMU- 1 well to date and a second crude oil export shipment is scheduled for mid July 2008. Pricing for the first crude cargo is to be based on the average price for Brass River Blend for the month of June equating to around \$USD135 per barrel. Operationally Mart is preparing to commence drilling operations at the UMU-5 "twin well" location adjacent to the UMU-1 well using drilling rig NRG-101 to test and produce additional upper zones identified by the UMU-1. Preparations are also under way to tie in the UMU-3 well for production.

Two new directors have been appointed "in anticipation of the Company's increasing development drilling, increasing production operations and corporate activities", namely Michael J. Perkins and Walter Wakula while Dr. Philip Nelson has resigned as a director "for personal and business reasons". Options on 700,000 common shares

have been granted to these new directors while options to acquire 400,000 common shares have been granted to two recently appointed officers of the company. These options will be exercisable at \$0.62 expiring on the fifth anniversary from the date of the option grant.

During June Mart issued an aggregate of 38,281,250 common shares and 29,036,459 purchase warrants extinguishing outstanding loan notes of \$18,375,000. Through this conversion RAB Capital has acquired 38,281,250 common shares, approximately 11.4% of the common shares issued and outstanding and 29,036,459 purchase warrants. Mart now has an aggregate of 335,473,201 common shares issued and outstanding.

### **MINOAN GROUP**

In our last note on Minoan back in May we noted that a dearth of British property buyers in the Greek real estate market was being offset by an increasing number of buyers from Russia and other Eastern European countries. A similar sentiment was issued by Bulgarian Land Development in its full year results release with the company stating "it is significant that demand for second homes from Russian and Middle Eastern buyers has replaced slackening demand from the UK and Ireland caused by the lending crisis."

More importantly, just last week the Greek parliament passed by a 152-136 vote on Greece's first national land use plan which, in combination with the creation of a nationwide land registry is expected to

better regulate Greece's system of land development and ease the ability with which prospective buyers are able to enter the Greek property market.

### **MURGITROYD GROUP**

There has been no trading update release from the Murgitroyd Group which is due to put out its results for the full year to 31 May in late August/early September and we are taking the view that "no news is good news". Meanwhile, RWS Holdings, a provider of intellectual property support services and technical translations, released its interim results for the six months to 31 March 2008 earlier this month. Sales were up 20% while profits were up 26%.

### **NAUTICAL PETROLEUM**

No announcements have been made by Nautical since our last monthly – so we still await news of further farm-out agreements on Blocks 9/2b and 3/27a. With two seismic acquisition programs, two site surveys and an exploration well scheduled for this quarter we expect newsflow to resume shortly.

### **NANIKA / NEW CANTECH**

On June 19 2008, New Cantech Ventures Inc. changed its name to Nanika Resources Inc (TSX: NKA). The new name comes at a time when the company has realized a significant increase of the indicated resource at its Lucky Ship porphyry deposit from 45Mt at 0.070% Mo to 65.7Mt at 0.064% Mo. This paves the way for a revised economic assessment of the project with potential to alter the project NPV upwards.

Nanika has recently taken an interest in two Canadian listed exploration companies, International Samuel Exploration Corp (SAZ) and Canasia Industries Corporation (CAJ). Nanika owns 400,000 shares in each of them, rising to stakes of C\$48,000 in SAZ and C\$160,000 in CAJ at the respective current prices of 12c and 40c. Growth prospects are high for both companies owning a 50:50 working interest in the Reed lake project in Western Manitoba, which is contiguous to the VMS Ventures' copper discovery where drilling intersected mineralisations of up to 20m at grades of about 7% Cu and 0.17% Zn. SAZ also owns diamond exploration concessions in the North West Territory and Nunavut. The properties in the North West Territories lie in the same region as Ekati and Diavik diamond mines while microdiamonds have been identified in the samples collected in the Nunavut property. Canasia also has exploration projects for potash, coal and gold.

#### **OAK HOLDINGS**

There have not been any further announcements from developers, Oak Holdings.

#### **PARK GROUP**

Christmas Savings and Corporate Voucher specialist Park Group produced results slightly ahead of our estimates, and accompanied this with an encouraging statement about current trading. We are upgrading our estimates for the current year. Pre-tax profit was £5.2m compared to our estimate of £4.9m, and eps from continuing operations were 2.2p

compared to our 2.1p estimate. Yes, profits were lower, because of the after-effects of the Farepak scandal, but we have known that this was inevitable for over a year. Cash generation was massive. Company cash plus cash held in trust for customers amounted to £22.7m at the year end, up from £12.2m a year previously (before customer money was split out into a trust fund). The dividend is unchanged, as we expected. Christmas 2008 orders are up 17%. This is a reliable indicator to turnover levels for the current financial year. Operational gearing will raise trading profits faster than this. Interest income will be much higher this year, because Park Group will hold more interest-bearing cash in the peak autumn months, and because cash is king at present and the group Treasury function is earning very good returns. We look for £6.5m profit in the current year, 2.7p earnings and a resumption of dividend growth. Park Group is market leader and is entering a new growth phase.

#### **PHOTO-ME INTERNATIONAL**

The results of the boardroom deliberations into the depreciation periods of capital equipment have been revealed. The lives of photobooths and some other vending equipment are being reduced to five years; previously these were being depreciated over eight years. This will have the effect of raising the depreciation charge (and therefore either reducing the declared profit or increasing the declared loss) by £5m. There is also to be a one-off impairment charge of £8m, of which £4m relates to the operating equipment,

mainly first generation digital media kiosks, and the remainder to previously capitalised R & D, mainly on minilabs. We had withdrawn or estimates on the announcement of the re-living exercise. We expect full year results to be announced during July; no date has yet been formally announced.

The re-living exercise has resulted in an outcome almost precisely on our theoretical calculations. Certainly on a five year depreciation schedule photobooths as a business model are still an extremely viable business. The impairment charge is more modest than we thought likely. We believe that the best way to value the photobooth business is on an EBITDA basis, so our own view of the vending division's worth is essentially unchanged by the latest statement, although of course others in the marketplace may view things differently. As for the impairment charge, the entire minilab industry worldwide has bigger things to worry about than a relatively modest amount of capitalised R & D. We look forward to the results announcement.

#### **PRIMARY HEALTH PROPERTIES**

No further development at PHP after the major announcements made in May. With regard to yields, announcements made by comparable peers Assura and MedicX Fund following their results publication as at March 08 concur with the information given by PHP. The company had mentioned a softening of yields by about 0.35% in the 6 months to December 2007. MedicX, in its report on its last interims to March 2008, mentioned that its

property valuations carried out by its valuers, King Sturge LLP, reflected a yield shift of c.a. 35 basis points during the period to a net initial yield of 5.56%'. And Assura, in its report on its FYE March 2008, mentioned that its yield stood at 5.78% as at March 2008. (Assura did not give information on its yield shift in the last six months, as the company's property portfolio was not valued at 30 September. This is because it was in the process of changeover of year end from December to March). On a positive note, the recent inflation uptick should be favourable for rental growth prospects in this sub-segment of the property market.

#### **PRINTING.COM**

Full year results for the year to end March 2008 from this franchised business to business print specialist showed total retail turnover up 15.5%, EBITDA up 14.7% and a 5.7% rise in pre-tax profits. Cash generation continues to be strong and the company finished the year with balance sheet cash of £3.5m. The 20% hike in the full year dividend to 3p/share underlines management's confidence in future prospects.

Printing.com added 52 bolt-on franchises during the year, taking the total number in operation to 249. A further 14 outlets have opened since the year end and management believe there is room for a total of 400 UK outlets before saturation sets in.

Overseas, New Zealand Master Franchise Partner Printstop is operating 35 franchise outlets with another 5 pending, up from 22 at the year end. In

Poland, Master Franchise Holder KVOS has 5 bolt-on franchises and if the operation is a success we would expect KVOS to take on additional Master Licence Agreements in Scandanavia, North America and/or other parts of Eastern Europe where it has printing operations. Discussions with other partners are ongoing but there can be no certainty as to when any of these will conclude. As a result recent overseas expansion - in France and Australia - has been initiated by the company with the intention of arranging buy-outs thereafter.

Whilst sales have softened in the first quarter of the current financial year they are still up year-on-year. We have lowered our 2009 estimates, reducing turnover from £15.8m to £15.2m and pre-tax profits from £2.93m to £2.78m in light of current economic uncertainties. Because of the cash position, our dividend forecast remains unchanged at 3.5p, giving the shares a prospective yield of 8.75%. We continue to believe the company will conduct selective share buybacks for treasury later this year/early next.

The Annual General Meeting will be held on 31 July 2008.

#### **R.E.A. HOLDINGS**

A new non-executive director joins the company from 1<sup>st</sup> July. David Blackett, 57, is currently a director of Hong Kong listed South China Holdings Ltd and was formerly a director of Shanghai Chlor-Alkali Chemical Company.

Meanwhile, investor interest in the palm oil sector remains strong. This month

Equatorial Palm Oil, an operator of palm oil plantations in Liberia, announced its intention to float on AIM and raise £15m to develop a 78,000 H land bank. It follows the successful London listing of Papua New Guinea's largest oil palm plantation and milling group New Britain Palm Oil last December.

#### **SEFTON RESOURCES**

There was a month's delay connecting the recently drilled wells on the Snow lease caused by the local electricity service company. This delay caused some operational issues with the new wells and a few teething troubles necessitated remedial work on these new wells to optimise production. This work appears to be well in-hand now along with an acid stimulation programme designed to improve near-well permeability. Looking at the company's statement, the acid stimulation would likely have proved necessary anyway as the reservoir formation encountered by these step-out wells appears to be a tighter section than previously seen within the field closure. The Lackie#A-4 well encountered a down-faulted section to the eastern edge of the field and is producing a higher water cut than was expected.

The cyclic steam program at Tapia is progressing well - with heat being retained in section and improvement seen in fluid production rates. Tuning production to find the most productive fluid balance will take a while but the results to date are encouraging - with additional production from Yule#7 roughly offsetting the shut-in production from Yule#10 during soak. Fine

sands have caused a few issues in drawing fuel-gas for the generator but nothing insurmountable and most probably to have been expected at this time.

The new Snow lease wells are currently being considered as the next cyclic steam candidates, given their proximity to the lease gas source well, Snow #1. Additional drilling and steaming tests are being planned for later on during the year.

At Eureka Canyon routine pump maintenance has been carried out with clean outs being planned for the operational Eureka Field wells – with a follow-up to last year's geochemical survey scheduled for the autumn.

Pilot drilling at Sefton's CBM acreage in Kansas is also being scheduled for the autumn.

Overall, Sefton have released new operational figures indicating total oil production for May 2008 of 5,826 barrels. Given the current prices of the crudes produced Sefton appear to be on course to generate north of \$USD6m of cash from operations this financial year. Let's put that into perspective - operationally the company will be producing clear cash equivalent to around a third of the company's MCap before any further drilling work and despite the delays seen.

That directors are taking up their share options should be a clear market signal that management think the market has got this one wrong with regard to the recent market retracement.

## SHG

SHG - Sexual Health Group is a niche player focused on supplying products to the NHS. In April 2008, the company envisaged the acquisition of Pasante, a competitor both larger and with a wider retail presence, as a further stage in its development. But the external funding needed proved difficult, given current market conditions for financial transactions, and the projected acquisition was withdrawn. SHG is now seeking to raise c.a. £300,000 in convertible loan notes and c.a. £200,000 in ordinary shares, to fund the replacement of loans close to redemption, the costs of the withdrawn Pasante acquisition, and working capital needs aimed at supporting growth – with the recruitment of a new sales person. The convertible loan notes are unsecured, for a 3-year period (until July 2011) and bearing a 9% gross interest rate, with a 3p conversion price per share. Shares are offered at 2p per share. The company is an approved supplier of the NHS in the areas of sexual health, patient hygiene and diagnostic products, with a significant 5% market share of the NHS condom market (1.7% of the total UK market). It has been very active in developing products in association with the NHS and has been leveraging this collaborative approach to increase its market share and expand its product range. SHG's shareholding is controlled by its Chief Executive, George Sutherland, and his family, which secures alignment of interests. Other investors include Majedie Investments plc.

## STAGECOACH THEATRE ARTS

More good news from Stagecoach this month after the company confirmed pre-tax profits for the year to end May 2008 would be 'significantly' ahead of our forecasts.

The better-than-expected performance has been driven by a further reduction in overheads and a rush of UK school sales in Q4. Considerable cost savings have already been made over the past eighteen months following a restructuring exercise which resulted in headcount reductions, a cull on SportsCoach and overseas overheads and a reduction in central administrative costs.

Encouragingly, a number of franchisees opted to open second/third schools (costing roughly half the cost of a first school) at the end of the group's financial year. The company benefited from a similar flurry of activity towards the end of its previous financial year and we had conservatively assumed these would not be repeated in the current year.

We expect turnover to be in line with our forecast – despite school sales exceeding expectations - following a change in the accounting treatment of insurance re-charges and reduced turnover from overseas managed schools which have since been sold as franchises. Pre-tax profits will be over 10% higher than our £0.59m forecast, however, and we believe the cash position continues to be healthy. Given the good progress being made the resumption of dividend payments looks like a distinct possibility.

In other news, we went along to see 300 Stagecoach students from 12 schools perform an energetic ensemble of dance and musical routines at Her Majesty's Theatre, London, to a very appreciative audience of friends and family. While Stagecoach will obviously not be immune to a protracted downturn in the economy it is clear that investment in a child's education is one of the few areas parents are not willing to cut back on.

### **TETHYS OIL**

Tethys Oil (Tethys) has spudded Jebel Aswad-2 (JAS- 2) on Block 15 onshore Oman. JAS-2 is being drilled just over a kilometre south west of Jebel Aswad-1, which flowed 2,626 BOEPD on test. Drilling operations are expected to take 65 days (including testing), with the well expected to reach a final depth of 3,200 metres. Once at its target depth, one or possibly two horizontal sidetracks will be made reaching out around 1,000 metres from the foot of the wellbore. The results of these operations are anticipated in early August.

### **THOR MINING**

Thor Mining experienced changes in its shareholding following the acquisition by Western Desert Resources (ASX: WDR) of the loose stock from the collapse of the Australian stockbroker Opes Prime. WDR now holds 15.47% equity in Thor Mining making it majority shareholder and chair of the company. This has resulted in the introduction of a new board and management led by Michael Billing as non-executive chairman, who also chairs WDR.

The coming of WDR and Michael Billing, who is renowned for his mining industry experience, appears to have revamped the direction of Thor's Molyhil project, which now looks set to enter into production in 2009 at a reasonable profit. The introduction of the BOOT (Build, Own, Operate, and Transfer) financing strategy is expected to cut capital costs for the Molyhil venture from the planned AUS\$63m in the Feasibility Study to a hoped for AUS\$25m. Elsewhere, exploration continues at Thor's other prospects. The Hatches tungsten, gold copper project is now in the clear after aboriginal issues were sorted while drilling at Bunday uranium project was expected to start in June under a JV agreement following target generation from geophysical data.

### **TNG LTD**

Australian mining company TNG has become embroiled in a complex legal action previously thought both dead and irrelevant, dating back to the 1990s, when a different board of directors was in control and the company was, in effect, an entirely different entity. This is one of the risks of using a 'shell' company as a vehicle for expansion, and the issues now being faced by the TNG board should cause corporate financiers in Britain, the US and Canada to reflect before using this route to obtain equity funding for a new investment vehicle.

All other activities at TNG are on hold until this issue is resolved. We expect a binding legal judgement one way or the other by the end of August and will report further then. If the case goes against TNG, the

consequences will be serious.

### **VIANET**

Early in June, Vianet's shares halved on the announcement of lower take-offs by major customer GSK. Since then, however, Vianet has signed a new three year contract with GSK's nutritional healthcare business, extending the established Vianet telemetry base and including applications to help the GSK sales and marketing activities. The latest order will be connected to Vianet's 'vOpen' telemetry application service. No unit numbers of money values were revealed in the contract announcement.

Also, results for the year to end-December have been issued. They show sales doubled on the previous year (albeit from a low base) and a loss per share precisely on our forecast.

Gross margins have risen from 25% to 42%. Cash is clearly still tight, and one part of the statement mentions a 'possible funding requirement' in H2 2008; this will not surprise anybody. Vianet is almost certain to see another big increase in sales in the current year. The company says in its Results Statement that 'the current year is dominated by the agendas and scale of GSK and the (un-named) Telco'.

A full research note follows shortly.

### **WICHFORD**

The market did not like Wichford's interim results published at the end of May which showed a drop in n.a.v. from 218p/share to 136p/share. This drop was caused almost entirely by an

adverse yield shift in office property valuations. The underlying value changes are -12.3% for the core UK portfolio, -13.9% for the UK Active portfolio, and -7.0% in local currency for the European portfolio. None of these figures seem out of line with market trends and investors should not be panicked by them. The effect on n.a.v. is exaggerated by gearing, but the bulk of Wichford's loans have no Loan-to-Value covenants and therefore we believe the company to be secure. Trading Profit, Pre-tax Profit on a non-IFRS basis, non-IFRS eps, and dividend are all up, and will be up again for the full twelve months. The IFRS numbers, which show red ink, are in our opinion of little use. There may be further yield shift outward in the market generally leading to a further n.a.v. reduction for the year end. The Trillium renegotiation on the Active portfolio will result in a

significant lengthening of the average lease period and a significant increase in the proportion of rental income that is index linked. This is far more important than the small upward shift to n.a.v. that will result from the negotiations. After two years when purchase opportunities made no sense because initial yields were too low, market conditions have moved back in favour of Wichford's business model.

#### **WINNING PITCH**

Business is ticking over at Winning Pitch and the company is concentrating on securing new contracts for its existing units. There has been no news on the acquisition front and as we are now entering the summer months we would not expect to see anything on this until, at the earliest, September.

#### **YOUGOV**

Activity in the online market research space was rampant last month. In the UK small cap space BrainJuicer has announced that it has established a presence in both Australia and Switzerland though the proposed acquisition of Melbourne based Slater Marketing Group Pty Ltd and through the opening of a Swiss office. Shortly following this news Toluna announced that it has entered into an agreement to acquire US based Common Knowledge Inc. Meanwhile, Nasdaq listed Greenfield Online has agreed to be acquired by Quadrangle Group, a private equity firm with a portfolio of media and communications holdings while global players GfK Aktiengesellschaft and Taylor Nelson Sofres have agreed to merge.

**Accident Exchange**  
**Full List**

**ACE**  
**Specialty Finance**

**Price p. 69.0**  
**Cap £m 47.1**

Y/E April	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	61.4	18.5	16.4	16.6	4.2	3.0	4.3%
2007A	116.9	13.6	18.0	18.2	3.8	3.0	4.3%
2008A	165.1	12.1	16.1	16.3	4.2	2.5	3.6%
2009E		No Forecast					

**Alliance Pharma**  
**AIM**

**APH**  
**Pharmaceuticals**

**Price p. 6.75**  
**Cap £m 10.9**

Y/E December	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	17.3	0.49	0.49	0.32	21.1	-	-
2007A	18.2	-3.21	0.37	0.23	29.3	-	-
2008E	20.3	2.05	2.05	1.20	5.6	-	-
2009E	21.3	2.48	2.48	1.1	6.1	-	-

*\*\*10 months*

**Colliers CRE**  
**AIM**

**COL**  
**Real Estate**

**Price p. 47**  
**Cap £m 21.2**

Y/E December	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A*	93.8	9.7	9.7	17.2	2.7	4.6	9.8%
2007A**	117.5	12.2	9.4	11.8	4.0	5.0	10.6%
2008E	101.7	6.0	6.0	7.8	6.0	5.50	11.7%
2009E	Under	Review					

**Cosalt**  
**Full List**

**CSLT**  
**Diversified Inds**

**Price p. 303**  
**Cap £m 74.5**

Y/E October	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	124.0	1.91	2.01	10.4	29.1	18.75	6.2%
2007A	135.1	1.82	2.69	11.6	26.2	12.0	4.0%
2008E*	110.0	4.00	5.90	19.3	15.7	12.0	4.0%
2009E*	125.2	7.57	9.67	30.0	10.1	14.0	4.6%

*\* 2008 + 2009 estimates are calculated on a continuing business basis excluding holiday home and Banner.*

**Dori Media**  
**AIM**

**DMG**  
**Media**

**Price p. 120**  
**Cap £m 24.5**

Y/E December	Sales US\$m	Declared Pre-tax Profit £m	Adjusted Profit US\$m	Adjusted eps USc.	p/e ratio	Divi p.	Yield %
2006A	20.4	5.1	6.6	28.3	6.8	0.0	-
2007A	30.0	8.2	8.7	34.5	5.6	0.0	-
2007E	61.0	10.1	12.6	40.0	4.8	0.0	-
2008E	82.5	13.0	15.5	45.8	4.2	0.0	-

*Adjusted profit excludes start up costs in Indonesia*

**Eden Research**  
**PLUS**

**EDE**  
**Diversified Inds**

**Price p. 57.5**  
**Cap £m 29.51**

Y/E December	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2005A	0.1	-3.7	-2.6	-5.6	-	0.0	-
2006A	0.4	-2.6	-2.2	-4.2	-	0.0	-
2007A	1.6	-1.8	-1.3	-2.8	-	0.0	-
2008E	No	Forecast					

**Eleco**  
**AIM**

**ELCO**  
**Diversified Inds**

**Price p. 82.8**  
**Cap £m 49.1**

Y/E June	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	55.2	4.4	4.9	7.7	10.7	2.1	2.5%
2007A	62.1	5.6	6.3	10.2	8.1	2.5	3.0%
2008E	74.0	7.5	8.3	10.6	7.8	2.75	3.3%
2009E	No	Forecasts					

**EMED Mining**  
**AIM**

**EMED**  
**Diversified Inds**

**Price p. 27.8**  
**Cap £m 40.8**

Y/E December	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2005A	0.0	-2.1	-2.1	-3.9	-	0.0	-
2006A	0.0	-2.5	-2.5	-2.9	-	0.0	-
2007E	No	Forecasts					
2008E							

**Espro I T**  
**UK: PLUS**

**ESP**  
**Information Technology**

**Price p. 16.5**  
**Cap £m 3.0**

Y/E December	Sales US\$m	Declared Profit US\$m	Adjusted Profit US\$m	Adjusted eps USc.	p/e ratio	Divi UKP	Yield %
2006A	15.6	0.4	0.5	3.0	11.0	0.0	0.0
2007E	16.5	0.2	0.4	1.7	19.4	0.0	0.0
2008E	17.4	1.3	1.4	6.3	5.2	0.0	0.0
2009E	19.7	2.2	2.4	10.9	3.0	0.0	0.0

**European Nickel**  
**AIM**

**ENK**  
**Mining**

**Price p. 28.75**  
**Cap £m 112.1**

Y/E September	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps Ukp	p/e ratio	Divi p.	Yield %
2005A	0.0	-6.1	-6.1	-6.1	-	0.0	-
2006A	0.8	-9.1	-9.1	-4.7	-	0.0	-
2007E	0.8	-	-	-	-	0.0	-
2008E	6.0	-	-	-	-	0.0	-

**General Medical**  
**UK: PLUS**

**GMCP**  
**Health**

**Price p. 37.5**  
**Cap £m 6.8**

Y/E May	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	5.65	0.36	0.36	3.4	11.0	0.00	0.0%
2007A	6.40	0.35	0.47	2.5	15.0	0.00	0.0%
2008E	6.48	0.33	0.41	1.8	20.8	0.40	1.1%
2009E	6.85	0.53	0.53	2.2	17.0	0.50	1.3%

**IAF Group**  
**AIM**

**IAF**  
**Finance**

**Price p. 3.4**  
**Cap £m 2.2**

Y/E June	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	0.10	-1.45	-1.45	-4.82	-	0.00	-
2007A	1.19	-2.09	-2.09	-3.60	-	0.00	-
2008E	2.00	-1.25	-1.12	-1.8	-	0.00	-
2009E	No	Forecasts					-

**Irvine Energy**  
**AIM**

**IVE**  
**Oil & Gas**

**Price p. 3.3**  
**Cap £m 21.3**

Y/E December	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	0.0	-0.2	-0.3	-0.12	-	0.00	-
2007A	0.0	-0.9	-1.1	-0.20	-	0.00	-
2008E	-	-	-	-	-	-	-
2009E	-	-	-	-	-	-	-

**Lighthouse Group**  
**AIM**

**LGT**  
**Specialty Finance**

**Price p. 24**  
**Cap £m 18.0**

Y/E December	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2005A	32.6	-0.5	0.4	1.0	-	0.0	-
2006A	47.1	0.7	2.2	2.9	8.3	0.0	-
2007A	53.0	2.7	2.7	2.9	8.3	0.3	1.0%
2008E	No estimates at present						

**Lok'nStore  
AIM**

**LOK  
Support Services**

**Price p. 150  
Cap £m 40.2**

Y/E July	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	8.95	-0.04	-0.02	-0.50	-	0.0	0.0%
2007A	10.67	0.95	0.37	1.20	125.0	0.67	0.4%
2008E	10.81	-0.76	-0.56	-2.10	-	1.10	0.7%
2009E	11.60	-1.01	-1.01	-3.80	-	1.20	0.8%

**Lombard Risk Mgt  
AIM**

**LRM  
Software**

**Price p. 6.125  
Cap £m 8.3**

Y/E March	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	4.7	3.2	-2.8	-2.2	-	0.0	0.0%
2007A	6.9	-2.3	-0.5	-0.4	-	0.0	0.0%
2008E	8.7	-0.8	-0.8	-0.5	-	0.0	0.0%
2009E	10.3	0.5	0.5	0.4	15.3	0.0	0.0%

**Marchpole  
Full list**

**MPH  
General Retailing**

**Price p. 15.00  
Cap £m 4.1**

Y/E March	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	38.4	4.5	4	9.5	1.6	3.5	23.3%
2007A	90.5	8.3	6.2	16.6	0.9	3.8	25.3%
2008E	No Forecasts						
2009E							

**Mart Resources  
TSX-V**

**MMT:TSX-V  
Oil**

**Price CANc. 60.0  
Cap. CAN\$ 107.4**

Y/E December	Sales \$CDN000	Declared Profit CND000	Adjusted Profit CND000	Adjusted eps CDN Cents	p/e ratio	Divi p.	Yield %
2005A	0	-4.4	-4.8	-4.6	-	-	0.0%
2006A	0	-30.7	-30.7	-0.18	-	-	0.0%
2007A	0	-20.8	-20.8	-0.10	-	-	0.0%
2008E	-	-	-	-	-	-	-

**Minoan Group  
AIM**

**MIN  
Leisure & Hotels**

**Price p. 33.5  
Cap £m 16.5**

Y/E September	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A*	0.0	-0.9	-0.9	-3.2	-	0.0	-
2007A*	0.0	-0.8	-0.8	-2.1	-	0.0	-
2008A**	0.0	-1.7	-1.7	-3.6	-	0.0	-
2008E	No	Forecast					

\*March year end \*\*12 months to March

**Murgitroyd  
AIM**

**MUR  
Support Services**

**Price p. 300.0  
Cap £m 24.8**

Y/E May	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	18.8	1.4	1.9	14.7	20.4	4.7	1.6%
2007A	22.8	2.9	2.9	24.2	12.4	9.0	3.0%
2008E	25.5	2.9	3.1	25.0	12.0	10.0	3.3%
2009E	29.6	3.5	3.5	28	10.7	12.0	4.0%

**Nautical Petroleum  
AIM**

**NPE  
Oil**

**Price p. 8.1  
Cap £m 86.8**

Y/E June	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	0.0	-7.2	-7.2	-0.78	-	0.0	-
2007A	0.0	-0.4	-0.4	-0.05	-	0.0	-
2008E	-	-	-	-	-	-	-
2009E	-	-	-	-	-	-	-

**Nanika/New Cantech**  
**TSX-V**

**NCV:TSX-V**  
**Mining Exploration**

**Price CANc. 17.0**  
**Cap. CAN\$ 10.7**

Y/E December	Sales USD\$	Declared Pre-tax Profit \$m	Adjusted Profit \$m	Adjusted eps c.	p/e ratio	Divi p.	Yield %
2006A	No estimates at present						
2007A							
2008E							
2009E							

**Oak Holdings**

**OAH**  
**Real Estate**

**Price p. 26.0**  
**Cap £m 3.9**

Y/E October	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	0.1	-0.6	-0.6	-3.8	-	0.0	-
2007A	0.4	-0.5	-0.5	-3.1	-	0.0	-
2008E	No	Forecast					
2009E							

**Park Group**

**PKG**  
**Consumer Finance**

**Price p. 13.3**  
**Cap £m 21.9**

Y/E March	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2007A	305.2	10.1	10.1	4.0	3.3	1.2	9.1%
2008A	225.1	5.2	5.2	2.2	6.0	1.2	9.1%
2009E	255.2	6.4	6.4	2.7	4.9	1.3	9.8%
20010E	278.1	7.00	7.0	3.0	4.4	1.4	10.6%

**Photo-Me**

**PHTM**  
**Support Services**

**Price p. 15.0**  
**Cap £m 54.8**

Y/E April	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	224.9	52.7	25.7	4.7	3.2	2.4	16.0%
2007A	214.9	45.1	13.0	2.1	7.1	2.4	16.0%
2008E	204.9	34.8	No	Forecast		0.0	0.0%
2009E	199.8	43.1				0.0	0.0%

**Primary Health**

**PHP**  
**Real Estate**

**Price p. 280.0**  
**Cap £m 94.1**

Y/E	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
6/2006A	11.1	18.4	3.9	16.5	17.0	13.5	4.8%
6/2007A	14.1	14.3	4.0	14.6	19.2	15.0	5.4%
12/2007A *	15.7	-12.8	4.2	13.8	20.3	15.5	5.5%
12/2008E	18.0	2.0	4.2	12.5	22.4	16.5	5.9%

\*12 Month Period- change of year end from June to Dec.

**Printing.com**

**PDC**  
**Retailing**

**Price p. 37**  
**Cap £m 17.4**

Y/E March	Sales £m (Retail)	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2007A	12.1	2.3	2.3	3.4	10.9	2.50	6.8%
2008A	13.5	2.4	2.4	3.5	10.6	3.00	8.1%
2009E	15.2	2.8	2.8	4.2	8.8	3.50	9.5%
20010E	17.4	3.1	3.1	4.6	8.0	4.00	10.8%

**R.E.A. Holdings**

**RE.**  
**Food**

**Price p. 585.5**  
**Cap £m 192.0**

Y/E December	Sales	Declared Pre-tax Profit	Adjusted Profit	Adjusted Eps	p/e ratio	Divi p.	Yield
	US\$ m	US\$ m	US \$ m	c/share			%
2006A	33.1	19.76	11.06	17.8	65.7	1.0	0.2%
2007A	57.6	47.01	38.98	73.0	16.1	2.0	0.3%
2008E	81.5	52.91	44.91	87.5	13.4	3.0	0.5%
2009E	102.6	70.93	62.93	125.4	9.3	4.0	0.7%

**Sefton Resources**  
**AIM**

**SER**  
**Oil and Gas**

**Price p. 6.9**  
**Cap £m 7.5**

Y/E December	Sales	Declared Pre-tax Profit	Adjusted Profit	Eps. c/share	p/e ratio	Divi p.	Yield %
	USD\$m	USD\$m	USD\$m	c			
2005A	1.8	-0.6	-0.6	-0.74	-	0.0	-
2006E	2.7	-0.4	-0.4	-0.56	-	0.0	-
2007E	3.0	0.2	0.2	0.40	93.70	0.0	-
2008E	8.0	4.4	4.0	3.40	4.80	0.0	-

**SHG plc**  
**PLUS**

**Price p. 2.000**  
**Cap £m 2.7**

Y/E March	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2007A*	0.6	-0.23	-0.23	-0.61	-	0.0	-
2008E*	0.7	-0.19	-0.19	-0.52	-	0.0	-
2009E*		No	Forecasts				-
2010E*							-

\* Pasante acquisition withdrawn

**Stagecoach Theatre Arts**  
**AIM**

**STA**  
**Theatre Arts**

**Price p. 66.5**  
**Cap £m 6.6**

Y/E May	Group Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	5.67	-0.21	0.03	0.14	475.0	0.0	-
2007A	6.32	0.37	0.43	2.50	26.6	0.0	-
2008E	6.32	0.53	0.59	3.83	17.4	0.5	0.8%
2009E	7.46	0.72	0.78	5.67	11.7	2.0	3.0%

**Tethys Oil**  
**AIM**

**TETY.SE**  
**Oil**

**Price SEK 23.0**  
**Cap SEKm 441.8**

Y/E December	Sales SEK m	Declared Pre-SEK m	Adj Profit SEK m	Adjusted eps SEK	p/e ratio	Divi SEK	Yield %
2005A	0.0	-14.4	-14.4	-1.09	-	0.0	-
2006A	0.0	-29.8	-29.8	-1.94	-	0.0	-
2007A	0.0	-24.7	-24.7	-1.41	-	0.0	-
2008E	0.0	-8.3	-8.3	-0.37	-	0.0	-

**Thor Mining**  
**AIM**

**THR**  
**Mining**

**Price p: 5.38**  
**Cap £m: 7.5**

Y/E June	Sales £m	Declared Pre-Tax Profit AUS\$m	Adj Profit Profit £m	Adjusted eps p.	p/e ratio	Divi	Yield %
2006A	0.0	-0.7	-0.7	-1.1	-	0.0	0.0%
2007A	0.0	-1.4	-1.4	-1.3	-	0.0	0.0%
2008E	No	Forecast					
2009E							

**TNG**  
**AIM**

**ASX:TNG**  
**Mining**

**Price AUSc: 9.1**  
**Cap AUS\$m: 17.4**

Y/E	Sales AUS\$m	Declared Pre-Tax Profit AUS\$m	Adj Profit AUS\$m.	Adjusted eps AUSc.	p/e ratio	Divi	Yield %
2006A	0.8	-0.6	-0.6	0.7	13.2	0.0	0.0%
2007A	0.1	-12.9	-12.9	-4.8	-	0.0	0.0%
2008E	No	Forecast					
2009E							

**Vianet**  
**AIM**

**VIA**  
**IT Hardware**

**Price p. 2.13**  
**Cap £m 5.4**

Y/E December	Sales £m	Declared Pre-tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2005A	0.7	-2.3	-2.3	-1.4	-	0.0	-
2006A	0.6	-1.7	-1.7	-0.8	-	0.0	-
2007A	1.1	-1.8	-1.8	-0.8	-	0.0	-
2008E	Forecast	Being	Updated		-	0.0	-

**Wichford  
Full List**

**WICH  
Property**

**Price p. 111.0  
Cap £m 148.4**

Y/E September	NAV (p)	Declared Pre- Tax Profit £m	Trading PBT £m	Trading eps p.	Premium / (Discount) To NAV	Divi p.	Yield %
2006A	217	52.9	8.0	8.1	-37%	9.5	8.6%
2007A	208	-9.6	11.6	9.7	-35%	10.2	9.2%
2008E	121	-96.1	13.8	10.4	-18%	10.4	9.4%
2009E	132	31.0	16.0	12.1	-17%	10.6	9.5%

**Winning Pitch**

**WINP**

**Price p. 50.5**

**PLUS**

**Support Services**

**Cap £m 2.5**

Y/E December	Sales £m	Declared Pre- tax Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A*	0.3	0.2	0.2	-	-	0	0.0%
2007A	0.4	0.1	-				
2008E	No	Forecast					
2009E	No	Forecast					

\*15 month period from incorporation - Winning Pitch Trading Ltd

**YouGov**

**YOU**

**Price p. 140.8**

**AIM**

**Media**

**Cap £m 130.3**

Y/E July	Sales £m	Declared Pre- Profit £m	Adjusted Profit £m	EPS Diluted p.	p/e ratio	Divi p.	Yield %
2006A	9.6	4.1	4.1	4.2	34.6	0.0	-
2007A	14.3	5.6	5.7	6.3	23.9	0.0	-
2008E	40.2	7.5	10.4	8.4	17.3	0.0	-
2009E	47.4	11.5	13.9	9.9	14.7	0.0	-

**Accident Exchange**

ACE [www.accidentexchange.com](http://www.accidentexchange.com) 69.0p



**Dori Media**

DMG [www.dorimedia.com](http://www.dorimedia.com) 120.0p



**Alliance Pharma**

APH [www.alliancepharma.co.uk](http://www.alliancepharma.co.uk) 6.75p



**Eden Research**

EDE [www.edenresearch.com](http://www.edenresearch.com) 57.5p



**Colliers CRE**

COL [www.collierscre.co.uk](http://www.collierscre.co.uk) 47.0p



**Eleco**

ELCO [www.eleco.com](http://www.eleco.com) 82.75p



**Cosalt**

CSLT [www.cosalt.plc.uk](http://www.cosalt.plc.uk) 303.0p



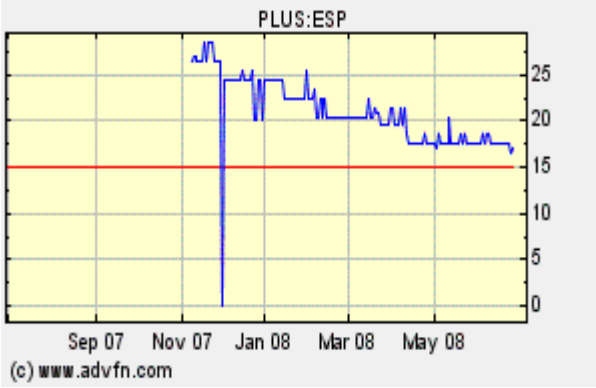
**EMED Mining**

EMED [www.emed-mining.com](http://www.emed-mining.com) 27.75p



**Espro IT**

ESP [www.espro.com](http://www.espro.com) 16.5p



**Irvine Energy**

IVE [www.irvineenergy.com](http://www.irvineenergy.com) 3.275p



**European Nickel**

ENK [www.enickel.co.uk](http://www.enickel.co.uk) 28.75p



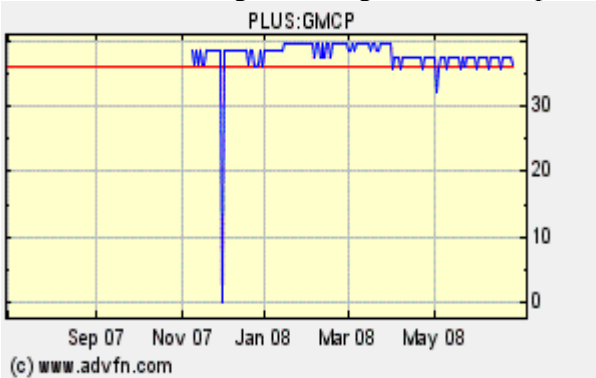
**Lighthouse Group**

LGT [www.lighthouseifa.com](http://www.lighthouseifa.com) 24.0p



**General Medical Clinics**

GMCP [www.genmed.org.uk](http://www.genmed.org.uk) 37.5p



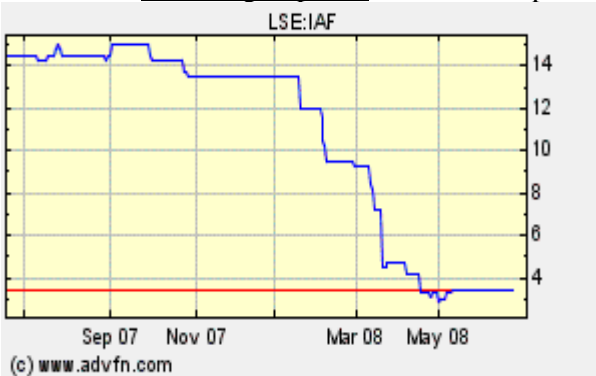
**Lok'nStore**

LOK [www.loknstore.com](http://www.loknstore.com) 150.0p



**IAF Group**

IAF [www.iafgroup.com](http://www.iafgroup.com) 3.375p



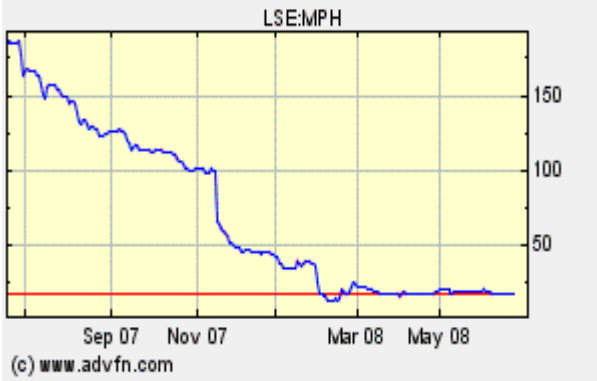
**Lombard Risk Management**

LRM [www.lombardrisk.com](http://www.lombardrisk.com) 6.125p



### Marchpole

MPH ... [www.marchpole.com](http://www.marchpole.com) 15.0p



### Nautical Petroleum

NPE [www.nauticalpetroleum.com](http://www.nauticalpetroleum.com) 8.05p



### Mart Resources

MMT [www.martresources.com](http://www.martresources.com) 60.0CDNc



### New Cantech Ventures

NCV [www.newcantech.com](http://www.newcantech.com) 17.0CDNc.



### Minoan Group

MIN [www.Minoangroup.com](http://www.Minoangroup.com) 33.5p



### Oak Holdings

OAH [www.oakholdings.co.uk](http://www.oakholdings.co.uk) 26.0p



### Murgitroyd

MUR [www.murgitroyd.com](http://www.murgitroyd.com) 300.0p



### Park Group

PKG [www.parkgroup.co.uk](http://www.parkgroup.co.uk) 13.25p



**Photo-Me International**

PHTM [www.photo-me.co.uk](http://www.photo-me.co.uk) 15.0p



**Sefton Resources**

SER [www.seftonresources.com](http://www.seftonresources.com) 6.875p



**Primary Health Properties**

PHP [www.phpgroup.co.uk](http://www.phpgroup.co.uk) 280.0p



**SHG**

SHGP [www.sexualhealthgroup.com](http://www.sexualhealthgroup.com) 2.0p



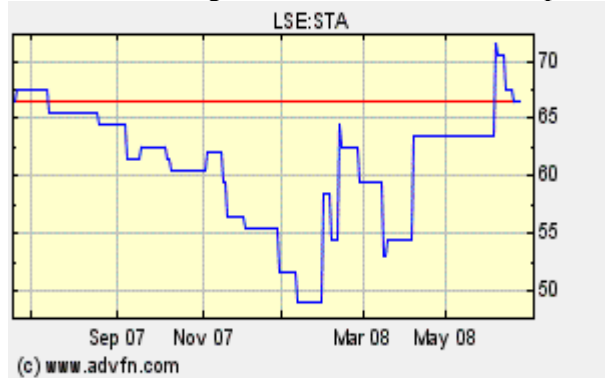
**Printing.com**

PDC [www.printing.com](http://www.printing.com) 38.0p



**Stagecoach Theatre Arts**

STA [www.stagecoach.co.uk](http://www.stagecoach.co.uk) 66.5p



**R.E.A. Holdings**

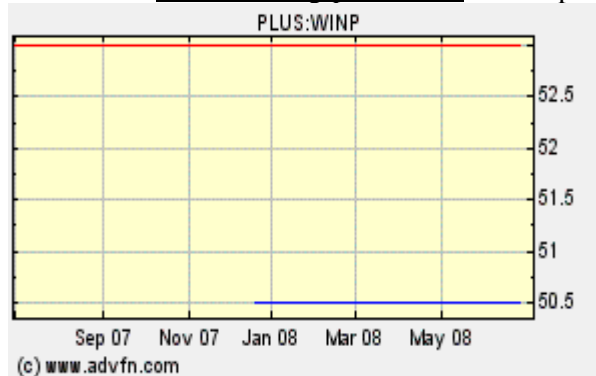
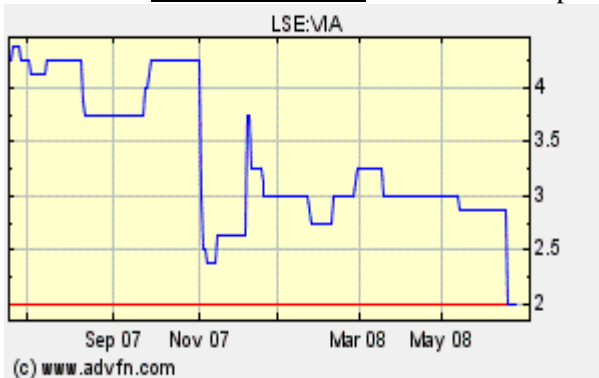
RE. [www.rea.co.uk](http://www.rea.co.uk) 585.5p



**Tethys Oil**

TETY [www.tethysoil.com](http://www.tethysoil.com) 23.10p



**Thor Mining**THR [www.thormining.com](http://www.thormining.com) 5.375p**Wichford**WICH [www.wichford.com](http://www.wichford.com) 111.0p**TNG Mining**TNG [www.tngltd.com.au](http://www.tngltd.com.au) 9.10p**Winning Pitch**WINP [www.winning-pitch.co.uk](http://www.winning-pitch.co.uk) 50.5p**Vianet**VIA [www.vianet.co.uk](http://www.vianet.co.uk) 2.175p**YouGov**YOU [www.yougov.com](http://www.yougov.com) 140.75p

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