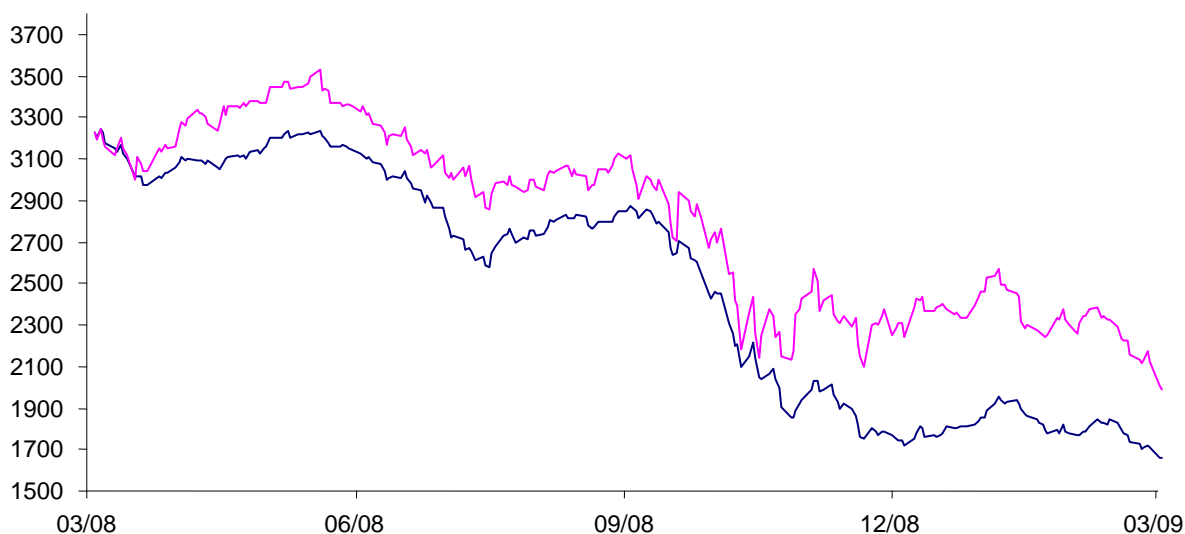


FTSE SmallCap vs. FTSE 100



Source - Fidessa

SMX FTSE SmallCap. UKX FTSE 100 rebased to FTSE SmallCap.

Debt market analysis is increasingly important, with bond performance varying hugely between different banks and multinationals, and forward looking credit judgements being at their most critical since the Asian banking crisis. Hardman & Co is now able to provide analysis to the financial community on leading banks and industrial bond issuers. Unlike our equity research, this is paid for by the investment manager rather than the bond issuer, and we intend by this process to avoid the pitfalls experienced by the conventional debt rating organisations.

Please email research@hardmanandco.com for further information.

The price for a rights issue in 2009 has clearly been established. It is a minimum 40% discount. Don't expect to raise any more than 25% of your current market capitalisation. Don't expect your share price to hold its ground after the announcement either, expect it to sink to close to the rights offer price (or below it if the 2008 fundraisings are any guide). This is the lesson from the capital raising so far in the current year.

They include Xstrata (66% discount), British Land (53% discount), Land Securities (51% discount), and now HSBC (48% discount, but a 70% discount to its share price as recently as October). With only just over two months of the year gone, over £18bn has been raised in fresh capital. In a 'normal' year capital raising amounts to around £30bn, so already over half the normal quota of capital raising has been used up. Four of the 99 companies in the FTSE have issued cash calls. That rises to six if you include Centrica, whose issue straddled the year end, and Liberty which has not yet announced its terms. If the trend continues at this rate, a quarter of FTSE companies will have raised fresh capital this year. Don't doubt that a tally like that is possible. Already Segro, Premier Foods, Prudential and ITV are said to have taken soundings about following them.

Market Indicator	Price	Previous Month Price	% Change in 1 month	Year High	Year Low
FTSE 100	3499	4078	-14.2%	6377	3499
FTSE Small Cap	1646	1769	-7.0%	3241	1646

Extrapolating the experience of the first two months, this would pull in over £100bn of new money into the market which is historically c. £70bn more than can be provided by the usual fresh money sources. There are only three places from which this £70bn can come, the Government, foreign countries with large balance of payments surpluses such as China and Saudi Arabia, or by the sale of existing shares in the market. This final point explains why all the quoted companies that have raised fresh cash so far this year have performed disastrously as investments. It also explains why the FTSE is down 20% in two months.

Does what happens to the FTSE matter to the mid caps and the small caps? It does so very much indeed. The FTSE is 80% of market activity, the remainder of the market survives on the crumbs that fall from the giants' table. FTSE sets the terms, and its appetite determines whether there are any leftovers from the feast. This is the really important issue facing the smaller Official List stocks and the AIM market in London. The decline in AIM stock numbers from 1,694 at the December 2007 peaked to the current 1,524 is really not important. The vast majority of the departures will not be missed. A fair number of them have gone bust since.

Neither do the tax breaks matter for which the Stock Exchange is lobbying so hard. Relaxing the qualifying rules for VCT status would be only tinkering at the margin of the problem. A bad investment is a bad investment, even if it gets you tax relief on your losses. The cold hard facts are that it is much more difficult to run any business at a profit in 2009 than it was, say, in 2006. Improving the quality of the businesses being floated is the key. AIM would do better to cut out the NOMADs with the poorer track records, and to encourage smaller company IPOs by cutting some of the legal and accountancy requirements that have driven IPO costs (and the costs of maintaining an existing quote) to such horrendous levels.

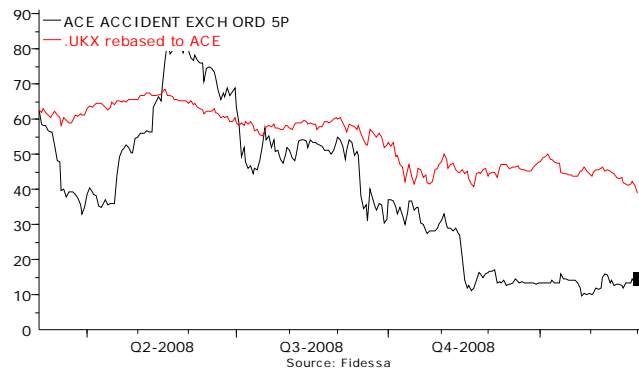
It is worth tackling this issue now. Small company capital raisings are taking place – the environment is right for new money raising, this is a complete change from six months ago. Quality and size are totally different issues, as the unfortunate shareholders of RBS and HBOS have discovered. A company can very easily be both quality and small. It can just as easily be a giant and rubbish.

ACCIDENT EXCHANGE

Helphire, a larger rival to Accident Exchange, has announced a dire set of interim results and details of a proposed equity fundraising to strengthen its balance sheet. Existing institutional investors have indicated their willingness to invest £50m (before expenses) in Helphire at 33p/share subject to revised covenant terms. Helphire shares have sunk to an all-time low following the news and the current market cap is now sub £50m.

So far, Accident Exchange has stayed within its banking covenants and at end-October had £22.6m of headroom on its borrowing facilities. February's big freeze is likely to have led to increased trading volumes – more accidents mean more hire starts - but by less than anticipated judging by the tone of the Helphire statement. Moreover, there can be little doubt that both Accident Exchange and Helphire are being forced to step up cash collection and cut costs to cope with what continues to be a very challenging trading environment.

A pre-close trading update is likely towards the end of March. We await news on when the business is likely to turn cash positive with interest.

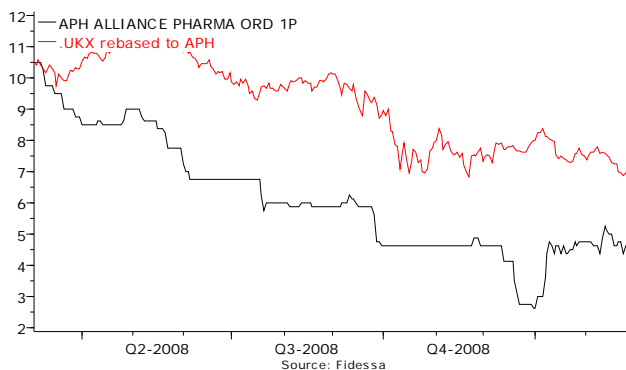


Accident Exchange				ACE		Price p.	14.5
Full List				Specialty Finance		Cap £m	10.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
April	£m	Profit £m	Profit £m	Diluted eps	ratio	p.	%
2007A	119.6	13.6	18.0	18.1	0.8	2.4	16.6%
2008A	165.2	12.1	16.1	13.8	1.1	2.7	18.6%
2009E	181.2	0*	1.0	0.5	29.0	0.0	0.0%
2010E	No	estimates	at present				

* Excludes £12.5m fleet write-down

ALLIANCE PHARMA

The arrival of MVM Life Science Partners LLP on the shareholder list, with a 9.3% stake, is good news. MVM is a specialist healthcare investor, and is looking for a relationship with Alliance that will give it the potential to 'lead equity fundraisings for any future product acquisitions'. This puts Alliance Pharma back in growth mode, after a period conserving cash and being on the receiving end of takeover speculation (last month's rumour was that Goldshield was interested in making a move for the company). It clearly also takes RAB Capital off the shareholder list – RAB Capital was viewed by the market as a likely seller and its presence has recently been holding back the share price.



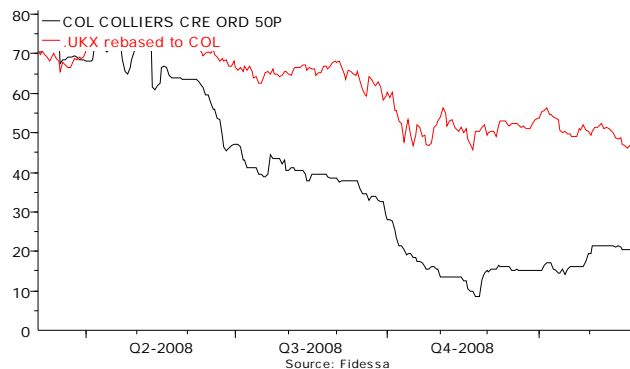
MVM has negotiated the right to nominate a representative to the Alliance Pharma board, and we believe it is likely to do this shortly.

The good performance at Alliance Pharma has continued into February and Alliance's shares are now trading at levels last seen in September 2008. With results for the full year ended 31 December 2008 due out on 18 March the company is now in close period. We are expecting profit before tax of circa £2.3m cf a loss of £3.2m in the prior year. Alliance has turned itself around and with its brands in the main prescription driven is well placed to deliver in the current environment. While some investors will be concerned about Alliance's debt position – net debt as at 30 June 2008 was £33.0m – this debt is being paid down and the company is trading comfortably within its banking covenants.

Alliance Pharma AIM				APH Pharmaceuticals		Price p. Cap £m	5.00 8.11
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
December							
2006A	17.3	0.49	0.49	0.32	15.6	-	-
2007A	18.2	-3.21	0.37	0.23	21.7	-	-
2008E	21.8	2.30	2.30	1.47	3.4	-	-
2009E	22.9	2.90	2.90	1.31	3.8	-	-

COLLIERS CRE

Colliers CRE's results to 31 December 2008 are expected to be released later this month. We are expecting a loss of circa £7.0m on turnover of £78m following what has for everyone in the sector been a terrible year. There have been early indications that the new year might be somewhat better for property with investors looking for better returns than can be currently earned in their bank accounts and we do expect Colliers CRE to return to profitability in 2009. That said, Colliers CRE's own recently released "Central London Q4 Report" reveals times remain difficult, stating that "tenants are being offered lengthy rent free periods of up to three years".



Colliers CRE's shares have doubled in price since late November. Over the same time period the shares of many other companies in the sector have fallen significantly as investor fears over the potential for breaching bank covenants have increased.

Colliers CRE AIM				COL Real Estate		Price p. Cap £m	14.5 6.5
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
December							
2006A	93.8	9.7	9.7	17.2	1.2	4.6	23.0%
2007A	117.5	12.2	9.4	11.8	1.7	5.0	25.0%
2008E	78.0	-7.0	-7.0	-11.0	-1.8	-	-
2009E	76.9	1.7	1.7	1.6	12.5	-	-

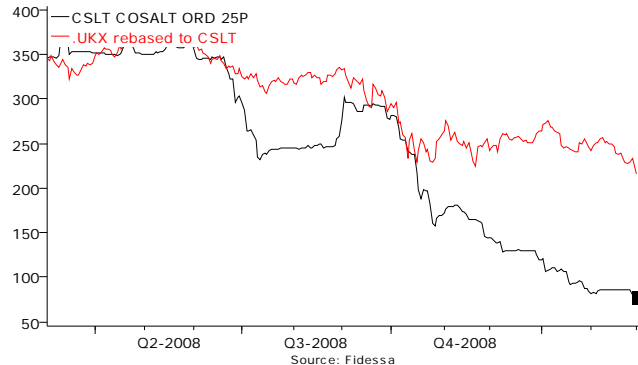
COSALT

Last week's full year results showed turnover up 57% and a 257% increase in operating profit before exceptional items.

Following the exit from the legacy businesses, Cosalt is now fully focused on the marine and offshore oil and gas safety markets. Both businesses are driven by strict regulatory requirements and legislation with long-term contracts providing a high degree of visibility. In our view this puts the company in a strong position to ride out the current economic downturn.

In terms of the balance sheet, net debt has increased from £14.3m to £26.8m whilst net gearing is up from 46% to 71.5%. We look for a further increase in net debt in 2009, possibly to £30m, on account of £2.6m in deferred acquisition costs. A new £39m banking facility running through to 2011 should enable the company to operate with a comfortable level of headroom, however.

The big surprise in this statement was the decision to axe the final dividend and as a result we have reduced our current year dividend forecast to 4p/share. Our current year estimates look for strong growth in sales and margins and a 10% rise in adjusted pre-tax profit. We will be publishing a new research note shortly. Please call for details.

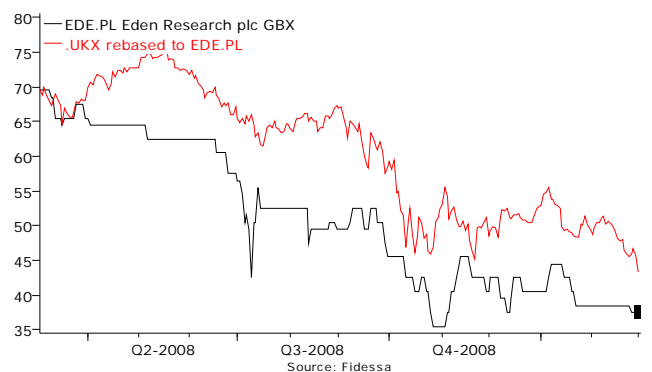


Cosalt				CSLT		Price p.	77.5
Full List				Diversified Inds		Cap £m	19.1
Y/E	Sales	Declared	Adjusted	Headline	p/e	Divi	Yield
October	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	66.9	0.05	1.00	17.6	4.4	12.0	15.5%
2008A	105.0	1.49	7.23	23.40	3.3	6.0	7.7%
2009E	121.5	6.27	7.97	21.40	3.6	4.0	5.2%
2010E	No Forecasts			at present			

All estimates are calculated on a continuing business basis

EDEN RESEARCH

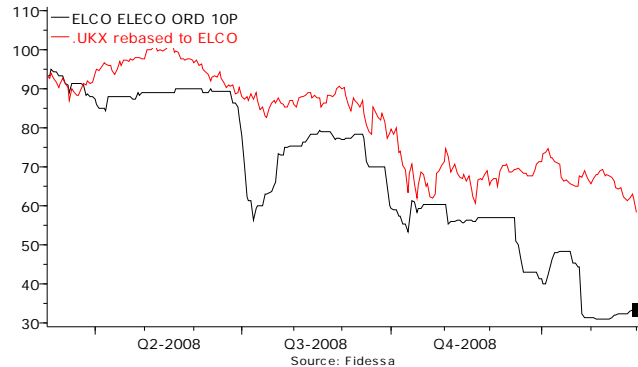
There have been no further developments at Eden Research beyond those that we covered in some detail in our February *Monthly*. We await results for the year to end-December.



Eden Research				EDE		Price p.	37.5
PLUS				Diversified Inds		Cap £m	19.2
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2006A	0.1	-3.7	-2.6	-5.6	-	-	-
2007A	0.4	-2.6	-2.2	-4.2	-	-	-
2008E	No estimates			at present			
2009E	No estimates			at present			

ELECO

The interim results issued at end-February came as a relief after the January trading statement warning of a 'small' operating profit and a reduction in cash balances. Group turnover was down by only 5.5%, and it was very clear that Eleco continues to perform very well in comparison to most other companies in the construction/building systems business area. The interim dividend was cut, from 1p to 0.4p a share, but for many other construction related companies, dividend payments are now ancient history.



The key issue here has been with the precast concrete operations, which in H1 of the previous year produced over half the group EBITDA. Sales revenue in precast concrete operations was virtually unchanged, but as Eleco was operating with a full period's contribution from the Milbury Systems acquisition, and also had its third site in operation, overheads at this business were higher and only a small profit was produced. The precast concrete order book is heavily biased towards public sector related work, with student accommodation featuring heavily in its workload. Customers were experiencing delays obtaining funding, however, and this led in turn to delays in customers requiring work. Also, the precast concrete activities have two big business areas lined up for the future, prisons and farming. The Government has not yet placed orders for the new prisons it has been promising (although Eleco has been issuing plenty of quotes), and as far as farming work is concerned the new EU Nitrates Directive, which will be the driver for the next major round of orders, has not yet come into effect in Britain.

All three main business areas, precast concrete, other building systems and software, operated at a profit before amortisation of intangible assets.

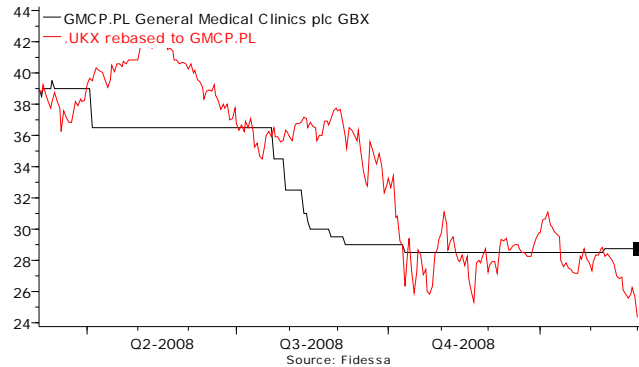
The chairman's statement was relatively upbeat bearing in mind the dreadful industry conditions, and this has helped the shares rise slightly since the announcement, in spite of the fall in the stock market generally.

Eleco				ELCO		Price p.	33.5
AIM				Diversified Inds		Cap £m	19.9
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	61.9	5.9	6.3	10.3	3.3	2.5	7.5%
2008A	84.9	8.2	9.1	12.1	2.8	3.0	9.0%
2009E	77.5	1.72	2.2	2.5	13.4	3.1	9.3%
2010E	80.7	4.7	5.1	6.0	5.6	2.5	7.5%

2007 Actual Results restated for IFRS.

GENERAL MEDICAL CLINICS

Primary care provider, General Medical Clinics, has announced its interim results for half year ended 30 Nov 2008. Turnover has increased by 3.7% compared to 1H08, to £3.4m. Gross profit was up by 5.9%, to £1.7m, with a slight increase in gross margin compared to the same period last year. Adjusted operating profit was down £124,000, a decline of 37%. The costs of exiting some trading contracts account for the downturn. These costs, which previously would be disclosed on a one-off basis, were disclosed as a normal operating expense this year.



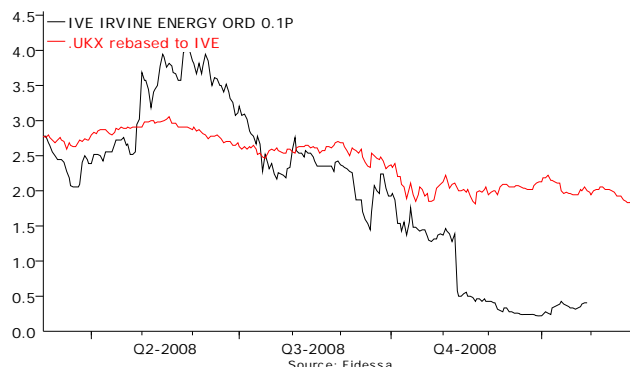
The most significant developments in this period were the opening of the Baker Street clinic and the installation of a new centralised IT system. This new centralised IT system will improve the efficiency of the company's operations, especially between clinics. One central appointment booking system is being run instead of the previous clinic based system and it also improves operation by better patient record tracking and drug monitoring. The Baker Street clinic started trading and ran an open day in January. General Medical is encouraged by the number of patients seen so far. This clinic is the company's first step into the West End, which will bring the company a wider range of customers. General Medical's management team is working toward making the new clinic cash neutral by the end of the first year. However, it will be running at a loss while the customer base builds up.

We expect General Medical to focus on the development of its two part-time clinics, Canary Wharf and Chancery Lane, and the establishment of the new Baker Street clinic in 2H09. We have adjusted our forecast for 2009 to accommodate the cost of exiting some onerous contracts. For the full year 09, we have downgraded our estimate of EPS to 1.5p from the previous 1.9p. If the Baker Street clinic develops according to plan, 2010 should be a year of further progress. Our 2010 EPS forecast is 2.0p. General Medical continues to be cash generative and had a healthy amount of £1.8m cash in the bank at the end of the interim period.

General Medical Clinics				GMCP	Price p.		28.75
UK: PLUS				Healthcare	Cap £m		4.7
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	6.40	0.35	0.48	3.0	9.6	0.0	0.0%
2008A	6.54	0.30	0.48	2.1	13.7	0.4	1.4%
2009E	6.90	0.34	0.38	1.7	16.9	0.5	1.7%
2010E	7.21	0.45	0.49	2.2	13.1	0.6	2.1%

IRVINE ENERGY

No announcements have been made this month.

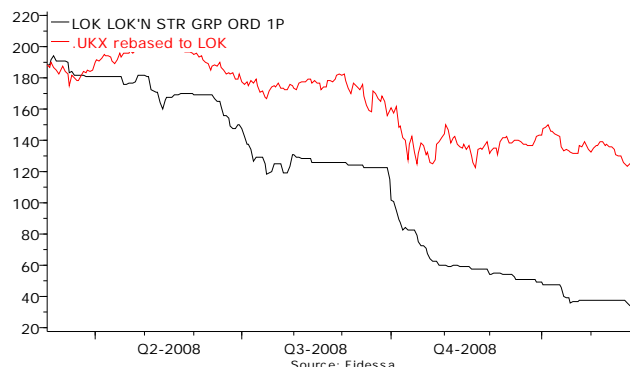


Irvine Energy AIM					IVE Oil & Gas	Price p. Cap £m	suspended suspended
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2006A	0.0	-0.2	-0.3	-0.12	-	-	-
2007A	0.0	-0.9	-1.1	-0.20	-	-	-
2008E	No	estimates	at present	-	-	-	-
2009E	No	estimates	at present	-	-	-	-

LOK'NSTORE

It has been another quiet news month for Lok'nStore and the shares continue to languish at an all time low.

The massive discount to NAV (85%) looks unduly harsh considering the latest performance tables released by the US based National Association of Real Estate Investment Trusts. They indicate the average total return on a typical property-owning REIT declined by 37% in 2008, whereas the average return on the four self-storage REITs in the index increased by 5.1%. These statistics are important for UK investment managers because they show the mature US self storage market is sustaining growth in spite of the US economic and housing market downturn.

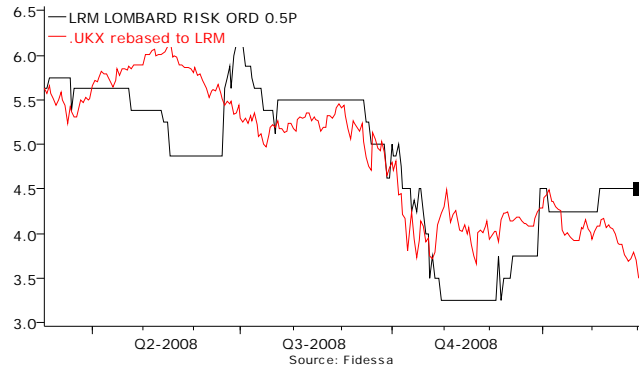


Meanwhile Safestore (SAFE.L), has put out a reassuring Q109 trading update showing an upward trend in revenues and price per sq ft. Occupancy was down 5.1% on the comparable period last year but this represents an improvement on the y/e position of -6.7%. The outlook statement was broadly positive – pressures on short term revenue growth look set to continue for at least the next quarter but the group remains confident in the long term opportunities for growth. We would tend to agree.

Lok'nStore AIM					LOK Support Services	Price p. Cap £m	34.5 9.2
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
2007A	10.67	0.95	0.37	1.20	-	0.67	1.9%
2008A	10.83	-0.74	-0.31	-1.50	-	1.00	2.9%
2009E	10.24	-1.19	-1.19	-4.50	-	1.00	2.9%
2010E	10.71	-1.09	-1.09	-4.10	-	1.00	2.9%

LOMBARD RISK MANAGEMENT

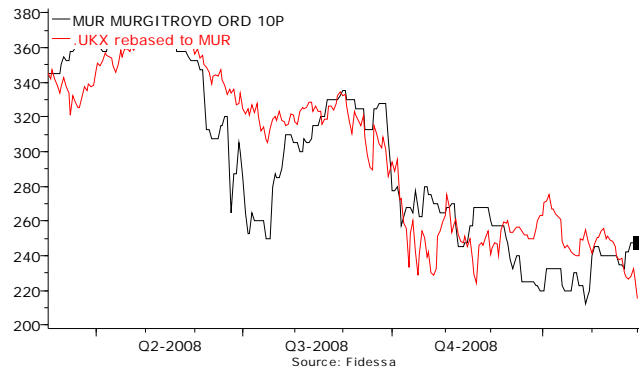
The shares have held onto the forward movement they made in December, in spite of the collapse in stock markets generally. There have been no further trading developments.



Lombard Risk Mgt				LRM		Price p.	4.5
AIM				Software		Cap £m	6.1
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	6.9	-1.3	-1.3	-1.0	-	-	-
2008A	8.5	-1.1	-1.1	-0.7	-	-	-
2009E	8.7	-1.0	-1.0	-0.7	-	-	-
2010E	10.0	0.75	0.75	0.5	9.0	-	-

MURGITROYD

Murgitroyd Group released its interim results to 30 November 2008 last month. There were no great surprises in the results and our forecast net profit before tax for the year to 31 May is unchanged at £3.6m. Post balance sheet date the Group acquired Raworth Moss & Cook, a London based Patent and Trade Mark Attorney practice. This acquisition should help to maintain Murgitroyd's earnings per share growth.

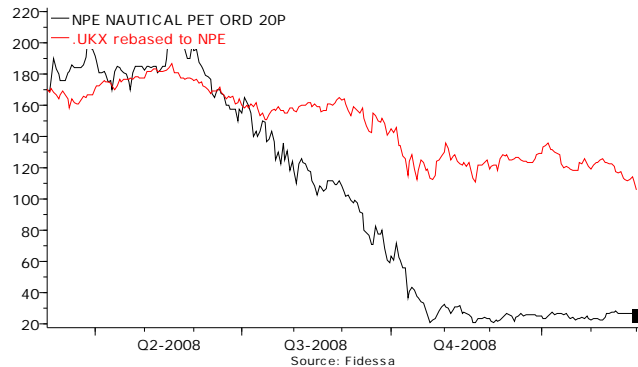


Murgitroyd				MUR		Price p.	247.5
AIM				Support Services		Cap £m	21.0
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	£m	Profit £m	Profit £m	Basic eps p	ratio	p.	%
2007A	22.8	2.9	2.9	23.8	10.4	9.0	3.6%
2008A	25.7	2.9	3.1	25.3	9.8	9.5	3.8%
2009E	29.8	3.6	3.6	29.9	8.3	9.5	3.8%
2010E	31.3	3.9	3.9	32.3	7.7	10.0	4.0%

NAUTICAL PETROLEUM

Nautical continues to move ahead with work on the Mariner and Kraken FDPs and during February completed the Keddington Field transaction with Alba Resources Limited, (a wholly owned subsidiary of Nautical) acquiring a 10% working interest in the Onshore Licence PEDL005(Remainder) with associated plant and machinery for a cash consideration of £260,000.

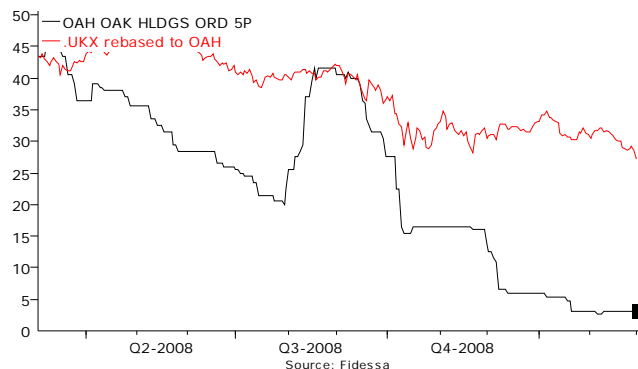
This acquisition, from Egdon Resources UK Limited is hardly going to set the world on fire provides but it is an important step for Nautical providing first oil production (at approximately 5 bopd net to Nautical).



Nautical Petroleum				NPE	Price p.		25.5
AIM				Oil	Cap £m		27.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	0.0	-0.9	-0.5	-0.91	-	-	-
2008A	0.0	-4.6	-4.6	-7.48	-	-	-
2009E	0.0	-1.6	-1.6	-2.51	-	-	-
2010E	No estimates at present						

OAK HOLDINGS

We have discontinued coverage of Oak Holdings. There have been no new developments at this company, which is the developer of the YES! project in Rotherham. Results for the year to October 2008 have not yet been announced.

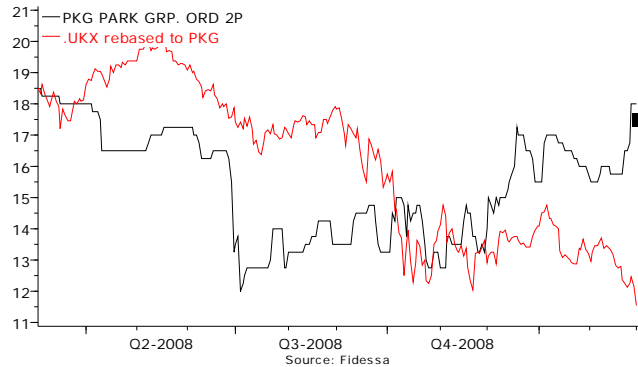


Oak Holdings				OAH	Price p.		3.0
AIM				Real Estate	Cap £m		0.4
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
October	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2006A	0.1	-0.6	-0.6	-3.8	-	-	-
2007A	0.4	-0.5	-0.5	-3.1	-	-	-
2008E	No estimates at present						
2009E	No estimates at present						

PARK GROUP

We are happy with the progress at Park Group, as this savings scheme specialist approaches its year end. From the information made available at the interim stage, and industry background we have picked up in the marketplace since then, we believe our 2008/9 estimate is in the right place. We are shaving £0.1m from our 2009/10 estimate because of the further reduction in interest rates that has taken place.

Park Group is a cash rich company, and its cash balances in October/November 2009 are likely, we believe, to peak out at c. £150m, well up on last year because business prospects for the current year look good. Even though cash balances will be higher, net interest income will inevitably be lower because of the lower interest rates.



Elsewhere on the trading front, there has been no adverse impact from the collapse of Woolworths. Several new store groups that we rate as more important – House of Fraser for example – have been added for the current year. Also, the new TV advertising campaign to recruit more agents nationally has clearly been a success.

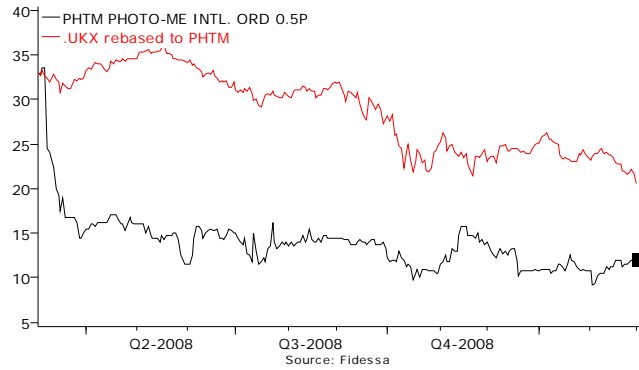
We continue to be very happy with this company. The shares have risen over the past month, in spite of the fall in the stock market. We have been saying for some time that this is the most interesting company in the financial sector, big or small, and we maintain that opinion.

Park Group				PKG		Price p.	17.8
AIM				Consumer Finance		Cap £m	29.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	305.2	6.2	10.1	4.0	4.4	1.2	6.8%
2008A	225.1	4.5	5.2	2.2	8.1	1.2	6.8%
2009E	252.5	6.2	6.2	2.7	6.6	1.3	7.3%
2010E	278.1	6.3	6.3	2.7	6.6	1.4	7.9%

PHOTO-ME INTERNATIONAL

Former chief executive Serge Crasnianski has added to his shareholding in Photo-Me International, taking his stake up to 22% of the equity and boosting the share price.

Crasnianski's purchase followed a Trading Statement issued in early February that led us to downgrade our full year forecast adjusted los from £3.5m to £7.1m. On a declared basis (adding in the £3.5m of exceptional impairment charge, employment termination and the inventory write-offs revealed with the interim results) we now believe the loss is likely to be £10.6m. We point out, however, that a) this is a relatively modest change of c. £200m of turnover, and b) EBITDA will probably remain high, at £29.7m on our new forecast, rather than our previous expectation of £33.3m.



Net debt at end-October was £29.9m. Our current expectation is for end-April net debt of £31.3m. We very much gain the impression that the company hopes to get debt down again this half, so we may be too conservative on this point. In any case, we continue to look for a significant debt reduction in the following financial year.

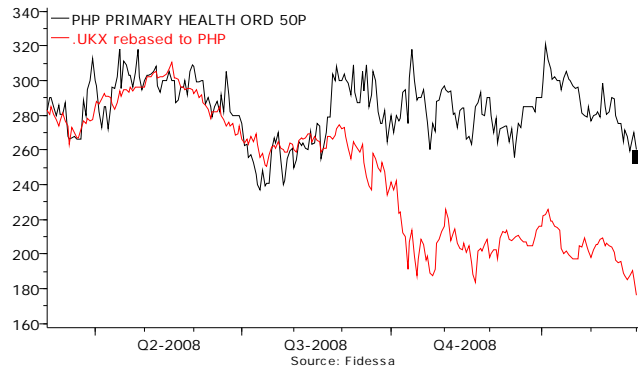
Please call for a copy of our February 3 research note.

Photo-Me				PHTM		Price p.	12.0
Full List				Support Services		Cap £m	43.1
Y/E	Sales	EBITDA	Adjusted	Adjusted	p/e	Divi	Yield
April	£m	£m**	Profit £m**	eps p.**	ratio	p.	%
2007A*	212.8	46.0	13.9	2.4	5.0	2.4	20.0%
2008A	209.6	35.8	-6.9	-2.0	-	-	-
2009E	210.9	29.7	-7.1	-0.9	-	-	-
2010E	199.5	35.2	3.5	0.6	20.0	-	-

*Restated by management for sale of US business **Before exceptional items

PRIMARY HEALTH PROPERTIES

Primary Health Properties lets out GP surgeries to GP partnerships on 18+ year leases, which have their rent reimbursed by the public sector. Its half year results met all the key points indicated in the January trading update and showed a solid performance. The company's management is clearly not in a risk taking mood however. The word 'prudence' was used several times in the statement. The current year capital spend programme is likely to be considerably lower than that seen in the previous year, and the entire emphasis in the statement was of the high quality and security of the income stream – 91% of rent roll coming from GPs, PCTs or the Government directly, effectively no voids, rent increases averaging 3.96% p.a., and 80% of the portfolio having unexpired lease terms of 15 years or more on upward only three yearly reviews.



In terms of covenants, Primary Health Properties is rock solid in terms of interest cover, as this is running at 2.2X rental income vs. the covenanted 1.3X. Loan to value borrowing ratio is 65% compared to the current covenant of 75%, which reduces to 70% from October 2009. There is headroom, but management is clearly determined to make sure that it maintains its unblemished record.

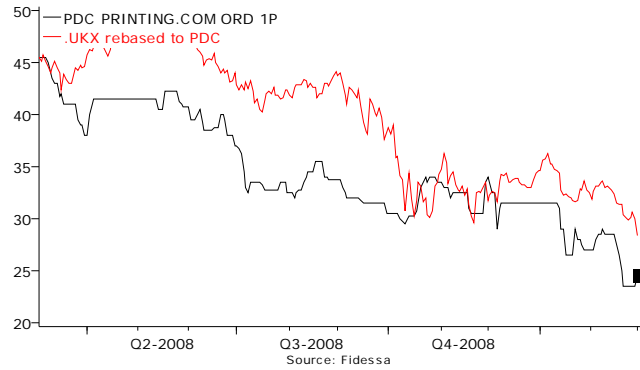
Please call for a copy of our February 27 research note.

Primary Health Full List	Revenue	Adjusted Profit	Adjusted eps p.	p/e ratio	Divi p.	Yield %
2007A	15.7	4.2	13.8	19.3	15.75	6.3%
2008A	19.7	6.3	18.8	14.2	16.50	6.6%
2009E	20.8	6.3	18.5	14.4	17.00	6.8%
2010E	22.2	7.0	20.0	13.3	17.50	7.0%

PRINTING.COM

The latest trading update from Printing.com states "trading across the UK and Ireland has remained stable and in line with current market expectations" re-affirming our view that the company will emerge as one of the winners on the other side of this downturn.

Having spoken to people in the industry we understand many smaller print/graphic design outfits are facing a tight squeeze on working capital as suppliers demand payment up front and in cash. Against this background, the Printing.com franchise network of bolt-on franchises is continuing to expand and whilst sales per unit are undoubtedly down the company continues to be both profitable and cash generative.



Signalling his confidence in future prospects, CEO Tony Rafferty recently purchased an additional 3,000 shares in the company. His total shareholding is now 20.4%.

The next official news from the company will be a pre-close trading update on 8 April 2009.

Printing.com				PDC		Price p.	24.5
AIM				Retailing		Cap £m	11.0
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	12.1	2.3	2.3	3.4	7.2	2.50	10.2%
2008A	13.5	2.4	2.4	3.5	7.0	3.00	12.2%
2009E	14.1	2.1	2.1	3.2	7.7	3.10	12.7%
2010E	14.4	2.1	2.1	3.2	7.7	3.20	13.1%

R.E.A. HOLDINGS

The palm oil price appears to have stabilised in the range of \$500m/t - \$600m/t after several months of decline and encouragingly the latest trading statements from both R.E.A. Holdings and New Britain Palm Oil (NBPO) suggest demand remains strong.

In its pre-close update R.E.A. announced crops of 450,906 tonnes for the year ended December 2008, 14.7% ahead of last year and an impressive 7% ahead of budget. Offsetting this was a reduction in the CPO extraction rate from 23.7% to 23.1% but we expect this to pick up to 23.5% in the current year as action is taken to reduce harvester turnover.



On the extension planting programme only 2,000H out of a budgeted 6,500H of new palms were planted out last year, and as yet no official targets have been set for 2009. Whilst this is disappointing, R.E.A. is by no means ex-growth. Even if development were to cease altogether, crop output would continue to increase until 2015.

We believe the most likely income for the 2008 financial year is a 3% increase in pre-tax profit excluding the IFRS biological asset revaluation which we expect to be negative. In arriving at our forecasts we have assumed the company achieved an average selling price of \$750m/t CIF Rotterdam, \$650m/t FOB Borneo. For 2009 we expect turnover and profits to decline as the budgeted rise in crops is outweighed by a lower average palm oil price (\$520m/t, FOB Borneo). The downward pressure on costs - diesel, fertilizer and freight costs are all down 50% - ought to cushion the impact on margins.

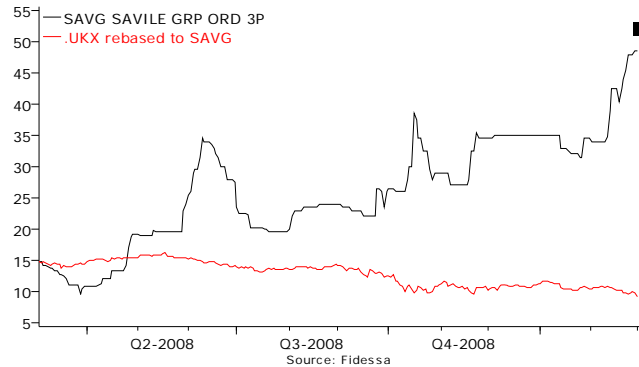
R.E.A. Holdings will be announcing its full year results to end December 2008 in late April.

R.E.A. Holdings				RE.		Price p.	222.5
Full List				Food		Cap £m	74.4
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	USDm	Profit USDm	Profit USDm	eps c/share	ratio	P.	%
2006A	33.1	19.76	11.06	17.8	18.7	1.0	0.3%
2007A	57.6	47.01	38.98	73.0	4.6	2.0	0.6%
2008E	73.8	37.81	39.81	72.82	4.6	3.0	0.9%
2009E	64.9	27.43	29.43	52.84	6.3	3.0	0.9%

SAVILE GROUP

Savile Group has purchased a total of 10,000 shares at 44.5p for Treasury this month. This takes the total number of shares held in treasury to 210,000, or 1.5% of the total number of shares in issue.

The most recent share purchases follow a very good set of interim results showing turnover in the six months to end December 2008 up 57% on last year and 22% ahead of the buoyant June 2008 position. The pre-tax profit of £0.75m was higher than the profit generated for the whole of the 2007/08 year and almost matched the profit seen in 2H 2008. Cash and trade debtors at end December amounted to £4m, equivalent to 57% of the current market capitalization.



Savile’s outplacement business had a record six months as the pace of job losses in the UK financial services sector accelerated. We believe 60% of revenues and over 70% of profits were generated by this division in the first half and expect a similar split at the full year stage. In talent management, some areas had a slow start to 2009 but are now picking up a good momentum.

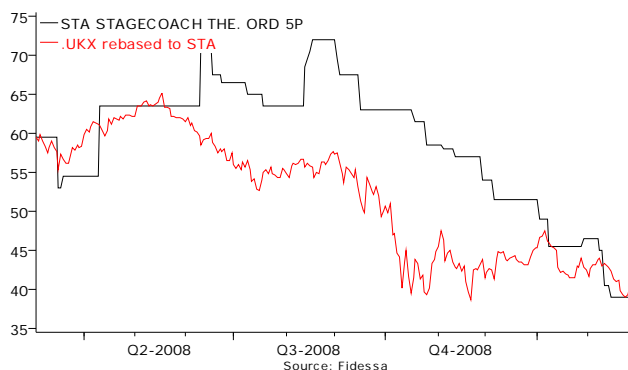
We have increased our 2008 pre-tax profit estimate by 18% and our eps estimate by 37% to reflect the rapid growth in the outplacement marketplace. This would suggest pre-tax profits are on course to more than double this year. For 2009/10 we are maintaining our profit forecast of £1.69m on account of limited forward visibility but believe the risk to this forecast is on the upside.

Savile Group				SAVG		Price p.	49.0
UK:				Support Services		Cap £m	7.2
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	5.10	-0.19	0.21	2.2	22.5	-	-
2008A	7.02	0.72	0.90	6.0	8.1	-	-
2009E	9.40	1.51	1.53	7.2	6.8	2.0	4.1%
2010E	10.78	1.67	1.69	8.0	6.1	2.2	4.5%

STAGECOACH THEATRE ARTS

Our discussions with management indicate student numbers for the new spring term have held level on last term and we are happy with the progress being made. In other good news, Joint Managing Director David Sprigg has taken advantage of the current share price weakness by purchasing an additional 50,000 shares for his SIPP, upping his total shareholding to 28.05%.

The Stagecoach Theatre Arts' management team will be hosting an Open Day for new and existing shareholders between 10am and 3pm on 23 March 2008 at the offices of Smith & Williamson. If you are interested in attending, please contact Siobhan Sergeant on 020 7131 4000 or email siobhan.sergeant@smith.williamson.co.uk.



Stagecoach Theatre Arts				STA			Price p.	39.0	
AIM				Theatre Arts			Cap £m	3.9	
Y/E	Group	Network	Declared	Adjusted	Adjusted	p/e	Divi	Yield	
May	Sales £m	Sales £m	Profit £m	Profit £m	eps p.	ratio	p.	%	
2007A	6.32	26.54	0.37	0.37	2.5	15.6	0.0	0.0%	
2008A	6.33	28.47	0.71	0.71	5.04	7.7	2.0	5.1%	
2009E	6.22	29.89	0.72	0.72	5.17	7.5	2.6	6.7%	
2010E	6.26	29.96	0.73	0.73	5.26	7.4	2.7	6.9%	

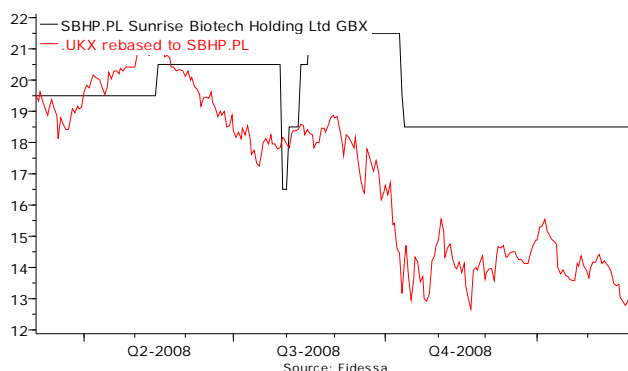
SUNRISE BIOTECH HOLDING LTD

Mulberry based product specialist, Sunrise Biotech, said trading in 2008 is in line with the company's expectation. Construction of the new packaging and storage centre in the group's Yongledian base was completed, and will be operational for this year's production process. On the sales development side, both the fodder sales team and human consumption products sales team are concentrating on expanding the group's domestic client base.

One of the comparators we used in Sunrise Biotech's initiation research, China Food Company plc – a manufacturer of branded consumer

condiment products and animal feeds, has announced a trading update in February. China Food's operations continue to perform robustly, but trading conditions will remain challenging in the current economic environment and China Food's results for 2009 are likely to be lower than the current market expectations.

The company has a December year end and will be announcing its first set of full year results as a PLUS quoted company in late March/early April.

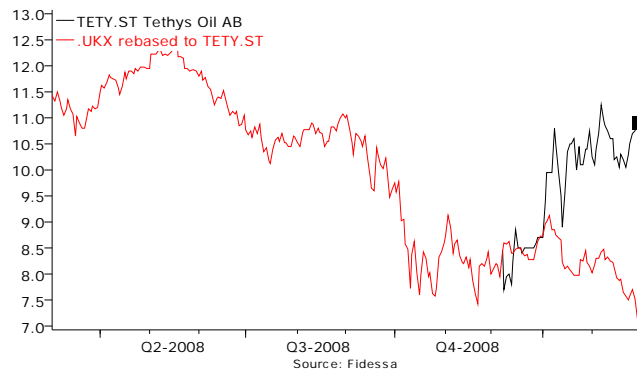


Sunrise Biotech				SBHP			Price p.	18.5	
Plus				Pharmaceutical & Biotechnology			Cap £m	49.9	
Y/E	Sales	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield	
Dec	RMB m	£m	Profit £m	Profit £m	eps p.	ratio	p.	%	
2007A	56.3	3.70	2.25	2.26	22.54	0.8	-	-	
2008E	62.8	5.24	2.19	2.41	0.82	22.6	-	-	
2009E	71.1	6.47	2.92	3.04	1.08	17.1	-	-	
2010E	82.0	8.20	3.83	3.95	1.42	13.0	-	-	

TETHYS OIL

Farha South-3 well on Block 3 in Oman spudded during February and we would anticipate a result from this well around mid-March time.

Tethys has completed a private placement for 300,000 new shares at a price of SEK 10 directed to approximately 10 Swedish and international investors. The placement was fully subscribed with proceeds of MSEK 13 (approximately USD 1.5million) before issue costs. Subsequent to the placing Tethys have 25,280,086 common shares in issue.

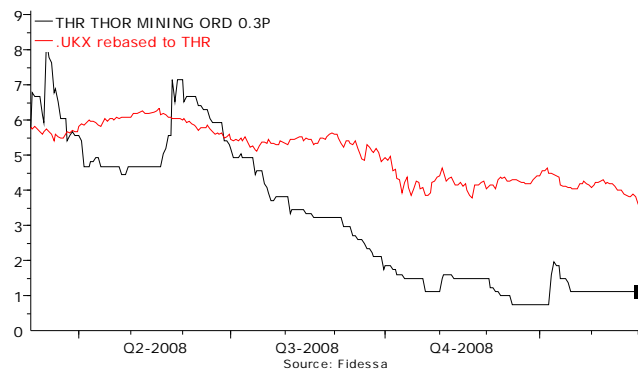


As at 31 December 2008 there have been no sales of oil and gas in Tethys Oil, nor for the equivalent period of last year. Loss for the full year 2008 amounted to TSEK – 16,426 (TSEK – 24,721 for the corresponding period last year) and TSEK – 12,666 (TSEK – 2,340) for the fourth quarter. The loss for the full year 2008 has been significantly impacted by write downs of oil and gas properties amounting to TSEK 21,088 and net foreign exchange gains amounting to TSEK 13,704 due to the strengthened US dollar Earnings per share amounted to SEK – 0.72 (SEK – 1.41) for the full year 2008 and SEK – 0.53 (SEK – 0.13) for the fourth quarter. Cash and cash equivalents as per 31 December 2008 amounted to TSEK 29,886 (TSEK 12,252).

Tethys Oil AIM	TETY.SE Oil				Price SEK. Cap MSEK	11.0 278.1	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	SEK m	SEK m	SEK m	eps SEK	ratio	SEK.	%
2006A	0.0	-29.8	-29.8	-1.94	-	-	-
2007A	0.0	-24.7	-24.7	-1.41	-	-	-
2008E	0.0	-8.3	-8.3	-0.37	-	-	-
2009E	No estimates at present						

THOR MINING

The molybdenum price has continued to hug the \$10/lb mark, historically a very low level and one that makes development of new prospects difficult. The Thor development at Molyhil is one of the best new hopes in the market, being a decent grade and in combination with magnetite and tungsten. There are significant adjoining areas that offer good prospects of mineral body extension, and Thor is drilling these.

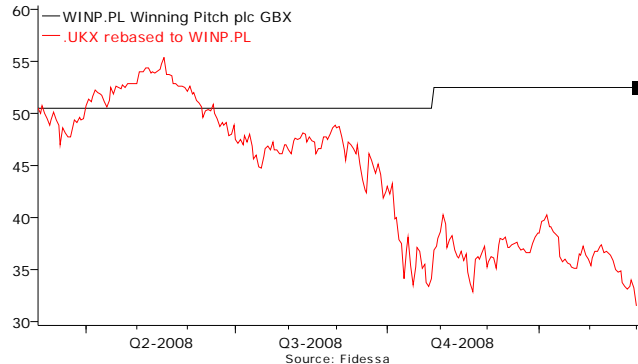


Meantime, following the equity capital raising earlier this year, Thor has sufficient funds in hand for its needs – a considerable advantage that much of the rest of the world junior mining community lacks. We shall be visiting Thor shortly and will have an updated report available next month.

Thor Mining AIM	THR Mining				Price p. Cap £m	1.1 1.7	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	0.0	-1.4	-1.4	-1.27	-	-	-
2008A	0.0	-1.1	-1.1	-0.76	-	-	-
2009E	No estimates at present						
2010E	No estimates at present						

WINNING PITCH

Business consultancy, Winning Pitch, has released its maiden full year results as a PLUS quoted company last month. Turnover has increased by 202% to £1.3m compared to £0.44m last year. Gross profit is up 127% to £0.53m, from £0.23 in 2007. The significant growth in turnover is shown by the increasing number of contract wins with local governments in northwest of England. However, adjusted operating loss is £26,000 after adding back some non-recurring costs. The loss is mainly caused by the shift in the company's focus in 2H08 to winning the development contract with the NWDA.



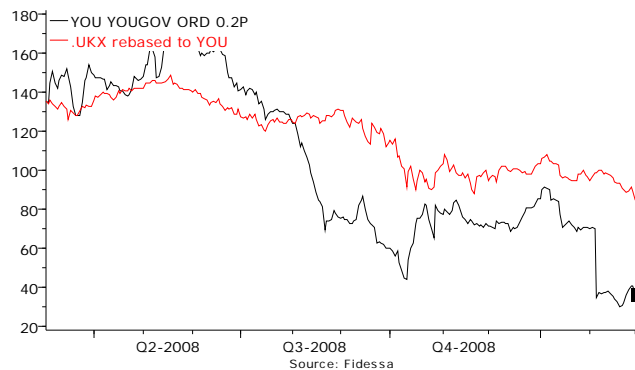
The contract, awarded by the NWDA, is a three-year contract and is worth £7.1m. In this contract, the company will provide high growth business support in the northwest. This is one of the most exciting developments from Winning Pitch since its flotation in the PLUS market.

Winning Pitch PLUS				WINP Support Services		Price p. Cap £m	52.5 2.7
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Basic eps p.	p/e ratio	Divi p.	Yield %
December							
2007A*	0.44	0.14	0.14	2.26	23.23	-	-
2008A	1.30	-0.24	-0.03	-4.37	-	-	-
2009E	No estimates at present						
2010E	No estimates at present						

*nine months to 30 September 2007 based on statutory accounts at time of admission to PLUS

YOUGOV

Online market researcher YouGov announced in a trading update last month that profits for the full year to 31 July 2009 will be significantly below market expectations. Shares in the company have subsequently more than halved. The announcement was a surprise given the strong performance of other companies in the space – BrainJuicer, Research Now and Toluna. The reason for the profit warning has been attributed to “much weaker than anticipated new business in the UK” being insufficient to offset “substantial investments in innovation and new product development, primarily resulting in increased headcount”.



It has now been rumoured that the YouGov's management is considering taking the company private. Sources close to the company have apparently “confirmed that approaches were made by private equity investors and conversations have taken place - but are no longer continuing – on the issue of a management buy-out”. As at 31 July 2008 YouGov had net cash of £12.3m and the company remains cash generative.

YouGov AIM				YOU Media		Price p. Cap £m	36.3 34.7
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m*	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
July							
2007A	14.3	5.6	6.3	6.3	5.8	-	-
2008A	40.4	4.0	7.9	7.7	4.7	-	-
2009E	48.0	0.5	3.0	3.1	11.7	-	-
2010E	No estimates at present						

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