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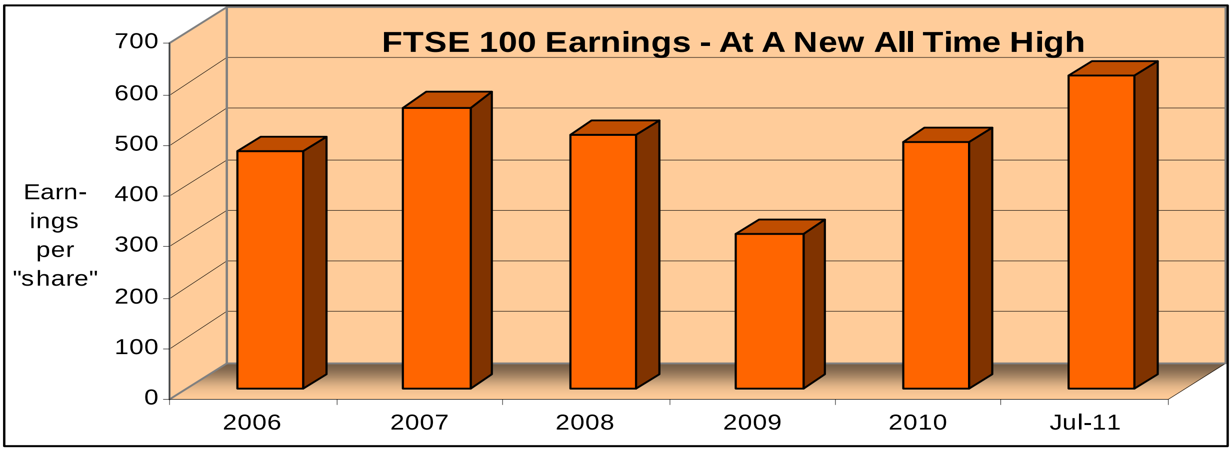
Leaders in Corporate Research

The Monthly August 2011

HOARDING THE CASH



Investors have fallen out of love with shares at the same time as corporates have discovered they can live without them, or certainly live without issuing any new ones. The argument is not about value any more; history doesn't show us many periods with a p/e ratio of the current 8.2X historic on the FTSE100. This is about trust and confidence.

Three years have passed since the last crash. Four years have passed since the US sub-prime scandal and the start of the rot at Northern Rock, which is when credit markets started tightening and equities peaked. Since then, corporate UK – indeed corporate world – has had its shake-out. It is fair to say that just about every company that deserved to go bust has done so, and just about all the capital intensive companies that deserved to survive have been re-funded by the UK stock market. Corporate UK has been storming ahead on the profit front, and because of the shortage of bank finance has moved to expansion projects that are less capital intensive, and are therefore making higher returns on capital.

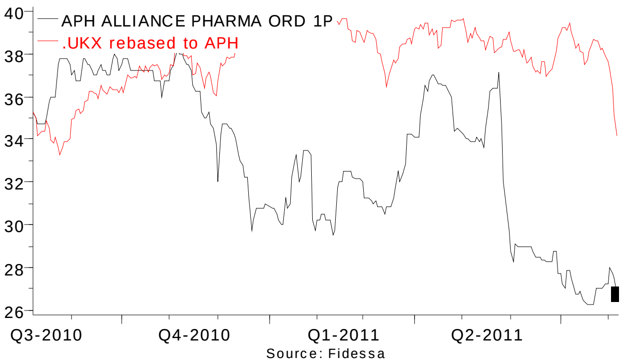
The "eps" on the FTSE 100 have increased from 485.8 to 616.8 since the start of this year – a rise of 27% and an annualised growth rate of 46%. To an extent this is boosted by high profits from mining companies on account of higher commodity prices, but the FTSE250 ex Investment Trusts has had earnings growth of 19%. Both figures totally contradict the stagnant GDP figures issued by the Government. Companies are becoming more efficient, and are making higher margins.

A serious recession in the US will affect corporate earnings, but will it really result in them being more than halved, and for a long period of time? Also, companies in general have been hoarding cash. The Fortune 500 companies now hold more spare cash than the US Government. Dividend cover on the FTSE100 has gone up from 2.75X to 3.17X since the start of the year. Institutional investors and private client brokers are pressing companies to pay out higher dividends, and quite rightly. But the FTSE100 yields 3.79% currently, grossed up at the standard corporation tax rate, this has a pre-tax cost to the quoted company of over 5% which is more than most companies' borrowing costs, let alone the interest they are earning on spare cash. Logic would suggest therefore, a burst of share buy-back programmes.

Here, the average quoted company encounters a problem. Company managements expect a share price to go up as a share buyback programme takes place. In most cases, that doesn't happen. But if a company pays a higher dividend, its share price usually goes up, regardless of whether it makes economic sense or not. Investors take the very sensible right wing view that a quoted company's cash is the property of shareholders, and that they, rather than anybody else, should be allowed to spend it. The marketplace is a very clear indicator of what shareholders want, and they certainly prefer higher dividends to share buybacks at the moment.

Market Indicator	Price	Previous Month Price	% Change in 1 month	Year High	Year Low
FTSE 100	5,068	5,936	-14.6%	6,091	5,109
FTSE SmallCap	2,886	3,273	-11.8%	3,340	2,750

ALLIANCE PHARMA PLC



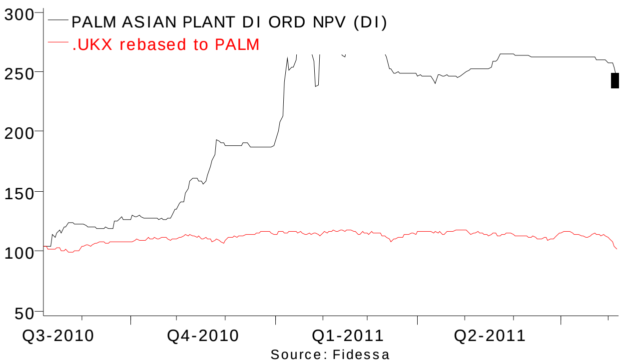
Last month Alliance Pharma released a trading update ahead of its interim results for the six months ended 30 June 2011. Turnover in the six months was £24.4m, £1.0m higher than in the prior six month period, the dermatology and oncology portfolios are performing well with Hydromol, in particular, continuing to grow strongly. Sales of newly acquired Anbesol and Ashton & Parsons have also been pleasing.

Sales of Deltacortril, a corticosteroid used to decrease inflammation, continue to be impacted by Teva Pharmaceuticals' entry into the market. Alliance's share price reacted negatively to the news of Teva's entry and is down from recent highs of 38.25p.

Investors might do well to recall, however, that Deltacortril is only one of a portfolio of brands, that Alliance is highly cash generative, that net debt is being quickly reduced and that the company has a large debt facility at its disposal. We expect to see continued growth from this pharma, both organically, and, highly likely, through further acquisitions.

Alliance Pharma Plc				APH		Price p.	26.750
AIM				Pharmaceuticals		Cap £m	62.2
Y/E	**Sales**	**Declared Profit**	**Adjusted Profit**	**Adjusted Diluted EPS**	**P/E Ratio**	**Divi**	**Yield**
December	**£m**	**£m**	**£m**	**p.**		**p.**	**%**
2009A	31.2	5.7	8.6	3.1	8.6	0.30	1.1%
2010A	49.9	12.9	16.9	4.6	5.8	0.57	2.1%
2011E	44.9	10.6	11.5	3.2	8.4	0.75	2.8%
2012E	44.9	11.3	12.2	3.3	8.1	1.00	3.7%

ASIAN PLANTATIONS LTD

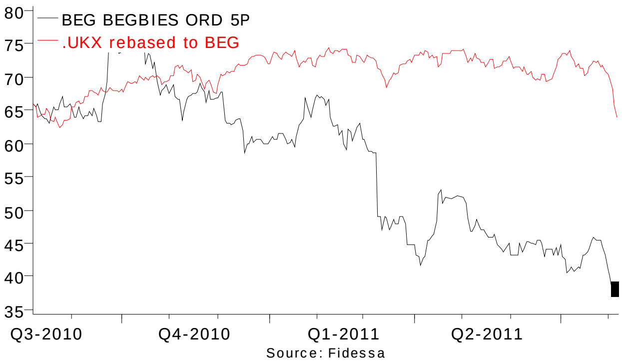


The development of the AP plantations is running to plan with an expected total planted area of 10,500 ha by the end of 2011. During 2012 the new mill with eventual capacity for processing of 120 mt ffb per hour will be completed and brought into service in the final quarter. Management is pursuing further development opportunities and has funding in place for the acquisition of up to another 8,000 ha. With 15,645 ha already owned, AP is expected to exceed 25,000 ha of planted area, circa 2016.

Readers should note that in July, USDA forecasts 2011/2012's palm oil stock-to-use ratio to drop to 8%, an all time low since 1999.

Asian Plantations Ltd				PALM		Price p.	244.00
AIM				Agriculture		Cap £m	99.4
Y/E	**Sales**	**Declared Profit**	**EPS**	**Enterprise Value**	**EV/Hectare**	**Divi**	**Yield**
December	**$m**	**$m**	**$**	**$m**	**$**	**c.**	**%**
2009A	-	-1.40	-0.07	-	-	-	-
2010A	0.31	-3.80	-0.12	187.6	11,989	-	-
2011E	1.30	-5.93	-0.18	-	-	-	-
2012E	2.36	-8.43	-0.25	-	-	-	-

BEGBIES TRAYNOR GROUP PLC



Underlying full-year pre-tax profit from continuing operations beat our top-of-the-range forecast – which we had reduced following the trading update in March – by £0.2m, or almost 3%. The strong performance from Global Risk Partners – EBITA of £1.36m, against a result barely above break-even last year – was in line with our forecast. The outturn from Insolvency – EBITA of £13.0m (2011: £17.4m) – was slightly below our forecast. The business's operational gearing meant that a £4.4m reduction in revenue resulted in only a marginally smaller fall in EBITA, but this was achieved despite an increase in the cost base. Insolvency revenues were down 8%, even though UK corporate insolvencies fell by 10%, as Begbies grew its market share. Elsewhere in the reported figures, central costs and the interest charge were both better than forecast.

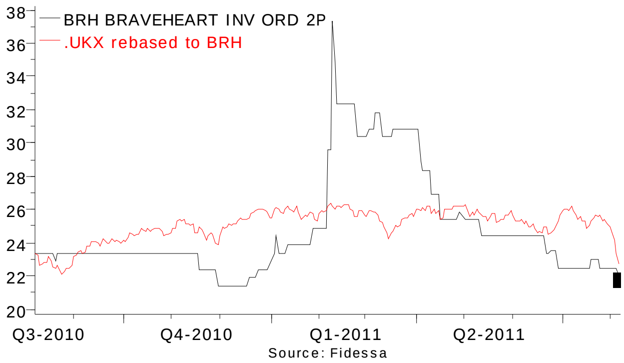
We are forecasting underlying pre-tax profit growth of 5.6% in FY 2012, to £8.07m. Company guidance for Global Risk Partners is for a year of consolidation following last year's growth, so we are looking for same-again EBITA of £1.36m. In Insolvency, we have taken a deliberately cautious view. On the back of a forecast upturn of 8% in corporate insolvencies, our forecasts have factored in revenue growth of 5%, with expectations that only c40% of the additional revenue will fall through to EBITA – giving EBITA growth of 8%, to £14.1m. Central costs are forecast to rise by 3%, and the interest charge – reflecting higher average net debt and the likelihood of rates rising toward the end of the period – to increase by 34%.

The tax charge is forecast at 34%, down from the underlying 35% in FY 2011, when the exceptional impact of a change in the rate of deferred tax is stripped out, so EPS is forecast to rise by an adjusted 7%, to 5.93p.

Begbies ended FY 2011 in a strong financial position. Net bank debt at 30 April was £18.7m, giving the company headroom of £16.3m (46%) within its facilities. After allowing for the payment of £3.5m of deferred consideration on acquisitions over the next two years pro forma headroom is £12.8m (36%) – before taking account of underlying inflows from operations. We expect the working capital requirement from increased levels of activity to be partially offset by a reduction, next year, in the length of "lock-in" before assets are realised.

Begbies Traynor Group Plc			BEG			Price p.	38.25
AIM			Support Services			Cap £m	34.3
Y/E	**Group Sales**	**Declared Profit**	**Adjusted Profit**	**Adjusted EPS**	**P/E Ratio**	**Divi**	**Yield**
April	**£m**	**£m**	**£m**	**p.**		**p.**	**%**
2010A	62.8	10.2	11.4	8.5	4.5	3.1	8.1%
2011A	61.5	5.2	7.6	5.8	6.5	2.2	5.8%
2012E	64.2	7.7	8.1	5.9	6.4	2.2	5.8%
2013E	68.8	9.8	10.1	7.4	5.1	2.8	7.3%

BRAVEHEART INVESTMENT GROUP PLC



Braveheart Investment Group released its full year results for the year ended 31 March 2011 last month. Fee income increased 63% year on year from £568k to £926k buoyed by Braveheart's acquisition of Envestors in August 2010. Since its acquisition, Envestors has raised circa £5.6m for companies looking for growth capital. A £168k realised gain was generated during the year from the sale of one of the group's portfolio companies – the group's client exit portfolio now shows an IRR of 30% and the overall client portfolio shows an IRR of 22%.

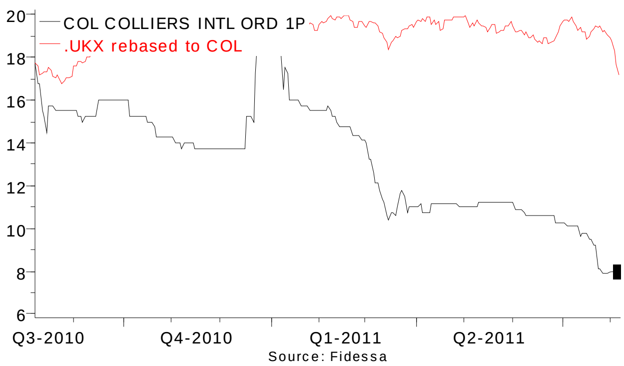
Cash at bank at year end was £643k. The group has, however, post the end of the financial year raised a further £950k pre expenses. This leaves it well positioned for further growth, even in the absence of any realisation events in the 2012 financial year.

Braveheart's shares trade at a discount of 30% to NAV, very much in line with the average discount to NAV for listed private equity companies. With private equity companies expected to be the beneficiary of new investment going forward – a recent survey by Scorpio Partnership and LPEQ indicates that wealth managers are planning to increase their exposure to private equity this year – we expect this discount to NAV to narrow.

Braveheart Investment Group Plc	BRH	Price p.	22.00
AIM	Equity Investments	Cap £m	4.2

Y/E	Income	Declared Profit/(Loss), IFRS	Adjusted Profit/(Loss)	Declared EPS, IFRS	NAV/Share	Divi	Yield
March	£m	£m	£m	p.	p.	p.	%
2010A	0.9	-0.8	-0.8	-5.6	40.3	-	-
2011A	0.7	-1.3	-1.3	-9.1	30.7	-	-
2012E	2.3	-0.20	-0.20	-0.8	28.0	-	-
2013E	2.5	-0.01	-0.01	-0.1	28.3	-	-

COLLIERS INTERNATIONAL UK PLC



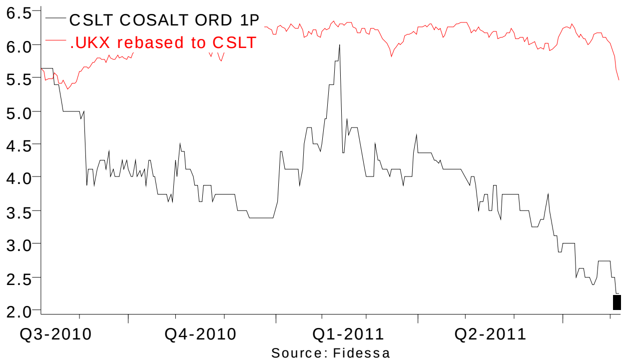
Colliers International UK has released a trading update for the half year ended 30 June 2011. Group revenue in the six months ended 30 June 2011 at just over £31m was 2.5% ahead of the six months ended 30 June 2010. Operating costs, although controlled, have increased, as the group invests in those areas likely to be high growth, i.e. the London market. Recent hires include a new Head of Retail, Head of Shopping Centre Leasing, Head of South East offices and four directors into Colliers' Central London team. The sale of a 24% shareholding in property management group, Paladin, which generated a book profit of £600k, will help to offset some of the higher cost base.

The group will report an operating loss for the half year to 30 June 2011. For the full year to 31 December 2011 it expects to report a small positive EBITDA but a loss at the pre-tax level. With its cost base now better aligned with areas of the property market expected to pick up most quickly we expect a return to profitability in the near future.

Colliers International UK Plc	COL	Price p.	8.0
AIM	Real Estate	Cap £m	12.0

Y/E	Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
December	£m	£m	£m	p.		p.	%
2009A	57.9	-39.6	-13.5	-21.3	-	-	-
2010A	65.9	-8.4	-4.3	-2.9	-	-	-
2011E	Forecast Under Review						
2012E	Forecast Under Review						

COSALT PLC



The Office of Fair Trading, as part of its consideration of the proposed disposal of the Marine business, approved by shareholders on 22 June, has requested further information. As anticipated in the Company's announcement of 11 July, this has meant that the disposal did not complete by the 22 July due date.

The 11 July announcement, however, disclosed that the Group's lenders have extended, to 19 August, the waiver relating to loan repayments under the existing facilities. They have also extended, to the same date, the waiver of the right to test the financial covenants set out in the facility agreement.

Meantime, the share price continues to slide, and has fallen to just 2.25p, at which level the Group is capitalised at £9.1m. We believe that it will be only once the deal has been completed, enabling the Group to focus on its Offshore business, that Cosalt will be able properly to pursue the appointment of a replacement for Mike Reynolds as finance director.

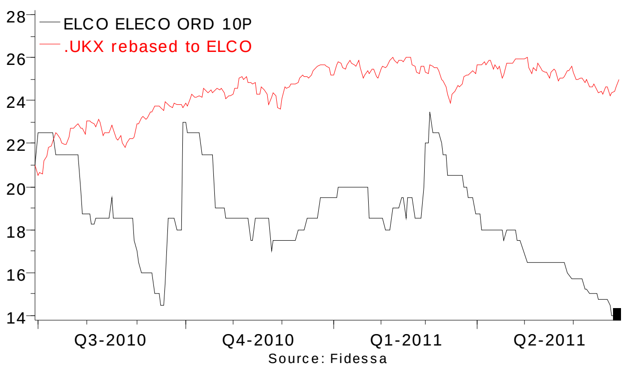
Based on the 2010 accounts, the continuing business generated an underlying pre-tax loss, after central costs and interest, of £4.04m – with central and unallocated costs of £6.43m wiping out the contribution from the Offshore and Workwear businesses of £2.38m. With year-end net debt of £24.3m, and expected net disposal proceeds of £27m, the continuing business will, after the disposal, have pro forma net cash of £2.7m, subject to any net cash outflow over the eight months of the current year to completion. It will also have amended debt facilities totalling £11.4m available through to its 2012 year-end – meaning that, for "going concern" status, these will need to be renegotiated prior to the 2011 accounts being signed off.

Cosalt Plc	CSLT	Price p.	2.25
Full List	Diversified Industrials	Cap £m	9.1

Y/E	Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
December	£m	£m	£m	p.		p.	%
2009A	107.8	-3.4	5.5	4.2	0.5	6.0	266.7%
2010A*	112.0	-29.4	-0.8	-0.8	-	-	-
2011E	47.0	-5.0	-2.5	-0.6	-	-	-
2012E				Forecast Under Review			

** 14 Months*

ELECO PLC



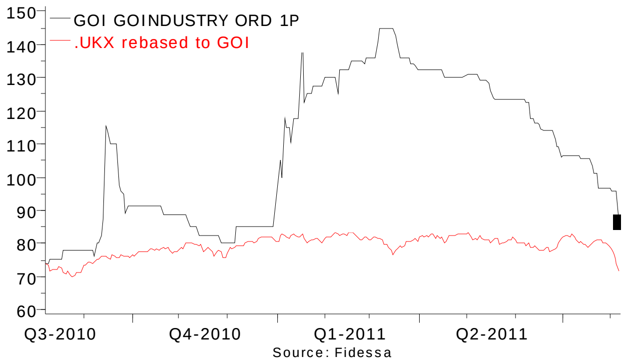
It has been a quiet month for Eleco and we await further developments. On 1st March, Eleco announced a change of year end reference point to December and will be announcing a second set of interim figures, likely in later August. We would not anticipate trading updates prior to this – there were none at this stage last year.

Eleco Plc	ELCO	Price p.	14.0
AIM	Diversified Industrials	Cap £m	8.5

Y/E	Group Sales	Declared Pre-tax Profit	Adjusted Pre-tax Profit	Adjusted EPS	P/E Ratio	Divi	Yield
June	£m	£m	£m	p.		p.	%
2009A	70.6	-1.4	0.9	1.4	10.0	0.8	5.7%
2010A	58.0	-5.9	-5.4	-8.4	-	-	-
2011E				Forecast Under Review			
2012E				Forecast Under Review			

**Results for the period ended 30 June. The company has changed its year end to 31 December.*

GOINDUSTRY DOVEBID PLC



Auction activity continues aplenty at GoIndustry DoveBid. Latest auctions include the sale of high quality test and measurement equipment in Singapore, bio-pharma laboratory equipment in Ireland, machine tool sales in Germany, electronics and semi-conductor assets in the US, and railway workshop equipment, wheels and axles in South Africa.

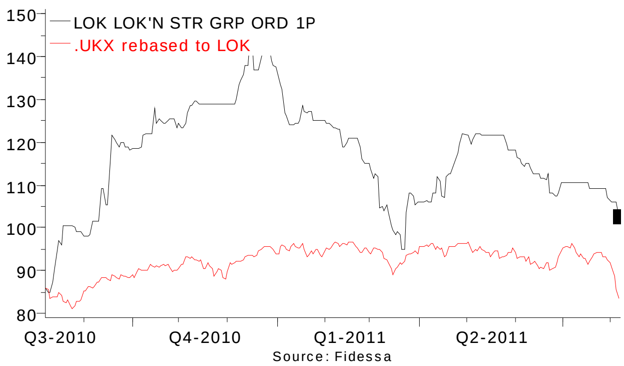
GoIndustry DoveBid's auction activity demonstrates the wide geographical coverage the group has and the range and breadth of items the group sells. It is this reach that makes GoIndustry DoveBid an ideal vendor for multi-national corporates looking to re-deploy their equipment either internally or in the open market.

Last month the company warned that as a result of soft trading in North America it is likely that the group will report a loss for the first half of 2011. Trading in the US continues to be slow and there has been a notable absence of the big deals which can generate sizable commissions. While other geographical areas ie Europe and Asia are performing better and the company is successfully contracting new global customers to multi-year 'forward flow' asset disposal contracts, conditions in North America remain key with the region accounting for over half of GoIndustry's DoveBid's direct profits.

GoIndustry DoveBid Plc			GOI			Price p.	86.5
AIM			Support Services			Cap £m	8.5
Y/E	**Sales**	**Declared Profit/(Loss)**	**Adjusted Profit/(Loss)**	**Adjusted EPS***	**P/E Ratio**	**Divi**	**Yield**
December	**£m**	**£m**	**£m**	**p.**		**p.**	**%**
2009A	42.0	-4.7	-1.4	-0.3	-	-	-
2010A	40.1	-0.7	0.6	9.6	9.0	-	-
2011E	42.7	-0.3	0.8	7.9	10.9	-	-
2012E	44.9	0.9	1.8	18.3	4.7	-	-

**2010 adjusted EPS includes a £227k tax credit*

LOK'NSTORE GROUP PLC



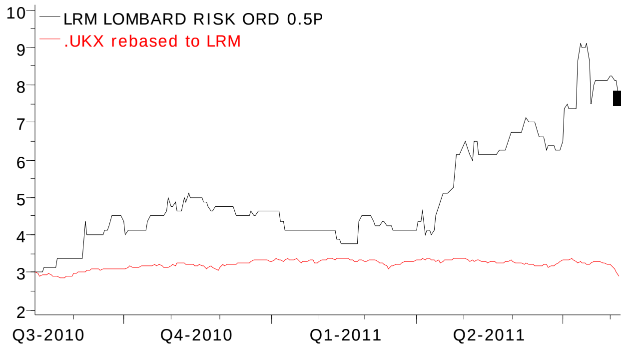
Recent results for Big Yellow and Safestore have, like Lok'nStore's results of 11th April, all pointed to April/ May/ June trading being "choppy" but broadly resilient. We anticipate that this will be the state of affairs at the time of the trading update, due imminently from this July period end company.

Prices in the industry continue to rise. Lok'nStore has good relative potential as its balance sheet, with a high level of floating rate debt, puts it in a strong position. Remaining low interest rates are a good bonus to Lok'nStore.

Lok'nStore Group Plc			LOK			Price p.	102.5
AIM			Support Services			Cap £m	26.3
Y/E	**Group Sales**	**Declared Profit/(Loss)**	**Adjusted Profit/(Loss)**	**Adjusted EPS**	**P/E Ratio**	**Divi**	**Yield**
July	**£m**	**£m**	**£m**	**p.**		**p.**	**%**
2009A	10.0	-0.66	-0.66	-2.4	-	1.0	1.0%
2010A	10.4	0.43	0.43	0.9	113.9	1.0	1.0%
2011E	10.7	0.80	0.80	2.4	42.7	1.0	1.0%
2012E	11.3	0.71	0.71	2.0	51.3	1.0	1.0%

Monthly August 2011

LOMBARD RISK MANAGEMENT PLC



Source: Fidessa

Banking software specialist Lombard Risk Management announced last month that it has won a second major tier one bank as a client – Societe Generale. Societe Generale is to use Lombard Risk's Colline collateral management system across its global collateral management operations in six countries across Europe, the Americas and Asia. This new contract is expected to add circa £2m to Lombard Risk's revenues over the next two years and to also contribute to future revenues. It is a significant win, and follows on from the successful implementation of Colline at an undisclosed major tier one European bank.

Last month Lombard Risk received an approach from FRSGlobal, a Wolters Kluwer Financial Services Company, concerning a possible offer for the Group. Talks have now been terminated and FRSGlobal has confirmed that it does not intend to make an offer.

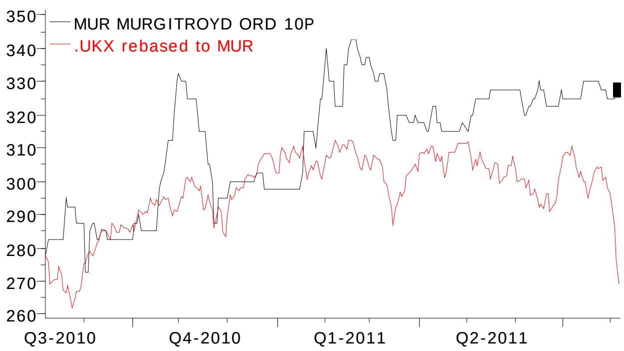
Our forecasts, which were temporarily withdrawn under Takeover Panel Regulations, are now under review with the potential for an upgrade following the Societe Generale win.

Lombard Risk Management Plc	LRM	Price p.	7.625
AIM	Software	Cap £m	15.8

Y/E	Group Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
March	£m	£m	£m	p.		p.	%
2010A	8.9	-1.59	-1.59	-0.9	-	-	-
2011A	11.8	0.56	0.86*	0.4**	18.1	0.03	0.39%
2012E	Forecast Under Review						
2013E	Forecast Under Review						

** Excludes £0.3m relocation and redundancy costs*
*** Adds back tax credit of £798k*

MURGITROYD GROUP PLC



Source: Fidessa

In our last comment on Murgitroyd we noted that the European Patent and Trade Mark Attorney has been continuing to build its presence both in Europe and further afield. Here in the UK, the group's Newcastle based staff have moved into new and larger office premises. In Japan the group has been busy hosting seminars for prospective clients at the British Embassy in Tokyo on a range of IP topics.

In the US, under the management of Murgitroyd's Founder, Ian Murgitroyd, the group has been concentrating its efforts on marketing its IP portal. According to Murgitroyd, the portal, when combined with Murgitroyd's network of international attorneys and its buying power, can enable companies to file Patents with significant savings. The group's business development offices, in San Francisco and North Carolina, are also well placed to meet the needs of a growing number of young start-up companies, including those in the Silicon Valley area.

Murgitroyd's results for the year to 31 May 2011 are due for release on or around 12 September.

Murgitroyd Group Plc	MUR	Price p.	327.5
AIM	Support Services	Cap £m	28.0

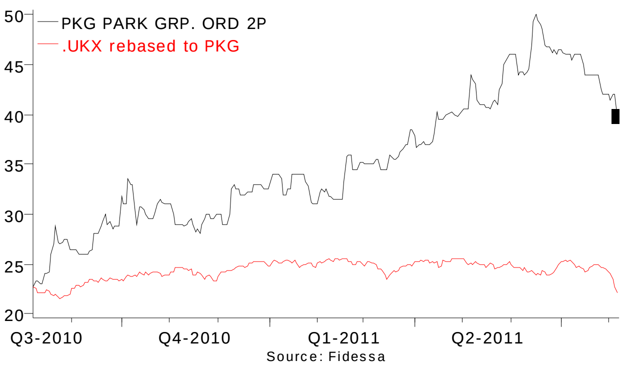
Y/E	Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E Ratio	Divi	Yield
May	£m	£m	£m	p.		p.	%
2009A	28.9	3.1	3.4	27.0	12.1	9.5	2.9%
2010A	29.4	3.8	3.7	29.9	11.0	10.0	3.1%
2011E	32.0	3.8	3.8	30.8	10.6	10.5	3.2%
2012E	33.6	3.9	3.9	31.8	10.3	10.5	3.2%

PALM CITY LTD - LIBYA

The news from the battlefront in Libya becomes increasingly depressing, and the prospects of Palm City launching its IPO during 2011 are now absolutely zero. The property remains untouched by the war, the area has not seen any fighting, and indeed the directors are visiting regularly from Malta. The property remains well looked after and protected.

Palm City Ltd			(Awaited)			Price €.	
AIM Italia (pending)			Real Estate			Cap €m	200 approx
Y/E	**Sales**	**Declared Profit**	**Adjusted Profit**	**Adjusted EPS**	**P/E Ratio**	**Divi**	**Yield**
December	**€m**	**€m**	**€m**	**UKp.**		**UKp.**	**%**
2008A	-	-	-	-	-	-	-
2009A	-	-	-	-	-	-	-
2010E	No Estimates At Present						
2011E	No Estimates At Present						

PARK GROUP PLC

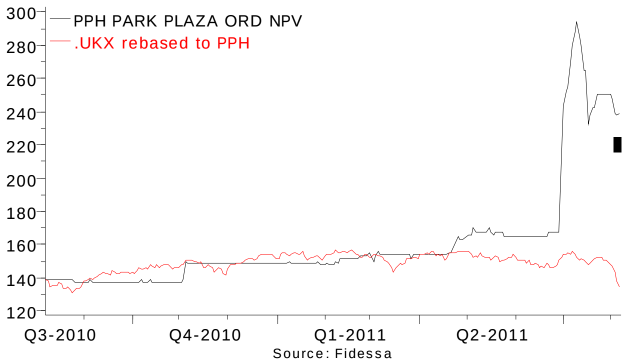


We find nothing in the Annual Report to cause us any concern. The next news from the company is likely to be September 20, the date of the Annual Meeting.

For the current year, we expect a 14% increase in pre-tax profit and a 12% increase in eps. We also forecast a further increase in the dividend.

Park Group Plc			PKG			Price p.	39.63
AIM			Consumer Finance			Cap £m	66.6
Y/E	**Group Sales**	**Declared Profit**	**Adjusted Profit**	**Adjusted EPS**	**P/E Ratio**	**Divi**	**Yield**
March	**£m**	**£m**	**£m**	**p.**		**p.**	**%**
2010A	263.2	5.3	5.3	2.1	18.9	1.32	3.3%
2011A	279.9	12.5	7.0	3.2	12.3	1.70	4.3%
2012E	296.8	8.0	8.0	3.6	11.0	1.80	4.5%
2013E	305.7	9.0	9.0	4.0	9.9	2.00	5.0%

PARK PLAZA HOTELS LTD



Park Plaza has announced a 50% joint venture investment in a 40,000 m^3 hotel and real estate development site in Pattaya Bay, Thailand. This is an intriguing development, because Park Plaza Hotels PLC's licence agreement with the ultimate owner of the Park Plaza brand name gives it perpetual rights to Europe, the Middle East and Africa, but specifically excludes the Far East. Park Plaza, of course, also operates hotels under the Art'otel brand name. The hotel element of this development is at present planned to be approximately 100 rooms. We await further news with interest.

Investors should be aware that the Interim Results, due end-September/early October, will probably include a negative IFRS adjustment for mark-to-market on interest rate hedging. This will of course be a non-cash item, and we are totally relaxed about its appearance. UK interest rates have been at record lows, so these adjustments are being seen with all companies that are hedging significant amounts of floating debt. We cannot possibly believe that any institutional shareholder in Park Plaza Hotels will have wanted the board of directors to stay unhedged and risk the problems that would have been caused by a move upward in unhedged interest rates.

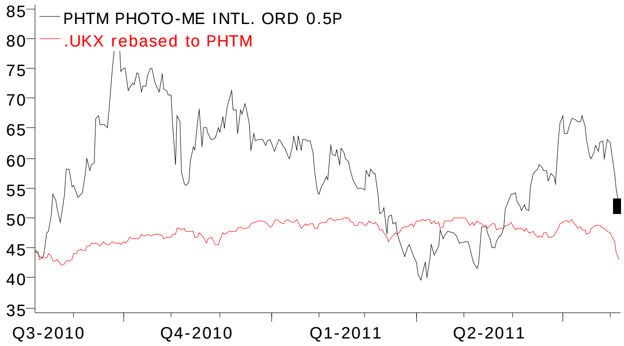
We have allowed for a £4m negative here in our new estimates, which has been taken as "declared profit" in the table below but treated by us as an exceptional item and omitted from our "adjusted profit" figure. Our EBITDA estimate is unchanged, our interest charge estimate under "adjusted profits" increased following full consideration of the AIM to Full List prospectus document, so our pre-tax profit estimate is now a little lower. Because of a very favourable tax situation, our eps estimate is higher.

There is seasonality in this industry, so investors should look for a first half loss, and a strong second half profit; this is a trading pattern common to most hotel companies and we continue to be strongly enthusiastic about this company.

Park Plaza Hotels Ltd	PPH	Price p.	239.0
AIM	Travel & Leisure	Cap £m	102.0

Y/E	Group Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
December	€m	€ m	€m	UKp.		UKp.	%
2009A	80.3	-7.1	-7.1	-17.7	-	0.0	0.0%
2010A	139.8	60.5	0.1	0.3	796.7	0.0	0.0%
2011E	180.0	3.4	7.4	15.6	15.3	0.0	0.0%
2012E			Forecast Under Review			3.0	1.8%

PHOTO-ME INTERNATIONAL PLC



Source: Fidessa

The Annual Report has been issued. The Annual Meeting takes place on Thursday 6 October, which will be the date of the next meaningful update from the company.

On issues of substance, the Annual Report holds no surprises. There are some interesting areas in the Statement of the Chairman, John Lewis, that are worth highlighting, however. He talks of the stronger balance sheet putting the company in a position "to continue to fund new product development", and "the flexibility to add to its current portfolio of businesses". In other words, expect capital spending to increase, and expect acquisitions to be made for cash.

Lewis also stresses the potential for further OEM orders for the new Photobook Makers, and for new product introduction in the core Photobooth operations.

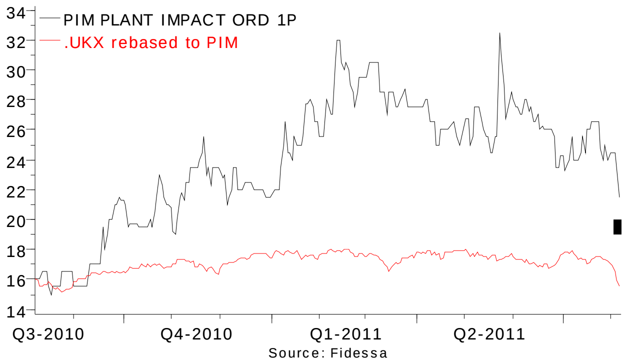
Shareholders who watch the Remuneration Report will note a 22% reduction in total directors' salaries and benefits, even with departing non-executive chairman Hugo Swire receiving an ex-gratia payment and the CEO receiving a bonus of 100% of salary. We particularly like the detail given of how share option awards are reached; disclosure here sets an example in compliance that other companies would do well to follow.

Photo-Me International Plc	PHTM	Price p.	52.00
Full List	Support Services	Cap £m	188.2

Y/E	Group Sales	Adjusted EBITDA*	Adjusted Pre-tax Profit*	Adjusted EPS*	P/E Ratio	Divi	Yield
April	£m	£m	£m	p.		p.	%
2010A	222.5	44.2	14.0	2.7	19.3	1.25	2.4%
2011A	219.8	47.6	18.0	3.8	13.7	2.00	3.8%
2012E	229.8	48.1	20.0	4.0	13.0	2.20	4.2%
2013E	Forecast Under Review						

***** *Before exceptional items*

PLANT IMPACT PLC

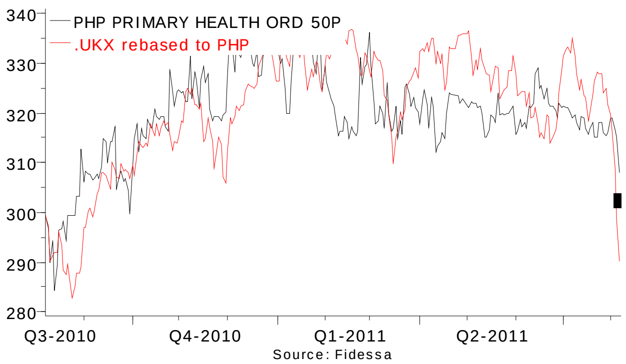


The high prices currently being achieved for agricultural commodities are supportive of the crop science sector as has recently been confirmed in the results of Bayer CropScience, especially in North America where the unit reported sales are up over 19%. This is an important development territory for Plant Impact (Pi) which has recently signed a distribution deal with Engage Agro of Canada. Pi has important partnerships and distribution agreements in place to cover most major markets now, and there is considerable interest focusing on the results of field trials with the company's InCa – calcium delivery technology in Brazil where it is working with Syngenta on trials and evaluation on soya crops. The requirement to squeeze ever greater crop production from a diminishing pool of arable land for a growing and increasingly wealthy human population depends on the development of innovations in crop science; Pi is at the forefront of technologies for raising yields and helping plants to recover from abiotic stress. An investment in Pi is a play on the company's innovative science, the demographics of rising populations and rising GDP and the pressure that this is putting on food resources.

Plant Impact Plc			PIM			Price p.	21.50
AIM			Chemicals			Cap £m	10.8

Y/E	Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
March	£m	£m	£m	p.		p.	%
2009A	0.83	-2.48	-2.48	-7.5	-	-	-
2010A	1.41	-1.69	-1.69	-4.1	-	-	-
2011E	1.78	-1.89	-1.89	-3.3	-	-	-
2012E	Forecast Under Review						

PRIMARY HEALTH PROPERTIES PLC



The shares have held steady over the last month, and are being purchased by income seekers for the 5.8% yield. Comparatives on the yield front are the FT All Share Index, at 3.14%, UK 10 year Government bonds at 2.87%, and the yield on UK Index Linked Government 5-15 year bonds of around 2.1%. In terms of total return, Primary Health Properties has produced 11.4% for shareholders over the past 12 months, compared to 13.5% for 5-15 year UK Index Linked Gilts.

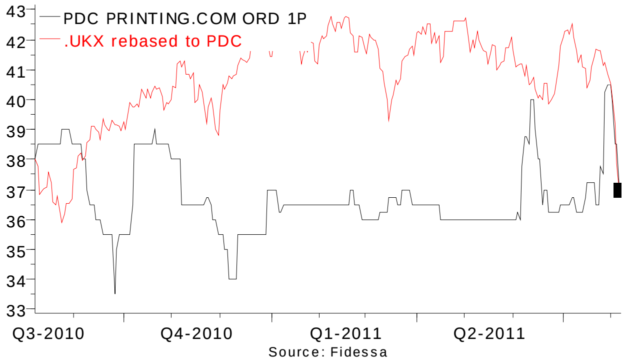
The Interim Results from Primary Health Properties will be released later this month, the most likely date being Thursday August 18. We expect continued forward movement in gross rental income, operating profit and pre-tax profit excluding IFRS mark-to-market adjustments on the interest rate swaps. The mark-to-market adjustments will be heavily negative because interest rates have reached record lows over the course of the summer, so the headline pre-tax and eps numbers will make poor reading. The underlying situation will be fine, however. We cannot possibly believe that shareholders would have wanted PHP to have its debt at floating rates when its rental income is fixed and rising with the inflation rate. Mark-to-market adjustments are, of course, non-cash items, and no matter what happens to interest rates generally, the adjustments cease when the swaps expire.

Primary Health Properties Plc			PHP			Price p.	308.00
Full List			Real Estate			Cap £m	210.0

Y/E	Group Revenue	NAV/Share*	Adjusted Profit*	Adjusted EPS*#	P/E Ratio	Divi#	Yield
December	£m	p.	£m	p.		p.	%
2009A	21.3	280.0	7.3	18.4	16.7	17.00	5.5%
2010A	26.9	311.5	9.1	14.7	21.0	17.50	5.7%
2011E	29.7	334.0	9.2	14.5	21.2	18.00	5.8%
2012E	32.7	361.0	11.1	17.5	17.6	18.50	6.0%

** EPRA basis*
 # Ex-rights adjusted

PRINTING.COM PLC



Market conditions remain competitive but a major attribute of the business is its flexibility, with strong levels of R&D and a strong web-based customer design template offering.

At the AGM of 22 July, the Board referred to the softening on UK trading, effectively as a broad consequence of the macro-economic situation. It is important to emphasise that this further softening has been slight.

There is an acceleration of the investment, written off to revenue, in new channels and routes to market. Trading in the significant Netherlands, French and also Belgian operations is in line with earlier expectations. The company's operations remain highly cash generative, particularly as the new investment is in people (hence written off as incurred to revenue). Depreciation remains a significant item with capital expenditure remaining at a small fraction for many years to come.

New initiatives including BrandDemand are expanding well from early, small initial volumes. This is being rolled out progressively in Europe (hence the raised costs). Flyerzone is commencing a roll out.

Recent results demonstrated the strong cash generation at Printing.com. Cash generated from operations in the year to March 2011 (as reported on 6th June) equalled £4.16m (£3.42m). Free cash flow (after all outflows bar dividends and acquisitions) totalled £2.38m (£1.75m), equating to 5.2p per share. This provides plenty of ammunition for ongoing dividend payments of at least the 3.15p paid historically. Cash flow receives a boost in 2012 as certain major lease payments (on major equipment) come to an end. The balance sheet is cash positive.

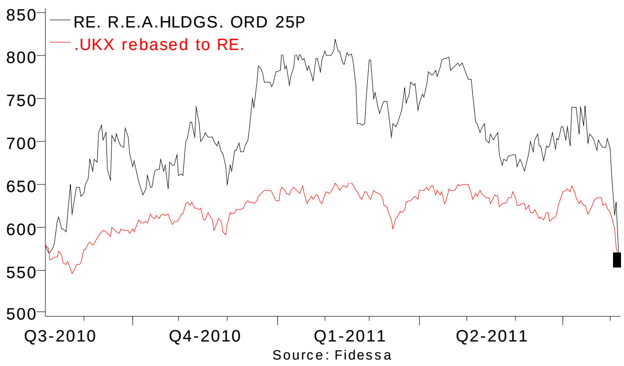
The industry Printing.com operates in demands new innovative initiatives and it is Printing.com's success here (even more so than its ongoing dividends, profits and high cash flow) that make this an excellent investment.

Printing.com Plc	PDC	Price p.	37.0
AIM	Retailing	Cap £m	17.2

Y/E	Group Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E Ratio	Divi	Yield
March	£m	£m	£m	p.		p.	%
2009A	14.5	2.1	2.1	3.3	11.2	5.15*	13.9%
2010A	14.5	1.7	1.7	2.9	12.8	3.15	8.5%
2011E	16.9	1.3	1.5	2.4	15.4	3.15	8.5%
2012E	20.0	1.6	1.75	2.7	13.7	3.15	8.5%

**2009A dividend includes a special dividend of 2p/share*

R. E. A. HOLDINGS PLC

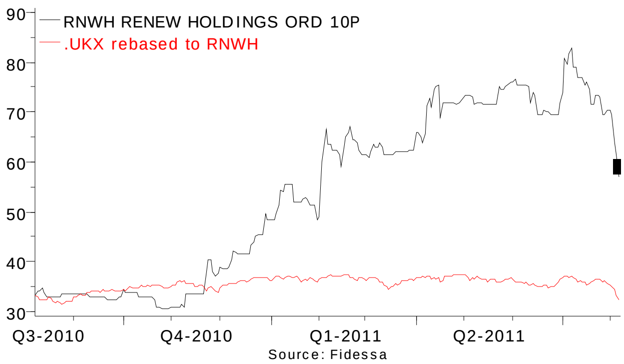


During June REA raised another £15m with the issuance of 15m £1 cumulative preference shares yielding 9%. Preference shares now total 42m, outnumbering ordinary shares of 33.4m. The proceeds of the issue will be used to retire debt. With increasing maturity of the plantations, cash flows are strengthening and the company proposes to reduce its total indebtedness. The company is on track to develop a total estate of some 50,000 ha by end 2015 compared with total planted area of some 32,000 ha today – all into a plane of rising cash flows. Additionally it is evaluating the opportunity to harness existing infrastructure and expertise to develop a new business in the Indonesian coal sector. Shares look good value.

Readers should note that in July, USDA forecasts 2011/2012's palm oil stock-to-use ratio to drop to 8%, an all time low since 1999.

R.E.A. Holdings Plc			RE.			Price p.	562.0
Full List			Agriculture			Cap £m	187.8
Y/E	Group Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E Ratio	Divi	Yield
December	US$m	US$m	US$m	USc.		UKp.	%
2009A	78.9	41.7	32.0	55.3	16.5	3.0	0.5%
2010A	114.0	50.4	48.9	88.0	10.3	5.0	0.9%
2011E	150.0	75.0	70.0	116.0	7.8	7.0	1.2%
2012E				Forecast Under Review			

RENEW HOLDINGS PLC

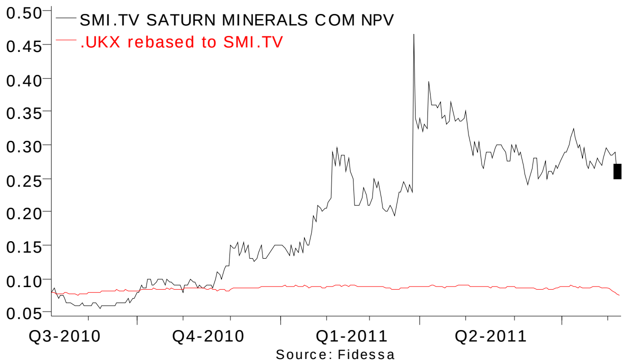


Renew Holdings' share price had dipped recently, perhaps reacting negatively to recently released news that the construction industry recession is likely to deepen into 2012. Experian have downgraded forecasts for output and are predicting a 4% contraction next year. The downgraded forecasts reflect a weaker than expected private sector recovery combined with public sector spending cuts. This is perhaps a misnomer, given Renew's limited exposure to the private sector market and its focus on core public spending.

The shares are now 40% off their recent highs, double the fall of the FTSE100 over the same period.

Renew Holdings Plc			RNWH			Price p.	57.0
AIM			Construction			Cap £m	34.1
Y/E	Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E Ratio	Divi	Yield
September	£m	£m	£m	p.		p.	%
2009A	316.6	1.2	5.5	6.0	9.5	3.0	5.3%
2010A	209.4	4.0	4.6	5.3	10.8	3.0	5.3%
2011E	354.0	4.1	7.8	9.7	5.9	3.0	5.3%
2012E	345.0	9.9	9.9	12.0	4.8	3.0	5.3%

SATURN MINERALS INC



It has been a month of corporate news in the Saskatchewan energy and mining sector after cleaning-up after one of the wettest springs in the last half century has generally limited fieldwork to remote sensing and isolated areas of high ground. Saskatchewan is used to spring floods removing prairie roads, just not usually this many.

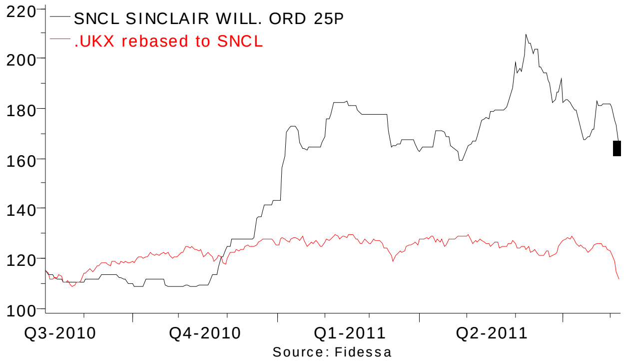
In the corporate landscape though there has been action. Goldsource Mines has proposed a reverse takeover by the American ZEEP Corporation, holders of some proprietary coal gasification technology. Westcore Energy published its long awaited proximate (coal quality) analysis. Samples showed mostly brown coal or lignite, the low end of the region's coal quality variability, and Westcore appears to have gone back into exploration mode. With Saturn's Karolina Basin discoveries at the high end of the thermal coal quality spectrum only a few Canadian miles away, the chances of commercialising Westcore's low energy lignite in today's carbon conscious market appear to be receding. This seems to leave Saturn way out ahead in terms of local operators.

Saturn's own samples are still in washability testing to determine if the highest quality (low sulphur/low ash) coals from the centre of the Karolina Basin can be upgraded to meet Pulverized Coal Injection (PCI) specification for steelmaking. Meeting these tough specifications would radically change the market landscape for Saturn's coal, possibly bringing in export revenues from Atlantic Basin steelmakers. Co-production of thermal and PCI coals in open pit is normal practice where possible and, such is the price differential between normal thermal coals and PCI coals that, even a relatively small proportion PCI coal can be worth selectively mining if a wash plant can be funded.

BHPBilliton's Jensen Project ran into some criticism from local First Nations leaders for lack of effective consultation. Chief Darin Poorman of the Kawacatoose First Nation raised concerns over the long term impacts of developing what should be the world's largest potash mine, at Raymore 200km to the southeast of Saskatoon. This appears to be a classic case of 'old school' mining practice whereby land rights and communications are being executed perfectly legally from the perspective of central government but against the spirit of historic treaty, local (tribal) governance and sensibilities. It is a clear example of why Saturn's more personal approach to engagement and communication is needed if Canada's, and particularly Saskatchewan's, economic goals are to be met in a way that respects the rights and will of indigenous populations. Maybe BHPBilliton should take a leaf out of Saturn's book on personal community relations as the behemoth starts up its Sustainable Resources Institute in Adelaide, Australia?

Saturn Minerals Inc			SMI.TV			Price C.	26.5
TSX-V			Energy			Cap CDN$m	18.9
Y/E	**Group Sales**	**Declared Profit**	**Adjusted Profit**	**Adjusted EPS**	**P/E Ratio**	**Divi**	**Yield**
December	**CDN$m**	**CDN$m**	**CDN$m**	**CDN$**		**CDNc.**	**%**
2008A	-	-2.60	-	-0.08	-	-	-
2009A	-	-2.33	-	-0.05	-	-	-
2010E	-	-0.87	-	-0.02	-	-	-
2011E			No Estimates At Present				

SINCLAIR, WILLIAM HOLDINGS PLC



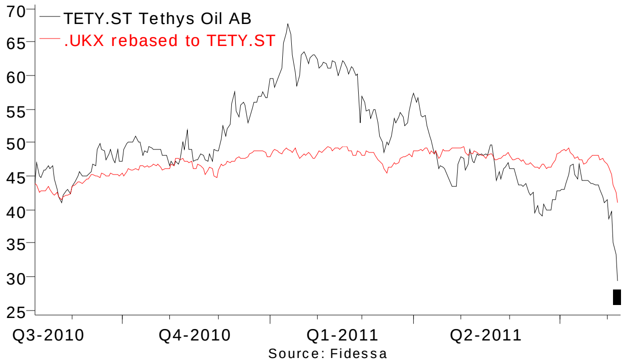
Our July Monthly highlighted the delay to the final financial settlement for the withdrawal of peat harvesting from Bolton Fell near Carlisle, and there has been no further official news from the company since then. A statement is probably likely at some point on the planning issues affecting a small proportion of potential output in Manchester, and we guess this will come before resolution of the Bolton Fell compensation payment or news of the second and third production sites for the group's pioneering artificial peat production process.

Sinclair, William Holdings Plc	SNCL	Price p.	165.0
AIM	Household Goods	Cap £m	28.1

Y/E	Group Sales	Declared Profit	Adjusted Profit	Adjusted EPS	P/E Ratio	Divi	Yield
September	**£m**	**£m**	**£m**	**p.**		**p.**	**%**
2009A	46.3	1.2	1.2	6.8	24.3	3.5	2.1%
2010A	48.5	2.1	2.5	12.2	13.5	5.0	3.0%
2011E	58.3	3.2	3.2	13.5	12.2	6.5	3.9%
2012E	62.4	3.6	3.6	14.7	11.2	7.5	4.5%

Monthly August 2011

TETHY'S OIL AB



Tethys has announced continued success with their exploration well Farha South-11 ("FS-11") which extends the known area of the productive Farha South trend of oil bearing fault blocks to the south by 'nearly 10 km'.

The FS-11 was drilled as a vertical exploration well through both the Barik and Lower Al Bashair formations. The well was drilled to a total depth of 1,865 metres at a location 9 km south of the FS-3 well. Oil shows was also found in the Lower Al Bashair formation, but it was not able to be logged. The Upper Barik section was perforated and put into test production with an electrical submersible pump and connected to the Farha South Early Production System (EPS). The well will now become part of the ongoing long term production test program in the area.

During the first 12 hour test period the well produced at a rate of 517 barrels of oil per day of 39 degree API oil.

The rig has now been mobilised to drill another exploration well 'Farha South-12 well' on Block 3. Planned as a stepout well located some 1.7 kilometres northwest of FS-4 and FS-6 the well is designed to explore both the Barik and Lower Al Bashair formations.

Operationally, Tethys have also announced production from the Early Production System (EPS) on Blocks 3 and 4 during June amounted to 103,505 barrels of oil, corresponding to 3,450 barrels of oil per day (BOPD). Total production in the second quarter 2011 totalled 215,283 barrels of oil, an average of 2,366 (BOPD).

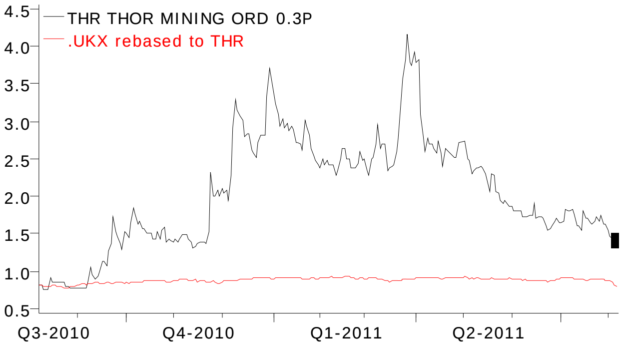
Tethys' share of production, before government take, amounts to 30 per cent of the total, or 31,051 barrels in June and 64,585 barrels in the second quarter.

The production rates vary depending on test program design and available capacity however the company has noted that the EPS is running close to full capacity. This being the case, Tethys have indicated that wells with the longest production histories in the current test program may now be temporarily shut-in to allow the newer wells to be properly tested. Tethys and its partners are actively investigating ways to increase the capacity of the EPS while work on a more permanent production system is ongoing.

Tethys Oil AB	TETY.ST	Price SEK.	33.3
Stockholm	Oil	Cap MSEK	10.1

Y/E	Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
December	SEKm	SEKm	SEKm	SEK.		SEK.	%
2009A	-	-42.4	-42.4	-1.6	-	-	-
2010A	11.1	-80.1	-80.1	2.6	12.8	-	-
2011E	No Estimates At Present						
2012E	No Estimates At Present						

THOR MINING PLC



Source: Fidessa

In a series of news releases Thor confirmed our thoughts from the last monthly and added some detail.

On the Dundas greenfields project there are currently three, named, drill-ready anomalies identified through geochemical sampling of calcrete at a depth of around a metre. The Bifrost, Algron and Asgard anomalies will be shallow drill tested in due course with Algron and Bifrost expected in September/October once environmental baseline surveys have been carried out.

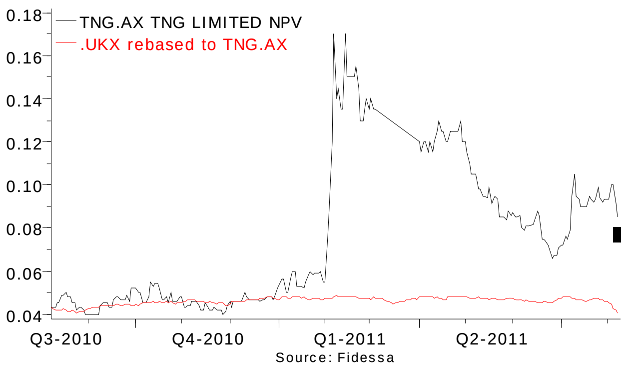
Molyhil Mine is due to have an 8 week drill program, split between 6-8 RC holes to test extensions to the known deposit down dip and 6 diamond drill cores to enhance the certainty over the known resource. We believe that this program should result in an increased resource and reserve tonnage justifying a longer mine life. We know that the current mineable reserve only includes around 60% of the known resource tonnage and that the mining conditions are good geotechnically (the ground is competent and stable), so we feel confident that the resource tonnage can be increased in both size and certainty. It is then up to the pit schedulers and optimisation specialists to see just how deep mining is currently justified by the current metals price. With tungsten steadying at the US$450-470/mtu (as APT) it is difficult to see where any further price rises could come from for tungsten without significant pickup in Western Economies and particularly German heavy industry. Moly prices currently appear to be responding to Chilean production variations due to power availability and strike action.

The Spring Hill first stage acquisition has been completed with the payment made to Western Desert Resources in shares to satisfy the Australian regulator. This has cleared the way for plans to test the 'Callie' hypothesis in the December quarter. WDR then passed those shares to its own shareholders as a sweetener within its own rights offering. As a result we have seen a significant volume of new Thor shares enter the market, depressing prices somewhat. With cash shown in the June 2011 quarterly statement at $2,378,000, recently topped up with another £410k for 30 million shares, Thor should have enough in the bank for this year's exploration. However, when all put together the three planned drill programs, associated permitting work and continuing mapping programs will require further dilution in time.

Thor has some very promising properties and targets but what it really needs as an on-going business is to bring Molyhil into production. The terms of any financing to achieve that production will, to a large part depend on the success of the current drilling program and economic feasibility study.

Thor Mining Plc			THR			Price p.	1.3
AIM			Mining			Cap £m	8.0
Y/E	**Group Sales**	**Declared Profit/(Loss)**	**Adjusted Profit/(Loss)**	**Adjusted EPS**	**P/E Ratio**	**Divi**	**Yield**
June	**£000s**	**£000s**	**£000s**	**£/Share**		**£**	**%**
2009A	-	-1.2	-1.2	-0.77	-	-	-
2010A	-	-1.8	-1.8	-0.79	-	-	-
2011E				No Estimates At Present			
2012E				No Estimates At Present			

TNG LTD



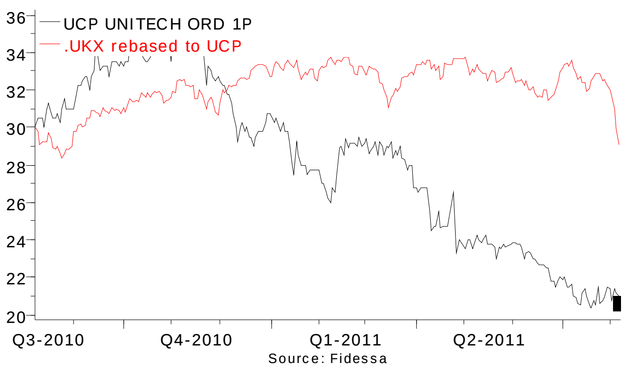
A definitive drilling programme has commenced at the Mount Peake Vanadium project. It will comprise 2,000m of diamond drilling and 2,000m of reverse circulation drilling. The twin aims of the programme are to extract approximately 1 tonne of diamond core sample for test work, and to hopefully upgrade part or all of the reserve from Inferred status to Indicated or Measured status.

We have produced a detailed, 27 page study of TNG's Mount Peake Project, and its vanadium, titanium, magnetite and other potential products.

Email us for a copy of the full research note on research@hardmanandco.com.

TNG Ltd			TNG.AX			Price Aus c.	9.1
ASX			Mining			Cap AUS$	25.9
Y/E	Group Sales	Declared Profit/(Loss)	Adjusted Profit/(Loss)	Adjusted EPS	P/E Ratio	Divi	Yield
June	AU$m	AU$m	AU$m	AUc.		AUc.	%
2009A	0.1	-10.4	-10.4	-4.0	-	-	-
2010A	1.4	-4.0	-4.0	-1.4	-	-	-
2011E	No Estimates At Present						
2012E	No Estimates At Present						

UNITECH CORPORATE PARKS PLC



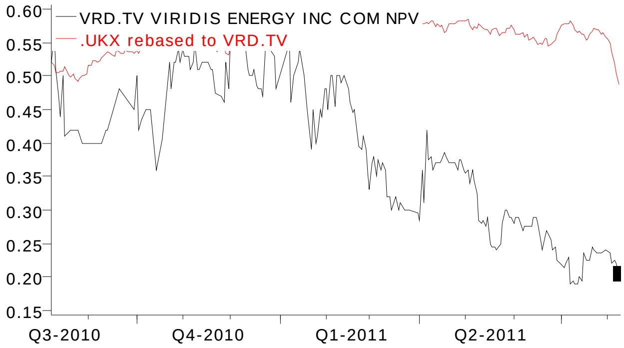
We plan initiating on this UK quoted Indian real estate business during the course of August and have recently visited operations, where no new information was given. The business has a cash positive balance sheet and is securing significant new rental agreements. We understand some of these new tenants could be robust funding partners. The website lists certain tenants and all are major companies with international operations.

New rental commitments have advanced strongly steadily since autumn 2010. We note that the large majority of sites are SEZ sites, which bestow certain tax advantages to the tenants. These advantages only accrue if the tenants remain in the SEZ for significant periods, which we understand to be ten years. This gives excellent reason to presume that tenants, once signed up, would be unlikely to leave within that period. Unitech Corporate Parks has competition but the number of SEZs is strictly limited and competition is less of a barrier than the sheer size of the potential area to fill per site. Nonetheless there are good leasing advances. We understand that within two years the availability of tax incentives to businesses locating to SEZs in India may be significantly curtailed or ended.

We anticipate UCP to report its financial results within a month.

Unitech Corporate Parks Ltd			UCP			Price p.	21.0
AIM			Real Estate Investment			Cap £m	75.6
Y/E	Gross Income	EBITDA	Adjusted Profit	Adjusted EPS	P/E Ratio	Divi	Yield
	£m	£m	£m	p.		p.	%
2009A	-	-	-	-	-	-	-
2010A	-	-	-	-	-	-	-
2011E	-	-	-	-	-	-	-
2012E	-	-	-	-	-	-	-

VIRIDIS ENERGY INC



Source: Fidessa

We await closure of the second tranche of the company's private share placement, which is necessary for Viridis Energy to close the acquisitions it has negotiated and for it to finance its expansion into biofuels in Asia.

The new contract to supply wood pellets to India, as well, looks to be a game changer. This company had a troubled spring, but on the assumption the financing has proceeded smoothly it should now be at take-off point.

New estimates, and a new research report, follow shortly.

Viridis Energy Inc	VRD.TV	Price CA.C.	22.00
TSX	Energy	Cap CA$m	7.8

Y/E	Sales	Declared Pre-tax Profit	Adjusted Pre-tax Profit	Adjusted EPS	P/E Ratio	Divi	Yield
December	CA$m	CA$m	CA$m	CAc.		CAc.	%
2009A	-	-	-	-	-	-	-
2010A	7.8	-0.1	-2.9	-14.1	-	-	-
2011E	No Estimates At Present						
2012E	No Estimates At Present						

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