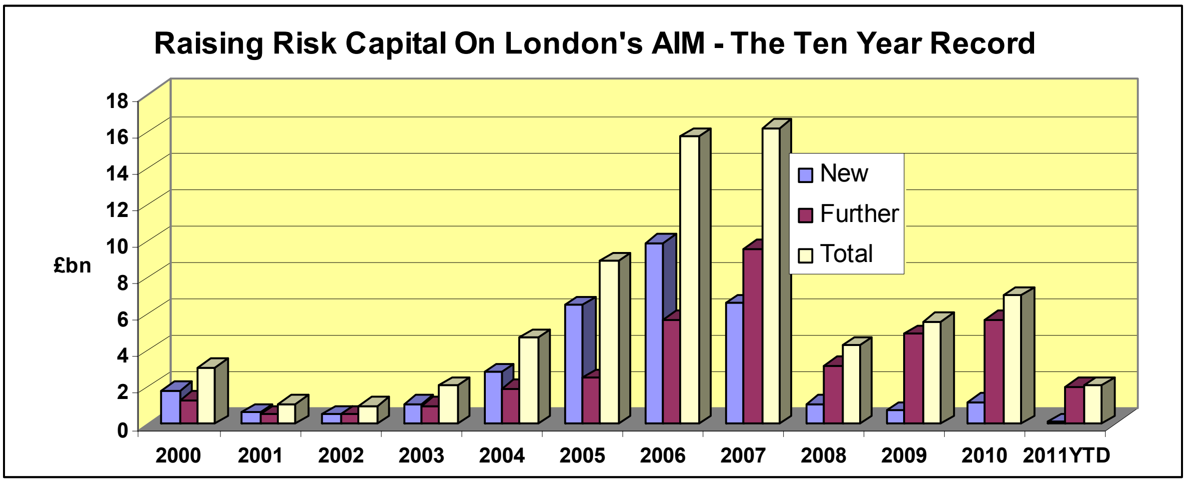
The Monthly May - June 2011



One of the functions of stock markets – the foremost function if politicians are to be believed is to raise risk capital for businesses. In this respect, 2011 is turning out to be another year of failure for both the London Stock Exchange Official List and AIM in respect of new floats. In April, only £872m of new money was raised for UK listed companies on the Main Market. Over half this was for pooled funds or one sort or another; and over a third of the total was for a global floating rate income fund, which scarcely qualifies as risk capital. Secondary issues – fund raisings by companies already on the market, totalled just £342m. This is scarcely the stuff of which a booming economy is made.

Because the capital raising function was so lacking in evidence in January, February and March, the figures for the year to date are even less inspiring. Up until end-April, for all UK companies, both in primary and secondary issues, only £2.1bn had been raised for UK companies. Of that £2.1bn, £0.6m was in 'equity investment instruments' and a further £0.5m in real estate related vehicles. There are entire business sectors that have failed to raise a penny in new risk capital so far this year – industrial metals, construction and materials, electronic and electrical equipment, automobiles, telecoms, IT software and hardware among them.

Meanwhile on AIM, new money raised by new issues so far this year is £87m. AIM has performed a great deal better in regard to secondary financings, it had raised £2.0bn up to end-April, putting it on track for its second biggest secondary issue year ever. AIM accounts for only 3.8% of the market capitalisations of the two markets.

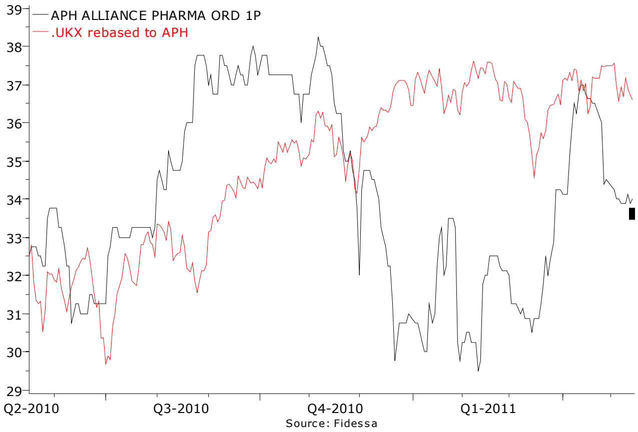
During the past month we have produced a second, shorter, study of the **Sri Lanka Stock Market**, which continues to go from strength to strength and so far is on track to repeat its 2010 showing as the world's best performing stock market. This follows our study, produced in early April, of Indian domestic companies quoted on London's AIM. Investing outside your home country, whatever that may be, has never been easier. .

We have also produced the second of our studies of the agricultural crop **Jatropha**. Over the last ten years, fortunes have been lost chasing the economic possibilities of this new crop, but our latest study quotes some references that suggest it may emerge as an important biofuel feedstock by 2018. At any rate, one of the companies concerned, Mission NewEnergy, was able to secure $25m via a NASDAQ listing last month.

We add **Park Plaza Hotels** to our coverage this month. This hotel company has a market cap of £70m, is quoted on London AIM, and has just opened the largest new hotel in London for 40 years, the 1,019 room Westminster Bridge Park Plaza. This is set to transform its profitability. Also, the company is trading at only 38% of its Net Asset Value.

Market Indicator	Price	Previous Month Price	% Change in 1 month	Year High	Year Low
FTSE 100	5,967	6,017	-0.8%	6,091	4,806
FTSE SmallCap	3,264	3,273	-0.3%	3,310	2,640

ALLIANCE PHARMA



On 23 March Alliance Pharma announced the acquisition of the UK and Irish rights to Anbesol and Ashton and Parsons from a subsidiary of Reckitt Benckiser Group plc. The acquisition has now completed and the £2.55m cash consideration due has been funded via a £20m revolving credit facility that Alliance put in place in November 2010. Anbesol is used for the relief of pain from mouth ulcers, denture irritation and from teething. Ashton and Parsons is used for the relief of pain and stomach upset caused by teething.

With the two brands expected to add little to administration and general costs the acquisition is likely to be earnings enhancing in the current financial year.

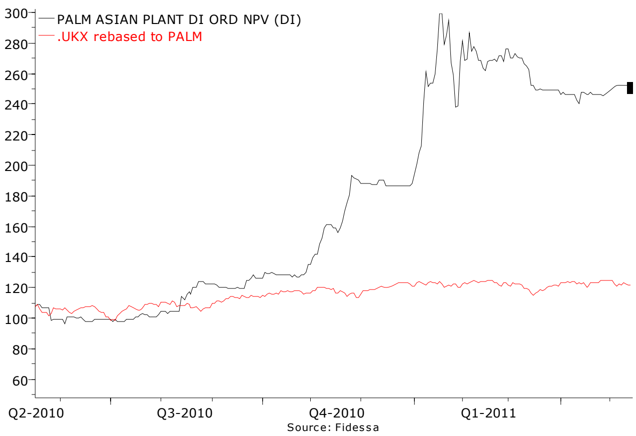
Alliance has also announced the renewal for a period of up to seven years of the rights to distribute ImmuCyst, a treatment for non muscle invasive bladder cancer. Sales of this product in the UK and Ireland were £3.7m in the year to April 2011. The renewal triggers a payment of up to £2.1m in deferred consideration to Cambridge Laboratories.

At 34.5p per share Alliance's shares continue to trade at a discount to our target price of 47p per share.

Alliance's Annual General Meeting is to be held on 26 May 2011 and copies of its 2010 Annual Report are now available on the company's website at www.alliancepharma.co.uk.

Alliance Pharma				APH		Price p.	34.50
AIM				Pharmaceuticals		Cap £m	81.6
Y/E December	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
	£m	Profit £m	Profit £m	eps p	ratio	p.	%
2009A	31.2	5.70	8.60	3.50	9.9	0.30	0.9%
2010A	49.9	12.90	16.90	5.1	6.8	0.57	1.7%
2011E	46.1	11.50	12.10	3.7	9.3	0.75	2.2%
2012E	47.3	12.20	12.70	3.9	8.8	1.00	2.9%

ASIAN PLANTATIONS



Asian Plantations finished the 2010 financial year on a positive note, with maiden revenue received from its 'first ever' Fresh Fruit Bunch (FFB) and the news that its planting programme was running ahead of schedule.

The company harvested around 1,900 MT of FFT in 2010,. The FFB from the BJ estate is expected to be ready for harvesting in Q4 2011. By the end of 2012, all three estates will be fully developed with the BJ estate leading its FFB Production. The company also received its maiden revenue of $0.3m from its first ever FFT sales. The loss before tax last year was $3.8m, which was slightly better than our original forecast of $4.0m. At the end of the financial year the company had total loans and borrowings of $38.6m, and $1.2m of cash in the bank.

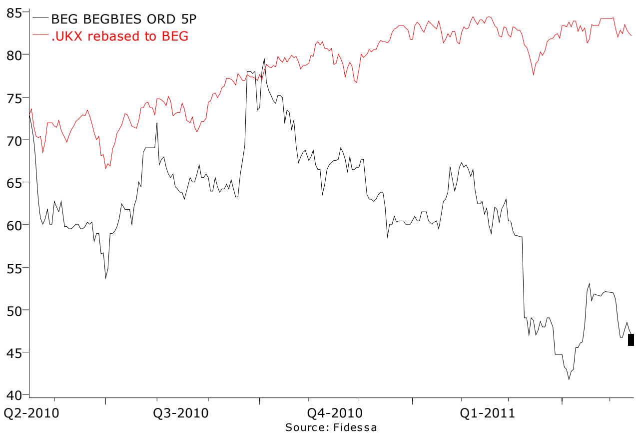
At the end of December 2010, the company had planted 4,051 ha with oil palm, and in 2011 it expects to plant over 8,000 ha.

The company's valuation per hectare looks cheap compared to Malaysian peer groups, which are trading at a significant premium to this.

Please email for our latest research note on Asian Plantations, and also for our electronic-only international palm oil company valuation sheet.

Asian Plantations				PALM		Price p.	251.00
AIM				Agriculture		Cap £m	102.2
Y/E	**Sales**	**Declared**	**EPS**	**Enterprise Value**	**EV/Hectare**	**Divi**	**Yield**
December	**$m**	**Profit $m**	**$**	**$m**	**$**	**c.**	**%**
2009A	-	-1.40	-0.07			0.00	0.0%
2010A	0.31	-3.80	-0.12	192.0	12,273	0.00	0.0%
2011E	1.30	-5.93	-0.18			0.00	0.0%
2012E	2.36	-8.43	-0.25			0.00	0.0%

BEGBIES TRAYNOR



Begbies Traynor has now come to the end of its financial year. The company is in close period and is expected to issue a full-year trading update in early June. The share price has seen the start of a recovery and is now slightly above its all-time low in early April.

We have commented in past issues on the impact on insolvency case numbers of support measures and, in particular, on the impact of HMRC's Business Payment Support Scheme. Below, we take a brief look at statistics issued by HMRC at the end of April, which shed some light on the extent of this support.

The volume of agreements under BPSS cannot be taken as an indication of the number companies that have received assistance as separate requests for time to pay must be made:

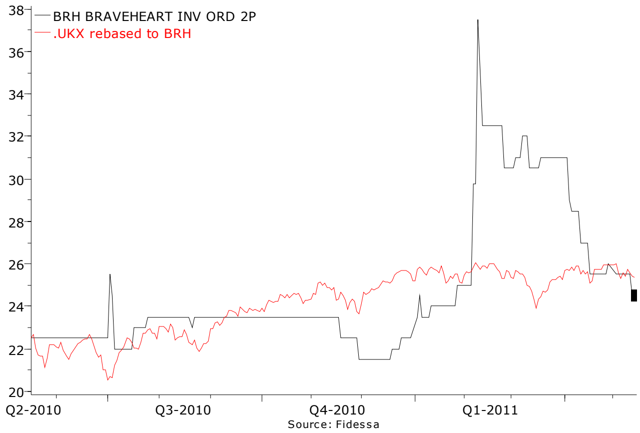
- for tax due under different tax regimes – VAT, PAYE, CT etc
- for any subsequent application where time to pay has already been granted covering an earlier period.

However, the statistics show that a total of 428,800 agreements have been reached, and a further 19,800 applications (4%) rejected, between December 2008 and March 2011. The rate of rejection, too, has been rising – up from 2.5% in 2009 to 9.3% so far in 2011. This, perhaps, indicates a toughening of HMRC's stance on applications. Agreements reached covered a total tax liability of £7,370m, of which it is estimated that £6,310m (85%) has subsequently been paid.

As might be expected, given the timing of the recession, take up under the scheme was highest in 2009. The monthly number of agreements fell from 21,275 in that year to just 11,600 in 2010. At £16,950 against £17,500 – though – the fall in the average size of an agreement was much smaller.

Begbies Traynor				BEG		Price p.	46.00
AIM				Support Services		Cap £m	41.2
Y/E April	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2009A	62.1	7.2	9.8	7.8	5.9	2.8	6.1%
2010A	69.1	8.7	10.5	7.9	5.8	3.1	6.7%
2011E	68.1	3.6	7.1	5.1	9.0	3.1	6.7%
2012E	71.7	8.1	8.5	6.2	7.4	3.1	6.7%

BRAVEHEART INVESTMENT GROUP



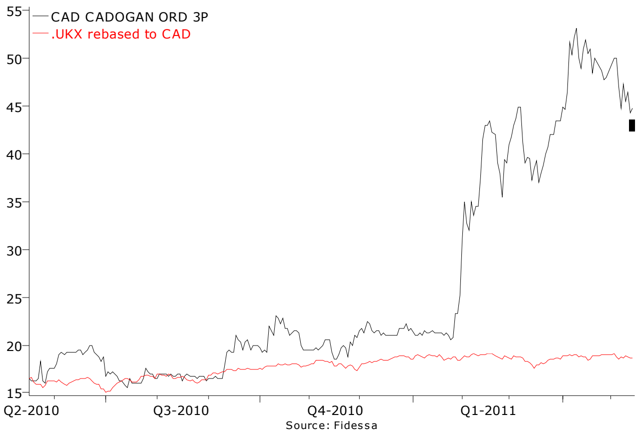
On 15 April Braveheart Investment Group announced that it is to participate in a £50m Business Angel Co-Investment Fund established under the Government's Regional Growth Fund policy. Braveheart's participation in the Fund further increases the Group's exposure in England. In total five organisations have been selected to administer the Fund on behalf of the Government and each organisation will receive a one-off fee of 2.5% of the amount it invests.

Envestors, Braveheart's wholly owned subsidiary, completed on another new fund raising deal this month, raising £1.0m for Surface Generation Limited. Surface Generation develops reconfigurable pin tooling for component manufacturing, servicing the automotive and aerospace industries.

At 24.5p per share Braveheart's shares are trading at a discount of 32% below book net asset value.

Braveheart Investment Group				BRH		Price p.	24.50
AIM				Equity Investments		Cap £m	3.6
Y/E March	**Income**	**Declared Profit**	**Adjusted**	**Declared EPS,**	**NAV/share**	**Divi**	**Yield**
	£m	**IFRS £m**	**Profit £m**	**IFRS. p.**	**p.**	**p.**	**%**
2009A	0.3	-1.3	-1.3	-9.2	44.4	-	-
2010A	0.9	-0.8	-0.8	-5.6	40.2	-	-
2011E	0.8	-1.0	-1.0	-7.20	34.1	-	-
2012E	2.2	0.08	0.08	0.60	31.4	-	-

CADOGAN PETROLEUM



With plenty of details to be discussed between Cadogan and its new partner Eni, operationally things are quiet on the eastern front.

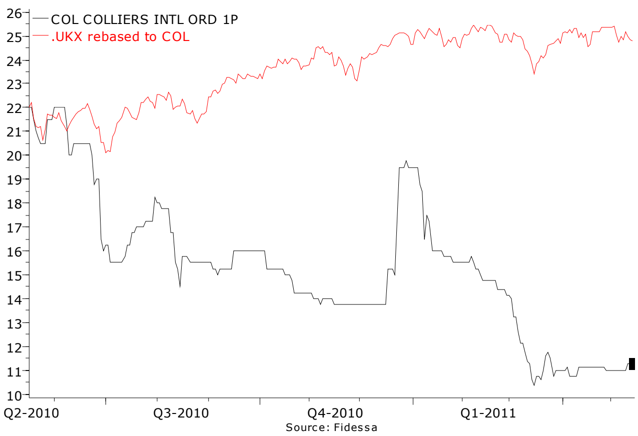
There were few surprises in the Annual report. As expected a maiden bottom line profit was announced. As expected the status the of gas plant being held in stock by GPS was being discussed. As expected internal structures were being adjusted to allow the proposed partnership to work under every applicable legal framework.

If all goes as expected next month a new chapter begins for Cadogan. We cannot see any rational reason why long term shareholders should not welcome the deal.

Cadogan Petroleum	CAD	Price p.	41.38
Full List	Oil & Gas	Cap £m	95.6

Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£	Profit/(Loss) £000	Profit £000	eps p.	ratio	p.	%
2008A	1792	0.0	-34.3	-17.0	-	-	-
2009A	2342	-107.1	-20.3	-8.7	-	-	-
2010A	3251.0	1.2	-6.9	-3.0		-	-
2011E	No	Estimates					

COLLIERS INTERNATIONAL UK



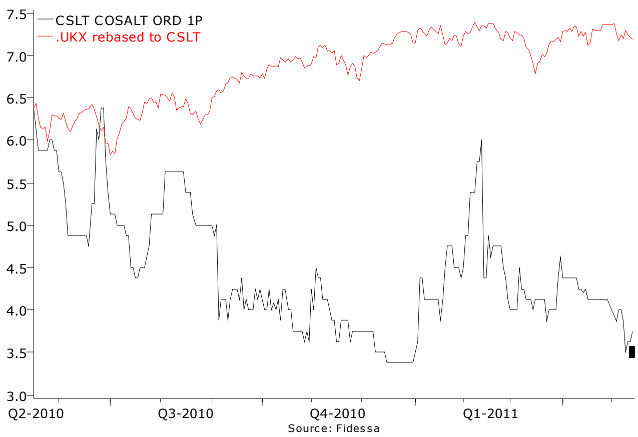
The UK property market continues to struggle and Colliers' performance and share price reflects this. New CEO, Tony Horrell, has recognised that Colliers needs to expand its presence in the Central London market and we endorse this view. Recent research by BNP Paribas suggests that "the banking sector will need an extra 1.6m square feet of space in London over the next three years", in anticipation of a 11,500 employee hiring spree. Both Savills and DTZ have also noted improving demand from the financial sector.

A further 533k new shares have been issued in respect of the third and final tranche of consideration shares due following the company's purchase of Godfrey Vaughan in 2008.

Colliers CRE	COL	Price p.	11.3
AIM	Real Estate	Cap £m	16.9

Y/E December	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2009A	57.9	-39.6	-13.5	-21.3	0.0	-	-
2010A	65.9	-8.4	-4.3	-2.9	0.0	-	-
2011E	73.9	0.3	0.3	0.2	56.3	-	-
2012E	Under	Review				-	-

COSALT



Cosalt's 2010 results were awful, but far more important for the company is the sale of the Marine Division, which last year accounted for 51% of group sales and 54% of group operating profit before head office costs and 'special items'. This sale transforms the company, bringing in £27m of much needed cash and leaving Cosalt to concentrate upon its Offshore Division and its workwear activities, which will be split out as a separate Division for the 2011 results.

The sale leaves the remaining Cosalt with annual revenues of £47m, three quarters from the Offshore Division and the remainder from the newly formed Workwear Division. Shareholders' funds after the sale will probably be in the region of £27m, and debt reduced from its current (end-April 2011) £30m to £7.4m of bank loans plus £2m advanced to the company on a subordinated basis by two major shareholders, Sovereign Holding and David Ross. Stripping out Marine from last year's financial results would suggest that the ongoing trading position at the group would show an operating loss of £0.5m on a pro-forma basis, but understandably some heavy economies are planned centrally now that Head Office will be supporting line activities of less than half the size. The Offshore Division appears to be experiencing better trading conditions in 2011 than it did in 2010. A further point is that the major new Fire Services workwear contract, that started this year will be making its first contribution to the P & L account.

The Defined Benefit Pension Scheme has a £9.1m deficit. Cosalt's management believes that in past years it has overpaid into the pension scheme, and that this may mean that the deficit could be recognised as being smaller than this. We shall see.

Neil Carrick has resigned as a director.

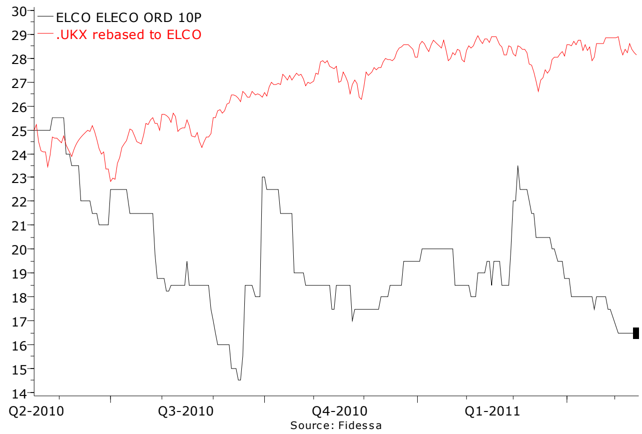
For the current year, there will almost certainly be a loss, because Cosalt's accounts will have to bear the full cost of the interest bill on bank debt that has been between £24m and £30m, while the profits from the Marine Division will be excluded as a Discontinued Item. We await publication of the full Circular for Shareholders before making forecasts for calendar year 2012.

Plese email or call for a copy of our latest research note.

Cosalt				CSLT		Price p.	3.50
Full List				Diversified Inds		Cap £m	14.2
Y/E	**Sales**	**Declared**	**Adjusted**	**Headline**	**p/e**	**Divi**	**Yield**
December	**£m**	**Profit £m**	**Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	107.8	-3.4	5.5	4.2	0.8	6.0	171.4%
2010A*	112.0	-29.4	-0.8	-0.8		0.0	0.0%
2011E	47.0	-5.0	-2.5	-0.60		0.0	0.0%
2012E		Forecasts	under	review			

* 14 Months

ELECO

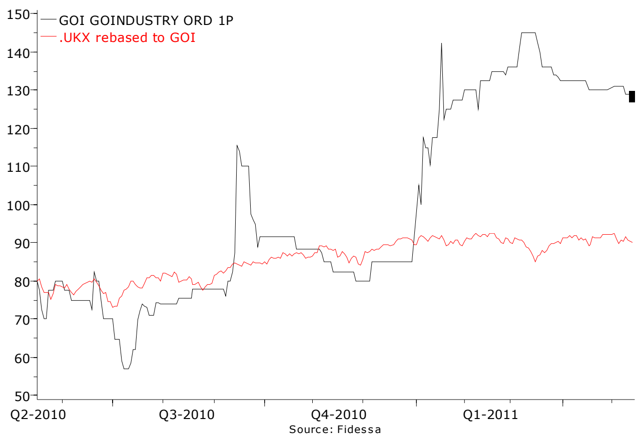


It has been a quiet month for Eleco, and we await further developments.

Eleco				ELCO		Price p.	16.5
AIM				Diversified Inds		Cap £m	10.0
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
June	**£m**	**Pre-tax Profit £m**	**Pre-tax Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	70.6	-1.4	0.9	1.4	11.8	0.8	4.8%
2010A	58.0	-5.9	-5.4	-8.4		0	0.0%
2011E	Under	Revision					
2012E	Under	Revision					

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

GOINDUSTRY DOVEBID

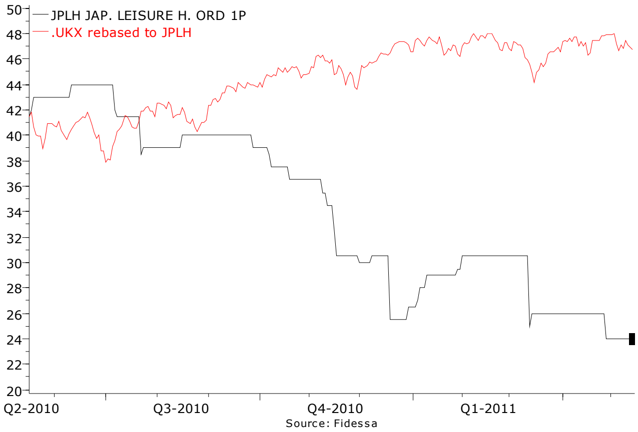


GoIndustry DoveBid has released its results to 31 December 2010. Direct profit earned at £27.8m was 10% higher than the £25.3m generated in 2009. This was an impressive increase given that actual revenue at £40.1m was 5% lower than that earned in the prior year. The increase reflects a combination of business mix with lower principal sales/higher commission sales and an emphasis on tight cost control. Gross asset sales on which GoIndustry DoveBid earns its revenue were £145m (2009 £116m) reflecting a healthy level of business flow. Surplus asset sales are picking up worldwide and we have set a new valuation range for GoIndustry DoveBid's shares of 200-237p per share.

GoIndustry DoveBid				GOI		Price p.	132.5
AIM				Support Services		Cap £m	13.0
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted***	**p/e**	**Divi**	**Yield**
Dec	**£m**	**Pre-tax Profit £m**	**Pre-tax Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	42.0	-4.7	-1.4	-0.3	-	0	-
2010A	40.1	-0.7	0.6	9.6	13.8	0	-
2011E	42.7	-0.3	0.8	7.9	16.8	0	-
2012E	44.9	0.9	1.8	18.3	7.2	0	-

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

JAPAN LEISURE HOTELS



Japan Leisure Hotels has agreed to sell its trading operations to a private buyer, and return the cash to shareholders. The proposal is backed by the company's 87% shareholder, so the outcome of the vote is a formality. This will almost certainly mean the departure of Japan Leisure Hotels from AIM, because the directors plan to cancel the AIM quote shortly afterwards.

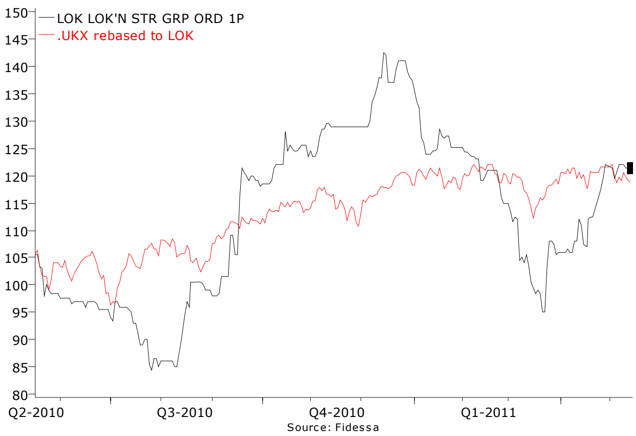
The sale of the trading operations will produce a minimum of 22p a share for investors, the company says. This is some way below the asset value in the accounts, but the majority shareholder's desire for a sale had been well known for some time, and no better offer has been forthcoming.

Accordingly, this is almost certainly the last entry for Japan Leisure Hotels in the *Hardman & Co Monthly.*

Japan Leisure	JPLH	Price p.	22.5
AIM	Leisure	Cap £m	9.9

Y/E Dec	Gross Income	Declared	Adjusted	Adjusted	p/e	Divi	Yield
	¥m	Profit/ ¥m	Profit ¥m	eps UKp.	ratio	UKp.	%
2008A	1,183	227	-21	0.0	-	0.0	-
2009A	1,197	264	0	0.0	-	1.0	4.4%
2010E	Forecast	Removed	For	Regulatory	Reasons		
2011E	Forecast	Removed	For	Regulatory	Reasons		

LOK'NSTORE



Occupancy and prices are rising (2% and 3.5% respectively yoy to January 2011) but the shares remain some way below their year high. Net debt is falling (-11% yoy to period end January 2011) and gearing low, with a loan to value of 27% end January 2011. This should make the refinancing due in 2012 straight forward. This recent share price trend is in contrast to Big Yellow shares which are trading only slightly below the 2011 high (ditto Safestore), but below their 2009 levels. In line with the sector (and the economy) growth has slowed again recently and H2 we would see flat turnover year on year, indicating a modest reduction in occupancy as we do not expect anything other than continued price rises.

Lok'nStore shares are trading well below NAV of 229p (adjusted for operating leases and deferred tax). This is up 9% yoy with no yield shift in the valuation. Store EBITDA was annualised £4.96m to end January 2011 and stores are valued at £80.0m in the balance sheet, a ratio of 6.1%. There are adjustments to make around both figures but the inferred 6.1% "yield" indicates the assets are not over-valued in the balance sheet, we conclude. We note the shares are classified in 'support services': perhaps investors and analysts are not sufficiently focused on the asset based valuation route.

Lok'nStore is inexpensive so what are the share price risks? One is investor apathy. The dividend is low and whilst the sub-sector pays sub market yields (3.2%, 2.3% Big Yellow and Safestore) Lok'nStore's yield is below 1%. This is a growing sector, both in terms of the industry penetration rising (even in a deep recent recession) and in terms of occupancy rising as stores mature. That growth is relatively straightforward to model and certainly could be internally financed with Lok'nStore's modest debt levels. There are several sites owned already which are ready to be developed. However the economy is anaemic so timing of expansion is uncertain. With the general economy showing feeble growth, Lok'nStore since 2007 has correctly adopted an approach of low expansion resulting in modest debt and plenty of fire power to expand when the time is right.

The possession of undervalued assets is not so attractive in a flat or declining market. The self storage market, however, is one of vibrant growth. Not only is it expanding at a time of UK recession, but there is a long way to go to satisfy demand – evidenced by steady 3 – 5% annual price rises not denting the occupancy growth. Not since 2004 when Safestore bought Mentmore for £209m has there been a large acquisition in the sector, but the amount of space is rising and demand growth remains, notwithstanding our estimates to July which we consider conservative.

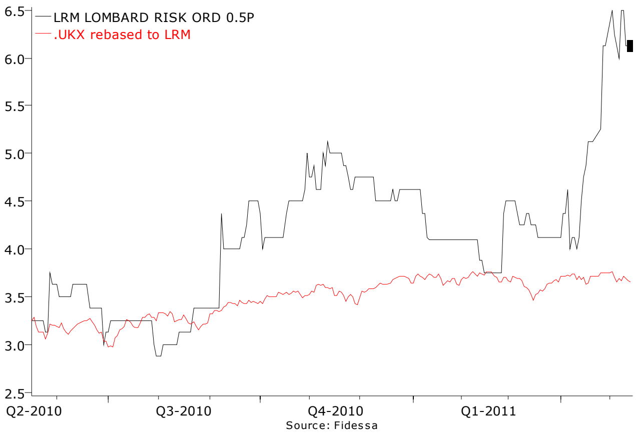
Current trading is showing a slowing trend from the start of calendar 2011. We are expecting flat top line numbers H2 vs H2 prior year. H2 PBT we expect to fall to £0.20m from £0.24m but PBT is not indicative of the value of the Group.

Ian Wright, a fund manager at Laxey, as of 5th May joined the Board as a non-executive Director.

We note that Big Yellow results are due next week.

Lok'nStore			LOK		Price p.		121.5
AIM			Support Services		Cap £m		31.1
Y/E July	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
	£m	**Profit/(Loss) £m**	**Profit/(Loss) £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	10.0	-0.66	-0.66	-2.40	0.0	1.00	0.8%
2010A	10.4	0.43	0.43	0.90	135.0	1.00	0.8%
2011E	10.7	0.80	0.80	2.4	50.6	1.00	0.8%
2012E	11.3	0.71	0.71	2.0	60.8	1.00	0.8%

LOMBARD RISK MANAGEMENT

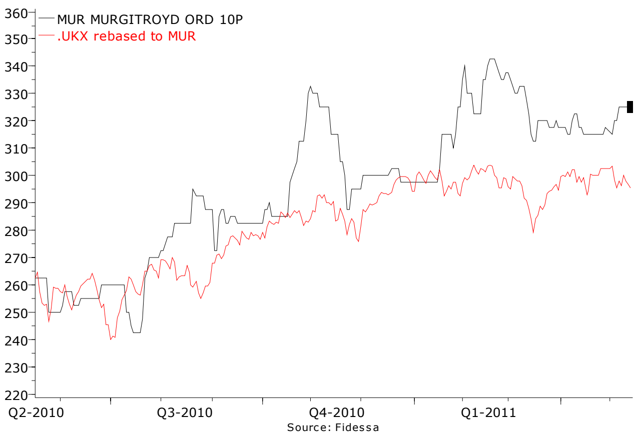


Lombard Risk Management has released its results to 31 March 2011. Turnover at £11.8m was 32% ahead of the prior year's £8.9m and 4% ahead of our own forecasts. Profit before tax of £565k was well ahead of our forecast of £420k. After adding a tax credit of £708k reported profit after tax was £1.3m and eps were 0.62p per share. Cash at year end was £1.8m cf the £0.7m at year end March 2010. Historically Lombard Risk has taken the conservative treatment of writing-off all development costs. As from 2012 these costs are to be capitalised, providing a significant boost to expected profits. Our forecasts are under review.

Lombard Risk Mgt	LRM	Price p.	6.13
AIM	Software	Cap £m	12.7

Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit/(Loss) £m	Profit/(Loss) £m	Basic eps p.	ratio	p.	%
2010A	8.9	-1.59	-1.59	-0.9	0.0	-	-
2011A	11.8	0.56	0.86	0.4	15.3	-	-
2012E	Under	Review				-	-
2013E	Under	Review				-	-

MURGITROYD



Shares in Patent and Trade Mark attorney group, Murgitroyd, have drifted down over the last couple of months. This is despite the European Patent Office reporting a record number of filings in 2010. 39% of these filings came from member states of the European Patent Organisation, 26% from the US and 18% from Japan. Three European companies topped the patent filing list – Siemens filed 2,135 applications, Phillips filed 1,765 applications and BASF filed 1,707 applications. Sector wise medical technology was ahead with 10,500 applications, closely followed by computer technology with 8,300 applications and electrical machinery, apparatus and energy with 8,200 applications.

On 18 April a Non-Executive Director of the Group, Dr Christopher Greig, acquired 10k ordinary shares of the Group at a price of 320p per share.

Murgitroyd	MUR	Price p.	322.5
AIM	Support Services	Cap £m	27.4

Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	£m	Profit £m	Profit £m	Basic eps p	ratio	p.	%
2009A	28.9	3.1	3.4	27.0	11.9	9.5	2.9%
2010A	29.4	3.8	3.7	29.9	10.8	10.0	3.1%
2011E	32.0	3.8	3.8	30.8	10.5	10.5	3.3%
2012E	33.6	3.9	3.9	31.8	10.1	10.5	3.3%

PALM CITY LIBYA

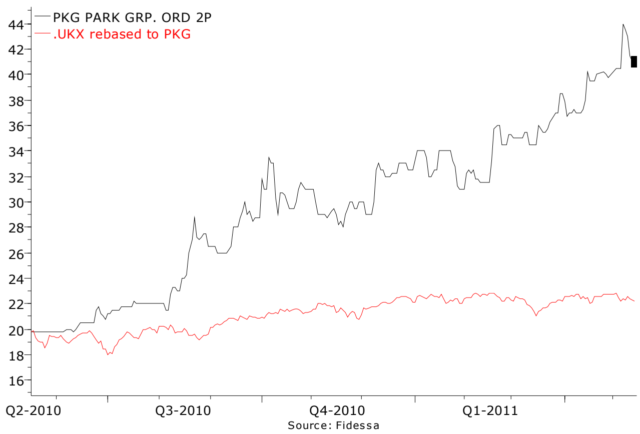
The civil war in Libya has ground to a stalemate, despite heavy involvement of NATO forces on the side of the rebels. To date the Palm City complex has not been damaged, but clearly the proposed share listing will not take place until the situation has normalised.

The Chief Prosecutor at the International Criminal Court is seeking the arrest of Col. Gadaffi for 'Crimes Against Humanity'. The Chief Prosecutor has to convince the judges at the ICC that there is a case to answer before the matter can proceed.

We will continue to monitor the situation.

Palm City				(Awaited)		Price €.	
AIM Italia (pending)				Real Estate		Cap €m	200 approx
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjuste**	**p/e**	**Divi**	**Yield**
December	**€m**	**Profit €m**	**Profit €m**	**Basic eps**	**ratio**	**p.**	**%**
2008A	-	-	-	-	-	-	-
2009A	-	-	-	-	-	-	-
2010E	No	Forecast					
2011E	No	Forecast					

PARK GROUP

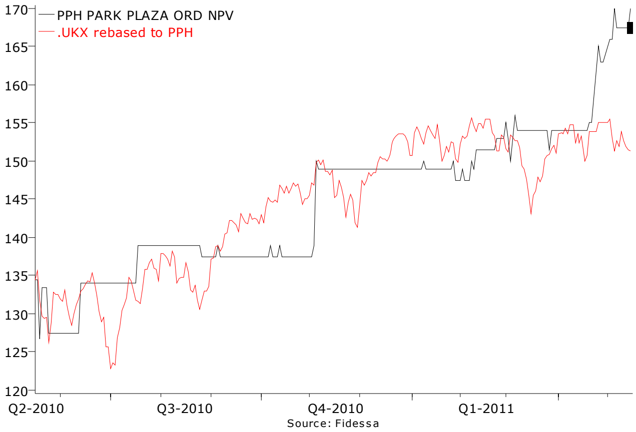


Full year results are due on 14 June. In its year-end Trading Statement issued in early April, Park Group said that Corporate Voucher and Pre-Paid Card sales remained strong, and that Christmas Savings volumes for 2011 to date were up 5% compared to the same time the previous year. The full year performance is expected to be 'in line with market expectations'.

For the 2011/12 financial year, the key variables will be the extent of forward movement by the e-card finance system, *flexecash*®, and the possibility of a rise in interest rates. At the peak cash flow period of its financial year, Park Group sits on over £100m of cash, so even a half point increase in interest rates would make a big difference to profits. As far as *flexecash* is concerned, this is one of a very small number of e-finance card systems that has been authorised by the FSA, it is proving hugely popular with new corporate customers, and has the potential to take the group in unimagined directions over the next five years. It makes Park Group a growth story, almost a concept stock, and this is increasingly being recognised by the investment markets.

Park Group				PKG		Price p.	40.75
AIM				Consumer Finance		Cap £m	67.3
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
March	**£m**	**Profit £m**	**Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	250.5	6.2	6.2	2.4	17.0	1.3	3.2%
2010A	263.2	5.3	5.3	2.1	19.4	1.3	3.2%
2011E	303.7	12.0	6.5	2.8	14.6	1.5	3.7%
2012E	335.2	6.9	6.9	3.0	13.6	1.6	3.9%

PARK PLAZA HOTELS



We add the £70m market cap Park Plaza Hotels to our coverage this month. We produced our first, short, research note in early May, and will follow this with a full Initiation of Coverage study within the next few weeks.

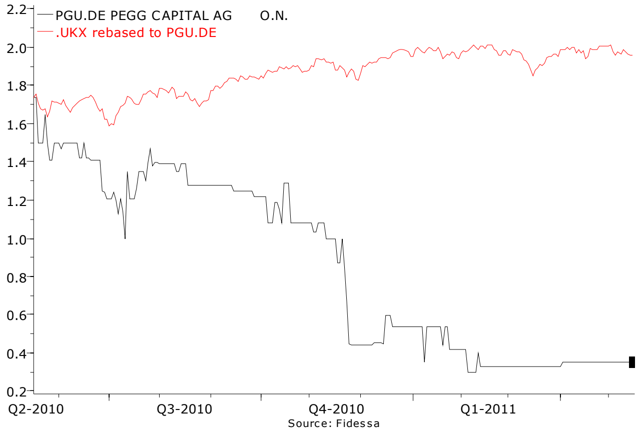
Full year results for 2010 showed record revenues and EBITDA, and in particularly very strong forward movement between H1 and H2. The successful opening of the 1,019 room Park Plaza Westminster Bridge has transformed this company, and removed much of the risk. Taking the H2 figures in isolation and stripping out H1, which included three months without Westminster Bridge and a further three months with it in 'soft opening' start up mode, it is abundantly clear that Park Plaza is now profitable, that it is a very substantial company with an annual sales run rate of E170m, and that its EBITDA annualised run rate of E54.5m means that it is hugely cash generative before new investment.

Debt is high, but only because the banks, and the management, are happy with that. One of the intriguing factors about the Westminster Park Plaza is that it was originally planned to be financed by sale of hotel rooms on the 'Apart-Hotel' principle. The closer that the hotel came to completion, however, the more management felt that it was playing too much on the side of safety on a hotel that increasingly was looking like a sure-fire winner. As many purchases of these units had been speculative buyers who either were unable to obtain mortgages to complete the purchases or had always intended to trade on these units off plan, Park Plaza has been hoovering up these units, buying them back in to the company, and was able to end up with a far larger proportion of the freehold than it originally intended. By the time management was making these decision, it wasn't much of a gamble, and now it is looking like a virtually certain success both for shareholders and for the banks that have taken over the Westminster Bridge financing.

This is an exciting company, trading on a single figure p/e ratio for the current year (on a fully taxed basis), and also trading at only 38% of Net Asset Value.

Park Plaza Hotels				PPH		Price p.	169.00
AIM				Travel & Leisure		Cap £m	70.6
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
December	**€m**	**Profit€ m**	**Profit €m**	**Eps UK p.**	**ratio**	**UKp.**	**%**
2009A	80.3	-7.1	-7.1	-17.7		0.0	0.0%
2010A	139.8	60.5	0.1	0.3	563.3	0.0	0.0%
2011E	170.0	11.5	11.5	18.2	9.3	0.0	0.0%
2012E		Under	review				

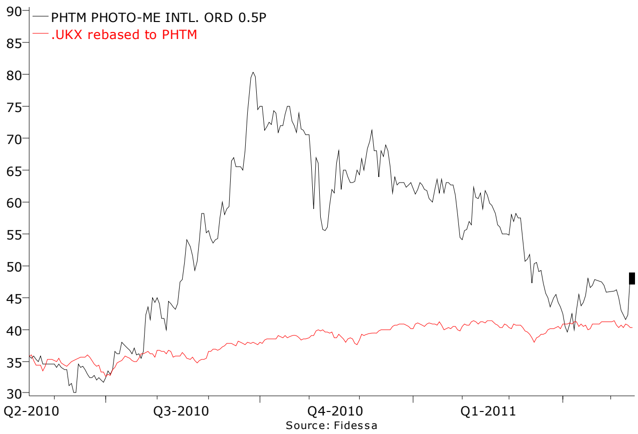
PEGG CAPITAL AG



PEGG Capital AG shares continue to trade sideways on lack of news flow. We have not received any updates on financial results as yet.

PEGG Capital AG				PGU.DE		Price €	0.35
Frankfurt Xetra				Equity investment Instuments		Cap €m	6.3
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Di□i**	**Yield**
December	**£m**	**Pr□fit £□**	**Profit £m**	**eps p.**	**ratio**	**€**	**%**
2008A	-	-	-	-	-	-	-
2009A	-	-	-	-	-	-	-
2010E	No	estimates					
2011E	No	estimates					

PHOTO-ME INTERNATIONAL



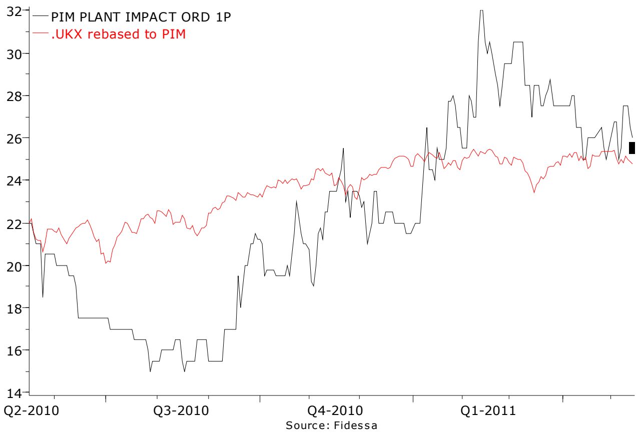
The highlight of the Year-end Trading Update from Photo-Me International is the news that end-April cash was over £40m. This equates to over 20% of the current share price. Trading, it was announced, has also been up to expectations, with strength in France, the firm's most important country of operation, balancing the damage caused by the Japanese earthquake.

We are happy with our estimate of £16.9m pbt for y/e April 2011. For the moment, we leave our 2012 estimate unchanged, even though higher cash balances will give a small improvement in net interest.

The key reason why year-end cash will be significantly higher than we forecast is that Photo-Me has assigned rental lease income from an investment property in Grenoble to a financial institution. This has brought in an immediate £8m cash, but will not affect the p & l account as rental income will be drawn down annually from a provision made in the balance sheet.

Photo-Me				PHTM		Price p.	48.00
Full List				Support Services		Cap £m	173.4
Y/E	**Sales**	**EBITDA**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
April	**£m**	**£m**	**Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	210.5	38.6	1.6	0.2	-	-	-
2010A	222.5	44.2	14.0	2.7	17.8	1.3	2.6%
2011E	224.5	46.7	16.9	3.3	14.5	1.5	3.1%
2012E	231.1	47.4	18.6	3.6	13.3	1.75	3.6%

PLANT IMPACT



We produced our full 'Initiation of Coverage' research document on Plant Impact in early May.

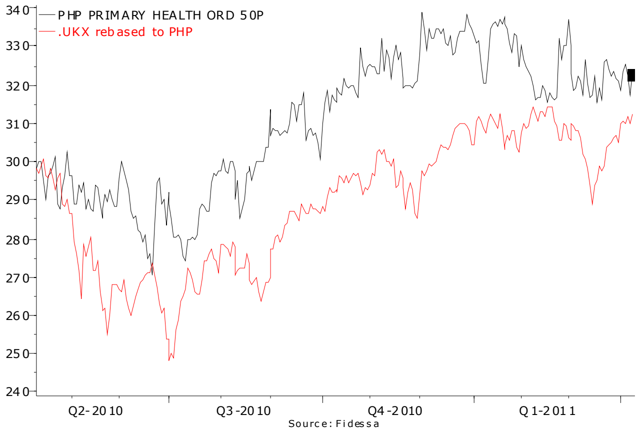
Pi is developing and commercialising novel and sustainable technologies designed to boost crop yields and quality, and to help crops respond to abiotic stress. Its technologies and products are still being validated in field trials, however they are at the heart of collaborative associations and alliances with several of the top ten agricultural chemical companies in the world.

The company is not likely to become profitable until the year ending March 2013, when it will be ten years old. To enable sensible development of the opportunity that exists for its technologies, Pi can be expected to seek additional capital. Pi has not morphed from high tech duckling to capital markets swan just yet, but the metaphorical DNA required for it to spread high-flying wings is in place.

Please email or call for a copy of our 27 page research note.

Plant Impact				PIM		Price p.	24.75
AIM				Chemicals		Cap £m	11.3
Y/E	**Sales**	**EBITDA**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
March	**£m**	**£m**	**Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	0.8	-2.5	-2.5	-7.5	-	-	-
2010A	1.4	-1.7	-1.7	-4.1	0.0	-	-
2011E	1.7	-1.8	-1.8	-3.2	0.0	-	-
2012E	2.5	-1.4	-1.4	-2.2	0.0	-	-

PRIMARY HEALTH PROPERTIES



The shares have held steady through the modest cash raising at 305p that took place in mid-April. This gives PHP, which is the country's largest owner of freehold premises in which GP partnerships operate, more flexibility for future investments. The group's annual passing rent roll had reached £28.9m by the end of March, and rental growth for existing properties had continued into the first quarter, with an annualised uplift in the first quarter of the year of 3.27%.

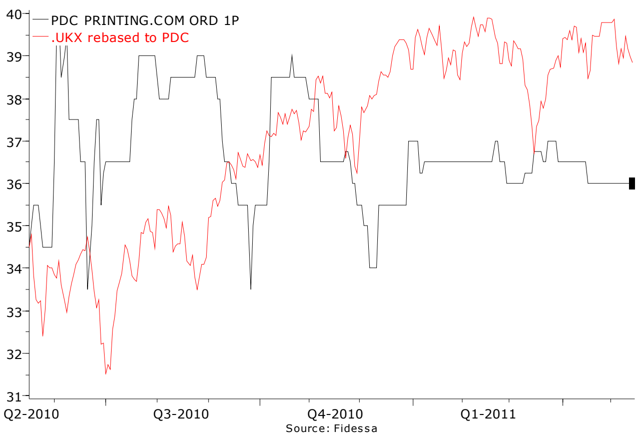
The uncertainty over the Government's NHS reforms is grabbing the headlines at the moment, but the disagreements will have no impact. This company is rock solid, has a high yield and an unbroken record of annual dividend increases.

Primary Health Property	PHTM	Price p.	318.40
Full List	Real Estate	Cap £m	217.1

Y/E	Revenue	NAV/share	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	p. EPRA	Profit £m	eps* p.	ratio	p.	%
2009A	21.3	280.0	7.3	18.4	17.3	17.00	5.3%
2010A	26.9	311.5	9.1	14.7	21.7	17.50	5.5%
2011E	29.7	334.0	9.2	14.5	22.0	18.00	5.7%
2012E	32.7	361.0	11.1	17.5	18.2	18.50	5.8%

**ex rights adjusted*

PRINTING.COM



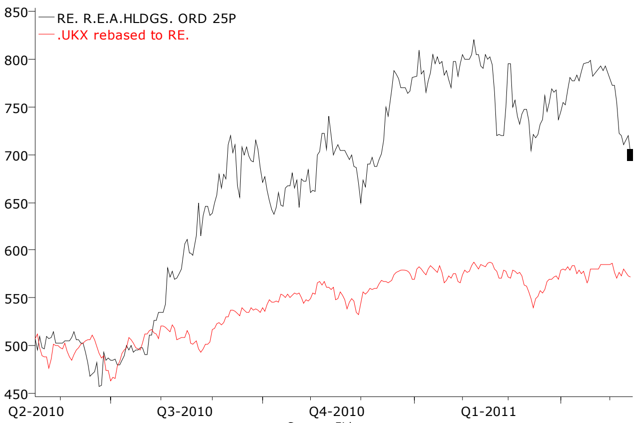
Printing.com is heavily in close period and we await publication of the year-end results. Results will be announced on Monday 6 June.

Printing.com	PDC	Price p.	36.0
AIM	Retailing	Cap £m	16.9

Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2009A	14.5	2.1	2.1	3.3	10.9	5.15	14.3%
2010A	14.5	1.7	1.7	2.9	12.4	3.15	8.8%
2011E	16.9	1.3	1.5	2.4	15.0	3.15	8.8%
2012E	22.6	2.3	2.5	3.9	9.2	3.15	8.8%

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

R.E.A. HOLDINGS



Source: Fidessa

R.E.A. has issued another sparkling set of results, showing revenues up 45% at $114m and beating our forecast by $6m. The better than expected performance was largely due to first time coal revenues of $4.2m. Before the biological asset revaluation, pre-tax profits increased by 53%. This is particularly impressive bearing in mind that the year bore $3.9m of costs attributable to the new coal activities.

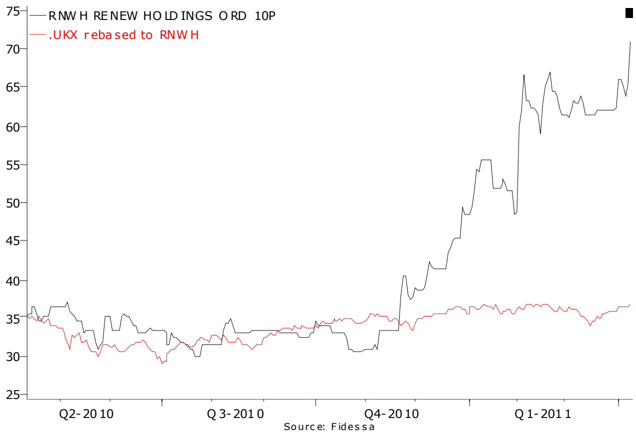
The 2010 new planting schedule was delayed due to regulatory issues with new planting permits. Two permits have now been received and R.E.A. is optimistic that the process may now move more quickly. As a result the company is retaining its oil palm planting target for the two year period ended 31st December 2011 of 8,000 ha. This will, of course, depend on the land becoming available for development as needed. Here, progress appears to have been made. During 2010, fully titled agricultural land held by the group amounted to 63,263 ha, compared to 52,029 ha a year previously, and of this 32,083 ha was planted or under development.

As far as its coal operations are concerned, the target for the current year is to achieve monthly sales of 100,000 tonnes. For 2011, we are anticipating coal related revenues of some $20m and pre-tax profits in the region of $8m. Management believes that the coal activities will be largely self-funding.

Please email or call for our latest research note.

R.E.A. Holdings				RE.		Price p.	734.0
Full List				Agriculture		Cap £m	245.2
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
December	**USD m**	**Profit USD m**	**Profit USD m**	**eps c/share**	**ratio**	**P.**	**%**
2009A	78.9	41.7	32.0	55.3	21.5	3.0	0.4%
2010A	114.0	50.4	48.9	88.0	13.5	5.0	0.7%
2011E	150.0	75.0	70.0	116.0	10.3	7.0	1.0%
2012E							

RENEW HOLDINGS



- Renew Holdings' shares have appreciated 136% since October of last year, in part fuelled by the acquisition of engineering company, Amco. The only negative on the horizon has been the potential for the Office of Fair Trading (OFT) to impose a fine on Renew and its subsidiary, Allenbuild, in connection with cover pricing activity.

On 15 April the Competition Act Tribunal reduced the aggregate fine on Renew and Allenbuild, covering three separate infringements, from £3.5m to £926,250. The Competition Act Tribunal then divided the aggregate fine by three to reach a penalty of £308,750 for each infringement.

In the case of one infringement Renew was held liable jointly and severally with a former subsidiary, Bullock Construction. Renew will, therefore, have a fine to pay ranging between £771,875 and £926,250, with the lower figure assuming that Bullock Construction pays a half share in respect of the infringement for which it has been fined. A provision of £500,000 was made for the OFT fine in Renew's 2009 financial accounts, leaving a further potential liability of £271,875 to £426,250.

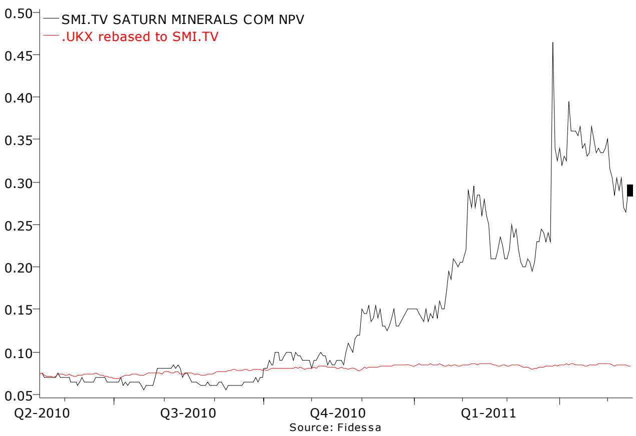
Renew is taking legal advice in respect of the size of the judgment and also in respect of the contribution to the fine from Bullock Construction. The infringement committed by Bullock Construction had originally accounted for the greater proportion of the overall £926,250 fine. Should this proportionality in respect of the individual infringements have been retained, and again assuming a half payment by Bullock, we calculate a total fine for Renew of £498,495, already well covered by the 2009 provisioning.

One cautionary note - Renew's case is one of a number of appeals, and the OFT has a period of 30 days following the CAT's last determination, made on 27 April, during which it can appeal.

Renew's interim results for the six months ended 31 March 2011 are expected on 24 May 2011.

Renew Holdings				RNWH		Price p.	71.5
AIM				Construction		Cap £m	42.8
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
September	**£m**	**Profit £m**	**Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	316.6	1.2	5.5	6.0	11.9	3.0	4.2%
2010A	209.4	4.0	4.6	5.3	13.5	3.0	4.2%
2011E	354.0	4.1	7.8	9.9	7.2	3.0	4.2%
2012E	345.0	9.9	9.9	12.3	5.8	3.0	4.2%

SATURN MINERALS

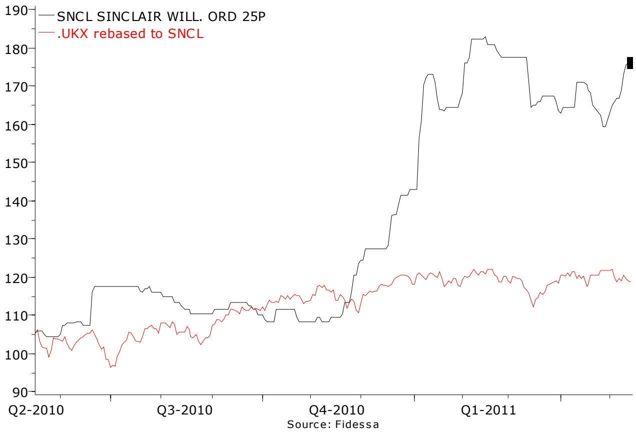


Saturn's announcement of an 89m coal intersection was followed up by the announcement of a further acquisition of significant acreage of oil & gas rights in the Hudson Bay area. We encourage all readers to catch up with the potential of the carbon-based energy play in our recent note "Coal - 88.9 m and counting".

Shareholders in Germany will be glad to hear of Saturn's listing on the Xetra exchange. Hardman & Co have noticed Saturn building quite a following in Germany, a country known for its enthusiastic private investor base, especially in the natural resource sector.

Saturn Minerals			SMI.TV			Price C.	36.0
TSX-V			Energy			Cap CDN$m	22.2
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
December	**CDN$m**	**Profit CDN$m**	**Profit CDN$m**	**eps c.**	**ratio**	**c.**	**%**
2008A	0	-2.6		-0.08	N/A	N/A	N/A
2009A	0	-2.3		-0.05	N/A	N/A	N/A
2010E	No	Estimates					
2011E	No	Estimates					

SINCLAIR, WILLIAM



The Government agency Natural England has asked for a further six weeks to consider William Sinclair's submission on the compensation due for agreeing to cease peat harvesting at Bolton Fell, near Carlisle. We view this as good news, it suggests that Natural England is having trouble formulating an argument for a compensation figure that is less than Sinclair is claiming. Sinclair has already received £9m as an interim compensation payment, with a further and final sum, that we believe to be substantial, having been claimed and subject to final agreement by Natural England.

Easter sales of garden products generally appear to be more than 20% higher than in Easter 2010, according to industry sources. Part of this will be due to Easter being at its latest possible date this year (as compared to being unusually early in 2010) and part to the sunny and gardener-friendly weather. But, regardless of these caveats, the Spring sales season is likely to have been good for Sinclair. The Spring of 2011 was the first Spring for years when Sinclair has had enough cash to properly finance the build-up of stocks of peat over the winter.

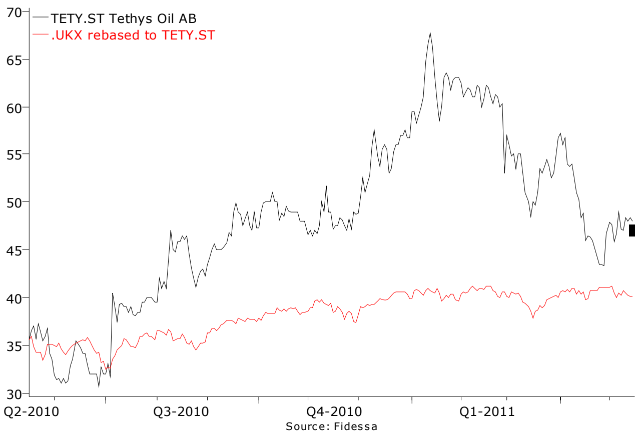
Other factors that will be helping Sinclair this year are the completion of the sites for the Olympic Games (where William Sinclair's peat alternative *Superfyba* is being used in significant quantities) and the introduction of a peat drying process that should extend the peat cutting season and reduce the loss of output during wet summers.

William Sinclair's shares have been edging steadily upwards once more since late April. They stand 70% higher than twelve months ago, which we view as only the start of a long overdue recognition.

Interim results are due to be announced on June 1.

Sinclair, William				SNCL		Price p.	179.0
AIM				Household Goods		Cap £m	30.0
Y/E	**Group Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
September	**£m**	**Profit £m**	**Profit £m**	**eps p.**	**ratio**	**p.**	**%**
2009A	46.3	1.2	1.2	6.8	26.3	3.5	2.0%
2010A	48.5	2.1	2.5	12.2	14.7	5.0	2.8%
2011E	56.0	3.0	3.0	13.4	13.4	6.0	3.4%
2012E	Estimates	Under	Revision				

TETHYS OIL



During the past month, Tethys has made an acquisition in France, announced the results form the first quarter 2011 and held its AGM.

Tethys recorded a loss in Q1 of TSEK -14,735 (TSEK -6,685) impacted by non-cash related currency exchange losses. Earnings per share amounted to SEK -0.45 (SEK -0.24).

A total of 62,214 barrels were produced under the EPS. Tethys' share of the test production oil amounts to 30 per cent, or 18,664 barrels, before goverment take. 16,032 barrels of oil were sold after the Government take resulting in net sales of TSEK 9,397 (TSEK -).

The remaining carry on the work program (as per 31 March 2011) on Blocks 3 and 4 from Mitsui is stated to amount to MUSD 36 with oil and gas investments during the first quarter 2011 of TSEK 15,426 (TSEK 31,443).

Tethys announced the budget and work program for 2011 entails drilling of 2- 4 exploration wells outside of the known field areas in Oman. Exploration drilling is expected to start late this summer. Outside of drilling the 2011 budget includes more than MUSD 60 of expenditure allocated for capital investments related to field development. Tethys is carried for this work through the farmout to Mitsui and management does not envisage having any financing needs relating to Block 3 and 4 according to current plans.

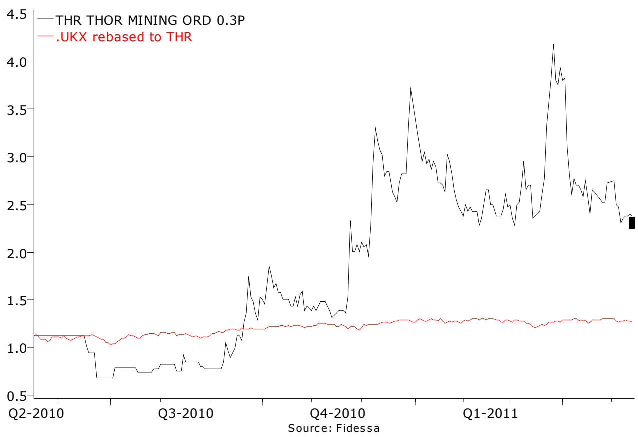
In France Tethys have acquired a 37.5% interest in a 215 square kilometers E&P in the Gard department in southern France paid for with a mix of cash (250,000 EUR) and shares (39,261 issued) and a commitment to the 100% funding of a work program collecting new seismic data and drilling one well within two years. The total estimated commitment amounts to 1.5 million USD. Tethys has the option to earn-in an additional 37.5 % by fully funding a second well. Tethys can therefore earn up to a 75% interest in the licence.

The licence "Permis du Bassin D'Alès" covers part of the Alès basin including the Maruejols heavy oil field discovered in 1947. The field is delineated by nine wells and has produced small amounts of 14 degree API oil, during 1947-1950 and 1980-1982.

The licence also covers at least two prospects with potential for conventional oil at respective depths of 1,400 and 2,000 metres. The shallower prospect has identified prospective resources estimated at 25 million barrels.
The work program will focus first on the shallower conventional oil prospect with 30 new line kilometres of 2D seismic to be acquired in 2011, with the first exploration well to 1,400 metres depth scheduled for 2012. In parallel, a feasibility study of the heavy oil field will be carried out in 2011, with a view to recommend the most suitable pilot production system. Mouvoil SA is a private Swiss company that was awarded the licence during 2010. Their principals have many years of experience with French multi-national oil companies.

Tethys Oil				TETY.ST		Price SEK.	46.4
Stockholm				Oil		Cap MSEK	15.1
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
December	**SEK m**	**SEK m**	**SEK m**	**eps SEK**	**ratio**	**SEK.**	**%**
2009A	0.0	-42.4	-42.4	-1.6	0.0	0.0	-
2010A	11.1	-80.1	-80.1	2.6	17.8	0.0	-
2011E							
2012E		No estimates					

THOR MINING

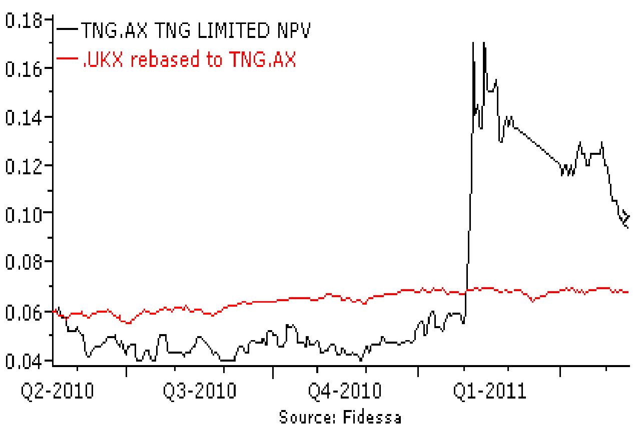


We believe that the N-S linear Copper-Gold mineralisation the company found at Dundas is a very interesting and positive outcome, especially in a world where single commodity gold producers are facing up to geological reality and admitting that as large multi-resource miners they have never actually been single commodity gold producers.

Thor has plenty of cash at hand for this year's drilling. We expect several deep holes at the Molyhil tungsten/moly mine to be on the agenda as the company looks to extend the mine's reserve. With tungsten prices continuing to strengthen (now past $400/mtu for APT with some spot deals of up to $430/mtu being reported), reportedly on the back of supply constraints and moly oxide prices levelled out at $16-$17/lb, the full reworking of Molyhil's economics should be interesting reading whether or not additional years can be added to the mine life.

Thor Mining			THR			Price p.	2.2
AIM			Mining			Cap £m	8.5
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
June	**£m**	**Profit £m**	**Profit £m**	**eps p.**	**Ratio**	**p.**	**%**
2009A	0.0	-1.2	-1.2	-0.77	0.0	-	-
2010A	0.0	-1.8	-1.8	-0.79	0.0	-	-
2011E	No Estimates	At Present				-	-
2012E							

TNG



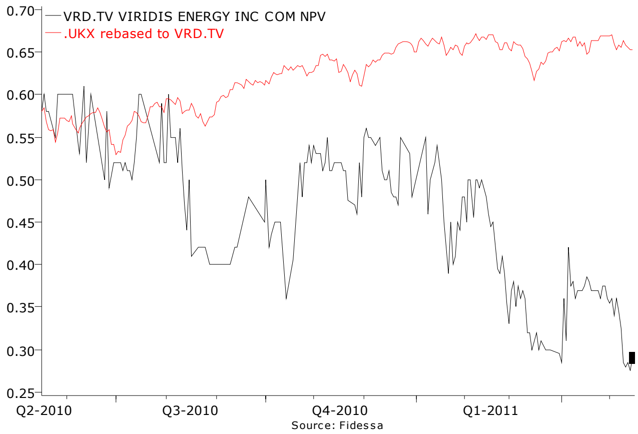
A definitive drilling programme has commenced at the Mount Peake Vanadium project. It will comprise 2,000m of diamond drilling and 2,000m of reverse circulation drilling. The twin aims of the programme are to extract approximately 1 tonne of diamond core sample for test work, and to hopefully upgrade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

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

TNX			TNG.AX			Price Aus c.	12.0
ASX			Mining			Cap AUS$	34.2
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
June	**AU$m**	**Profit AU$m**	**Profit AU$m**	**eps AUc.**	**Ratio**	**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			

VIRIDIS ENERGY



This is an interesting time for the Canadian environmental energy specialist Viridis. A signed contract to supply Malaysian palm oil waste materials to power generators in mainland China has moved this company considerably beyond its previous business area of wood pellets, and has the potential to more than treble group sales. Meanwhile, in the wood pellets business, a major contract signed with the largest supplier of wood pellets in Canada has given the group the stability of offtake that this kind of business needs if it is to operate at peak efficiency – the kind of predictability that its plant has, until now, lacked.

This is a relatively new business. It was formed from the merger of two wood pellet businesses early in 2010, one of them a distributor and the other a manufacturer. The group is operating under tight working capital conditions and has already signalled to the market that an equity placing is under way. The delay in completing this equity placing is the reason for the share price weakness. The placing effort has not been helped by a restatement of Q2 2010 results. The placing is currently being overseen by a major firm of Canadian stockbrokers.

Two acquisitions have been announced but not yet completed, and it is unlikely that they will be consummated until the placing proceeds have been received. The deaks are for an existing wood pellet production plant in Colorado, and a wood mill and surplus land in British Columbia where a third wood pellet plant is planned and a power generation plant to operate using some of the pellet as feedstock. In yet a further expansion move, Viridis is considering the expansion of its pellet mill in Okanaga BC, though the additional facility may well be placed in a different location because the existing site is small and lacks rail facilities.

A further research note, with new forecasts for 2011 and 2012, is due to be released shortly.

Viridis Energy			VRD.TV			Price CA.C.	28.00
TSX			Energy			Cap CA$m	10.4
Y/E	**Sales**	**Declared**	**Adjusted**	**Adjusted**	**p/e**	**Divi**	**Yield**
December	**CA$m**	**Profit CA$m**	**Profit CA$m**	**eps c.**	**Ratio**	**c.**	**%**
2009A	0	-	-	-	-	-	-
2010A	7.8	-0.1	-2.9	-14.1	0.0	-	-
2011E*	No	Estimates	At	present		-	-
2012E	No	estimates	at	present		-	-

**Assumes additional capital raising.*

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