

FTSE SmallCap vs. FTSE 100

The first practical benefit of the return to stability in the stock market was a wave of secondary financings to help large companies in trouble, which has since spread to soundly based companies with opportunities for expansion. The second practical benefit was the return of the IPO – AIM, Full List and Plus are all seeing their first new issues for a year. The third practical benefit is an upsurge in corporate activity.

The latest Takeover Panel List shows 57 bids or bid approaches in process at present. At the beginning of the year there were 45. Twelve months ago, the List showed 60 live situations, so takeover activity is back to normal levels. The corporate finance departments of the City investment houses will heave a huge sigh of relief.

In terms of p/e ratios it is also possible to detect a return to some kind of balance. Roughly half the full year results are now in for companies with a March 2009 year end, so we are beginning to get a picture of the underlying profitability of 'Great Britain plc' during the first year of the recession. The figures are a long way from being catastrophic. The FTSE 100 is currently on an historic p/e ratio of 10.0, and the next 250, stripping out the distorting effect of investment companies, on a p/e of 16.2.

Both ratios will come in for further adjustment as the remainder of the end-March year ends are reported, and the relatively small number of companies with end-June year ends are still flattering the numbers by including earnings from some very good months in the 2007 calendar year. Also pension fund deficits are frequently hugely understated, and many quoted companies are managing to slip through a certain amount of normal expenditure under the guise of 'exceptional' items. Even so this is a good base on which to work. The world has not ended, the sky has not fallen in after all. ►

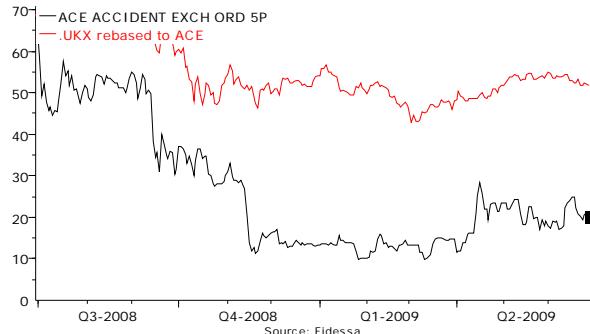
Market Indicator	Price	Previous Month Price	% Change in 1 month	Year High	Year Low
FTSE 100	4249	4416	-3.8%	5637	3512
FTSE Small Cap	2238	2272	-1.5%	2871	1621

At the small end of the quoted company spectrum, the environment is still harsh and no prisoners are being taken. Only big companies get rescue fundraisings, not small ones. We have talked to several potential buyers of companies who freely say they are waiting for the target to go into administration so they can do a 'pre-pack' rather than put through a trade takeover involving shareholders. Equity funders are likewise running scared, particularly in sectors with a reputation for being chronic cash gobblers such as biotech and early stage pharma (witness the halving of *Alizyme's* share price on its cash requirement statement).

ACCIDENT EXCHANGE

There has been no news from Accident Exchange this month but in sector developments we note Helphire won an interesting case in the Court of Appeal recently.

In addition to upholding the general rule that the non-fault party to an accident is entitled to recover the spot/market rate of hire for loss of use of their vehicle, the case in question, **Copley v Lawn**, further concluded that a) it is not unreasonable for the non-fault party to reject an offer of a 'free' courtesy vehicle from the negligent driver's insurers where the daily cost of such provision is not stipulated, and b) made it clear that even when the cost of provision is stipulated, the non-fault party does not forfeit their claim altogether but is entitled to recover the cost which the negligent party would have anyway incurred. This last point is a step forward from where judgement in the **Steadman** case left the industry.



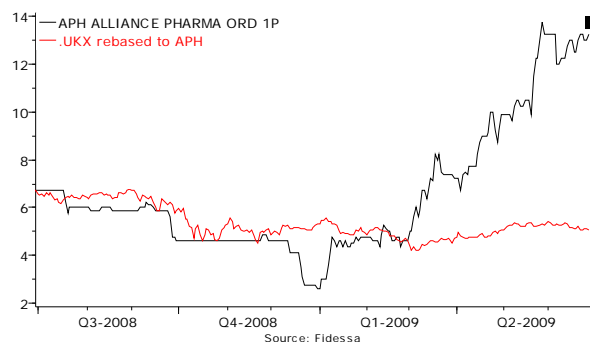
Accident Exchange has a May year end and is currently in close period. The full year results will be announced on 13 July.

Accident Exchange				ACE		Price p.	21.5
Full List				Specialty Finance		Cap £m	15.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
April	£m	Profit £m	Profit £m	Diluted eps	ratio	p.	%
2007A	119.6	13.6	18.0	18.1	1.2	2.4	11.2%
2008A	165.2	12.1	16.1	13.8	1.6	2.7	12.6%
2009E	181.2	0*	1.0	0.5	43.0	-	-
2010E	No	estimates	at present				

*Excludes exceptional items.

ALLIANCE PHARMA

At 13.75p Alliance's shares are now close to five times their value at the start of this year. While there has been no news flow we chatted to the team at this year's Growth Company Investor show and both John Dawson, Alliance's CEO and Richard Wright, Alliance's Finance Director, seemed in good spirits. We will find out more next month when the company issues its half yearly trading update.



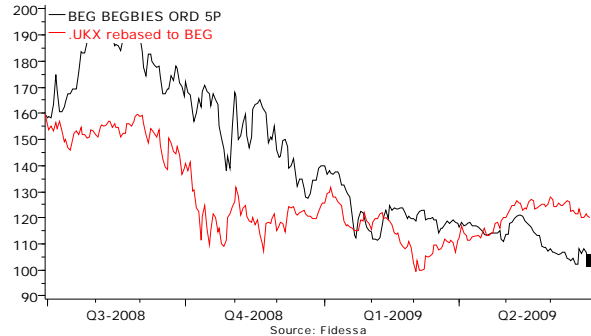
Alliance Pharma				APH		Price p.	13.75
AIM				Pharmaceuticals		Cap £m	22.29
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	18.2	-3.21	0.37	0.23	59.8	-	-
2008A	21.8	2.40	2.40	1.55*	8.9	-	-
2009E	25.1	4.10	4.10	1.82	7.6	0.16	1.3%
2010E	24.7	4.00	4.00	1.79	7.7	0.17	1.2%

*includes the benefit of a £600,000 tax credit

BEGBIES TRAYNOR

We see Begbies' trading update, ahead of the 9 July announcement of its preliminary results, as positive. The adjusted pre-tax result is expected to be at least in line with our £9.56m forecast, for y-o-y growth of almost 36% and a 28% uplift in adjusted EPS, to 7.55p.

Expectations of net bank debt of £13.2m and total net debt of £17.7m – suggesting net gearing of <29% – are significantly better than expected. On this basis, the Group has started its current financial year with headroom of almost £12m (47%) on its bank facilities, which is a strong position to be in.



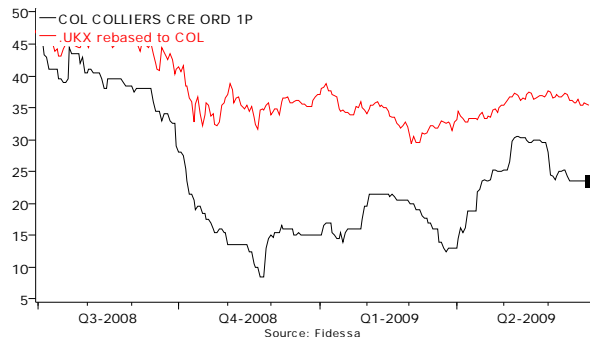
Corporate Finance completed a number of mandates in the second half, so losses are expected to be significantly lower than the first half's £1m. Corporate Insolvency has continued to perform strongly. Its results are expected to be substantially ahead of last year, with a further improvement in margins – which, at 33.7% in the first half, were up by almost 350 percentage points. Tough market conditions are expected to have dampened the normal seasonal uplift in Taxation and Other Activities – still leaving their second half result broadly similar to those reported for the first half.

Further official insolvency statistics are due in August. In the meantime there is still plenty of anecdotal evidence that the current cycle has yet to peak, the latest being a survey that suggests that company debt restructurings will rise significantly through to the end of the year.

Begbies Traynor				BEG		Price p.	103.50
AIM				Support Services		Cap £m	92.3
Y/E	Group	Declared	Adjusted	Adjusted	p/e	Divi	Yield
April	Sales £m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	41.9	8.5	9.7	8.5	12.2	2.5	2.4%
2008A	48.1	5.7	7.0	5.9	17.5	2.5	2.4%
2009E	61.2	7.4	9.6	7.6	13.7	2.7	2.6%
2010E	69.9	10.0	11.6	8.9	11.7	3.0	2.9%

COLLIERS CRE

450,000 nil cost options have been issued to both Gareth Jones, Colliers CRE's Chief Operating Officer and Mark Sample, Group Finance Director. A further 800,000 options have been issued to David Izett, Colliers CRE's Chief Executive. The vesting terms of the options vary – of the options issued to Gareth Jones and Mark Sample 300,000 vest within three years while the remaining 600,000 vest only if compound annual growth in earnings per share over the period 2009-2011 exceeds RPI + 3%. 200,000 of David Izett's options vest if compound annual growth exceeds RPI + 2% while the remaining 600,000 vest if growth exceeds RPI + 3%. The nominal value of the Group's shares changed from 50p per share to 1p per share on 17 June.

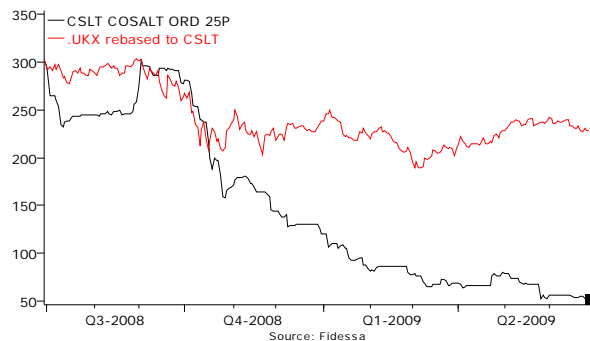


Colliers CRE AIM				COL Real Estate		Price p. Cap £m	23.5 11.0
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Adjusted Basic eps p.	p/e ratio	Divi p.	Yield %
December							
2007A	117.5	12.2	9.4	11.8	2.0	5.0	21.3%
2008A	78.0	-11.1	-4.6	-6.5	-3.6	-	-
2009E	74.1	1.6	2.0	2.4	9.8	-	-
2010E	74.1	2.0	2.0	3.1	7.6	-	-

COSALT

Cosalt is heavily in close period with half year results to end May 2009 due to be announced on 3 July 2009.

Last month we downgraded our current year eps estimate on account of a slowdown in trading within the dominant Oil & Gas Division which has suffered from some customers delaying projects. The performance of the Marine Safety business has also been mixed. The European Marine operations are, as far as we are aware, trading in line with expectations but the UK Marine business is loss-making and is currently in the process of being restructured.

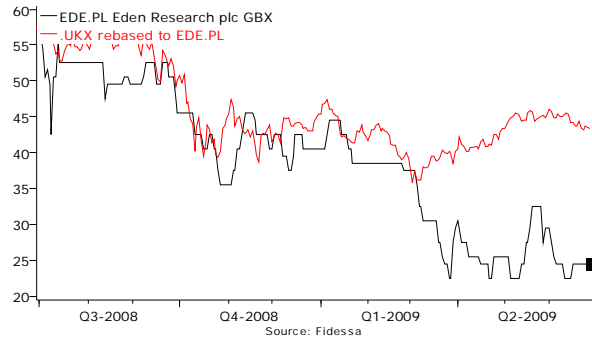


We will be producing a new research note on the latest situation at the company shortly after the results announcement.

Cosalt Full List				CSLT Diversified Inds		Price p. Cap £m	51.5 13.6
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Headline eps p.	p/e ratio	Divi p.	Yield %
October							
2007A	66.9	0.1	1.0	11.6	4.4	12.00	23.3%
2008A	105.0	1.5	7.2	23.4	2.2	6.0	11.7%
2009E	115.4	4.1	5.8	15.5	3.3	4.0	7.8%
2010E	No	Forecasts					

EDEN RESEARCH

Sir Ben Gill, who has been a non-executive director for some time, has taken on the role of non-executive chairman. Ken Brooks becomes executive deputy chairman. An additional 2.6m options for directors have been created; Eden Research points out that it has a low remuneration policy, and as the company is still cash flow negative and somewhat cash constrained, it certainly makes sense for it to grant directors options rather than use up its cash resources. The options can be exercised at 26p.



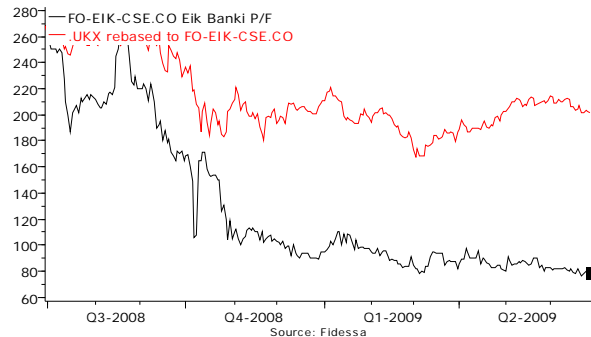
A new company set up by Ian Redford, a long term investor in Eden, with money from investors who have interests in Libyan energy service businesses, has been granted a licensing agreement covering much of North Africa and parts of the Middle East. The new company will make initial and milestone payments totalling £170,000 once marketing of the products begins. The licence covers 3AEY, Eden’s lead product, and other terpene formulations.

Eden Research has a December year-end, so has just completed trading for its first six months. The Interim Results will probably be announced at end-September.

Eden Research PLUS				EDE Diversified Inds		Price p.	24.5
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	0.4	-2.6	-2.2	-4.2	-	-	-
2008A	0.1	-2.1	-1.6	-2.9	-	-	-
2009E	No	estimates	at present				
2010E	No	estimates	at present				

EIK BANKI

Eik Banki's Danish subsidiary has received formal approval to obtain DKK295.3m from the Danish Government under the terms of Credit Package II. The completion of the agreement, which in practice was never in doubt, gives Eik additional subordinated debt issued as hybrid core capital. The agreement substantially boosts Eik's capital ratios and in our opinion puts the bank in a very strong position. The Danish subsidiary, Eik Bank Denmark A/S, now has a solvency ratio of 15% and a core capital ratio of 12.3%. Group solvency, which even beforehand was pretty solid, has been strengthened by 1.8 percentage points to 11.8%.



The effective interest rate on the loan is 11.5%. DKK27.5m of the loan may be converted into equity. The first possible repayment date for the loan – at Eik's option – is July 1 2012. The loan is of infinite maturity, but if Eik leaves repayment later than June 30 2015 then the terms become slightly harsher.

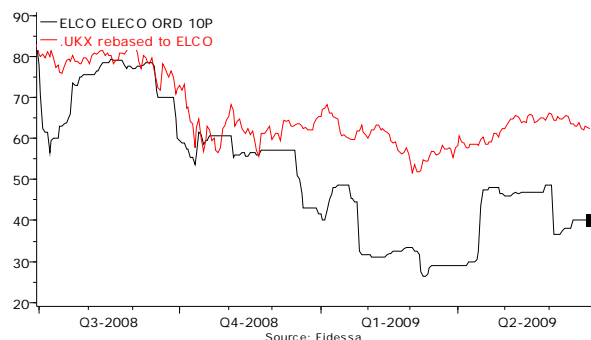
Eik Banki Danish Stock exchange				FO-EIK CSE Banks		Price DKK	80.0
Y/E	Total Income*	Declared Pre-Tax	Adjusted After-Tax	Adjusted After-Tax	Adjusted p/e ratio	Divi	Yield
D	DKKm	Profit DKKm	Profit** DKKm	eps** DKK		DKK	%
2007A	676	465	310	31.2	2.6	10.7	13.3%
2008A	796	-416	384	36.8	2.2	-	-
2009E	661	69	249	23.8	3.4	-	-
2010E	743	313	323	31.0	2.6	-	-

*Net interest income + fees etc

**Before impairments and market value adjustments

ELECO

Eleco has an end-June year end and we wait to see if a post-close trading update is issued. The outcome of the year very much depends upon the timing of orders coming in for some major pre-cast concrete business. The issue has not been so much of 'whether' but of 'when'. From the point of view of investors, the 2008/9 financial year has been a write-off, and we are far more interested to see how the order inflow is shaping up for 2009/10. We already know that the tough conditions in its industry (building systems) have concentrated management minds on cost-cutting and prioritising where to place the greatest strategic effort in future.



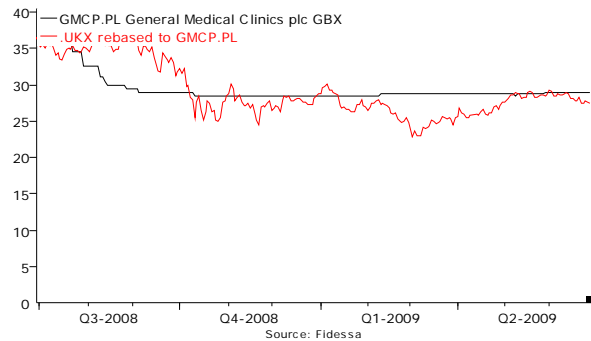
Eleco AIM				ELCO Diversified Inds		Price p.	40.0
Y/E	Sales	Declared Pre-tax	Adjusted Pre-tax	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	61.9	5.9	6.3	10.3	3.9	2.5	6.3%
2008A	84.9	8.2	9.1	12.1	3.3	3.0	7.5%
2009E	77.8	-0.11	0.3	0.4	100.0	1.2	3.0%
2010E	80.3	2.72	3.1	3.8	10.5	2.0	5.0%

2007 actual results restated for IFRS.

GENERAL MEDICAL CLINICS

There have been no new developments at General Medical Clinics this month. The company's FY09 results will be announced in September.

Meanwhile, shares in AIM-listed Company Health Group, one of General Medical Clinics' comparators, have been temporarily suspended pending completion of its accounts for the year to 31 December 2008. Company Health Group is a provider of occupational health services to corporate and medical evidence collecting services to life assurance providers.

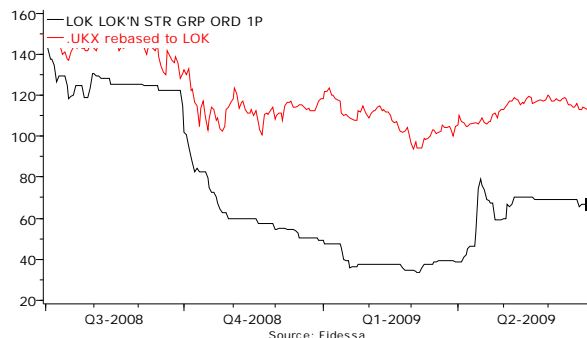


General Medical Clinics				GMCP		Price p.		29.0
UK: PLUS				Healthcare		Cap £m		4.8
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield	
May	£m	Profit £m	Profit £m	eps p.	ratio	p.	%	
2007A	6.40	0.35	0.48	3.0	9.7	-	-	
2008A	6.54	0.30	0.48	2.1	13.8	0.4	1.4%	
2009E	6.64	0.16	0.25	1.0	28.4	0.5	1.7%	
2010E	Estimates	under	review					

LOK'NSTORE

Self-storage operator Lok'nStore has been on the Takeover Panel List since late April and consequently we remain unable to publish forecasts on the company. No details of the potential bidder have been released.

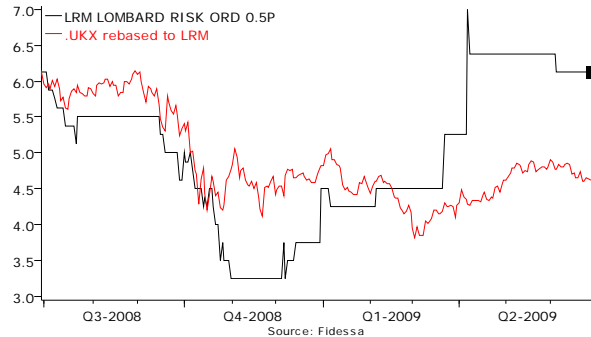
Another self-storage operator, Safestore has announced an encouraging set of interim results showing a marked improvement in a number of key KPI's including average rate per sq ft, ancillary income and most significantly occupancy, which was -12,000 sq ft at end April 2009 compared to -73,000 sq ft for the same period last year. Moreover, the positive occupancy trend has continued into the current second half which bodes well for others in the sector. Safestore has increased its revenue take from business consumers (which tend to take out larger units for longer periods of time) and is also benefiting from increasing demand from consumers moving into rental accommodation because they either cannot or will not move.



Lok'nStore				LOK		Price p.		66.5
AIM				Support Services		Cap £m		17.8
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield	
July	£m	Profit/Loss £m	Profit £m	eps p.	ratio	p.	%	
2007A	10.67	0.95	0.37	1.20	55.4	0.67	1.0%	
2008A	10.83	-0.74	-0.31	-1.50	-	1.00	1.5%	
2009E	Forecasts	Withdrawn						
2010E	Forecasts	Withdrawn						

LOMBARD RISK MANAGEMENT

Lombard Risk Management is in close period ahead of its full year results announcement. We have produced a new research note on this company which made no change to forecasts this close to the results, but which examined the trading environment in the light of the move from 'light touch' to 'heavy touch' financial regulation by the world's financial regulatory authorities. Lombard Risk Management produces software for the banking and financial industries that helps these institutions comply with regulatory risk management requirements, and therefore the tightening of the regulatory environment should be favourable for the company.



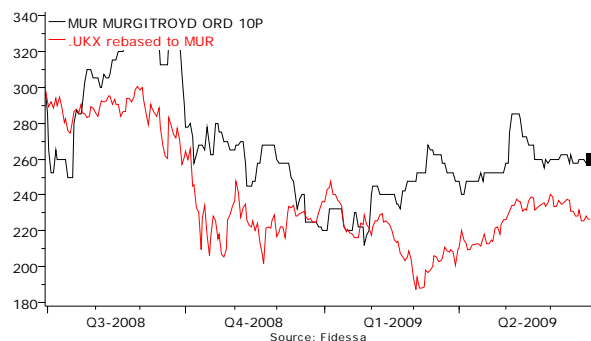
Lombard Risk Management has recently won some important new contracts with major financial institutions. Our research note examines the likely impact of these, and the way in which revenue will be divided between financial years. Also, it indicates that the proportion of Lombard Risk Management's revenue that is renewable, from maintenance agreements etc., is probably now in the region of 40% - 45%.

We believe that Lombard would benefit from some additional working capital to speed the rate of development to the point where it is both making a profit and is cash flow positive.

Lombard Risk Mgt				LRM		Price p.	6.1
AIM				Software		Cap £m	8.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	Basic eps p.	ratio	p.	%
2007A	6.9	-1.3	-1.3	-1.0	-	-	-
2008A	8.5	-1.1	-1.1	-0.7	-	-	-
2009E	8.7	-1.0	-1.0	-0.7	-	-	-
2010E	10.0	0.75	0.75	0.5	12.3	-	-

MURGITROYD

There has been no news from Murgitroyd Group and we expect that it is business as usual. The only other listed company in the Intellectual Property space, RWS, announced its interim results to 31 March last month. There was nothing in the statement to cause any concern with words such as "solid performance" and "firm trading" sounding reassuring.

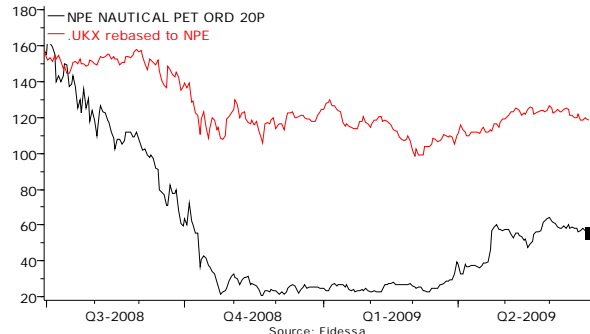


Murgitroyd				MUR		Price p.	262.5
AIM				Support Services		Cap £m	22.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	£m	Profit £m	Profit £m	Basic eps p	ratio	p.	%
2007A	22.8	2.9	2.9	23.8	11.0	9.0	3.4%
2008A	25.7	2.9	3.1	25.3	10.4	9.5	3.6%
2009E	29.6	3.6	3.6	29.9	8.8	9.5	3.6%
2010E	31.3	3.9	3.9	32.3	8.1	10.0	3.8%

NAUTICAL PETROLEUM

Mr. John Conlin has been appointed as non-executive director and chairman of the company, effective from the 24 June 2009.

Mr. Conlin has over 34 years experience in the upstream oil and gas industry, including 28 years with Shell in various senior management and operational roles. A petroleum engineer by profession, Mr. Conlin has previously served as a non-executive director of Hardman Resources Limited and of Delphian Technology Limited, as well as the chairman of Fuelture Limited. Mr. Patrick Kennedy, who has held the role of acting non-executive chairman since Ian Williams stepped down in October 2008, remains on the board in a non-executive role.



Operationally, Nautical's partner, Egdon Resources has announced the long awaited ratification of the French onshore "Permis de Gex" (Gex Permit) which was ratified on May 28, 2009 and published in the Official Journal on June 11, 2009 with a five year initial term. Nautical has a 20% interest in the joint venture together with Egdon (through its subsidiary Egdon Resources (New Ventures) Ltd., acting as licence operator (with a 40% interest) and Eagle Energy Limited (also with a 40% interest).

Located in the Jura/Molasse Basin of Eastern France adjacent to the Swiss border and the city of Geneva, the Gex Permit covers an area of 932km2 with a series of exploration targets already identified. These principally consist of shallow Oligocene sandstone oil targets and deeper Triassic age 'gas targets'.

The Triassic gas targets have been identified based on a reinterpretation of the regional structural style, with individual structures being mapped as potentially containing in excess of 1 trillion cubic feet of gas in place.

The shallow Oligocene play concept is to look for potential traps expressed at surface in anticlines developed within the permit area. The presence of oil seeps and oil in shallow boreholes demonstrates the presence of a working petroleum system for this play.

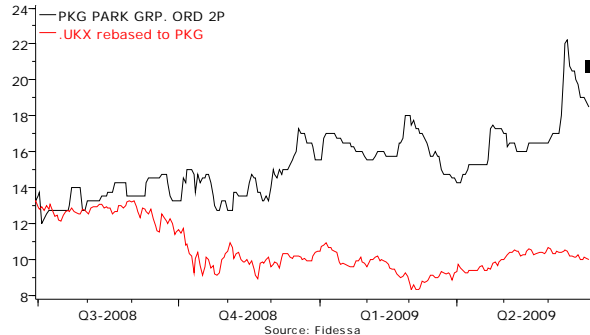
The work program will be phased, with the initial two years comprising geological and geophysical studies and gravity data acquisition followed by a second contingent phase of three years which would include the acquisition of new seismic data and the drilling of a well. The total financial commitment for the joint venture group over both phases will be €1.16 million.

Nautical Petroleum				NPE	Price p.	55.8	
AIM				Oil	Cap £m	35.3	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	0.0	-0.90	-0.40	-0.91	-	-	-
2008A	0.0	-4.50	-4.50	-7.44	-	-	-
2009E	Estimates	under	review				
2010E	Estimates	under	review				

PARK GROUP

Full year results were as we forecast, and were a considerable advance on the previous year. Sales revenue rose by 11%, pre-tax profit by 24%, eps 12% (it would have been more but for a one-off high tax charge) and the dividend was increased by 10%. Christmas Savings Division revenues increased by 15% and Corporate Voucher sales revenue by 4.2%. Park is now the largest multi-redemption provider in the UK.

30% of Corporate Voucher business and 39% of Christmas Savings business last year was transacted on line. Park Group is becoming an internet business.



For the current year, profits will be down because 50% of Park Group's profit comes from interest income and interest rates have been very much against the company so far in 2009. We have heavily signalled this in previous research notes, however, and this should not come as a surprise to the markets.

We produced a new research note after the results announcement in June; please call for a copy. A more detailed note will be produced once the Annual Report is available.

Park Group				PKG		Price p.	20.8
AIM				Consumer Finance		Cap £m	34.3
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2008A	225.1	4.5	5.2	2.2	9.4	1.2	5.8%
2009A	252.3	6.2	6.2	2.7	7.7	1.3	6.3%
2010E	262.2	5.4	5.4	2.3	9.0	1.3	6.3%
2011E	No	Forecasts					

PHOTO-ME INTERNATIONAL

Photo-Me's results for the year to end-April 2009 are due on Thursday July 2, and the company is heavily in close period.

At the beginning of June Photo-Me announced that it was considering the sale of its 86% owned Swiss subsidiary Imaging Solutions, and ISAG's associated German subsidiaries. Imaging Solutions makes wholesale laboratory photo developing equipment, an area that has been badly hit by the credit crunch because it is very difficult for buyers to obtain loans for new equipment at present. Photo-Me's board also said at the time that possible synergies in this business with the remainder of Photo-Me were minimal.



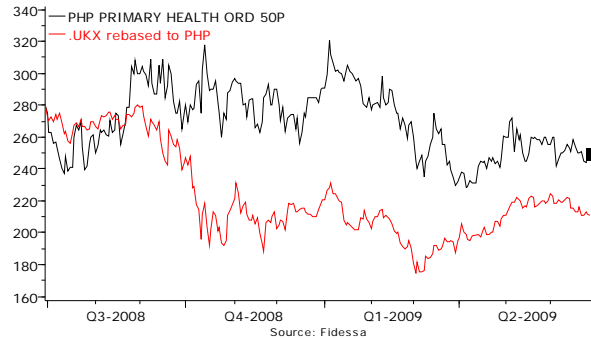
Photo-Me				PHTM		Price p.	17.0
Full List				Support Services		Cap £m	61.1
Y/E	Sales	EBITDA	Adjusted	Adjusted	p/e	Divi	Yield
April	£m	£m**	Profit £m**	eps p.**	ratio	p.	%
2007A*	212.8	46.0	13.9	2.4	7.1	2.4	14.1%
2008A	209.6	35.8	-6.9	-2.0	-	-	-
2009E	210.9	29.7	-7.1	-0.9	-	-	-
2010E	199.5	35.2	3.5	0.6	28.3	-	-

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

PRIMARY HEALTH PROPERTIES

There has been active trading in the shares of Primary Health Properties over the past month, but little change in the share price. Underlying conditions in the medical property marketplace have been stable.

We were encouraged by the news from *Assura Group*, which operates in the same business space as Primary Health Properties but with a slightly different business model. Assura stated that it is obtaining 6.03% p.a. rental growth on its freehold medical property portfolio, the highest figure announced in the sector so far and an indicator, to us, that the tendency for annual rent increases to outstrip inflation is now very well established. Assura also announced that its latest investment portfolio valuation was undertaken on a 6.27% yield basis, which indicates to us that values are stabilising after the fall seen in 2008, and that there is a ready market in individual medical properties again, though not for large portfolios. Assura said that it is making occasional disposals and that these are taking place at prices higher than official valuation.



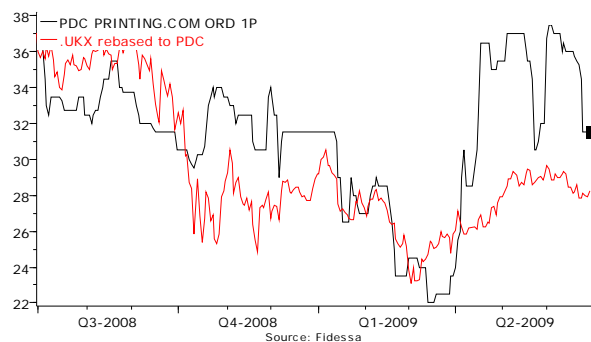
Primary Health	PHP				Price p.	249.0	
Full List	Real Estate				Cap £m	83.7	
Y/E	Revenue	Adjusted	Adjusted	p/e	Divi	Yield	
December	(Rent etc) £m	Profit* £m	Eps* p.	ratio	p.	%	
2007A	15.7	4.2	13.8	18.0	15.75	6.3%	
2008A	19.7	6.3	18.8	13.2	16.50	6.6%	
2009E	20.8	6.3	18.5	13.5	17.00	6.8%	
2010E	22.2	7.0	20.0	12.5	17.50	7.0%	

* EPRA basis

PRINTING.COM

There has been no news from Printing.com this month. Last month, the company delighted shareholders by announcing a 71% increase in its total payout for the year to end March 2009, including a special dividend of 2p/share.

The company will be holding its Annual General Meeting in Manchester on 17 July 2009.



Printing.com	PDC				Price p.	31.5	
AIM	Retailing				Cap £m	14.1	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
March	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	13.5	2.4	2.4	3.5	9.0	3.00	9.5%
2008A	14.5	2.1	2.1	3.3	9.6	5.15	16.3%
2009E	14.4	2.1	2.1	3.2	9.8	3.30	10.5%
2010E	15.3	2.3	2.3	3.6	8.8	3.60	11.4%

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

R.E.A. HOLDINGS

Crop output volumes were running 2% ahead of the previous year at end May 2009 and the recent Annual General Meeting Statement also confirmed that the company's CPO (crude palm oil) extraction rate is on an upward trend, rising from 23% to 23.2%. Both these metrics are slightly below management's own budgeted levels but not by enough to give grounds for concern.

With vegetable oils stocks at record lows and favourable demand offtake from India and China, the CPO price has shown no signs of weakening, staying firmly above the \$700m/t level over the past month.

This is in line, if not slightly better than our own internal forecasts, and is obviously encouraging.



Latest news from the two small mining concessions is also pleasing with both expected to be producing by the end of the current 2009 financial year. At Liburdinding, management hoped to sell an initial 10,000 tonnes of coal in June, climbing to 30,000 tonnes per month from September onwards. At Muser, where the coal is of a higher calorific content, production is started to commence by September although no indications have been provided as to the likely monthly output. The coal price has weakened slightly in recent weeks to \$71 tonne on the globalCOAL Newcastle index, down from a four month high of \$77 tonnes at the beginning of June.

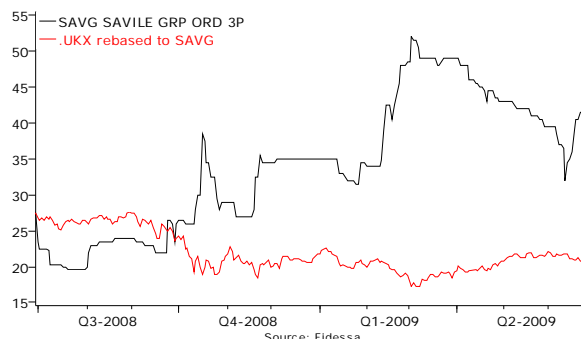
In other news, the group's commitment to conservation continues. Having made strides towards receiving accreditation from the Roundtable for Sustainable Palm Oil (RSPO), R.E.A. has recently provided initial funding for a new foundation "Yayasan Ulin" or "The Ironwood Foundation", to promote scientific conservation projects in East Kalimantan. This will no doubt further strengthen its ties with the local Indonesian community.

R.E.A. Holdings				RE.	Price p.	404.0	
Full List				Food	Cap £m	134.9	
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	USDm	Profit USDm	Profit USDm	eps c/share	ratio	P.	%
2007A	57.6	47.0	38.98	73.0	8.3	2.0	0.5%
2008A	79.6	36.3	38.97	77.20	7.8	3.0	0.7%
2009E	66.9	34.2	34.20	66.40	9.1	3.3	0.8%
2010E	73.4	39.5	37.50	73.70	8.2	3.6	0.9%

SAVILE GROUP

Savile Group purchased a total of 157,500 of its own shares for treasury during June, equivalent to 1% of the total number of shares in issue. The purchases took place in a number of tranches ranging from 33p – 43p/share.

2009 is likely to be a record year for the group and management clearly believe the company is undervalued at current levels. On our estimates below, Savile is trading on a 2009E PER of less than 6X, compared to 9X for nearest comparator Penna (for the y/e 2010). Also, the company has net cash in the bank accounting for almost a third of the group's current market capitalisation.



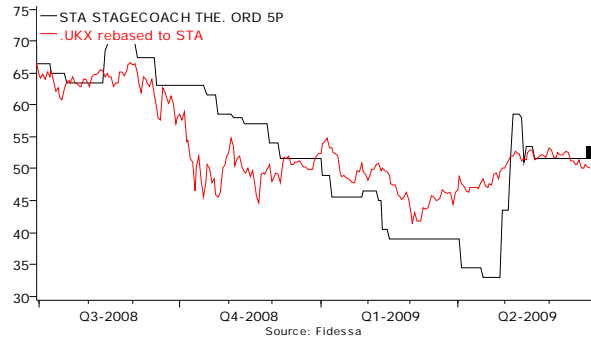
Savile is expected to announce a pre-close trading update in July ahead of its full year results announcement in September.

Savile Group				SAVG		Price p.	45.5
AIM				Support Services		Cap £m	6.7
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	5.10	-0.19	0.21	2.2	20.9	0.0	-
2008A	7.02	0.72	0.90	6.0	7.5	0.0	-
2009E	9.40	1.51	1.53	7.2	6.3	2.0	4.4%
2010E	10.78	1.67	1.69	8.0	5.7	2.2	4.8%

STAGECOACH THEATRE ARTS

The pre-close trading update confirmed that the full year results due to be announced on 5 August 2009 will be in line with our pre-tax profit estimate of £0.72m. Whilst this represents modest growth year-on-year (1.4%), we point out that FY 2008 was a record year for the group and the current 2009 results will have been achieved against a far more challenging economic backdrop.

Given the robust performance of the existing school network, Stagecoach Theatre Arts appears to be in a strong position to produce a sudden growth spurt as soon as the economic climate changes decisively for the better. Moreover, the company remains financially sound with no bank debt, positive cash flow and a progressive dividend.

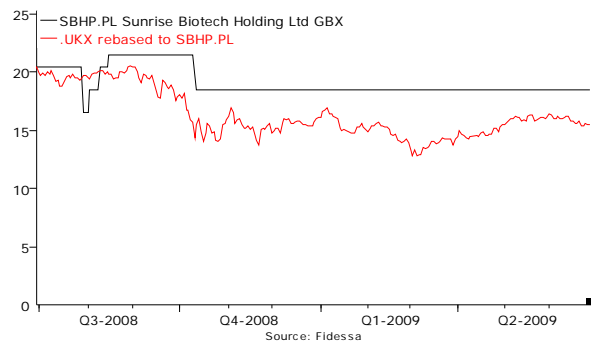


The share price has recovered from its April 2009 low point supported by director share purchases which have taken the combined shareholdings of Managing Director David Sprigg, and Artistic Director Stephanie Manuel, to just shy of 60%.

Stagecoach Theatre Arts AIM				STA Theatre Arts			Price p.	51.5
Y/E	Group	Network	Declared	Adjusted	Adjusted	p/e	Divi	Yield
May	Sales £m	Sales £m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	6.32	26.54	0.37	0.37	2.5	21.0	0.0	0.0%
2008A	6.33	28.47	0.71	0.71	5.04	10.4	2.0	3.8%
2009E	6.22	29.89	0.72	0.72	5.17	10.2	2.6	5.0%
2010E	Estimates	under	Review					

SUNRISE BIOTECH HOLDING LTD

There have been no new developments from Sunrise Biotech this month.

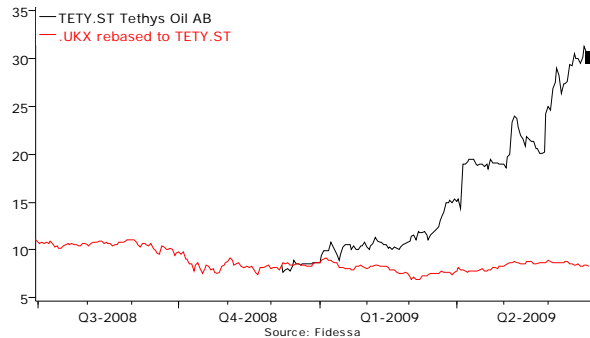


Sunrise Biotech PLUS				SBHP Pharmaceutical & Biotechnology			Price p.	18.5
Y/E	Sales	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
Dec	RMB m	£m	Profit £m	Profit £m	eps p.	ratio	p.	%
2007A	56.3	3.70	2.25	2.26	22.54	0.8	-	-
2008E	62.8	5.26	1.82	1.98	0.74	25.0	-	-
2009E	Forecasts	under	review					
2010E	Forecasts	under	review					

TETHYS OIL

Initial evaluation work on the recently drilled Saiwan East-2 well, Block 4 onshore Oman has now been completed. The well results have exceeded pre-drill expectations logging the presence of heavy oil in all three of the targeted formations in the upper parts of the well, but also encountering deeper lower gravity oil-saturated zones which were tested and flowed oil.

In summary, a gross heavy hydrocarbon saturated oil column of more than 400m was encountered in stacked zones of the Miqrat and Amin sandstones and the Buah limestone Formation.



The well was drilled deeper than originally planned to investigate previously undrilled Khufai limestone. Here, a gross oil bearing section of 27 metres was measured from the logs. This section was tested to flow 280 BOPD of 33oAPI oil on a 24/64 inch (9.5 mm) choke. No water was produced and the oil contained a very low Gas Oil Ratio (GOR).

The drilling rig has been released and the well has been suspended pending production testing of the heavy oil zones later in 2009. A smaller rig will be used for this testing work. Pressure gauges have been installed at the bottom of the well to allow for an extended pressure test. Several core sections have been obtained which will undergo detailed geological and petrophysical analysis work.

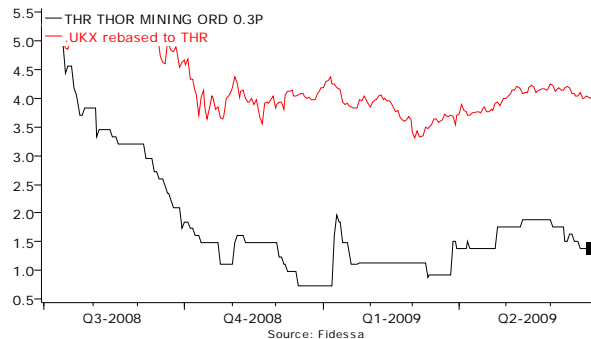
It is too early to say if this discovery will be commercial, but management are hopeful that if proven this could turn into a project of its own, complementing the work at Jebel Aswad.

Tethys Oil	TETY.SE					Price SEK.	30.3
AIM	Oil					Cap MSEK	827.2
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
December	SEK m	SEK m	SEK m	eps SEK	ratio	SEK.	%
2007A	-	-24.7	-24.7	-1.41	-	-	-
2008A	-	-16.4	-16.4	-0.72	-	-	-
2009E	No	estimates	at present		-	-	-
2010E	No	estimates	at present				

THOR MINING

Thor has raised some additional equity capital on the London AIM market following a visit to London by directors. The money will be used for further exploration at its properties in Australia.

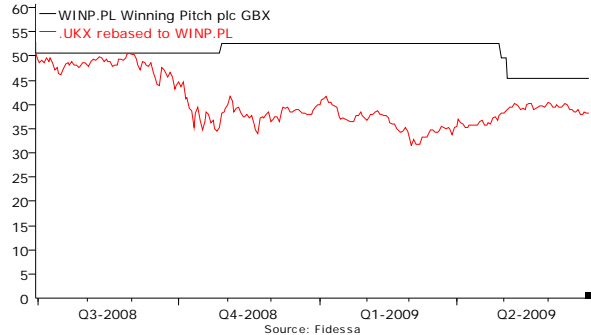
The strength of the gold price is focusing attention on Thor's gold prospects – one of its sites has very good surface rock sample indications. The price of molybdenum, unfortunately, remains relatively weak, although it has clearly come off its low point. Thor has a fully drilled out 'mine in waiting' called Molyhil, that had developed to the point of a definitive feasibility study and a metals purchase contract from CITIC of China before the molybdenum price collapsed. We shall be watching the price of molybdenum closely and expect it to rebound before the end of the year.



Thor Mining AIM				THR Mining		Price p. Cap £m	1.4 2.1
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
June	£m	Profit £m	Profit £m	eps p.	Ratio	p.	%
2007A	0.0	-1.4	-1.4	-1.27	-	-	-
2008A	0.0	-1.1	-1.1	-0.76	-	-	-
2009E	No	estimates	at present				
2010E	No	estimates	at present				

WINNING PITCH

Winning Pitch has announced its results for the six months to 27 March 2009. Turnover for the six months was £1.1m cf 2008's first half turnover of circa £750k and full year turnover of £1.3m. A small operating loss of £3,053 was incurred in contrast to the prior half year's £141k profit. The initial stage of the £10m contract with the NWDA that Winning Pitch won in 2008 is well underway and a second stage element, worth £2.5m, is expected to commence within the next few months.



Winning Pitch is now providing support to over 800 of the North West's gazelles or high growth businesses.

The company has signed up several new contracts and goes into its second half with a forward contract book in excess of £8m. There has been a substantial increase in the company's cost base as business builds up and we have lowered our profit expectations for the coming year accordingly. We have also raised our interest expense forecast as the company has increased its gearing to support working capital needs.

Tony Walker, Business Incubation Manager of the University of Manchester Incubator Company, has been appointed as a Non-Executive Director. Mr Walker has been involved with the incubation of over 30 start-up companies in ICT, media, electronics and engineering.

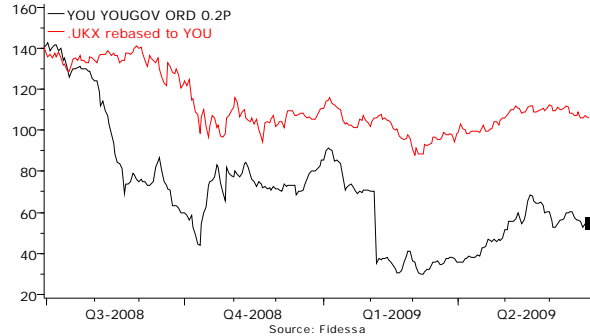
Winning Pitch PLUS				WINP Support Services		Price p.	45.5
						Cap £m	2.4
Y/E	Sales £m	Declared Profit £m	Adjusted Profit £m	Basic eps p.	p/e ratio	Divi p.	Yield %
2007A*	0.44	0.14	0.14	2.26	20.1	-	-
2008A	1.30	-0.24	-0.03	-4.37	-10.4	-	-
2009E	2.50	0.00	0.00	0.00	-	-	-
2010E	3.50	0.50	0.50	10.00	4.6	-	-

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

YUGOV

YouGov has appointed Nick Jones as a Non-Executive Director replacing Anthony Foye who has left to pursue other interests. Nick Jones is currently the Chief Financial Officer of Achilles Group. Prior to this he held the role of Global Head of Finance & Global Head of Integration at Reuters PLC and before this the role of Group Controller & Head of Integration at Virgin Media. His international financial expertise will benefit YouGov as it continues its geographical expansion.

In industry news AIM listed ToLuna has announced that it is to acquire the internet survey solutions business of Greenfield Online for US\$40m in cash. The acquisition will materially enlarge ToLuna and management estimate that following the acquisition the company will have close to a 12% share of the online panel market.



YouGov				YOU		Price p.	54.3
AIM				Media		Cap £m	51.9
Y/E	Sales	Declared	Adjusted	Adjusted	p/e	Divi	Yield
July	£m	Profit £m	Profit £m*	Basic eps p.	ratio	p.	%
2007A	14.3	5.6	5.7	6.0	9.0	-	-
2008A	40.4	4.0	9.5	9.1	6.0	-	-
2009E	47.1	0.7	3.7	2.3	23.6	-	-
2010E	51.3	2.9	6.1	3.7	14.7	-	-

*Adjusted profit after adding back amortisation, exceptional items, share base payments, integration costs etc.

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