

Research

2 May 2012 | 80 pages

UK Small/Mid-Cap View

All about the Money

- **Consolidation month:** April was a tougher month for the FTSE 250 with it falling 1.1% MoM and underperforming the FTSE 100 (-0.5% MoM). Our Key Buys marginally outperformed the FTSE 250 (+0.2% MoM relative), with strong gains from Spirax-Sarco, Senior and Spirent helping to offset weakness in Carphone Warehouse.
- **Earnings momentum to remain a driver:** April saw the no. of FTSE 250 EPS downgrades >5% accelerate again to 15, driven by resources stocks. Against this backdrop, we saw a strong outperformance by stocks with earnings mo. We expect this trend to continue and look to play it through the likes of Fenner, Spirax-Sarco, Senior and Filtrona.
- **Delivering the returns:** Against the tough economic backdrop, we look at returns in more detail, more specifically, which companies are improving ROIC (e.g. Rotork, Spirent), which companies are seeing CapEx as % of sales increasing (e.g. Pennon, Drax, DMGT), and which companies with cash on the balance sheet are seeing a decline in this % and so could look to increase dividends/make incremental acquisitions (e.g. Spirent, Easyjet).
- **Management Incentivisation:** With management compensation high on the political agenda, we look at which FTSE 250 management teams deliver value for money by comparing their aggregate compensation to Market Cap, EBITDA and 3-year share price performance. Companies that come out well include Senior, Fenner, Oxford Instruments and IG Group.
- **Changes to Key Buys:** This month we make one change to our Key Buy list, adding Inchcape.

Figure 1. Citi UK Small & Mid-Cap Key Buy List

Company	Mcap (£m)	Rating	PE 2012E	EV EBITDA 2012E	YTD (%)	Company	Mcap (£m)	Rating	PE 2012E	EV EBITDA 2012E	YTD (%)
Babcock	2952	1	12.1	10.0	0.0%	Mondi Plc	2761	1	11.6	5.6	12.6%
Balfour Beatty	1823	1	7.4	3.3	-14.4%	Persimmon PLC	1884	1	14.0	8.2	20.7%
Booker	1263	1	16.3	10.7	-6.3%	Premier Oil	1985	1	7.6	3.9	-10.0%
Carphone Warehouse	626	1	11.6	5.0	-24.5%	The Restaurant Group	577	1	12.2	6.1	-18.7%
De La Rue	969	1	17.8	10.6	-3.6%	Safestore	212	1	11.8	12.4	-1.0%
easyJet	1992	1	9.2	4.7	12.6%	Senior	862	1	13.0	8.3	11.5%
Fenner	871	1	12.1	7.4	-0.5%	Spirax-Sarco	1794	1	17.0	10.6	10.1%
Inchcape PLC	1698	1	9.6	5.4	11.7%	Spirent Communications Plc	1113	1	17.4	10.1	31.2%
Informa PLC	2507	1	9.9	8.4	1.7%	Travis Perkins PLC	2549	1	11.1	7.3	19.0%

Note: YTD relative to FTSE 250. Priced as of 01 May. PE & EV EBITDA data are calendarised. Source: Powered by dataCentral. dataCentral is CIRA's proprietary database, which includes Citi estimates, data from company reports and feeds from Reuters and Datastream.

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

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Performance & Valuation

- The FTSE 250 had a tougher month, falling 1.1% MoM, underperforming the FTSE 100 (-0.5%) and Small-caps (-0.7% MoM).
- The rally has seen the FTSE 250 PE discount to FTSE 100 (ex resources / financials) edged up to 5% (vs. 4% in April), meaning it now trades at a c. 17% discount to the 13.6x long-run average 12m forward PER.
- Our preferred metric to measure FTSE 250 EPS index growth remains median earnings growth. This fell slightly in the month to +8.6% YoY (vs. 11.5% in Q3 2011).
- We adjust the bottom-up IBES EPS growth to reflect highly unusual index changes (loss makers entering FTSE 250 in place of profitable FTSE100 entrants). This delivers 15.5% YoY growth in 2012 but is still unrepresentative of the underlying position given its skew to 2011 loss makers insurance and resources companies.
- The rate of FTSE 250 consensus EPS downgrades >5% slowed in the month to a **net 15 > 5%** (see Fig 72). The adjusted number was 3 in April.

Figure 2. Valuation Summary

Valuation Summary	2010A	2011A	2012E	2013E	2014E
PE (x)					
FTSE 100	11.9	11.0	10.4	9.6	8.9
FTSE 100 ex financials, oils & mining	13.8	13.2	12.9	11.9	11.1
FTSE 250	13.6	15.7	12.1	10.5	9.5
FTSE 250 adj	13.9	13.5	12.2	10.4	9.7
FTSE Small Cap	9.9	10.3	9.4	8.2	7.2
Net Dividend yield (%)					
FTSE 100	3.1%	3.7%	3.9%	4.3%	4.7%
FTSE 100 ex financials, oils & mining	3.5%	4.0%	4.3%	4.7%	5.1%
FTSE 250	2.9%	3.0%	3.0%	3.4%	3.8%
FTSE Small Cap	3.2%	2.9%	3.1%	3.5%	4.0%
Free cash flow yield (%)					
FTSE 100	4.9%	4.7%	5.5%	6.7%	7.6%
FTSE 100 ex financials, oils & mining	6.0%	4.8%	5.7%	6.5%	7.5%
FTSE 250	6.3%	4.4%	5.2%	7.5%	8.9%
FTSE Small Cap	26.6%	13.7%	16.5%	23.2%	22.6%
EV/EBITDA(x)					
FTSE 100	6.6	5.9	5.7	5.3	5.0
FTSE 100 ex financials, oils & mining	8.5	7.9	8.0	7.6	7.2
FTSE 250	7.3	6.8	6.3	5.6	5.2
FTSE Small Cap	5.6	6.7	6.4	5.9	5.6
Analyst Adjusted Earnings Growth					
FTSE 100	65.2%	8.4%	6.0%	8.8%	5.5%
FTSE 100 ex financials, oils & mining	12.1%	4.6%	2.8%	7.7%	7.4%
Stated FTSE 250	30.3%	-11.2%	29.7%	15.1%	11.4%
Adjusted FTSE 250*	25.9%	2.2%	15.5%	16.2%	9.4%
FTSE Small Cap	8.5%	-1.3%	10.4%	14.1%	8.8%

Priced as at 1/5/2012

* - Due to unusual index changes in March 12 the stated and adjusted numbers are materially different. This is due largely to large swings in PAT in stocks impacted by index changes (Cairn Energy -£941m swing, Aberdeen AM -£216m swing, Croda -£166m swing). We adjust for this to get +15.5% in 2012E bottom up.

Source: Powered by dataCentral (Data contains a mixture of CIRA and I/B/E/S estimates).

Figure 3. Market Performance

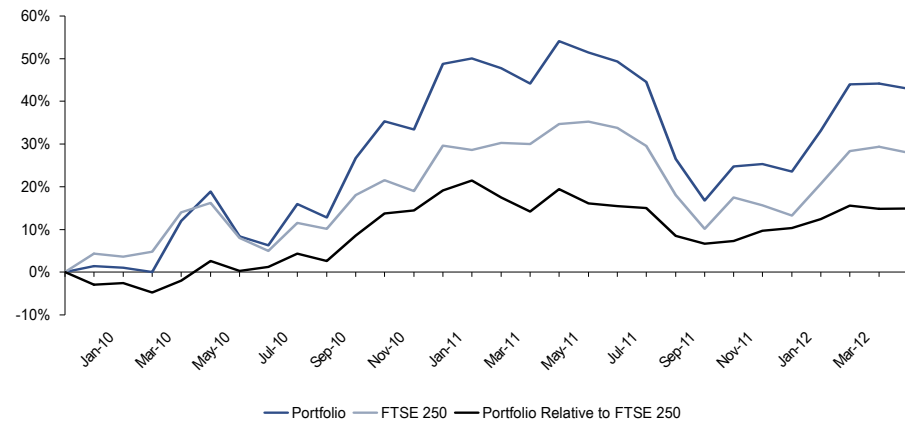
FTSE Mid-cap Performance	-1wk (%)	-1m (%)	-3m (%)	-12m (%)	YTD (%)
FTSE 100	1.3	-0.5	1.0	-5.5	3.0
FTSE 250	2.1	-1.1	6.0	-5.0	13.0
FTSE Small Cap	1.1	-0.7	6.8	-5.8	13.5
Small Cap x IT	1.2	0.2	9.3	-5.4	17.9
FRANCE CAC 40	3.7	-6.2	-2.6	-21.8	1.7
S&P 500 COMPOSITE	2.3	-0.8	6.5	2.5	11.2
DAX 30 PERFORMANCE	3.7	-2.7	4.7	-10.0	14.6
STOXX EUROPE MID 200	2.9	-2.0	4.1	-10.0	10.6

Source: Datastream, Citi Investment Research and Analysis

Key Buy List Performance

- Since inception, Citi's Small and Mid-cap Key Buy portfolio is up +43% on an absolute basis vs. the FTSE 250 index, which is +28% over this period (i.e. a +15% relative outperformance).
- April was a tougher month for the Key Buy list which declined 0.8% MoM but it still outperformed the FTSE 250 (-1.1% MoM) by 0.2%. YTD, the portfolio is up 2.7% relative to the FTSE 250 YTD.
- Strong performance was shown by Spirax (+10%), De La Rue (+8%) and Senior (+7%) while Carphone Warehouse (-13%), Balfour Beatty (-9%) and Booker (-6%) were the laggards.
- See page 71 for methodology and stock removal/additions, and page 11 for an investment summary of each stock.

Figure 4. Citi UK Small and Mid-Cap Portfolio Performance



Source: Datacentral

Source: Datacentral

Figure 5. Citi UK Smid Cap Key Buy list performance by Stock

Company	Sector	RIC	Mkt Cap (£m)	Rating	Price* (£)	TP	ETR (%)	PE (x) 2012	DY (%) 2012	Date Added	Initial Price (£)	Perf since Inclusion		Perf Over Month	
												Abs.	Rel.	Abs.	Rel.
Babcock	Diversified Support Services	BAB.L	2984.5	1	8.31	8.45	4.2	12.3	2.8%	01/05/2010	5.85	42%	32%	4.3%	5.4%
Balfour Beatty	Construction & Engineering	BALF.L	1794.2	1	2.61	3.72	47.5	7.2	5.2%	01/07/2010	2.39	9%	-13%	-8.6%	-7.5%
Booker	Food Distributors	BOK.L	1238.2	1	0.79	0.90	17.0	16.0	3.1%	01/02/2012	0.72	10%	4%	-6.3%	-5.2%
Carphone Warehouse	Computer & Electronics Retail	CPW.L	619.3	1	1.31	1.60	25.0	11.5	3.0%	01/05/2010	0.93	42%	31%	-12.7%	-11.6%
De La Rue	Commercial Printing	DLAR.L	970.6	1	9.76	10.55	12.5	17.8	4.5%	01/12/2011	9.08	7%	-3%	8.4%	9.4%
easyJet	Airlines	EZJ.L	1960.1	1	4.96	5.80	19.8	9.0	2.9%	01/01/2012	3.95	26%	13%	2.1%	3.1%
Fenner	Industrial Machinery	FENR.L	872.7	1	4.51	5.51	24.3	12.1	2.1%	01/02/2011	3.43	32%	32%	4.0%	5.0%
Informa	Publishing	INF.L	2498.8	1	4.15	5.30	32.3	9.9	4.5%	01/09/2011	3.53	17%	9%	-6.1%	-5.0%
Mondi	Paper Products	MNDI.L	2771.6	1	5.72	7.00	27.7	11.8	4.2%	01/08/2011	5.99	-5%	-3%	-3.1%	-2.0%
Persimmon	Homebuilding	PSN.L	1901.8	1	6.29	8.00	27.3	14.1	0.0%	01/04/2012	6.40	-2%	-1%	-1.8%	-0.7%
Premier Oil	Oil & Gas Exploration & Production	PMO.L	1978.4	1	3.74	5.38	43.9	7.7	0.0%	01/06/2011	4.77	-22%	-16%	-4.7%	-3.6%
Restaurant Group	Restaurants	RTN.L	562.5	1	2.81	4.00	46.1	11.9	4.1%	01/03/2012	2.78	1%	1%	-5.1%	-4.1%
Safestore	Real Estate Operating Companies	SAFE.L	210.7	1	1.12	1.70	56.9	11.7	5.1%	01/08/2011	1.21	-7%	-6%	-5.1%	-4.0%
Senior	Industrial Machinery	SNR.L	862.3	1	2.13	2.30	10.0	13.0	2.1%	01/10/2011	1.45	47%	31%	6.6%	7.6%
Spirax Sarco	Industrial Machinery	SPX.L	1794.7	1	23.06	24.88	9.6	17.0	2.4%	01/04/2012	20.89	10%	11%	10.4%	11.4%
Spirent Communications	Communications Equipment	SPT.L	1125.5	1	1.70	1.90	12.8	17.8	1.1%	01/02/2011	1.38	23%	23%	5.9%	7.0%
Travis Perkins	Trading Companies & Distributors	TPK.L	2563.6	1	10.50	12.20	18.6	11.1	2.4%	01/01/2011	10.58	-1%	0%	-2.7%	-1.6%
Average														-0.8%	0.2%

* as of May 1 and data is calendarised. Note Performance calculations exclusive of commissions and transaction costs. Past performance is no indication of future performance.



Themes of the Month

All about the money

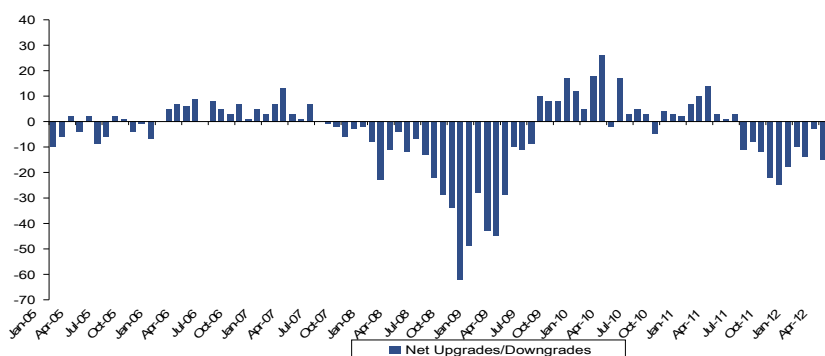
- **Premium for growth:** Our decile analysis continues to highlight the strong YTD outperformance of growth (deciles 3-7). Interestingly, however, in the past month the highest rated decile has outperformed strongly with investors backing consensual growth names (e.g. Telecity and Genus).
- **Earnings downgrades stepped up:** April has seen a reacceleration of earnings downgrades with a net 15 FTSE 250 companies seeing >5% falls in 2012 EPS. Figure 8 shows the skew in downgrades towards the Mining sector and Retail/Consumer sectors. Unsurprisingly against this background we have seen a strong outperformance by stocks with Earnings Mo in April (see later).
- **May themes putting money to work:** This month we focus on which companies are improving their returns, which ones against the trend are investing for the long term, and which are cutting CapEx and so could potentially redistribute more to shareholders. Finally, with the AGM season in full flow, we consider which management teams represent the best value.

Figure 6. FTSE 250 Performance by PE Deciles

	Av. PER	1m	3m	6m	12m	Y2D
1st Decile	37.2	2.7%	8.7%	10.6%	5.7%	17.1%
2nd Decile	18.2	1.7%	11.5%	16.1%	8.9%	23.5%
3rd Decile	15.6	0.0%	13.0%	12.1%	1.3%	19.2%
4th Decile	13.8	1.3%	12.5%	16.3%	11.1%	22.2%
5th Decile	12.3	-2.9%	9.5%	9.6%	-1.2%	15.7%
6th Decile	11.4	-0.7%	10.9%	13.6%	0.6%	18.4%
7th Decile	10.2	-1.4%	11.5%	6.4%	-2.7%	17.7%
8th Decile	9.2	-0.3%	2.0%	1.9%	-6.1%	7.5%
9th Decile	7.9	-5.1%	-0.7%	-2.6%	-15.6%	5.9%
10th Decile	4.6	-8.0%	-10.3%	-21.1%	-37.8%	-5.9%

Source: Datastream

Figure 7. FTSE 250 Net EPS Upgrades/ Downgrades >5% for 2012



Source: Datastream

Figure 8. Analysis of Net Upgrades/Downgrades >5% EPS

	Upgrades	Downgrades
Mining	2	(9)
Retail/Consumer	1	(5)
Financials		(3)
E&P	2	(2)
Support Services	3	(1)
Other	4	(7)
Total	12	(27)

Source: Datastream

Earnings Mo a clear driver

- **Earnings Mo remains a driver:** As we saw earlier, April has seen the number of Net EPS downgrades for FTSE 250 companies increase once again, with the number admittedly skewed by a number of downgrades to stocks in the Mining sector. One of our key themes for this year remains earnings momentum as a share price driver and we consider this in more detail below.
- **Strong outperformance of momentum:** In Figure 9 we highlight stocks with 3m momentum ahead of the FTSE 250 and in Figure 10 **Error! Reference source not found.** those with negative earnings momentum. From the analysis, it can be seen that while the YTD the performance has been the same, on a 3m and 1m basis the stocks with momentum have significantly outperformed.
- **Continue to back momentum despite outperformance:** Despite the strong outperformance of the stocks with earnings momentum, the ongoing economic uncertainty to our mind means that a market rerating seems unlikely in the short term (particularly given the FTSE 250's YTD performance), and so we continue to expect share price performance will be driven by earnings momentum. From the table on the left we would single out the likes of **Fenner, Senior, Spectris** and **Filtrona** as stocks likely to continue to see earnings momentum.

Figure 9. FTSE 250 with 3 month mo > 22 points ahead of market

Stock	Market Cap	-3m Earn Mo Rel to Mid Cap	PE 2012e	Performance (Abs)	-1m	-3m	-12m	YTD
Ashtead Group	1,247	126	14.4	-4%	9%	23%	10%	
Kenmare Res. (Lon)	1,247	100	8.1	3%	12%	20%	15%	
Hunting	1,226	85	16.0	0%	20%	18%	27%	
Gem Diamonds (Di)	364	66	10.6	-5%	23%	-10%	33%	
Bovis Homes Group	614	49	18.2	-4%	5%	5%	5%	
Barratt Developments	1,247	43	14.3	-5%	24%	20%	44%	
BTG	1,233	43	43.6	14%	15%	53%	21%	
Taylor Wimpey	1,556	40	16.2	-2%	20%	29%	34%	
Grainger	310	36	15.3	-5%	2%	-14%	-7%	
Redrow	388	35	13.4	-5%	0%	-6%	9%	
Catlin Group	1,512	34	7.4	4%	4%	7%	6%	
Berkeley Gp. Hdq.	1,654	34	12.1	-3%	3%	21%	0%	
Fenner	850	32	12.1	4%	2%	16%	13%	
Heritage Oil	305	31	n.a.	6%	-22%	-41%	-23%	
Oxford Instruments	604	30	18.9	1%	35%	64%	29%	
Capital & Cnts.Props.	1,235	29	95.4	4%	6%	18%	8%	
Sports Direct Intl.	834	27	14.2	5%	27%	50%	42%	
Lamprell	515	26	11.8	2%	20%	3%	30%	
Teletcity Group	1,563	24	25.9	9%	24%	54%	25%	
Senior	810	24	13.0	7%	18%	39%	25%	
Premier Oil	440	23	7.6	-5%	-9%	-25%	3%	
Phoenix Group Hdq. (Lon)	914	23	4.1	-7%	-7%	-21%	1%	
Bellway	928	23	11.9	-4%	8%	11%	11%	
Spectris	2,161	22	13.2	5%	26%	27%	46%	
Filtrona	952	22	15.6	-2%	22%	35%	22%	
Average				0%	12%	16%	17%	

Source: Datastream, Datacentral

Figure 10. FTSE 250 companies with worst 3 month mo vs. Market

Stock	Market Cap	-3m Earn Mo Rel to Mid Cap	PE 2012e	Performance (Abs)	-1m	-3m	-12m	YTD
SVG Capital	851	-542	7.4	-4%	25%	1%	35%	
Ocado Group	504	-103	n.a.	13%	62%	-43%	139%	
Aquarius Platinum (Lon)	637	-86	42.6	-8%	-27%	-62%	-17%	
Home Retail Group	864	-59	15.9	-6%	8%	-52%	28%	
Kesa Electricals	305	-47	9.9	-22%	-21%	-58%	-19%	
Salamander Energy	393	-45	8.6	16%	10%	-18%	23%	
Carpetright	305	-43	63.1	-12%	-3%	-13%	25%	
Talvivaara Mng Co	345	-43	n.a.	-24%	-42%	-66%	-9%	
Michael Page Intl.	1,307	-41	30.7	-13%	9%	-25%	19%	
Hochschild Mining	831	-39	23.7	8%	1%	-18%	30%	
Anglo Pacific Group	329	-38	18.9	2%	9%	1%	16%	
CSR	359	-33	33.6	0%	1%	-38%	26%	
Supergroup	111	-33	7.5	-44%	-46%	-78%	-31%	
London & Stamford Pr.	610	-31	23.7	1%	6%	-17%	3%	
Gt. Portland Est.	1,120	-28	56.9	0%	1%	-14%	11%	
COLT Telecom	370	-27	14.7	2%	18%	-29%	17%	
FirstGroup	944	-26	5.8	-18%	-37%	-40%	-42%	
Hays	1,260	-24	16.3	6%	24%	-25%	39%	
Logica	1,254	-24	7.2	-22%	2%	-42%	26%	
Halfords Group	573	-21	8.6	-11%	-13%	-30%	-5%	
Homeserve	788	-21	10.0	8%	-12%	-48%	-12%	
Premier Farnell	747	-20	12.1	0%	4%	-25%	19%	
DSG International	660	-19	19.1	-5%	17%	24%	81%	
Ferrexpo	500	-19	7.0	-4%	-13%	-41%	9%	
SVG Capital	851	-542	7.4	-4%	25%	1%	35%	
Average Performance				-6%	-1%	-32%	17%	

Source: Datastream, Datacentral

Looking for the returns

- **Improving the returns:** It is clear that the outlook for developed world remains tough with ongoing sovereign concerns in Europe and significant deficits meaning austerity measures are set to remain in place for many countries. With this in mind we have sought to identify companies which are not only generating a good return for shareholders but are also forecast to improve this between 2011-13.
- **ROIC Growers:** One way of assessing this is Return on Invested Capital (ROIC), which should also reflect the impact of incremental acquisitions. In the table below we highlight companies which have a 2012 ROIC of 20% or above and are forecast to grow their ROIC between 2011 and 2013. The list below, unsurprisingly throws up a number of quality industrials but also technology stocks. We would highlight **Spirent, Spirax Sarco, The Restaurant Group and Premier Oil** from our Key Buy list.

Figure 11. FTSE 250 Companies with positive progression in ROIC and ranked by 2012e ROIC

RIC	Stock	Rating	TP	Price	Market Cap	PE	EV/EBITDA	Div Yield	ND/EBITDA	ROIC	Change in ROIC				
			£	£	(£m)	2012e	2013e	2012e	2013e	2012e	2012e	2011	2012e	2013e	2011-13
ROR.L	Rotork	2	20.87	22.29	1933.92	19.94	18.39	12.74	11.39	0.02	-0.72	48%	60%	69%	21%
PAYP.L	PayPoint PLC	n.a.	n.a.	6.45	436.90	15.27	14.05	9.05	8.24	0.04	-1.00	51%	56%	59%	8%
IGG.L	IG Group	2	5.00	4.61	1675.72	11.74	11.03	7.26	6.69	0.05	-0.90	47%	50%	50%	4%
SPT.L	Spirent Communications Plc	1	1.90	1.68	1113.43	17.40	15.87	10.04	8.85	0.01	-1.46	52%	49%	58%	7%
MCRO.L	Micro Focus International Plc	2	n.a.	4.67	764.86	12.14	11.64	7.26	6.64	0.04	-0.39	38%	42%	48%	9%
IMG.L	Imagination Technologies Group PLC	n.a.	n.a.	6.75	1781.94	50.37	37.79	34.04	24.78	0.00	-1.71	30%	40%	75%	45%
CEY.L	Centamin Egypt Limited	1	0.87	0.67	742.89	5.23	3.99	3.22	1.80	0.00	-0.94	32%	35%	43%	11%
PER.L	Perform Group	2H	3.25	3.07	692.06	31.29	22.24	20.37	13.80	0.00	-2.28	20%	33%	52%	32%
SVS.L	Savills plc	n.a.	n.a.	3.62	479.46	11.70	10.22	6.25	4.99	0.04	-1.67	27%	33%	42%	16%
MONEY.L	Moneysupermarket	2	1.45	1.32	670.22	18.04	16.13	11.15	9.79	0.04	-0.99	24%	32%	43%	19%
JEV.I	Kenmare Resources PLC	n.a.	n.a.	0.50	1213.01	8.09	8.17	12.23	5.56	0.00	1.27	3%	29%	84%	81%
ULE.L	Ultra Electronics Holdings PLC	n.a.	n.a.	16.86	1165.55	12.84	12.16	8.08	7.35	0.03	0.08	27%	29%	29%	3%
SPX.L	Spirax-Sarco	1	24.88	23.05	1793.88	17.02	15.51	10.09	8.90	0.02	-0.33	25%	29%	31%	6%
SPD.L	Sports Direct International Plc	1	3.70	3.04	1820.35	14.28	11.96	7.99	6.94	0.03	0.43	21%	28%	35%	14%
ERM.L	Euromoney Institutional Investor PLC	n.a.	n.a.	7.85	969.16	12.54	11.38	8.70	7.66	0.03	0.38	22%	26%	29%	7%
BOK.L	Booker	1	0.90	0.81	1262.53	16.35	14.91	10.47	9.15	0.03	-0.78	23%	26%	27%	4%
TLPR.L	Tullet Prebon	2	3.45	3.43	747.28	7.83	7.48	3.98	3.39	0.05	-0.83	25%	25%	33%	9%
SIAL.L	Soco International	1	3.99	2.97	1003.37	6.55	5.76	2.52	1.91	0.00	-0.44	9%	25%	27%	18%
HLMA.L	Halma	2	3.85	4.05	1527.91	15.15	14.00	10.04	8.94	0.00	-0.17	21%	24%	26%	5%
RTN.L	The Restaurant Group	1	4.00	2.88	576.52	12.24	11.25	5.97	5.36	0.04	0.25	18%	24%	26%	8%
AFRE.L	Afren	1H	1.81	1.34	1437.77	5.48	5.40	2.27	2.04	0.00	0.35	8%	23%	22%	14%
DOPR.L	Domino Printing Sciences	2	5.79	5.90	656.01	16.13	14.31	10.07	8.77	0.04	-0.58	25%	23%	26%	1%
CCC.L	Computacenter PLC	n.a.	n.a.	4.13	635.56	9.94	9.03	4.20	3.58	0.04	-1.22	23%	23%	24%	1%
HAYS.L	Hays	3	0.75	0.90	1248.18	16.39	14.56	9.97	9.01	0.03	1.06	22%	22%	25%	3%
PMO.L	Premier Oil	1	5.38	3.75	1985.30	7.63	6.54	3.35	2.59	0.00	0.54	8%	20%	20%	12%

Source: Citi Investment Research and Analysis

Capitalising on the Growth

■ **Money to spend:** As we have suggested before, FTSE 250 balance sheets are largely rebuilt, with Net Debt/EBITDA forecast to fall to 0.7x by 2013. Despite this, small/mid-cap M&A was down 17% YoY in Q112 and FTSE 250 CapEx as a % of sales is set to drop from 5.2% in 2011 to 4.7% in 2013 (see Figure 12).

■ **Identifying the investors:** In the table below we identify stocks which are continuing to increase their CapEx as a % of sales and invest in the future. Unsurprisingly, these include Utilities/infrastructure stocks (e.g. Drax or Firstgroup) but also interestingly the bookies.

■ **CapEx cutters:** Below we look at non-resource companies where CapEx is falling. We would suggest companies with good dividend cover and net cash (e.g. Easyjet and Spirent) could face pressure to return the cash.

Figure 12. FTSE 250 Performance by PE Deciles

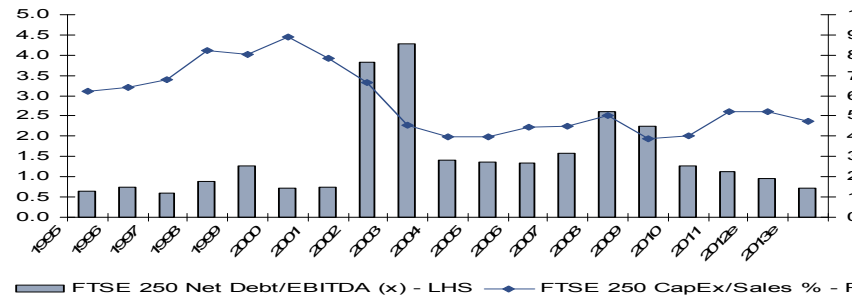


Figure 13. FTSE 250 Companies with increasing CapEx as a % of sales

Stock	Market Cap (£m)	PE		Div Yield	ND/EBITDA	Capex as % of Sales			Div Cover
		2012E	2013E	2012E	2012E	2011E	2012E	12e vs. 11	2012E
Inmarsat plc	2010.2	15.2	16.2	6.2%	3.1	58%	91%	33%	1.1
Pennon Group PLC	2646.0	16.2	14.8	3.8%	5.0	17%	23%	7%	1.6
Victrex PLC	1235.8	17.0	14.6	2.3%	-0.9	4%	11%	7%	2.6
Cable and Wireless Communications Plc	833.4	9.2	9.1	9.4%	1.6	19%	23%	4%	1.2
Drax Group Plc	1979.8	10.8	19.5	4.7%	-0.9	2%	5%	3%	2.0
National Express Gp PLC	1111.5	8.5	7.7	4.6%	2.3	5%	7%	3%	2.6
Daily Mail & Genl Trust PLC	1546.5	8.3	7.1	4.3%	1.6	3%	5%	3%	2.8
Bodycote PLC	833.9	11.5	11.0	2.8%	-0.2	8%	10%	2%	3.1
BBA Aviation	943.6	11.4	10.8	4.6%	1.4	3%	5%	2%	1.9
Howdens	784.8	9.8	9.3	0.7%	-0.1	2%	4%	2%	14.0
Britvic	928.8	10.9	9.8	4.8%	2.7	3%	4%	2%	1.9
Firstgroup PLC	963.0	6.0	5.7	12.4%	2.6	3%	4%	2%	1.3
Melrose PLC	1858.8	13.2	11.9	3.3%	1.3	3%	5%	2%	2.3
Regus	1029.9	16.8	13.6	2.9%	-1.2	11%	12%	1%	2.0
Mondi Plc	2130.0	11.9	11.2	4.2%	0.9	5%	7%	1%	2.0
Filtrona PLC	981.1	15.7	14.3	2.7%	1.0	5%	6%	1%	2.4
Go Ahead Group	487.7	8.1	8.2	7.1%	0.5	2%	3%	1%	1.7
Synergy Health Plc	457.5	13.2	12.1	2.3%	1.6	12%	13%	1%	3.3
Ladbrokes	1639.0	11.0	11.1	4.5%	1.7	8%	9%	1%	2.0
Electrocomponents	1002.4	12.4	12.0	4.9%	1.1	2%	3%	1%	1.6
Sports Direct Intl Plc	1813.8	14.2	11.9	3.4%	0.4	1%	2%	1%	2.1
Tullet Prebon	744.5	7.8	7.5	5.0%	-0.8	1%	2%	1%	2.6
William Hill	1965.8	10.7	10.6	3.7%	0.8	5%	6%	1%	2.5

Source: Citi Investment Research and Analysis

Figure 14. FTSE 250 Companies with declining CapEx as % of sales

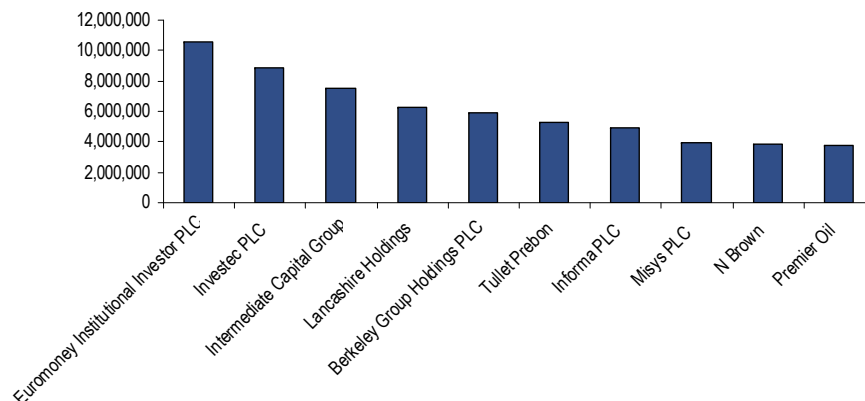
Stock	Market Cap (£m)	PE		Di Yield	ND/ EBITDA	Capex as % of Sales			Div Cover
		2012E	2013E	2012E	2012E	2011E	2012E	12e vs. 11	2012E
Telecity Group Plc	1611.0	25.8	20.8	0.8%	1.6	55%	45%	-10%	5.0
easyJet	1950.7	9.0	7.9	2.9%	-0.7	15%	9%	-6%	3.8
JD Wetherspoon	519.7	10.2	9.5	3.2%	2.9	11%	8%	-3%	3.1
Greggs	505.4	11.7	10.6	4.3%	-0.4	9%	6%	-3%	2.0
Chemring Group	621.5	5.8	5.6	5.7%	1.3	6%	4%	-2%	3.0
Lamprell	911.7	11.9	10.0	3.6%	-0.6	8%	6%	-2%	2.3
Greene King	1114.1	10.0	9.4	4.9%	4.8	15%	14%	-2%	2.0
Spirent Communications	1125.5	17.6	16.1	1.2%	-1.5	7%	6%	-2%	4.9
Spirax-Sarco	1831.2	17.4	15.8	2.3%	-0.3	7%	5%	-2%	2.5
Dunelm	1022.6	15.0	13.8	2.6%	-0.7	6%	5%	-1%	2.6
IG Group	1691.0	11.9	11.1	5.0%	-0.9	4%	3%	-1%	1.7
Informa PLC	2542.8	10.1	9.4	4.4%	1.7	4%	3%	-1%	2.2
Marston's	559.3	8.6	8.2	6.0%	5.5	16%	15%	-1%	1.9
Michael Page Group	1313.6	31.7	23.2	2.4%	-0.9	3%	2%	-1%	1.3
Stagecoach Group PLC	1440.2	9.6	10.1	3.4%	1.7	6%	5%	-1%	3.1
TUI Travel Plc	2156.6	8.1	7.7	6.2%	0.0	2%	2%	-1%	2.0
MicroFocus International	777.1	12.3	11.9	3.5%	-0.4	2%	1%	-1%	2.3
Domino Printing Sciences	657.6	16.2	14.3	3.5%	-0.6	3%	2%	-1%	1.7
Rentokil	1587.8	11.7	9.7	1.7%	2.0	9%	9%	-1%	4.9
Berendsen	894.4	10.3	9.7	4.7%	1.5	19%	18%	-1%	2.1
Perform Group	690.4	31.2	22.2	0.0%	-2.3	4%	3%	-1%	N/a!
Dixons Retail PLC	654.3	19.5	16.8	0.0%	0.4	3%	1%	-1%	N/a

Source: Citi Investment Research and Analysis

Do you get what you pay for?

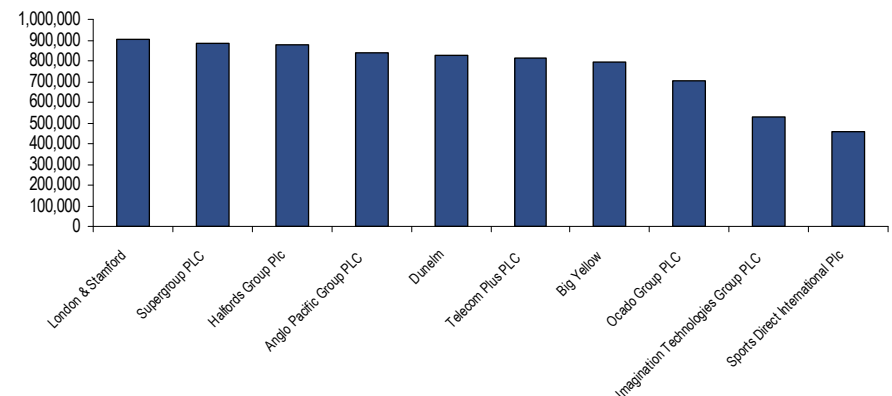
- **Management remuneration on the agenda:** With the AGM season in mid flow, discussions over management remuneration are front page news. In this section, we look in detail at the management remuneration for 177 of the FTSE 250 stocks; we exclude the REITs and 9 stocks that have yet to issue their annual reports (Bumi, Afren, Kenmare, Petropavlosk, Exillon, Lamprell, Salamander, Rank and Ophir).
- **Best value for money:** We have evaluated management compensation (defined as Salary, Bonus and Benefits) using 3 methods;
 - **Management Cost (Chairman, CEO and CFO)/Market Cap** (see Figure 17 and Figure 20): Clearly this favours the largest companies, with Imagination Tech, Croda, IG and Rightmove coming out well.
 - **Management cost as % of EBITDA generated** (see Figure 18 and Figure 21): Ferrexpo, Enquest and Sports Direct emerge as good value, although in the case of the latter there is a significant LTIP scheme.
 - **Board cost vs. Share price performance** (see Figure 19 and Figure 22): We have done this by looking at £ per 1% of outperformance generated. By definition this penalises share price decliners, so the most expensive here are still less expensive than the decliners (36 stocks fell over the period). Stocks that come out well include Senior, Fenner, Oxford Instruments, Elementis and Rightmove. Conversely, the most expensive stocks are Soco, Homeserve, Drax and Bellway — each cost over £500,000 for each 1% share price increase since the market trough
- **What does this all mean?** We fully accept this is only one way to assess management, however hopefully it sparks some debate and conversation amongst mid-cap investors. This methodology also does not factor in LTIP's or future profit share schemes, for example Sports Direct management remuneration will be considerably higher going forward if they hit their goals, and part of that is catch-up on previous years. However, executive pay is and will remain a contentious issue, and alignment between shareholders and management can only be a good thing. We look forward to hearing your views on this.

Figure 15. Top 10 Companies by aggregate compensation for management team



Source: Company Reports

Figure 16. Top 10 Companies by aggregate compensation for management team



Source: Company Reports

Figure 17. Most expensive Top 3 by % Market cap

Stock	% MCAP
Euromoney Institutional	1.1%
Intermediate Capital Group	0.7%
Tullet Prebon	0.7%
Kesa Electricals PLC	0.7%
Heritage Oil	0.7%
JD Sports Fashion PLC	0.7%
Kentz Corp Ltd	0.6%
N Brown	0.6%
Allied Gold Mining PLC	0.6%
Northgate PLC	0.5%
F&C Asset Management Plc	0.5%
Savills plc	0.5%
Cranswick PLC	0.5%
Lancashire Holdings	0.5%
Interserve PLC	0.5%
Go Ahead Group	0.5%
Unite	0.4%
Dairy Crest Group PLC	0.4%
Investec PLC	0.4%
Shanks Group PLC	0.4%

Source: Citi Investment Research and Analysis/Company

Figure 20. Least expensive Top 3 by % Market cap

Stock	% MCAP
Sports Direct International Plc	0.03%
Imagination Technologies	0.03%
Croda International PLC	0.05%
IG Group	0.06%
Rightmove PLC	0.06%
Cookson Group PLC	0.06%
Hiscox Ltd	0.07%
Rotork	0.08%
Dunelm	0.08%
Babcock	0.08%
John Wood Group PLC	0.08%
Spirax-Sarco	0.08%
Taylor Wimpey PLC	0.09%
St. James's Place PLC	0.09%
PZ Cussons PLC	0.09%
Booker	0.09%
AZ Electronic Materials SA	0.09%
Travis Perkins PLC	0.09%
Spectris	0.09%

Source: Citi Investment Research and Analysis/Company

Figure 18. Most expensive Top 3 by % EBITDA

Stock	% EBITDA
Euromoney Institutional Investor	8.7%
Allied Gold Mining PLC	6.6%
Kentz Corp Ltd	6.3%
Carpetright PLC	4.9%
Intermediate Capital Group	4.7%
Savills plc	4.2%
Domino Printing Sciences	4.0%
Befair Group PLC	3.9%
F&C Asset Management Plc	3.9%
Misys PLC	3.8%
Moneysupermarket	3.8%
BTG PLC	3.7%
Genus PLC	3.7%
Capital & Counties	3.6%
Bovis Homes Group PLC	3.6%
Berkeley Group Holdings	3.5%
Tullet Prebon	3.4%
N Brown	3.3%
PayPoint PLC	3.3%
Renishaw	3.3%

Source: Citi Investment Research and Analysis/Company

Figure 21. Least expensive Top 3 by % EBITDA

Stock	% EBITDA
Firstgroup PLC	0.18%
Sports Direct International Plc	0.21%
Ferrexpo PLC	0.34%
EnQuest	0.35%
Mondi Plc	0.37%
Cookson Group PLC	0.38%
Inmarsat plc	0.39%
St. James's Place PLC	0.41%
TUI Travel Plc	0.43%
Cable and Wireless Communications	0.43%
African Barrick Gold Plc	0.49%
International Personal Finance Plc	0.49%
IG Group	0.52%
Northgate PLC	0.52%
Drax Group Plc	0.52%
Logica PLC	0.53%
Stagecoach Group PLC	0.53%
TalkTalk Telecom Group PLC	0.53%
Croda	0.56%

Source: Citi Investment Research and Analysis/Company

Figure 19. Most expensive Top 3 by £ per 1% share increase

Stock	£ per 1% share increase last 3 years
Soco International	1,252,572
HomeServe	611,189
Drax Group Plc	599,370
Bellway PLC	596,422
Hays	518,355
Logica PLC	485,353
Investec PLC	460,168
TalkTalk Telecom Group PLC	330,255
Bovis Homes Group PLC	246,700
Grainger	230,035
Berkeley Group Holdings PLC	206,424
De La Rue	192,639
Colt Group SA	189,214
Greene King	180,654
Tullet Prebon	174,371
Close Brothers Group PLC	163,401
Intermediate Capital Group	138,919
Catlin Group Ltd	133,591
Carillion	130,574
Smith WH PLC	123,303

Source: Citi Investment Research and Analysis/Company

Figure 22. Least expensive Top 3 by £ per 1% share increase

Stock	£ per 1% share increase last 3 years
Sports Direct International Plc	1,306
Oxford Instruments PLC	1,931
Elementis PLC	2,543
Fenner	2,565
Senior	2,626
Rightmove PLC	2,634
Cape Intermediate Holdings PLC	2,770
Yule Catto & Co PLC	3,772
Devro PLC	3,988
Cookson Group PLC	4,013
Diploma PLC	4,131
RPC Group PLC	4,579
Melrose PLC	4,927
Anglo Pacific Group PLC	4,996
Croda International PLC	5,035
Filtron PLC	5,073
AVEVA Plc	5,406
Telecom Plus PLC	5,644
Ashtead Group PLC	5,950

Source: Citi Investment Research and Analysis/Company



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Key Buy Portfolio

UK Small & Mid-Cap Key Buy List

UK Small & Mid-Cap Key Buy List - Fundamental Analyst View

Babcock (BAB.L)

Hugo Mills

Buy/	1		
Price (01-May-2012)	£8.22		
Target Price	£8.45		
MarketCap (GBP M)	2,952		
	2011A	2012E	2013E
PE	15.0	13.2	11.8
PCF	9.9	11.0	10.1
Dividend Yield (%)	2.4	2.6	2.9

- **Order book building well:** The recent trading update confirmed that the business continues to trade well with the order book at c.£12.5bn by FY12 prelims (vs. £12bn in November 2011). Further, its strong order book means it remains well positioned to meet our FY12 and FY13 forecasts. Significant opportunities remain on a medium term basis which means we expect the pipeline (currently c£12bn) to increase over the next 6-12 months (e.g. Magnox decommissioning or Total Fleet management).
- **VT synergies to offer margin upside:** We continue to believe the VT acquisition makes strategic sense and that Babcock is well positioned to deliver/exceed the £50m in synergies by the end of FY13.
- **Valuation remains attractive:** Despite its strong performance in 2011, we continue to believe the shares remain attractively valued at c11.8x FY13E PE, we retain our 845p TP.

Balfour Beatty (BALF.L)

David I Phillips

Buy/	1		
Price (01-May-2012)	£2.65		
Target Price	£3.72		
MarketCap (GBP M)	1,823		
	2011A	2012E	2013E
PE	7.5	7.4	6.9
PCF	-453.1	27.3	9.3
Dividend Yield (%)	4.9	5.1	5.3

- **Underappreciated international exposure** – Balfour is often associated with its UK roots; however, in recent years, the group has significantly grown its international exposure. Following the Parsons Brinckerhoff acquisition, international earnings are now larger than domestic.
- **Margin mix improving** – The changing business mix towards recurring services and white collar professional services (mainly consulting engineering) should increase the group margin over coming years, in our view. We also see significant scope for value creation via PFI investments and sales of existing schemes.
- **Cheap valuation** – The shares are trading on a substantial discount to our already conservative sum-of-the-parts valuation. The 2012E PER of (c.7.4.x) is a big discount to Balfour's history and the quoted US/European peers. Investors also benefit from an estimated c. 5% dividend yield, which we think is very solid

Booker (BOK.L)

Alastair A Johnston

Buy/	1		
Price (01-May-2012)	£0.81		
Target Price	£0.90		
MarketCap (GBP M)	1,263		
	2011A	2012E	2013E
PE	21.3	18.0	15.9
PCF	16.1	13.7	13.5
Dividend Yield (%)	2.1	2.8	3.2

- Calendar 4Q11 LFL growth of 5.8% ex-tobacco was an acceleration on the previous quarter in the context of macro-economic deterioration. It seems that the more stress felt by the industry, the more sales are shed by Booker's wholesale competitors which are forcing up pricing due to their financial weakness.
- We have a high degree of confidence that our £88m EBIT expectation for FY12/13 will be met or even exceeded despite the fact that Booker is now loading the 2H11/12 P&L with £1.5m of exceptional costs
- **We expect value-enhancing M&A over the medium term:** Booker's strong commercial position and net cash holdings put it in a strong position, in our view.

Carphone Warehouse (CPW.L)

Richard Edwards

Buy/	1		
Price (01-May-2012)	£1.33		
Target Price	£1.60		
MarketCap (GBP M)	626		
	2011A	2012E	2013E
PE	9.2	12.1	11.4
PCF	156.1	205.2	302.9
Dividend Yield (%)	3.8	2.9	2.9

- **CPW Europe - growth mode:** The wireless world format rollout, a multi-year smartphone and tablet product cycle, and materially beneficial new network terms drive +8% EBIT CAGR (2012-15E) from CPW Europe.
- **Other assets – optionality:** Our SoTP values the Cash at £104m, property at £74m, Virgin Mobile France at £77m, Global Connect venture at nil, less £62m for central overheads. We expect the cash, property and Virgin Mobile valuations to be realised and pass back to shareholders over the next 24 months.
- **Attractive on medium term basis** – Stripped of property and cash, Carphone Group trades on a Mar-13E PE of c.8x and looks attractively valued on a medium term basis.

UK Small & Mid-Cap Key Buy List - Fundamental Analyst View (Continued)

De La Rue (DLAR.L)

Ed Steele

Buy/			1
Price (01-May-2012)			£9.74
Target Price			£10.55
MarketCap (GBP M)			969
	2011A	2012E	2013E
PE	40.7	22.0	16.7
PCF	41.4	13.0	11.8
Dividend Yield (%)	4.3	4.3	4.6

- **We consider De La Rue a play on geopolitical volatility and new currency creation.** Our proprietary database of De La Rue's clients continues to point towards encouraging near term growth momentum alongside potentially very large contract tenders in the years ahead.
- In addition to operational gearing from sales growth, new CEO Tim Cobbold's cost efficiency strategy should bring an extra c£30m EBITA recovery
- Our 1055p price target represents normalised 18-20% EBITA margins and 20% market premium PE (around the level it settled in the last cycle), on our estimates.

easyJet (EZJ.L)

Andrew Light

Buy/			1
Price (01-May-2012)			£5.04
Target Price			£5.80
MarketCap (GBP M)			1,992
	2011A	2012E	2013E
PE	9.7	9.4	8.5
PCF	4.9	5.1	4.8
Dividend Yield (%)	9.0	2.8	3.0

- **Positive outlook for low cost carrier (LCC) sector in a European recession, especially the two largest players** - Even though we expect overall intra- Europe air travel demand to fall by c.2% in 2012, we expect LCCs to experience a 2% rise, consistent with previous recessions, as leisure and business travellers 'trade down' and as unprofitable and higher cost flag carriers, charter airlines and sub-scale LCCs reduce capacity, and some even fail, in the face of high oil prices. easyJet is preferred over Ryanair (RYA.L; €4.21; 1) on valuation and management/self-help grounds.
- **Sustainable income generation for shareholders** - Long-run sustainable FCF yield is c.12% p.a. at the current share price and its historical average operating margin of 6%. Given its target capital structure of zero net debt, we would expect easyJet to improve on its current 20% dividend payout, which currently yields c.2.8% p.a. Pressure from Stelios could lead to further special dividends.
- **Good valuation support despite recent out-performance** - easyJet's P/E of c.9x FY12E EPS appears undemanding compared to Ryanair's 12.5x over the same period and values easyjet at little more than a typical mature flag carrier, despite easyJet earning an historical average ROE of c.11% compared to our estimated cost of equity of 7.5%.

Fenner (FENR.L)

David I Phillips

Buy/			1
Price (01-May-2012)			£4.50
Target Price			£5.51
MarketCap (GBP M)			871
	2011A	2012E	2013E
PE	16.2	12.5	11.3
PCF	12.7	9.6	8.0
Dividend Yield (%)	1.8	2.0	2.3

- **Strong competitive position** - Fenner looks to be in a strong competitive position in its core conveyor belt operations (70% sales), which mainly service thermal coal mining Opex. Advanced Engineering Products gives good optionality on product commercialisation to critical markets like Medical and Oil & Gas, while the strong focus on profitability (20% medium term operating margin target) demonstrates profit focus.
- **Historic capex** - Both sides of the business are benefiting from major levels of historic capex. Between 2006 and 2009, Fenner invested nearly £150m in its capital base (peaking in 2008 in the midst of the recession), with capex in FY 2011 was only £15m. Investors can therefore reap the benefits of both this historic investment, together with significantly enhanced cashflows.
- **Undervalued** - We think Fenner has good earnings momentum and would not be surprised by consensus moving upwards through 2012. With bolt-on M&A likely to add to the investment case, we think the shares remain undervalued.

Informa PLC (INF.L)

Ruchi Malaiya, CFA

Buy/			1
Price (01-May-2012)			£4.16
Target Price			£5.30
MarketCap (GBP M)			2,507
	2011A	2012E	2013E
PE	11.0	9.9	9.2
PCF	11.5	9.3	8.7
Dividend Yield (%)	4.0	4.5	4.8

- **Global Scalable Assets At The Right Price** - We like INF's mix of Academic Publishing, Professional & Commercial Information and Event & Training, each c1/3 of EBIT. Each enjoys a strong competitive position, low exposure to advertising and opportunities for international expansion.
- **Balance Sheet A Differentiator** - We forecast 1.7x net debt/EBITDA FY12E allowing room for at least £150m of bolt-ons while remaining <2x levered. Absent sufficient opportunities we believe we could see a buyback (£100m --> 4% EPS accretive).
- **Attractive Valuation** — 9.2x 2013E PE, 8.0x 13 EV/EBITDA looks too cheap to us in the context of 9% EPS CAGR 2011E-14E and a 4.5% 2012E dividend yield.

UK Small & Mid-Cap Key Buy List - Fundamental Analyst View (Continued)

Inchcape PLC (INCH.L)

Richard Edwards

Buy/			1
Price (01-May-2012)			£3.68
Target Price			£4.70
MarketCap (GBP M)			1,698
	2011A	2012E	2013E
PE	10.5	9.6	8.7
PCF	9.0	12.7	8.4
Dividend Yield (%)	3.0	3.3	3.7

- Despite recovery during 2H11 (group 2HE LFL +3.3% vs. 1H -6.2%), Inchcape's revenues remain c.-15% below peak. With Russia and the other EM (Baltics, Balkans, Lat Am) now growing sales in double digits and a Chinese rollout starting, we believe EM will be the largest group profit contributor, accounting for c.30% of group EBIT by 2014E. INCH remains a high-quality cyclical, with 2/3 profit exposure to Asia-Pacific and EM, underpinning our double-digit compound EPS growth forecast agenda. We retain our Buy rating on the shares.
- Inchcape releases its 1Q IMS on 10 May. We forecast a +2% 1Q LFL. This is driven by our review of monthly trends across Inchcape's key markets. This suggests strong growth in Emerging Markets LFL (+25%, including Russia), c.+5% growth in the UK and Australia, flat Hong Kong demand, and double-digit declines in Singapore (COE issuance) and Europe (driven by Greece). This forecast is consistent with our full-year LFL forecast of +2% and £246million December 2012E PBT (EPS 38.4p, +10% yoy).
- Our 470p target price references 7x Dec 2013E EV/EBIT multiple, broadly in line with the group's historic average. This target price equates to 11x PE and a 3% dividend yield (2013E).

Mondi Plc (MNDI.L)

Tassin Meyer

Buy/			1
Price (01-May-2012)			£5.69
Target Price			£7.00
MarketCap (GBP M)			2,761
	2011A	2012E	2013E
PE	9.7	11.6	11.0
PCF	4.0	6.3	4.3
Dividend Yield (%)	4.0	4.3	4.6

- **Buy, £7.00 / ZAR90 TP** - Despite strong qualitative factors to support a premium rating, Mondi continues to trade at a discount to peers on EV/EBITDA and its ROIC/WACC valuation. A strong balance sheet and access to preferred packaging grades in high growth developing markets underpins our positive view on Mondi. As Mondi's earnings delivery history is now established, we believe it should continue to re-rate relative to peers.
- **Cash still growing** — A repeat of Mondi's FY11 strong cash inflows is not expected in FY12e. However, even with capex rising (on new efficiency and energy projects) and weaker earnings YoY, we forecast net debt levels to continue declining in FY12e. Mondi appears in little danger of losing its investment grade credit rating, so we retain our view that opportunity to increase shareholder distributions remains if and once the Polish acquisitions are completed and markets improve.
- **New projects** — Energy is the new focus for paper companies and Mondi's energy capex plans reflects this focus on costs and high return energy projects. If Mondi's targeted ROCE levels on energy capex are attained, we estimate a c.12% contribution annually to group EBIT, by 2014e.
- **2012 key issues** — Swiecie minority offer; continued Western European macro weakness; rising energy capex spend; acquisition opportunities

Persimmon PLC (PSN.L)

Clyde Lewis

Buy/			1
Price (01-May-2012)			£6.23
Target Price			£8.00
MarketCap (GBP M)			1,884
	2011A	2012E	2013E
PE	18.4	14.0	11.1
PCF	23.0	26.8	19.2
Dividend Yield (%)	1.6	0.0	12.0

- **Solid operating performance** -Persimmon has emerged strongly from the recession helped by its strong operating skills and healthy land bank. Margins look set to make good progress.
- **Essentially ungeared** — Net debt of only £15m equates to c.1% gearing, despite adding a net 3500 housing plots in H1. The land bank of c62,000 plots sets PSN up well for future growth, we believe.
- **Good value** — the company's drive to return a large chunk of capital over the next decade or so is now a major driver behind our target price along with our P/NAV target multiples.

Premier Oil (PMO.L)

Michael J Alsford

Buy/			1
Price (01-May-2012)			£3.75
Target Price			£5.38
MarketCap (GBP M)			1,985
	2011A	2012E	2013E
PE	23.8	7.6	6.5
PCF	7.6	3.0	2.4
Dividend Yield (%)	0.0	0.0	0.0

- **Sanctioning of new projects** — From its growing pre-development asset portfolio, Premier could sanction up to 3/4 new projects in its development portfolio over the next 12 months. We have included 96p/share risked for these projects in our base NAV of 594p/share, but unrisks we estimate these could be worth up to 134p/share.
- **Potential for acquisitions** — We believe Premier could use its strong balance sheet (c. US\$1.1bn of available financing) and tax operating losses in the UK (c. US\$1.1bn) to target new opportunities and add to the existing portfolio
- **Pick up in exploration newsflow into 2012** — despite a disappointing 2011, Premier plans an active 2012 drilling programme (c. 25 wells) in the UK, Norway, Vietnam and Indonesia. In total, we have included 31p/share risked in our base NAV of 594p/share for exploration, but unrisks we estimate it could be worth up to 205p/share.

UK Small & Mid-Cap Key Buy List - Fundamental Analyst View (Continued)

The Restaurant Group (RTN.L)

James Ainley

Buy/	1
Price (01-May-2012)	£2.88
Target Price	£4.00
MarketCap (GBP M)	577
	2011A 2012E 2013E
PE	13.2 12.2 11.3
PCF	7.6 6.7 6.3
Dividend Yield (%)	3.6 4.0 4.4

- **Market leader on Leisure parks and airports** - RTN operates c400 restaurants mainly in leisure/retail parks and airports under a variety of brands including Frankie & Benny's, Chiquito, Garfunkel's and Blubeckers. 90% of the sites are leased. The business has largely exited the competitive high street market.
- **Strong track record** - The group has built a strong track record of EPS growth over the last 10 years (CAGR of 16%). This has been driven by high ROIs (2-3 year paybacks on new sites, group ROCE of 25%) and we expect the group to continue opening c25 (c6%) new sites pa. Expansion is comfortably fundable out of cash flow and the company has the lowest leverage of the peer group (0.5x net debt/EBITDA).
- **Cash flow drives bullish stance** — RTN trades on only 5.8x FY12E EV/EBITDA vs sector peers on c7.2x and offers a 4.0% dividend yield. The PE at 12.2x FY12 reflects the group's low leverage but we believe a premium is deserved given its track record and the scope for substantial cash returns. (eg £100m buyback would be c14% enhancing and take net debt/EBITDA to 1.5x)

Safestore (SAFE.L)

Hugo Mills

Buy/	1
Price (01-May-2012)	£1.13
Target Price	£1.70
MarketCap (GBP M)	212
	2011A 2012E 2013E
PE	13.2 12.0 10.6
PCF	8.3 6.5 6.1
Dividend Yield (%)	4.7 5.0 5.4

- **UK's largest self storage operator** — Safestore ("SAFE") is the UK's largest self-storage owner/operator with 133 stores (121 wholly owned and remaining 12 managed) bringing the total capacity to c.5m sq ft. SAFE has been looking to increase its exposure to business customers, meaning that they now account for c.50% of occupied space.
- **Strong Q112 update**: The company posted a strong Q112 update with revenues up 7% YoY at £25m driven by closing occupancy up to 63% (vs. 58% in Q112) and REVPAF slightly higher at 19.24 (+3% yoY). reflecting management's focus on driving occupancy continues to work.
- **Short term uncertainty but good upside**: Short term the company faces the headwind of having to charge VAT on its UK consumers (38% of revenues) from 1st October and so this could impact demand. That said this is largely reflected in the price and we continue to see good upside if the company can drive utilisation over 2-3 years to c.75% on its current footprint (c. 12% of revenues).

Senior (SNR.L)

David I Phillips

Buy/	1
Price (01-May-2012)	£2.13
Target Price	£2.30
MarketCap (GBP M)	862
	2011A 2012E 2013E
PE	15.1 13.0 11.9
PCF	11.5 10.9 9.5
Dividend Yield (%)	1.8 2.1 2.2

- **Good visibility on earnings** — Senior's Civil Aerospace OEM in particular adds visibility via very long term order books. Management has a clear and low risk strategy of gaining greater amounts of revenue on individual platforms at consistent margins.
- **Highly cash generative** — Senior has converted 125% of EBIT into Cash on average over the last 7 years. Moreover, the overall FCF / Sales conversion since 2008 has been 13.1% (post capex basis).
- **Valuation supportive** — The stock trades on c.7x 2012E EV/EBITDA and a modest c.13x PER given the consistency of cash returns and strength of operations

Spirax-Sarco (SPX.L)

David I Phillips

Buy/	1
Price (01-May-2012)	£23.05
Target Price	£24.88
MarketCap (GBP M)	1,794
	2011A 2012E 2013E
PE	18.7 17.0 15.5
PCF	24.2 14.0 12.8
Dividend Yield (%)	2.1 2.4 2.6

- **Structural grower** - We view Spirax Sarco as a classic "Growth at a reasonable price" stock. We see strong elements of structural growth in the company's markets (energy cost saving, carbon reduction requirements), a trend made more significant by SPX's strong market positioning. One of Spirax's key differentiators and barriers to entry is its 1400-strong technical sales force, which generates around 70% of the Group's sales.
- **2012 should be strongly cash generative** - 2011 saw c.£43m of working capital investment, with c.£15-20m of buffer stock likely to reverse in 2012. Capex is also coming off a high rate (we model a £15m decline by 2013E), so investors should see very good cash generation.
- **Valuation** - In our view, the share have core holding characteristics and although 2011 was quiet on the M&A front, we think management remain active on this front. Our DCF-based price target is 2488p.

UK Small & Mid-Cap Key Buy List - Fundamental Analyst View (Continued)

Spirent Communications Plc (SPT.L)

Zahid Hussein

Buy/			1
Price (01-May-2012)			£1.68
Target Price			£1.90
MarketCap (GBP M)			1,113
	2011A	2012E	2013E
PE	18.4	17.4	15.9
PCF	18.2	16.6	15.6
Dividend Yield (%)	1.1	1.2	1.2

- **Leading tech play** — Cheapest (~15x P/E-ex cash 2012E) UK tech play on Smartphones and Tablets and next generation networking (IP/LTE), in our view
- **Market share gains** — Significant addressable market expansion expected on an 18-24 month view.
- **Cash** — Net cash c.14% of market cap could lead to increasing returns to shareholders or acquisitions, in our view.

Travis Perkins PLC (TPK.L)

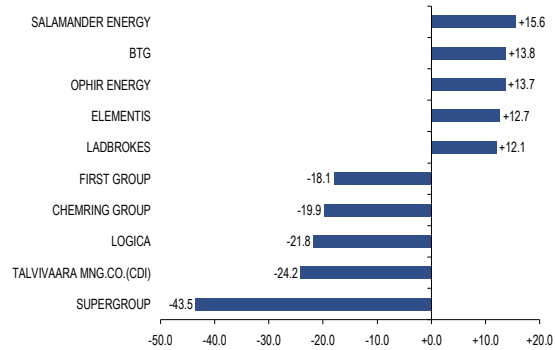
Aynsley Lammin

Buy/			1
Price (01-May-2012)			£10.44
Target Price			£12.20
MarketCap (GBP M)			2,549
	2011A	2012E	2013E
PE	11.6	11.1	9.6
PCF	6.5	5.5	5.1
Dividend Yield (%)	1.9	2.4	2.9

- **Leading merchant** — Leading UK merchant with an enhanced position in lightside distribution.
- **Difficult trading environment** — but the group continues to gain share vs its peer group
- **Sound balance sheet** — despite the BSS deal the group's balance sheet is in respectable shape

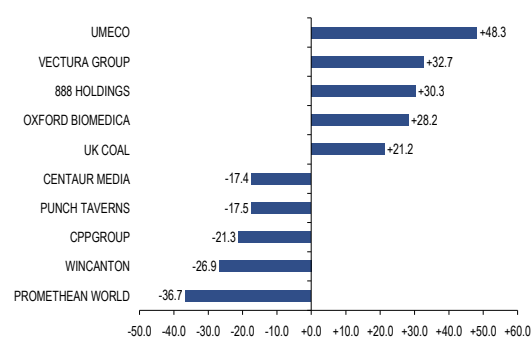
Stock Winners & Losers

Figure 23. FTSE 250 Top and Bottom Performers Last Month



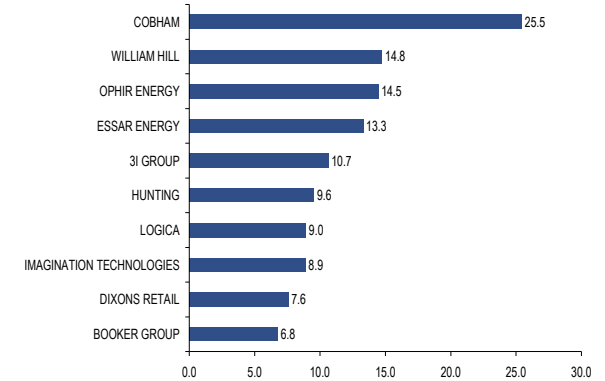
Source: Datastream

Figure 25. FTSE SC Top & Bottom Performers Last Month



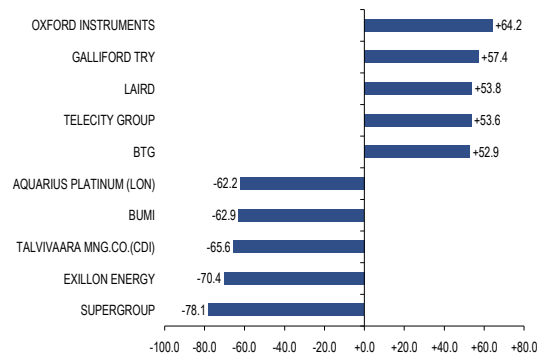
Source: Datastream

Figure 27. FTSE 250 Index Attribution Last Month



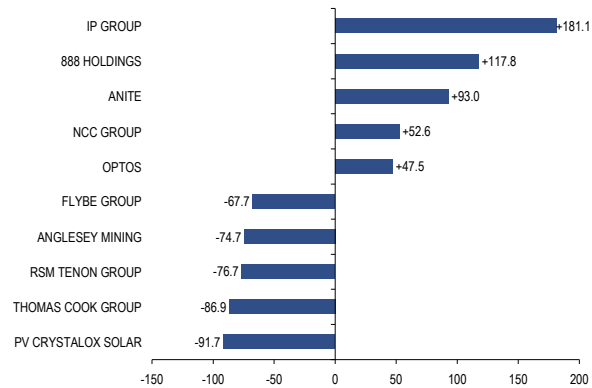
Source: Datastream

Figure 24. FTSE 250 Top and Bottom Performers Rolling 12m



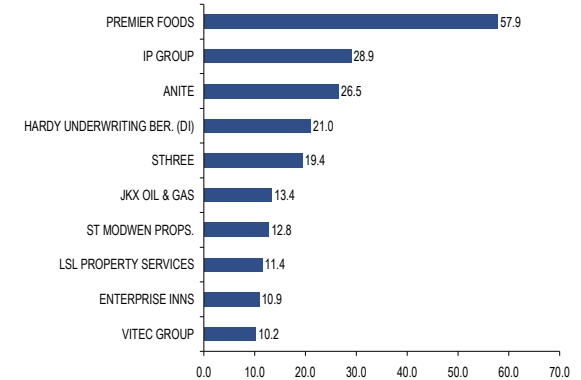
Source: Datastream

Figure 26. FTSE SC Top & Bottom Performers Rolling 12m



Source: Datastream

Figure 28. FTSE SC Index Attribution Last Month



Source: Datastream

Loved & Unloved

Figure 29. Most Loved Ten FTSE 250 Stocks

Company	IBES Rec	Movement on Month	YTD Chg (%)
FENNER (FENR.L)	1.0	↑	12.5
ITE GROUP (ITE.L)	1.2	↑	10.7
RPS GROUP (RPS.L)	1.2	↔	31.6
LAMPRELL (LAM.L)	1.4	↓	29.5
SPORTS DIRECT INTL. (SPD.L)	1.4	↑	41.6
SMITH (DS) (SMDS.L)	1.5	↓	23.0
YULE CATTO (YULC.L)	1.5	↑	41.7
SHANKS GROUP (SKS.L)	1.5	↑	1.9
BABCOCK INTL. (BAB.L)	1.5	↑	13.0
SENIOR (SNR.L)	1.6	↑	24.6

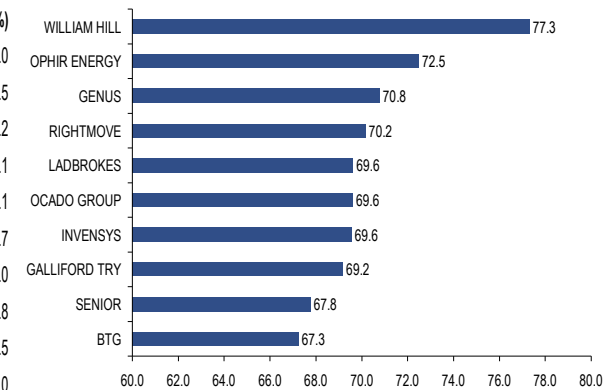
Source: Datastream

Figure 31. Most Loved Ten FTSE Small-Cap Stocks

Company	IBES Rec	Movement on Month	YTD Chg (%)
HILL & SMITH (HILS.L)	1.0	↑	32.0
RENOLD (RNO.L)	1.0	↔	20.5
VOLEX (VLX.L)	1.0	↔	1.2
LAVENDON GROUP (LVD.L)	1.2	↓	38.1
DIALIGHT (DIAL.L)	1.2	↑	48.1
RICARDO (RCDO.L)	1.3	↑	-5.7
VECTURA GROUP (VEC.L)	1.3	↓	28.0
CONSORT MEDICAL (CSRT.L)	1.4	↓	22.8
HYDER CONSULTING (HYC.L)	1.4	↑	6.5
ANITE (AIE.L)	1.5	↔	33.0

Source: Datastream

Figure 33. FTSE 250 RSI Top 10



Source: Datastream

Figure 30. Most Unloved Ten FTSE 250 Stocks

Company	IBES Rec	Movement on Month	YTD Chg (%)
CARPETRIGHT (CATVJ.L)	4.5	↔	25.0
HOME RETAIL GROUP (HOME.L)	3.9	↑	27.8
KESA ELECTRICALS (KESAL)	3.6	↑	-19.0
OCADO GROUP (OCDO.L)	3.3	↔	138.6
PZ CUSSONS (PZC.L)	3.3	↓	-5.1
SUPERGROUP (SGP.L)	3.3	↓	-31.5
ELECTROCOMP. (ECML.L)	3.2	↓	21.0
FIRST GROUP (FGP.L)	3.2	↓	-42.4
HOMESERVE (HSV.L)	3.2	↑	-11.9
MICHAEL PAGE INTL. (MPI.L)	3.2	↓	19.2

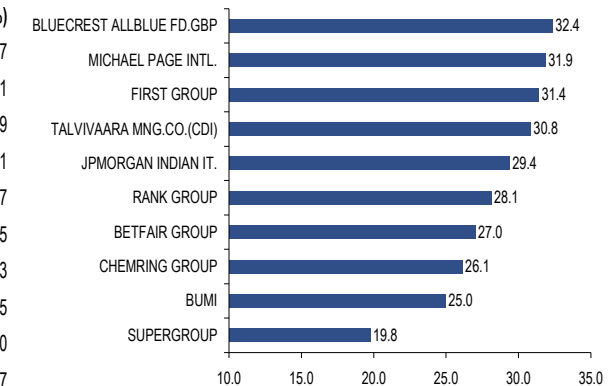
Source: Datastream

Figure 32. Most Unloved Ten FTSE Small-Cap Stocks

Company	IBES Rec	Movement on Month	YTD Chg (%)
MOTHERCARE (MTC.L)	3.5	↑	2.7
FLYBE GROUP (FLYB.L)	3.5	↔	6.1
PV CRYSTALOX SOLAR (PVCS.L)	3.4	↑	2.9
SEVERFIELD-ROWEN (SFR.L)	3.4	↓	11.1
PREMIER FOODS (PFD.L)	3.3	↑	179.7
THOMAS COOK GROUP (TCG.L)	3.2	↓	52.5
YELL GROUP (YELL.L)	3.1	↑	-26.3
HARDY OIL & GAS (HAOG.L)	3.0	↓	1.5
PACE (PIC.L)	3.0	↑	1.0
TOPPS TILES (TPT.L)	3.0	↓	46.7

Source: Datastream

Figure 34. FTSE 250 RSI Bottom 10



Source: Datastream

Stocks Close to All Time High/Lows

■ Following recent rally, 47 stocks are within 10% of all-time highs. However, this is lower than the number of companies as at 01 August, when 52 Mid-caps were within 10% of highs.

■ 5 FTSE 250 stocks are within 10% of their all-time lows.

Figure 35. FTSE 250 stocks within 10% of All Time Highs

Name	Price	High	%	Name	Price	High	%
Spectris	1886.0	1886.0	100.00%	Imagination Technologies Group PLC	687.5	717.0	95.89%
Sports Direct International Plc	302.2	302.2	100.00%	Filtrona PLC	464.4	484.5	95.85%
Rightmove PLC	1541.0	1541.0	100.00%	Temple Bar Investment Trust PLC	926.0	970.0	95.46%
Elementis PLC	208.1	208.1	100.00%	Oxford Instruments PLC	1224.0	1285.0	95.25%
MITIE	291.7	292.3	99.79%	Halma	405.1	429.6	94.30%
Diploma PLC	458.6	459.6	99.78%	AZ Electronic Materials SA	318.3	338.1	94.14%
Rotork	2207.0	2222.0	99.32%	Euromoney Institutional Investor PLC	785.0	834.4	94.08%
Telecity Group Plc	807.0	813.0	99.26%	RPC Group PLC	369.3	393.2	93.92%
John Wood Group PLC	781.0	787.5	99.17%	Hiscox Ltd	398.4	424.7	93.81%
Melrose PLC	437.1	441.6	98.98%	Fenner	450.8	483.7	93.20%
Spirax-Sarco	2306.0	2334.0	98.80%	Rathbone Brothers PLC	1323.0	1420.0	93.17%
3i Infrastructure Plc	126.2	128.0	98.59%	Electra Private Equity PLC	1666.0	1790.0	93.07%
Ophir Energy	577.0	586.0	98.46%	Dunelm	511.5	550.0	93.00%
Hunting PLC	951.0	968.0	98.24%	AVEVA Plc	1666.0	1799.0	92.61%
Genus PLC	1412.0	1439.0	98.12%	Jardine Lloyd Thompson Group PLC	703.0	764.5	91.96%
Lancashire Holdings	805.0	821.0	98.05%	Alliance Trust PLC	361.0	392.7	91.93%
Pennon Group PLC	736.0	751.0	98.00%	Ashtead Group PLC	248.5	271.1	91.66%
Capital & Counties	199.0	203.7	97.69%	City of London Investment Trust PLC	293.3	320.5	91.51%
Dignity PLC	840.0	860.0	97.67%	Catlin Group Ltd	422.0	461.6	91.42%
Babcock	831.0	851.0	97.65%	Senior	213.0	233.2	91.33%
HICL Infrastructure Co Ltd	120.0	123.7	96.99%	Victrex PLC	1452.0	1590.0	91.32%
International Public Partnerships Ltd	117.7	121.7	96.71%	Smith WH PLC	527.0	581.1	90.69%
Perpetual Income and Growth Investment Trust PLC	266.6	276.0	96.59%	Monks Investment Trust Public Ltd Co	338.5	375.8	90.09%
Perform Group	305.0	317.2	96.15%				

Source: dataCentral, CIRA

Figure 36. FTSE 250 stocks within 10% of All Time Lows

Name	Price	Low	%	Name	Price	Low	%
African Barrick Gold Plc	359.3	351.2	2.31%	Supergroup PLC	347.8	335.0	3.82%
New World Resources	406.8	396.3	2.65%	Bumi PLC	518.5	496.0	4.54%
Kesa Electricals PLC	54.5	52.8	3.22%				

Source: dataCentral, CIRA

Stocks Close to 1 Year High

Figure 37. One hundred and four FTSE 250 stocks within 10% of 12m High

Name	Price	High	%	Name	Price	High	%
Senior	213.0	213.0	100.00%	Cookson Group PLC	725.5	747.5	97.06%
Elementis PLC	208.1	208.1	100.00%	Euromoney Institutional Investor PLC	785.0	809.5	96.97%
Spectris	1886.0	1886.0	100.00%	International Public Partnerships Ltd	117.7	121.7	96.71%
Rathbone Brothers PLC	1323.0	1323.0	100.00%	Perpetual Income and Growth Investment Trust PLC	266.6	276.0	96.59%
Rightmove PLC	1541.0	1541.0	100.00%	Personal Assets Trust PLC	34070.0	35350.0	96.38%
Sports Direct International Plc	302.2	302.2	100.00%	Perform Group	305.0	317.2	96.15%
Galliford Try PLC	653.0	653.0	100.00%	FCPT Holdings Ltd	103.8	108.0	96.11%
Debenhams Plc	82.6	82.7	99.94%	QinetiQ	153.0	159.3	96.05%
William Hill	281.4	281.7	99.89%	Dunelm	511.5	533.0	95.97%
MITIE	291.7	292.3	99.79%	Imagination Technologies Group PLC	687.5	717.0	95.89%
Diploma PLC	458.6	459.6	99.78%	Filtrona PLC	464.4	484.5	95.85%
easyJet	495.9	498.0	99.58%	Polar Capital Technology Trust PLC	387.0	404.0	95.79%
Restricted			99.54%	Cranswick PLC	805.0	841.0	95.72%
Ladbrokes	179.4	180.4	99.45%	Murray Income Trust PLC	645.0	674.0	95.70%
Rotork	2207.0	2222.0	99.32%	City of London Investment Trust PLC	293.3	306.9	95.57%
Telecity Group Plc	807.0	813.0	99.26%	Temple Bar Investment Trust PLC	926.0	970.0	95.46%
John Wood Group PLC	781.0	787.5	99.17%	PayPoint PLC	639.5	670.0	95.45%
Melrose PLC	437.1	441.6	98.98%	Taylor Wimpey PLC	50.3	52.8	95.26%
Spirax-Sarco	2306.0	2334.0	98.80%	Oxford Instruments PLC	1224.0	1285.0	95.25%
BTG PLC	379.9	385.3	98.60%	Electra Private Equity PLC	1666.0	1750.0	95.20%
3i Infrastructure Plc	126.2	128.0	98.59%	Shaftesbury	511.5	539.0	94.90%
Ophir Energy	577.0	586.0	98.46%	Aegis Group PLC	177.7	187.4	94.82%
Spirent Communications Plc	170.0	172.8	98.38%	Ultra Electronics Holdings PLC	1684.0	1780.0	94.61%
Hunting PLC	951.0	968.0	98.24%	Cobham	226.5	239.5	94.57%
Moneysupermarket	133.3	135.7	98.23%	Halma	405.1	429.6	94.30%
Genus PLC	1412.0	1439.0	98.12%	Smith WH PLC	527.0	559.0	94.28%
Daejan Holdings PLC	3238.0	3300.0	98.12%	SDL PLC	712.0	756.0	94.18%
Lancashire Holdings	805.0	821.0	98.05%	AZ Electronic Materials SA	318.3	338.1	94.14%
Pennon Group PLC	736.0	751.0	98.00%	Anglo Pacific Group PLC	320.0	340.0	94.12%
Edinburgh Investment Trust PLC	493.5	504.0	97.92%	Catlin Group Ltd	422.0	449.0	93.99%
Provident Financial PLC	1156.0	1181.0	97.88%	RPC Group PLC	369.3	393.2	93.92%
Capital & Counties	199.0	203.7	97.69%	Hiscox Ltd	398.4	424.7	93.81%
Dignity PLC	840.0	860.0	97.67%	RPS Group PLC	236.8	253.0	93.60%
Micro Focus International Plc	465.6	476.7	97.67%	SVG Capital PLC	276.4	295.5	93.54%
Babcock	831.0	851.0	97.65%	Drax Group Plc	543.0	581.5	93.38%
Greene King	510.5	523.5	97.52%	Beazley PLC	141.7	151.8	93.35%
De La Rue	975.5	1001.0	97.45%	Travis Perkins PLC	1050.0	1125.0	93.33%
Laird PLC	216.3	222.0	97.43%	Howdens	122.0	130.8	93.27%
Bodycote PLC	425.4	437.1	97.32%	Fenner	450.8	483.7	93.20%
HICL Infrastructure Co Ltd	120.0	123.6	97.09%	Devro PLC	308.3	332.2	92.81%

Source: dataCentral, CIRA

Stocks Close to 1 Year High/Low

Figure 38. One hundred and four FTSE 250 stocks within 10% of 12m High (Contd...)

Name	Price	High	%	Name	Price	High	%
Dexion Absolute Ltd	139.2	150.0	92.80%	Ashtead Group PLC	248.5	271.1	91.66%
Booker	79.0	85.3	92.67%	Bellway PLC	787.5	859.5	91.62%
Derwent London	1742.0	1880.0	92.66%	Genesis Emerging Markets Fund Ltd	497.5	543.5	91.54%
AVEVA Plc	1666.0	1799.0	92.61%	DS Smith PLC	167.8	183.7	91.34%
Brewin Dolphin Holdings PLC	163.5	177.0	92.37%	Victrix PLC	1452.0	1590.0	91.32%
IG Group	463.0	502.5	92.14%	EnQuest	126.7	139.1	91.09%
Yule Catto & Co PLC	232.8	253.0	92.02%	Redrow PLC	123.0	135.3	90.91%
Monks Investment Trust Public Ltd Co	338.5	367.9	92.01%	Regus	106.7	117.5	90.81%
Jardine Lloyd Thompson Group PLC	703.0	764.5	91.96%	Millennium & Copthorne Hotels PLC	485.8	535.0	90.80%
Informa PLC	414.6	451.0	91.93%	Berendsen	515.0	568.0	90.67%
Alliance Trust PLC	361.0	392.7	91.93%	Berkeley Group Holdings PLC	1281.0	1414.0	90.59%
UBM plc	589.5	641.5	91.89%	Morgan Crucible Co PLC	325.0	360.0	90.28%

Source: dataCentral, CIRA

Figure 39. Forty FTSE 250 stocks within 10% of 12m Low

Name	Price	Low	%	Name	Price	Low	%
Aquarius Platinum Ltd	130.0	129.5	0.39%	Petropavlovsk PLC	476.8	451.8	5.53%
RIT Capital Partners PLC	1147.0	1141.0	0.53%	Interserve PLC	286.2	270.1	5.96%
Go Ahead Group	1140.0	1125.0	1.33%	Kier Group	1166.0	1095.0	6.48%
British Empire Securities and General Trust PLC	411.5	404.0	1.86%	JD Wetherspoon	405.5	380.5	6.57%
Shanks Group PLC	92.5	90.8	1.87%	London & Stamford	111.0	103.9	6.83%
Halfords Group Plc	275.1	269.5	2.08%	Rank Group PLC	117.0	109.5	6.85%
African Barrick Gold Plc	359.3	351.2	2.31%	Dexion Absolute Ltd	139.2	130.0	7.08%
Firstgroup PLC	194.8	190.0	2.53%	Personal Assets Trust PLC	34070.0	31750.0	7.31%
New World Resources	406.8	396.3	2.65%	Fidessa Group PLC	1550.0	1444.0	7.34%
Synergy Health Plc	831.0	809.5	2.66%	National Express Group PLC	216.7	201.6	7.49%
Chemring Group	326.5	316.9	3.03%	TalkTalk Telecom Group PLC	127.9	118.9	7.57%
N Brown	229.2	222.4	3.06%	Hansteen	73.4	68.0	7.87%
Kesa Electricals PLC	54.5	52.8	3.22%	Soco International	300.0	278.0	7.91%
Dairy Crest Group PLC	301.0	290.4	3.65%	Avocet Mining PLC	172.6	159.8	8.01%
Talvivaara Mining Company	182.6	176.0	3.75%	Centamin Egypt Limited	68.6	63.1	8.80%
Supergroup PLC	347.8	335.0	3.82%	HICL Infrastructure Co Ltd	120.0	110.1	8.96%
International Public Partnerships Ltd	117.7	112.7	4.44%	3i Infrastructure Plc	126.2	115.6	9.17%
Bumi PLC	518.5	496.0	4.54%	TR Property Investment Trust PLC	148.7	136.2	9.18%
Northgate PLC	198.9	190.0	4.68%	Cable and Wireless Communications Plc	33.0	30.1	9.71%
Caledonia Investments PLC	1409.0	1337.0	5.39%	Merchants Trust PLC	375.4	341.5	9.93%

Source: dataCentral, CIRA

Decile Performance

Figure 40. FTSE 250 PE Decile

	Av. PER	1m	3m	6m	12m	Y2D	SD
1st Decile	35.7	2.0%	5.7%	17.4%	6.2%	16.9%	29.8%
2nd Decile	17.9	0.9%	7.3%	21.4%	9.3%	21.0%	22.5%
3rd Decile	15.5	0.6%	13.1%	22.0%	3.2%	22.9%	25.5%
4th Decile	13.7	0.3%	8.1%	18.4%	7.2%	20.0%	26.5%
5th Decile	12.2	-2.6%	4.8%	17.6%	2.8%	15.9%	24.1%
6th Decile	11.3	-1.7%	5.6%	17.8%	-3.2%	17.6%	15.4%
7th Decile	10.1	-2.2%	6.0%	10.1%	-7.1%	14.4%	24.8%
8th Decile	9.1	-1.2%	-1.3%	8.2%	-3.9%	8.1%	21.1%
9th Decile	7.8	-6.1%	-3.2%	3.9%	-15.9%	7.1%	21.3%
10th Decile	4.2	-6.3%	-11.5%	-6.5%	-39.7%	2.9%	18.3%

Source: dataCentral, CIRA

- We rank each stock in the FTSE 250 by PE (High to Low) and then divide these into deciles. On a 12m view, higher PE stocks have in general outperformed lower PE names. The 2nd Decile (average PE of 17.9x) leads the way with +9.3%.
- There has been a clear rotation in past three months with higher rated growth stocks outperforming the more lowly rated value stocks.
- On a one month view, the 1st decile (+2.0%) is the best performer, while Decile 10 (-6.3%) is the worst relative performer. Within Decile 1 the best performing stocks are BTG (PER of 43.6x, PZ Cussons (PER 21.8x) and Genus (PER 26.4x).

Director Dealings

Figure 41. List of Companies That Have Seen Recent “High” and “Medium-to-High” Conviction Directors’ Purchases (Rolling 3 months)

Ticker	SEDOL	Company	Industry	Market cap (£mn)	Current Price	I/B/E/S P/E (Next 12mths)	Who?	How much? (£ '000s)	When?	Trade Intensity	Quality Assessment	Return relative to FTSE All-Share (%)
LOG LN	052270	Logica PLC	Software & Services	1,259	0.79	7.0	Chief Executive	78	26-Mar-12	1	****	-15.3%
IRV LN	015281	Interserve PLC	Capital Goods	359	2.86	6.3	Finance Director	50	16-Mar-12	1	*****	7.4%
CWC LN	B5KKT9	Cable & Wireless Communications PLC	Telecom Services	812	0.32	8.2	Chief Executive Officer	821	12-Mar-12	2	****	1.0%
TEP LN	087947	Telecom Plus PLC	Telecom Services	477	6.83	18.5	Deputy Chairman	92	01-Mar-12	5	****	8.8%
TEP LN	087947	Telecom Plus PLC	Telecom Services	477	6.83	18.5	Deputy Chairman	65	16-Feb-12	4	****	6.4%

Source: Citi Investment Research and Analysis, Director Deals and Company Reports

Notes: Trade intensity is calculated as the number of net purchases over the prior three months, including reported transaction.; Quality Assessment: 5 stars = “high” conviction purchase. 4 stars = “medium-high” conviction purchase.

- We highlight director purchases =>£100,000 in the past 3 months:
 - Chief Executive Officer, Cable & Wireless Communications PLC (£821,000)
 - Deputy Chairman, Telecom Plus PLC (£157,000)

FTSE 250 Calendar

		Wednesday 02 May	Thursday 03 May	Friday 04 May
		Carillion - IMS Henderson Group - IMS Home Retail - FY2011 Prel results JD Wetherspoon - Q3 2012 IMS Murray Income - IMS Provident Fin - IMS Rightmove - IMS Spirent Communications - IMS	3i Infrastructure - FY2012 Results Avocet Mining - Q1 2012 Results Mill Cop Hotels - Q1 2012 Results Mondi - IMS Regus - IMS RPS Group - Q1 2012 IMS St. James's - Q1 2012 IMS	Bwin.Party - Q1 2012 KPI & IMS easyJet - April Traffic Statistics Laird - IMS Lancashire - Q1 2012 Results Phoenix Group - Q1 2012 IMS Rentokil - Q1 2012 Trading statement Scottish Mtg Inv - FY2012 Results
Monday 07 May	Tuesday 08 May	Wednesday 09 May	Thursday 10 May	Friday 11 May
Micro Focus Inte – Pre-close trading Travis Perkins - IMS UK Commercial - IMS	Hiscox - Q1 2012 IMS Morgan Crucible - IMS Telecity - Q1 2012 IMS TUI Travel Plc - Interim 2012 Results	Centamin Egypt - Q1 2012 Results Drax Grp - IMS easyJet - Interim 2012 Results F&C Asset Mangt - IMS Genus - IMS Galliford - IMS Intl Prsnt Fin - Trading statement Inmarsat - Q1 2012 Results Kesa Electricals - FY12 pre-close trading Melrose - IMS SIG - IMS	Balfour Beatty - IMS Barratt Developments - IMS Beazley PLC - Q1 2012 IMS Bumi - Q1 2012 IMS Cookson Group - IMS Dixons Retail - Trading statement Hikma - IMS Inchcape - IMS Informa - IMS Supergroup - Q4 2012 Trading statement John Wood - IMS Yule Catto - IMS	Catlin Group - Q1 2012 IMS INPP - IMS Logica - Q1 2012 IMS
Monday 14 May	Tuesday 15 May	Wednesday 16 May	Thursday 17 May	Friday 18 May
British Empire - Interim 2012 Results Diploma - Interim 2012 Results Dignity - Q1 2012 IMS Exillon - April Production Report ITE Group - Interim 2012 Results Lonmin - Interim results & Q2 12 Prod Rprt Renishaw - Q3 2012 IMS Soco Intl - IMS	Anglo Pacific - Q1 2012 Results Babcock - FY2012 Prel results Capital - Interim Mangagment Statement Dexion Absolute - IMS Derwent London - IMS Essar Energy Plc - IMS Fidelity - IMS Spirax Sarco - IMS	Bovis Homes Grp - IMS EnQuest - IMS Exillon - IMS Greggs - IMS Heritage Oil - IMS Interserve - IMS JPMorgan - IMS New World Resources - Q1 2012 Results Witan Investment - IMS	Afren – IMS Amlin - IMS Close Brothers - IMS Euromoney - Interim 2012 Results Grainger - Interim 2012 Results Hansteen – IMS 3i Group - FY2012 Invensys - FY2012 Prel results Kier Group – IMS Lamprell - Q1 2012 IMS Marstons - Interim 2012 Results Premier Oil - IMS Restaurant Group - IMS Shanks Group - FY2012 Prel results Salamander Enrgy - IMS Stobart Group - FY2012 Prel results TalkTalk Tele - FY2012 Prel results	Kentz - IMS Lond Stock Exch - FY2012 Prel results Mitchells & But - Interim 2012 Results
Monday 21 May	Tuesday 22 May	Wednesday 23 May	Thursday 24 May	Friday 25 May
A G Barr - IMS BTG - FY2012 Prel results Cranswick - FY2012 Prel results MITIE - FY2012 Prel results	Big Yellow - FY2012 Prel results Electra Private - Interim 2012 Results HICL - FY2012 Results Homeserve - FY2012 Prel results Intermediate Cap - FY2012 Prel results Kcom Group - FY2012 Prel results Victrex - Interim 2012 Results	Brewin Dolphin - Interim 2012 Results C&W Worldwide - FY2012 Results Firstgroup - FY2012 Prel results Great Portland - FY2012 Prel results Paragon Group - Interim 2012 Results Shaftesbury - Interim 2012 Results Telecom Plus - FY2012 Prel results TR Property - FY2012 Prel results	Booker - FY2011 Prel results Britvic - Interim 2012 Results Caledonia - FY2012 Results C&W Communications - FY12 Prel results Dairy Crest - FY2012 Prel results Daily Mail Trust - Interim 2012 Results Electrocomponents - FY2012 Prel results London & Stmfrd - FY2012 Results PayPoint - FY2012 Prel results QinetiQ - FY2012 Prel results	

Source: Company reports and CIRA



Ex Dividend Dates

Figure 42. Upcoming Dividend Dates – FTSE250

Name	Date	Currency	Net dividend/share	Type	Name	Date	Currency	Net dividend/share	Type
HOCHSCHILD MINING PLC	02/05/2012	USD	0.03	Final	CAPE PLC	09/05/2012	GBp	9.50	Final
TRAVIS PERKINS PLC	02/05/2012	GBp	13.50	Final	AVOCET MINING PLC	09/05/2012	GBp	4.20	Final
FERREXPO PLC	02/05/2012	USD	0.03	Final	HISCOX LTD	09/05/2012	GBp	11.90	Final
BARR (A.G.) PLC	02/05/2012	GBp	20.65	Final	RIGHTMOVE PLC	09/05/2012	GBp	11.00	Final
AFRICAN BARRICK GOLD PLC	02/05/2012	USD	0.13	Final	BWIN.PARTY DIGITAL ENTERTAIN	09/05/2012	GBp	1.56	Final
LAIRD PLC	02/05/2012	GBp	5.30	Final	SDL PLC	16/05/2012	GBp	5.80	Final
JD SPORTS FASHION PLC	02/05/2012	GBp	21.20	Final	COMPUTACENTER PLC	16/05/2012	GBp	10.50	Final
CITY OF LONDON INVESTMENT TR	02/05/2012	GBp	3.52	3rd Interim	DERWENT LONDON PLC	16/05/2012	GBp	21.90	Final
HENDERSON GROUP PLC	02/05/2012	GBp	5.05	Final	F&C COMMERCIAL PROPERTY TRUS	16/05/2012	GBp	0.50	Income
ELEMENTIS PLC	02/05/2012	GBp	2.96	Final	PROVIDENT FINANCIAL PLC	16/05/2012	GBp	42.30	Final
MICHAEL PAGE INTERNATIONAL	02/05/2012	GBp	6.75	Final	CAPITAL & COUNTIES PROPERTIE	16/05/2012	GBp	1.00	Final
COOKSON GROUP PLC	02/05/2012	GBp	14.50	Final	CARILLION PLC	16/05/2012	GBp	11.60	Final
SIG PLC	02/05/2012	GBp	1.50	Final	INMARSAT PLC	16/05/2012	USD	0.25	Final
EDINBURGH INVESTMENT TRUST	02/05/2012	GBp	5.00	3rd Interim	INCHCAPE PLC	16/05/2012	GBp	7.40	Final
COBHAM PLC	02/05/2012	GBp	6.20	Final	PREMIER FARNELL PLC	23/05/2012	GBp	6.00	Final
ANGLO PACIFIC GROUP PLC	02/05/2012	GBp	5.50	Final	HOWDEN JOINERY GROUP PLC	23/05/2012	GBp	0.50	Final
SENIOR PLC	02/05/2012	GBp	2.65	Final	BELLWAY PLC	23/05/2012	GBp	6.00	Interim
BANKERS INVESTMENT TRUST	02/05/2012	GBp	2.97	1st Interim	LAMPRELL PLC	23/05/2012	USD	0.08	Final
PERSIMMON PLC	09/05/2012	GBp	6.00	Final	DIGNITY PLC	23/05/2012	GBp	9.77	Final
CSR PLC	09/05/2012	USD	0.07	Final	MORGAN CRUCIBLE COMPANY PLC	23/05/2012	GBp	6.00	Final
UK COMMERCIAL PROPERTY TRUST	09/05/2012	GBp	1.31	1st Interim	SPECTRIS PLC	30/05/2012	GBp	25.40	Final

Source: Bloomberg

Figure 43. Upcoming Dividend Dates – FTSE Small cap

Name	Date	Currency	Net dividend/share	Type	Name	Date	Currency	Net dividend/share	Type
INVESTORS IN GL REAL ESTATE	02/05/2012	GBp	1.05	Interim	MEDICX FUND LTD	16/05/2012	GBp	5.60	Income
HENDERSON FAR EAST INCOME LT	02/05/2012	GBp	3.90	2nd Interim	MANAGEMENT CONSULTING GROUP	16/05/2012	GBp	0.55	Final
JPMORGAN CLAVERHOUSE IT	02/05/2012	GBp	3.50	1st Interim	MECOM GROUP PLC	16/05/2012	EUR	0.10	Final
BOOT (HENRY) PLC	02/05/2012	GBp	2.60	Final	FORTUNE OIL PLC	23/05/2012	GBp	0.18	Final
KELLER GROUP PLC	02/05/2012	GBp	15.20	Final	CLARKSON PLC	23/05/2012	GBp	32.00	Final
CARR'S MILLING INDUSTRIES PL	02/05/2012	GBp	7.25	Interim	MENZIES (JOHN) PLC	23/05/2012	GBp	17.00	Final
EP GLOBAL OPPORTUNITIES TR	02/05/2012	GBp	4.20	Final	SEVERFIELD-ROWEN PLC	23/05/2012	GBp	3.50	Final
DUNEDIN ENTERPRISE-ORD	02/05/2012	GBp	5.00	Final	TT ELECTRONICS PLC	23/05/2012	GBp	3.20	Final
SCHRODER REAL ESTATE INVESTM	02/05/2012	GBp	0.88	Interim	ROBERT WALTERS PLC	23/05/2012	GBp	3.68	Final
STHREE PLC	02/05/2012	GBp	9.30	Final	CHIME COMMUNICATIONS PLC	23/05/2012	GBp	4.50	Final
EDINBURGH US TRACKER TRUST	02/05/2012	GBp	5.20	Final	UTV MEDIA PLC	23/05/2012	GBp	4.50	Final
ECOFIN WATER & POWER OPP-ORD	09/05/2012	GBp	1.63	4th Interim	HILL & SMITH HOLDINGS PLC	30/05/2012	GBp	7.80	Final
ISIS PROPERTY TRUST PLC	09/05/2012	GBp	2.00	1st Interim	HEADLAM GROUP PLC	30/05/2012	GBp	9.85	Final
TED BAKER PLC	09/05/2012	GBp	16.25	Final	HILTON FOOD GROUP LTD	30/05/2012	GBp	8.00	Final
HENDERSON FLEDGILNG TRUST PL	09/05/2012	GBp	4.00	Interim	GRAPHITE ENTERPRISE TRUST	30/05/2012	GBp	5.00	Final
STANDARD LIFE INV PROP INC	09/05/2012	GBp	1.13	Interim	HUNTSWORTH PLC	30/05/2012	GBp	2.50	Final
SMITHS NEWS PLC	09/05/2012	GBp	2.80	Interim	PACIFIC ASSETS TRUST PLC	30/05/2012	GBp	2.60	Final
PICTON PROPERTY INCOME LTD	09/05/2012	GBp	1.00	Interim	BLACKROCK SMALLER COMPANIES	30/05/2012	GBp	5.98	Final
SPORTINGBET PLC	09/05/2012	GBp	0.60	Interim	MARTIN CURRIE GLOBAL PORT	30/05/2012	GBp	2.70	Final
SPIRIT PUB CO PLC	09/05/2012	GBp	0.65	Interim	TOWN CENTRE SECURITIES PLC	30/05/2012	GBp	3.10	Interim
BILFINGER BERGER GLOBAL INFR	09/05/2012	GBp	0.45	Regular Cash	MUCKLOW (A & J) GROUP PLC	30/05/2012	GBp	8.52	Interim
F&C PRIVATE EQUITY TRUST-O	16/05/2012	GBp	0.80	Final	TARSUS GROUP PLC	30/05/2012	GBp	4.20	Final

Source: Bloomberg



Citi Screens

Peak to Trough Earnings

Figure 44. FTSE 250 Earnings Deviation (FY1E EPS vs Historic Peak)

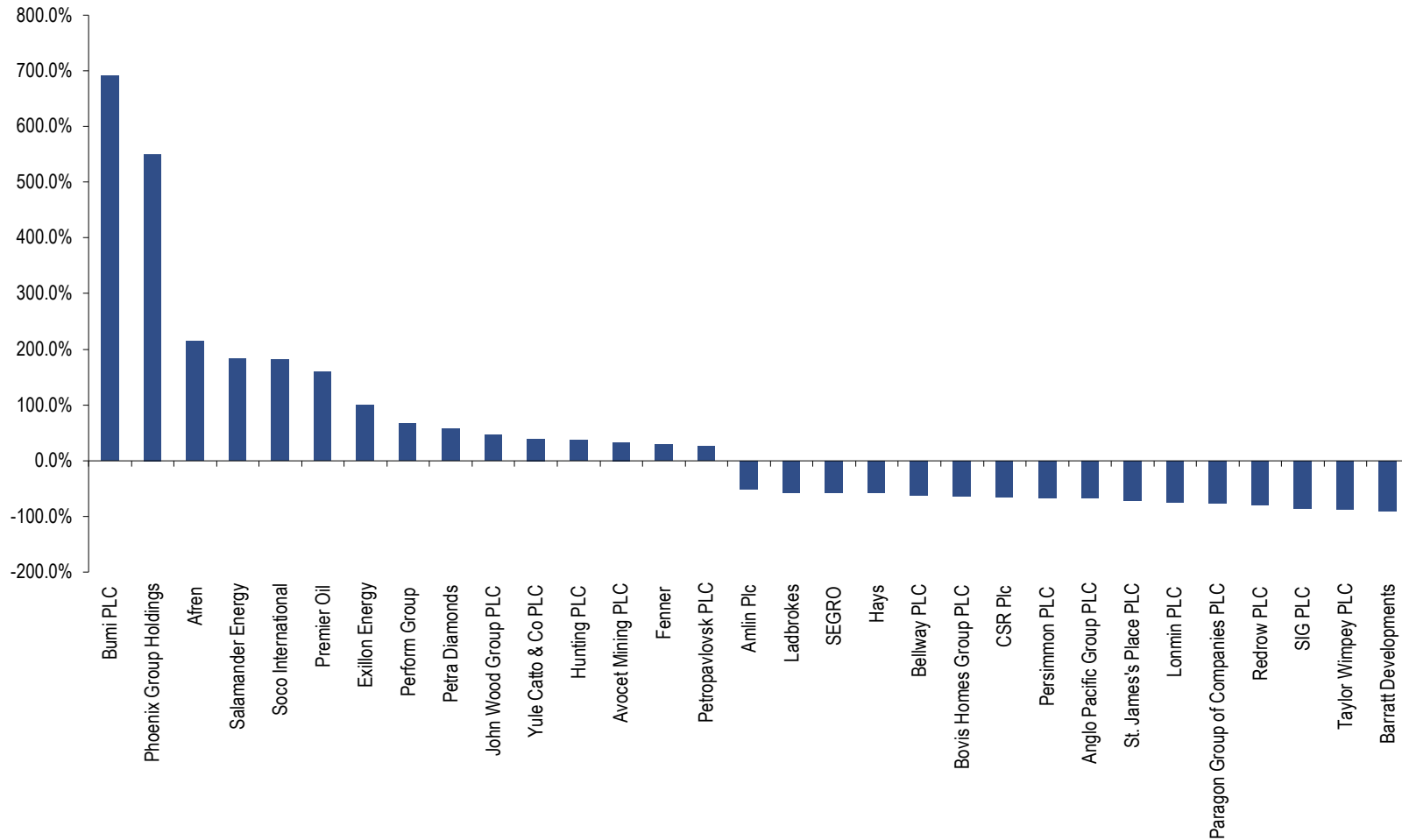
Company	RICS	Sector	Deviation	Company	RICS	Sector	Deviation
Bumi PLC	BUMP.L	Coal & Consumable Fuels	690.9%	Barratt Developments	BDEV.L	Homebuilding	-89.5%
Phoenix Group Holdings	PHNX.L	Life & Health Insurance	550.0%	Taylor Wimpey PLC	TW.L	Homebuilding	-87.0%
Afren	AFRE.L	Oil & Gas Exploration & Production	214.3%	SIG PLC	SHI.L	Trading Companies & Distributors	-85.9%
Salamander Energy	SMDR.L	Oil & Gas Exploration & Production	183.3%	Redrow PLC	RDW.L	Homebuilding	-80.0%
Soco International	SIAL	Oil & Gas Exploration & Production	181.3%	Paragon Group of Companies PLC	PARA.L	Thriffs & Mortgage Finance	-76.4%
Premier Oil	PMO.L	Oil & Gas Exploration & Production	160.0%	Lonmin PLC	LMI.L	Precious Metals & Minerals	-74.3%
Exillon Energy	EXIL.L	Oil & Gas Exploration & Production	100.0%	St. James's Place PLC	SJP.L	Life & Health Insurance	-72.2%
Perform Group	PER.L	Movies & Entertainment	66.7%	Anglo Pacific Group PLC	APF.L	Coal & Consumable Fuels	-67.3%
Petra Diamonds	PDLL	Precious Metals & Minerals	57.1%	Persimmon PLC	PSN.L	Homebuilding	-66.7%
John Wood Group PLC	WG.L	Oil & Gas Equipment & Services	45.7%	CSR Plc	CSR.L	Semiconductors	-65.1%
Yule Catto & Co PLC	YULCL	Specialty Chemicals	38.9%	Bovis Homes Group PLC	BVS.L	Homebuilding	-63.9%
Hunting PLC	HTG.L	Oil & Gas Equipment & Services	36.4%	Bellway PLC	BWY.L	Homebuilding	-61.6%
Avocet Mining PLC	AVM.L	Gold	33.3%	Hays	HAYS.L	Human Resource & Employment Services	-58.3%
Fenner	FENR.L	Industrial Machinery	28.6%	SEGRO	SGRO.L	Industrial REITs	-57.5%
Petrobrasil PLC	POG.L	Gold	26.3%	Ladbroke	LAD.L	Casinos & Gaming	-57.5%
Lamprell	LAM.L	Oil & Gas Equipment & Services	26.1%	Amlin Plc	AML.L	Property & Casualty Insurance	-51.6%
Telecity Group Plc	TCY.L	Internet Software & Services	25.0%	Grainger	GRIL	Real Estate Operating Companies	-50.0%
Senior	SNR.L	Industrial Machinery	21.4%	Regus	RGU.L	Office Services & Supplies	-50.0%
Filtrona PLC	FLTR.L	Commodity Chemicals	20.8%	National Express Group PLC	NEX.L	Railroads	-49.0%
Centamin Egypt Limited	CEY.L	Gold	18.2%	Michael Page Group	MPI.L	Human Resource & Employment Services	-48.4%

NB: Stocks with largest values represent FY1 being the all time high. Similarly, stock with values less than -100% are now forecast to be loss making. Slightly below -100% signifies very marginal profitability, but way below the all time high. Source: Powered by dataCentral

- We have looked at both our and consensus estimates for the entire mid-250 and compared these to the previous historic peak of earnings. The table above shows the top and bottom 20 stocks on this measure, with the right hand side forecast to be well below the previous peak and the left hand side forecast to exceed record earnings.

Peak to Trough Earnings (Cont...)

Figure 45. Peak to Trough Earnings Top/Bottom 15



Source: Powered by dataCentral

FTSE 250 Dividend Yields

Figure 46. FTSE 250 Stocks Yielding more than Govt Bonds (125 stocks)

Company	Yield	Div Cover (Current)	Company	Yield	Div Cover (Current)
CABLE & WIRELESS COMMS.	15.2	0.8	GREENE KING	4.6	2.1
HOME RETAIL GROUP	13.8	1.1	BERENDSEN	4.5	2.1
FIRST GROUP	11.6	1.8	CHEMRING GROUP	4.5	3.5
KESA ELECTRICALS	11.1	0.5	WH SMITH	4.5	2.4
HALFORDS GROUP	8.0	1.8	UBM	4.5	2.2
PHOENIX GROUP HDG. (LON)	8.0	0.0	F&C ASSET MANAGEMENT	4.5	1.8
UK COMMERCIAL PR.TST.	7.1	0.8	IG GROUP HOLDINGS	4.4	1.8
GO-AHEAD GROUP	7.1	1.5	NATIONAL EXPRESS	4.4	2.8
INTERMEDIATE CAPITAL GP.	7.0	1.8	LADBROKES	4.4	2.0
AMLIN	7.0	0.0	BREWIN DOLPHIN	4.3	1.7
INTERSERVE	6.6	2.6	DE LA RUE	4.3	0.6
CATLIN GROUP	6.6	0.0	HISCOX	4.3	0.3
DAIRY CREST	6.6	2.4	HOMESERVE	4.2	2.5
LONDON & STAMFORD PR.	6.6	0.6	DAILY MAIL 'A'	4.1	3.0
SEGRO	6.1	0.0	INFORMA	4.1	2.3
PROVIDENT FINANCIAL	6.0	1.3	ATKINS (WS)	4.0	2.9
MARSTON'S	6.0	1.9	MONDI	3.9	2.2
TUI TRAVEL	5.9	2.1	GREGGS	3.9	2.3
INMARSAT	5.8	1.4	PAYPOINT	3.8	1.6
CARILLION	5.8	2.4	SAVILLS	3.8	2.1
HENDERSON GROUP	5.8	0.5	RESTAURANT GROUP	3.7	2.1
F&C COML.PROPERTY TRUST	5.8	1.8	CAPE	3.7	2.9
LOGICA	5.7	2.6	LAIRD	3.7	2.1
KIER GROUP	5.6	2.4	AVOCET MINING	3.7	0.0
BEAZLEY	5.6	1.0	DEBENHAMS	3.6	3.1
BROWN (N) GROUP	5.5	2.1	SHANKS GROUP	3.6	2.2
CLOSE BROTHERS GROUP	5.5	1.6	COMPUTACENTER	3.6	2.6
KCOM GROUP	5.4	1.7	COBHAM	3.5	2.8
HAYS	5.4	1.2	TELECOM PLUS	3.5	1.4
HANSTEEN HOLDINGS	5.3	0.3	RATHBONE BROTHERS	3.5	1.7
BALFOUR BEATTY	5.3	2.6	PENNON GROUP	3.5	1.8
DRAX GROUP	5.1	2.0	STAGECOACH GROUP	3.4	2.5
TALKTALK TELECOM GROUP	5.1	2.4	CRANSWICK	3.4	2.3
ELECTROCOMP.	5.1	1.7	JUPITER FUND MANAGEMENT	3.4	2.4
PREMIER FARNELL	4.8	2.0	JARDINE LLOYD THOMPSON	3.4	1.7
TULLETT PREBON	4.8	3.0	MICRO FOCUS INTL.	3.4	2.5
NEW WORLD RESOURCES	4.8	0.0	WILLIAM HILL	3.4	2.5
INVESTEC	4.8	2.2	MONEYSUPERMARKET COM GP.	3.4	1.5
STOBART GROUP ORD.	4.7	1.5	RPC GROUP	3.3	3.0
BRITVIC	4.6	1.9	MELROSE	3.3	2.1

Source: DataStream

Figure 47. FTSE 250 Stocks Yield more than Govt Bonds (Contd)

Company	Yield	Div Cover (Current)	Company	Yield	Div Cover (Current)
MITIE GROUP	3.2	2.5	RENISHAW	2.4	2.5
BBA AVIATION	3.2	2.9	ST.JAMES'S PLACE	2.4	2.7
GALLIFORD TRY	3.1	1.9	MICHAEL PAGE INTL.	2.4	1.9
DOMINO PRINTING SCIENCES	3.1	2.1	BARR (AG)	2.4	2.4
JD SPORTS FASHION	3.1	4.2	BABCOCK INTL.	2.4	2.8
ANGLO PACIFIC GROUP	3.1	3.5	EUROMONEY INSTL.INVESTOR	2.4	3.6
INCHCAPE	3.0	3.2	LAMPRELL	2.4	2.0
COOKSON GROUP	3.0	3.2	DUNELM GROUP	2.4	2.6
SMITH (DS)	3.0	2.5	FIDESSA GROUP	2.4	2.3
WETHERSPOON (JD)	3.0	3.3	RPS GROUP	2.4	3.0
AFRICAN BARRICK GOLD	2.9	6.1	DAEJAN HOLDINGS	2.3	3.8
MORGAN CRUCIBLE	2.9	3.2	HALMA	2.3	2.4
DOMINO'S PIZZA	2.8	1.5	ULTRA ELECTRONICS HDG.	2.3	3.1
BIG YELLOW GROUP	2.8	2.1	FILTRONA	2.3	2.4
REGUS	2.7	1.4	VICTREX	2.2	2.6
ITE GROUP	2.7	2.1	PARAGON GP.OF COS.	2.2	5.0
3I GROUP	2.7	3.8	ROTORK	2.2	2.0
INTERNATIONAL PSNL.FIN.	2.7	4.2	BOOKER GROUP	2.2	2.4
DIPLOMA	2.6	2.3	SIG	2.1	4.2
DEVRO	2.6	2.6	EASYJET	2.1	5.0
MILLENNIUM & CPTH.HTLS.	2.6	3.7	SPIRAX-SARCO	2.1	2.5
BODYCOTE	2.6	3.0	ELEMENTIS	2.1	4.0
PETROPAVLOVSK	2.5	0.1	GREAT PORTLAND ESTATES	2.1	2.0
AZ ELECTRONIC MATS.(DI)	2.4	2.9			

Source: DataStream

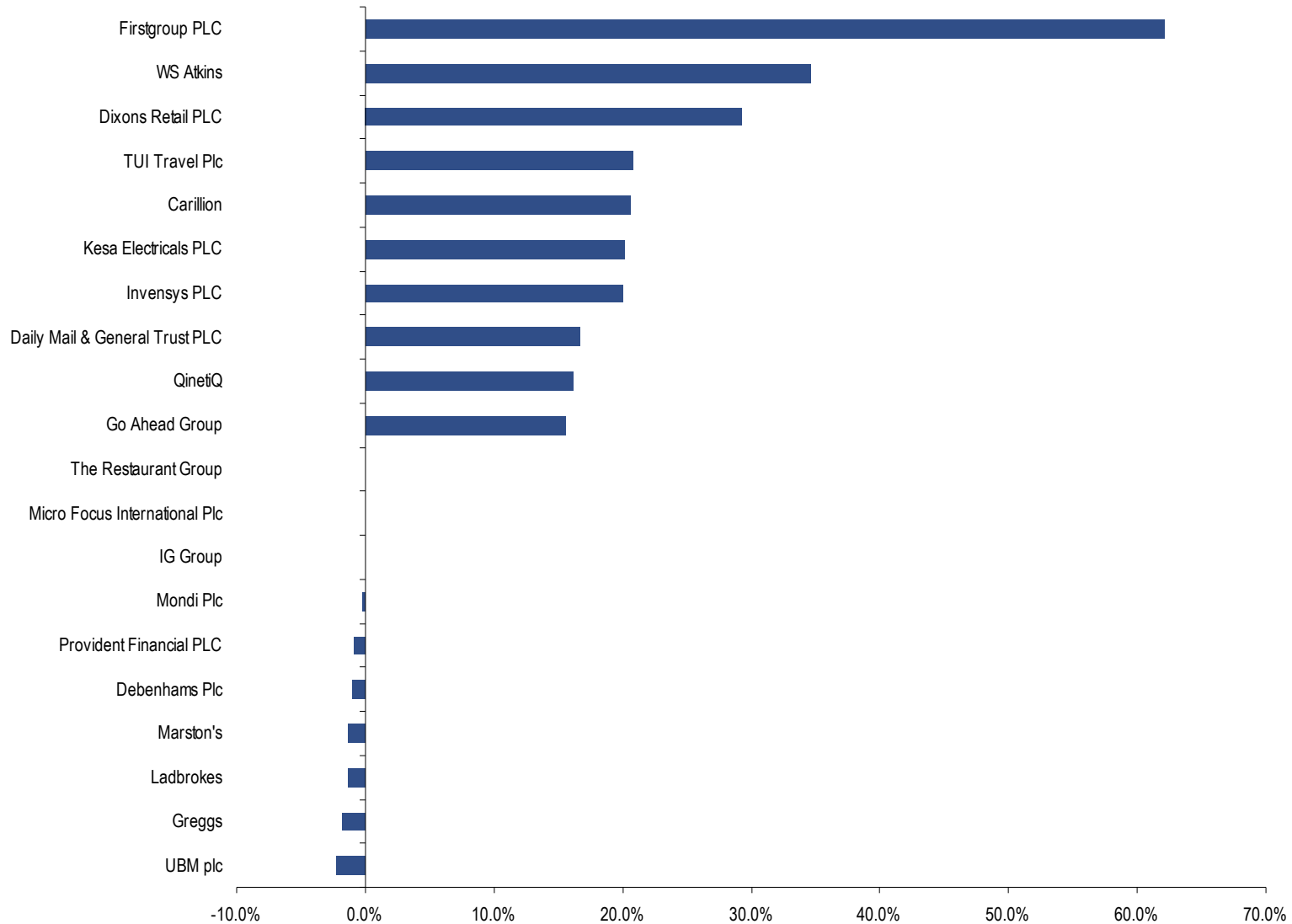
Figure 48. FTSE 250 Stocks Yield more than AA Corporate Bond (48 Stocks)

Company	Yield	Div Cover (Current)	Company	Yield	Div Cover (Current)
CABLE & WIRELESS COMMS.	15.2	0.8	BEAZLEY	5.6	1.0
HOME RETAIL GROUP	13.8	1.1	BROWN (N) GROUP	5.5	2.1
FIRST GROUP	11.6	1.8	CLOSE BROTHERS GROUP	5.5	1.6
KESA ELECTRICALS	11.1	0.5	KCOM GROUP	5.4	1.7
HALFORDS GROUP	8.0	1.8	HAYS	5.4	1.2
PHOENIX GROUP HDG. (LON)	8.0	0.0	HANSTEEN HOLDINGS	5.3	0.3
UK COMMERCIAL PR.TST.	7.1	0.8	BALFOUR BEATTY	5.3	2.6
GO-AHEAD GROUP	7.1	1.5	DRAX GROUP	5.1	2.0
INTERMEDIATE CAPITAL GP.	7.0	1.8	TALKTALK TELECOM GROUP	5.1	2.4
AMLIN	7.0	0.0	ELECTROCOMP.	5.1	1.7
INTERSERVE	6.6	2.6	PREMIER FARNELL	4.8	2.0
CATLIN GROUP	6.6	0.0	TULLETT PREBON	4.8	3.0
DAIRY CREST	6.6	2.4	INVESTEC	4.8	2.2
LONDON & STAMFORD PR.	6.6	0.6	NEW WORLD RESOURCES	4.8	0.0
SEGRO	6.1	0.0	STOBART GROUP ORD.	4.7	1.5
PROVIDENT FINANCIAL	6.0	1.3	BRITVIC	4.6	1.9
MARSTON'S	6.0	1.9	GREENE KING	4.6	2.1
TUI TRAVEL	5.9	2.1	BERENDSEN	4.5	2.1
INMARSAT	5.8	1.4	CHEMRING GROUP	4.5	3.5
CARILLION	5.8	2.4	WH SMITH	4.5	2.4
HENDERSON GROUP	5.8	0.5	UBM	4.5	2.2
F&C COML.PROPERTY TRUST	5.8	1.8	F&C ASSET MANAGEMENT	4.5	1.8
LOGICA	5.7	2.6	IG GROUP HOLDINGS	4.4	1.8
KIER GROUP	5.6	2.4	NATIONAL EXPRESS	4.4	2.8

Source: DataStream

Pensions & Balance Sheets

Figure 49. Top/Bottom 10 Stocks by Pension Deficit to Market Cap



Source: Powered by dataCentral

Working Capital Screen

Figure 50. FY 2010 Aggregate Working Capital Invested (£m)

Net Work Capital (Top 20) - Covered Companies				Net Work Capital (Bottom 20) - Covered Companies			
Name	RIC	Sector	NWC	Name	RIC	Sector	NWC
Barratt Developments	BDEV.L	Homebuilding	2925.5	easyJet	EZJ.L	Airlines	-914.6
Taylor Wimpey PLC	TW.L	Homebuilding	2098.3	TUI Travel Plc	TT.L	Hotels, Resorts & Cruise Lines	-832.4
Persimmon PLC	PSN.L	Homebuilding	1732.4	Firstgroup PLC	FGP.L	Trucking	-829.1
Bellway PLC	BWY.L	Homebuilding	1403.4	Balfour Beatty	BALF.L	Construction & Engineering	-792.8
Provident Financial PLC	PFG.L	Consumer Finance	1375.5	3i Group Plc	III.L	Asset Management & Custody Banks	-734.8
Berkeley Group Holdings PLC	BKGHL	Homebuilding	1290.0	Carillion	CLLN.L	Construction & Engineering	-590.8
Bovis Homes Group PLC	BVS.L	Homebuilding	856.4	Aegis Group PLC	AEGL.L	Advertising	-567.3
Mondi Plc	MNDI.L	Paper Products	673.0	Regus	RGU.L	Office Services & Supplies	-417.3
International Personal Finance Plc	IPF.L	Consumer Finance	660.1	Henderson Group Plc	HGGH.L	Asset Management & Custody Banks	-390.1
Redrow PLC	RDW.L	Homebuilding	583.3	Dixons Retail PLC	DXNS.L	Computer & Electronics Retail	-330.2
Home Retail Group	HOME.L	Catalog Retail	518.8	Go Ahead Group	GOG.L	Trucking	-209.7
N Brown	BWNG.L	Catalog Retail	516.1	Babcock	BAB.L	Diversified Support Services	-207.6
Cookson Group PLC	CKSN.L	Industrial Conglomerates	508.7	TalkTalk Telecom Group PLC	TALK.L	Alternative Carriers	-185.2
Invensys PLC	ISYS.L	Industrial Machinery	375.1	Inmarsat plc	ISAL	Alternative Carriers	-154.8
Hikma Pharmaceuticals	HIK.L	Pharmaceuticals	338.6	Intermediate Capital Group	ICP.L	Asset Management & Custody Banks	-127.0
SIG PLC	SHIL	Trading Companies & Distributors	328.2	Booker	BOK.L	Food Distributors	-117.1
Talvivaara Mining Company	TALV.L	Diversified Metals & Mining	317.3	WS Atkins	ATKW.L	Research & Consulting Services	-85.3
Petropavlovsk PLC	POG.L	Gold	285.4	JD Wetherspoon	JDW.L	Restaurants	-82.0
Cobham	COB.L	Aerospace & Defense	276.9	Kesa Electricals PLC	KESAL	Computer & Electronics Retail	-80.9
Electrocomponents	ECML	Technology Distributors	274.4	National Express Group PLC	NEX.L	Railroads	-79.7

Source: Powered by dataCentral

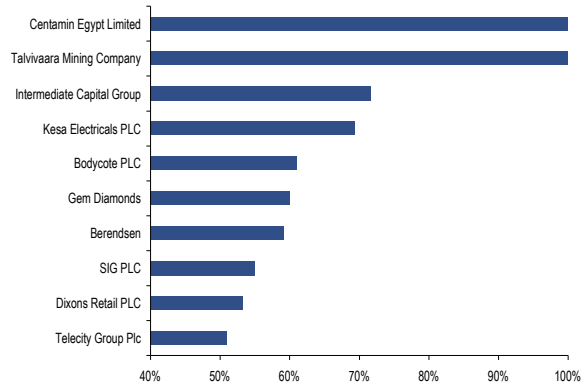
Note:

- Negative working capital in itself is not a bear point – it is after all interest-free financing via the supply chain and a string benefit of being a major player in an industry. However, we think that where the negative working capital either increases the year-end cash or understates year-end debt, it can distort the EV/EBITDA multiple.
- An ultra prudent way of looking at enterprise value is to combine this negative working capital with the stated cash / debt position and pension deficits, which we have termed Net liquidity.

Overseas Exposure for CIRA Coverage

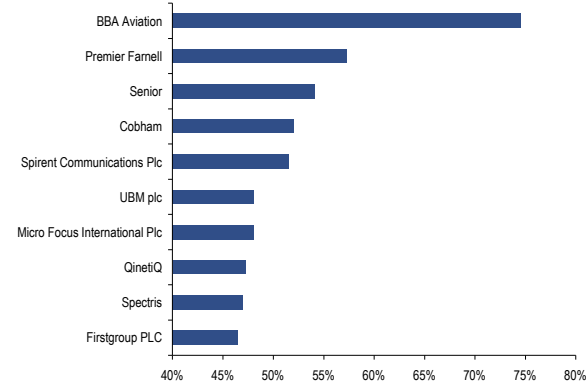
■ We show the top 10 UK Small/Mid-cap stocks under Citi coverage with exposure to foreign earnings by major geography

Figure 51. Euro xUK



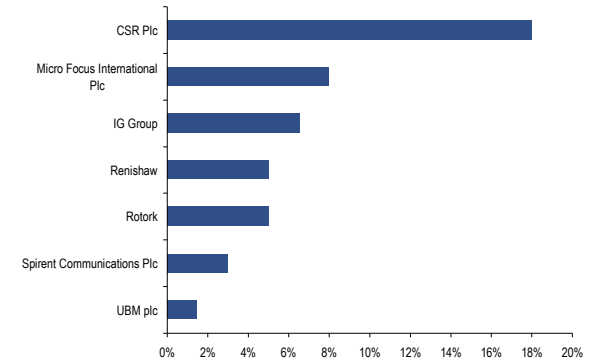
Source: dataCentral, CIRA

Figure 53. North America



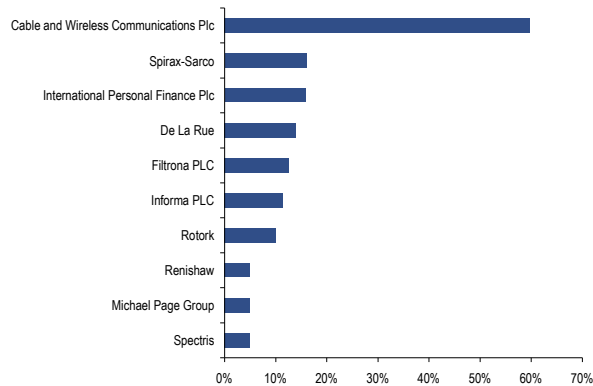
Source: dataCentral, CIRA

Figure 55. Japan



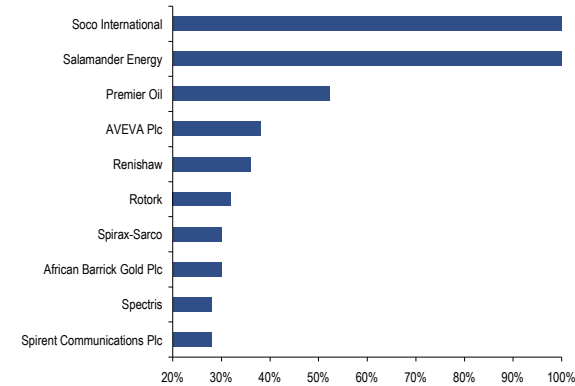
Source: dataCentral, CIRA

Figure 52. Latin America



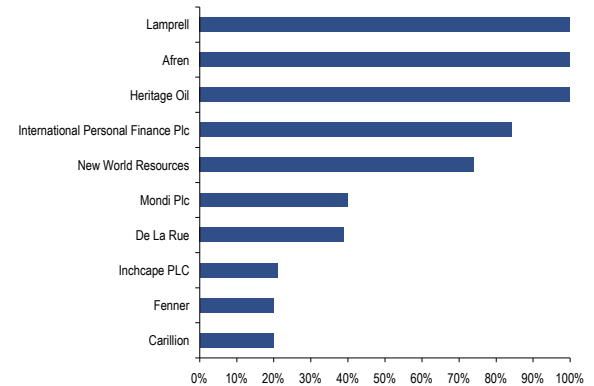
Source: dataCentral, CIRA

Figure 54. Asia Pacific



Source: dataCentral, CIRA

Figure 56. CEEMEA



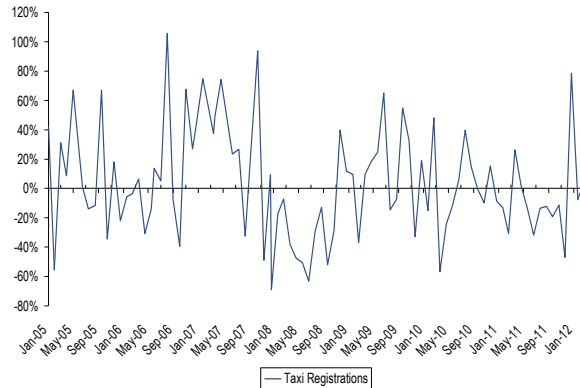
Source: dataCentral, CIRA



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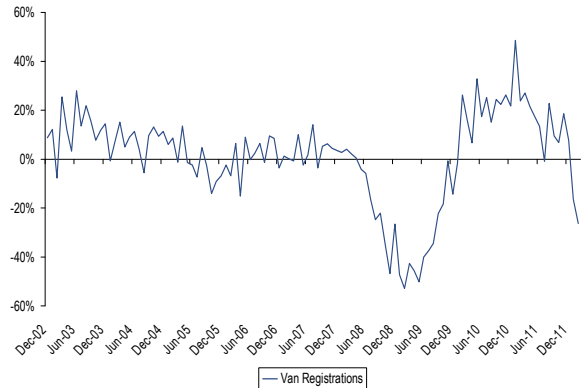
Charting the Mid-Cap

Figure 57. Taxi Vehicle Registration – small upturn in Mar



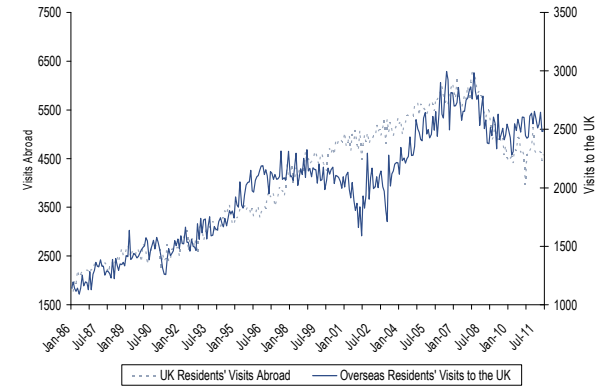
Source: SMMT

Figure 59. White Van Vehicle Registrations- drop in Q1 12



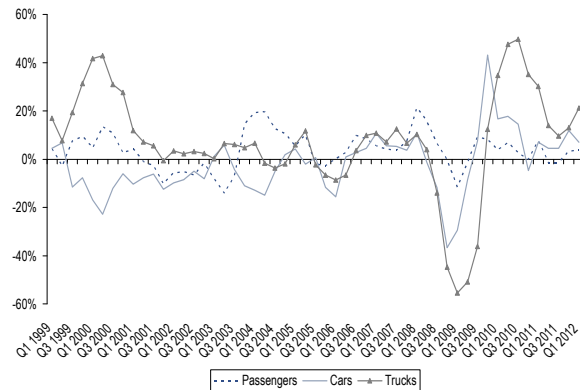
Source: Haver

Figure 61. Visits Abroad and to the UK



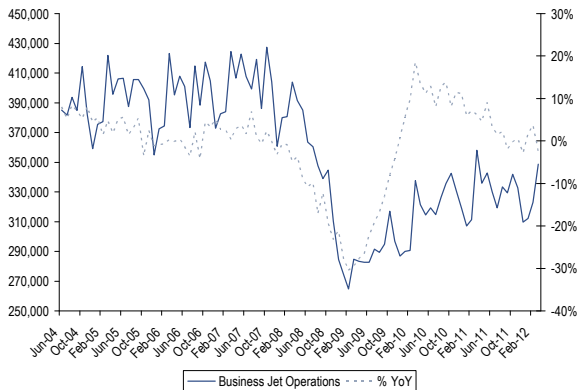
Source: Haver and ONS

Figure 58. EuroTunnel Traffic Statistics (Quarterly)



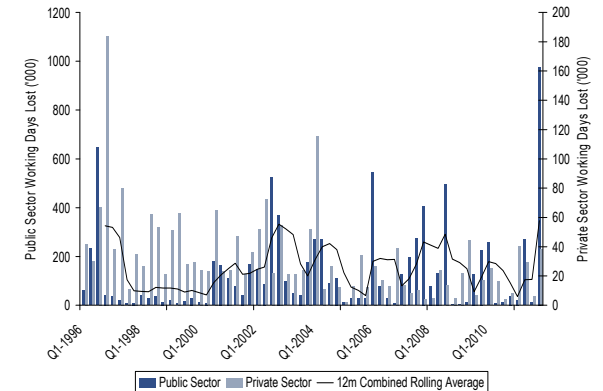
Source: EuroTunnel

Figure 60. Business Jet Activity (US)



Source: FAA

Figure 62. Strike Action in the Public & Private Sector

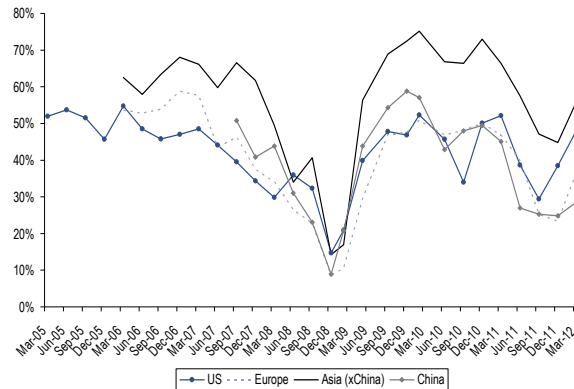


Source: Haver & ONS

Public sector biggest in 20 years

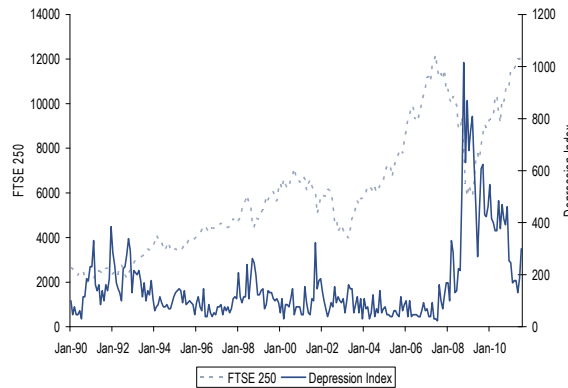
Citi's Alternative Views (Cont...)

Figure 63. Duke / CFO magazine Global Business Outlook



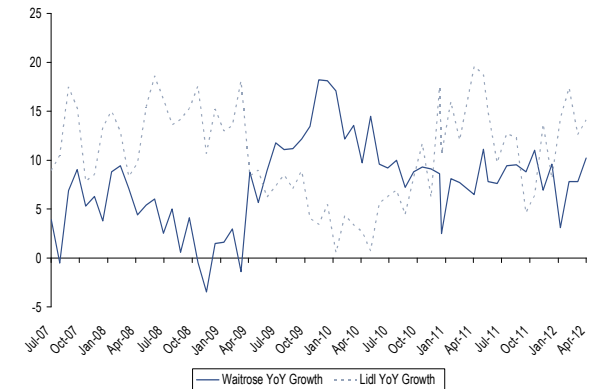
Source: cfsurvey.org NB: CFO optimism about own company

Figure 65. Depression Index



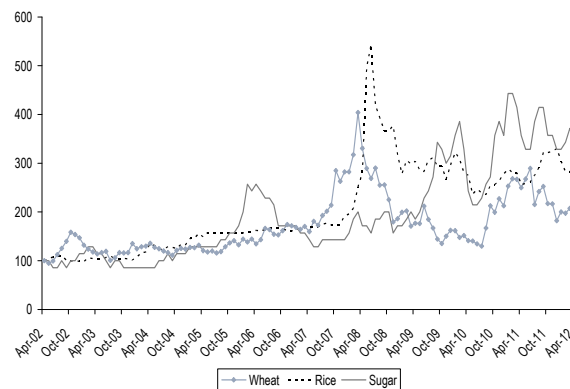
Source: Factiva

Figure 67. Waitrose & LIDL Total Grocery 4W YoY (%)



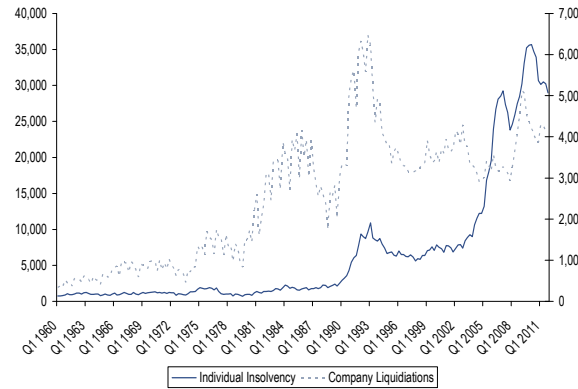
Source: TNS & CIRA LIDL sales tracking well

Figure 64. Breakfast tracker



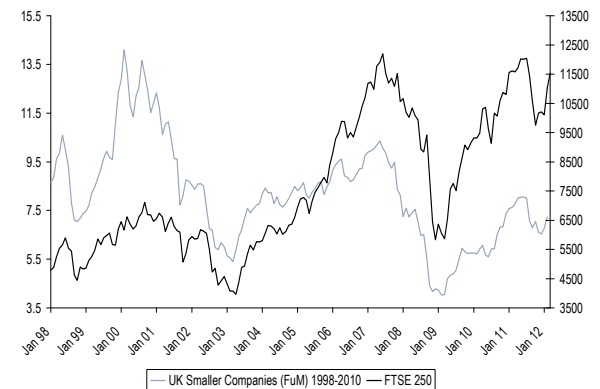
Source: Datastream

Figure 66. Company and Individual Insolvency



Source: The Insolvency Service

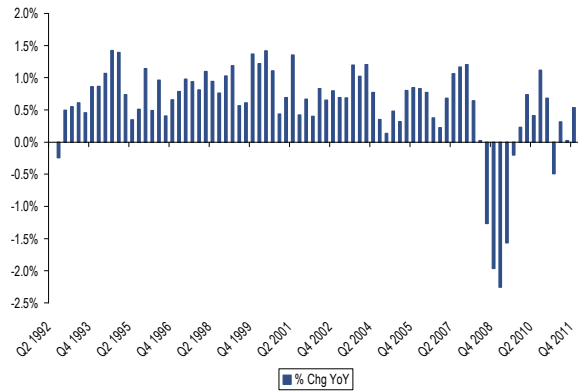
Figure 68. FuM: UK Smaller Companies



Source: IMA

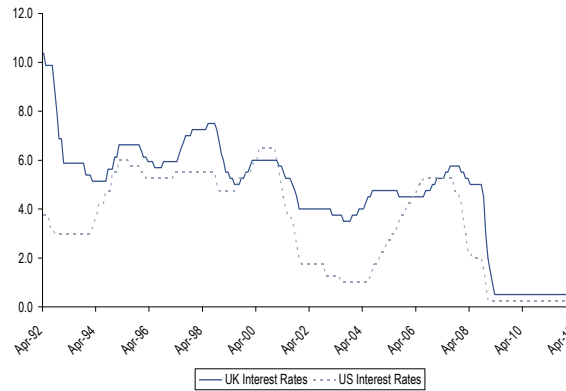
Macro Charts

Figure 69. UK GDP



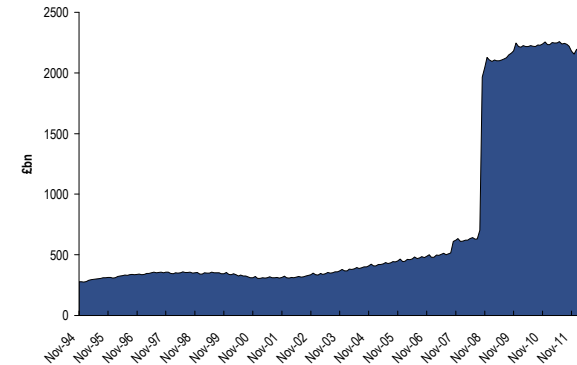
Source: Datastream

Figure 71. UK and US Interest Rates



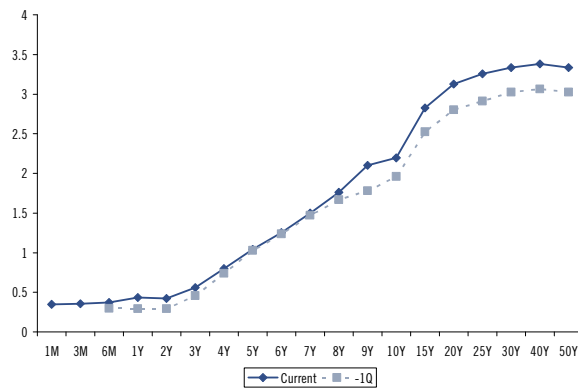
Source: Datastream

Figure 73. UK Public Sector Net Debt (£bn)



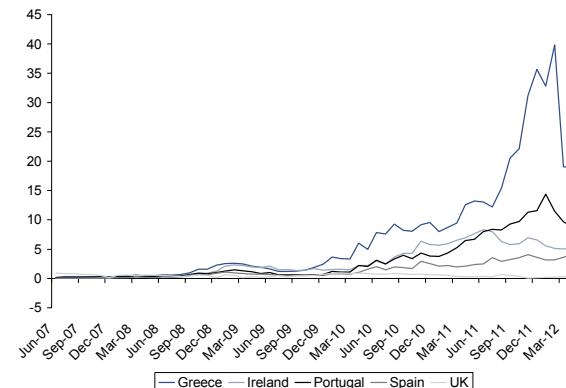
Source: Datastream

Figure 70. Cost of Money



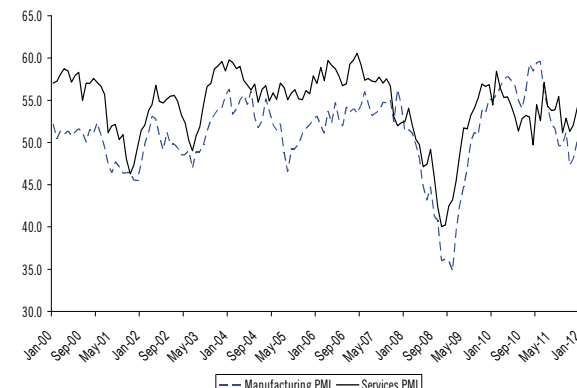
Source: Bloomberg

Figure 72. Selected Bond Spreads vs German Bund



Source: Datastream

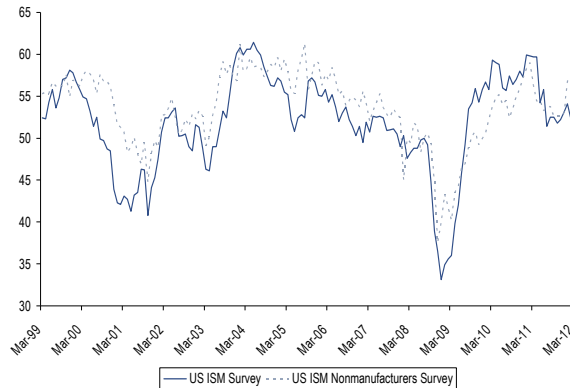
Figure 74. UK Manufacturing and Services PMI



Source: Haver

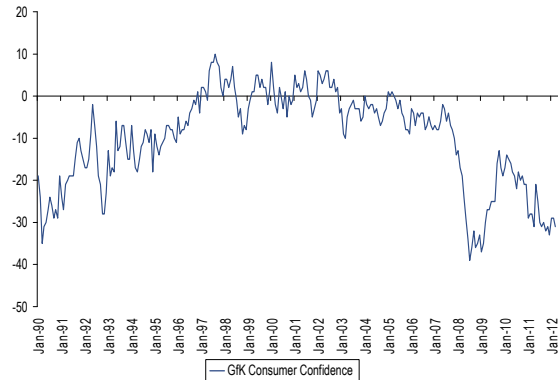
Macro Charts (Cont...)

Figure 75. US ISM Managers Survey



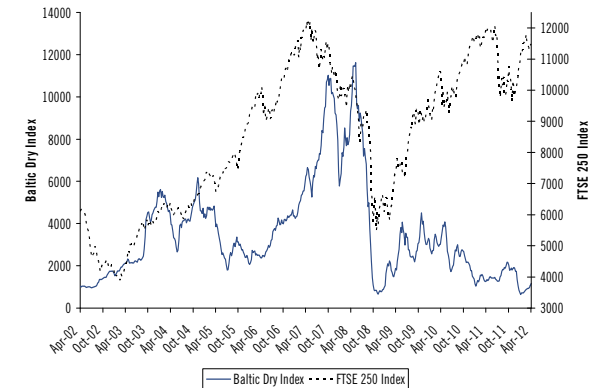
Source: Datastream

Figure 77. UK GFK Consumer Confidence Barometer



Source: Haver

Figure 79. FTSE 250 and Baltic Exchange Dry Index



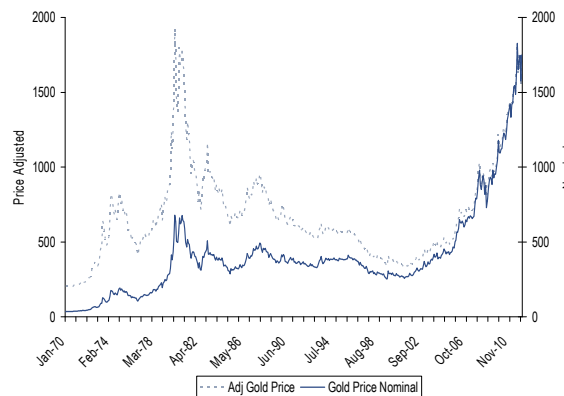
Source: Datastream – Baltic Dry Index correlation broken down

Figure 76. Brent Oil Price



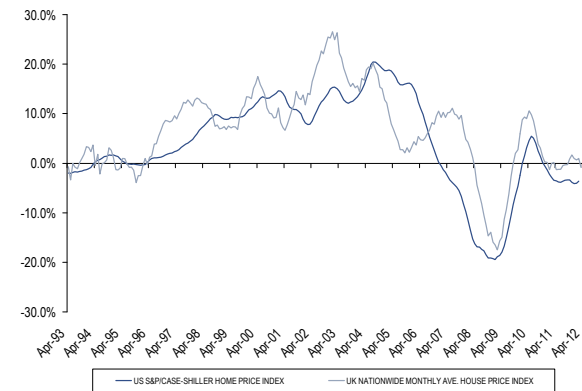
Source: Datastream

Figure 78. Nominal and Inflation Adj. Gold Prices



Source: Datastream and Haver

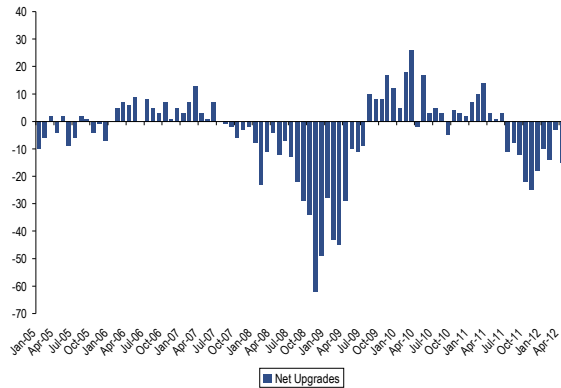
Figure 80. Case Schiller Index



Source: Datastream

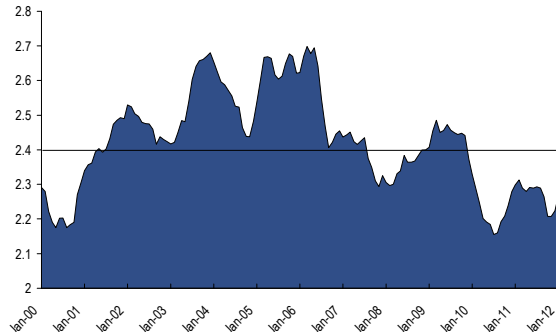
Mid-Cap Indicators

Figure 81. FTSE 250 EPS Upgrades less Downgrades (> 5%)



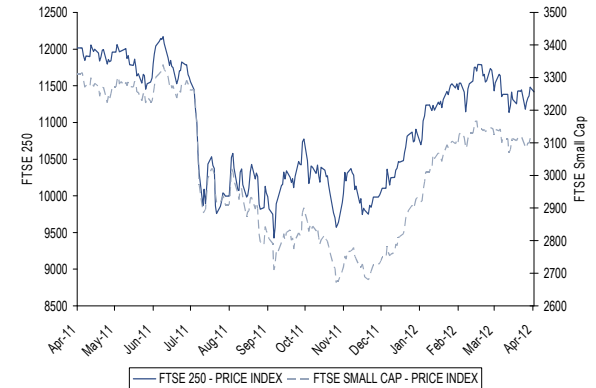
Source: Datastream

Figure 83. FTSE 250 IBES Recom. (1=Buy, 5=Sell)



Source: Datastream

Figure 85. FTSE Small Cap and FTSE 250 Performance



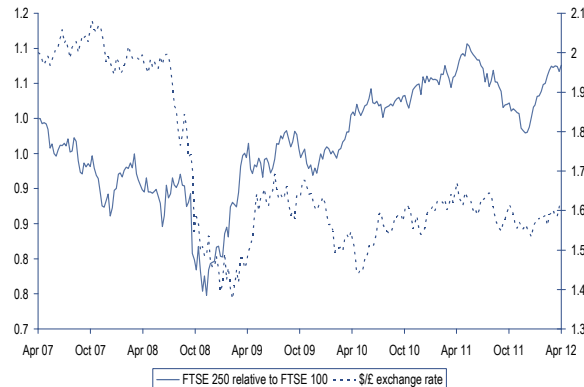
Source: Datastream

Figure 82. FTSE 250 Rel to FTSE 100 & FTSE Small Cap



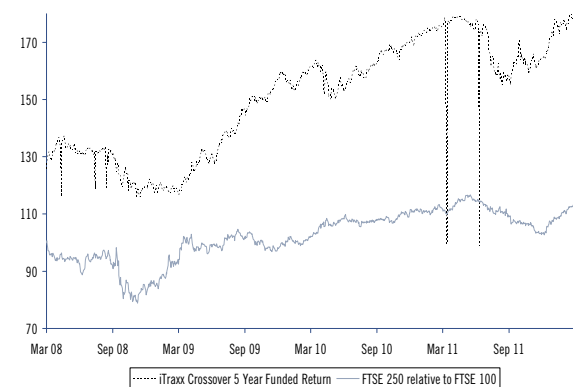
Source: Citi Investment Research and Analysis and DataStream.

Figure 84. FTSE 250 Rel to FTSE 100 & \$/£ Exchange Rate



Source: Citi Investment Research and Analysis and DataStream.

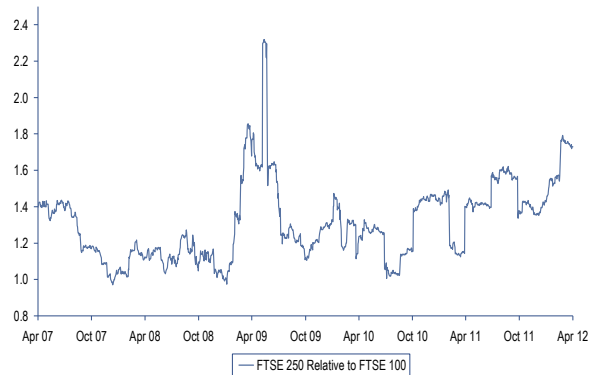
Figure 86. FTSE 250 (relative) vs ITRAXX Index



Source: Bloomberg

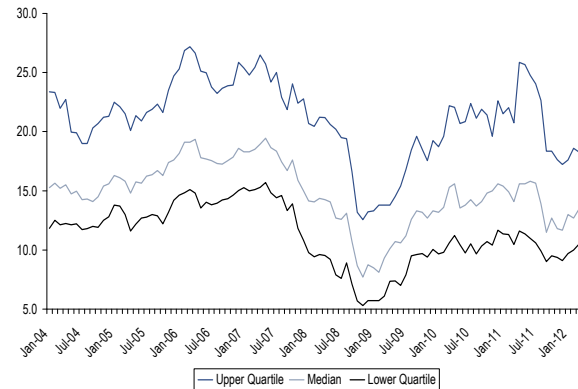
Mid-Cap Indicators (Cont...)

Figure 87. FTSE 250 (ex. Inv. Trusts) PE Rel. to FTSE 100



Source: Datastream

Figure 89. FTSE 250 Median, Upper and Lower Quartile PEs



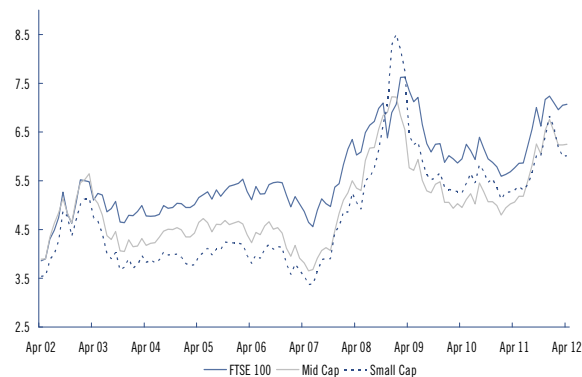
Source: Datastream

Figure 91. FTSE 250 Dividend Yield



Source: Datastream

Figure 88. Backward Looking Equity Risk Premium



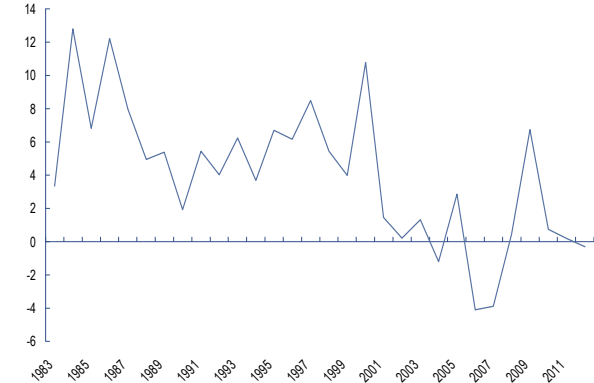
Source: Datastream

Figure 90. Divergence in Price and Market Cap of Indices



Source: Datastream

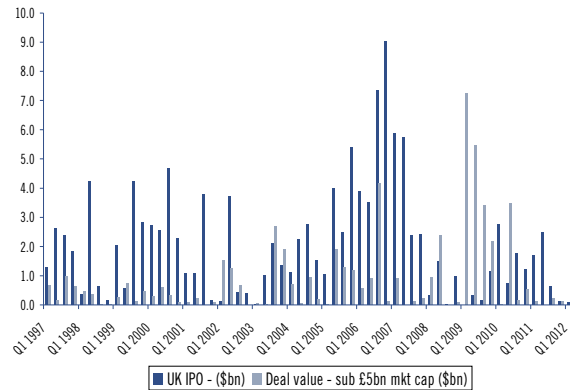
Figure 92. UK Net Equitisation



Source: DataStream

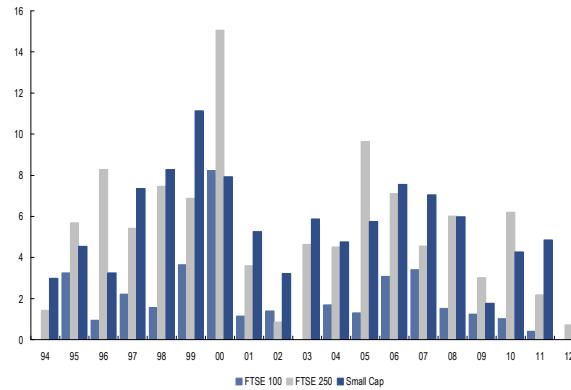
Mid-Cap Indicators (Cont...)

Figure 93. UK IPOs issues (\$bn)



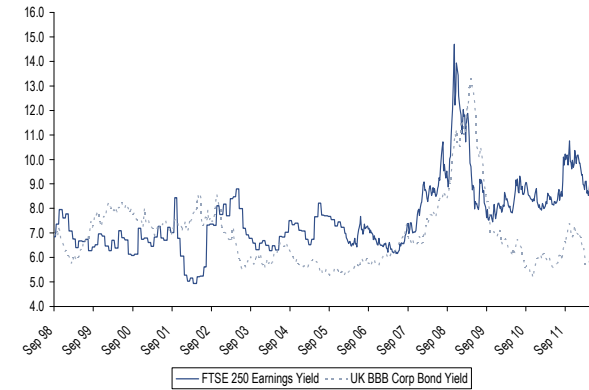
Source: Dealogic

Figure 95. UK Acquisitions - % of Start Year Market Value



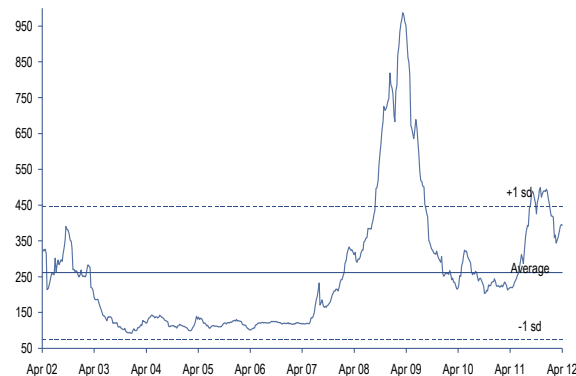
Source: CIRA, DataStream and FTSE.

Figure 97. FTSE 250 12m Fwd Earnings Yield vs UK BBB



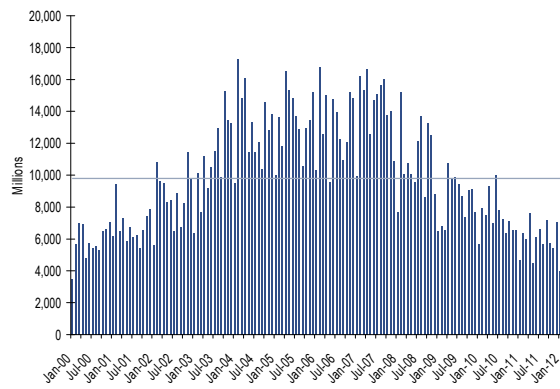
Source: Citi Investment Research and Analysis and DataStream

Figure 94. Credit Spread (5yr BBB Corp Bond vs UK GILT)



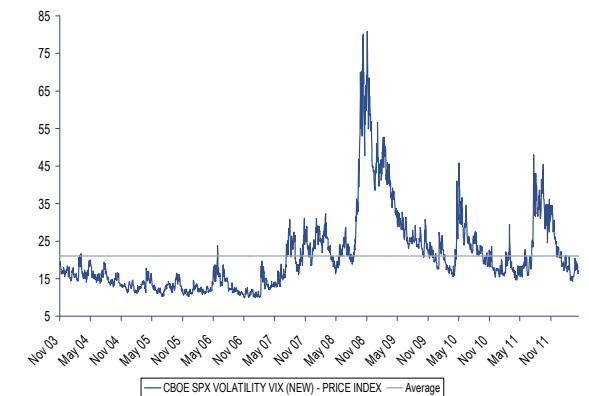
Source: Datastream

Figure 96. FTSE 250 Monthly Volume



Source: Datastream

Figure 98. VIX Index



Source: DataStream

Sector and Theme Performance



Change in Consensus Estimates

Monthly Change in Consensus P/Es and Earnings Estimates by Sector (as at 30/04/2012)

Sector	FTSE 250			FTSE 100			FTSE SmallCap		
	-1m % Change			-1m % Change			-1m % Change		
	Index Weighting	+12m IBES PE	+12m IBES Earnings	Index Weighting	+12m IBES PE	+12m IBES Earnings	Index Weighting	+12m IBES PE	+12m IBES Earnings
Support Services	12.0%	(1.7%)	0.8%	2.7%	(0.9%)	0.7%	15.3%	2.4%	(0.7%)
Financial Services (Sector)	9.0%	(4.0%)	0.9%	0.8%	(2.0%)	(0.5%)	0.8%	(0.6%)	-
Travel & Leisure	8.5%	(2.2%)	0.7%	1.8%	(3.3%)	3.1%	7.6%	2.3%	(3.3%)
Oil & Gas Producers	5.2%	6.9%	(4.2%)	19.3%	(0.7%)	0.2%	1.5%	(0.8%)	(7.9%)
Media	5.2%	(5.3%)	3.0%	2.6%	(2.9%)	0.4%	5.0%	(4.7%)	(1.7%)
Mining	4.7%	8.2%	(11.2%)	11.8%	8.4%	(5.0%)	1.4%	5.5%	(1.9%)
Software & Computer Services	4.7%	(1.5%)	(0.1%)	0.3%	(5.3%)	-	5.8%	(1.9%)	0.5%
Household Goods & Home Construction	4.2%	(3.9%)	1.5%	1.7%	1.1%	-	2.3%	(3.9%)	5.1%
General Retailers	4.1%	(2.0%)	(0.5%)	1.2%	(5.4%)	0.8%	4.3%	3.6%	-
Nonlife Insurance	3.9%	0.5%	1.1%	0.4%	0.8%	0.4%	1.6%	4.8%	(2.9%)
Real Estate Investment Trusts	3.7%	2.2%	(2.6%)	1.0%	0.6%	-	3.9%	0.6%	(0.9%)
Industrial Engineering	3.6%	6.2%	2.8%	0.5%	(1.5%)	0.5%	3.3%	(3.2%)	1.6%
Electronic & Electrical Equipment	3.3%	4.5%	0.5%	0.0%	-	-	6.0%	7.5%	2.0%
Aerospace & Defense	3.1%	(6.3%)	3.1%	1.9%	(1.0%)	1.4%	1.5%	31.7%	-
Oil Equipment & Services	2.9%	0.6%	1.7%	0.6%	(0.9%)	1.5%	0.0%	-	-
General Industrials	2.1%	(0.9%)	1.3%	0.5%	(0.7%)	1.8%	0.4%	(1.7%)	-
Technology Hardware & Equipment	2.0%	(1.9%)	4.0%	0.5%	(11.5%)	-	2.6%	(4.3%)	(5.8%)
Chemicals	2.0%	4.0%	2.4%	0.5%	(1.7%)	2.7%	1.0%	(2.4%)	7.1%
Fixed Line Telecommunications	1.9%	(6.3%)	6.2%	1.1%	(6.9%)	-	0.0%	-	-
Pharmaceuticals & Biotechnology	1.5%	7.4%	(2.8%)	7.9%	0.3%	(0.1%)	2.8%	51.2%	(16.4%)
Construction & Materials	1.4%	(5.5%)	0.9%	0.6%	(3.9%)	1.3%	4.9%	(1.4%)	0.8%
Gas, Water & Multiutilities	1.3%	3.9%	-	3.6%	2.8%	-	0.0%	-	-
Real Estate Investment & Services	1.1%	0.0%	-	0.0%	-	-	10.8%	(12.1%)	10.7%
Forestry & Paper	1.1%	0.6%	(3.6%)	0.0%	-	-	0.0%	-	-
Electricity	1.0%	1.9%	(2.2%)	0.8%	(0.6%)	-	0.0%	-	-
Mobile Telecommunications	1.0%	9.2%	(12.5%)	5.7%	(1.3%)	-	0.0%	-	-
Food & Drug Retailers	0.9%	(5.5%)	-	2.6%	(3.7%)	-	0.0%	-	-
Life Insurance	0.8%	(10.2%)	4.3%	3.4%	(6.7%)	0.2%	0.9%	(5.9%)	-
Industrial Transportation	0.7%	(5.1%)	-	0.0%	-	-	3.0%	(0.9%)	(2.9%)
Beverages	0.7%	(1.6%)	0.7%	4.7%	1.8%	1.4%	0.0%	-	-
Food Producers	0.7%	(2.5%)	(0.3%)	2.4%	1.7%	(0.6%)	4.3%	(1.3%)	(0.3%)
Industrial Metals & Mining	0.4%	(0.8%)	(8.9%)	0.1%	19.5%	(16.3%)	0.3%	(47.3%)	100.0%
Personal Goods	0.4%	8.1%	(11.4%)	0.4%	(2.2%)	1.4%	0.0%	-	-
Health Care Equipment & Services	0.2%	(2.1%)	-	0.4%	(2.2%)	(2.0%)	1.4%	3.5%	-
Automobiles & Parts	0.0%	-	-	0.2%	(1.2%)	-	0.0%	-	-
Tobacco	0.0%	-	-	5.8%	(0.8%)	-	0.0%	-	-
Leisure Goods	0.0%	-	-	0.0%	-	-	0.7%	(1.1%)	-
Alternative Energy	0.0%	-	-	0.0%	-	-	0.0%	(64.7%)	200.0%
Banks	0.0%	-	-	12.1%	(0.8%)	(2.6%)	0.0%	-	-

Source: DataStream

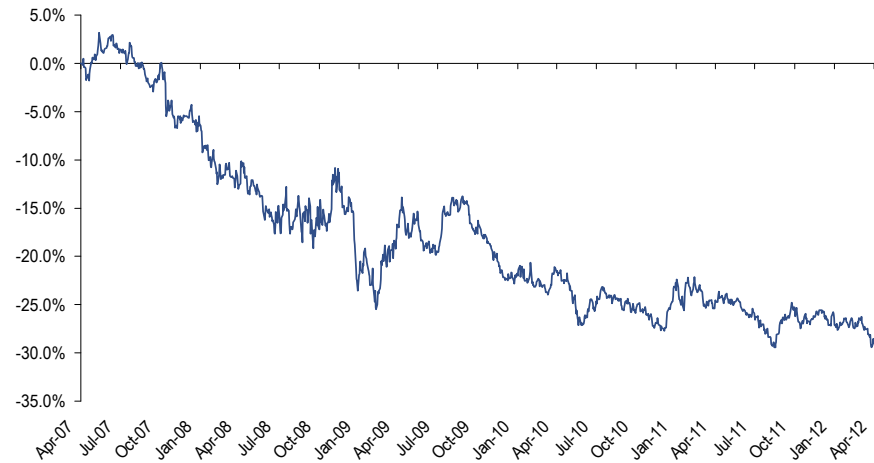
Value vs Growth

Figure 99. FTSE Value Index vs Growth -1 Year



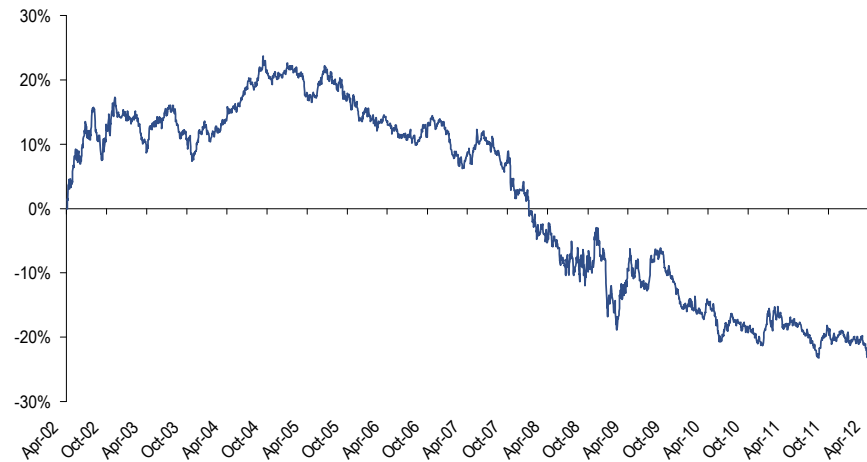
Source: Datastream

Figure 100. FTSE Value Index vs Growth -5 Years



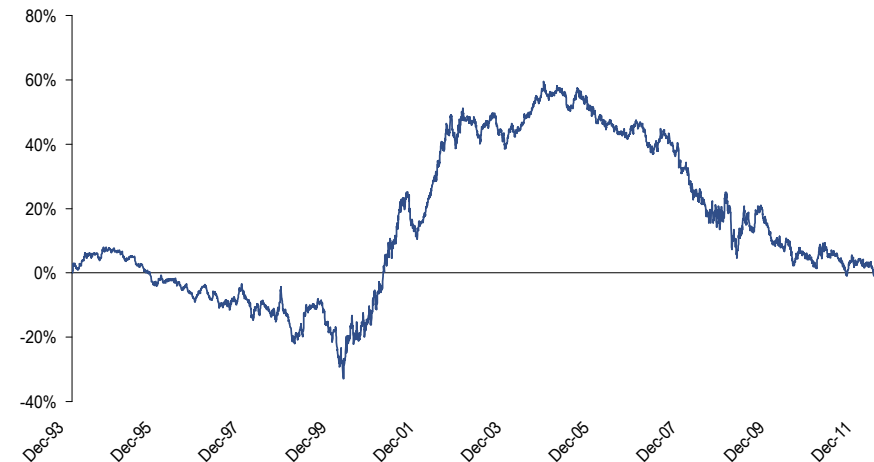
Source: Datastream

Figure 101. FTSE Value Index vs Growth -10 Years



Source: Datastream

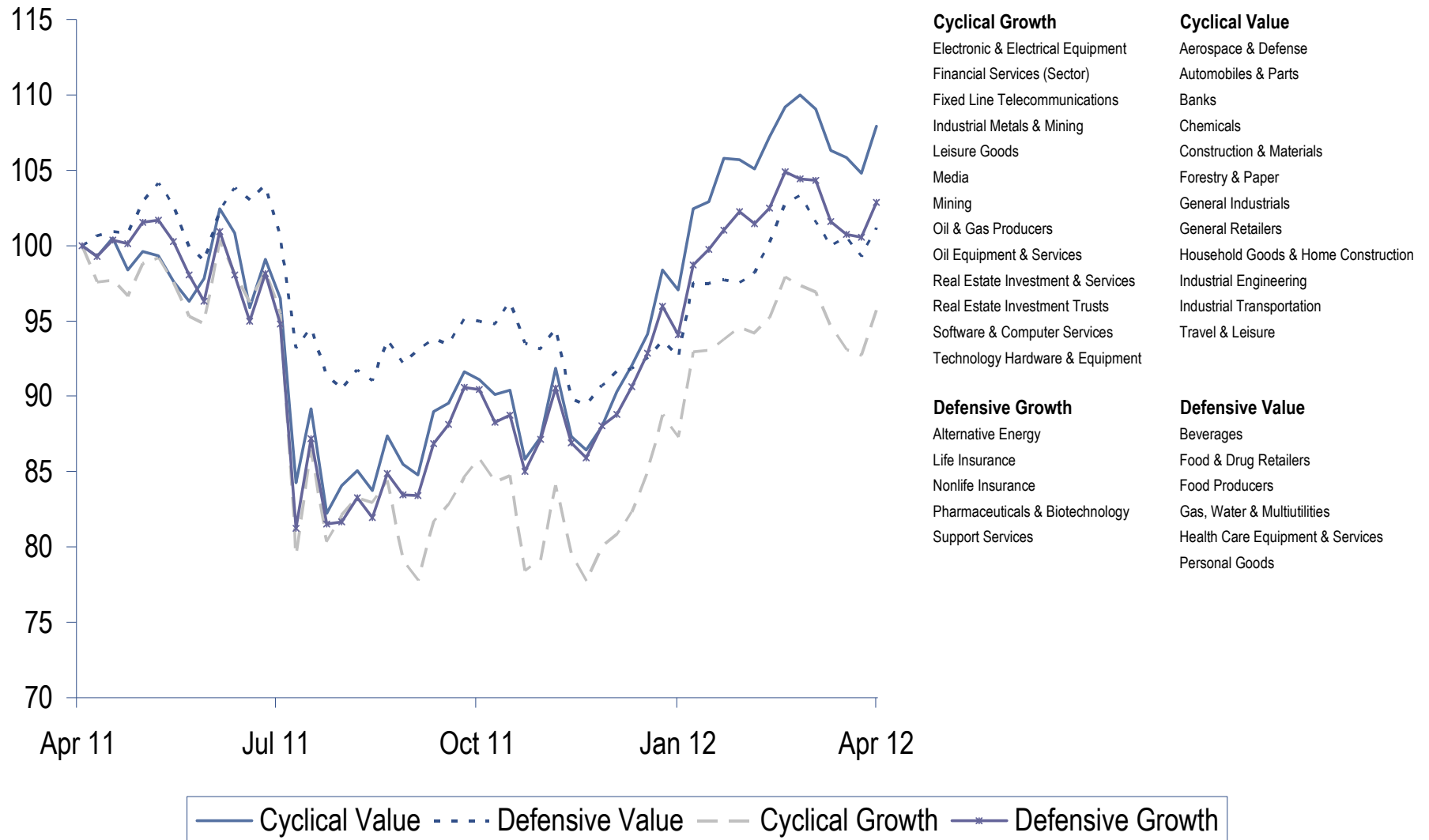
Figure 102. FTSE Value Index vs Growth Since Inception



Source: Datastream

Mid Cap Theme Performance

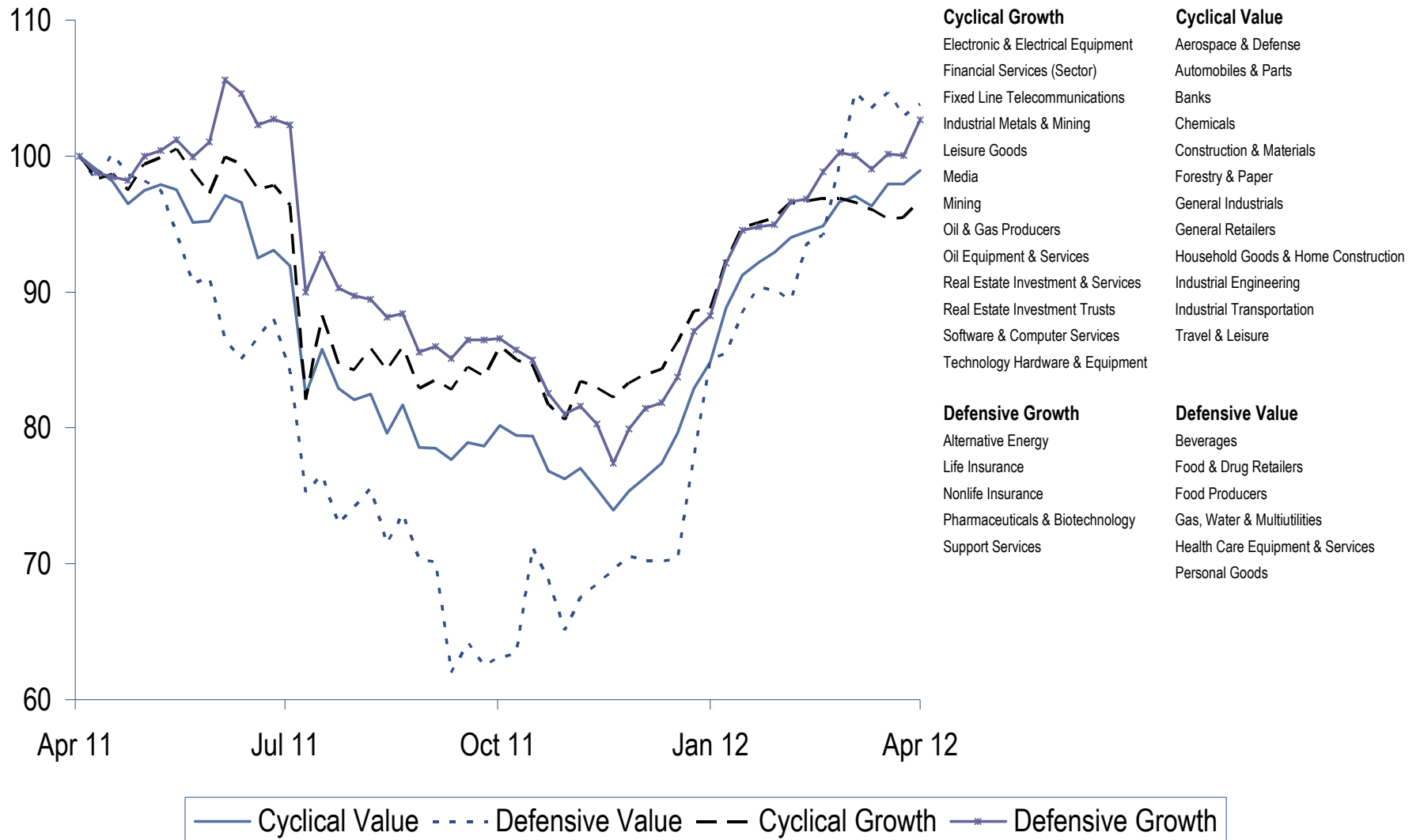
Figure 103. Mid Cap (FTSE 250 Ex Inv. Trusts) Theme Performance



Source: Datacentral & Datastream

Small-Cap Theme Performance

Figure 104. Small Cap Theme Performance



Source: Datacentral & Datastream

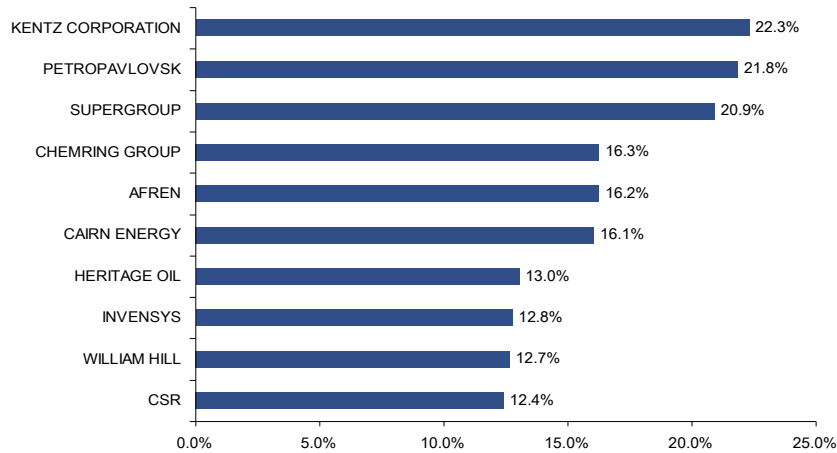


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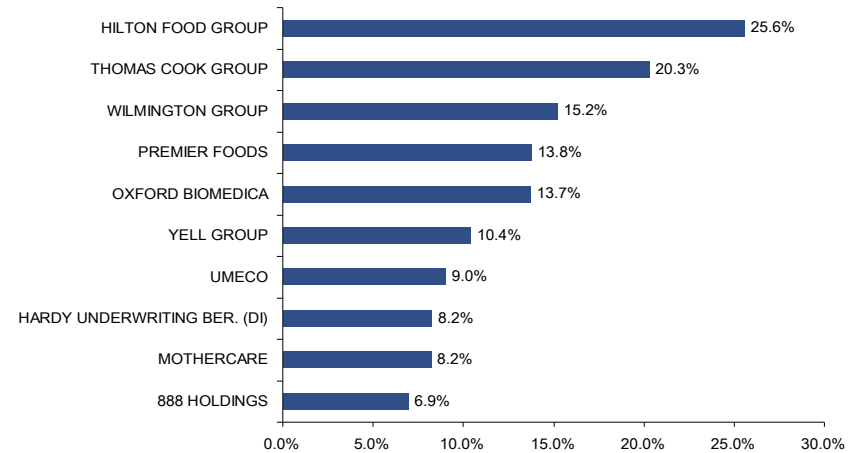
Stock Watch

Figure 105. FTSE 250 Monthly Vol as % of number of shares



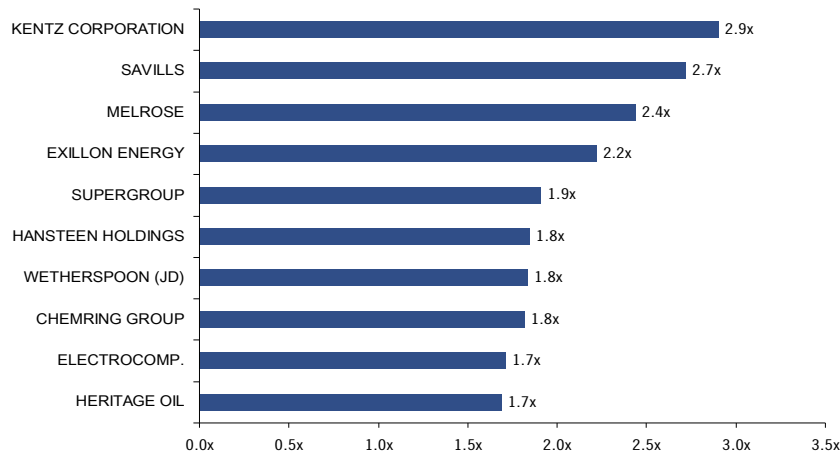
Source: Datastream (01/05/2012)

Figure 106. FTSE Small-Cap Monthly Vol as % of number of shares



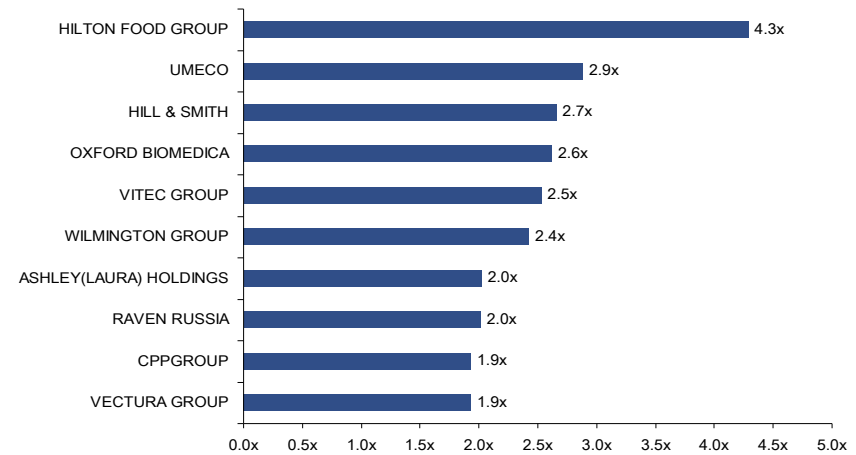
Source: Datastream (01/05/2012)

Figure 107. FTSE 250 Monthly Vol as / 6 Month Monthly Average Vol



Source: Datastream (01/05/2012)

Figure 108. FTSE Small-Cap Monthly Vol as / 6 Month Monthly Average Vol



Source: Datastream (01/05/2012)

Figure 109. Completed UK Small/Mid-Cap M&A Since Jan 2011

Effective - after close: Stock	Deletion	Comment	Value £m	
29-Mar-12	Arena Leisure	Small Cap	Arena Leisure acquired by Aldersgate Investment Limited	63
21-Mar-12	Collins StewartHawkpoint PLC	Small Cap	Collins Stewart Hawkpoint Plc acquired by Canaccord Financial Incorporated	243
01-Feb-12	Robert Wiseman	Small Cap	Robert Wiseman acquired by Muller Dairy Ltd (Non Constituent)	136
27-Jan-12	Alterian Plc	Small Cap	Alterian Plc acquired by SDL Plc	66
13-Jan-12	Charter International	Mid Cap	Charter International acquired by Colefax UK Holdings (Non Constituent)	1517
22-Dec-11	Evolution Group	Small Cap	Evolution acquired by Investec Plc	175
26-Oct-11	Axis Shield	Small Cap	Axis Shield acquired by Alere Inc (US)	236
14-Oct-11	Northumbrian Water Group	Mid Cap	Northumbrian Water Group acquired by UK Water (Non Constituent)	1800
03-Oct-11	Avis Europe	Mid Cap	Avis Europe acquired by Avis Budget Group Inc (Non Constituent)	304
11-Oct-11	Hansen Transmissions	Mid Cap	Hansen Transmissions acquired by ZF International BV (Non Constituent)	310
27-Sep-11	Holidaybreak	Small Cap	Holidaybreak acquired by Prometheon Holdings	319
24-Aug-11	Minerva	Small Cap	Minerva acquired by Jupiter Properties UK Ltd (Non Constituent)	195
01-Jul-11	Chaucer Holdings Plc	Small Cap	Chaucer Holdings Plc acquired by 440 Tessera Limited (Non Constituent)	293
08-Jun-11	SVM UK Active Fund	Small Cap	SVM UK Active Fund acquired by Cyrun Finance Limited (non constituent)	61
02-Jun-11	Forth Ports	Mid Cap	Forth Ports acquired by Otter Ports Limited (non constituent)	741
26-Apr-11	Eaga	Small Cap	Eaga acquired by Carillion	221
21-Apr-11	Prostraken	Small Cap	Prostraken acquired by Kyowa Hakko Company Ltd	197
12-Apr-11	Northern Foods	Small Cap	Northern Foods acquired by Boparan Holdings Limited	342
04-Apr-11	Gartmore Group	Mid Cap	Gartmore Group acquired by Henderson Group	306
14-Mar-11	British Insurance Holding	Mid Cap	British Insurance acquired by Achilles Netherlands (non constituent)	836
09-Feb-11	Wellstream	Mid Cap	Wellstream acquired by General Electric Austria GmBH (non component)	786
04-Feb-11	Chrysalis	Small Cap	Chrysalis acquired by Forte Bidco 1 Limited (non component)	81

Source: FTSE, Datastream, CIRA.

Figure 110. IPO Transactions Since Jan 2011 – Minimum Value \$50m

Pricing Date	Issuer Name	Specific Industry (SIG)	Bookrunner Parent	Deal Value (\$)	Deal Value (Local Currency m)	% Change Price Offer/ Current
11-Jul-11	Bayfield Energy Holdings plc	Oil & Gas-Exploration & Development	Seymour Pierce	86,937,405	54,375,000	24.17
11-Jul-11	Waterlogic plc	Consumer Products-Household Appliances	Liberum Capital Ltd	77,496,207	48,470,003	15.52
08-Jul-11	Ophir Energy plc	Oil & Gas-Exploration & Development	Credit Suisse;JPMorgan;RBC Capital Markets	376,131,327	234,668,335	0.00
17-Jun-11	Vallares plc	Finance-Capital Pool Companies	Credit Suisse;JPMorgan	2,127,108,286	1,305,300,000	4.00
07-Apr-11	Perform Group plc	Computers & Electronics-Services	Credit Suisse;Morgan Stanley;UBS	238,815,203	147,456,447	-32.69
17-Mar-11	Trap Oil Group plc	Oil & Gas-Exploration & Development	Mirabaud Securities Ltd	96,564,014	60,000,050	0.00
09-Mar-11	Duet Real Estate Finance Ltd	Finance-Investment Management	Oriel Securities Ltd	81,280,988	50,000,000	-
-01-Mar-11	Williams Grand Prix Holdings plc	Leisure & Recreation-Services	Bank am Bellevue AG;Baader Bank AG	71,495,771	51,984,575	-29.60
14-Feb-11	Justice Holdings Ltd	Finance-Capital Pool Companies	Barclays Capital;Citi	1,440,460,948	900,000,000	-2.00

Source: Dealogic

Rights Issues Watch

Figure 111. UK Rights issues since Jan 2010 (Market cap below \$5bn, Deal value \$mn)

Announcement Date	Pricing Date	Issuer Name	Specific Industry	Deal Value \$m	% Change Price Offer/Current	Market Value (\$) (Pre Deal)	Rights Ratio
15 Dec 11	09 Mar 12	Pursuit Dynamics plc	Machinery-General Industrial	14	-15.0	227	1 for 8
17 Jan 12	22-Feb-12	DS Smith	Forestry & Paper-Packaging	660	80	1008	9 for 8
22-Nov-11	27-Dec-11	MGT Capital Investments Inc	Healthcare-Instruments	n.a	79	2	0.8 for 1
23 Nov 11	21-Dec-11	Assura Group Ltd	Finance-Investment Management	55	8	241	2 for 7
16 Nov 11	19 Dec 11	Excalibur Mining Corp Ltd	Mining-General	n.a.	0.0	4	2 for 1
21 Oct 11	05 Dec 11	New Europe Property Investments plc	Real Estate/Property-Operations	54	n.a.	457	16.1424 for 100
14 Jul 11	17 Aug 11	Pendragon	Auto/Truck-Sales	120	0.0	166	9 for 8
07 Jul 11	27 Jul 11	Workspace Group plc	Real Estate/Property-Operations	106	17.4	516	1 for 4
26 Mar 11	05 May 11	6pm Holdings plc	Professional Services-Management Consulting	2	n.a.	4	1.4384 for 1
02 Mar 11	18 Mar 11	Fiberweb plc	Textile-Mill Products	39	-0.8	194	1 for 3
11 Feb 11	17 Mar 11	Findel plc	Retail-Mail Order & Direct	84	14.7	67	5 for 2
16 Dec 10	24 Jan 11	RPC Group plc	Chemicals-Plastic	144	149.5	355	5 for 8
13 Dec 10	18 Jan 11	Yule Catto & Co plc	Chemicals-Specialty	302	83.6	411	4 for 3
07 Dec 10	25 Jan 11	Imperial Innovations Group plc	Finance-Acquisitions/Restructurings	16	0.7	408	2 for 3
12 Nov 10	20 Dec 10	New Europe Property Investments plc	Real Estate/Property-Operations	57	n.a.	242	24.2194 for 100
22 Jul 10	12 Aug 10	Development Securities plc	Real Estate/Property-Operations	158	-13.2	347	5 for 12
25 Jun 10	28 Jul 10	Avis Europe plc	Transportation-Equipment & Leasing	100	107.9	736	9 for 8
24 Jun 10	06 Aug 10	Resolution Ltd	Insurance-Life	3,370	84.1	311	17 for 1
11 Jun 10	19 Oct 10	MAM Software Group Inc	Computers & Electronics-Software	n.a.	2607.7	6	0.6 for 1
25 Mar 10	10 May 10	Primeline Energy Holdings Inc	Oil & Gas-Field Equipment & Services	19	-34.0	35	1 for 1

Source: Dealogic

Quant Corner

Cheapest & Most Expensive

Cheapest FTSE 250 Stocks by FY2 PER

Stock Name	Price	FY1 P/E	FY2 P/E
EXLLON ENERGY (EXLL)	1.39	6.3x	4.0x
PETROPALOVSK (POG.L)	4.77	5.0x	4.1x
PHOENIX GROUP HDG. (LON) (PHNXL)	5.28	4.1x	4.4x
BUMI (BUMP.L)	5.18	6.0x	4.6x
CENTAMN (CEY.L)	0.69	5.3x	4.6x
FERRERPO (FPO.L)	2.92	6.0x	5.0x
PREMER OIL (PMO.L)	3.74	7.3x	5.5x
CHEMRING GROUP (CHGL)	3.26	5.8x	5.6x
SOCO INTERNATIONAL (SIAL)	3.00	6.8x	5.9x
INTERSERVE (IRV.L)	2.86	6.5x	6.0x
FIRST GROUP (FGP.L)	1.95	4.9x	6.1x
DARY CREST (DCGL)	3.01	6.3x	6.3x
CARLION (CLNL)	2.92	6.8x	6.3x
LOGICA (LOG.L)	0.78	7.1x	6.6x
SALAMANDER ENERGY (SMDR.L)	2.02	11.9x	6.5x
TALVANAARA MNG.CO (CDI) (TALV.L)	1.83	30.5x	6.5x
ESSAR ENERGY (ESSR.L)	1.46	13.3x	6.6x
CATLIN GROUP (CGL.L)	4.22	7.3x	6.7x
F&C ASSET MANAGEMENT (FCAM.L)	0.67	8.4x	6.7x
AFREN (AFRE.L)	1.34	6.1x	6.7x

Source: Datastream

Most Expensive FTSE 250 Stocks by FY2 PER

Stock Name	Price	FY1 P/E	FY2 P/E
CAPITAL & CNTS.PROPS. (CAPCC.L)	1.99	99.5x	99.5x
GREAT PORTLAND ESTATES (GPOR.L)	3.60	60.0x	60.0x
CARPETRIGHT (CATVU.L)	6.00	120.0x	50.0x
BTG (BGC.L)	3.80	34.5x	47.5x
MAGINATION TECHNOLOGIES (IMG.L)	6.88	68.8x	45.9x
SHAF TESBURY (SHB.L)	5.11	39.3x	36.5x
DERWENT LONDON (DLN.L)	17.42	32.3x	31.1x
GENUS (GENS.L)	14.12	28.2x	25.2x
RIGHTMOVE (RMV.L)	15.41	27.0x	23.3x
AVEVA GROUP (AVV.L)	16.66	26.4x	22.8x
LONDON & STAMFORD PR. (LSP.L)	1.11	27.8x	22.2x
PERFORM GROUP (PER.L)	3.05	30.5x	21.8x
AQUARIUS PLATINUM (LON) (AQP.L)	1.30	n.a.	21.7x
PZ CUSSONS (PZC.L)	3.32	23.7x	20.8x
TELECITY GROUP (TCY.L)	8.07	26.9x	20.7x
MICHAEL PAGE INTL. (MPI.L)	4.16	26.0x	19.8x
ROTORK (ROR.L)	22.07	20.2x	18.5x
TELECOM PLUS (TEPL)	6.83	20.7x	18.5x
DOMINO'S PIZZA (DOM.L)	4.39	20.9x	18.3x
OXFORD INSTRUMENTS (OXIG.L)	12.24	20.7x	18.3x

Cheapest FTSE 250 Stocks by FY2 Cash Flow Yield

Stock Name	Price	FY1 Cash Flow Yield	FY2 Cash Flow Yield
BOOKER GROUP (BOK.L)	0.79	62.0%	89.9%
CABLE & WIRELESS COMMS. (CWC.L)	0.33	39.4%	45.5%
KESA ELECTRICALS (KESAL)	0.54	37.0%	42.6%
PREMER OIL (PMO.L)	3.74	32.1%	41.2%
EXLLON ENERGY (EXLL)	1.39	24.5%	40.3%
FIRST GROUP (FGP.L)	1.95	42.6%	39.5%
Restricted			
SALAMANDER ENERGY (SMDR.L)	2.02	26.2%	37.1%
PETROPALOVSK (POG.L)	4.77	30.6%	36.1%
AFREN (AFRE.L)	1.34	40.3%	35.8%
ESSAR ENERGY (ESSR.L)	1.46	31.5%	34.9%
ENQUEST (ENQL)	1.27	36.2%	34.6%
CENTAMN (CEY.L)	0.69	23.2%	30.4%
COLT GROUP (COLT.L)	1.06	28.3%	30.2%
DXONS RETAIL (DXNSL)	0.18	16.7%	27.8%
TALVANAARA MNG.CO (CDI) (TALV.L)	1.83	16.4%	26.8%
GO-AHEAD GROUP (GOG.L)	11.40	27.0%	26.4%
FERRERPO (FPO.L)	2.92	21.2%	25.7%
TALKTALK TELECOM GROUP (TALK.L)	1.28	21.9%	25.0%
NEW WORLD RESOURCES (NWRRL)	4.07	17.2%	24.8%

*Cash flow yield - Cash flow from operations, before investing and financing activities

Source: DataStream

Most Expensive FTSE 250 Stocks by FY2 Cash Flow Yield

Stock Name	Price	FY1 Cash Flow Yield	FY2 Cash Flow Yield
REDROW (RDWL)	1.23	-22.0%	-27.6%
BARRATT DEVELOPMENTS (BDEV.L)	1.34	-0.7%	-6.0%
ASHTAD GROUP (AHT.L)	2.48	-2.8%	-4.0%
HERITAGE OIL (HOIL)	1.49	-3.4%	-3.4%
PROVIDENT FINANCIAL (PFGL)	11.55	6.1%	-3.2%
BELLWAY (BWL.L)	7.88	-2.7%	-1.8%
OPHIR ENERGY (OPHRL)	5.77	-1.0%	-1.0%
STOBART GROUP ORD. (STOB.L)	1.28	0.0%	0.0%
INVESTEC (INVPL)	3.55	0.0%	0.0%
RENSHAW (RSWL)	14.49	0.0%	0.0%
LONDON & STAMFORD PR. (LSP.L)	1.11	0.0%	0.0%
PHOENIX GROUP HDG. (LON) (PHNXL)	5.28	0.0%	0.0%
SVG CAPITAL (SVL)	2.76	0.0%	0.0%
LANCASHIRE HOLDINGS (LREL)	8.05	0.0%	0.0%
PAYPOINT (PAYP.L)	6.39	0.0%	0.0%
JARDINELL OYD THOMPSON (JLT.L)	7.03	0.0%	0.0%
F&C COML PROPERTY TRUST (FCPTLL)	1.04	0.0%	0.0%
HISCOX (HSX.L)	3.98	0.0%	0.0%
BEAZLEY (BEZGL)	1.42	0.0%	0.0%
DAEJAN HOLDINGS (DJAN.L)	32.38	0.0%	0.0%

Cheapest FTSE SmallCap Stocks by FY2 PER

Stock Name	Price	FY1 P/E	FY2 P/E
YELL GROUP (YELL.L)	0.04	0.6x	0.7x
RSM TENON GROUP (TNO.L)	0.08	2.0x	1.3x
TRINITY MIRROR (TNI.L)	0.32	1.3x	1.4x
UK COAL (UKC.L)	0.20	1.8x	1.5x
ANGLESEY MINING (AYM.L)	0.20	6.7x	1.5x
PUNCH TAVERNS (PUB.L)	0.10	1.4x	1.7x
THOMAS COOK GROUP (TCG.L)	0.22	2.8x	2.2x
ENTERPRISE INNS (ETI.L)	0.61	2.9x	2.8x
CPP GROUP (CPPG.L)	0.47	3.1x	2.9x
FINDEL (FDL.L)	0.03	3.0x	3.0x
WINCANTON (WIN.L)	0.51	3.0x	3.2x
PREMER FOODS (PFD.L)	0.16	5.3x	4.0x
PACE (PIC.L)	0.73	4.9x	4.1x
MECOM GROUP (MECL)	1.50	4.7x	4.2x
CRESTON (CRCRE.L)	0.61	5.1x	4.7x
MELROSE RESOURCES (MRS.L)	1.21	4.3x	4.8x
JXX OIL & GAS (JXX.L)	1.37	4.3x	4.9x
ST. IVES (SV.L)	0.79	5.3x	4.9x
ALUED GOLD MINING (ALDGL)	1.19	5.0x	5.2x
SMITHS NEWS (SNWS.L)	0.99	5.8x	5.2x

Source: DataStream

Most Expensive FTSE SmallCap Stocks by FY2 PER

Stock Name	Price	FY1 P/E	FY2 P/E
HARDY OIL & GAS (HAOG.L)	1.48	n.a.	148.0x
VECTURA GROUP (VEC.L)	0.72	n.a.	36.0x
MOTHERCARE (MTC.L)	1.71	85.5x	28.5x
CAROLO (C1Y.L)	3.87	43.0x	27.6x
MEDICX FUND ()	0.78	26.0x	26.0x
WOLFSON MICROELECTRONICS (WLF.L)	1.77	n.a.	25.3x
DIALIGHT (DIAL.L)	10.35	27.2x	21.6x
INNOVATION GROUP (TIG.L)	0.21	21.0x	21.0x
PRIMARY HEALTH PROPS. (PHPL)	3.34	22.3x	20.9x
ROBERT WALTERS (RWAL)	2.55	28.3x	19.6x
UNITE GROUP (UTG.L)	1.95	27.9x	19.5x
QUINTAN ESTATES & DEV. (QED.L)	0.38	38.0x	19.0x
WORKSPACE GROUP (WKP.L)	2.26	18.8x	18.8x
UMECO (UMC.L)	5.76	21.3x	18.0x
METRIC PROPERTY INVS. (METP.L)	0.89	22.3x	17.8x
NCC GROUP (NCCGL)	8.86	19.7x	17.7x
ANITE (AIE.L)	1.24	20.7x	17.7x
STHREE (STHRL)	3.46	21.6x	17.3x
BOOT (HENRY) (BHY.L)	1.38	23.0x	17.3x
FULLER SMITH 'A' (FSTA.L)	7.17	18.9x	17.1x

Cheapest FTSE SmallCap Stocks by FY2 Cash Flow Yield

Stock Name	Price	FY1 Cash Flow Yield	FY2 Cash Flow Yield
FINDEL (FDL.L)	0.03	600.0%	833.3%
PUNCH TAVERNS (PUB.L)	0.10	780.0%	680.0%
YELL GROUP (YELL.L)	0.04	350.0%	275.0%
VOLEX (VLX.L)	2.63	603.8%	166.2%
PACE (PIC.L)	0.73	30.1%	131.5%
THOMAS COOK GROUP (TCG.L)	0.22	54.5%	95.5%
WOLFSON MICROELECTRONICS (WLF.L)	1.77	0.0%	75.1%
TRINITY MIRROR (TNI.L)	0.32	71.9%	71.9%
FLYBE GROUP (FLYB.L)	0.74	51.4%	67.6%
MELROSE RESOURCES (MRS.L)	1.21	68.6%	64.5%
ASHLEY LAURA HOLDINGS (ALY.L)	0.23	52.2%	47.8%
JXX OIL & GAS (JXX.L)	1.37	37.2%	35.8%
ENTERPRISE INNS (ETI.L)	0.61	34.4%	34.4%
RAVEN RUSSIA (RUS.L)	0.62	30.6%	32.3%
GREENCORE GROUP (LON) (GNCL)	0.71	24.0%	28.3%
WINCANTON (WIN.L)	0.51	-33.3%	27.5%
PREMER FOODS (PFD.L)	0.16	25.0%	25.0%
PHOTO-ME INTL. (PHTML)	0.45	24.4%	24.4%
ALUED GOLD MINING (ALDGL)	1.19	17.6%	23.5%
INTL FERRO METALS (IFL.L)	0.17	0.0%	23.5%

*Cash flow yield - Cash flow from operations, before investing and financing activities

Source: DataStream

Most Expensive FTSE SmallCap Stocks by FY2 Cash Flow Yield

Stock Name	Price	FY1 Cash Flow Yield	FY2 Cash Flow Yield
OXFORD BIOMEDICA (OXB.L)	0.04	-25.0%	-25.0%
IP GROUP (POL)	1.45	-4.1%	-4.1%
HEADLAM GROUP (HEAD.L)	3.01	-2.3%	-2.3%
HARDY OIL & GAS (HAOG.L)	1.48	-3.4%	-0.7%
CITY OF LONDON INV.GP. (CLGL)	3.82	0.0%	0.0%
RSM TENON GROUP (TNO.L)	0.08	0.0%	0.0%
HILL & SMITH (HLSL)	3.30	0.0%	0.0%
CRESTON (CRCRE.L)	0.61	0.0%	0.0%
QUINTAN ESTATES & DEV. (QED.L)	0.38	0.0%	0.0%
BRITISH POLYTHENE INDS. (BRPIL)	3.38	0.0%	0.0%
CLS HOLDINGS (CLSH.L)	6.28	0.0%	0.0%
EMBLAZE (EBZL.L)	0.49	0.0%	0.0%
GOLDENPORT HOLDINGS (GPRTL)	0.85	-2.4%	0.0%
HOGG ROBINSON GROUP (HRGL)	0.70	0.0%	0.0%
FRENCH CONNECTN.GROUP (FCOGL)	0.43	0.0%	0.0%
TOROTRAK (TRKL)	0.37	0.0%	0.0%
PICTON PROPERTY INC. (PCTNL)	0.41	0.0%	0.0%
PRIMARY HEALTH PROPS. (PHPL)	3.34	0.0%	0.0%
SEPURA (SEPL.L)	0.60	0.0%	0.0%
GOODWIN (GOWN.L)	13.27	0.0%	0.0%



CIRA Coverage Universe



Coverage List

CIRA Small/Mid-Cap Universe Coverage List as at 1/5/2012

Company Name	Reuters Ticker	Sector	Member of	Price	Rec	Analyst Contact	Direct Telephone	Email
			Small Cap	FTSE 250	Market Cap (m)	Last Price	Target Price	
3i Group	III.L	Asset Management & Custody Banks		*	1,865	1.92	2.15	2 Nese Guner +44-20-7986-4521 nese.guner@citi.com
3i Infrastructure	3IN.L	General Financial		*	1,115	1.27	1.25	2 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Aegis	AEGS.L	Media		*	2,083	1.78	2.10	1 Catherine T O'Neill +44-20-7986-8053 catherine.oneil@citi.com
Afren	AFRE.L	Oil & Gas Prods		*	1,445	1.35	1.81	1 H Michael J Alsford +44-20-7986-4426 michael.alsford@citi.com
African Barrick	ABGL.L	Mining		*	1,485	3.62	3.21	3 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
African Minerals	AMIQ.L	Mining			1,627	4.94	7.50	1 Michael E Flitton +44-20-7986-3943 michael.flitton@citi.com
Amlin	AML.L	Nonlife Insurance		*	1,637	3.30	3.83	1 Thomas Dorner +44-20-7986-9929 thomas.dorner@citi.com
Aquarius Platinum	AQP.L	Mining		*	604	1.29	1.40	2 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
Asos PLC	ASOS.L	General Retailers			1,145	14.85	19.00	1 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
AVEVA Plc	AVV.L	S'ware & Comp Services		*	1,128	16.59	n.a.	2 Amit B Harchandani +44-20-7986-4246 amit.harchandani@citi.com
Babcock	BAB.L	Support Services		*	2,979	8.30	8.45	1 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Balfour Beatty	BALF.L	Construct & Mats		*	1,806	2.63	3.72	1 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Barratt Developments	BDEV.L	Household Goods		*	1,292	1.34	1.30	3 H Clyde Lewis +44-20-7986-4272 clyde.lewis@citi.com
BBA Aviation	BBAL	Ind Transportation		*	952	1.99	2.30	1 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Belway	BWY.L	Household Goods		*	960	7.91	9.65	1 Clyde Lewis +44-20-7986-4272 clyde.lewis@citi.com
Berendsen	BRSNL	Support Services		*	887	5.16	4.25	3 Marc VanT Sant +44-20-7986-4059 marc.vantsant@citi.com
Berkeley Group	BKGL.L	Household Goods		*	1,691	12.88	13.75	2 Clyde Lewis +44-20-7986-4272 clyde.lewis@citi.com
Big Yellow	BYG.L	Real Estate Investment Trusts		*	384	2.95	3.65	1 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Blinkx	BLNX.L	S'ware & Comp Services			194	0.54	1.00	1 Thomas A Singlehurst, CFA +44-20-7986-4051 thomas.singlehurst@citi.com
Bodycote	BOY.L	Ind Engineering		*	823	4.30	4.15	2 Mark Fielding +44-20-7986-4018 mark.fielding@citi.com
Booker	BOK.L	Food & Drug Retailers		*	1,246	0.80	0.90	1 Alastair A Johnston +44-20-7986-3908 al.johnston@citi.com
Bovis Homes Grp	BVS.L	Household Goods		*	616	4.61	5.35	2 Aynsley Lammin +44-20-7986-4092 aynsley.lammin@citi.com
BowLeven	BLVN.L	Oil & Gas Producers			258	0.88	1.88	1 H Michael J Alsford +44-20-7986-4426 michael.alsford@citi.com
Britvic	BVIC.L	Beverages		*	934	3.86	4.35	1 Andrea Pistacchi +44-20-7986-0767 andrea.pistacchi@citi.com
Brown N	BWNG.L	General Retailers		*	661	2.34	2.30	2 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
C&C Group	GCC.L	Beverages			1,286	3.79	n.a.	2 Adam Spielman +44-20-7986-4211 adam.spielman@citi.com
C&W Communications	CWC.L	Fixed Line Telcos		*	829	0.33	0.45	1 Simon Weeden +44-20-7986-4204 simon.weeden@citi.com
Carillion	CLLN.L	Construct & Mats		*	1,264	2.94	n.a.	2 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Carphone Warehouse	CPWL	General Retailers			626	1.33	1.60	1 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Catlin Group	CGL.L	Nonlife Insurance		*	1,535	4.25	4.28	2 Thomas Dorner +44-20-7986-9929 thomas.dorner@citi.com
Centamin Egypt	CEY.L	Mining		*	745	0.68	0.87	1 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
Chemring Group	CHG.L	Aerospace & Defense		*	727	3.76	5.19	1 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Cobham	COB.L	Aero & Defense		*	2,445	2.27	2.50	1 Jeremy Bragg +44-20-7986-1089 jeremy.bragg@citi.com
Cookson Group	CKSNL	General Industrials		*	2,026	7.28	8.00	1 Mark Fielding +44-20-7986-4018 mark.fielding@citi.com
Cove Energy	COVE.L	Oil & Gas Producers			1,112	2.27	2.20	2 H Michael J Alsford +44-20-7986-4426 michael.alsford@citi.com
CPP Group	CPPG.L	Support Services	*		81	0.47	n.a.	2 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
CSR	CSR.L	Tech H'ware & Equip		*	469	2.36	2.10	3 Amit B Harchandani +44-20-7986-4246 amit.harchandani@citi.com

Source: Powered by dataCentral



Company Name	Reuters Ticker	Sector	Member of	Price	Rec	Analyst Contact	Direct Telephone	Email
			Small Cap	FTSE 250	Market Cap (m)	Last Price	Target Price	
Daily Mail Trust	DMGOa.L	Media		*	1,620	4.19	4.95	1 Ruchi Malaiya, CFA +44-20-7986-4819 ruchi.malaiya@citi.com
De La Rue	DLAR.L	Support Services		*	969	9.74	10.55	1 Ed Steele +44-20-7986-2154 ed.steele@citi.com
Debenhams	DEB.L	General Retailers		*	1,064	0.83	0.95	1 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Dixons Retail	DXNS.L	General retailers		*	637	0.18	0.19	2 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Domino Printing	DOPR.L	Ind Engineering		*	656	5.90	5.79	2 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Drax Grp	DRX.L	Utilities		*	1,976	5.42	4.25	3 Peter Atherton +44-20-7986-3912 peter.atherton@citi.com
Dunelm	DNLM.L	General Retailers		*	1,036	5.12	5.10	2 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
easyJet	EZJ.L	Travel & Leisure		*	1,976	5.00	5.80	1 Andrew Light +44-20-7986-4102 andrew.light@citi.com
Electrocomponents	ECM.L	Support Services		*	1,000	2.29	1.70	3 Marc Van'T Sant +44-20-7986-4059 marc.vantsant@citi.com
EnQuest	ENQ.L	Oil & Gas Producers		*	1,007	1.25	1.49	2 H Michael J Alsford +44-20-7986-4426 michael.alsford@citi.com
Enterprise Inns	ETI.L	Travel & Leisure	*		314	0.62	n.a.	2 James Ainley +44-20-7986-3935 james.ainley@citi.com
F&C Asset Mangt	FCAML	General Financial		*	357	0.67	0.80	1 H Haley A Tam, CFA +44-20-7986-4220 haley.tam@citi.com
Fenner	FENR.L	Industrial Engineering		*	877	4.53	5.51	1 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Ferrexpo	FXPO.L	Mining		*	1,731	2.94	4.25	1 Thomas O'Hara +44-20-7986-4557 thomas.josephohara@citi.com
Filtrona	FLTR.L	Support Services		*	978	4.67	4.70	1 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Firstgroup	FGP.L	Travel & Leisure		*	943	1.96	2.14	2 Roger Elliott +44-20-7986-4010 roger.elliott@citi.com
Gem Diamonds	GEMD.L	Mining		*	356	2.57	2.83	3 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
Go-Ahead Group	GOG.L	Travel & Leisure		*	492	11.43	12.27	2 Roger Elliott +44-20-7986-4010 roger.elliott@citi.com
Greene King	GNKL	Travel & Leisure		*	1,115	5.13	5.70	1 James Ainley +44-20-7986-3935 james.ainley@citi.com
Greggs	GRG.L	Food Producers		*	509	5.04	5.90	2 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Gulfsands	GPX.L	Oil & Gas Producers		*	149	1.26	1.88	2 H Michael J Alsford +44-20-7986-4426 michael.alsford@citi.com
Halfords	HFD.L	General Retailers		*	548	2.75	2.75	2 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Halma	HLMA.L	Ind Engineering		*	1,528	4.05	3.85	2 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Hays	HAYS.L	Support Services		*	1,249	0.90	0.75	3 Marc Van'T Sant +44-20-7986-4059 marc.vantsant@citi.com
Henderson Group Plc	HGGH.L	General Financial		*	1,335	1.21	1.30	2 Haley A Tam, CFA +44-20-7986-4220 haley.tam@citi.com
Heritage Oil	HOIL.L	Oil & Gas Products		*	385	1.49	1.80	2 H Michael J Alsford +44-20-7986-4426 michael.alsford@citi.com
Hikma	HIK.L	Pharm. & Biotech		*	1,231	6.26	8.40	1 Liav Abraham +44-20-7986-5592 liav.abraham@citi.com
Hiscox	HSX.L	Nonlife Insurance		*	1,553	3.97	4.13	2 Thomas Domer +44-20-7986-9929 thomas.domer@citi.com
HMV Group	HMV.L	General Retailers		*	16	0.04	0.03	2 H Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Hochschild Mining	HOCML	Mining		*	1,684	4.98	4.94	2 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
Home Retail	HOME.L	General Retailers		*	844	1.04	0.80	3 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Homeserve	HSV.L	Support Services		*	837	2.54	2.00	3 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
HOWDENS	HOWDN.L	Industrial Engineering		*	770	1.21	1.40	1 Aynsley Lammin +44-20-7986-4092 aynsley.lammin@citi.com
IG Group	IGG.L	General Financial		*	1,673	4.61	5.00	2 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Inchcape	INCH.L	General Retailers		*	1,690	3.66	4.70	1 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Ind News & Media	INME.L	Media		*	146	0.27	n.a.	2 Ruchi Malaiya, CFA +44-20-7986-4819 ruchi.malaiya@citi.com
Informa	INF.L	Media		*	2,501	4.15	5.30	1 Ruchi Malaiya, CFA +44-20-7986-4819 ruchi.malaiya@citi.com
Inmarsat	ISAL	Alternative Carriers		*	1,984	4.42	4.10	3 Tania Valiente +44-20-7986-4140 tania.valiente@citi.com
Intermediate Cap	ICPL	Financial Services		*	1,020	2.55	2.30	2 Nese Guner +44-20-7986-4521 nese.guner@citi.com
Intl Prsnl Fin	IPFL	General Financial		*	686	2.67	3.00	1 Simon Nellis +44-20-7986-4012 simon.nellis@citi.com

Source: Powered by dataCentral

Company Name	Reuters Ticker	Sector	Member of	Price	Rec	Analyst Contact	Direct Telephone	Email
			Small Cap	FTSE 250	Market Cap (m)	Last Price	Target Price	
Invensys	ISYS.L	Elec & Elect Equip		*	1,813	2.23	2.35	1 Mark Fielding +44-20-7986-4018 mark.fielding@citi.com
Investec	INVPL	General Financial		*	3,092	3.54	5.00	1 Henry Hall +27-11-944-0814 henry.hall@citi.com
Jardine Lloyd	JLT.L	Insurance Brokers		*	1,536	7.04	5.50	3 Keith F. Walsh +1-212-816-5452 keith.f.walsh@citi.com
JD Wetherspoon	JDW.L	Travel & Leisure		*	521	4.08	4.75	1 James Ainley +44-20-7986-3935 james.ainley@citi.com
Johnston Press	JPR.L	Media		*	37	0.06	0.04	3 Ruchi Malaiya +44-20-7986-4819 ruchi.malaiya@citi.com
Jupiter Fund	JUP.L	Financial Services		*	1,039	2.27	2.50	2 Haley A Tam, CFA +44-20-7986-4220 haley.tam@citi.com
Keller Group	KLR.L	Construct & Mats	*		289	4.50	4.42	2 H David I Phillips +44-20-7986-4130 david.phillips@citi.com
Kesa Electricals	KESAL	General Retailers		*	291	0.55	0.50	3 Richard Edwards +44-20-7986-4006 richard.edwards@citi.com
Ladbroke	LAD.L	Travel & Leisure		*	1,625	1.79	1.75	2 James Ainley +44-20-7986-3935 james.ainley@citi.com
Lamprell	LAM.L	Oil Equipment & Services		*	934	3.59	4.00	1 Ryan W Kauppila +44-20-7986-4467 ryan.kauppila@citi.com
Lancashire	LRE.L	Insurance		*	1,305	8.10	9.16	1 Thomas Domer +44-20-7986-9929 thomas.domer@citi.com
London Mining	LOND.L	Mining		*	416	3.03	4.65	1 Thomas O'Hara +44-20-7986-4557 thomas.joseph.ohara@citi.com
Lormin	LMIL	Mining		*	2,116	10.44	11.00	2 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
Marshall	MSLHL	Construct & Mats	*		184	0.93	0.95	2 Clyde Lewis +44-20-7986-4272 clyde.lewis@citi.com
Marston	MARS.L	Travel & Leisure		*	556	0.97	n.a.	2 James Ainley +44-20-7986-3935 james.ainley@citi.com
Melrose	NYN.L	Ind Engineering		*	1,847	4.37	3.80	2 Mark Fielding +44-20-7986-4018 mark.fielding@citi.com
Michael Page	MPIL	Support Services		*	1,280	4.17	5.00	2 Marc Van'T Sant +44-20-7986-4059 marc.vantsant@citi.com
Micro Focus Int	MCROL	S'ware & Comp Services		*	759	4.63	n.a.	2 Samir Diwan +44-20-7986-7589 samir.diwan@citi.com
Mitchells & But	MAB.L	Travel & Leisure		*	1,074	2.62	3.80	1 James Ainley +44-20-7986-3935 james.ainley@citi.com
MTIE	MTOL	Support Services		*	1,053	2.91	3.25	1 Marc Van'T Sant +44-20-7986-4059 marc.vantsant@citi.com
Mond	MNDIL	Forestry & Paper		*	2,768	5.71	7.00	1 Tassin Meyer +27-11-944-0824 tassini.meyer@citi.com
Moneysuprmt	MONY.L	Media		*	676	1.33	1.45	2 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Morgan Crucible	MGCR.L	Ind Engineering		*	903	3.25	3.80	1 Mark Fielding +44-20-7986-4018 mark.fielding@citi.com
National Express	NEX.L	Travel & Leisure		*	1,127	2.20	2.40	2 Roger Elliott +44-20-7986-4010 roger.elliott@citi.com
New World Resources	NWRR.L	Mining		*	1,067	4.04	4.80	2 Thomas O'Hara +44-20-7986-4557 thomas.joseph.ohara@citi.com
Paddy Power	PAP.L	Travel & Leisure		*	2,419	49.35	48.00	2 James Ainley +44-20-7986-3935 james.ainley@citi.com
Pennon	PNN.L	Gas, Water & Multis		*	2,664	7.36	7.20	2 Peter Atherton +44-20-7986-3912 peter.atherton@citi.com
PERFORM Group	PER.L	Media		*	696	3.09	3.25	2 H Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Persimmon	PSN.L	Household Goods		*	1,905	6.30	8.00	1 Clyde Lewis +44-20-7986-4272 clyde.lewis@citi.com
Petropavlovsk	POG.L	Mining		*	885	4.75	6.24	1 Jon H Bergtheil +44-20-7986-4453 jon.bergtheil@citi.com
Premier Farnell	PFL.L	Support Services		*	800	2.16	1.35	3 Marc Van'T Sant +44-20-7986-4059 marc.vantsant@citi.com
Premier Foods	PFD.L	Food Producers	*		387	0.16	0.20	2 H Robert Dickinson, CA +44-20-7986-4431 robert.dickinson@citi.com
Premier Oil	PMOL	Oil & Gas Producers		*	1,974	3.73	5.38	1 Michael J Alford +44-20-7986-4426 michael.alford@citi.com
Provident Fin	PFG.L	General Financial		*	1,593	11.53	9.20	3 Hugo Mills +44-20-7986-4460 hugo.mills@citi.com
Punch Taverns	PUB.L	Travel & Leisure	*		64	0.10	0.20	1 H James Ainley +44-20-7986-3935 james.ainley@citi.com
QinetiQ	QQ.L	Aero & Defense		*	1,019	1.54	n.a.	2 Jeremy Bragg +44-20-7986-1089 jeremy.bragg@citi.com
Redrow	RDW.L	Household Goods		*	443	1.25	1.32	2 Aynsley Lammin +44-20-7986-4092 aynsley.lammin@citi.com
Regus	RGU.L	Support Services		*	1,022	1.08	1.05	2 Ed Steele +44-20-7986-2154 ed.steele@citi.com
Renishaw	RSWL	Electrical & Electrical Equipm		*	1,060	14.57	8.80	3 David I Phillips +44-20-7986-4130 david.phillips@citi.com
Renbki	RTOL	Support Services		*	1,566	0.87	0.80	2 Marc Van'T Sant +44-20-7986-4059 marc.vantsant@citi.com

Source: Powered by dataCentral



Company Name	Reuters	Sector	Member of			Price		Rec Analyst Contact		Direct Telephone	Email
	Ticker		Small	FTSE	Market	Last	Target				
			Cap	250	Cap (m)	Price	Price				
Restaurant Group	RTN.L	Travel & Leisure		*	561	2.80	4.00	1	James Ainley	+44-20-7986-3935	james.ainley@citi.com
Rotork	ROR.L	Industrial Engineering		*	1,937	22.32	20.87	2	David I Phillips	+44-20-7986-4130	david.phillips@citi.com
Safestore	SAFE.L	Real Estate Investment & Ser	*		212	1.13	1.70	1	Hugo Mills	+44-20-7986-4460	hugo.mills@citi.com
Salamander Enrgy	SMDR.L	Oil & Gas Producers		*	306	1.98	2.37	2	H Michael J Alsford	+44-20-7986-4426	michael.alsford@citi.com
Senior	SNR.L	Ind Engineering		*	867	2.14	2.30	1	David I Phillips	+44-20-7986-4130	david.phillips@citi.com
SIG	SHIL	Support Services		*	625	1.06	1.35	1	Aynsley Lammin	+44-20-7986-4092	aynsley.lammin@citi.com
Smith WH	SMWH.L	General Retailers		*	709	5.33	6.00	1	Richard Edwards	+44-20-7986-4006	richard.edwards@citi.com
Soco Intl	SIAL	Oil & Gas Prods		*	1,003	2.97	3.99	1	Michael J Alsford	+44-20-7986-4426	michael.alsford@citi.com
Spectris	SXS.L	Ind Engineering		*	2,200	18.77	20.98	1	David I Phillips	+44-20-7986-4130	david.phillips@citi.com
Spirax Sarco	SPXL	Industrial Engineering		*	1,804	23.18	24.88	1	David I Phillips	+44-20-7986-4130	david.phillips@citi.com
Spirent Communications	SPT.L	Tech Hware & Equip		*	1,123	1.70	1.90	1	Zahid Hussein	+44-20-7986-6333	zahid.hussein@citi.com
Spirit Pub	SPRTC.L	Restaurants	*		366	0.56	0.75	1	James Ainley	+44-20-7986-3935	james.ainley@citi.com
Sports Direct	SPD.L	General Retailers		*	1,800	3.01	3.70	1	Richard Edwards	+44-20-7986-4006	richard.edwards@citi.com
Stagecoach Grp	SGC.L	Travel & Leisure		*	1,430	2.48	2.81	1	Roger Elliott	+44-20-7986-4010	roger.elliott@citi.com
Synergy Health	SYR.L	Health Care Equipment & Ser		*	462	8.35	9.25	2	Hugo Mills	+44-20-7986-4460	hugo.mills@citi.com
TalkTalk Tele	TALK.L	Fixed Line Telcos		*	1,171	1.28	n.a.	2	Simon Weeden	+44-20-7986-4204	simon.weeden@citi.com
Talvivaara	TALV.L	Diversified Metals & Mining		*	498	1.83	2.20	2	H Michael E Flitton	+44-20-7986-3943	michael.flitton@citi.com
Taylor Wimpey	TW.L	Household Goods		*	1,623	0.50	0.50	2	Aynsley Lammin	+44-20-7986-4092	aynsley.lammin@citi.com
Telecity	TCY.L	S'ware & Comp Services		*	1,615	8.05	9.00	1	Hugo Mills	+44-20-7986-4460	hugo.mills@citi.com
Thomas Cook Group	TCG.L	Travel & Leisure	*		196	0.22	n.a.	2	James Ainley	+44-20-7986-3935	james.ainley@citi.com
Travis Perkins	TPK.L	Support Services		*	2,571	10.53	12.20	1	Aynsley Lammin	+44-20-7986-4092	aynsley.lammin@citi.com
Trinity Mirror	TNIL	Media	*		84	0.33	0.35	3	Ruchi Malaiya, CFA	+44-20-7986-4819	ruchi.malaiya@citi.com
TUI Travel Plc	TT.L	Travel & Leisure		*	2,143	1.92	1.60	2	James Ainley	+44-20-7986-3935	james.ainley@citi.com
Tullett Prbn	TLPR.L	Financial Services		*	749	3.44	3.45	2	Nese Guner	+44-20-7986-4521	nese.guner@citi.com
UBM	UBM.L	Media		*	1,449	5.92	5.70	2	Ruchi Malaiya, CFA	+44-20-7986-4819	ruchi.malaiya@citi.com
Valiant Petrol	VPP.L	Oil & Gas Producers			238	5.85	7.20	1	H Michael J Alsford	+44-20-7986-4426	michael.alsford@citi.com
Vectura	VEC.L	Pharm. & Biotech	*		239	0.72	1.24	1	H Joanne Jerman	+44-20-7986-4207	joanne.jerman@citi.com
Victrex	VCTX.L	Chemicals		*	1,231	14.59	13.50	2	Andrew Benson	+44-20-7986-3925	andrew.benson@citi.com
William Hill	WMH.L	Travel & Leisure		*	1,949	2.80	3.10	1	James Ainley	+44-20-7986-3935	james.ainley@citi.com
Wolfson	WLF.L	Tech Hware & Equip	*		209	1.80	1.85	1	Amit B Harchandani	+44-20-7986-4246	amit.harchandani@citi.com
WS Atkins	ATKW.L	Support Services		*	729	7.29	8.40	2	Ed Steele	+44-20-7986-2154	ed.steele@citi.com
Xchanging	XCH.L	Support Services	*		239	1.00	1.00	2	Ed Steele	+44-20-7986-2154	ed.steele@citi.com
Xchanging	XCH.L	Support Services	*		239	1.00	1.00	2	Ed Steele	+44-20-7986-2154	ed.steele@citi.com
Yell	YELL.L	Media	*		93	0.04	0.04	3	H Thomas A Singlehurst, CFA	+44-20-7986-4051	thomas.singlehurst@citi.com

Source: Powered by dataCentral

Analyst Forecasts

CIRA Small/Mid-Cap Universe Analyst Forecasts as at 1/5/2012

Company Name	Reuters	Member of		Price		Rec	Sales		EBITA Margin		Adj EBITDA		Adj PBT		EPS		DPS		Interest Cover		
	Ticker	Small	FTSE	Last	Mkt		(m)		(%)		(m)		(m)						(x)		
	Cap	250	Price	Cap	2012E		2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E		
3i Group	IIL		*	1.92	1,865	2	-398	372	148.7%	50.7%	-585	196	-658	202	-69.8	20.7	8.1	8.5	-103.6	n.a.	
3i Infrastructure	3IN.L		*	1.27	1,115	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	94	110	10.7	12.5	6.1	6.4	n.a.	n.a.	
Aegis	AEGS.L		*	1.78	2,083	1	1,281	1,347	17.9%	18.4%	272	287	194	215	12.7	14.0	3.9	4.4	6.9	7.7	
Afren	AFRE.L		*	1.35	1,445	1	H	978	982	56.3%	54.8%	751	747	490	476	24.4	24.8	0	0	12.4	11.4
African Barrick	ABGL.L		*	3.62	1,485	3	793	888	27.7%	29.6%	298	353	228	275	37.2	46.1	7.4	9.2	n.a.	n.a.	
African Minerals	AMIQ.L			4.94	1,627	1	370	1,167	27.8%	48.6%	404	691	262	520	8.6	88.9	0	0	4.6	14.6	
Amlin	AMLL		*	3.30	1,637	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	270	289	44.7	47.9	24.4	25.8	n.a.	n.a.	
Aquarius Platinum	AQP.L		*	1.29	604	2	317	410	-6.2%	8.5%	22	81	-38	20	-5.0	3.1	0	0.6	1.2	5.4	
Asos PLC	ASOS.L			14.85	1,145	1	494	677	8.3%	8.2%	50	69	40	55	36.6	49.0	0	0	n.a.	n.a.	
AVEVA Plc	AVV.L		*	16.59	1,128	2	189	201	29.5%	30.2%	58	63	54	60	59.5	67.2	20.0	22.0	n.a.	n.a.	
Babcock	BAB.L		*	8.30	2,979	1	3,124	3,395	9.9%	10.3%	351	393	166	224	62.5	69.5	21.3	23.5	8.7	10.6	
Balfour Beatty	BALF.L		*	2.63	1,806	1	9,756	10,127	2.2%	2.4%	418	446	323	353	36.0	38.4	13.5	14.0	18.6	33.0	
Barratt Developments	BDEV.L		*	1.34	1,292	3	H	2,210	2,318	8.1%	9.6%	181	224	100	145	7.5	11.1	1.0	2.0	2.2	2.8
BBA Aviation	BBAL		*	1.99	952	1	1,336	1,359	9.9%	10.1%	171	177	110	118	17.4	18.3	9.1	9.5	9.6	11.7	
Bellway	BWY.L		*	7.91	960	1	980	1,080	10.8%	12.2%	107	134	96	124	59.1	76.8	18.0	23.0	11.3	17.0	
Berendsen	BRSN.L		*	5.16	887	3	1,030	1,058	14.2%	14.3%	316	326	117	124	50.6	53.5	24.5	25.7	10.9	12.0	
Berkeley Group	BKGH.L		*	12.88	1,691	2	981	980	19.0%	22.8%	187	225	202	214	86.3	115.4	0	0	14.4	17.3	
Big Yellow	BYG.L		*	2.95	384	1	n.a.	n.a.	n.a.	n.a.	34	38	21	33	17.4	19.7	9.9	10.9	3.1	3.1	
Blinkx	BLNX.L			0.54	194	1	72	102	8.4%	9.7%	8	12	6	10	1.5	2.1	0	0	n.a.	n.a.	
Bodycote	BOY.L		*	4.30	823	2	598	621	16.5%	16.8%	149	157	93	99	37.7	39.5	12.0	13.0	37.0	44.8	
Booker	BOK.L		*	0.80	1,246	1	3,805	3,928	2.3%	2.6%	101	116	86	101	4.5	5.1	2.2	2.5	67.5	115.9	
Bovis Homes Grp	BVS.L		*	4.61	616	2	425	485	12.1%	13.6%	52	67	47	62	25.4	34.3	6.5	8.7	10.5	19.1	
BowLeven	BLVN.L			0.88	258	1	H	0	n.a.	n.a.	-9	-7	-7	-8	-2.7	-2.6	0	0	n.a.	n.a.	
Britvic	BVIC.L		*	3.86	934	1	1,318	1,368	11.6%	11.9%	191	204	109	120	34.4	37.8	18.0	19.0	6.2	6.7	
Brown N	BWNG.L		*	2.34	661	2	741	756	14.4%	14.2%	114	115	94	95	25.9	26.1	13.5	15.0	19.0	19.2	
C&C Group	GCC.I			3.09	1,049	2	430	411	22.2%	22.7%	114	111	94	93	23.9	23.8	6.4	6.2	65.9	n.a.	
C&W Communications	CWC.L		*	0.33	829	1	1,779	1,698	20.8%	21.6%	558	552	214	249	3.9	3.5	5.0	2.5	6.1	5.8	
Carillion	CLLN.L		*	2.94	1,264	2	4,422	4,673	4.2%	4.1%	288	301	217	230	43.8	46.4	17.0	18.0	19.5	24.8	
Carphone Warehouse	CPW.L			1.33	626	1	7	11	-23.1%	9.5%	51	56	53	58	10.9	11.6	3.8	3.9	n.a.	n.a.	
Catlin Group	CGL.L		*	4.25	1,535	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	265	268	57.0	57.8	29.5	31.0	n.a.	n.a.	
Centamin Egypt	CEY.L		*	0.68	745	1	271	384	49.2%	53.2%	178	252	141	185	12.9	16.9	0	0	n.a.	n.a.	
Chemring Group	CHG.L		*	3.76	727	1	820	851	18.6%	18.5%	175	183	140	145	54.9	56.6	18.3	18.9	17.2	18.2	
Cobham	COB.L		*	2.27	2,445	1	1,742	1,769	17.1%	18.4%	405	415	317	328	22.3	23.1	8.8	9.7	10.3	11.9	
Cookson Group	CKSN.L		*	7.28	2,026	1	2,841	2,883	10.8%	11.3%	368	388	287	312	77.3	83.5	24.0	26.0	15.1	19.2	
Cove Energy	COVE.L			2.27	1,112	2	H	0	n.a.	n.a.	-2	-2	-2	-2	-0.4	-0.4	0	0	n.a.	n.a.	
CPPGroup	CPPG.L		*	0.47	81	2	350	366	15.1%	16.1%	57	63	39	43	15.4	17.1	7.5	7.5	32.1	35.7	

Source: Powered by dataCentral

Company Name	Reuters	Member of		Price		Rec	Sales		EBITA Margin		Adj EBITDA		Adj PBT		EPS		DPS		Interest Cover	
	Ticker	Small	FTSE	Last	Mkt		(m)		(%)		(m)		(m)						(x)	
		Cap	250	Price	Cap		2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
CSR	CSR.L		*	2.36	469	3	607	564	4.9%	2.3%	52	33	19	2	6.9	0.9	5.8	0	n.a.	n.a.
Daily Mail Trust	DMGOa.L		*	4.19	1,620	1	1,989	2,050	15.3%	17.4%	353	411	255	312	48.7	58.5	18.0	19.5	6.4	8.1
De La Rue	DLAR.L		*	9.74	969	1	515	554	12.8%	15.9%	91	116	61	81	44.3	58.2	42.3	44.4	18.2	16.5
Debenhams	DEB.L		*	0.83	1,064	1	2,684	2,737	6.5%	6.5%	271	280	159	163	9.3	10.0	3.1	3.3	18.1	18.7
Dixons Retail	DXNS.L		*	0.18	637	2	8,165	8,009	1.5%	1.6%	265	275	70	70	0.9	0.9	0	0	6.6	6.9
Domino Printing	DOPRL		*	5.90	656	2	314	337	17.5%	18.3%	60	68	53	60	35.8	40.5	20.6	22.7	n.a.	n.a.
Drax Grp	DRX.L		*	5.42	1,976	3	1,756	1,859	14.1%	7.9%	306	208	239	130	50.4	27.8	25.2	13.9	38.3	11.8
Dunelm	DNLM.L		*	5.12	1,036	2	589	631	15.6%	15.6%	106	114	91	97	32.4	35.2	12.5	13.5	n.a.	n.a.
easyJet	EZJ.L		*	5.00	1,976	1	3,860	4,175	8.1%	7.8%	406	423	289	309	53.4	59.5	14.0	15.0	22.7	40.4
Electrocomponents	ECM.L		*	2.29	1,000	3	1,262	1,275	11.0%	10.6%	154	151	119	115	18.8	18.3	11.0	11.3	28.5	24.9
EnQuest	ENQL		*	1.25	1,007	2 H	626	695	45.6%	44.6%	420	463	279	304	9.9	10.8	0	0	58.2	64.8
Enterprise Inns	ETI.L	*		0.62	314	2	675	660	49.1%	49.1%	344	336	143	148	21.2	22.3	0	0	1.8	1.9
F&C Asset Mangt	FCAM.L		*	0.67	357	1 H	267	258	24.4%	29.0%	75	82	56	66	7.2	8.7	3.2	3.4	4.6	6.5
Fenner	FENR.L		*	4.53	877	1	830	894	13.8%	14.0%	135	147	100	112	36.1	39.9	9.2	10.6	9.3	11.3
Ferrexpo	FXPO.L		*	2.94	1,731	1	1,055	1,040	35.9%	36.4%	404	404	313	321	42.1	43.2	4.1	4.1	6.1	7.0
Filtrona	FLTR.L		*	4.67	978	1	637	670	16.7%	17.1%	129	140	92	100	29.8	32.8	12.6	13.9	12.5	12.5
Firstgroup	FGP.L		*	1.96	943	2	6,516	6,687	6.7%	5.4%	755	693	269	206	40.2	31.1	23.6	25.3	4.6	4.5
Gem Diamonds	GEMD.L		*	2.57	356	3	238	208	30.1%	29.0%	92	80	74	60	24.6	17.7	0	0	n.a.	n.a.
Go-Ahead Group	GOG.L		*	11.43	492	2	2,450	2,616	4.5%	4.2%	165	165	92	92	139.4	141.0	81.0	81.0	8.9	9.7
Greene King	GNKL		*	5.13	1,115	1	1,092	1,144	21.0%	20.8%	286	297	143	152	49.0	52.3	24.3	25.5	3.3	3.5
Greggs	GRG.L		*	5.04	509	2	742	793	7.7%	7.9%	92	101	57	63	42.7	47.1	21.4	23.5	n.a.	n.a.
Gulfsands	GPX.L			1.26	149	2 H	87	136	54.5%	65.5%	56	102	47	89	37.9	71.3	0	0	n.a.	n.a.
Halfords	HFD.L		*	2.75	548	2	861	869	11.5%	10.1%	129	118	92	80	34.0	31.2	22.0	22.0	25.8	19.6
Halma	HLMA.L		*	4.05	1,528	2	580	632	21.2%	21.9%	137	154	121	137	24.5	27.5	0.1	0.1	72.3	118.3
Hays	HAYS.L		*	0.90	1,249	3	3,707	3,824	3.2%	3.3%	136	144	114	123	5.1	5.8	2.5	2.6	22.7	31.8
Henderson Group Plc	HGGH.L		*	1.21	1,335	2	472	524	36.2%	36.9%	174	196	91	124	11.3	13.0	7.4	7.9	12.4	18.1
Heritage Oil	HOILL		*	1.49	385	2 H	13	13	-94.5%	-93.0%	-10	-10	-12	-12	-4.4	-4.3	0	0	n.a.	n.a.
Hikma	HIK.L		*	6.26	1,231	1	689	792	17.5%	18.6%	133	162	78	106	36.9	48.0	9.1	10.7	6.9	8.4
Hiscox	HSX.L		*	3.97	1,553	2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	182	179	38.8	38.0	17.9	18.7	n.a.	n.a.
HMV Group	HMV.L			0.04	16	2 H	961	884	1.2%	2.0%	52	61	-5	0	-0.9	0	0	0	3.1	3.4
Hochschild Mining	HOCML		*	4.98	1,684	2	503	468	38.1%	43.1%	259	280	187	203	21.2	24.1	4.2	4.8	47.8	n.a.
Home Retail	HOME.L		*	1.04	844	3	5,478	5,389	1.8%	1.2%	227	195	102	70	8.9	6.3	5.0	4.0	n.a.	n.a.
Homeserve	HSV.L		*	2.54	837	3	535	598	24.1%	20.6%	137	132	127	113	27.2	24.7	11.3	12.1	44.0	41.4
HOWDENS	HWDNL		*	1.21	770	1	881	918	13.2%	13.2%	135	139	108	115	12.6	13.3	0.9	1.3	67.4	73.4
IG Group	IGGL		*	4.61	1,673	2	372	385	50.6%	50.7%	201	209	182	190	38.1	40.1	22.4	23.6	n.a.	n.a.
Inchcape	NCH.L		*	3.66	1,690	1	5,936	6,257	4.4%	4.6%	291	317	246	275	38.4	42.2	12.3	13.8	24.2	28.9
Ind News & Media	NME.I			0.22	119	2	478	488	9.1%	8.9%	67	67	41	49	7.8	9.0	0	0	2.7	3.0
Informa	INF.L		*	4.15	2,501	1	1,355	1,419	26.5%	27.0%	383	408	326	351	41.9	45.0	18.7	20.1	11.8	12.8
Inmarsat	ISAL		*	4.42	1,984	3	748	750	36.3%	34.9%	391	390	172	158	29.5	27.7	27.6	27.4	6.1	5.3
Intermediate Cap	ICP.L		*	2.55	1,020	2	261	260	65.2%	63.0%	172	165	202	171	38.2	30.3	18.0	19.0	n.a.	n.a.

Source: Powered by dataCentral

Company Name	Reuters	Member of		Price		Rec	Sales		EBITA Margin		Adj EBITDA		Adj PBT		EPS		DPS		Interest Cover	
	Ticker	Small	FTSE	Last	Mkt		(m)		(%)		(m)		(m)						(x)	
		Cap	250	Price	Cap		2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
Intl Prsnl Fin	PF.L		*	2.67	686	1	672	765	40.1%	41.3%	282	329	94	115	26.2	32.1	7.5	8.5	n.a.	n.a.
Invensys	ISYS.L		*	2.23	1,813	1	2,555	2,624	8.6%	10.6%	262	321	171	234	18.6	24.3	6.0	7.0	9.7	14.6
Investec	INVP.L		*	3.54	3,092	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	371	517	30.5	40.4	14.0	17.0	n.a.	n.a.
Jardine Lloyd	JLT.L		*	7.04	1,536	3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	157	171	49.0	53.6	24.0	24.0	n.a.	n.a.
JD Wetherspoon	JDWL		*	4.08	521	1	1,158	1,228	9.0%	9.0%	148	154	69	75	38.3	42.0	12.6	13.2	4.2	4.4
Johnston Press	JPR.L			0.06	37	3	355	345	16.6%	17.0%	75	75	25	26	3.0	3.2	0	0	2.1	2.2
Jupiter Fund	JUP.L		*	2.27	1,039	2	244	266	48.5%	49.0%	125	135	119	130	19.1	20.9	7.8	8.6	21.4	36.7
Keller Group	KLR.L	*		4.50	289	2 H	1,107	1,121	3.3%	4.2%	77	87	28	39	30.7	42.5	22.8	22.8	9.0	11.6
Kesa Electricals	KESA.L		*	0.55	291	3	3,448	3,264	1.8%	1.6%	178	135	53	45	6.3	5.3	6.0	4.1	17.2	16.5
Ladbrokes	LAD.L		*	1.79	1,625	2	1,053	1,161	20.4%	18.1%	258	258	174	172	16.5	16.3	8.2	8.6	7.8	8.7
Lamprell	LAM.L		*	3.59	934	1	831	888	10.3%	10.8%	95	107	77	92	29.5	35.2	12.8	14.7	16.0	43.9
Lancashire	LRE.L		*	8.10	1,305	1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	156	155	85.6	85.3	9.3	9.2	n.a.	n.a.
London Mining	LOND.L			3.03	416	1	132	334	24.7%	44.8%	52	179	33	150	26.1	123.6	0	0	n.a.	n.a.
Lormin	LMI.L		*	10.44	2,116	2	1,156	1,284	12.9%	18.8%	223	322	142	231	45.1	73.8	4.6	7.5	32.3	32.7
Marshall's	MSLH.L	*		0.93	184	2	348	365	4.8%	5.5%	35	38	13	17	5.5	6.5	5.3	5.4	9.3	10.9
Marston's	MARS.L		*	0.97	556	2	696	729	22.9%	22.7%	201	208	85	89	11.2	11.9	5.8	6.0	2.7	2.7
Michael Page	MPIL		*	4.17	1,280	2	1,028	1,149	6.0%	7.3%	75	99	64	87	13.5	18.5	10.4	12.0	n.a.	n.a.
Micro Focus Inte	MCRO.L		*	4.63	759	2	269	264	36.4%	37.0%	96	96	91	93	37.7	38.7	16.7	16.4	43.3	n.a.
Mitchells & But	MAB.L		*	2.62	1,074	1	1,931	2,066	15.6%	15.6%	419	448	170	194	30.6	35.4	0	10.0	3.2	3.5
MITIE	MTOL		*	2.91	1,053	1	2,009	2,123	5.6%	5.6%	132	140	104	119	22.1	24.6	9.6	10.2	17.8	n.a.
Mond	MNDI.L		*	5.71	2,768	1	4,486	4,548	9.9%	10.2%	716	735	373	396	48.8	51.8	24.4	25.9	10.0	11.0
Moneysupmkt	MONY.L		*	1.33	676	2	201	221	25.5%	25.5%	55	61	51	57	7.3	8.2	5.2	5.8	n.a.	n.a.
Morgan Crucible	MGCR.L		*	3.25	903	1	1,137	1,177	12.7%	12.9%	188	195	125	134	30.5	32.6	10.0	10.5	8.8	10.2
National Express	NEX.L		*	2.20	1,127	2	2,063	1,974	10.7%	11.1%	327	326	172	190	25.7	28.4	10.0	10.5	6.5	6.5
New World Resources	NWRR.L		*	4.04	1,067	2	1,211	1,273	9.7%	12.7%	235	279	65	101	19.7	30.8	9.9	15.5	4.4	4.6
Paddy Power	PAP.L			40.25	1,973	2	452	488	24.2%	24.4%	128	140	106	115	187.8	200.6	90.3	94.2	n.a.	n.a.
Pennon	PNN.L		*	7.36	2,664	2	1,224	1,293	22.1%	22.8%	414	447	194	210	41.7	46.1	26.5	28.2	5.4	5.3
PERFORM Group	PER.L		*	3.09	696	2 H	138	167	18.4%	22.0%	29	41	27	38	9.8	13.8	0	0	n.a.	n.a.
Persimmon	PSN.L		*	6.30	1,905	1	1,639	1,741	11.7%	13.4%	251	244	233	230	44.6	56.1	0	75.0	25.1	65.9
Petropavlovsk	POG.L		*	4.75	885	1	920	1,088	29.0%	35.9%	373	484	247	373	92.1	134.9	5.0	4.9	19.1	27.3
Premier Farnell	PFL.L		*	2.16	800	3	973	972	12.0%	12.4%	129	132	89	92	17.5	17.8	10.4	10.9	7.2	7.2
Premier Foods	PFD.L	*		0.16	387	2 H	1,793	1,793	13.7%	13.8%	288	289	169	172	3.1	3.2	0	0	4.0	4.1
Premier Oil	PMO.L		*	3.73	1,974	1	1,026	1,318	48.4%	45.5%	706	891	440	540	49.2	57.4	0	0	12.6	14.9
Provident Fin	PFG.L		*	11.53	1,593	3	983	1,055	27.0%	27.2%	273	296	176	191	98.7	105.6	70.0	73.5	3.4	3.4
Punch Taverns	PUB.L	*		0.10	64	1 H	496	493	44.8%	43.8%	239	232	61	59	6.7	6.6	0	0	1.5	1.5
QinetiQ	QQ.L		*	1.54	1,019	2	1,450	1,421	11.7%	9.9%	201	172	145	118	17.3	14.2	2.7	2.9	14.4	14.3
Redrow	RDW.L		*	1.25	443	2	496	544	8.0%	10.0%	41	56	33	46	7.6	10.7	1.0	2.0	5.8	6.5
Regus	RGU.L		*	1.08	1,022	2	1,266	1,359	6.2%	7.0%	162	197	77	96	6.5	8.0	3.2	3.5	81.1	n.a.

Source: Powered by dataCentral

Company Name	Reuters Ticker	Member of		Price		Rec	Sales		EBITA Margin		Adj EBITDA		Adj PBT		EPS		DPS		Interest Cover	
		Small	FTSE	Last	Mkt		(m)	(m)	(%)	(%)	(m)	(m)	(m)	(m)					(x)	(x)
		Cap	250	Price	Cap		2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
Renishaw	RSW.L		*	14.57	1,060	3	309	327	23.8%	24.7%	82	90	75	83	77.5	84.7	39.0	43.0	n.a.	n.a.
Rentokil	RTOL		*	0.87	1,566	2	2,590	2,664	9.0%	10.2%	440	484	194	232	7.5	9.0	1.5	1.7	10.8	11.9
Restaurant Group	RTN.L		*	2.80	561	1	527	561	12.6%	12.7%	101	108	64	69	23.5	25.6	11.6	12.7	47.0	52.7
Rotork	ROR.L		*	22.32	1,937	2	512	548	27.1%	27.4%	144	156	134	146	111.8	121.2	42.8	49.3	28.7	37.0
Safestore	SAFE.L	*		1.13	212	1	n.a.	n.a.	n.a.	n.a.	43	48	23	26	9.4	10.7	5.7	6.1	2.3	2.3
Salamander Enrgy	SMDR.L		*	1.98	306	2 H	305	410	45.4%	46.0%	197	269	127	178	23.5	33.8	0	0	16.7	24.9
Senior	SNR.L		*	2.14	867	1	726	764	13.3%	13.5%	118	126	91	99	16.4	17.8	4.4	4.7	15.6	20.7
SIG	SHI.L		*	1.06	625	1	2,690	2,764	3.6%	3.9%	126	137	84	95	9.7	11.0	2.8	3.7	9.7	11.3
Smith WH	SMWH.L		*	5.33	709	1	1,252	1,259	8.0%	8.4%	138	146	99	105	61.1	70.6	25.9	29.8	138.0	146.0
Soco Intl	SIAL		*	2.97	1,003	1	409	474	75.0%	73.4%	339	389	309	351	45.4	51.6	0	0	n.a.	n.a.
Spectris	SXS.L		*	18.77	2,200	1	1,269	1,334	18.9%	19.2%	256	273	226	247	142.9	155.0	37.0	40.7	18.3	30.3
Spirax Sarco	SPXL		*	23.18	1,804	1	701	750	21.1%	21.5%	172	188	152	166	135.4	148.6	54.9	60.4	n.a.	n.a.
Sprint Communications	SPT.L		*	1.70	1,123	1	356	387	24.8%	25.4%	97	107	88	98	9.7	10.6	2.0	2.1	n.a.	n.a.
Spirit Pub	SPRTC.L	*		0.56	366	1	774	819	15.0%	15.5%	151	164	50	61	5.7	7.0	2.0	2.5	2.4	2.6
Sports Direct	SPD.L		*	3.01	1,800	1	1,758	1,893	9.1%	10.7%	218	252	157	207	17.5	23.2	7.7	11.6	155.6	n.a.
Stagecoach Grp	SGCL		*	2.48	1,430	1	2,591	2,682	8.3%	8.3%	312	324	192	189	24.8	26.8	8.0	8.6	8.2	8.3
Synergy Health	SYR.L		*	8.35	462	2	317	346	15.7%	16.5%	89	101	43	47	58.3	64.1	17.7	19.4	12.7	9.9
TalkTalk Tele	TALK.L		*	1.28	1,171	2	1,686	1,703	14.5%	15.0%	309	327	94	137	15.5	16.5	8.1	9.3	13.1	13.3
Talvivaara	TALV.L		*	1.83	498	2 H	225	395	12.1%	36.5%	70	186	-6	110	-1.8	28.9	0	0	2.1	5.5
Taylor Wimpey	TWL		*	0.50	1,623	2	1,858	1,975	10.2%	11.7%	192	232	141	183	3.1	4.1	0.7	1.0	3.8	4.8
Telecity	TCY.L		*	8.05	1,615	1	289	331	32.8%	34.8%	131	154	82	103	31.1	38.6	6.2	7.7	14.1	17.1
Thomas Cook Group	TCG.L	*		0.22	196	2	9,376	9,376	2.9%	3.0%	405	410	106	111	8.7	9.1	0	0	2.9	3.0
Travis Perkins	TPK.L		*	10.53	2,571	1	4,929	5,166	7.2%	7.6%	427	470	297	346	94.3	109.2	25.0	30.0	12.5	22.8
Trinity Mirror	TNIL	*		0.33	84	3	710	699	12.6%	12.1%	120	114	80	78	23.1	22.6	0	0	10.5	14.6
TUI Travel Plc	TT.L		*	1.92	2,143	2	14,524	14,588	3.7%	3.8%	647	672	364	388	23.3	24.9	11.8	12.6	5.7	5.9
Tullett Pbn	TLPR.L		*	3.44	749	2	919	951	15.7%	16.1%	157	166	128	142	43.8	45.9	17.0	18.0	14.1	13.8
UBM	UBM.L		*	5.92	1,449	2	1,023	1,079	22.9%	24.2%	222	249	184	211	58.4	67.2	27.0	31.1	9.7	11.0
Valiant Petrol	VPP.L			5.85	238	1 H	197	233	54.5%	55.5%	142	170	107	129	97.5	117.5	0	0	493.0	413.2
Vectura	VEC.L	*		0.72	239	1 H	33	30	-19.4%	-27.7%	-5	-7	-13	-14	-1.3	-3.0	0	0	n.a.	n.a.
Victrex	VCTX.L		*	14.59	1,231	2	223	256	41.7%	42.9%	101	119	93	110	82.3	97.0	33.0	35.0	n.a.	n.a.
William Hill	WMH.L		*	2.80	1,949	1	1,219	1,355	25.3%	23.0%	338	343	266	275	26.5	26.8	10.6	11.6	11.2	14.5
Wolfson	WLF.L	*		1.80	209	1	106	117	-3.0%	2.1%	7	11	1	7	0.8	4.3	0	0	n.a.	382.6
Wolfson	WLF.L	*		1.80	209	1	106	117	-3.0%	2.1%	7	11	1	7	0.8	4.3	0	0	n.a.	382.6
WS Atkins	ATKW.L		*	7.29	729	2	1,696	1,677	6.6%	6.4%	141	136	100	94	78.2	73.2	29.9	30.8	12.4	10.4
Xchanging	XCH.L	*		1.00	239	2	657	684	9.1%	10.0%	69	78	45	55	10.8	13.4	2.0	3.0	15.3	26.0
Yell	YELL.L	*		0.04	93	3 H	1,724	1,708	23.6%	23.5%	466	458	127	134	7.0	7.2	0	0	2.7	2.9

Source: Powered by dataCentral

Valuation Metrics

CIRA Small/Mid-Cap Universe Valuation Metrics by Sector and 2011 PER as at 1/5/2012

Company Name	Reuters Ticker	Sector	Member of		Price		Rec	Share price performance		Adj P/E		FCF Yield		Dividend		EV/Sales		EV/EBITDA		EV/EBIT	
			Small	FTSE	Last	Mkt		(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)
			Cap	250	Price	Cap		1 month	3 month	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
QinetiQ	QQ.L	Aero & Defense		*	1.54	1,019	2	-3.1%	13.1%	10.3	10.9	13.1	11.9	1.8	2.0	0.9	0.8	7.1	6.8	11.2	11.0
Cobham	COB.L	Aero & Defense		*	2.27	2,445	1	-1.0%	21.4%	10.2	9.8	8.1	9.2	3.9	4.3	1.5	1.4	7.6	6.6	11.8	10.0
Chemring Group	CHG.L	Aerospace & Defense		*	3.76	727	1	-7.7%	-3.6%	6.8	6.6	10.6	12.1	4.9	5.1	1.2	1.1	5.6	5.2	7.9	7.3
Inmarsat	ISAL	Alternative Carriers		*	4.42	1,984	3	-4.0%	9.9%	15.1	15.9	-7.3	-0.1	6.2	6.2	4.1	4.3	7.8	8.3	12.9	14.1
3i Group	III.L	Asset Management & Custo		*	1.92	1,865	2	-10.2%	-0.8%	n.a.	3.9	-7.2	-3.5	4.4	4.8	-9.3	-2.8	n.a.	n.a.	317.1	n.a.
C&C Group	GCC.L	Beverages		*	3.09	1,049	2	-1.8%	16.6%	13.1	12.8	8.0	8.0	2.0	2.0	2.3	2.1	8.7	7.9	10.3	9.4
Britvic	BVIC.L	Beverages		*	3.86	934	1	0.3%	8.6%	10.9	9.9	7.1	8.5	4.7	5.1	1.1	1.0	7.3	6.6	9.9	8.9
Victrex	VCTX.L	Chemicals		*	14.59	1,231	2	8.1%	8.2%	17.0	14.6	3.9	4.5	2.3	2.4	4.9	4.1	10.7	8.8	11.6	9.5
Marshall's	MSLHL	Construct & Mats	*		0.93	184	2	-5.3%	-1.3%	17.0	14.4	6.7	8.1	5.6	5.7	0.7	0.7	7.1	6.5	14.9	12.3
Keller Group	KLR.L	Construct & Mats	*		4.50	289	2 H	2.0%	23.3%	14.6	10.6	11.6	15.7	5.1	5.1	0.4	0.4	5.4	4.6	11.3	8.5
Balfour Beatty	BALF.L	Construct & Mats		*	2.63	1,806	1	-8.0%	-6.2%	7.3	6.8	-0.7	6.2	5.1	5.3	0.1	0.1	3.3	2.7	6.7	5.2
Carillion	CLLN.L	Construct & Mats		*	2.94	1,264	2	-1.5%	-6.6%	6.7	6.3	8.2	11.0	5.8	6.1	0.3	0.3	6.5	5.8	9.0	8.0
Talvivaara	TALV.L	Diversified Metals & Mining		*	1.83	498	2 H	-24.0%	-45.0%	n.a.	6.3	-8.2	19.7	0	0	3.9	2.1	12.7	4.6	32.4	5.9
Invensys	ISYS.L	Elec & Elect Equip		*	2.23	1,813	1	12.1%	9.6%	9.7	8.6	2.2	4.7	3.0	3.5	0.8	0.8	6.9	6.2	8.7	7.7
Renishaw	RSW.L	Electrical & Electrical Equip		*	14.57	1,060	3	9.5%	0.7%	18.0	16.5	5.5	6.1	2.8	3.1	3.3	3.1	12.3	11.1	14.0	12.6
Jupiter Fund	JUP.L	Financial Services		*	2.27	1,039	2	-8.8%	-3.3%	11.9	10.9	8.6	9.3	3.4	3.8	3.9	3.4	8.0	6.8	12.1	9.9
Tullett Pbrn	TLPRL	Financial Services		*	3.44	749	2	-1.7%	11.3%	7.8	7.5	10.7	8.8	4.9	5.2	0.7	0.6	4.2	3.6	4.5	3.9
Intermediate Cap	ICPL	Financial Services		*	2.55	1,020	2	-11.9%	-12.9%	7.9	6.9	12.7	2.8	7.4	7.7	-2.2	-2.2	n.a.	n.a.	n.a.	n.a.
C&W Communications	CWC.L	Fixed Line Telcos		*	0.33	829	1	1.6%	-26.8%	9.2	9.0	17.6	21.2	9.4	7.5	1.1	1.2	3.5	3.5	5.8	5.9
TalkTalk Tele	TALK.L	Fixed Line Telcos		*	1.28	1,171	2	-6.1%	3.3%	7.9	7.0	14.7	18.0	7.0	8.1	0.9	0.8	4.8	4.1	7.0	5.9
Booker	BOK.L	Food & Drug Retailers		*	0.80	1,246	1	-5.7%	9.7%	16.1	14.7	6.3	6.8	3.1	3.4	0.3	0.3	10.6	9.2	12.0	10.4
Greggs	GRG.L	Food Producers		*	5.04	509	2	-3.3%	-3.2%	11.8	10.7	6.9	7.1	4.2	4.7	0.7	0.6	5.4	4.8	8.7	7.7
Premier Foods	PFD.L	Food Producers	*		0.16	387	2 H	-0.6%	26.7%	5.2	5.1	21.3	32.9	0	0	0.8	0.7	4.8	4.6	8.1	7.7
Mond	MNDI.L	Forestry & Paper		*	5.71	2,768	1	-3.2%	9.2%	11.8	11.0	7.0	13.7	4.3	4.5	0.9	0.9	5.6	5.4	9.0	8.5
Pennon	PNN.L	Gas, Water & Multis		*	7.36	2,664	2	3.4%	4.6%	16.3	14.9	-1.7	-1.9	3.8	4.0	3.9	3.8	11.3	10.8	17.1	16.5
IG Group	IGG.L	General Financial		*	4.61	1,673	2	2.3%	-4.1%	11.7	11.0	8.1	8.8	5.0	5.3	4.0	3.7	7.4	6.8	8.2	7.6
Provident Fin	PFG.L	General Financial		*	11.53	1,593	3	0.6%	17.8%	11.7	10.9	0.8	3.0	6.1	6.4	2.7	2.6	9.6	9.1	10.2	9.7
3i Infrastructure	3IN.L	General Financial		*	1.27	1,115	2	1.6%	4.7%	10.5	9.3	n.a.	n.a.	5.0	5.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Henderson Group Plc	HGGH.L	General Financial		*	1.21	1,335	2	-5.1%	7.1%	10.7	9.3	7.4	8.7	6.1	6.6	2.5	1.9	6.7	5.1	6.8	5.2
Intl Prsnl Fin	IPF.L	General Financial		*	2.67	686	1	-0.5%	37.1%	10.2	8.3	13.6	2.0	2.8	3.2	1.4	1.3	3.4	3.0	3.6	3.1
F&C Asset Mangt	FCAML	General Financial		*	0.67	357	1 H	0.4%	-2.4%	9.4	7.7	24.2	25.7	4.8	5.1	-0.1	-0.3	n.a.	n.a.	n.a.	n.a.
Investec	INVP.L	General Financial		*	3.54	3,092	1	-7.5%	-10.4%	9.3	7.4	n.a.	n.a.	4.6	5.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Cookson Group	CKSNL	General Industrials		*	7.28	2,026	1	5.4%	21.7%	9.4	8.7	4.8	5.7	3.3	3.6	1.0	0.9	7.4	6.9	9.4	8.6
HMV Group	HMV.L	General Retailers		*	0.04	16	2 H	-16.7%	-25.7%	n.a.	32.0	5.6	93.5	0	0	0.2	0.2	2.7	2.3	9.8	7.2
Asos PLC	ASOS.L	General Retailers		*	14.85	1,145	1	-16.7%	-16.4%	32.3	23.9	3.6	5.6	0	0	1.7	1.2	17.2	12.3	21.6	15.3

Source: Powered by dataCentral

Company Name	Reuters	Sector	Member of		Price		Rec	Share price performance		Adj P/E		FCF Yield		Div yield		EV/Sales		EV/EBITDA		EV/EBIT		
	Ticker		Small	FTSE	Last	Mkt		(%)		(x)		(%)		(%)		(x)		(x)		(x)		
			Cap	250	Price	Cap		1 month	3 month	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	
Home Retail	HOME.L	General Retailers		*	1.04	844	3	-9.0%	-2.2%	15.5	18.6	8.8	7.5	4.0	3.9	0.2	0.2	4.3	4.6	11.8	14.7	
Dixons Retail	DXNS.L	General retailers		*	0.18	637	2	-5.5%	29.6%	18.9	16.3	16.4	15.0	0	0	0.1	0.1	2.3	2.0	4.9	4.2	
Dunelm	DNLM.L	General Retailers		*	5.12	1,036	2	-1.3%	9.4%	15.1	14.0	5.3	6.2	2.5	2.8	1.6	1.4	8.8	7.9	10.4	9.4	
Sports Direct	SPDL	General Retailers		*	3.01	1,800	1	4.0%	20.1%	14.1	11.8	7.2	8.3	3.4	5.2	1.0	0.9	7.8	6.8	10.0	8.3	
Carphone Warehouse	CPWL	General Retailers			1.33	626	1	-11.7%	-21.1%	11.6	10.6	0.2	0.2	2.9	3.2	-13.1	-15.4	n.a.	n.a.	n.a.	n.a.	
Kesa Electricals	KESAL	General Retailers		*	0.55	291	3	-21.6%	-22.3%	10.0	9.8	9.9	10.4	8.4	7.4	0.1	0.1	1.6	1.8	4.1	4.4	
Brown N	BWNG.L	General Retailers		*	2.34	661	2	0.6%	0.3%	8.9	8.9	10.0	10.9	6.3	7.1	1.1	1.1	7.3	6.9	8.3	7.9	
Halfords	HFDL	General Retailers		*	2.75	548	2	-11.4%	-15.2%	8.6	8.7	13.7	12.0	8.0	8.0	0.8	0.8	5.6	5.7	7.6	7.7	
Inchcape	INCH.L	General Retailers		*	3.66	1,690	1	-2.6%	4.6%	9.5	8.7	0.3	6.1	3.3	3.8	0.3	0.3	5.4	4.9	6.1	5.4	
Debenhams	DEBL	General Retailers		*	0.83	1,064	1	2.5%	17.6%	8.7	8.0	8.1	9.0	3.8	4.2	0.5	0.5	5.0	4.7	7.8	7.5	
Smith WH	SMWH.L	General Retailers		*	5.33	709	1	-2.3%	-4.7%	8.3	7.2	12.0	14.2	5.1	5.9	0.5	0.5	4.7	4.4	6.5	6.1	
Synergy Health	SYRL	Health Care Equipment & S		*	8.35	462	2	-1.7%	-2.5%	13.3	12.2	6.1	6.4	2.3	2.5	1.9	1.7	6.6	5.9	13.1	11.7	
Bovis Homes Grp	BVSL	Household Goods		*	4.61	616	2	-4.4%	-2.0%	18.1	13.4	-1.5	-1.6	1.4	1.9	1.2	1.1	10.1	8.0	10.2	8.1	
Taylor Wimpey	TWL	Household Goods		*	0.50	1,623	2	-2.1%	15.7%	16.3	12.4	0.8	1.0	1.4	2.0	0.8	0.7	7.3	6.1	7.3	6.1	
Persimmon	PSNL	Household Goods		*	6.30	1,905	1	-1.6%	18.1%	14.1	11.2	3.6	5.0	0	11.9	1.0	1.0	8.3	6.8	8.9	7.2	
Berkeley Group	BKGH.L	Household Goods		*	12.88	1,691	2	-2.4%	0.2%	12.2	10.2	-3.6	12.9	0	0	1.8	1.7	8.3	7.1	8.3	7.2	
Redrow	RDWL	Household Goods		*	1.25	443	2	-3.3%	-1.5%	13.6	10.0	-6.6	1.2	1.2	2.0	0.9	0.8	9.5	7.5	9.8	7.7	
Barratt Developments	BDEV.L	Household Goods		*	1.34	1,292	3	H	-5.1%	16.8%	14.3	9.9	-1.4	-0.7	1.1	1.9	0.5	0.5	6.0	5.0	6.0	5.0
Bellway	BWYL	Household Goods		*	7.91	960	1	-3.3%	4.4%	11.9	9.5	2.7	4.2	2.5	3.2	0.9	0.8	7.9	6.5	8.1	6.6	
Domino Printing	DOPR.L	Ind Engineering		*	5.90	656	2	5.7%	-1.9%	16.1	14.3	5.8	6.3	3.6	3.9	1.9	1.7	9.7	8.4	11.0	9.6	
Halma	HLMA.L	Ind Engineering		*	4.05	1,528	2	6.5%	10.7%	15.2	14.0	6.5	7.0	0.0	0.0	2.5	2.2	10.2	9.1	12.0	10.7	
Spectris	SXSL	Ind Engineering		*	18.77	2,200	1	4.1%	16.9%	13.1	12.1	7.3	8.0	2.0	2.2	2.0	1.8	9.7	8.6	11.3	9.8	
Senior	SNRL	Ind Engineering		*	2.14	867	1	7.1%	13.8%	13.1	12.0	6.5	7.6	2.1	2.2	1.3	1.2	8.3	7.4	11.0	9.7	
Melrose	NYN.L	Ind Engineering		*	4.37	1,847	2	3.4%	15.8%	13.1	11.9	2.5	3.9	3.3	3.6	1.9	1.8	9.7	9.4	12.1	11.6	
Bodycote	BOYL	Ind Engineering		*	4.30	823	2	11.4%	34.3%	11.4	10.9	7.2	7.2	2.8	3.0	1.3	1.2	5.2	4.8	8.0	7.3	
Morgan Crucible	MGCR.L	Ind Engineering		*	3.25	903	1	1.0%	1.4%	10.7	10.0	9.1	6.2	3.1	3.2	1.1	1.0	7.1	6.5	9.1	8.3	
BBA Aviation	BBAL	Ind Transportation		*	1.99	952	1	-7.2%	2.4%	11.5	10.8	6.5	8.9	4.5	4.8	0.9	0.9	7.3	6.8	10.0	9.2	
Rotork	ROR.L	Industrial Engineering		*	22.32	1,937	2	8.9%	15.4%	20.0	18.4	5.0	5.4	1.9	2.2	3.7	3.4	13.2	11.8	14.6	12.9	
Spirax Sarco	SPXL	Industrial Engineering		*	23.18	1,804	1	11.0%	13.9%	17.1	15.6	5.2	6.3	2.4	2.6	2.6	2.4	10.6	9.4	12.3	11.0	
Fenner	FENR.L	Industrial Engineering		*	4.53	877	1	4.5%	-1.4%	12.1	11.1	7.9	9.7	2.1	2.4	1.2	1.1	7.5	6.6	9.6	8.4	
HOWDENS	HWDN.L	Industrial Engineering		*	1.21	770	1	-2.2%	11.2%	9.6	9.1	-4.2	4.5	0.7	1.1	1.0	0.9	6.5	6.0	7.5	6.9	
Jardine Lloyd	JLT.L	Insurance Brokers		*	7.04	1,536	3	0.8%	2.2%	14.4	13.1	n.a.	n.a.	3.4	3.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Moneysupmkt	MONY.L	Media		*	1.33	676	2	4.6%	12.5%	18.2	16.3	6.2	7.0	3.9	4.4	3.1	2.8	11.4	10.1	23.7	19.2	
Aegis	AEGS.L	Media		*	1.78	2,083	1	-3.8%	11.1%	14.0	12.7	7.1	7.8	2.2	2.5	1.7	1.6	7.8	7.4	11.3	10.3	
Informa	INF.L	Media		*	4.15	2,501	1	-6.0%	2.7%	9.9	9.2	9.4	10.1	4.5	4.8	2.4	2.2	8.4	7.6	14.1	12.2	
UBM	UBM.L	Media		*	5.92	1,449	2	-5.4%	5.2%	10.1	8.8	15.3	16.6	4.6	5.3	1.9	1.7	7.8	6.7	9.3	7.9	
Daily Mail Trust	DMGOa.L	Media		*	4.19	1,620	1	-7.2%	-7.2%	8.2	7.0	9.4	14.4	4.4	4.8	1.2	1.1	6.3	5.2	10.1	8.0	
Ind News & Media	INME.L	Media			0.22	119	2	23.3%	15.2%	2.8	2.4	15.1	24.6	0	0	0.7	0.6	4.9	4.3	5.8	4.8	
Johnston Press	JPR.L	Media			0.06	37	3	-10.8%	-3.7%	2.0	1.8	169.5	167.3	0	0	1.2	1.1	5.6	5.2	7.2	6.6	
Yell	YELL.L	Media	*		0.04	93	3	H	4.3%	-35.0%	0.5	0.5	216.1	204.7	0	0	1.5	1.4	5.5	5.0	8.6	7.8
Hochschild Mining	HOCML	Mining		*	4.98	1,684	2	7.3%	-4.3%	23.7	20.7	-0.7	1.6	0.8	1.0	3.0	3.3	5.9	5.6	8.0	7.7	

Source: Powered by dataCentral

Company Name	Reuters Ticker	Sector	Member of	Price	Rec	Share price performance	Adj P/E	FCF Yield	Div yield	EV/Sales	EV/EBITDA	EV/EBIT
			Small Cap	FTSE 250	Last Price	Mkt Cap	(%) 1 month 3 month	(x) 2012E 2013E	(%) 2012E 2013E	(%) 2012E 2013E	(x) 2012E 2013E	(x) 2012E 2013E
Aquarius Platinum	AQPL	Mining		*	1.29	604	2 -9.5% -23.1%	n.a. 20.2	-4.2 6.8	0.2 0.5	1.9 1.6	13.3 6.9
Gem Diamonds	GEMD.L	Mining		*	2.57	356	3 -5.9% 21.4%	10.6 14.6	-15.6 -17.0	0 0	1.5 1.9	3.8 5.0
Lormin	LMIL	Mining		*	10.44	2,116	2 2.2% -1.5%	20.2 13.4	8.3 10.8	0.5 0.9	1.4 1.3	6.8 4.9
New World Resources	NWRR.L	Mining		*	4.04	1,067	2 -5.5% -12.7%	20.6 13.1	-3.2 -2.6	2.4 3.8	1.4 1.3	7.0 6.1
African Barrick	ABGLL	Mining		*	3.62	1,485	3 -5.7% -31.3%	9.8 7.9	2.6 11.2	2.0 2.5	1.6 1.3	4.1 3.3
Ferrexpo	FXPO.L	Mining		*	2.94	1,731	1 -3.8% -16.0%	7.1 6.8	4.1 8.1	1.4 1.4	1.6 1.6	4.2 4.0
Centamin Egypt	CEYL	Mining		*	0.68	745	1 -1.6% -31.3%	5.3 4.0	9.0 16.3	0 0	2.3 1.4	3.5 2.1
Petropavlovsk	POG.L	Mining		*	4.75	885	1 -14.8% -39.8%	5.2 3.5	5.2 26.0	1.0 1.0	1.7 1.4	4.2 3.0
Hiscox	HSXL	Nonlife Insurance		*	3.97	1,553	2 0.2% 4.1%	10.2 10.4	n.a. n.a.	4.5 4.7	n.a. n.a.	n.a. n.a.
Catlin Group	CGLL	Nonlife Insurance		*	4.25	1,535	2 4.7% 4.3%	7.5 7.4	n.a. n.a.	6.9 7.3	n.a. n.a.	n.a. n.a.
Amlin	AML.L	Nonlife Insurance		*	3.30	1,637	1 -0.1% -2.8%	7.4 6.9	n.a. n.a.	7.4 7.8	n.a. n.a.	n.a. n.a.
Soco Intl	SIAL	Oil & Gas Prods		*	2.97	1,003	1 0.3% -1.1%	6.6 5.8	7.7 11.2	0 0	2.2 1.7	2.7 2.0
Afren	AFRE.L	Oil & Gas Prods		*	1.35	1,445	1 H 0.9% 8.7%	5.6 5.4	18.4 17.4	0 0	1.8 1.7	2.4 2.2
Cove Energy	COVE.L	Oil & Gas Producers			2.27	1,112	2 H 5.6% 65.9%	n.m. n.m.	-5.1 -1.7	0 0	n.a. n.a.	n.a. n.a.
EnQuest	ENQ.L	Oil & Gas Producers		*	1.25	1,007	2 H -0.6% 14.9%	12.8 11.6	-4.9 8.8	0 0	1.5 1.3	n.a. 2.0
Premier Oil	PMO.L	Oil & Gas Producers		*	3.73	1,974	1 -4.9% -8.8%	7.7 6.5	4.0 4.1	0 0	2.7 2.0	3.9 3.0
Salamander Enrgy	SMDR.L	Oil & Gas Producers		*	1.98	306	2 H 13.2% 6.7%	8.5 5.8	0.7 11.6	0 0	1.5 1.0	2.3 1.6
Valiant Petrol	VPP.L	Oil & Gas Producers			5.85	238	1 H 12.1% 39.5%	6.1 5.0	9.7 42.6	0 0	1.3 0.8	1.8 1.1
Gulfsands	GPX.L	Oil & Gas Producers			1.26	149	2 H -14.6% -27.5%	3.4 1.8	6.5 44.3	0 0	1.3 0.5	1.9 0.7
BowLeven	BLVN.L	Oil & Gas Producers			0.88	258	1 H -12.3% 8.2%	n.a. n.a.	-27.8 -10.8	0 0	n.a. n.a.	n.a. n.a.
Heritage Oil	HOIL.L	Oil & Gas Products		*	1.49	385	2 H 6.2% -24.5%	n.a. n.a.	-17.8 -14.9	0 0	23.2 29.0	n.a. n.a.
Lamprell	LAM.L	Oil Equipment & Services		*	3.59	934	1 4.6% 11.7%	12.3 10.2	6.1 7.9	3.5 4.1	1.2 1.0	10.2 8.2
Hikma	HIKL	Pharm. & Biotech		*	6.26	1,231	1 -7.9% -11.9%	17.1 13.0	-0.7 2.9	1.4 1.7	2.2 1.9	10.2 8.5
Vectura	VEC.L	Pharm. & Biotech		*	0.72	239	1 H 33.0% 22.3%	n.a. n.a.	-3.5 -1.3	0 0	5.6 4.6	n.a. 159.8
Safestore	SAFE.L	Real Estate Investment & S		*	1.13	212	1 -4.4% 1.6%	11.8 10.4	4.3 8.1	5.1 5.4	n.a. n.a.	12.4 11.3
Big Yellow	BYG.L	Real Estate Investment Tru:		*	2.95	384	1 3.8% -0.1%	15.4 13.4	5.4 6.9	3.6 4.0	n.a. n.a.	16.4 14.4
Spirit Pub	SPRTC.L	Restaurants		*	0.56	366	1 -9.8% 9.9%	9.1 7.7	-2.5 6.1	3.9 4.7	1.4 1.3	7.2 6.6
Michael Page	MPIL	Support Services		*	4.17	1,280	2 -13.0% -0.2%	30.9 22.6	3.0 3.6	2.5 2.9	1.2 1.1	16.1 12.1
Hays	HAYS.L	Support Services		*	0.90	1,249	3 6.6% 21.3%	16.4 14.6	4.7 5.9	2.8 2.9	0.4 0.4	10.1 9.3
De La Rue	DLAR.L	Support Services		*	9.74	969	1 8.2% 3.5%	17.8 14.2	4.0 6.7	4.5 4.7	2.1 2.0	10.6 8.7
Filtrona	FLTR.L	Support Services		*	4.67	978	1 -1.8% 20.8%	15.7 14.2	4.1 6.6	2.7 3.0	1.8 1.7	8.9 8.1
Regus	RGU.L	Support Services		*	1.08	1,022	2 -5.4% 8.2%	16.6 13.5	3.2 7.7	3.0 3.3	0.6 0.6	5.0 4.0
Electrocomponents	ECM.L	Support Services		*	2.29	1,000	3 -7.7% 0.4%	12.4 11.9	7.1 7.6	4.9 5.1	0.9 0.9	7.9 7.6
MTIE	MTOL	Support Services		*	2.91	1,053	1 4.1% 12.6%	12.1 11.4	6.1 7.3	3.5 3.7	0.5 0.5	8.2 7.5
Babcock	BAB.L	Support Services		*	8.30	2,979	1 4.1% 12.0%	12.2 11.3	8.2 8.9	2.8 3.0	1.2 1.1	10.1 9.0
Premier Farnell	PFL.L	Support Services		*	2.16	800	3 0.8% 0.1%	12.2 11.3	8.0 8.5	5.0 5.3	1.1 1.1	8.2 7.7
WS Atkins	ATKW.L	Support Services		*	7.29	729	2 -0.7% 0.6%	9.8 10.0	11.2 11.4	4.2 4.3	0.5 0.5	6.3 6.1
Homeserve	HSV.L	Support Services		*	2.54	837	3 8.7% -13.2%	10.0 9.7	7.7 8.0	4.7 5.0	1.6 1.4	6.8 6.3
Berendsen	BRSNL	Support Services		*	5.16	887	3 -1.1% 10.4%	10.2 9.6	8.0 8.5	4.7 5.0	1.4 1.3	4.4 4.2
Rentokil	RTOL	Support Services		*	0.87	1,566	2 1.5% 15.4%	11.5 9.6	4.6 9.9	1.8 2.0	0.9 0.9	5.4 4.7
SIG	SHIL	Support Services		*	1.06	625	1 -10.0% 2.0%	10.9 9.6	8.0 6.2	2.6 3.5	0.3 0.3	6.0 5.4

Source: Powered by dataCentral

Company Name	Reuters	Sector	Member of		Price		Rec	Share price performance		Adj P/E		FCF Yield		Dividend		EV/Sales		EV/EBIT DA		EV/EBIT	
	Ticker		Small	FTSE	Last	Mkt		(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)
			Cap	250	Price	Cap		1 month	3 month	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E	2012E	2013E
Travis Perkins	TPK.L	Support Services		*	10.53	2,571	1	-2.4%	14.5%	11.2	9.6	14.1	14.8	2.4	2.8	0.6	0.6	7.4	6.3	9.2	7.8
Xchanging	XCH.L	Support Services	*		1.00	239	2	5.3%	36.6%	9.2	7.5	10.5	15.7	2.0	3.0	0.4	0.3	3.4	2.6	5.3	3.9
CPPGroup	CPPG.L	Support Services	*		0.47	81	2	-21.3%	-57.0%	3.1	2.8	34.6	45.8	16.0	16.0	0.2	0.2	1.4	1.1	1.9	1.6
AVEVA Plc	AVVL	S'ware & Comp Services		*	16.59	1,128	2	0.1%	1.3%	25.4	n.a.	3.3	n.a.	1.3	n.a.	4.8	n.a.	15.3	n.a.	16.5	n.a.
Teleticity	TCY.L	S'ware & Comp Services		*	8.05	1,615	1	9.2%	21.9%	25.8	20.9	-2.3	3.1	0.8	1.0	6.2	5.5	13.7	11.7	19.7	16.1
Blinkx	BLNX.L	S'ware & Comp Services			0.54	194	1	-11.9%	-20.1%	27.8	13.3	1.5	4.9	0	0	1.8	1.3	15.9	7.3	28.5	9.3
Micro Focus Inte	MCRO.L	S'ware & Comp Services		*	4.63	759	2	-2.0%	4.8%	12.2	11.5	8.8	9.5	3.5	3.6	2.8	2.6	7.4	6.8	9.6	8.9
CSR	CSR.L	Tech H'ware & Equip		*	2.36	469	3	2.6%	2.1%	34.6	276.3	-0.4	-0.4	2.4	0	0.5	0.6	6.1	9.9	18.2	542.4
Wolfson	WLF.L	Tech H'ware & Equip	*		1.80	209	1	-4.3%	13.8%	240.1	41.7	0.5	5.6	0	0	1.7	1.5	73.7	24.3	n.a.	69.1
Spirent Communications	SPT.L	Tech H'ware & Equip		*	1.70	1,123	1	5.7%	40.6%	17.7	16.0	4.8	5.2	1.1	1.2	2.8	2.5	10.3	9.1	11.5	10.1
Paddy Power	PAP.L	Travel & Leisure			40.25	1,973	2	4.5%	16.7%	21.6	20.1	5.3	5.7	2.2	2.3	4.1	3.7	14.5	12.8	17.9	15.8
Ladbrokes	LAD.L	Travel & Leisure		*	1.79	1,625	2	11.8%	24.2%	10.9	11.0	7.3	9.7	4.6	4.8	1.9	1.7	7.7	7.6	9.6	9.7
Restaurant Group	RTNL	Travel & Leisure		*	2.80	561	1	-5.4%	-8.5%	11.9	10.9	7.2	8.2	4.1	4.5	1.1	1.0	5.9	5.3	9.0	8.1
William Hill	WMH.L	Travel & Leisure		*	2.80	1,949	1	7.2%	22.2%	10.6	10.5	7.4	10.8	3.8	4.1	1.9	1.6	6.9	6.4	7.9	7.4
Stagecoach Grp	SGC.L	Travel & Leisure		*	2.48	1,430	1	-2.8%	-13.6%	9.5	10.0	6.3	7.1	3.4	3.6	0.8	0.8	6.5	6.6	9.9	10.2
JD Wetherspoon	JDW.L	Travel & Leisure		*	4.08	521	1	-0.8%	-0.9%	10.2	9.6	4.2	10.9	3.2	3.3	0.8	0.8	6.4	6.0	9.1	8.5
Greene King	GNKL	Travel & Leisure		*	5.13	1,115	1	0.0%	0.5%	10.0	9.4	1.3	2.1	4.9	5.1	2.4	2.3	9.1	8.7	11.3	10.9
Go-Ahead Group	GOG.L	Travel & Leisure		*	11.43	492	2	-8.3%	-11.3%	8.2	8.2	9.1	11.6	7.1	7.1	0.3	0.3	4.1	4.1	6.8	7.0
Marstons	MARS.L	Travel & Leisure		*	0.97	556	2	-0.7%	-0.9%	8.6	8.1	-0.9	-0.2	6.0	6.2	2.6	2.5	9.0	8.8	11.3	11.1
easyJet	EZJ.L	Travel & Leisure		*	5.00	1,976	1	2.9%	11.2%	9.1	8.0	3.2	9.1	2.9	3.3	0.5	0.4	4.6	4.4	6.1	5.7
National Express	NEX.L	Travel & Leisure		*	2.20	1,127	2	-8.6%	-1.2%	8.6	7.8	6.6	6.4	4.5	4.8	0.9	1.0	5.6	5.8	10.8	11.1
TUI Travel Plc	TT.L	Travel & Leisure		*	1.92	2,143	2	-2.4%	-1.5%	8.1	7.6	5.9	12.4	6.2	6.6	0.2	0.2	4.8	4.5	6.4	6.0
Mitchells & But	MAB.L	Travel & Leisure		*	2.62	1,074	1	-2.9%	-0.0%	8.2	7.3	2.0	5.8	1.0	3.9	1.5	1.4	6.9	6.4	9.6	8.9
Firstgroup	FGP.L	Travel & Leisure		*	1.96	943	2	-17.7%	-38.2%	5.9	5.6	8.2	16.7	12.7	13.6	0.5	0.5	4.8	4.7	9.9	9.7
Enterprise Inns	ETI.L	Travel & Leisure	*		0.62	314	2	5.1%	61.0%	2.9	2.8	15.9	22.1	0	0	4.7	4.5	9.3	8.9	9.6	9.2
Thomas Cook Group	TCG.L	Travel & Leisure	*		0.22	196	2	-0.6%	65.6%	2.5	2.4	-19.9	9.9	0	0	0.2	0.2	4.2	4.0	6.8	6.6
Punch Taverns	PUB.L	Travel & Leisure	*		0.10	64	1 H	-17.4%	-11.8%	1.5	1.4	58.0	55.0	0	0	4.6	4.4	9.6	9.4	10.3	10.2
Drax Grp	DRX.L	Utilities		*	5.42	1,976	3	-0.6%	-0.6%	10.7	19.5	7.2	-3.7	4.7	2.6	1.0	1.0	5.9	8.8	7.3	12.4

Source: Powered by dataCentral



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Appendix



UK SMID Portfolio Methodology

Citi's UK Small/Mid-Cap Key Buy List is selected by our UK mid-cap team, Hugo Mills and David Phillips, and contains 15-20 stocks. The list will be published in the UK Small/Mid-Cap View, which we aim to publish on the first day of each month and the portfolio will be priced as at close of business on the last day of the previous month. Performance for stocks added/included will be from the end of the previous month. There will be no changes to the portfolio intra-month.

The SMID team constructs the list after fully considering its key investment themes, then applying these to conviction views from our sector teams. The list is intended to highlight the best small/mid-cap ideas from Citi's sector teams, combined with a degree of market overview from the UK SMID team, and is created with a 12-month investment horizon in mind.

The performance is measured on an equal-weighted stock basis.

A stock is eligible for inclusion if it is:

- Buy rated by Citi.
- Fits with the UK SMID team's key investment themes.

A stock may be removed from the Key Buy List at the end of a month due to:

- Analyst changes in recommendation from Buy (it will then leave the list at the next month-end).
- A lack of apparent investment catalysts, or rapid share price change.
- A change to the SMID team's investment theme criteria.

The addition and removal of stocks are summarised in Figure 99. For further information concerning the portfolio, please contact the team.

Figure 112. Summary of May changes

Deletions			Additions		
Date	RIC	Name	Date	RIC	Name
			01/05/2012	INCH.L	Inchcape

Source: Citi Investment Research and Analysis

Note: Full history of additions and deletions can be obtained upon request.

Past performance is no indication of future performance.

Appendix A-1

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