Morning News – Midcap

Key ideas

Vilmorin — Half-year sales — Buy (1)

Price : 85.45 EUR
Target price : 100 EUR
Food products

A good start to the year – guidance confirmed

Vilmorin has reported interim sales of E284.9m, up 2% like-for-like. In addition to these sales, which represent only 30% of total revenues, management has confirmed a good start to the year, maintaining guidance for the exercise, i.e. topline growth of 5-6%. This validates our forecasts, since the group benefits from strong pricing power despite the less buoyant environment. Buy (1) rating confirmed and target price unchanged at E100.

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Laurent-Perrier — Quarterly sales — Reduce (3)

Price : 44 EUR
Target price : 54 EUR
Beverages

Still very difficult

Q3 sales remained very tough, down 26.2% to E69.8m vs. an estimated 12% decline to E83.1m. In addition, the price mix declined: to +5.9% vs. 9% in H1. The group has not reiterated its guidance for sales of E200m, implying an increase of 14% in Q4, simply indicating an operating margin of 21-22%. We had forecast sales of E240m and an operating margin of 22%. We expect to cut our target price and revise down our forecasts after contact with the company. Reduce (3) recommendation maintained.

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Alten — Full year sales — Buy (1)

Price : 12.84 EUR
Target price : 19 EUR
IT services

Reassuring on two points

Despite a sharp decline in organic growth in Q4 2008 (+8.3%), Alten has released, a month earlier than expected, a 2008 operating margin target range of 11.5-11.8%, above the consensus estimate of 11.4%. More importantly, Alten has reassured the market by confirming that the group has managed to reabsorb more than one point of overcapacity since the peak in January 2009. In spite of the crisis the group forecasts organic growth of 1-5% and a 2009 operating margin of 10%. We expect the share to continue to make up ground after the excessive decline.

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Alès Groupe — Full year sales — Reduce (3)

Price : 9.2 EUR
Target price : 12 EUR
Home and Personal Care

2008 sales in line

The group has reported sales in line with our expectations at E171m (vs. the estimated E170.3m). We have left are forecasts and recommendation unchanged pending contact with the group in order to assess probable sales trends for H1, since management has been relatively cautious during previous contacts.

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Partouche — Full-year earnings — Reduce (3)

Price : 2.47 EUR
Target price : 2 EUR
Leisure

Profitability plummets. Debt becomes increasingly problematic

In 2008, Partouche suffered a marked deterioration in earnings with a 60.2% decline in underlying operating profit to E30.2m resulting in a net loss of E8.5m. This performance was short of our expectations (respectively E37.3m and E5.1m). The decline in revenues is expected to continue in 2009 assuming a recovery in the short term. Debt restructuring (E353m), ongoing since June 2008, is becoming more complicated. Reduce (3) recommendation maintained.

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Newsflow *

Mr.Bricolage	*Full year sales, Buy (1), 18.40 EUR*	**Healthcare**	*Statistics and/or trends, Overweight*
Mobistar	*Reco. lowered, Reduce (3), 52.00 EUR*	**Naturex**	*Corporate news, Reduce (3), 27.00 EUR*
Soft Computing	*Full year sales, Add (2), 3.76 EUR*	**Bonduelle**	*Reco. raised, Add (2), 58.00 EUR*

** event, recommendation, target price.*

Recent changes of recommendation and target prices

	From	To	Date
Rallye	Buy (1)	Add (2)	03/02/2009
Rallye	45.00 EUR	37.00 EUR	03/02/2009
Orpea	27.00 EUR	31.00 EUR	02/02/2009
Gameloft	Reduce (3)	Add (2)	30/01/2009
Beneteau	7.00 EUR	5.30 EUR	30/01/2009
Haulotte Group	6.00 EUR	3.90 EUR	30/01/2009
Fleury Michon	22.00 EUR	23.00 EUR	30/01/2009
Gameloft	1.60 EUR	2.00 EUR	30/01/2009
Bulgari	3.80 EUR	3.30 EUR	29/01/2009
Gemalto	27.00 EUR	23.00 EUR	29/01/2009

Recent publications

Somfy	Wait until the spring	16/12/2008
Rhodia	From one obstacle to the next	19/11/2008

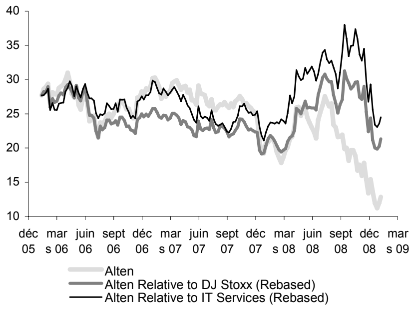
Events

17-18/02/2009	EDF Energies Nouvelles	Corporate Road Show	USA
26/02/2009	Vilmorin Clause & Cie	Corporate Road Show	Paris
16/03/2009	bioMérieux	Corporate Road Show	Paris

Alten

IT services France

Full year sales	
Recommendation	Buy (1)
Price (04/02/2009)	12.84 EUR
Target price	19.00 EUR



Reuter:	LTEN.PA
Bloomberg:	ATE FP
12-month high:	27.55
12-month low:	11.04

Multiples

	12/07	12/08e	12/09e	12/10e
P/E	20.9	11.7	8.0	7.0
Net. yield (%)	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-0.1%	2.1%	9.5%	12.7%
P/Book value	3.2	2.1	1.1	0.9
EV/Sales	1.2	0.9	0.5	0.4
EV/EBITDA	9.6	7.1	4.5	3.5
EV/EBIT(recur)	10.2	7.4	4.7	3.7

Per share data

EUR	12/07	12/08e	12/09e	12/10e
EPS (AANP)	1.32	1.84	1.60	1.84
%Change	-9.0%	39.5%	-12.8%	14.6%
EPS (ANP)	1.38	1.77	1.70	1.95
%Change	-6.8%	28.1%	-3.9%	14.6%
Dividend	0.00	0.00	0.00	0.00
Book value	8.51	10.10	11.80	13.75

Income statement

(EUR m)	12/07	12/08e	12/09e	12/10e
Sales	701.2	846.3	928.1	971.1
%Change	21.7%	20.7%	9.7%	4.6%
Op.profit(recur.)	84.5	98.2	89.1	99.6
%Change	11.8%	16.2%	-9.3%	11.8%
Op.profit(EBIT)	84.5	93.2	89.1	99.6
Attr. net profit	42.9	56.2	54.0	61.9
Adj. attr. NP	42.9	61.2	54.0	61.9

Financial data

	12/07	12/08e	12/09e	12/10e
ROCE bef. Tax	35.9%	31.3%	23.8%	25.2%
ROCE after Tax	23.4%	21.4%	16.3%	17.3%
ROE	18.0%	20.9%	15.5%	15.3%
FCF	-0.5	14.6	39.0	52.0
Net debt	-3	33	8	-44
Gearing	-1.2%	10.2%	2.1%	-10.1%
Net Debt/EBITDA	ns	0.3	0.1	ns
EBITDA/interest	ns	73.3	31.2	41.6

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-16.8%	-39.4%	-40.1%
Perf./country	0.87	0.73	1.01
Perf./DJ sector	0.91	0.71	1.23

Liquidity

Market Cap.	407
EV	369
No. of shares (m)	31.7
Free Float	1
Simon Azoulay	40.3%
Employees	1.3%

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Doubly reassuring

Despite a sharp slowing in Q4 2008 organic growth (8.3%), Alten has given guidance one month ahead of schedule for a 2008 operating margin of 11.5%-11.8%, topping the consensus forecast of 11.4%. More importantly, Alten offers reassurance since it has managed to reabsorb over one point of its benchtime rate compared with the peak of January 2009. Despite the crisis, the group forecasts organic growth of 1-5% thanks to sectors still showing strong demand (energy, railways) and continued market share gains. The group is targeting a 2009 operating margin of around 10% and has an arsenal of measures to preserve margins. We estimate the share can continue to catch up its excessive fall.

Sharp slowing in organic growth in Q4 2008 due to the automobile sector

Alten reported Q4 sales 2008 of € 221.5m, up 14.6%, of which 8.3% in organic growth. This is in line with the consensus forecast of € 223.1m.

ALTEN'S Q4 SALES 2008

Activity	Q4 sales 2008	Q4 sales 2007	% change	Organic growth%	Oddo Sec Q4 2008 estimates
Sales France	153.7	142.2	8.1%	8.6%	168.4
International sales	67.8	51	33.0%	7.4%	57.5
Total sales	**221.5**	**193.2**	**+14.6%**	**8.3%**	**225.9**
				Consensus	**223.1**

For full-year 2008, this gives Alten very good organic growth of 16.2% (of which 15.7% in France and 17.6% in international sales).

The sharp slowing in organic growth between Q3 2008 (15.4%) and Q4 2008 (8.3%) is due to problems faced by the group in the automobile sector (20% of sales, 1,800 engineers), notably in France.

But a slightly better-than-expected 2008 operating margin

The good news in the announcement is the fact that, one month ahead of schedule, Alten is announcing guidance for **a non-audited operating margin range of 11.5-11.8%.** This **tops the consensus forecast of 11.4%** and our estimate of 11.4%.

⇨ **We are upgrading our 2008 operating profit estimate from € 96.9m to € 98.2m and our 2008 EPS from € 1.82 to € 1.84.**

Despite a 0.4 of a point negative acquisitions impact on the margin and serious difficulties in the automobile sector in December, in 2008 the group will remain very close to its normative level of 12.0%. On a proforma basis, Alten's operating margin is even constant compared with 2007 despite a utilisation rate at 0.5 of a point lower than in 2007. We conclude therefore that, excluding any variation in the calendar effect and contrary to doubts expressed by part of the market, the group will not, at these levels of growth, see a price-salary erosion. And this at least partly limits the theory of structural erosion in Alten's margin in the long term.

Overcapacity peak in January 2009 already being resorbed

After the peak of January 2009 of 11% (versus the usual 8% in January), **benchtime fell back to below 10% in early February.** We believe this is the most positive news given very negative market anticipations on the share. We felt the management was less worried than it was one month ago on the benchtime issue. To reabsorb this overcapacity of around 100 staff, Alten partly reallocated staff to sectors still showing strong demand such as Energy and Railways and then used turnover (which could fall to 12-15%) coupled with recruitment management control. We believe it is realistic not to expect a return to a normal benchtime rate before the end of Q1 2009 at least.

2009 guidance reassuring despite clouds on the horizon

Alten expects 2009 organic sales growth of 1-5% (higher at the start of the year with negative growth possible in Q4). Excluding difficulties in the automobile sector (20% of sales), the group is experiencing strong demand in energy (12% of sales) and railways (3% of sales). Growth in aerospace (13% of sales) could benefit from the fact that Alten was selected among the five top consulting and engineering service providers by Airbus (E2S programme). Faced with the Alcatel risk (3.2% of sales; 300 engineers) highlighted by a number of analysts, the company said in January 2009 that, on the contrary, it had new projects due to start with the equipment maker. However, we believe this remark does not rule out potential risks in the telecoms equipment sector, g Nortel's recent chapter 11 filing (which will leave Alten with a non-payment of € 0.15m).

Alten is hoping for a double-digit 2009 operating margin (10% we understand) with the H1 2009 level at around 9%. We are convinced in the group's ability to defend margins by using a combination of turnover, recruitment control and technical unemployment in certain sectors or even more direct restructuring measures if necessary (but the current situation does not justify this).

We are upgrading our 2009 sales estimate from € 911m to € 928m to take into account the two new acquisitions made in January 2009 (€ 14m in France and € 10m in Italy), but maintain our negative 2009 organic sales growth estimate of -0.6%.

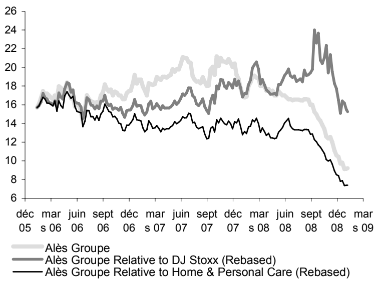
We therefore remain cautious with a 2009 EBIT estimate of € 89.1m (operating margin of 9.6%).

Next event: 2008 results on March 11, 2009 before trading

Ales Groupe

Home and Personal Care France

Full year sales	
Recommendation	**Reduce (3)**
Price (04/02/2009)	**9.20 EUR**
Target price	**12.00 EUR**



Reuter:	PHYP.PA
Bloomberg:	PHY FP
12-month high:	19.21
12-month low:	9.14

Multiples

	12/07	12/08e	12/09e	12/10e
P/E	29.0	26.3	15.7	15.0
Net. yield (%)	2.1%	2.4%	4.3%	4.3%
FCF yield (%)	3.2%	3.1%	6.9%	5.4%
P/Book value	3.0	2.4	1.3	1.3
EV/Sales	1.7	1.5	0.9	0.8
EV/EBITDA	13.8	12.5	7.9	7.6
EV/EBIT(recur)	17.0	15.7	10.2	9.8

Per share data

EUR	12/07	12/08e	12/09e	12/10e
EPS (AANP)	0.66	0.62	0.59	0.61
%Change	-6.9%	-5.8%	-6.3%	4.9%
EPS (ANP)	0.49	0.63	0.59	0.62
%Change	-24.5%	26.9%	-6.3%	4.9%
Dividend	0.40	0.40	0.40	0.40
Book value	6.48	6.92	7.12	7.34

Income statement

(EUR m)	12/07	12/08e	12/09e	12/10e
Sales	168.3	170.3	170.3	180.1
%Change	3.9%	1.2%	-0.0%	5.8%
Op.profit(recur.)	17.0	16.2	14.7	15.4
%Change	-8.7%	-4.6%	-9.0%	4.3%
Op.profit(EBIT)	17.1	15.6	13.9	14.6
Attr. net profit	6.7	8.8	8.3	8.7
Adj. attr. NP	9.2	8.8	8.3	8.7

Financial data

	12/07	12/08e	12/09e	12/10e
ROCE bef. Tax	14.5%	13.2%	11.6%	11.9%
ROCE after Tax	8.6%	8.6%	7.4%	7.6%
ROE	10.4%	9.5%	8.4%	8.5%
FCF	8.2	7.3	8.9	7.0
Net debt	13	6	3	2
Gearing	15.0%	5.8%	3.0%	2.2%
Net Debt/EBITDA	0.6	0.3	0.2	0.1
EBITDA/interest	8.2	10.2	19.0	19.9

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-11.9%	-35.2%	-45.2%
Perf./country	0.93	0.78	0.93
Perf./DJ sector	0.87	0.71	0.60

Liquidity

Market Cap.	130
EV	151
No. of shares (m)	14.1
family holding	1
Free Float	19.6%
Employees	2.2%

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Sales in line

Ales reported sales in line with our expectations at € 171m vs our estimate of € 170.3m. We are not changing our forecasts and recommendation until we speak with a company rep to evaluate the possible H1 trend. The company has been rather cautious in our previous contacts.

Sales up 2.4% for the year

We were expecting Q4 sales to fall 2% which would have meant a slight increase for the full year. In the end, the quarter was flat, which is a respectable performance in the current climate.

By division, as usual the cosmetics division (Liérac) grew (+7.9% with sales that came to € 97.2m). On the other hand, hair care continued to struggle, with € 63.8m in sales, down 6.2%, while Caron perfumes grew 12% to € 10.3m.

CA 2008

(€ m)	Reported	Oddo Midcap estimates	2007	% change
Full-year sales	171.0	170.3	168.3	+1.6% or +2.4% LFL
o/w Q4	43.3	42.63	43.5	Flat

SOURCE: ALES GROUPE – ODDO MIDCAP ESTIMATES

Reduce (3) recommendation maintained

Our target price comes to € 12. It is derived from a DCF model (two-thirds, € 8.9) and a valuation based on the multiples from the minority buyout of Clarins (one-third, € 18). Although our target price is higher than the current share price, we are sticking to our Reduce (3) recommendation. We think it is too soon to come back to the stock owing to the lack of visibility on guidance, with another downgrade possible. Our forecast for flat sales in 2009 does not seem especially pessimistic in the current climate. We would also point out that Ales is worried by the sales trend in Russia (around € 7m in 2008 with a very strong margin) and by the sales trend in France (39% of sales, LME regulation could push pharmacies to reduce inventory).

The group's speculative appeal, which seems obvious in the medium term, might not manifest itself in 2009 given the hesitancy of potential buyers.

No changes to our Reduce (3) recommendation and forecasts pending contact with the company.

Next event: 2008 results on 5 March 2009

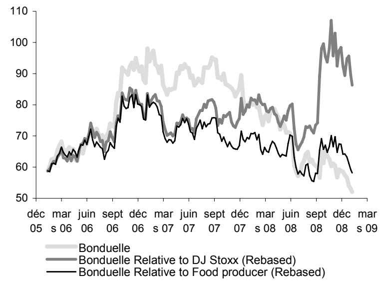
Note: We draw the reader´s attention to the fact that Oddo Corporate Finance has signed a Liquidity Agreement with the company, whereby it has agreed to produce and distribute financial research on the company at least once a year, depending on relevant news. Although Oddo Midcap has undertaken to submit this research to the company prior to its distribution, it will not be bound in any way by any observations made by the company. Nevertheless, any comments made in this Midcap Morning Briefing will not have been submitted to the company in advance.

Bonduelle

Food products | France

Reco. raised Add (2) vs Reduce (3)

Price (04/02/2009)	**51.99 EUR**
Target price	**58.00 EUR**



Reuter:	BOND.PA
Bloomberg:	BON FP
12-month high:	83.46
12-month low:	51.00

Multiples

	06/08	06/09e	06/10e	06/11e
P/E	12.4	9.0	8.8	7.2
Net. yield (%)	1.8%	2.9%	2.9%	3.3%
FCF yield (%)	-3.2%	6.3%	8.3%	10.4%
P/Book value	1.7	1.0	0.9	0.8
EV/Sales	0.8	0.6	0.6	0.5
EV/EBITDA	6.8	5.6	5.3	4.7
EV/EBIT(recur)	11.5	9.8	9.5	8.2

Per share data

EUR	06/08	06/09e	06/10e	06/11e
EPS (AANP)	6.69	5.76	5.94	7.22
%Change	25.4%	-13.9%	3.0%	21.6%
EPS (ANP)	6.40	5.51	5.68	6.90
%Change	-1.2%	-13.9%	3.0%	21.6%
Dividend	1.50	1.50	1.50	1.73
Book value	48.90	52.99	57.26	62.52

Income statement

(EUR m)	06/08	06/09e	06/10e	06/11e
Sales	1 490	1 524	1 568	1 628
%Change	18.9%	2.3%	2.9%	3.8%
Op.profit(recur.)	100.4	94.9	95.5	107.6
%Change	39.5%	-5.4%	0.6%	12.7%
Op.profit(EBIT)	98.6	92.9	93.5	105.6
Attr. net profit	51.2	44.1	45.4	55.2
Adj. attr. NP	51.2	44.1	45.4	55.2

Financial data

	06/08	06/09e	06/10e	06/11e
ROCE bef. Tax	12.7%	10.5%	10.1%	11.2%
ROCE after Tax	8.9%	7.3%	7.1%	7.9%
ROE	13.2%	10.8%	10.3%	11.5%
FCF	-21.7	27.3	36.0	45.2
Net debt	409	433	410	380
Gearing	104.6%	102.1%	89.6%	75.9%
Net Debt/EBITDA	2.4	2.6	2.4	2.0
EBITDA/interest	6.8	5.7	6.0	6.8

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-11.1%	-21.2%	-35.0%
Perf./country	0.93	0.94	1.10
Perf./DJ sector	0.99	0.91	0.97

Liquidity

Market Cap.	416
EV	909
No. of shares (m)	8.0
Famille	1
Free Float	36.6%
Salariés et auto-contrôle	7.9%

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Doing better, downside now looks limited. Upgrade to Add (2) – Target price € 58 vs € 54

Bonduelle has reported a 1.8% like-for-like increase in its Q2 sales, after a 4.4% contraction in Q1. The overall performance does however hide big differences (+25% like-for-like outside the eurozone vs -5.7% in the eurozone). The group has confirmed its full-year guidance (recurrent operating profit flat at € 100m) and, contrary to our initial fears, now looks unlikely to revise its targets when it releases interim earnings at the end of February. We have raised our recurrent operating profit slightly to € 95m vs € 89m. We have taken our EPS up by 5% and raised our target price to € 58 vs € 54. While visibility for H2 is still cloudy (consumer spending still down, forex and economic risk on Russia), we think the danger of a big profit warning is receding, at a time when the valuation no longer looks demanding. We are accordingly upgrading to Add (2).

Q2 sales up 1.8%: while the eurozone markets remained down (-5.7% like-for-like), sales shot up 25% like-for-like elsewhere

After a 4.4% like-for-like contraction in Q1 (-3.5% in the eurozone and -7.4% outside the eurozone), sales were stronger in Q2. Organic sales were up 1.8% thanks to stellar growth of 25% outside the eurozone, although the eurozone markets stayed in the doldrums, falling by 5.7%.

Q2 SALES (OCTOBER-DECEMBER)

(€ m)	Reported	Oddo Midcap estimates	Previous period	Reported/ Previous period
Sales	403.5	415.3	387.3	+4.2% and +1.8% lfl
Eurozone	281.5	-	-	-1.1% and -5.7% lfl
Ex-eurozone	122	-	-	+18.4% and +25% lfl
H1	**752.2**	**764**	**756.1**	**-0.5%** and **-1.2% lfl**

SOURCE: BONDUELLE – ODDO MIDCAP ESTIMATES

Q2 sales were up 4.2% at € 403.5m including a two-month contribution from La Corbeille (adding € 12m). This number was nevertheless short of our initial forecast of € 415.3m, which implied organic growth of 4.6% on the back of price hikes, a recovery in Russia after problems in Q1 stemming from change to the distribution system and retailers' own brands following delays in Q1.

Q2 sales marked an upturn compared with Q1, although the headline number was short of our forecasts. The group's initial organic growth guidance of 3-4% also looks pretty much out of reach: it would require growth of 7% in H2 after an overall decline of 1.2% in H1. We have accordingly revised down our sales forecast and are now anticipating full-year organic growth of roughly 0.5%, vs our initial estimate of +1%.

At the same time, we have revised up our recurrent operating profit to € 95m vs € 89m following company contact. This revision was based on the following points: 1) confirmation of € 3m in synergies in Canada, where margins stand to gain from price hikes last October and a favourable exchange rate with the greenback, 2) favourable impact (amounting to several million euros according to the group) from industrial cost prices on good harvests (few losses, abundant and regular flows of vegetables) after a more difficult season in 2007-2008, 3) a very tight rein on costs, with part of the advertising budget (roughly € 60m in 2007-2008) to be shifted to promotional discounts. Lastly, the group is implementing a new three-year competitiveness plan, which is expected to reap it more in the way of savings than the David and Goliath plan (€ 15m). The new plan will not have much of an impact this year, and it is possible that all or part of the targeted savings – as was the case for the previous plan – will be absorbed by the prevailing economic environment and related price pressure.

But while the picture may not be entirely rosy, we think the risk of a major profit warning has been lifted. The group does not appear to have any concerns about its interim earnings, saying that January sales looked "satisfactory". We have nevertheless remained fairly prudent in our estimates, given the impact from the ruble's devaluation, which could be a factor in H2 (Russia accounts for roughly 20% of group earnings), ongoing price pressure in H2, risks on tin prices as of 2009-2010 and a possible increase in interest expense (IFRS impact on interest-rate hedging instruments).

Target price raised to € 58 vs € 54, recommendation upgraded to Add (2)

The improvement in Q2 sales compared with Q1, cost-cutting measures and the reduced likelihood of a major profit warning, combined with the more moderate valuation, have prompted us to upgrade to Add (2). This recommendation should however been seen more as a shift into neutral than as a strong buy opinion, given the amount of uncertainty still clouding the group's outlook.

Next event: interim earnings on 26 February

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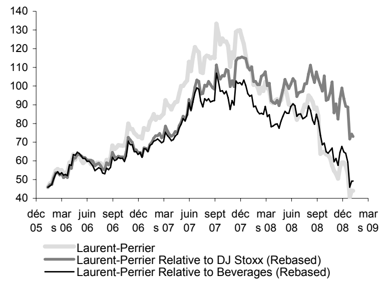
Laurent-Perrier

Beverages France

Quarterly sales

Recommendation	**Reduce (3)**
Price (04/02/2009)	**44.00 EUR**
Target price	**54.00 EUR**



Reuter:	LPER.PA
Bloomberg:	LPE FP
12-month high:	109.41
12-month low:	40.18

Multiples

	03/08	03/09e	03/10e	03/11e
P/E	18.8	12.7	11.7	10.0
Net. yield (%)	1.3%	3.5%	3.7%	3.9%
FCF yield (%)	1.1%	-5.9%	2.2%	4.6%
P/Book value	2.9	1.1	1.0	1.0
EV/Sales	3.6	2.6	2.5	2.3
EV/EBITDA	12.8	10.8	10.2	9.2
EV/EBIT(recur)	13.6	11.8	11.2	10.0

Per share data

EUR	03/08	03/09e	03/10e	03/11e
EPS (AANP)	5.87	3.45	3.76	4.39
%Change	14.9%	-41.2%	8.8%	17.0%
EPS (ANP)	5.87	3.45	3.76	4.39
%Change	14.9%	-41.2%	8.8%	17.0%
Dividend	1.43	1.53	1.64	1.72
Book value	37.76	39.80	42.04	44.81

Income statement

(EUR m)	03/08	03/09e	03/10e	03/11e
Sales	249.4	204.5	215.8	230.9
%Change	5.4%	-18.0%	5.5%	7.0%
Op.profit(recur.)	66.0	45.3	48.1	53.4
%Change	16.6%	-31.4%	6.2%	11.0%
Op.profit(EBIT)	65.8	45.1	47.9	53.2
Attr. net profit	34.6	20.3	22.1	25.9
Adj. attr. NP	34.6	20.3	22.1	25.9

Financial data

	03/08	03/09e	03/10e	03/11e
ROCE bef. Tax	14.4%	9.2%	9.3%	10.0%
ROCE after Tax	9.4%	6.0%	6.1%	6.5%
ROE	16.3%	8.9%	9.2%	10.1%
FCF	7.0	-15.3	5.6	12.0
Net debt	242	266	270	268
Gearing	108.8%	113.4%	108.8%	101.3%
Net Debt/EBITDA	3.5	5.4	5.1	4.6
EBITDA/interest	5.7	3.6	3.8	4.3

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-25.5%	-31.8%	-60.7%
Perf./country	0.78	0.82	0.66
Perf./DJ sector	0.83	0.79	0.59

Liquidity

Market Cap.	262
EV	537
No. of shares (m)	5.9
Famille	1
Free Float	34.0%
Financiers	8.0%
Auto-contrôle	1.0%

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Still very difficult

Q3 sales remained very tough, down 26.2% to € 69.8m (vs. our forecast of € 83.1m, i.e. -12%). In addition, the price mix deteriorated to +5.9% vs. +9% in H1. The group has not reiterated its guidance for sales of € 200m, implying an increase of 14% in Q4, simply indicating an operating margin of 21-22%. We had forecast sales of € 204m and an operating margin of 22%. We expect to cut our target price and revise down our forecasts after contact with the company. Reduce (3) recommendation maintained.

Sales continued to decline at the same pace, -26.1% in line with H1

While the comparison base is becoming more favourable, at -2.2% in Q3 2007-08 vs. +15.2% in H1 2007-08, the company has not managed to reverse the sales trends reported in H1. As such, Q3 sales fell 26.1%, of which -30.6% volumes, +5.9% price effect and -1.4% currency impact. This trend was in line with H1: -26.2% i.e. -32.2% in volume terms, +9% price effect and -3% currencies.

As a result, the increase in prices (+17% for the Laurent Perrier brand) weighed heavily on volumes, while competition intensified and a number of players even scrapped price hikes introduced at the beginning of the year in order to halt the decline in volumes.

9-MONTH SALES

€ m	Reported	Oddo Midcap estimates	Previous period	Reported/ Previous period
9-month sales	155	168.3	209.8	-31.5% o/w -29.2% lfl
Q3 sales	69.8	83.1	94.4	-26% o/w -24.7% lfl

SOURCES: LAURENT-PERRIER – ODDO MIDCAP ESTIMATES

We think that guidance for sales of around € 200m will be difficult to achieve (and was not mentioned) since this implies a 14% increase in sales in Q4. Conversely, management has maintained its operating margin target range at 21-23% at constant currencies.

We are expecting to revise down our forecasts (sales € 204m and operating margin 22%) after contact with the company, cutting our underlying operating profit estimate by at least 10%.

Visibility remains very murky. Steer clear

Despite the marked decline in the share price, we still advise steering clear of this stock due to weak visibility on 2009, where we could see a further decline in sales (for the time being we forecast a slight rebound of 5%) with a risk to margins in the short term given the increase in grape prices at the time of the 2007 harvest (+7-8%). This increase should be visible in the cost price as of 2009 and is likely to necessitate a price hike (around 3%), which we think will be tricky in the current environment particularly after the sharp price hikes of last year. Consequently, we expect to make a further downward revision to our forecasts for 2008 and 2009 and would advise steering clear of the stock.

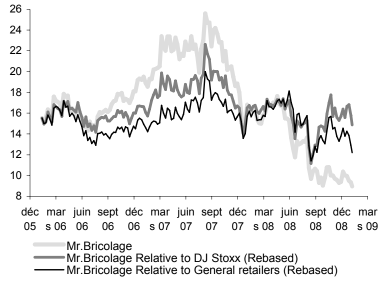
Next event: full-year sales and earnings on 3 June
NB: the publication of full-year sales has been pushed back to 3 June vs. 14 May as initially planned.

Note: We draw the reader´s attention to the fact that Oddo Corporate Finance has signed a Liquidity Agreement with the company, whereby it has agreed to produce and distribute financial research on the company at least once a year, depending on relevant news. Although Oddo Midcap has undertaken to submit this research to the company prior to its distribution, it will not be bound in any way by any observations made by the company. Nevertheless, any comments made in this Midcap Morning Briefing will not have been submitted to the company in advance.

Mr.Bricolage

Specialist Retailing France

Full year sales	
Recommendation	**Buy (1)**
Price (04/02/2009)	**8.95 EUR**
Target price	**18.40 EUR**



Reuter:	MBRI.PA
Bloomberg:	MRB FP
12-month high:	17.87
12-month low:	8.34

Multiples

	12/07	12/08e	12/09e	12/10e
P/E	13.7	8.6	5.4	5.3
Net. yield (%)	2.5%	3.7%	4.7%	4.9%
FCF yield (%)	4.6%	25.6%	9.7%	25.7%
P/Book value	1.3	0.7	0.5	0.4
EV/Sales	0.7	0.5	0.4	0.3
EV/EBITDA	6.6	5.8	4.5	4.2
EV/EBIT(recur)	9.5	8.2	6.4	5.9

Per share data

EUR	12/07	12/08e	12/09e	12/10e
EPS (AANP)	1.57	1.59	1.66	1.70
%Change	8.3%	1.4%	4.1%	2.5%
EPS (ANP)	1.57	2.90	1.66	1.70
%Change	8.3%	85.0%	-42.9%	2.5%
Dividend	0.53	0.50	0.42	0.44
Book value	16.25	18.49	19.53	20.68

Income statement

(EUR m)	12/07	12/08e	12/09e	12/10e
Sales	489.2	513.9	535.1	552.6
%Change	7.3%	5.0%	4.1%	3.3%
Op.profit(recur.)	38.0	31.3	32.4	32.6
%Change	37.0%	-17.6%	3.6%	0.6%
Op.profit(EBIT)	33.7	30.3	31.4	31.6
Attr. net profit	16.8	31.0	17.7	18.1
Adj. attr. NP	16.8	17.0	17.7	18.1

Financial data

	12/07	12/08e	12/09e	12/10e
ROCE bef. Tax	11.3%	9.8%	10.0%	9.9%
ROCE after Tax	7.0%	6.1%	6.2%	6.2%
ROE	9.5%	9.2%	8.7%	8.4%
FCF	10.6	37.2	9.3	24.6
Net debt	123	103	103	87
Gearing	70.6%	51.7%	49.0%	39.0%
Net Debt/EBITDA	2.2	2.3	2.2	1.9
EBITDA/interest	6.7	8.9	9.2	10.2

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-13.7%	-17.1%	-48.0%
Perf./country	0.91	0.99	0.88
Perf./DJ sector	0.84	0.86	0.75

Liquidity

Market Cap.	96
EV	207
No. of shares (m)	10.7
SIMB - SIFA	0
Free Float	35.0%
Famille Tabur	25.5%

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Respectable sales

Mr Bricolage has reported a +5.3% increase in 2008 sales to € 515.3m, which is close to our estimate of € 513.8m. In a difficult context, the Mr Bricolage banner won market share limiting the fall in same store sales to -0.4% vs. -1.1% for the sector. No change to net profit growth targets (excluding impairment test on integrated stores). The current valuation (50% discount vs. NAV) prompts us to reiterate our Buy (1) recommendation.

Full-year sales release

Mr Bricolage 2008 sales stood at € 515.3m suggesting +5.3% growth, i.e. in line with our estimates. We were looking for sales of € 513.8m.

2008 SALES

€ m	Reported	Oddo Midcap estimates	Previous period	Reported/ Previous period
Q4 sales	**116.1**	**114.6**	**113.0**	**2.5%**
o/w Network services	43.4	41.7	40.2	7.7%
Integrated stores	72.6	72.9	72.8	-0.3%
2008 sales	**515.3**	**513.8**	**489.4**	**5.3%**
o/w Network services	201.0	199.2	195.4	2.9%
Integrated stores	314.4	314.6	294.0	6.9%

SOURCES: MR.BRICOLAGE – ODDO MIDCAP ESTIMATES

In a difficult context reflected by a -1.1% fall in Bricolage sales in France according to the Banque de France index, the Mr Bricolage group has proved to have resilient sales. Over the whole of the network, sales fell by a relatively limited -0.4% (+0.1% for Catena) suggesting that the banner won market share over the period.

The performance of integrated stores was close to that for the overall network (-0.5% same store) and up +6.9% to € 314.4m after taking into account two additional stores over the first half and full-year integration of acquisitions made in 2007 (7 outlets). Conversely, in a tough market the group indicates having given a little ground on its gross margin, albeit in line with the trend announced with interim earnings (-50bp), which is no surprise at this point.

Sales of Services to networks climbed +2.9%, driven by promotional sales (+29.8%) while the sales of services dipped slightly by 0.6% € 66.6m, partly due to the greater weighting of integrated stores (€ 1m impact – neutral at operating profit level).

Although management did not reiterate full year targets based on net profit growth for the past year, we understand that this is still the intention subject to possible impairment tests on integrated stores. We are forecasting slight erosion in profitability of -10bp to 3.3% (stripping out real estate capital gains). Net debt should be reduced by 20% i.e. about € 100m, corresponding to our scenario (€ 98.5m).

Although it is wise to remain cautious on the DIY market in 2009, the group announces that it will be boosted by the takeover of 7 outlets to generate additional sales of € 34m including tax.

Buy (1) recommendation reiterated

Although the current context does not suggest an upswing in the share in the short term, the sector does have some resilience. Furthermore, given the current valuation (discount vs. NAV of 50%), we are maintaining our Buy (1) recommendation.

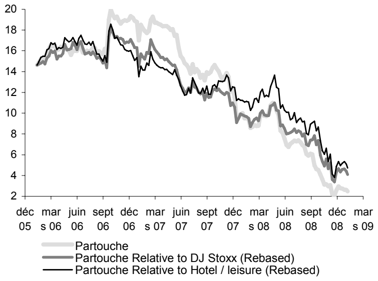
Next event: Full-year earnings due on 25 February 2009

Note: We draw the reader´s attention to the fact that Oddo Corporate Finance has signed a Liquidity Agreement with the company, whereby it has agreed to produce and distribute financial research on the company at least once a year, depending on relevant news. Although Oddo Midcap has undertaken to submit this research to the company prior to its distribution, it will not be bound in any way by any observations made by the company. Nevertheless, any comments made in this Midcap Morning Briefing will not have been submitted to the company in advance.

Partouche

Leisure France

Full-year earnings	
Recommendation	Reduce (3)
Price (04/02/2009)	2.47 EUR
Target price	2.00 EUR



Reuter:	PARP.PA
Bloomberg:	PARP FP
12-month high:	11.50
12-month low:	1.99

Multiples

	10/07	10/08e	10/09e	10/10e
P/E	51.2	77.1	ns	ns
Net. yield (%)	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	7.8%	1.4%	4.7%	2.3%
P/Book value	2.4	1.2	0.3	0.3
EV/Sales	2.3	1.6	1.0	1.1
EV/EBITDA	8.8	8.6	5.7	5.9
EV/EBIT(recur)	15.2	21.5	15.3	16.9

Per share data

EUR	10/07	10/08e	10/09e	10/10e
EPS (AANP)	0.33	0.12	0.01	0.00
%Change	-46.7%	-64.4%	-95.1%	-54.6%
EPS (ANP)	0.33	0.12	0.01	0.00
%Change	-50.3%	-64.4%	-95.1%	-54.6%
Dividend	0.00	0.00	0.00	0.00
Book value	7.04	7.32	7.47	8.57

Income statement

(EUR m)	10/07	10/08e	10/09e	10/10e
Sales	510.9	490.0	486.0	482.0
%Change	-0.2%	-4.1%	-0.8%	-0.8%
Op.profit(recur.)	75.8	37.3	33.2	30.0
%Change	-3.2%	-50.8%	-10.9%	-9.7%
Op.profit(EBIT)	65.1	44.1	33.2	30.0
Attr. net profit	14.3	5.1	0.2	0.1
Adj. attr. NP	14.3	5.1	0.2	0.1

Financial data

	10/07	10/08e	10/09e	10/10e
ROCE bef. Tax	8.3%	5.8%	4.4%	3.8%
ROCE after Tax	4.9%	3.9%	2.9%	2.5%
ROE	5.0%	1.6%	0.1%	0.0%
FCF	56.9	5.4	5.0	2.5
Net debt	353	341	336	334
Gearing	105.8%	98.2%	94.9%	83.0%
Net Debt/EBITDA	2.7	3.6	3.7	3.9
EBITDA/interest	6.1	4.3	4.2	4.0

Performance

	1 mo	3 mos	12 mos
Absolute perf.	-16.3%	-39.2%	-74.5%
Perf./country	0.88	0.73	0.43
Perf./DJ sector	0.88	0.68	0.44

Liquidity

Market Cap.	106
EV	510
No. of shares (m)	43.1
Financière	1
Free Float	22.2%
Richelieu Finance Gestion Privée	7.2%
Famille Partouche	3.6%

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Profitability plummets. Debt becomes increasingly problematic

In 2008, Partouche suffered a marked deterioration in earnings with a 60.2% decline in underlying operating profit to € 30.2m, resulting in a net loss of € 8.5m. This performance was short of our expectations (respectively € 37.3m and € 5.1m). The decline in revenues is expected to continue in 2009 assuming a recovery in the short term. Debt restructuring (€ 353m), ongoing since June 2008, is becoming more complicated. Reduce (3) recommendation maintained.

Publication of FY 2007-08 earnings

For FY 2007-08, Partouche posted a sharp decline in earnings, with underlying operating profit down 60.2% to € 30.2m and attributable net loss of -€ 8.5m (vs. +€ 14.3m). These results are disappointing as we were looking for underlying operating profit of € 37.3m for net profit of € 5.1m.

FULL-YEAR EARNINGS

(€ m)	Reported	Oddo Midcap estimates	Previous period Prev.	Reported/ Previous period
Sales	481.7	490.0	510.9	-5.7%
Recurring op. profit	30.2	37.3	75.8	-60.2%
Operating profit	34.2	44.1	65.1	-47.5%
Attrib. net profit	-8.5	5.1	14.3	nm

SOURCES: PARTOUCHE – ODDO MIDCAP ESTIMATES

The group's underlying operating profitability fell sharply in FY 2007-08: from 14.8% to 6.3% under the combined effect of

- the marked contraction in business (-5.7%) linked to the ban on smoking in casinos and a decline in consumption;
- a 3.8% increase in operating costs

By business area, management indicated a € 24.4m decline in sales at French casinos for a € 14.3m increase in costs, which explains the lion's share of profitability over the period. Moreover, the Partouche Interactive division posted an operating loss of € 9.9m (vs. -€ 2.5m), which is attributable to the strengthening of the structure (notably in the sports betting segment).

FY 2007-08 operating profit reflected a less marked decline of -47.5% to € 34.2m after the factoring in of the disposal of the Vittel thermal park for € 3.1m and of Cassis' casinos for € 5.8m). However, these differences are partly compensated by goodwill writedowns of € 3.9m.

Given the marked deterioration in earnings, debt remains high at € 353m (for an investment budget of € 38.3m, i.e., a level close to our estimates (€ 341m). This situation has imposed since June 2008 a restructuring of debt, which, according to the terms of the press release, is becoming more complicated. Beyond cost-cutting and investment reduction measures, a number of potential asset disposals are currently being examined. Moreover, the group indicated that the sharp fall in business reported in 2008 has been continued at the start of 2009, prompting us to revise down our earnings targets.

Reduce (3) recommendation reiterated

Note that the sharp deterioration in profitability, which should be extended in 2009 prompt us to reiterate our Reduce (3) recommendation on the share. Debt, which is becoming particularly problematic is an additional major area of uncertainty.

Next event: Q1 2008 sales in March 2009.

Healthcare services

Statistics and/or trends

Stock sample

Company	Reco	Cur.	Price	Target price
Le Noble Age	Add (2)	EUR	11.75	16.00
Orpea	Add (2)	EUR	27.44	31.00

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The annual ranking of French Retirement Homes

The "Retirement homes monthly" has just published its annual ranking: Orpéa is ranked n°1, Korian n°2 and Dolcéa GDP Vendôme is n°3 - Consolidation is continuing and the leaders are bolstering their lead. Le Noble Age: Add – Orpéa: Add

The monthly publication "Retirement homes" of January 2009 has published a ranking of the 15 top retirement home operators in France.

RETIREMENT HOMES RANKING

Operator	N° of beds	N° of sites	Operator	N° of beds	N° of sites
Orpéa	10,678	117	Groupe Imbert	2,441	33
Korian	10,169	120	Le Noble Age	2,281	26
Dolcéa	8,612	113	Emera	2,059	25
Médica	7,780	96	Colisée	2,054	27
Domus Vi	6,296	74	Mieux Vivre	1,482	25

SOURCES: COMPANIES – THE RETIREMENT HOMES MONTHLY

"Brick by brick" consolidation

We note that:

- the top four French groups represented 37,239 beds at end-2008 versus 34,071 at end-2007: the leaders are continuing to consolidate the market. Orpéa has regained its leadership status in France, but its lead is not very great. In terms of total bed numbers, Korian is n°1 since it has a significant presence abroad (Phoenix in Germany and Segesta in Italy);
- the top five leaders have widened the gap between themselves (more than 6,000 beds) and their followers (less than 2,500 beds);
- Korian and Orpea are "built-ups". Even so, Korian's acquisition mix is a little different since it has acquired middle market operators such as Médidep, Phoenix and Segesta;
- smaller players are developing fast and have clear objectives in terms of opening new sites. In particular, Auvace, which is aiming for 50 new sites by 2012 (vs. 19 at end-2008 and 10 at end-2007) and Residalyia (13 sites vs. 5 a year ago);
- the magazine mentions the following as tomorrow's challenges: i/ "tenders for new authorisations", ii/ pricing diversification (in order to attract less solvent clients) and iii/ the development of a healthcare activity (HAD etc).

Defensive sector

For reasons of value creation, integration time (e.g. Suren and Médidep which became Korian), business culture or access to financing, we do not think mergers and acquisitions will take place between the majors. However, each group will continue to buy up small operators. Le Noble Age (Add – TP € 16) should acquire 400 beds this year (4 sites) and Orpéa (Add – TP € 31) more than 2,000 (around twenty sites). Acquisition prices in 2009 are likely to drop in our opinion (by at least 20%). In 2009, the French government is aiming to finance nearly 5,000 new beds (the normalised rate since 2003).

The healthcare institutions sector, excluding "Medicine Surgery Obstetrics" (the business line of Générale de Santé), is one of the few to be genuinely immunised against cyclical downturns. The most recent property transactions show that retirement home assets are very different to office or residential property assets. We believe that both the financial and property risk was overdone in 2008.

Next events:

Le Noble Age – annual sales on 9 February 2009

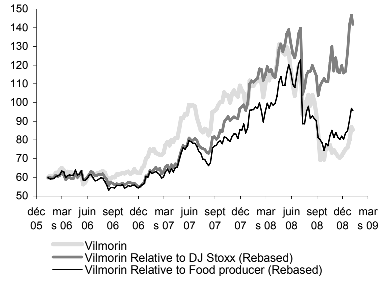
Korian – annual sales on 10 February 2009

Orpéa - Update on development and the latest acquisitions on 24 March 2009

Vilmorin

Food products France

Half-year sales	
Recommendation	Buy (1)
Price (04/02/2009)	85.45 EUR
Target price	100.00 EUR



Reuter:	VILM.PA
Bloomberg:	RIN FP
12-month high:	131.48
12-month low:	68.40

Multiples

	06/08	06/09e	06/10e	06/11e
P/E	23.2	17.5	16.3	14.9
Net. yield (%)	1.6%	2.0%	2.2%	2.4%
FCF yield (%)	3.0%	3.2%	4.7%	5.8%
P/Book value	2.3	1.7	1.6	1.5
EV/Sales	2.0	1.6	1.5	1.4
EV/EBITDA	8.8	7.1	6.5	6.0
EV/EBIT(recur)	14.9	12.7	11.8	10.8

Per share data

EUR	06/08	06/09e	06/10e	06/11e
EPS (AANP)	4.54	4.88	5.25	5.75
%Change	10.9%	7.4%	7.7%	9.5%
EPS (ANP)	3.31	4.90	5.30	5.83
%Change	-19.2%	48.0%	8.2%	10.1%
Dividend	1.66	1.71	1.86	2.04
Book value	45.95	49.18	52.77	56.75

Income statement

(EUR m)	06/08	06/09e	06/10e	06/11e
Sales	896.9	950.6	988.1	1 028
%Change	-4.4%	6.0%	3.9%	4.0%
Op.profit(recur.)	118.8	118.0	124.8	132.7
%Change	47.5%	-0.7%	5.8%	6.4%
Op.profit(EBIT)	115.2	118.0	124.8	132.7
Attr. net profit	44.3	65.6	71.0	78.1
Adj. attr. NP	60.8	65.6	71.0	78.1

Financial data

	06/08	06/09e	06/10e	06/11e
ROCE bef. Tax	10.5%	10.5%	10.8%	11.3%
ROCE after Tax	8.1%	8.0%	8.1%	8.4%
ROE	9.9%	10.3%	10.4%	10.7%
FCF	42.4	37.1	53.4	66.7
Net debt	323	317	286	244
Gearing	43.7%	40.1%	33.9%	27.1%
Net Debt/EBITDA	1.6	1.5	1.3	1.0
EBITDA/interest	6.7	8.9	10.3	11.8

Performance

	1 mo	3 mos	12 mos
Absolute perf.	16.6%	11.0%	-24.0%
Perf./country	1.22	1.33	1.28
Perf./DJ sector	1.29	1.28	1.14

Liquidity

Market Cap.	1 144
EV	1 473
No. of shares (m)	13.4
Groupe	1
Free Float	30.0%

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Good start to the year – Guidance confirmed

Vilmorin has reported half-yearly sales of € 284.9m, a like-for-like increase of 2%. In addition to the sales numbers – the first half accounting for only 30% of full-year revenues – management confirmed its full-year guidance, namely top-line growth of 5-6%, after a good start to the year.
We are confirming our estimates. The group enjoys substantial pricing power, even in a less buoyant environment.
Buy (1) recommendation maintained – Target price of € 100 unchanged.

Half-yearly sales reported

Despite being a shade under our forecast (€ 284.9m vs our estimated € 294.4m), Villmorin's half-yearly sales were good in our view. The **vegetable seeds division posted a particularly robust performance** (+3.6% to € 164.2m, and +3.9% like-for-like to € 85.6m in Q2). The field seeds division's sales of € 120.3m represented a 0.5% decline in like-for-like terms. This division suffered from the delay of a sales campaign for corn seeds in Q2, which will take place in Q3.

HALF-YEARLY SALES

(€ m)	Reported	Oddo Midcap estimates	Previous period	Reported/ Previous period	Like-for-like change
Q1 sales	116.0	-	112.4	+3.2%	+5.1%
Vegetable seeds	78.6	-	76.5	+2.7%	+3.3%
Field seeds	37.2	-	35.9	+3.6%	+8.5%
Q2 sales	168.9	178.4	167.5	+0.8%	-
Vegetable seeds	85.6	80.8	78.4	+9.2%	+3.9%
Field seeds	83.1	97.6	89.1	-6.7%	-4.0%
H1 sales	**284.9**	**294.4**	**279.9**	**+1.8%**	**+2.0%**
Vegetable seeds	164.2	159.4	154.9	+6.0%	+3.6%
Field seeds	120.3	134.8	125.0	-3.7%	-0.5%

SOURCE: VILMORIN – ODDO MIDCAP ESTIMATES

Confirmation of full-year guidance

We noted the following points during yesterday's conference call:

- Despite a delay at the Israeli subsidiary Hazera, the group notched up a robust performance in vegetable seeds, with **strong, double-digit growth for the main subsidiaries** (Vilmorin, Clause/Harris Moran, etc.), especially in North America. With headline growth of +6%, and +3.6% in like-for-like terms, the target of +5% for the full year is confirmed.
- For field seeds, the gap compared with our estimate can be attributed chiefly to 1) and contraction in non-priority forage seeds (-€ 2m) and 2) a slow start to a sales campaign for corn seeds in Europe (contraction of discounted early billings, -€ 7m-8m), which will get into full swing in Q3. By contrast, campaigns for rape and winter cereal seeds enjoyed excellent conditions, with **royalties up 10% at € 23m** (as a reminder, more than € 44.2m in 2007-2008).
- The field seeds campaign is also going well. We noted: 1) **strong seed orders** (global stocks of wheat seeds are limited), which in the light of smaller production starts means greater scarcity and the probability that assets will be allocated to the most profitable regions (Western Europe as opposed to Eastern Europe), 2) **real pricing power** confirmed in Europe as well as North America, with hikes of between 5% and 10% for corn seeds in Europe and probably more in the US, and 3) **a favourable mix,** with higher value GMO seeds making up a bigger proportion of sales (cf. activity in the US).

  The group confirmed its guidance despite limited volumes and the anticipation of flat sales for corn seeds in North America (after a contraction of 7-8% in 2007-2008). **The group's order and pre-order books for the coming season in the US are in better shape than they were at this time last year.**

- **The group also announced four new acquisitions.** It has acquired two seeds companies: 1) **LSL Biotechnologies** in the US, which will strengthen its presence in the tomato seeds market, and 2) **GeneFrech Technologies,** which operates in the pre-packaged vegetable market and has particular expertise in lettuces. It has also acquired **two breeding programmes** (K&B Development and Gentropic), reinforcing its know-how in onion genetics, as well as in chilli peppers and tomatoes. These acquisitions will beef up the group's presence on strategic species, in a market valued at more than € 600m. **The cost of the acquisition is estimated at $ 10m, and should provide a similar amount in sales and a generous contribution to margins.**

Buy (1) recommendation maintained – Target price of € 100 unchanged

Yesterday' numbers backed up our full-year forecasts, and we are confirming our sales estimate of € 950m for the 2008-2009 fiscal year closing on 30 June 2009. This estimate implies H2 sales of € 665m, or an increase of 7.8% for a critical part of the year (+10.3% in H2 last year), which is not that tall an order thanks to higher prices, despite flat volumes. Similarly, the group stands to benefit from a favourable forex impact on the greenback (H1: 1.41$, 2007-008: 1.47$).

There was no news on the disposal of the retail seeds business, although a decision on whether or not to continue the sale process for Oxadis will be taken before 15 March 2009. **We think there is a strong possibility that the disposal could be deferred.**

Lastly, recent comments by Monsanto (cf. 7/1/2009) and Dupont confirmed that price and volume trends in the sector are positive.

Buy (1) recommendation and target price of € 100 maintained.

Next event: Publication of half-yearly earnings on 25 February 2009 (after trading)

Note: We draw the reader´s attention to the fact that Oddo Corporate Finance has signed a Liquidity Agreement with the company, whereby it has agreed to produce and distribute financial research on the company at least once a year, depending on relevant news. Although Oddo Midcap has undertaken to submit this research to the company prior to its distribution, it will not be bound in any way by any observations made by the company. Nevertheless, any comments made in this Midcap Morning Briefing will not have been submitted to the company in advance.

Naturex

Chemicals **France**

Corporate news	
Recommendation	Reduce (3)
Price (04/02/2009)	24.00 EUR
Target price	27.00 EUR

Reuter:	NATU.PA
Bloomberg:	NTRX FP

Multiples

	12/07	12/08e	12/09e	12/10e
P/E	35.8	13.7	10.2	9.1
Net. yield (%)	0.2%	0.5%	0.7%	0.8%
FCF yield (%)	-4.2%	1.2%	7.4%	10.0%
EV/Sales	2.6	1.8	1.5	1.3
EV/EBITDA	18.2	10.9	9.1	8.1
EV/EBIT(recur)	27.8	15.3	12.3	10.9

Per share data

EUR	12/07	12/08e	12/09e	12/10e
EPS (AANP)	1.34	2.00	2.35	2.63
%Change	-23.9%	49.6%	17.5%	12.0%
EPS (ANP)	1.45	2.06	2.42	2.71
%Change	-23.9%	41.7%	17.5%	12.0%
Dividend	0.10	0.15	0.18	0.20
Book value	16.98	18.93	21.20	23.72

Launch of a € 15m capital increase

Naturex has launched a € 15m capital increase with maintenance of DPS. This call on the market will strengthen Naturex's balance sheet (gearing of 150%e - sunken covenants) after a series of acquisitions (Hammer Pharma and HP Botanicals in Italy and Chart Corporation in the US and in 2008, Berkem's innovative assets division). The funds raised will support continued organic growth of the company; a portion of these funds (between a quarter and a third) may also be used to finance any new targeted acquisitions.

The family holding (17.64% stake) has pledged to purchase up to an aggregate maximum of € 11.3m, or 75% of the issue.

25% more shares. The initial number of new shares to be issued is set at 753,794 (could be increased to 759,749) before 17 February 2009. Naturex had 3,015,177 shares to date. The capital increase of € 15m by issuing 753,794 new shares, will represent, after factoring in the capital increase, 20% of the capital and 18.95% of the voting rights of the company on that date.

The issue price is set at € 20 per share. The issue price represents a discount of 12.6% to the theoretical ex-rights calculated at 3 February 2009.

We will fine-tune our estimates (EPS, etc.).

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Soft Computing

IT services France

Full year sales	
Recommendation	Add (2)
Price (04/02/2009)	2.60 EUR
Target price	3.76 EUR

Reuter:	SFTC.PA
Bloomberg:	SFT FP

Multiples

	12/07	12/08e	12/09e	12/10e
P/E	25.5	9.8	7.8	7.5
Net. yield (%)	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	5.8%	6.2%	11.7%	12.3%
EV/Sales	0.4	0.2	0.1	0.1
EV/EBITDA	11.3	3.9	2.6	2.2
EV/EBIT(recur)	14.3	4.8	3.2	2.7

Per share data

EUR	12/07	12/08e	12/09e	12/10e
EPS (AANP)	0.19	0.30	0.33	0.35
%Change	ns	53.6%	11.3%	4.3%
EPS (ANP)	0.06	0.30	0.33	0.35
%Change	-40.4%	ns	11.3%	4.3%
Dividend	0.00	0.00	0.00	0.00
Book value	3.12	3.73	3.97	4.22

Q4 sales beat expectations

The company has reported better-than-expected Q4 sales.

	Oddo forecasts	Reported
Q4 2008	€ 8.8m, -4,5%	€ 9.3m, +1,7%
Full-year sales	€ 36.1m, +4,4%	€ 36.6m, +6,1%

The fourth quarter fared better than expected, even as the company reported the suspension of some projects. Note that the consulting division which recorded a decline of 7.5% in H1 finished the year down 0.7%.

Divisional breakdown	Oddo forecasts	Reported
Consuting	€ 4.4m, +2,8%	€ 4.3m, -0,7%
Technologies	€ 22.7m, +2,6%	€ 23.5m, +6,6%
Marketing services	€ 9m, + 9,9 %	€ 8.8m, +7,9%

The sectoral breakdown remained virtually unchanged with ever high exposure to banking, representing over 50% of sales.

The company said it would continue to buy back shares with a view to cancellation, given current prices.

Despite the still cautious outlook given difficult market conditions and with no genuine visibility, we are maintaining our forecasts.

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