

# Smaller Companies Daily Update

Thursday 22<sup>nd</sup> February 2007

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## Featured Companies

Stock	Sector	Analyst	Recommendation
Jubilee Platinum	Mining	Jonathan Guy	Buy
Plethora	Biotech	Navid Malik	Buy

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## Upcoming Results and Meetings

### Investor Meetings and Results

Company	Results	Investor Meetings
Development Securities		6 <sup>th</sup> March (Scotland)
Erinaceous	7 <sup>th</sup> March	7 <sup>th</sup> , 8 <sup>th</sup> , 9 <sup>th</sup> , 12 <sup>th</sup> (Scotland) & 13 <sup>th</sup> March
Foseco	15 <sup>th</sup> March	15 <sup>th</sup> , 16 <sup>th</sup> & 19 <sup>th</sup> March (Scotland)
O Twelve Estates		26 <sup>th</sup> February
Playtech	28 <sup>th</sup> February	1 <sup>st</sup> , 2 <sup>nd</sup> & 5 <sup>th</sup> March
Rugby Estates		26 <sup>th</sup> February

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## Bid and Offer List

Bid	Offer
Halladale	Angle
Quarto	Int. Nuclear Solutions
Ten Alps	Energy XXI
Albemarle & Bond	Futura
Acertec	Newfound
	IRF
	Infinity Bio.
	Mid States
	Foseco
	CAP-XX
	Metals Exp.
	ACP Capital
	Plethora
	Playtech
	Cyan
	Cobra Bio.
	IFR

# Jubilee Platinum

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## Event

- Jubilee has announced an update from its Ambodilafa platinum-nickel-copper project in Madagascar. Drilling has intersected several broad zones of potentially economic mineralisation from a depth of 24m to 220m.
- Jubilee holds an 85% interest in Ambodilafa and Impala platinum is earning a 51% interest in the project through spending US\$5m on exploration.

## Analysis

- The ALF3 hole at Ambodilafa has intersected a total discontinuous mineralised package of 55m within the broader 200m intersection at an average grade 0.42% Ni and 0.23% Cu. This is encouraging, however, this is only one drill hole and a substantial amount of additional work will need to be completed before the company could declare an economic discovery. On the basis of these results we believe that it is likely that Impala will continue to commit to fund exploration at the project to earn its interest.
- Jubilee's price is currently being driven by bid speculation following the acquisition of African Platinum by Impala for £297m. On a see through basis this would value Jubilee's interest in the 65Moz Tjate project in South Africa at £104m against Jubilee's current market capitalisation of £73m and does not include any value for the company's other exploration assets in Madagascar and South Africa.
- The platinum price has fallen back from the very high levels touched in the early part of 2006, although it remains buoyant. This may be attributed to a 14% increase in demand from the autocatalyst sector during the year that has more than offset the 12% decline in jewellery demand. The platinum market remains slightly in deficit, although production increases should see it move nearer to balance over the next 12 months. The price is unlikely to hit the level reached during the early part of 2006, although it should remain well above historic average. We are currently using a long-term platinum price of US\$950/oz and a long-term palladium price of US\$250/oz.

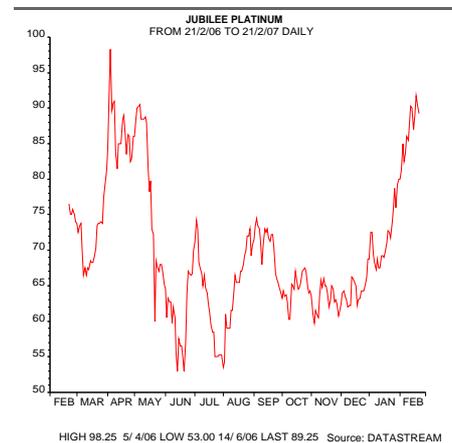
## Recommendation

- We restate our Buy recommendation and 12-month target price of 124p.

Recommendation: Buy  
Ticker: JLP.L

Price: 92.25p  
Market cap: £74m

	1m	3m	12m
Absolute (%)	27.2	41.9	23.0
Relative to FT All Share (%)	23.5	35.6	10.9



# Plethora Solutions

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## Event

- Plethora announces IND filing for Phase III trials for PSD502 in PE (premature ejaculation). Short development time anticipated through Phase III. Partnering discussions concluding.

## Analysis

- Plethora has announced that it has filed an IND to start its Phase III (pivotal/registration) trial for PSD502 in premature ejaculation, an indication for which there are no currently approved treatments, and the incidence rate in the male population is up to 30%.
- Importantly, the US regulator (FDA) has indicated that it does not require comprehensive clinical safety tests to be incorporated into the efficacy trial, which means that only 600 (and not 2,000!) patients need to be included in the multi-centre trial. This has given the company confidence in being able to deliver the Phase III trial within a development time of 15 months, meaning that a filing for approval could take place at the end of next year, with first royalty-based cash flows emerging for the product from late 2009 and into 2010, as it is launched in a number of markets including the US.
- One of the key pieces of news flow being anticipated from the market is the announcement relating to the marketing partner for PSD502. The company appears to be confident of delivering the partnering announcement in the short-term. We believe that the IND would not have been filed if a partnering deal were not being concluded. Hence we see this as a strong signal of the progress being made by the company.

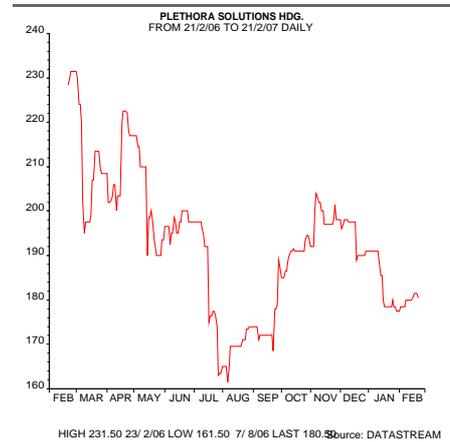
## Action

- We reiterate our BUY recommendation for Plethora, which we believe is one of the most attractive stocks in the sector. There is significant upside in the coming months as further news flow emerges related to the ongoing clinical development programmes and as partnering discussions are concluded and announced.
- Our price target for the stock is 526p, and is based on a sum-of-parts valuation.

Recommendation: Buy  
Ticker: PLE.L

Price: 180p  
Target price: 526p  
Market cap: £47m

	1m	3m	12m
Absolute (%)	1.1	-8.4	-21.5
Relative to FT All Share (%)	-1.3	-12.0	-28.9



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**Research Recommendations issued by Collins Stewart Europe Limited in Q3 2006**

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<b>Recommendations</b>	<b>Buys</b>	<b>Sells</b>	<b>Hold/Neutral</b>
Percentage of Total	60%	20%	20%
Percentage of which in Corporate Client stocks	22%	2%	6%

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