

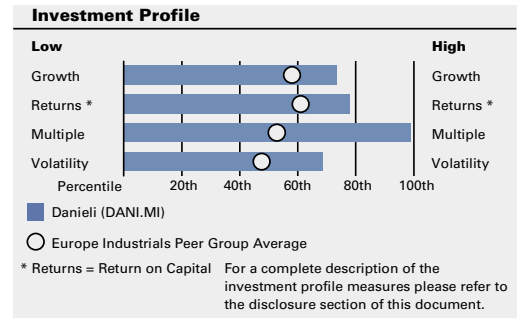


ACTION
Removed from Pan-Europe Buy List
Danieli (DANI.MI)

Downgrading to Neutral following estimate and valuation update

What happened

We downgrade Danieli (Ords) to Neutral (from Buy) following an update of our earnings estimates and valuation. Although our estimates increase significantly, our price target decreases due to changes in net debt. Given 30% upside potential to our new price target, the stock only ranks in line with the median upside to our coverage universe. Since adding Danieli (Ords) to the Buy List on March 12, 2008 the shares are down 30.5% vs. the FTSE World Europe index down 20.4%. Over the past 12 months the shares are up 30% vs. the FTSE World Europe up 25%.



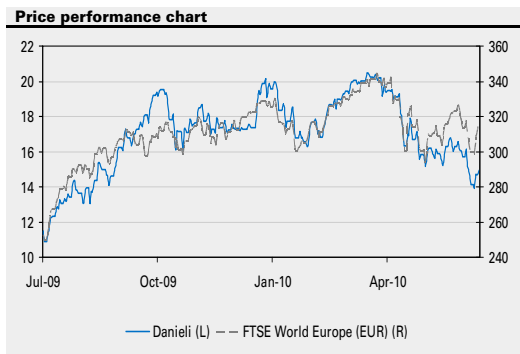
Current view

We increase our earnings estimates to reflect the continued improvement in equipment order trends and fundamentals for steel making prices and utilization rates. Our EBITDA estimates increase 31% and 19% for 2010 and 2011 respectively. However, our 6-month price target declines to €19.3 (from €20.3) despite the earnings revisions, as we adjust our definition of the net debt position to include contingent provisions and customer advances.

Our 6-month price target of €19.3 for the Ordinary shares is based on a SOTP. The price target implies an EV/EBITDA multiple of 6.1x on our CY11 earnings estimates.

Key risks to our view and price target include a weaker/stronger than anticipated improvement in steel prices and volume recovery; a slowdown/stronger than anticipated improvement in order trends for equipment operations.

Key data	Current			
Price (€)	14.93			
6 month price target (€)	19.30			
Upside/(downside) (%)	29			
Market cap (€ mn)	921.8			
Enterprise value (€ mn)	1,174.8			
	6/09	6/10E	6/11E	6/12E
Revenue (€ mn) New	3,209.8	2,676.6	3,193.1	3,341.0
Revenue revision (%)	0.0	(4.4)	17.0	15.3
EBIT (€ mn) New	129.8	201.0	178.6	241.8
EBIT revision (%)	0.0	73.4	47.7	88.1
EPS (€) New	1.59	2.13	1.82	2.46
EPS (€) Old	1.54	1.32	1.28	1.34
EV/EBITDA (X)	5.4	4.5	4.7	3.6
P/E (X)	7.4	7.0	8.2	6.1
Dividend yield (%)	1.9	1.8	1.5	2.1
FCF yield (%)	31.5	(8.5)	15.9	7.6
CROCI (%)	45.4	30.7	27.9	25.9



Share price performance (%)	3 month	6 month	12 month
Absolute	(26.3)	(24.9)	29.8
Rel. to FTSE World Europe (EUR)	(20.9)	(21.3)	3.7

Source: Company data, Goldman Sachs Research estimates, FactSet. Price as of 7/09/2010 close.

INVESTMENT LIST MEMBERSHIP
 Neutral

Coverage View: Neutral
 Italy
 Machinery

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Danieli: Summary Financials

Profit model (€ mn)	6/09	6/10E	6/11E	6/12E	Balance sheet (€ mn)	6/09	6/10E	6/11E	6/12E
Total revenue	3,209.8	2,676.6	3,193.1	3,341.0	Cash & equivalents	1,195.2	1,066.3	1,225.0	1,288.2
Operating costs	(2,986.7)	(2,394.1)	(2,928.3)	(3,012.3)	Accounts receivable	1,241.2	1,210.0	1,312.2	1,373.0
R&D	(35.0)	(19.4)	(23.1)	(24.2)	Inventory	1,027.8	892.2	991.5	1,095.1
Lease payments	0.0	0.0	0.0	0.0	Other current assets	0.0	0.0	0.0	0.0
Other operating profit/(expense)	0.0	0.0	0.0	0.0	Total current assets	3,464.2	3,168.5	3,528.7	3,756.3
EBITDA	188.1	263.2	241.7	304.5	Net PP&E	595.8	620.4	689.1	764.3
Depreciation & amortisation	(58.4)	(62.2)	(63.1)	(62.6)	Net intangibles	14.2	10.9	6.9	2.7
EBIT	129.8	201.0	178.6	241.8	Total investments	309.4	310.9	312.2	314.0
Net interest income/(expense)	24.0	15.6	5.0	8.2	Other long-term assets	0.0	0.0	0.0	0.0
Associates	0.9	1.5	1.3	1.8	Total assets	4,383.7	4,110.8	4,537.0	4,837.3
Profit/(loss) on disposals	0.0	0.0	0.0	0.0	Accounts payable	2,630.1	2,200.0	2,451.7	2,565.2
Others (recurring)	0.0	0.0	0.0	0.0	Short-term debt	137.6	137.6	137.6	137.6
Pretax profits	154.7	218.0	185.0	251.8	Other current liabilities	567.5	579.3	637.0	653.8
Income tax	(33.8)	(54.5)	(46.2)	(62.9)	Total current liabilities	3,335.2	2,916.9	3,226.3	3,356.6
Tax rate (%)	21.9	25.0	25.0	25.0	Long-term debt	139.2	139.2	139.2	139.2
Minorities	(0.5)	(0.5)	(0.5)	(0.5)	Other long-term liabilities	79.5	79.5	79.5	79.5
Preferred dividends	0.0	0.0	0.0	0.0	Total long-term liabilities	218.7	218.7	218.7	218.7
Net income (pre-exceptionals)	120.4	163.0	138.2	188.4	Total liabilities	3,553.9	3,135.6	3,445.0	3,575.3
Other non-recurring items post tax	14.8	0.0	0.0	0.0	Preferred shares	0.0	0.0	0.0	0.0
Net income	135.1	163.0	138.2	188.4	Total common equity	827.4	972.4	1,088.6	1,258.2
EPS (underlying) (€)	1.55	2.10	1.78	2.42	Minority interest	2.3	2.8	3.3	3.8
EPS (basic, reported) (€)	1.74	2.10	1.78	2.42	Total liabilities & equity	4,383.7	4,110.8	4,537.0	4,837.3
Weighted shares outstanding (mn)	77.8	77.8	77.8	77.8	Capitalised leases	0.0	0.0	0.0	0.0
Common dividends declared	17.3	21.0	17.8	24.2	Capital employed	1,106.6	1,252.0	1,368.7	1,538.8
DPS (€)	0.23	0.27	0.23	0.31	Adj for unfunded pensions & GW	(47.3)	(43.9)	(39.9)	(35.8)
Dividend payout ratio (%)	14.5	13.0	13.0	13.0	Adj capital employed	1,059.3	1,208.1	1,328.8	1,503.1
Dividend cover (X)	6.9	7.7	7.7	7.7	Gross cash invested	563.4	900.0	921.2	1,090.6
Growth & margins (%)	6/09	6/10E	6/11E	6/12E	Ratios	6/09	6/10E	6/11E	6/12E
Revenue growth	3.0	(16.6)	19.3	4.6	CROCI (%)	45.4	30.7	27.9	25.9
EBITDA growth	(27.3)	39.9	(8.2)	26.0	CROCI/WACC (X)	4.6	3.1	2.8	2.6
EBIT growth	(35.7)	54.9	(11.1)	35.4	ROIC (%)	12.9	17.9	13.8	16.2
Net income growth	(7.2)	20.6	(15.2)	36.3	ROIC/WACC (X)	1.3	1.8	1.4	1.6
EPS growth	(23.5)	35.5	(15.2)	36.3	ROA (%)	2.9	3.8	3.2	4.0
DPS growth	21.1	21.1	(15.2)	36.3	WACC (%)	9.9	9.9	9.9	9.9
EBITDA margin	5.9	9.8	7.6	9.1	Inventory days	116.9	121.7	113.3	119.6
EBIT margin	4.0	7.5	5.6	7.2	Asset turnover (X)	5.4	4.3	4.6	4.4
Cash flow statement (€ mn)	6/09	6/10E	6/11E	6/12E	Net debt/equity (%)	(110.7)	(81.0)	(86.8)	(80.1)
Net income	120.4	163.0	138.2	188.4	EBITDA interest cover (X)	(7.8)	(16.9)	(48.1)	(37.2)
D&A add-back (incl. ESO)	58.4	62.2	63.1	62.6	Valuation	6/09	6/10E	6/11E	6/12E
Minority interest add-back	0.5	0.5	0.5	0.5	EV/sales (X)	NM	0.1	NM	NM
Net (inc)/dec working capital	87.9	(263.4)	50.1	(50.8)	EV/EBITDAR (X)	NM	0.6	NM	NM
Other operating cash flow	114.6	10.3	56.4	15.0	EV/EBITDA (X)	NM	0.6	NM	NM
Cash flow from operations	381.7	(27.3)	308.3	215.7	EV/EBIT (X)	NM	0.7	NM	NM
Capital expenditures	(114.5)	(83.5)	(127.7)	(133.6)	P/E (X)	7.5	7.1	8.4	6.2
Acquisitions	(1.5)	0.0	0.0	0.0	Dividend yield (%)	1.9	1.8	1.5	2.1
Divestitures	0.0	0.0	0.0	0.0	FCF yield (%)	31.5	(8.5)	15.9	7.6
Others	0.0	0.0	0.0	0.0	EV/GCI (X)	NM	0.2	NM	NM
Cash flow from investing	(116.0)	(83.5)	(127.7)	(133.6)	EV/adj. capital employed (X)	1.1	1.0	NM	NM
Dividends paid (common & pref)	(20.9)	(18.1)	(22.0)	(18.8)	Price/book (X)	1.1	1.2	1.1	0.9
Inc/(dec) in debt	(78.8)	0.0	0.0	0.0					
Other financing cash flows	3.1	0.0	0.0	0.0					
Cash flow from financing	(96.6)	(18.1)	(22.0)	(18.8)					
Total cash flow	182.2	(128.9)	158.6	63.3					
Capex/D&A (%)	196.2	134.2	202.6	213.4					
Reinvestment rate (%)	39.0	35.4	49.5	50.2					
Cash flow cover of dividends (X)	32.8	21.8	28.1	21.3					
Free cash flow cover of dividends (X)	16.3	(4.7)	10.3	3.6					

Note: Ratios are adjusted for leases where appropriate. Only separately disclosed where significant and ongoing.

Note: Last actual year may include reported and estimated data.

Source: Company data, Goldman Sachs Research estimates.

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Exhibit 1: Share price performance versus peer group

Prices as of July 9, 2010 close

Company	Ticker	Primary analyst	Price currency	Price as of Jul 9, 2010	Price performance since Mar 12, 2008	3 month price performance	6 month price performance	12 month price performance
Europe-Small & Mid Cap Coverage Group								
Danieli	DANI.MI	Rudolf Dreyer	€	14.93	-30.5%	-26.3%	-24.9%	29.8%
888 Holdings	888.L	Karen Hooi, CFA	p	43.75	-70.4%	-57.0%	-61.2%	-55.8%
A-TEC Industries AG	ATEC.VI	Karan Khemani	€	8.37	-42.8%	-19.4%	-13.5%	-4.4%
Aberdeen Asset Management	ADN.L	Patrick Hargreaves	p	128.40	-3.5%	-4.5%	-4.2%	-1.8%
Amer Sports	AMEAS.HE	Fitzhugh Peters	€	8.11	-21.3%	-6.7%	15.9%	55.2%
Andritz AG	ANDR.VI	Patrick Hargreaves	€	48.20	40.1%	2.0%	12.6%	68.9%
ASOS plc	ASOS.L	Karen Hooi, CFA	p	890.00	216.7%	59.6%	85.4%	155.4%
Axis-Shield	ASD.L	Fitzhugh Peters	p	244.00	-7.9%	-39.2%	-38.8%	-30.9%
Balfour Beatty	BALF.L	Karen Hooi, CFA	p	245.70	-38.0%	-18.3%	-11.3%	-3.6%
Bang & Olufsen	BOB.CO	Rudolf Dreyer	Dkr	55.50	-63.3%	-22.9%	-28.4%	55.9%
Barco NV	BAR.BR	Fitzhugh Peters	€	40.11	-14.1%	20.3%	32.1%	48.2%
Barratt Developments	BDEV.L	Rudolf Dreyer	p	102.10	-62.3%	-18.4%	-28.0%	3.1%
Bauer AG	BSAG.DE	Rudolf Dreyer	€	29.66	-29.3%	-14.1%	-8.4%	26.6%
Bellway	BWY.L	Rudolf Dreyer	p	612.00	-21.7%	-22.0%	-25.9%	-2.8%
Berkeley Group	BKG_u.L	Rudolf Dreyer	p	827.00	-18.0%	1.4%	-5.6%	5.8%
Betsson AB	BETSb.ST	Karen Hooi, CFA	Skr	97.75	81.9%	-25.1%	-13.3%	16.0%
Bovis Homes Group	BVSL	Rudolf Dreyer	p	354.50	-35.1%	-15.4%	-20.5%	-10.3%
BSS Group	BTSM.L	Karen Hooi, CFA	p	434.40	17.4%	53.4%	60.3%	69.0%
Bucher Industries	BUCN.S	Karan Khemani	SFr	114.00	-54.4%	-16.4%	-1.7%	8.6%
Burckhardt Compression Holding AG	BCHN.S	Karan Khemani	SFr	201.70	-32.1%	-8.9%	5.1%	56.4%
bwin Interactive Entertainment	BWIN.VI	Karen Hooi, CFA	€	33.68	73.1%	-24.2%	-26.5%	6.2%
BWT AG	BWTV.VI	Rudolf Dreyer	€	18.90	-40.2%	-6.9%	-5.5%	36.7%
Cardo AB	CARD.ST	Rudolf Dreyer	Skr	207.00	25.5%	-16.2%	-9.0%	20.3%
Carillion	CLLN.L	Karen Hooi, CFA	p	320.90	-13.6%	-5.8%	3.9%	26.1%
Celesio AG	CLSGn.DE	Fitzhugh Peters	€	18.15	-46.4%	-25.6%	2.5%	10.4%
Cermaq ASA	CEQ.OL	Fitzhugh Peters	Nkr	54.00	-23.4%	-23.1%	-4.4%	13.2%
CFAO SA	CFAO.PA	Fitzhugh Peters	€	23.80	NA	-18.1%	-21.7%	NA
Charles Voegelé	VCH.S	Patrick Hargreaves	SFr	44.05	-50.8%	-13.7%	14.1%	26.9%
Charter	CHTR.L	Patrick Hargreaves	p	673.00	-17.4%	-12.4%	-14.4%	58.0%
Cineworld Group Plc	CINE.L	Erin Archer	p	198.00	46.7%	6.6%	21.5%	33.8%
Close Brothers Group	CBRO.L	Patrick Hargreaves	p	687.50	15.1%	-11.2%	-5.8%	7.4%
Club Mediterranée	CMIP.PA	Patrick Hargreaves	€	13.79	-53.8%	-3.1%	1.7%	47.9%
Computacenter	CCC.L	Rudolf Dreyer	p	294.50	60.1%	-4.9%	3.1%	42.6%
Danieli (Savings)	DANir.MI	Rudolf Dreyer	€	8.16	-44.4%	-25.7%	-20.2%	28.0%
De La Rue Plc	DLAR.L	Rudolf Dreyer	p	921.00	6.2%	0.4%	-7.6%	5.9%
Derichebourg SA	DBG.PA	Antoine Hnein	€	3.19	-38.2%	-9.8%	-9.0%	86.3%
Deutz	DEZG.DE	Freddie Neave, CFA	€	4.41	-35.1%	-7.0%	32.8%	45.2%
Diasorin Spa	DIAS.MI	Fitzhugh Peters	€	30.34	135.2%	6.6%	24.4%	68.8%
Dignity Plc	DTY.L	Rudolf Dreyer	p	662.00	-11.5%	3.3%	8.3%	8.7%
Dimension Data	DDT.L	Rudolf Dreyer	p	94.85	86.0%	5.2%	8.8%	71.7%
Domino's Pizza	DOM.L	Patrick Hargreaves	p	403.00	84.9%	15.8%	28.6%	92.4%
Dufry	DUFN.S	Patrick Hargreaves	SFr	86.00	-4.7%	-3.5%	23.2%	115.0%
eaga plc	EAGAL	Karen Hooi, CFA	p	116.00	-38.6%	-19.5%	-18.6%	-0.9%
Fluidra SA	FLUI.MC	Rudolf Dreyer	€	2.55	-46.4%	-8.9%	-25.0%	-7.6%
Fuchs Petrolub	FPEG_p.DE	Karan Khemani	€	77.56	33.0%	0.9%	15.3%	103.2%
Game Group	GMG.L	Patrick Hargreaves	p	61.65	-69.4%	-39.6%	-40.9%	-54.8%
Geberit Holding AG	GEBN.VX	Karen Hooi, CFA	SFr	172.00	13.9%	-9.4%	-7.2%	34.3%
Georg Fischer	FIN.S	Karan Khemani	SFr	376.00	-24.1%	-5.5%	24.5%	117.6%
GfK SE	GFKG.DE	Karen Hooi, CFA	€	28.84	18.7%	5.5%	19.7%	83.0%
Greggs	GRG.L	Patrick Hargreaves	p	458.00	4.2%	-7.3%	10.4%	26.0%
Groupe Beneteau	CHBE.PA	Patrick Hargreaves	€	11.31	-31.6%	-16.6%	-9.5%	50.8%
Groupe SEB SA	SEBF.PA	Fitzhugh Peters	€	55.00	49.3%	7.2%	32.5%	90.7%
Henderson Group	HGGH.L	Patrick Hargreaves	p	124.40	28.9%	-15.0%	-6.5%	39.0%
Hexagon AB	HEXAb.ST	Rudolf Dreyer	Skr	111.70	-4.7%	2.0%	-2.0%	74.5%
Holidaybreak	HBR.L	Patrick Hargreaves	p	290.00	-40.7%	7.4%	17.9%	21.8%
Husqvarna AB	HUSQb.ST	Fitzhugh Peters	Skr	47.18	-21.3%	-11.0%	-15.0%	15.4%
IG Group Holdings	IGG.L	Patrick Hargreaves	p	470.30	20.2%	10.9%	19.5%	76.3%
Indesit Co SpA	IND.MI	Fitzhugh Peters	€	9.49	13.9%	4.8%	13.7%	193.2%
Ingenico SA	INGC.PA	Rudolf Dreyer	€	17.83	-4.8%	-6.2%	2.8%	40.7%
Intermediate Capital Group	ICP.L	Patrick Hargreaves	p	264.60	-57.7%	-10.8%	-10.6%	40.9%
International Personal Finance	IPF.L	Patrick Hargreaves	p	204.40	-9.4%	-15.2%	-13.3%	181.9%
Interseroh	INSG.DE	Antoine Hnein	€	45.75	-12.7%	-4.7%	-6.6%	13.0%
Intralot	INLr.AT	Karen Hooi, CFA	€	2.92	-75.4%	-16.1%	-27.4%	-31.3%
IPSOS	ISOS.PA	Karen Hooi, CFA	€	28.85	50.9%	6.8%	33.4%	61.9%
ITE Group	ITE.L	Karen Hooi, CFA	p	140.10	-7.4%	-1.1%	6.3%	47.5%
Jungheinrich	JUNG_p.DE	Karan Khemani	€	19.29	-20.3%	4.6%	27.7%	117.7%
Keller Group	KLR.L	Rudolf Dreyer	p	527.50	-25.2%	-22.1%	-22.2%	-10.1%
Kier Group	KIE.L	Karen Hooi, CFA	p	943.00	-28.7%	-13.2%	-11.4%	12.2%
Kingspan Group	KSP.I	Karen Hooi, CFA	€	6.30	-24.6%	-14.3%	-8.7%	57.5%
KONE Corporation	KNEBV.HE	Rudolf Dreyer	€	33.10	35.7%	5.2%	11.4%	50.1%
Konecranes	KCR1V.HE	Patrick Hargreaves	€	22.38	-8.0%	-3.5%	4.8%	43.0%
Kontron AG	KBCG.DE	Rudolf Dreyer	€	7.56	-31.9%	6.3%	-10.3%	-12.2%
Krones AG	KRNG.DE	Karan Khemani	€	41.39	-27.1%	1.0%	11.9%	60.9%
Ladbrokes	LAD.L	Patrick Hargreaves	p	134.70	-46.9%	-16.5%	-6.9%	-10.1%
Leroy Seafood Group ASA	LSG.OL	Fitzhugh Peters	Nkr	126.50	18.2%	-14.2%	17.7%	24.6%

Source: FactSet, Quantum database.

Exhibit 1 (cont'd): Share price performance vs. peer group.

Prices as of the close on July 9, 2010

Company	Ticker	Primary analyst	Price currency	Price as of Jul 9, 2010	Price performance since Mar 12, 2008	3 month price performance	6 month price performance	12 month price performance
Europe-Small & Mid Cap Coverage Group								
Danieli	DANI.MI	Rudolf Dreyer	€	14.93	-30.5%	-26.3%	-24.9%	29.8%
Loewe AG	LOEG.DE	Rudolf Dreyer	€	7.89	-27.2%	-23.4%	-19.9%	-5.0%
Lottomatica	LTO.MI	Karen Hooi, CFA	€	10.59	-49.8%	-28.0%	-24.3%	-21.5%
Maire Tecnimont	MTCM.MI	Rudolf Dreyer	€	2.68	-22.1%	-17.9%	-2.2%	23.9%
Majestic Wine PLC	MJW.L	Patrick Hargreaves	p	310.00	23.3%	17.4%	37.2%	58.6%
Manitou	MANP.PA	Rudolf Dreyer	€	11.84	-48.5%	-3.4%	5.6%	47.1%
Marine Harvest	MHG.OL	Fitzhugh Peters	Nkr	4.74	60.2%	-14.2%	3.2%	12.7%
Marshalls Plc	MSL.H.L	Karen Hooi, CFA	p	88.75	-60.8%	-10.6%	-0.6%	9.6%
Mitie Group PLC	MTO.L	Karan Khemani	p	213.70	-18.7%	-7.1%	-10.6%	2.4%
Mothercare PLC	MTC.L	Rudolf Dreyer	€	563.00	38.7%	-4.6%	-16.6%	11.5%
N Brown Group	BWNG.L	Karen Hooi, CFA	p	245.70	6.0%	9.4%	-3.8%	11.7%
Neopost	NPOS.PA	Rudolf Dreyer	€	60.03	-9.8%	-1.8%	3.0%	-4.9%
Northgate	NTG.L	Fitzhugh Peters	p	184.00	-86.7%	-2.9%	-21.0%	23.0%
OPAP	OPAr.AT	Karen Hooi, CFA	€	11.24	-44.4%	-32.3%	-28.9%	-40.3%
Oriola KD	OKDBV.HE	Fitzhugh Peters	€	3.91	38.7%	-17.2%	-16.5%	48.1%
Paddy Power	PAP.I	Patrick Hargreaves	€	26.40	14.0%	-1.5%	7.8%	56.7%
Palfinger AG	PALF.VI	Rudolf Dreyer	€	16.36	-22.0%	-9.1%	2.2%	64.9%
Partners Group	PGHN.S	Erin Archer	SFr	135.00	-4.9%	-9.7%	-2.3%	39.2%
PartyGaming plc	PRTY.L	Karen Hooi, CFA	p	231.80	-2.4%	-27.1%	-17.0%	-5.4%
Persimmon	PSN.L	Rudolf Dreyer	p	386.40	-45.4%	-17.2%	-21.4%	-0.8%
Pfeiffer Vacuum Technology AG	PV.DE	Karan Khemani	€	60.70	-0.5%	8.4%	1.6%	20.5%
Playtech	PTEC.L	Karen Hooi, CFA	p	458.50	9.4%	-16.0%	9.4%	3.2%
Praktiker	PRAG.DE	Patrick Hargreaves	€	5.66	-63.9%	-29.7%	-15.7%	-10.8%
Promethean World Plc	PRWP.L	Karan Khemani	p	163.80	NA	-7.8%	NA	NA
Provident Financial	PGF.L	Patrick Hargreaves	p	856.00	3.8%	-1.4%	-8.1%	8.4%
Rank Group	RNK.L	Patrick Hargreaves	p	103.00	12.6%	-12.3%	14.4%	60.9%
Rational AG	RAAG.DE	Fitzhugh Peters	€	126.40	4.0%	-5.5%	8.0%	54.7%
Recylex	RXPA.PA	Antoine Hnein	€	6.32	-58.5%	-27.4%	-32.8%	7.1%
Redrow	RDW.L	Rudolf Dreyer	p	109.80	-45.5%	-22.8%	-23.9%	-28.4%
Restaurant Group PLC	RWN.L	Patrick Hargreaves	p	219.70	57.2%	-9.0%	6.2%	52.3%
Rieter Holding AG	RIEN.S	Karan Khemani	SFr	293.25	-29.7%	-7.5%	4.3%	62.1%
Rightmove Plc	RMV.L	Karen Hooi, CFA	p	616.00	24.7%	-8.7%	18.6%	83.6%
Rotork PLC	ROR.L	Rudolf Dreyer	p	1378.00	35.6%	-2.2%	13.0%	73.6%
Royal Vopak	VOPA.AS	Karan Khemani	€	31.37	81.6%	4.0%	9.6%	79.3%
RPS Group Plc	RPS.L	Karan Khemani	p	177.80	-43.4%	-17.1%	-22.3%	-11.8%
Rubis	RUBF.PA	Karan Khemani	€	68.64	26.6%	7.0%	11.3%	32.5%
Saimar	SALM.OL	Fitzhugh Peters	Nkr	52.75	38.8%	-1.9%	17.2%	21.5%
Schindler Holding AG	SCHP.S	Rudolf Dreyer	SFr	94.25	27.7%	0.5%	14.9%	48.3%
Schoeller-Bleckmann	SBOE.VI	Rudolf Dreyer	€	39.03	-27.1%	-13.0%	10.0%	64.7%
Schulthess Group	SGRN.S	Fitzhugh Peters	SFr	35.50	-48.7%	-25.0%	-32.1%	-37.7%
SeLogger.com	SLGC.PA	Karen Hooi, CFA	€	30.00	-9.1%	-4.5%	30.4%	51.5%
SIG	SHI.L	Karen Hooi, CFA	p	106.90	-83.1%	-13.0%	-14.6%	21.5%
Sika	SIK.S	Karan Khemani	SFr	1877.00	-2.0%	0.6%	12.7%	68.6%
Société BIC	BICP.PA	Patrick Hargreaves	€	58.16	48.2%	2.6%	16.8%	44.9%
Soitec	SOIT.PA	Rudolf Dreyer	€	7.77	109.3%	-32.5%	-31.4%	39.2%
Spectris	SXS.L	Patrick Hargreaves	p	796.50	1.6%	-5.7%	4.1%	52.4%
Speedy Hire	SDY.L	Fitzhugh Peters	p	23.50	-89.4%	-25.4%	-19.7%	-16.1%
Sportingbet plc	SBT.L	Karen Hooi, CFA	p	56.00	28.0%	-22.2%	-2.2%	-6.9%
Stratec Biomedical	SBSG.DE	Fitzhugh Peters	€	29.93	99.5%	16.2%	13.2%	65.7%
Sulzer AG	SUN.S	Karan Khemani	SFr	106.40	-19.4%	2.3%	19.3%	63.8%
Séché Environnement	CCHE.PA	Rudolf Dreyer	€	54.00	-37.2%	-1.1%	-12.5%	28.6%
Taylor Wimpey	TW.L	Rudolf Dreyer	p	27.22	-78.9%	-29.7%	-35.0%	-16.9%
Tecan Group AG	TECN.S	Fitzhugh Peters	SFr	71.00	14.9%	-13.4%	-9.6%	66.9%
Ted Baker	TBK.L	Patrick Hargreaves	p	536.00	28.4%	-0.9%	3.9%	34.8%
Tognum	TGMG.DE	Freddie Neave, CFA	€	15.94	3.6%	7.8%	28.9%	77.5%
Tomra Systems	TOM.OL	Rudolf Dreyer	Nkr	28.30	-29.2%	-1.7%	4.0%	28.1%
Topps Tiles	TPT.L	Patrick Hargreaves	p	50.00	-63.0%	-7.4%	-43.2%	-35.9%
Trevi Finanziaria Spa	TFI.MI	Rudolf Dreyer	€	11.96	-3.7%	-8.0%	1.4%	52.3%
Ubisoft Entertainment	UBIP.PA	Karen Hooi, CFA	€	6.44	-76.8%	-40.6%	-41.3%	-57.9%
Unibet Group Plc	UNIBSdb.ST	Karen Hooi, CFA	Skr	142.75	-11.9%	-37.0%	-28.6%	-23.3%
United Drug Plc	UDG.I	Fitzhugh Peters	€	2.40	-38.5%	-8.6%	13.7%	23.1%
Uponor OYJ	UNR1V.HE	Karen Hooi, CFA	€	11.86	-29.2%	-15.6%	-23.5%	49.0%
Valora Holding AG	VALN.S	Patrick Hargreaves	SFr	268.00	11.8%	-8.8%	5.5%	34.3%
Vossloh AG	VOSG.DE	Karan Khemani	€	70.15	-26.4%	-12.2%	-3.7%	-16.3%
Wacker Neuson	WACGn.DE	Karan Khemani	€	10.11	-19.5%	8.7%	16.8%	74.8%
WAVIN	WAVIN.AS	Karen Hooi, CFA	€	9.52	-58.8%	-21.5%	-33.6%	23.8%
WH Smith	SMWHL.L	Patrick Hargreaves	p	408.10	12.7%	-16.8%	-17.1%	-3.6%
William Hill	WMHL.L	Patrick Hargreaves	p	179.10	-28.8%	-17.2%	-5.9%	-7.3%
Wincor Nixdorf	WING.DE	Rudolf Dreyer	€	43.98	-10.8%	-16.4%	-7.9%	10.3%
WS Atkins	ATKW.L	Karan Khemani	p	688.00	-37.1%	7.5%	7.9%	17.4%
YIT Corporation	YTY1V.HE	Karen Hooi, CFA	€	15.00	-11.2%	-15.7%	-6.8%	123.5%
YOOX	YOOX.MI	Karen Hooi, CFA	€	6.12	NA	-11.4%	3.6%	NA
Zardoya Otis	ZOT.MC	Rudolf Dreyer	€	11.27	-17.0%	-8.2%	-12.0%	-19.6%
Zumtobel	ZUMV.VI	Rudolf Dreyer	€	13.69	-15.0%	-11.7%	-9.6%	96.7%
FTSE World Europe (EUR)				314.21	-20.4%	-6.8%	-4.5%	25.2%

Note: Prices as of most recent available close, which could vary from the price date indicated above

This table shows movement in absolute share price and not total shareholder return. Results presented should not and cannot be viewed as an indicator of future performance.

Source: FactSet, Quantum database.

Reg AC

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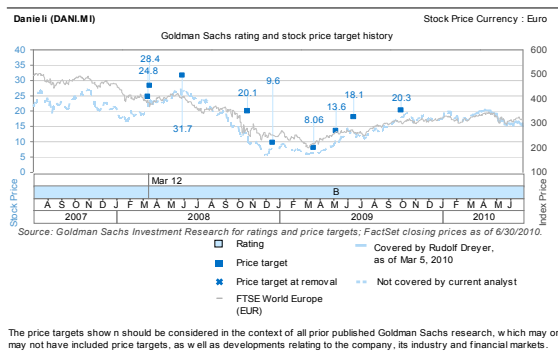
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