

Subject: FuturaGene plc  
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Press Cuttings

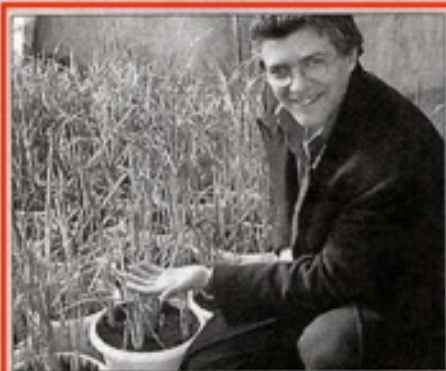
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**MARKETS BUSINESS 9**

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**SMALL CAP COMMENT**

# Tarnished view of Highland Gold

HIGHLAND GOLD (161p) has always sold itself by singing the praises of its supposedly amazingly high quality Russian management team. So the market punished the gold miner, knocking 20 per cent off its share price, when it announced on Friday that it would fail to meet production targets. Analysts at Seymour Pierce rushed out a sell note on the "accident prone" group scoffing at Highland's excuse of poor weather and saying the group actually appeared to be suffering from an absence of planning. The note says the company has made a classic mining error and failed to invest sufficiently in underground development, meaning that it is failing to produce as much gold as it should be at a time when gold prices are at record levels. Sell.



Ruggerio: FuturaGene field trials

ment team deserves a chance to prove itself. Buy.

enjoying the upswing in hi-tech stocks. The company sealed a \$6m deal last week to buy Outcast, a US rival, and Bridgewell, its house broker, believes the deal will boost the bottom line this year and will be "comfortably" earnings enhancing by 2006. Analysts say that Next Fifteen shares are trading on just 9.7 times projected earnings, which looks cheap compared with the sector average of 15.7. The company is said to be highly acquisitive and is proving adept at winning new clients, including Sun Micro-systems, the computer giant. Will Whitehorn, the chairman of Next Fifteen, who is also right hand man to Sir Richard Branson at Virgin Group, last week snapped 380,000 shares at 52p each. Where the chairman leads, investors should follow. Buy.

## ML Laboratories

THINGS are finally starting to change at ML Laboratories (21.25p), the drug developer. New management, led by Kieran Murphy, the chief executive, has started to restructure the business and focus its operations on the fast-growing market for medicines that can be delivered via the lungs. Earlier this month ML bought Quadrant Technologies, a company specialising in the development of inhaled medicines, for £46.7m in a deal that will double the size of the group. The acquisition, which will see ML change its name to Innovata, will enable the company to develop further drug delivery concepts. The shares are currently trading at below the 29p at which we last tipped them in August 2003 but we believe the new manage-

## Next Fifteen Communications

AIM-listed Next Fifteen Communications Group (57p) is a specialist technology public relations firm that is

## FuturaGene

TAKE a look at FuturaGene (140p). The leading-edge genetic science company was formed by scientists from the University of Purdue in the US. It believes it has found a way of boosting certain genes in plants to strengthen their natural defences against harsh environments such as salty soil or drought. FuturaGene listed on the Alternative Investment Market at 38p in May last year and announces its maiden results on Thursday. Chaired by Bruno Ruggerio, it is expected to confirm it has started its first field trials - of salt resistant tomato plants - in the US. At 140p, its shares are trading below the 12-month high of 220p reached in October last year. Punters happy with the risks of the biotechnology sector should take a look.

## Highland Gold Mining

