

**Client:** Akers Bioscience  
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# Premium pork producer Cranswick back on form and worth biting into

## THE INVESTMENT COLUMN

By Alistair Dawber

**Our view:** Buy  
**Share price:** 564.5p (+31p)

The TV chef Jamie Oliver reckons that Sainsbury's customers should buy the supermarket's fresh fruit, vegetables and all the other things that are good for you. Holders of shares in pork producer Cranswick, which supplies Sainsbury's with its "taste the difference" range, would urge customers to buy sausages.

After Cranswick issued an update yesterday, watchers reckon things are getting better for the group after it published what some analysts took to be a worrying trading statement earlier in the year. The firm was worried about its ability to pass on the increasing cost of commodities to its customers, but according to watchers at Panmure Gordon, things are now in better order: "Having disappointed the market with its Q3 trading update in January, today's announcement of the Q4 performance sees the company reporting continued strong sales," they say.

The company's chairman Martin Davey says that there is always a time lag associated with passing these costs on and the company has now managed to do that in its primary processed pork business.

Analysts at Shore Capital reckon that the problems were associated with a lack of "visi-

bility", but that has now also been resolved. "Management has confirmed that the full-year performance will be in-line with market expectations, and hence we leave our 2008 and 2009 forecasts unchanged," they say.

Despite what turned out to be a temporary issue on costs being resolved, the company does face other problems. The firm is generally thought to be at the upper end of the pork market, which Mr Davey reckons will insulate it from the worst effects of any credit crisis-related downturn. He may well be right, but there is an alternative argument that suggests customers faced with the need to do a bit of financial belt-tightening may opt for ordinary sausages rather than the premium range.

The group also imports meats from Italy for its charcuterie range. As it buys in euros and sells in sterling, the exchange rate is like to make a £600,000 dent in profitability this year.

Cranswick is over its early year wobble when its share priced dropped from 769p on 31 January to 560p just five days

later. Better sentiment will see the stock rise. Buy.

### **Akers Biosciences**

**Our view:** Buy  
**Share price:** 13.75p (+0.25p)

The last 12 months have been something of a revelation for Akers Biosciences. The AIM-listed group develops and makes

diagnostics products, including alcohol breath-testing devices, which it sells to the US military.

By the group's own admission, until last year the scientists were in charge. "The firm was great at creating science," says Tom Nicolette, Akers' chief executive. "We had government FDA approvals in place and have had \$60m of investment since 2002. It was a real commercial opportunity."

The firm's annual results published yesterday show that the group is making progress. Revenues were up to \$5.5m, versus just over \$1m in 2006, with losses cut to \$2.4m from more than \$10m the year before.

Much of the change has been down to the take up of two products that have now received their US patents. Each department of the US military now buys the firm's breathscan system, which shows soldiers if they are sufficiently sober to use weapons. Health workers are buying up the firm's system for detecting blood clotting among potential users of the drug Herperin, which is supposed to thin the blood, but in some cases has done precisely the opposite, leading to the deaths of patients.

Analysts at Arbutnot recommend a "strong buy", suggesting that Akers' strategy of targeting "carefully chosen key markets where existing tests do not effectively fulfil clinical... requirements," is on fire. In-

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vestors should note that Arbuthnot is the group's house broker.

The company reckons its strategy of protecting its technology through patent is crucial

and that it has already taken action to prevent competitors copying it.

Independent analysts reckon on the fact that the US military has contracted with the group "is not bad at all", and that investors should be interested. The firm's share price has fallen steadily from 71.5p last May, and that's a worry, but also potentially gives investors the hope of a good run. Buy.

### Charles Taylor Consulting

**Our view:** Buy

**Share price:** 268p (+4p)

In a world worried about the credit crisis, investors know they should be seeking steady, defensive stocks to stave off the worst of the crunch.

And they don't come much steadier than Charles Taylor Consulting, which has been providing services to the insurance industry, in one form or another, since the 19th century. In short, the group, which posted a record £13.6m profit yesterday, is involved in a number of industries, from offering consultancy and investment services to mutuals to taking on troubled insurance firms and realising their value.

The firm faces several risks that analysts point out. The weak dollar is a big problem given the amount of business the firm does in the United States. Watchers at Dresdner Kleinwort recommend investors "cut" the stock, saying that foreign exchange rates are bad enough for the bank to cut its target share price from 500p to 425p. Dresdner does point to the progress being made by the firm, which increased revenues by 3 per cent last year to £81.5m.

The group targets stable improvements and chief executive

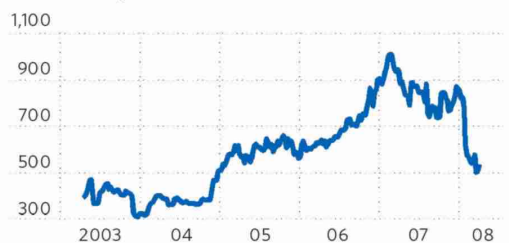
John Rowe points to the long-standing relationships it has with its clients as a reason to back the stock. Buy.

### Cranswick at a glance

MARKET VALUE: £246.2M

FIVE-YEAR RECORD to 31 March	2003	2004	2005	2006	2007
Turnover (£m)	238	270	319	441	525
Pre-tax profits (£m)	18.3	18.9	21.6	31.1	32.7
Earnings per share (p)	30.4	30.1	38.3	51.0	50.1
Dividend per share (p)	12.1	13.2	14.5	16.5	18.1

SHARE PRICE, PENCE



Sources: Thomson Datastream, Company REFS