Wales at a glance

FASTEST Risers

COMPANY	JAN 09
NETALOGUE TECHNOLOGIES	46%
ENFIS	33%
DHAIS	23%
FINSBURY FOOD	17%
NEWPORT NETWORKS	14%

FASTEST Fallers

COMPANY	JAN 09
CH BAILEY	-9%
EATONFIELD	-15%
BOOMERANG PLUS	-18%
PURE WAFER	-19%
ACERTEC	-35%

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GARETH WILLIAMS

WELSH STOCK WATCH

Netalogue climbs as Newport says goodbye

Our portfolio of Welsh traded companies had a bit of respite in January with the share prices of ten companies rising and a mere eight falling back – after a year when the trend has been steadily downwards.

Top of the leaderboard was Netalogue Technologies, the Plus-quoted internet technology business. The company put out an upbeat trading statement in late January, highlighting higher sales and profitability, more contracts with larger companies, strict control of costs and a sound cash position.

Chairman Gareth Williams said: "The trading environment holds substantial uncertainties at the outset of 2009 but our customers are experiencing higher sales and lower costs. The company is confident of winning more opportunities and continuing trends into the last quarter and next year."

Also among the fastest risers was Newport Networks, the telecoms technology company which has struggled in recent years. Since then, chairman Sir Terry Matthews has intimated that he will take the company off AIM if he can get shareholder approval.

In a letter to shareholders Matthews said that takeover discussions for Newport had been concluded with all but one interested party and that it was " very unlikely" an offer would be received.

He said: "The directors consider that in its current position the cost of being an AIM-listed company cannot be justified. They consider this cost is in the region of £100,000 per year. Given the requirement to conserve cash, the low market capitalisation of the company and the low liquidity of the ordinary shares, the directors consider that it would be in the best interests of the company and its shareholders to seek a delisting of its ordinary shares on AIM."

There was better news from Freshwater UK, the public relations and marketing group, which said its prospects had bounced back after a tough first financial quarter.

Chief executive Steve Howell said: "We have been working for many months, and well before the impact of the economic downturn, to increase our exposure to resilient, defensive sectors including government, utilities and transport.

"We have continued with our programme of initiatives to improve productivity and reduce costs. As a result margins are starting to recover as the group feels the benefit of these initiatives. We also expect further system and efficiency improvements will generate additional gains.

"Though trading is challenging, especially in the property and consumer sectors, we are seeing healthy revenues and high-quality, business opportunities in utilities, transport, healthcare and the public sector."

The company's borrowings have reduced further to £800,000, with a net debt of £600,000, and it is free from earn-outs relating to the acquisitions of Waterfront Partnership and Conference Company and of Merlin Marketing and PR.

Elsewhere, Wynnstay, the farm and pet supplies group based in Mid Wales, plans to keep growing as global consumers switch to meat-based diets. Chairman John Davies said the company would keep expanding organically and through acquisitions, although he warned of short-term trouble from falling food prices and recession. The company wants to buy shops to add to its Just for Pets chain. Pre-tax profits for the year to October rose 67 per cent to £5.1m on turnover up 49 per cent to £235m.

IQE, the computer chip technology company, incurred exceptional costs of £1.2m as it restructured its operations and reduced costs because of changing demand. The Cardiff-based group suffered in the fourth quarter because of "a dramatic inventory reduction" on the part of its customers. But the group, run by chief executive Drew Nelson, said it would meet market expectations of a 20 per cent increase in revenues to £60m for the full year in 2008.

Enfis, the lighting technology company, has won a contract to supply Gekko Technology, which provides LED lighting to the film, television, photographic and entertainment industries. Enfis will provide lights for television show and film-making. The order will be worth a minimum of £850,000 and the systems will be provided over a three-year period.

Shaun Oxenham, chief executive, said: "Gekko has gained a strong reputation in a short time for providing fixtures of choice in its class. I am delighted Gekko has chosen Enfis as its partner."