

Market Analysis

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Summary and Recommended Investment Strategy.

The outlook is favourable for both the Australian stockmarket and the NZ stockmarket. Investors should be close to fully invested, although we are holding a small 10-15% cash reserve in anticipation of identifying new share investments in the near future.

Investment Outlook.

Our Forecasts for the Australian stockmarket have slipped slightly over the last month (but still remain Bullish), while our Forecasts for the NZ stockmarket have improved!

These higher NZ Forecasts have resulted mainly from improved Technical indicators (i.e. the stockmarket has continued to recover from the October decline) and improved Economic indicators (i.e. the rate of growth has slowed, removing risks of higher inflation and interest rate increases).

The Australian Stock Exchange has tightened the rules for directors reported purchases and sales of shares. This *insider* trading information - which is very valuable at predicting future share price movements - must now be reported *within five days*.

Later this year, new legislation *may* require the directors of NZ listed companies to disclose this type of information on a timely basis for the first time - which will bring NZ in line with the rest of the world. This information would certainly be welcome and *Market Analysis* will collect and publish this valuable data *if* it becomes available.

At the present time we hold a small cash reserve - but would rather be fully invested! There are many attractive investment opportunities and more are developing as cyclical and growth companies start to recover from the 2000/2001 downturn. We hope to formally recommend up to four new shares in the near future - but are still waiting for the *best* opportunities that meet our investment criteria.

In the meantime, we analyse three *possible* investment situations. Two *micro-cap* companies, **Noni B** and **Grow Force Australia**, may appeal to *aggressive* investors. **Village Roadshow "A" Class Preference** shares offer a secure, high current income - plus recovery potential - which may be suitable for low risk investors.

Stockmarket Forecasts

	<u>One-Month</u>	<u>One-Year</u>
Australia:	69% (Bullish)	67% (Bullish)
New Zealand:	83% (Bullish)	73% (Bullish)



Performance Forecasts

"Performance Forecasts" are computer generated predictions of the relative future price performance of a company's shares over the next three to six months. Performance Forecasts are calculated for every listed NZ share (except Investment Trusts) on a rating scale using the letters "A" (Highest potential for capital appreciation over the next 3-6 months), "B" (Above Average), "C" (Average), "D" (Below Average) and "E" (Lowest). These predictions are NOT buy or sell recommendations, but can be useful to help time planned purchases or sales, or to identify shares worthy of further study and analysis.

Company	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Company	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Company	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A. Barnett Ltd	C	85	0.41	24	Nil	Finzsoft Sol'ns	E	40	0.08	NE	Nil	Property F Ind.	C	88	8.19	40	7.8
AMP Limited	C	2326	0.74	18	2.5	Fletcher Build.	B	292	0.44	30	6.1	Pure NZ Limited	D	11	8.73	NE	Nil
AMP NZ Office	C	88	6.48	11	8.1	Force Corp.	C	4.5	0.44	NE	Nil	Pyne Gould G.	B	124	0.64	9	8.4
AXA Asia Pac.	B	340	0.57	13	3.5	Frucor Bev.	A	232	1.27	25	5.1	Renaissance	C	44	0.10	12	6.8
Advantage Group	D	51	0.45	40	Nil	GDC Communicat.	C	185	1.69	23	2.6	Restaurant Brds	B	188	0.73	14	7.9
Affco Holdings	E	34	0.06	12	Nil	Genesis Res.	C	340	3.00	NE	Nil	RetailX Limited	D	15	N/A	NE	Nil
Air New Zealand	D	33	0.03	NE	Nil	Goodman Fielder	B	190	0.57	14	5.3	Richina Pacific	D	61	0.06	9	Nil
Akd Int Airport	B	372	9.24	26	4.5	Guinness Peat	C	171	3.00	16	1.8	Richmond Hold.	D	240	N/A	NE	Nil
Apple Fields	C	15	1.11	NE	Nil	Hallenstein G.	A	292	1.01	15	9.5	Rocom Wireless	E	38	N/A	NE	Nil
Beauty Direct	C	13	4.89	NE	Nil	Hellaby Hold.	A	228	0.30	9	9.8	Rubicon Limited	D	58	0.08	NE	Nil
Bendon Limited	C	177	0.65	16	7.6	Heritage Mining*	N/R	5.0	4.20	NE	Nil	Ryman Health.	C	196	3.28	14	2.9
Blis Technology	E	68	N/A	NE	Nil	Horizon Energy	A	1385	2.86	14	9.2	Sanford Limited	B	630	1.67	22	4.7
Brierley Invest	D	33	0.77	NE	Nil	IT Capital Ltd	E	7.3	0.93	NE	Nil	Savoy Equities	D	6.0	0.23	NE	Nil
Briscoe Group	C	163	N/A	NE	Nil	Ind Newspapers	C	368	2.88	57	3.4	Scott Tech. Ltd	C	160	1.88	75	3.3
Broadway Ind	C	35	0.19	10	Nil	Infratil NZ	C	174	4.05	20	6.0	Seafresh Fish.	D	4.0	0.54	NE	Nil
CACI Group Ltd	C	50	N/A	NE	Nil	Kingsgate Int'l	D	14	0.47	3	Nil	Selector Group	C	3.2	4.71	NE	Nil
CDL Hotel NZ	E	19	0.28	47	5.4	Kirkcaldie & St	B	480	0.67	11	10.9	Shotover Jet	D	44	0.76	9	Nil
CDL Investments	E	17	1.19	8	14.0	Kiwi Property	B	98	5.60	9	10.7	Sky City Ltd	A	618	2.80	18	15.2
Cabletalk Group	D	57	N/A	NE	Nil	Lion Nathan Ltd	B	572	1.64	17	3.4	Sky Network TV	C	408	5.29	NE	Nil
Cadmus Tech Ltd	E	11	1.95	33	Nil	Lytelton Port	C	168	2.94	13	9.1	Software of Exc	B	335	1.78	NE	Nil
Calan Hlthcare	C	86	6.98	13	7.9	Mainfreight Grp	B	158	0.28	33	6.1	South Port NZ	B	150	3.07	18	6.0
Cap Properties	B	95	N/A	8	12.3	Metro. LifeCare	D	122	0.87	27	Nil	Southern Cap	D	78	N/A	45	Nil
Carter Holt	C	182	0.83	12	3.3	Michael Hill	B	489	1.00	19	4.6	Spectrum Res.	D	2.2	1.68	NE	Nil
Cavalier Corp	A	608	1.01	16	7.9	Mid-Cap Index *	N/R	201	N/A	NE	Nil	Steel & Tube	A	259	0.58	15	9.2
Cedeno Foods	A	226	1.30	8	Nil	Mooring Systems	D	120	N/A	NE	Nil	Strathmore Grp	C	4.7	N/A	NE	Nil
Cert Organics	C	0.8	0.36	NE	Nil	Mowbray Collect	C	72	N/A	NE	Nil	Submarines Aust	D	33	N/A	NE	Nil
Col FS Property	C	109	7.08	12	9.8	Mr Chips Hold	C	120	1.10	17	8.1	Summit Gold Ltd*	N/R	14	N/A	NE	Nil
Col Motor Co	B	270	0.22	15	7.7	NZ Experience	D	11	0.83	32	Nil	Tag Pacific Ltd	E	12	0.23	NE	Nil
Commsoft Group	D	6.0	0.83	NE	Nil	NZ Invest Trust*	N/R	513	N/A	NE	1.6	Tasman Agric.	D	175	3.07	NE	Nil
Compass Com.	D	30	N/A	NE	Nil	NZ Oil and Gas *	N/R	37	1.66	20	Nil	Taylor's Grp Ltd	B	147	0.80	12	7.1
Contact Energy	B	393	2.16	19	6.3	NZ Refining Co	A	1850	1.49	6	20.2	TeNZ *	N/R	94	N/A	NE	Nil
Cube Capital	C	45	0.41	35	Nil	NZJJ.co.nz	E	25	N/A	NE	Nil	Telecom Corp	C	545	1.79	12	5.5
Cue Energy Ltd * N/R	6.9	1.64	4	Nil	Nat Property Tr	C	93	7.04	15	9.9	Tourism Hold.	C	127	0.57	9	10.6	
DB Group	B	600	1.09	13	6.7	Natural Gas	C	126	1.30	11	Nil	Tower Limited	C	511	0.79	12	5.9
Dairy Brands	C	65	2.98	12	Nil	Newcall Group	D	4.9	0.30	NE	Nil	Trans-Tasman	D	22	1.24	6	Nil
Design Textiles	C	50	0.31	63	Nil	Newmarket Prop.	C	49	3.73	9	13.4	Tranz Rail Hold	C	402	0.77	18	2.1
Dorchester Pac	C	128	0.92	9	7.0	Northland Port	C	225	3.39	98	Nil	Trust Power Ltd	B	340	1.23	27	7.6
E-Ventures NZ	E	33	N/A	NE	Nil	Nuhaka Forestry	D	825	2.18	NE	6.7	United Networks	B	805	2.65	11	6.1
E-cademy Hold.	E	0.7	N/A	NE	Nil	Nuplex Indust	B	325	0.47	13	6.9	Utilico Int'l	B	100	9.27	14	Nil
Ebos Group Ltd	A	338	0.85	16	6.2	Opio Forestry	C	60	N/A	NE	Nil	Vending Tech.	D	216	3.81	16	Nil
Eldercare NZ	C	26	1.20	NE	Nil	Otter Gold Mine*	N/R	23	0.20	NE	Nil	WN Drive Tech.	E	47	N/A	NE	Nil
Elect Trans Tec	D	7.7	5.92	NE	Nil	Owens Group Ltd	B	143	0.21	16	5.2	Wakefield Hosp.	C	155	N/A	7	4.7
Evergreen	D	56	2.38	12	Nil	Ozzy (Tortis) *	N/R	251	N/A	NE	Nil	Warehouse Group	B	675	1.22	32	2.8
F & P Appliance	A	1105	2.21	34	3.4	Pacific Retail	B	225	0.28	10	Nil	Waste Mgmt NZ	B	315	2.24	21	3.6
F & P Health.	D	1640	2.07	NE	Nil	Port Tauranga	B	710	7.22	26	5.0	Williams Kettle	A	420	0.34	9	7.1
FC - Forests	E	24	1.03	NE	Nil	Ports Auckland	B	550	4.88	17	5.7	World Index Fd *	N/R	175	N/A	NE	Nil
Feverpitch Int.	D	50	N/A	NE	Nil	Powerco Limited	C	195	0.68	NE	Nil	Wrightsons Ltd	B	119	0.23	15	10.0
												Ave of 141 Cos	C	228	0.48	21	3.2
AMP Diver. Prop	B	261	8.08	14	7.3	Downer EDI Ltd	A	79	0.38	14	2.7	Onesteel Ltd	C	114	0.19	NE	5.3
AMP Ltd	C	1894	0.76	18	2.5	Energy Develop.	C	708	7.54	38	0.7	Orica Ltd	A	739	0.49	33	2.2
AMP Office Trt	B	126	N/A	15	7.0	Envestra	C	98	2.26	NE	9.4	Origin Energy	B	283	0.96	17	1.4
AMP Shop Centre	B	146	7.51	16	7.5	Fairfax (John)	C	378	2.09	22	3.0	Pacifica Group	B	335	0.45	15	5.7
ANZ Bank	B	1731	4.00	14	4.2	Flight Centre	C	2509	0.71	50	1.1	Pacific Hydro	B	425	N/A	20	0.7
APN News Media	C	346	1.41	17	4.2	Foodland Assoc	A	1269	0.31	20	4.4	Pacific Dunlop	C	113	0.23	NE	4.4
AWB Limited	A	415	0.52	12	5.3	Foster's Group	B	473	2.37	19	3.1	Paperlin X Ltd	B	490	0.67	15	5.5
AXA Asia Pac	C	282	0.59	13	3.4	Futuris Corp.	C	187	0.20	14	4.3	Peptech Limited	A	412	N/A	20	Nil
Adelaide Bank	A	718	1.21	18	4.2	GWA Internat'l	B	244	1.19	16	6.6	Perp Trust Aust	A	4350	5.06	30	2.0
Alintagas Ltd	B	360	1.48	14	1.5	Gandel Retail T	B	119	7.77	14	7.3	Publishing & Br	D	985	2.53	NE	2.0
Amcor Ltd	B	734	0.79	16	3.8	General Prop Tr	B	278	6.74	15	6.9	Q.B.E. Insur.	C	782	1.00	33	2.0
Aristocrat	B	635	4.89	41	1.7	Globe Int'l Ltd	B	228	5.38	84	Nil	Qantas Airways	A	399	0.51	13	5.0
Aust Stock Exch	C	1174	6.02	23	3.7	Goodman Fielder	C	158	0.63	NE	4.7	Ramsay Health	A	465	1.50	36	1.8
Aust Pipeline	B	259	2.62	21	8.5	Guinness Peat	C	139	3.03	13	0.4	Rio Tinto Ltd	A	3803	1.50	11	2.3
Aust Gas Light	B	919	0.95	29	5.7	Harvey Norman	C	388	5.73	38	1.0	Rural Press Ltd	B	470	1.23	22	3.0
Aust Pharm. Ind	A	372	0.44	26	3.3	Hills Motorway	C	503	9.21	NE	3.4	Seven Network	B	696	1.53	NE	2.9
Austereo Group	B	222	N/A	76	1.5	ING Indust Trt	B	165	N/A	12	8.0	Sigma Company	A	369	0.29	30	2.0
Australand Hold	A	184	1.10	8	6.5	ING Office Fund	B	119	7.63	14	8.9	Simsmetal Ltd	C	600	0.39	13	5.3
BRL Hardy Ltd	B	1085	2.62	26	1.7	Incitec	A	670	0.82	13	4.2	Singleton Group	C	405	N/A	42	1.7
Bank of W.Aust	B	423	3.92	17	4.3	Investa Prop.	B	207	8.68	9	6.7	Smorgon Steel	C	102	0.31	NE	2.9
Baycorp Advant.	C	611	8.43	51	1.6	James Hardie	B	607	1.61	NE	3.1	Sonic Health	B	760	2.76	66	2.2
Bendigo Bank	A	760	3.70	26	5.4	Jupiters	B	499	1.55	16	3.8	Southcorp Ltd	B	735	1.46	25	2.9
Bidvest	A	425	0.30	17	2.1	Kaz Computer	C	105	4.44	53	0.6	Spotless Group	C	535	0.54	29	3.9
Billabong Int'l	A	880	4.53	42	1.5	Lang Corporatio	C	1099	2.53	25	1.5	St George Bank	A	1798	2.17	21	3.6
Boral Limited	B	320	0.52	12	5.6	Leighton Hold	A	1062	0.64	18	3.7	Sthn Cross Brd.	C	1135	1.94	20	4.8
Brambles Ind.	B	1040	2.53	65	2.0	Lend Lease Corp	C	1323	0.50	38	1.6	Stockland Trust	B	421	4.75	15	6.9
Brickworks Ltd	B	616	6.10	14	2.3	Macquarie Bank	B	3672	4.43	27	2.5	Suncorp-Metway	B	1399	1.28	13	3.3
C'wth Prop Off.	B	120	8.57	14	7.0	Macquarie C'Wde	B	159	9.12	14	8.2	TAB Ltd	B	291	1.74	20	4.1
C.S.R. Ltd	B	665	0.97	14	3.5	Macquarie Good.	B	145	N/A	15	7.9	Tabcorp Holding	B	955	1.93	19	5.3
CSL Limited	A	4850	8.50	93	0.5	Macquarie Off.	B	128	8.86	13	8.4	Telstra	C	552	1.54	9	3.4
Centro Prop.	B	347	N/A	15	7.2	Macquarie Infra	B	343	N/A	52	2.7	Ten Network	B	208	1.19	45	6.9
Challenger Int.	C	331	0.89	5	2.6	Mayne Nickless	B	661	0.78	18	2.0	Toll Holdings	A	2800	1.05	35	1.2
Coal & Allied	B	2350	2.89	26	1.5	Metal Storm Ltd	D	141	N/A	NE	Nil	Transurban Grp	D	420	6.99	NE	Nil
CocaCola Amatil	B	620	1.62	33	1.9	Mia Group Ltd	B	141	3.93	46	2.2	United Energy	C	240	1.47	66	7.2
Cochlear Ltd	A	4312	N/A	72	1.0	Mirvac Group	B	379	2.82	15	6.6	W.M.C. Limited	C	970	2.82	14	4.2
Col FS Property	B	217	5.57	13	8.3	Mirvac Property	B	178	9.75	15	6.4	Wesfarmers Ltd	B	3000	2.26	38	2.4
Coles Myer	B	837	0.30	49	3.0	NRMA Insurance	C	328	1.								

Recommended Investments

Richina Pacific has suffered a short term impact from the September 11 terrorist attacks. Its **Shanghai Richina Leather** operation suffered a loss as a result of a sharp fall in the price of hides and skins, leaving the company holding "high priced raw materials". Orders from the US and Europe were also delayed or cancelled, resulting in a few months of low revenues. The business has therefore operated at a loss over recent months although "this situation has largely reversed itself and is rapidly improving".

The NZ construction business **Mainzeal** will report a "modest loss" this year owing to one "uncertain" project and a bad debt on another. The company has a "sound forward workload" so directors expect a return to profitability in the new financial year which started in January.

The company is also considering writing down the value of its **Beijing Blue Zoo** business. While generating positive cash flows the business continues to trade at a loss owing to "non-commercial actions" by two competitors.

Write-downs could reduce Richina Pacific's net asset value by 30 cents per share to around \$1.00.

Richina Pacific earned a profit of \$7,028,000 (9.7 cents per share) in the first half of 2001 but now expects only "a modest operating profit" for the full year. The company has the potential to grow into a profitable business and for the share price to be re-rated, so this set back is a disappointment. We have downgraded the shares to a "Hold+".

Wrightson has announced a "very strong five months" to the end of (Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
NZ Shares													
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	E	185.8	2.2	1.19	8	14.0	17	6.1	-7%
HOLD+	Cavalier Corporation	CAV	05/12/95	312	A	31.5	0.8	1.01	16	7.9	608	169.0	+149%
HOLD	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.7	0.22	15	7.7	270	210.8	+221%
HOLD+	Lyttelton Port Company	LPC	12/12/00	150	C	101.8	0.9	2.94	13	9.1	168	10.3	+19%
HOLD	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	38.6	0.7	1.00	19	4.6	489	83.0	+1143%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	B	58.6	1.0	0.47	13	6.9	325	51.0	+7%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	36.7	2.3	0.10	12	6.8	44	7.4	-40%
HOLD+	Richina Pacific	RCH	03/11/95	119*	D	72.2	1.7	0.06	9	Nil	61	11.9	-39%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	1.1	3.07	18	6.0	150	56.3	+72%
BUY	Steel & Tube Holdings	STU	08/08/00	146	A	87.8	1.0	0.58	15	9.2	259	33.0	+100%
BUY	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	1.1	0.80	12	7.1	147	13.0	+57%
BUY	Wrightson Limited	WRI	13/01/98	83	B	134.1	1.4	0.23	15	10.0	119	18.3	+65%
Australian Shares (in Aust cents)													
BUY	Abigroup Limited	ABG	09/03/99	265	A	47.7	0.8	0.16	7	4.8	248	29.0	+5%
HOLD+	Atlas Pacific Ltd	ATP	14/05/96	73	B	57.9	1.6	3.03	9	Nil	40	2.0	-42%
HOLD	Auspine Limited	ANE	08/02/00	210	C	57.0	0.8	0.59	9	5.6	215	34.0	+19%
HOLD+	Austral Coal Ltd	AUO	16/01/01	19	B	82.7	1.6	0.42	8	Nil	41	Nil	+116%
HOLD	Biron Capital Ltd	BIC	12/04/94	178	C	22.4	1.7	2.06	40	Nil	43	11.0	-70%
HOLD+	Brazin Limited	BRZ	11/12/01	160	B	116.4	0.9	0.59	21	6.1	204	Nil	+27%
BUY	Campbell Brothers Ltd	CPB	12/10/99	418*	A	37.9	0.5	0.56	13	5.3	570	55.5	+50%
HOLD	Central Equity Ltd	CEQ	09/02/94	154	B	82.1	0.9	0.82	8	7.1	210	97.0	+99%
HOLD+	Commander Comm.	CDR	11/09/01	92	C	143.6	1.3	0.53	10	3.5	71	2.5	-20%
HOLD+	C.S.R. Limited	CSR	11/07/00	436	B	943.6	0.7	0.97	14	3.5	665	23.0	+58%
BUY	Julia Ross Recruitment	JRR	14/08/01	92	B	57.2	1.1	0.35	9	6.3	95	3.0	+7%
HOLD+	McPherson's Ltd	MCP	10/10/00	125	B	39.2	0.9	0.20	5	8.7	138	12.0	+20%
HOLD	Nufarm Limited	NUF	11/02/97	418*	A	154.6	0.8	0.37	10	5.5	330	81.3	-2%
HOLD+	OAMPS Limited	OMP	15/05/01	198	A	32.6	0.7	0.43	15	4.9	349	6.0	+79%
HOLD	Thakral Holdings	THG	10/11/98	65	C	592.3	1.2	1.14	9	11.2	56	18.3	+14%
HOLD-	Toll Holdings (1)	TOL	08/09/98	240	A	62.1	0.6	1.05	35	1.2	2800	76.0	+1098%
HOLD	Utility Services Corp	USC	11/01/00	55*	C	99.9	1.8	1.16	0	6.3	63	9.0	+31%
HOLD	Vision Systems Ltd	VSL	10/11/98	69*	C	146.4	0.8	1.86	18	1.8	193	16.2	+203%
BUY	Volante Group Ltd	VGL	13/03/01	132	C	68.0	1.1	0.21	11	7.1	113	5.0	-11%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +110.4%.

This is equal to an average annual rate of +30.8%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 31 current and 115 closed out) is +31.8%, compared with a market gain of +10.4% (by the SRC Total Return Index).

CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues.

* Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

() Toll Holdings notes (TOLG) last traded at 2800 cents.

Recommended Investments (Continued from Page 3) November and its half year to December 31 could be around \$6 million - *double* the \$3 million the company was expecting.

Wrightson earned \$9.7 million in the six months to June 2001 - but this is a seasonal business that earns most of its profits in the second half.

Despite a predicted slight downturn in farm returns, the rural sector should remain reasonably buoyant - providing a favourable trading environment for Wrightson. The shares remain an attractive "Buy" (and hold) for high income and capital appreciation.

Australian Shares

(This section is in Australian currency, unless stated.)

Abigroup has won a \$26 million contract to build the new **Mater Hospital** in Mackay. Construction of this 12,000m² hospital, separate maintenance building and 10,000m² carpark begins this month and should be completed by November.

Atlas Pacific ended the year having nucleated 238,000 oysters - significantly up on its earlier target of 150,000. Almost 70,000 high quality pearls were harvested from 80,000 oysters. To ensure an adequate supply of oysters for its expanded operations, Atlas Pacific will provide a technician to work at another pearl farmer's hatchery in return for 50% of the oysters produced.

Auspine's Managing Director and major shareholder has purchased another 54,700 shares on-market to lift his holding to 13,303,812 shares. This makes four *insider* buys, and no sells, over the last year.

Biron Capital director, G Snow, purchased a further 500,000 shares on-market in December at about 41 cents. This lifts his holding to 7,818,544 shares or 34.9% of the company. In total, there have been 16 *insider* buys (and no sells) in this company over the last year!

The turnover in **Brazin** shares jumped from around 100-200,000 shares per day to 800-900,000 shares per day following our "Buy" recommendation last month as subscribers bought into the company. This newsletter, however, cannot take all of the credit (or blame) for the rapid increase in the share price. The day *after* our newsletter was released online and by e-mail, the *Australian Financial Review* published an article that was favourable towards the company's focus on core businesses and expansion into the UK music business.

In Australia, Brazin has sold its 55% share in *City Live* nightclub, six *Gosh Coffee* shops were sold in December and the company is negotiating to sell its remaining eight shops.

Brazin's recently appointed Managing Director Ian Duffell - who negotiated the UK expansion - is to "relinquish operational management of the Group" to "focus on strategic business development".

Campbell Brothers director RC Campbell sold 22,698 shares in December at around \$5.12, reducing his holding to 882,194 shares. Despite this sale, the *insider* indicator is favourable for Campbell Brothers shares as there have been eight buys and only two sells.

Central Equity has awarded construction of it 34 level, \$110 million, residential tower *The Sentinel* to

LU Simon Builders "under Central Equity's normal tender conditions" (i.e. a fixed time, fixed price contract so that Central Equity does not carry any development risks).

The *Capri Apartments* were recently completed and Central Equity has received settlements totalling \$58 million.

CSR has purchased five hard rock quarries from **Cemex** for "US\$42 million plus working capital" which will become part of CSR's **American Limestone Corporation**. The average reserves at these new quarries exceeds 30 years production at the current rate of 3.2 million tons which generates revenues of US\$19 million per annum.

These acquisitions follow CSR's strategy to create a regional monopoly around Florida and other southern States - allowing prices to be raised and boosting profit margins.

Back in Australia, CSR has sold its 79 million shares in the stockmarket listed contract miner **Downer Group** for \$59 million, realising a gain of \$5 million over book value. These shares were received in 1999 when CSR sold its contract mining and civil contracting business to Downer Group.

Nufarm is to invest an undisclosed sum to purchase "an initial strategic stake of 14%" in **Excell Industries**, an Indian based producer of insecticides and other agricultural chemicals. This expands Nufarm's crop protection business into insecticides. Excell has 140 product registrations, three "low cost" manufacturing facilities in India and generates annual revenues of A\$95 million. Nufarm and Excell will share technology, allowing Nufarm to "develop products under the Nufarm brand for sale within international markets" and providing Nufarm herbicides to Excell for sale within India.

Chief Executive DJ Rathbone purchased another 5000 Nufarm shares. That makes a total of three *insider* buys and two sells over the last year.

OAMPS is planning to acquire the broking business owned by one of its directors, BR Austin. This will be the "largest ever acquisition of a Broking business" and as it is with a related party the company is seeking shareholder approval.

Following the announcement of **Thakral Holdings Group's** plan to build an \$80 million residential tower above its **Oasis** retail centre in Broadbeach, Gold Coast, (which we reported in October), the company has been approached to sell the retail and hotel complex for "about \$95 million". Thakral purchased the 298-room hotel and retail property in 1994 for \$70 million.

Toll Holdings and **Lang Corporation** have lodged their joint bid for **National Rail Corporation**. The final date for bids is January 14. One stockbroker estimates a successful bid would boost Toll Holdings' share price by \$8.

Vision Systems has announced that it is to receive a \$1.9 million commission relating to the sale of its Defence business in June 2000. Under that sale, Vision Systems is "to receive commission on the successful execution of specified major contract bids over a three year period" by the Defence business.

Computer Selections of NZ Shares based upon our Comprehensive Share Selection Criteria

See "Market Analysis" issues 298-301 or the Reprint sent to all new subscribers for details. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing" and "Income" shares should be considered for purchase, while the "Over-valued" and "Worst Performing" shares can generally be sold to release money for re-investment in more attractive shares.

STRENGTH RATING													STRENGTH RATING												
Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earnings Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earnings Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million												
Owens Group Ltd	143	+20.1	+4.0	4	3	2.4	14	0.9	16	5.2	0.21	81	NZ Refining Co	1850	+6.0	+3.5	23	1	1.5	23	0.3	6	20.2	1.49	444
Wrightsons Ltd	119	+17.0	-0.1	5	2	1.4	9	1.4	15	10.0	0.23	160	Sky City Ltd	618	+10.4	+0.6	12	6	2.7	15	0.5	18	15.2	2.80	1,239
Mainfreight Grp	158	+9.9	+3.8	13	5	2.3	7	0.9	33	6.1	0.28	115	Tourism Hold.	127	-10.6	+2.3	82	4	0.7	7	0.9	9	10.6	0.57	117
Hellaby Hold.	228	+5.2	+1.5	27	1	1.5	17	1.0	9	9.8	0.30	113	Wrightsons Ltd	119	+17.0	-0.1	5	2	1.4	9	1.1	15	10.0	0.23	160
Williams Kettle	420	+8.5	+1.0	15	-	1.4	16	0.5	9	7.1	0.34	62	Hellaby Hold.	228	+5.2	+1.5	27	1	1.5	17	0.8	9	9.8	0.30	113
Fletcher Build.	292	+7.5	+1.3	17	6	1.3	4	1.3	30	6.1	0.44	1,006	Hallenstein G.	292	+5.9	+1.4	24	5	4.3	29	0.6	15	9.5	1.01	169
Goodman Fielder	190	+4.7	+0.6	30	-	1.4	10	0.7	14	5.3	0.57	2,425	Steel & Tube	259	+21.4	+3.1	2	5	1.7	11	0.8	15	9.2	0.58	227
Steel & Tube	259	+21.4	+3.1	2	5	1.7	11	1.0	15	9.2	0.58	227	Lyttelton Port	168	-1.5	-0.0	66	4	4.0	32	0.6	13	9.1	2.94	171
Pyne Gould G.	124	+5.2	-1.9	28	-	1.6	18	1.2	9	8.4	0.64	69	Restaurant Brds	188	+12.2	+2.0	8	5	6.2	45	1.0	14	7.9	0.73	173
Bendon Limited	177	+0.3	+1.1	54	1	1.1	6	1.0	16	7.6	0.65	55	Cavalier Corp	608	+6.5	+2.0	22	2	3.5	22	0.7	16	7.9	1.01	191
Kirkcaldie & St	480	+0.8	+1.8	50	-	2.7	24	0.8	11	10.9	0.67	24	OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0												
Restaurant Brds	188	+12.2	+2.0	8	5	6.2	45	1.2	14	7.9	0.73	173	Elect Trans Tec	8	-13.8	+2.2	85	-	-12.6	-	3.1	NE	Nil	5.92	11
Tranz Rail Hold	402	+2.0	-2.4	43	6	1.0	6	0.9	18	2.1	0.77	486	Vending Tech.	216	-6.1	-0.5	75	-	-6.3	40	0.6	16	Nil	3.81	64
Taylor's Grp Ltd	147	+11.7	+3.2	10	1	1.6	14	1.1	12	7.1	0.80	36	Genesis Res.	340	-14.9	+2.8	87	-	-1.5	1	0.9	119	Nil	3.00	86
Ebos Group Ltd	338	+9.9	+1.9	13	-	2.3	14	0.8	16	6.2	0.85	91	Lyttelton Port	168	-1.5	-0.0	66	4	4.0	32	0.6	13	9.1	2.94	171
Dorchester Pac	128	+2.5	+2.2	39	-	1.7	18	1.3	9	7.0	0.92	23	Waste Mgmt NZ	315	-10.0	+4.1	82	5	2.0	9	0.6	21	3.6	2.24	307
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													Nuhaka Forestry	825	-6.8	+0.6	77	-	-0.7	-	0.4	NE	6.7	2.18	15
Steel & Tube	259	+21.4	+3.1	2	5	1.7	11	0.9	15	9.2	0.58	227	WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average												
Owens Group Ltd	143	+20.1	+4.0	4	3	2.4	14	0.7	16	5.2	0.21	81	IT Capital Ltd	7	-26.7	+0.4	94	-	-0.6	-	2.7	NE	Nil	0.93	13
Pacific Retail	225	+17.0	+3.4	4	3	1.9	19	1.1	10	Nil	0.28	114	Strathmore Grp	5	-23.3	-0.3	93	-	-1.2	-	2.9	NE	Nil	N/A	8
Wrightsons Ltd	119	+17.0	-0.1	5	2	1.4	9	1.2	15	10.0	0.23	160	Newcall Group	5	-23.1	+4.8	92	-	-	-	2.6	NE	Nil	0.30	5
Restaurant Brds	188	+12.2	+2.0	8	5	6.2	45	1.0	14	7.9	0.73	173	Brierley Invest	33	-22.9	+1.9	92	2	0.3	-	1.1	NE	Nil	0.77	451
Taylor's Grp Ltd	147	+11.7	+3.2	10	1	1.6	14	0.9	12	7.1	0.80	36	Advantage Group	51	-21.0	+6.0	90	2	5.8	14	1.4	40	Nil	0.45	34
Michael Hill	489	+11.6	-0.3	11	4	3.8	20	0.6	19	4.6	1.00	189	Force Corp.	5	-20.7	+7.6	89	2	1.6	-	2.6	NE	Nil	0.44	77
Ebos Group Ltd	338	+9.9	+1.9	13	-	2.3	14	0.7	16	6.2	0.85	91	Genesis Res.	340	-14.9	+2.8	87	-	-1.5	1	0.9	119	Nil	3.00	86
Williams Kettle	420	+8.5	+1.0	15	-	1.4	16	0.4	9	7.1	0.34	62	Elect Trans Tec	8	-13.8	+2.2	85	-	-12.6	-	2.9	NE	Nil	5.92	11
Broadway Ind	35	+7.3	+0.7	19	-	1.0	10	1.2	10	Nil	0.19	7	FC - Forests	24	-11.9	+0.9	84	7	0.5	-	1.5	NE	Nil	1.03	667
Hellaby Hold.	228	+5.2	+1.5	27	1	1.5	17	0.8	9	9.8	0.30	113	GDC Communicat.	185	-11.5	+2.1	83	-	-5.0	22	0.9	23	2.6	1.69	70
Pyne Gould G.	124	+5.2	-1.9	28	-	1.6	18	1.0	9	8.4	0.64	69	Waste Mgmt NZ	315	-10.0	+4.1	82	5	2.0	9	0.6	21	3.6	2.24	307
Goodman Fielder	190	+4.7	+0.6	30	-	1.4	10	0.6	14	5.3	0.57	2,425	Blis Technology	68	-9.1	+2.2	81	-	-	-	1.2	NE	Nil	N/A	42
Dorchester Pac	128	+2.5	+2.2	39	-	1.7	18	1.1	9	7.0	0.92	23	WN Drive Tech.	47	-8.9	+4.0	80	-	-13.0	-	1.0	NE	Nil	N/A	49
Tranz Rail Hold	402	+2.0	-2.4	43	6	1.0	6	0.8	18	2.1	0.77	486	Rocom Wireless	38	-7.8	+1.5	79	-	-1.2	-	1.0	NE	Nil	N/A	6
Kingsgate Int'l	14	+0.9	+2.4	49	-	0.4	14	2.1	3	Nil	0.47	55	Cadmus Tech Ltd	11	-6.1	-0.7	76	-	-0.9	3	1.5	33	Nil	1.95	15
Kirkcaldie & St	480	+0.8	+1.8	50	-	2.7	24	0.7	11	10.9	0.67	24	Vending Tech.	216	-6.1	-0.5	75	-	-6.3	40	0.6	16	Nil	3.81	64
Bendon Limited	177	+0.3	+1.1	54	1	1.1	6	0.8	16	7.6	0.65	55	Cue Energy Ltd	7	-5.0	+2.9	74	-	-0.7	19	2.1	4	Nil	1.64	22

"Strongest" Shares

This table shows the 50 NZ shares that are appreciating most rapidly in value. As a group, these *strong* shares can be expected to outperform the market - so investors should generally HOLD for further gains.

STRENGTH RATING													STRENGTH RATING												
Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earnings Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earnings Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Software of Exc	335	+37.4	+13.9	-0	-	2.5	-	0.8	NE	Nil	1.78	17	CACI Group Ltd	50	+7.5	+2.6	17	-	1.8	-	1.4	NE	Nil	N/A	1
Utilico Int'l	100	+30.8	+16.8	0	-	2.2	16	1.1	14	Nil	9.27	41	South Port NZ	150	+7.4	-0.6	18	2	1.6	9	1.1	18	6.0	3.07	39
Apple Fields	15	+23.9	-3.6	1	-	8.6	-	2.1	NE	Nil	1.11	4	Broadway Ind	35	+7.3	+0.7	19	-	1.0	10	1.6	10	Nil	0.19	7
Steel & Tube	259	+21.4	+3.1	2	5	1.7	11	1.0	15	9.2	0.58	227	Infratil NZ	174	+7.3	+1.5	19	1	2.0	10	0.9	20	6.0	4.05	323
Eldercare NZ	26	+21.2	+9.4	3	-	1.4	-	2.5	NE	Nil	1.20	46	Warehouse Group	675	+7.3	+1.1	20	6	7.9	25	0.7	32	2.8	1.22	2,054
Owens Group Ltd	143	+20.1	+4.0	3	3	2.4	14	0.9	16	5.2	0.21	81	Dairy Brands	65	+6.6	-2.9	21	-	1.1	9	1.3	12	Nil	2.98	32
Pacific Retail	225	+17.0	+3.4	4	3	1.9	19	1.3	10	Nil	0.28	114	Cavalier Corp	608	+6.5	+2.0	22	2	3.5	22	0.8	16	7.9	1.01	191
Wrightsons Ltd	119	+17.0	-0.1	5	2	1.4	9	1.4	15	10.0	0.23	160	Pure NZ Limited	11	+6.1	-1.6	22	-	-	-	3.1	NE	Nil	8.73	3
Frucor Bev.	232	+16.6	+5.4	5	5	7.7	31	1.0	25	5.1	1.27	290	NZ Refining Co	1850	+6.0	+3.5	23	1	1.5	23	0.3	6	20.2	1.49	444
Contact Energy	393	+13.7	-0.2	6	6	1.4	8	0.8	19	6.3	2.16	2,374	Hallenstein G.	292	+5.9	+1.4	24	5	4.3	29	0.8	15	9.5	1.01	169
Cedenco Foods	226	+13.6	+1.7	7	-	1.2	15	0.9	8	Nil	1.30	35	DB Group	600	+5.5	+2.2	24	4	2.4	18	0.5	13	6.7	1.09	303
F & P Appliance	1105	+12.8	+0.0	7	7	3.4	10	0.6	34	3.4	2.21	718	Port Tauranga	710	+5.5	-0.2	25	6	2.0	8	0.5	26	5.0	7.22	542
Restaurant Brds	188	+12.2	+2.0	8	5	6.2	45	1.2	14	7.9	0.73	173	Opio Forestry	60	+5.3	+5.1	26	-	0.6	-	1.3	NE	Nil	N/A	9
Horizon Energy	1385	+12.1	+0.3	9	1	2.4	17	0.5	14	9.2	2.86	69	Beauty Direct	13	+5.2	+6.4	26	-	1.4	-	2.8	NE	Nil	4.89	4
Taylor's Grp Ltd	147	+11.7	+3.2	10	1	1.6	14	1.1	12	7.1	0.80	36	Hellaby Hold.	228	+5.2	+1.5	27	1	1.5	17	1.0	9	9.8	0.30	113
Michael Hill	489	+11.6	-0.3	10	4	3.8	20	0.7	19	4.6	1.00	189	Pyne Gould G.	124	+5.2	-1.9	28	-	1.6	18	1.2	9	8.4	0.64	69
Tasman Agric.	175	+11.4	-2.3	11	-	1.1	-	0.8	NE	Nil	3.07	184	Sky Network TV	408	+5.1	+4.4	29	6	18.8	-	0.9	NE	Nil	5.29	1,588
Sky City Ltd	618	+10.4	+0.6	12	6	2.7	15	0.6	18	15.2	2.80	1,239	Natural Gas	126	+4.9	+2.1	29	6	0.8	7	1.2	11	Nil	1.30	567
Ebos Group Ltd	338	+9.9	+1.9	12	-	2.3	14	0.8	16	6.2	0.85	91	Goodman Fielder	190	+4.7	+0.6	30	-	1.4	10	0.7	14	5.3	0.57	2,425
Mainfreight Grp	158	+9.9	+3.8	13	5	2.3	7	0.9	33	6.1	0.28	115	Evergreen	56	+4.3	+1.9	31	-	0.7	6	1.3	12	Nil	2.38	79
Powerco Limited	195	+9.6	-0.5	14	1	0.5	-	0.9	NE	Nil	0.68	N/A	Mowbray Collect	72	+4.3	+2.4	31	-	-	-					

Australian Company Analysis: Noni B

Noni B is a womens clothing retailer that is rated a "Buy" in our *Comprehensive Share Selection Criteria*. Unfortunately this is a very small company and the shares are very tightly held, so we cannot consider formally recommending them, but they should be a good holding for aggressive investors who are able to pick up a few shares.

Company History

The current Managing Director, Alan Kindl, and a business partner opened two retail stores in 1977. In 1989, Alan Kindl bought out his partner and embarked upon a growth strategy. In May 2000 the company offered 6,500,000 shares to the public at \$1.00 per share and listed on the Australian stockmarket.

The company opened 24 new stores in the year to June 2000, giving it 114 stores at the time of its initial public offering. 18 new stores opened in the year to June 2001, taking the total to 132. A further 12 stores are planned for the current financial year, with eight opened ahead of the peak Christmas shopping period.

Recent Results

The June 2000 year (i.e. prior to listing) saw revenues leap 139.8% to \$66.2 million, with profits up 128.6% to \$2,890,000 (13.4 cents per share). A dividend of 2.0 cents was paid.

The June 2001 year suffered from the post-GST slowdown. Revenues rose 6.2% but profits slipped 40.2% to \$1,727,000 (7.9 cents per share). The dividend payout, however, was raised 225.0% to 6.5 cents.

Investment Criteria

At 73 cents, Noni B shares trade on a low Price/Sales ratio of 0.23, a low Price/Earnings ratio of 9 and offer a high Dividend Yield of 8.9%.

The company has moderate debt levels (i.e. \$7.9 million in interest bearing debt) but is still holding \$5.6 million in cash, from its public share issue, which can be used to finance future growth.

The issued capital is only 22.3 million shares, so the market capitalisation is just \$16 million. This makes Noni B a *micro-cap* Australian listed company. As a group, *micro-cap* shares do tend to outperform the broad market by a significant margin, but they can also be extremely risky and the shares can lack marketability (i.e. can be very difficult to buy or sell in any quantity).

Marketability in Noni B shares is made worse by the fact that the four members of Kindl family still own 66.4% of the company! Of course, this *high management* interest in the company is extremely favourable.

This *tight scrip* situation could lead to rapid appreciation in the share price *if the company continues to perform well*.

Despite their large shareholdings, *insiders* bought more Noni B shares when the price was depressed. James Kindl purchased 42,808 shares in April 2001 (at about 69 cents), 56,000 shares in July 2001 (around 62 cents) and 72,308 shares in November (at 66 cents) to increase his holding to 3,741,926 shares. The Chairman, R Critchley purchased his first 50,000 shares on-market at about 63 cents in July.

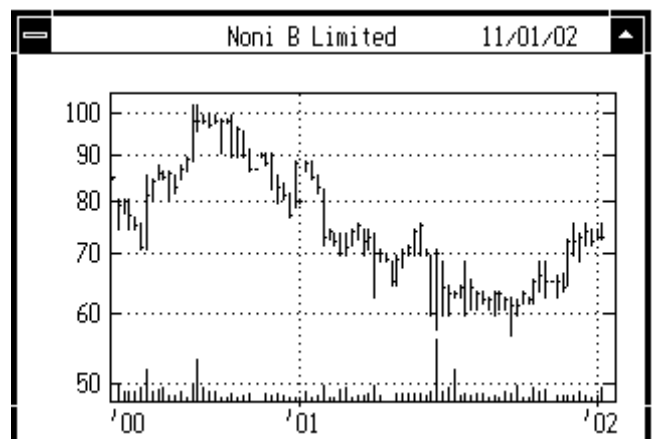
Noni B is *neglected* by stockbrokers (i.e. none follow the company closely enough to publish profit forecasts) and by institutional investors (i.e. there are just two institutional shareholders owning just 4.9% of the company).

Technically, Noni B shares appear to be in the early stage of a new uptrend. The shares initially opened on the stockmarket at a significant discount to their \$1.00 issue price, but regained that price in September 2000. The slowdown in the retail sector then saw the price drop 40% in value. The shares stabilised around 60-65 cents from June to October 2001 and have recently started to recover in value. The Relative Strength rating is +1.0%, ranking them at 37 (on a scale of 0-99).

Summary and Recommendation

Unfortunately, Noni B shares are inactively traded and difficult to purchase in large quantities. Otherwise, the shares look very attractive. They appear under-valued and offer a high dividend yield. The business is recovering from an industry wide downturn and its steady store expansion will generate new growth. High management ownership, insider buying and neglect from outsiders (i.e. brokers and institutions) are all favourable factors.

A small shareholding in Noni B shares would be suitable for investors who understand the potential risks involved in *micro-cap* shares - but are also attracted to their potential high returns.



Australian Company Analysis: Grow Force Australia

Grow Force Australia is another small company that rates well in our *Comprehensive Share Selection Criteria*. These shares trade in better quantities than Noni B shares, but have been *extremely* volatile over the last two months. Aggressive investors seeking maximum capital appreciation from investing in very small companies - and prepared to accept high risks - may consider a small investment in this company.

Company History

The company was formed in 1929 as **General Fertiliser**, listed on the Australian stockmarket in 1988 and changed its name to Grow Force Australia in 1989 but remained a very small company whose shares were infrequently traded.

This situation changed in early 2001 with the "reverse takeover" of **Ruralco**, a much larger, *unlisted* rural merchandising company that was established in 1970. The original Grow Force shareholders held 22.4% of the merged business. **Incitec's** 51% shareholding in Grow Force was diluted to 11.6% in the merger and subsequently sold.

Recent Results

In the year to September 2000 (i.e. before the merger) Grow Force Australia generated revenues of \$103.0 million but traded unprofitably - losing \$877,000 - and did not pay a dividend.

For the year to September 2001 - which included only eight months trading for Ruralco - revenues were \$354.8 million and profits \$1,876,000 (22.3 cents per share). An annual dividend of 14.0 cents was paid. The announcement of this profit result in late November has led to the rapid re-rating of Grow Force Australia's share price.

For the full year to September 2002 the company expects revenues of over \$500 million and profits of \$3.7 million (40-44 cents per share).

Future Growth Potential

Prior to the merger, Ruralco's stated strategic objective was "to develop and secure additional revenue" from geographic expansion and to use its "core competencies in administration, logistics and marketing" to increase its range of rural services.

Merging with Grow Force Australia partially achieved this by expanding its business into fertilisers, but the group appears to be seeking further significant growth opportunities.

The group has a "strong belief that independently operated rural merchandising stores provide superior service to rural customers, and hence are the preferred means of distribution for the Company's products and services". Most stores operate under the *CRT* or *Town & Country* brands.

Last month (December 2001) Grow Force Australia made three acquisitions: Firstly, it issued 960,000 new shares to pay for the acquisition of **Rodwells & Company**. This business offers rural customers a wide range of services including wool and livestock,

real estate and rural merchandising. Grow Force will use this business as the basis for building up an independent network of wool and livestock agencies across Australia.

Secondly, the company purchased **Rural & Metro Realty** in Western Australia - which will be used to build a national independent real estate member network under the *CRT Realty* brand.

Thirdly, Grow Force acquired a majority shareholding in **Rawlinson & Brown Pty** for cash. This business is one of the largest operators of Grow Force's *CRT* stores and also has interests in real estate, insurance, water transfers, wool and livestock. Acquisition of this store operator will "assist the group with the development and launch of independent member networks in real estate and wool and livestock".

Investment Criteria

Although the Grow Force share price has more than doubled over the last two months the shares look to be *under-valued*. At \$3.65, the Price/Sales ratio is very low at 0.09, the Price/Earnings ratio is 16 and the Dividend Yield is 3.8%. These statistics are based upon only eight months trading for Ruralco, so the current year's profit of \$3.7 million will reduce the P/E ratio to just 8-9. Strong internal growth is possible if the "know-how" from recent acquisitions can be used to establish new nationwide network businesses.

Grow Force Australia is still a relatively *small* Australian business with a market capitalisation of just \$30 million. Despite being small, the shares are widely held by a lot of small shareholders.

Director LR Petch owns 145,956 shares (or 1.6% of the company) and CE Getley holds 121,462 shares (1.3%). Three other directors own 10,000-29,000 shares each.

There has been one *insider* buy and two sells in Grow Force Australia shares over the last year. LR Petch purchased 20,000 shares on-market at about \$2.40 per share in March 2001, while in the previous month JW Hughes had sold 5,085 shares at \$2.20 and BS Trigg (who is no longer a director) sold 60,000 shares at \$2.50.

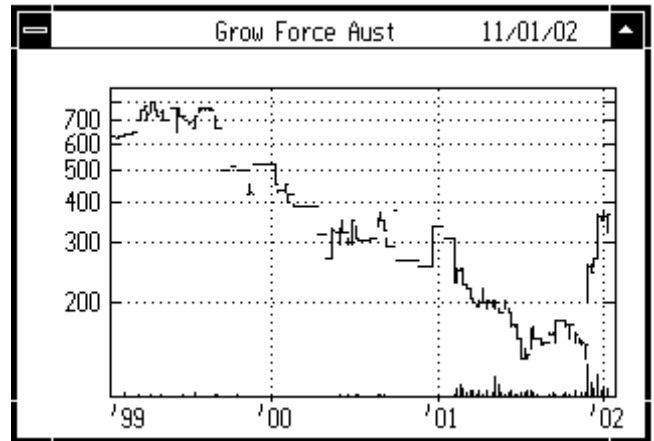
The shares are *neglected* by brokers and there is just one institutional shareholder (owning 15.4% of the company).

Technically Grow Force Australia shares remained in a very long down trend from a peak in 1997 through until November 2001, during which time they lost 89% of their value! Even the merger with Ruralco failed to break this down trend. That situation, however, has changed very quickly following the announcement of the excellent profit for the period to September 2001. The shares leapt 107 cents with the profit announcement and another 90 cents after announcing acquisitions (and growth plans) in December. The Relative Strength rating is +15.8%, ranking the shares at a *very strong* 9 (on a scale of 0-99).

Summary and Recommendation

As you can see, very small companies shares can be very volatile - so they are only suitable for investors with well diversified portfolios and who understand the risks involved with illiquid shares. Nevertheless, volatility can be a favourable investment factor. The loss on *any* individual shareholding is limited to 100% (i.e. the very *worst* thing that can happen is that it becomes worthless), but there is no limit to potential gains! A very volatile share that meets other investment criteria (i.e. under-valued and with growth potential) can therefore make a valuable contribution to a portfolio.

A small investment in Grow Force Australia shares *may* therefore be suitable for more aggressive investors.



Australian Company Analysis: Village Roadshow

Village Roadshow is a diversified entertainment company recovering from a three year industry downturn in its Cinema Exhibition division. The "A" Class Preference shares offer a high income yield and (like the ordinary shares) will participate fully in any recovery and growth by the company.

Company History

The company was formed in 1986 as **De Laurentiis Entertainment** to produce and finance motion pictures. The company listed on the Australian stockmarket following a public offer of 55.0 million shares at 50 cents in January 1987.

In 1992, the company expanded into Theme Parks with the acquisition of a 33% interest in **Sea World Property Trust**. A Warner Bros/Village Roadshow joint venture is currently seeking to take full ownership of this Surfers Paradise theme park. Village Roadshow also owns **Warner Bros Movie World** and **Wet 'n' Wild Water World**.

The Cinema Exhibition division grew from the November 1992 acquisition of the South East Asian multiplex cinema operations of **Village Roadshow Corporation** for \$32.8 million in cash and shares. This transaction gave Village Roadshow Corporation control of the listed company - which changed its name to Village Roadshow. From 1996 this division has expanded rapidly in both Australia and internationally - but the industry has faced a downturn in recent years.

In 1993 the group entered the radio broadcasting business with the \$93 million purchase of FM radio stations from the **State Bank of New South Wales**. These radio interests were merged with listed **Austereo** in September 1994 when Village Roadshow purchased a 53.5% interest in Austereo. A full takeover bid was made for Austereo in 1997 - which Village Roadshow refloated on the stockmarket in 2001.

In 1997 a strategic review of Village Roadshow's Film Production division led to its focus on mainstream international movies through a five year, twenty film

production partnership with Warner Bros. This was so successful (producing *The Matrix*, *Analyze This*, *Three Kings*, *Miss Congeniality*, *Swordfish*, *Cats & Dogs*, *Deep Blue Sea*) that in February 2000 the partnership was extended by three years and an additional twenty films. Unfortunately, two recent movies, *Red Planet* and *The Majestic*, have been unsuccessful. It has been suggested that Warner Bros and Village Roadshow Pictures may each lose US\$35 million on *The Majestic*.

Less successful ventures included purchasing **Daydream Island** in January 1996 for \$22.6 million from the receiver of **Jennings Group**. A 50% interest was also purchased in **Laguna Quays Resort** for \$23 million in August 1997. These assets were sold in 1999 for undisclosed sums.

Village Roadshow and **Ten Network** each lost \$22 million in an October 1999 joint venture into the internet entertainment market - that was closed down seventeen months later.

Restructuring

In November 1998, Village Roadshow decided to restructure its operations "to focus on its core businesses of Cinema Exhibition, Radio and Theme Parks".

Non-core assets (e.g. property assets used in the Cinema Exhibition business, Daydream Island, Laguna Quays Resort, a TV production business) were sold off. Ambitious plans to expand the Exhibition business have been scaled back, and these interests have been rationalised. Cinema exhibition operations were sold in Hong Kong (realising about A\$77 million), Germany (\$28 million - which was significantly below cost), Switzerland and Hungary (totalling \$94 million) and France (\$60 million). At the same time Village Roadshow increased its ownership by buying out joint venture partners in South Korea (a very successful market), Thailand and Greece.

Although the Exhibition business has performed poorly, Village Roadshow has interests in 1521 screens at 183 sites in 14 countries. (Continued on Page 10)

Company Analysis: Village Roadshow*(Continued from Page 9)*

Around \$100 million will be spent on further developments this financial year. Exhibition "remains a core division of the group and the company is committed to developing one of the world's highest quality cinema circuits that generates strong returns" by reducing its involvement to just 8-10 countries. Recent films, *Harry Potter* and *Lord of the Rings*, will boost revenues and profits for this division.

The major asset sale to reduce debts, and which has boosted its cash holding to \$303.3 million, was the partial sale of **Austereo** which has once again become a listed company. Village Roadshow sold 191.4 million Austereo shares at \$1.85 per share raising \$315 million in cash (after costs). Village Roadshow continues to own 251,562,594 Austereo shares (58.23% of the company) which have a current market value (at \$2.23) of \$561.0 million.

Capital Structure

Village Roadshow has an unusual capital structure with two classes of "equity" shares. There are 236,087,727 ordinary shares (code VRL) and 240,376,951 "A" Class Preference shares (code VRLPA). The "A" Class Preference shares are the most attractive for investors.

The ordinary shares have the usual voting rights and entitlement to dividends (if declared). Village Roadshow Corporation (i.e. the private company) owns 47.4% of these voting shares and United Danmark owns 17.9%. These two groups control Village Roadshow, so the voting rights attached to the ordinary shares are of little or no value - especially to small individual shareholders.

The "A" Class Preference shares are effectively *non-voting ordinary* shares but also have preferential entitlements to dividends. The preference shares will receive the higher of (1) a minimum annual dividend of 10.175 cents (plus franking credits) or (2) an annual dividend 3.0 cents *higher* than paid on the ordinary shares. As voting rights have little real value, these dividend rights make the preference shares *more attractive* than the ordinary shares. If the company performs poorly the preference shares will receive at least 10.175 cents (while the ordinary shareholders may receive nothing) but if the company performs well the preference shares participate in the growth in the dividend paid to the ordinary shareholders.

Not only do the preference shares receive a higher dividend, but the stockmarket currently values them at about a 20% discount to the ordinary share price - which further boosts their effective yield.

The preference shareholders will also receive voting rights if (1) preference dividends are more than six months in arrears or (2) for any proposal to reduce the capital, wind up the company or sell the company's business. On a winding up of the company, the first 50 cents on the preference shares ranks ahead of the ordinary shares, after which they share equally in the assets of the company. The preference shares will convert to ordinary shares in a takeover.

Both the ordinary shares and the "A" Class Preference shares are very actively traded in large volumes.

Recent Results

For the year to June 1999, revenues rose 39.8% to \$617.3 million while trading profits increased just 7.6% to \$75,418,000 (16.9 cents per share). There were also extraordinary losses of \$48.2 million. Ordinary shares received a steady 10.0 cents dividends, with preference shares receiving 13.0 cents.

The year to June 2000 saw revenues up just 1.1% to \$623.8 million and trading profits 1.4% higher at \$76,503,000. Extraordinary items netted out to a loss of \$1.0 million. Earnings per share were marginally lower at 16.3 cents (owing to the issue of additional preference shares). The ordinary dividend was cut 28.3% to 7.175 cents, with preference shares receiving the minimum 10.175 cents dividend.

Revenues rose 16.6% to \$727.6 million for the year to June 2001, while trading profits slipped 3.8% to \$73,634,000 (15.5 cents per share). A \$191.3 million gain on the sale of Austereo shares, less losses on asset write downs and accounting changes, resulted in a net extraordinary gain of \$49.5 million. The dividends remained steady at 7.175 cents for the ordinary shares and 10.175 cents for the preference shares.

The relatively steady group trading profits hide a great variance in performance from different divisions within the company. The Radio and Film Production divisions have both been strong growth businesses, Theme Parks have yielded steady results, while Cinema Exhibition has been a disaster! 45-50% of the group's assets are invested in the Exhibition business which traded unprofitably last year.

Here are the divisional break-downs.

Assets (millions of dollars)			
Division	1999	2000	2001
Exhibition	1008.4	1006.7	894.5
Theme Parks & Resorts	120.1	90.7	89.9
Radio	534.9	557.0	579.1
Film Production	142.7	153.8	248.2
Revenue (millions of dollars)			
Division	1999	2000	2001
Exhibition	370.1	361.5	287.4
Theme Parks & Resorts	54.3	39.2	23.7
Radio	198.6	242.4	263.9
Film Production	101.6	42.6	131.9
Earnings before Abnormals, Interest and Tax (millions of dollars)			
Division	1999	2000	2001
Exhibition	14.7	1.3	<13.5>
Theme Parks & Resorts	8.2	8.0	13.7
Radio	47.4	64.6	75.0
Film Production	18.5	16.4	36.9

Investment Criteria

At 190 cents the ordinary shares trade on a Price/Sales ratio of 1.24, a Price/Earnings ratio of 12 and offer a Dividend Yield of 3.8%.

The preference shares trade at 152 cents, which is a Price/Sales ratio of 0.99, a Price/Earnings ratio of 10 and - owing to both the *lower price* and *higher dividend* entitlement - offer a high Dividend Yield of 6.7%.

Village Roadshow is a relatively *asset rich* company with a \$561 million (117 cents per share) investment in Austereo and \$303 million (64 cents per share) in cash. That is a total of 181 cents per ordinary and per preference share in listed securities and cash. Interest bearing debts are \$318.2 million. Shareholders Equity is \$1,225.3 million (257 cents per share).

The combined market capitalisation of the ordinary and preference shares is \$814 million, making this a

large listed Australian company.

Management have a significant holding in Village Roadshow. JR Kirby and RG Kirby own shares in Village Roadshow Corporation, which owns 111,819,817 ordinary shares (47.4% of the votes and 23.5% of the total equity capital). GW Burke 57,372 ordinary shares and 1,390,400 preference shares. PM Harvie has 248,480 preference shares. WJ Conn has 191,563 ordinary shares and 14,388 preference shares, while PD Jonson holds 10,000 ordinary and 32,921 preference shares. There has been one *insider* trade over the last twelve months, with PM Harvie selling 9,325 shares in May 2001 at \$1.43.

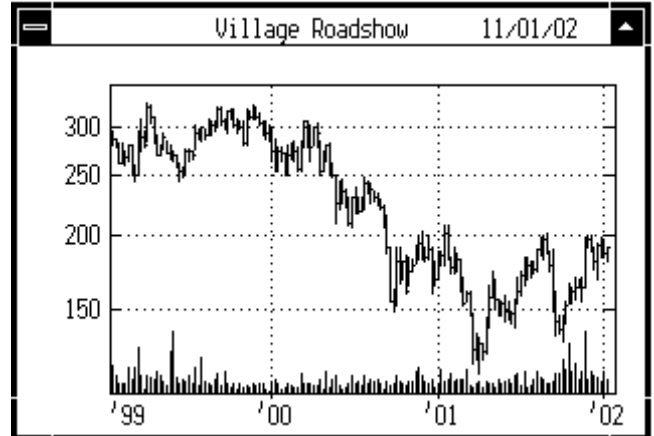
As we would expect with a large company, institutional investors have large shareholdings, but Village Roadshow is only *moderately followed* by brokers (i.e. only five firms publish profit forecasts).

Village Roadshow shares peaked at 670 cents in February 1996 and steadily lost 82% of their value through to an ultimate low of 118 cents in April 2001. Since then the shares have started to recover, with the Relative Strength rating currently +3.8%, ranked 28 (on a scale of 0-99).

Summary and Recommendation

We are not formally recommending an investment in Village Roadshow, but the "A" Class Preference shares offer a *very secure* current income yield of 6.8%. These preference shares will also participate in the recovery and future growth of this asset rich, diversified entertainment company.

The Preference shares should appeal to retired investors seeking current income and low risks - but with potential for income growth and capital appreciation over the medium to long term.



Company Review: Computershare

In a single day last week, **Computershare** shares lost just over one-third of their value. What triggered this massive fall? Simply the seemingly harmless announcement that "Results for the six months ended December 2001 will be around the same level" as the previous year (which was up 160% on 1999) and that earnings growth for the full year is "unlikely" to be above 20%. In response the share price fell from \$5.69 to \$3.75 - a decline of 34% in just one day!

In June 2001 we reviewed Computershare after our *Comprehensive Share Selection Criteria* identified the shares as *Over-Valued* with *Insider Selling*. At \$6.40 the shares rated as "Sell" or "Avoid".

Computershare has been a very successful company. In our June review we noted that "earnings per share have risen over 4½-fold over the last five years". Its share price has been even more successful, rising almost 20-fold over that period! The P/S ratio was 8.36, the P/E ratio a sky high 90 and the Yield just 0.2%. That extremely high share valuation *anticipated* the next 3-4 year's *expected* rapid profit growth. Unfortunately, highly valued shares are seldom a good investment. If profits continue to rise rapidly the share price may under-perform (as that growth was anticipated and fully reflected in the original share price) but if the company fails to achieve the market's high expectations the share can plunge in value.

So the announcement of flat, or less than 20%, growth falls well short of the market's expectation and resulted in the rapid depreciation in the share value.

There were other warning signs in June apart from the excessively high valuation: *Insiders* were selling

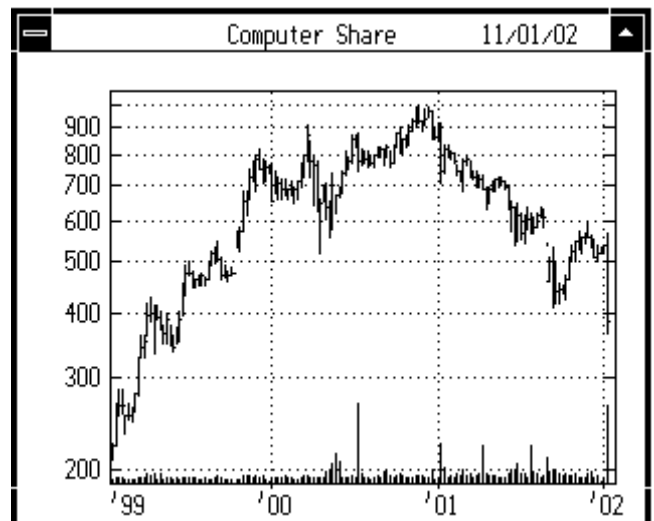
Computershare and there had been three buys and seven sells over the previous year. Overall, directors had been net sellers of 3.28 million shares!

The Relative Strength rating was *negative*.

Interest bearing debt was also accumulating rapidly. Computershare went from debt free in 1996 to owing around \$200-220 million in June.

Our conclusion in June? "The high valuation probably *over-anticipates* future growth potential. We would expect the current share price weakness to be more than a short term correction. The shares could decline further - perhaps as low as \$2-4 - or at least under-perform the market and remain around \$6-8 over the next 2-3 years."

Today? The P/E is still too high at 54. That is too pricey to attract our interest.



"Insider" Trades in Australian Shares

The first table below shows the number of Purchases and Sales of a company's shares by its Directors over the last twelve months (excluding "Neutral" situations where the number of Buyers and Sellers were equal). Shares where many "insiders" have been buying can outperform the market for up to two years, while shares where many "insiders" have sold can under-perform for a similar period.

"Insider" Indicators

Last 5 wks: 82.9% Buyers

Last 13 wks: 79.5% Buyers

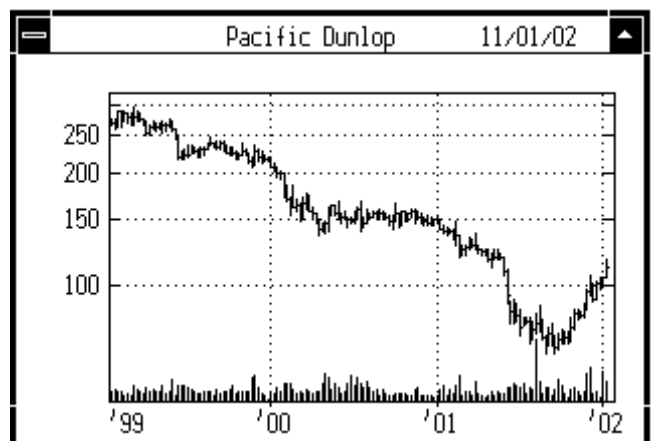
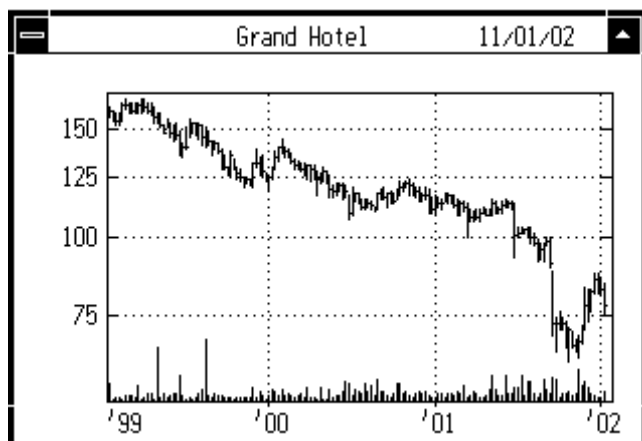
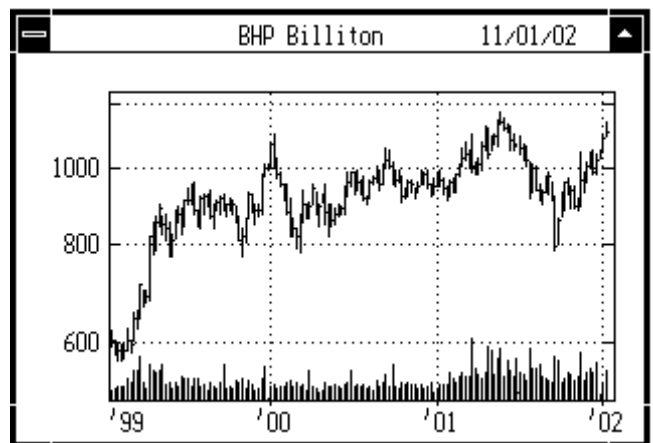
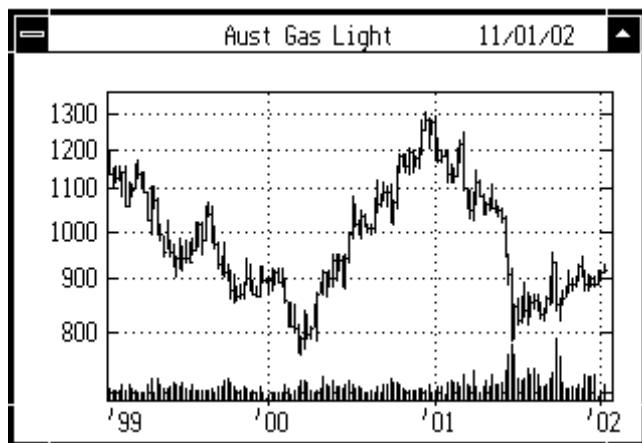
Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMCIL Limited	2-0	Carnegie Corp	1-0	Greater Pacific	3-0	Millers Retail	4-1	Seven Network	2-0
AMP Ltd	1-0	Catalyst Rec'mt	4-0	Greenstone Res.	2-0	Milton Corp.	6-0	Sharon Austen	2-0
ANZ Bank	5-0	Cent Pac Min'ls	4-0	Grow Force Aust	1-2	Mineral Commod.	1-2	Simsmetal Ltd	0-2
APN News Media	1-0	Cent West Gold	0-1	Hallmark Cons.	8-1	Minerals Corp.	1-0	Sirocco Res.	3-0
ARC Energy	6-0	Centennial Coal	5-0	Hamilton Island	1-0	Morning Star	1-0	Skilled Eng.	3-1
Acclaim Explor	3-0	Chaos Group Ltd	1-0	Hansen Tech.	0-1	Mosaic Oil NL	4-0	Snack Foods Ltd	1-0
Acma Engineer.	1-0	Chiquita Brands	3-0	Haoma Mining NL	2-1	Mt Burgess Min.	12-0	Sonic Health	0-5
Adelaide Bright	2-1	Circadian Tech	3-1	HarTec Ltd	2-0	Mt Grace Res.	0-1	Sons of Gwalia	0-1
Adelaide Bank	1-0	Citadel Pooled	1-0	Hardman Res.	4-1	Murchison Un.	3-0	Soul Pattinson	9-0
Adsteam Marine	5-0	Cleland (P) Ent	3-0	Harrington Grp	0-1	My Money	0-1	Southcorp Ltd	7-1
Adtrans Group	0-4	Climax Mining	2-0	Harvey Norman	0-5	Nat'l Foods	6-3	Sphere Invest.	1-0
Allegiance Min.	1-0	Clough Limited	1-0	Harvest Road	3-0	Nat'l Aust Bank	11-0	Spotless Group	1-0
Ambition Group	1-0	Coates Hire	2-0	Healthscope	16-4	National Hire	2-0	St George Bank	12-0
Amcor Ltd	7-0	Cochlear Ltd	0-1	Helix Resources	2-0	Neverfall Spr.	0-1	Sthn Cross Brd.	3-2
Amity Oil NL	5-1	Coles Myer	3-0	Henry Walker E.	2-1	New Tel Ltd	0-2	Sthn Star	2-0
Amrad Corp.	5-0	Colorado Group	2-0	Herald Resource	2-0	Newcrest Mining	3-0	Stockford Ltd	2-0
Anaconda Nickel	3-0	Com'wealth Bank	9-0	Hill 50 Gold	7-0	News Corporatio	2-1	Stockland Trust	1-0
Anzoil NL	3-0	Comb Communicat	2-1	Hillcrest Res.	6-0	Noni B Limited	4-0	Strategic Min.	3-1
Apollo Group	1-0	Commander Comm.	4-0	Hills Indust.	5-0	Normandy Mining	2-0	Structural Syst	1-0
Aquila Res.	4-0	Commsecure Ltd	3-0	Hitech Energy	1-0	Normandy NFM	2-0	Sun Resources	4-1
Argo Investment	13-2	Computer Share	6-2	Housewares Int.	4-0	Northern Gold	1-0	Sundowner Group	1-0
Ariadne Aust	1-0	Corp Express	3-2	Hugall & Hoile	1-0	Nufarm Limited	3-2	Sunraysia TV	1-0
Atlas Pacific	0-2	Crane Group	5-0	Huntley Invest	4-5	OAMPS	11-2	Swiftel	2-0
Auspine Ltd	4-0	Cranswick Wines	4-0	Hydromet Corp.	3-0	OPSM Group Ltd	0-1	Swish Group	2-1
Aust Stock Exch	2-1	Croesus Mining	0-1	IWL Limited	3-0	Online Trading	2-0	Sylvastate Ltd	1-0
Aust Rural	3-1	DCA Group Ltd	2-0	Isla Limited	0-2	Online Advant.	3-1	Symex Holdings	0-2
Aust Magnesium	3-0	Data & Commerce	3-0	Isabets Limited	0-1	Orbital Engine	1-0	TAB Ltd	1-0
Aust Heritage	1-0	David Jones	8-0	Icon Energy	0-1	Orica Ltd	8-0	TAB Queensland	4-0
Aust Gas Light	16-0	Devine	1-0	Iuka Resources	2-0	Oroton Int'l	2-0	Tabcorp Holding	1-2
Aust Pharm. Ind	2-0	Diamond Rose	1-0	Imdex Limited	0-1	Oxiana NL	6-0	Tamawood Ltd	3-0
Aust Foundation	8-0	Div. United Inv	1-0	Imperial One	1-0	PCH Group	1-0	Tanami Gold NL	1-0
Austindo Res	1-0	Djerriwarrh	6-0	Impress Tech.	2-1	PEG Technology	0-3	Tandou Ltd	1-0
Austral Coal	1-0	E-Bet Limited	1-0	Institute Drug	2-3	PMP Limited	12-0	Tap Oil	3-0
Austrim Nylex	1-0	E-Com Multi Ltd	1-0	Intermin Res	3-0	POS Media	2-0	Tassal Ltd	2-1
Automotive Ind.	1-0	E-Star Online	2-0	Investor Group	1-2	Pac Strategic	5-0	Tempo Services	3-2
BHP Billiton	17-1	E.R.G.	0-1	locorn Limited	3-0	Pacifica Group	6-0	Tennyson Netwks	5-0
BRL Hardy Ltd	20-12	ETRADE Aust.	1-0	Joyce Corp.	1-0	Pacific Mining	0-1	Terraplanet Ltd	3-0
BT Aust Equity	11-0	Earth Sanct.	0-1	Jubilee Mines	3-1	Pacific Dunlop	11-0	Text Media Grp	5-0
BT Global Asset	1-0	Ecorp Limited	0-1	Julia Ross Rec.	3-0	Paperlin X Ltd	8-0	Ticor Ltd	2-0
Bank of W.Aust	1-0	Efinancial	2-0	Jumbo Corp	0-1	Payce Consol.	6-0	Timbercorp	2-1
Barton Capital	1-0	Emitch Limited	1-0	Kagara Zinc Ltd	9-0	Perilya Mines	1-0	Titan Resources	1-0
Bass Strait Oil	2-0	Energy Develop.	2-4	Kalrez Energy	1-0	Perp Trust Aust	11-5	Toll Holdings	0-4
Beacon Fin Serv	9-5	Envestra	1-0	Kimberley Diam.	0-1	Peter Lehman W.	2-0	Travel.com.au	2-0
Bemax Resources	2-0	Equus Limited	3-0	Kimberley Oil	1-0	Platinum Cap'l	6-0	Triako Res.	2-1
Bendigo Bank	6-0	Euroz Limited	1-0	Kingstream St'l	1-0	Poltech Int'l	2-6	Troy Resources	2-0
Billabong Int'l	1-0	Evans & Tate	3-2	Kingsgate Cons.	5-0	Portman Limited	3-0	Union Capital	2-0
Biota Holdings	3-0	Fairfax (John)	7-0	Lafayette Min.	1-0	Precious Metals	3-0	Utility Serv.	3-0
Biotech Capital	2-0	Fiducian P Serv	1-0	Lakes Oil NL	2-0	Prime Life Corp	2-0	Vietnam Indust.	2-1
Biron Capital	16-0	First Wine Fund	4-0	Lang Corporatio	1-0	Publishing & Br	5-3	Villa World	4-0
Blackmores Ltd	1-0	Flight Centre	2-1	Legalco Limited	2-0	Q Multimediam	4-0	Village Road.	0-1
Boral Limited	9-0	Foodland Assoc	2-0	Leighton Hold	1-0	Q.B.E. Insur.	13-1	Vital Capital	1-0
Brambles Ind.	1-0	Fortland Hotel	4-0	Lernarne Corp	2-0	Qantas Airways	1-0	Volante Group	3-0
Brandrill	0-1	Found'n Health.	6-0	Lend Lease Corp	3-0	Quadrant Aust.	4-1	W.M.C. Limited	1-0
Brazin Limited	5-0	Freedom Group	3-0	Lion Selection	2-0	Queens'd Cotton	2-1	WAM Capital Ltd	1-0
Brickworks Ltd	10-0	Funtastic Ltd	0-1	Ludowici Ltd	3-0	R M Williams	4-0	Waterco Ltd	6-0
Bristle Ltd	3-4	Futuris Corp.	1-0	M.I.M. Holdings	3-0	R C Tomlinson	1-0	Wattyl Ltd	4-0
Buderim Ginger	1-0	G.R.D. NL	0-2	M.Y.O.B. Ltd	3-2	RMG Limited	0-3	Wedgetail Exp.	2-0
Buka Minerals	2-0	G.U.D. Holdings	2-0	MXL Limited	4-1	Ramsay Health	3-1	Werrie Gold Ltd	0-1
Bunnings W/hse	3-0	GWA Internat'l	2-1	MacMahon Hold	4-0	Range Resources	1-0	Wesfarmers Ltd	12-7
Burswood Ltd	9-0	Garratt's Ltd	2-0	Macmin NL	6-0	Ranger Minerals	1-0	West Oil NL	5-0
C.S.R. Ltd	6-0	Gazal Corp	2-3	Macquarie Bank	6-2	Rec. Solutions	0-1	West'n Metals	7-0
CCK Financial	1-0	Genetic Tech.	3-0	Macro Corp.	1-0	Resolute Mining	1-0	Westfield Hold.	5-1
CDS Tech	1-0	Ges Internat'l	0-1	Magnetic Min.	0-2	Rio Tinto Ltd	1-0	Westgold Res.	2-0
CI Technologies	5-2	Gippsland Ltd	1-0	Majestic Res.	1-0	Roc Oil Company	2-1	Westpac Banking	3-2
CPT Global Ltd	5-2	Giralia Res.	2-0	Maxi TRANS	1-0	Rural Press Ltd	1-0	Wet Dreams Ltd	1-0
CSL Limited	0-1	Glengarry Res.	3-2	Mayne Nickless	5-0	S.P.C. Ltd	6-1	Whitefield Ltd	0-1
Campbell Bros	8-2	Global Seafood	2-1	McGuigan Wines	8-0	Schaffer Corp	5-0	Wide Bay Cap'n	2-1
Canbet Limited	3-0	Global Doctor	0-1	Mermaid Marine	1-3	Scientific Serv	0-1	Wine Investment	7-0
Capral Alum.	3-0	Goldstream Min.	3-0	Metroland Aust	5-0	Senetas Corp	2-0	Woodside Petrol	1-0
Cardia Tech.	1-0	Goodman Fielder	2-0	Mikoh Corp.	3-0			Woolworths Ltd	2-0
Carnarvon Pet.	1-0	Grand Hotel	12-0					Yamarna Goldfld	2-0

“Insider” Trades in Australian Shares

The table ranks Industry Groups by the average number of Net Buyers (i.e. Buyers less Sellers over the last year). Consistent buying across an Industry may indicate developments that are favourable for all companies within that sector, while consistent Industry selling may indicate an unfavourable outlook for that whole sector.

Rank	Industry Group	Insider Buy-Sell	No. Average of Buyers-Coys Sellers	Rank	Industry Group	Insider Buy-Sell	No. Average of Buyers-Coys Sellers	Rank	Industry Group	Insider Buy-Sell	No. Average of Buyers-Coys Sellers
1	Hospital Management	19-5	2 +7.00	25	Equity Investor	54-10	67 +0.66	48	Hotel/Resort	1-0	7 +0.14
2	Diversified Mining	23-1	5 +4.40	26	Television	6-1	8 +0.63	49	Mineral Sands	4-3	11 +0.09
3	Banking	56-5	15 +3.40	27	Wholesaler/Retail	6-1	8 +0.63	50	Other Telecommunications	6-4	23 +0.09
4	Insurance	25-3	7 +3.14	28	Food	24-9	24 +0.63	51	Agricultural	7-6	17 +0.06
5	Building Materials	41-5	15 +2.40	29	Building Contractor	9-1	13 +0.62	52	Diamonds	2-2	14 +0.00
6	Publishers	22-1	9 +2.33	30	Gold Explorer	78-12	108 +0.61	53	Gold/Other Mining	0-0	3 +0.00
7	Diversified Industrial	46-8	20 +1.90	31	Diversified Media	27-9	30 +0.60	54	Gold/Copper	0-0	2 +0.00
8	Vintner	44-15	17 +1.71	32	Mineral Exploration	33-4	49 +0.59	55	Brewer	0-0	2 +0.00
9	Investment Trust/Company	46-2	26 +1.69	33	Misc Financial	26-6	34 +0.59	56	Advertising/Marketing	0-0	9 +0.00
10	Trustee Company	20-10	6 +1.67	34	Gold Producer	23-3	35 +0.57	57	Machinery Manufacturer	0-0	2 +0.00
11	Chemical & Fertiliser	19-6	8 +1.63	35	Misc Services	34-11	41 +0.56	58	Network Operator	0-0	6 +0.00
12	Base Metals	29-0	21 +1.38	36	Mining Producer	8-1	13 +0.54	59	Heavy Engineer	0-0	2 +0.00
13	Forest Products	12-0	9 +1.33	37	Pharmaceutical	12-5	13 +0.54	60	Other Utilities	0-0	2 +0.00
14	Energy/Electricity	19-4	14 +1.07	38	Property Trust	21-0	44 +0.48	61	Other Infrastructure	0-0	7 +0.00
15	Retail	40-9	31 +1.00	39	Oil/Gas Producer	9-2	17 +0.41	62	Soft Drink/Confectionery	2-2	7 +0.00
16	Oil/Gas Investor	2-0	2 +1.00	40	Entrepreneurial Investor	4-1	8 +0.38	63	Health/Medical Services	6-6	16 +0.00
17	Casinos/Gaming	19-3	16 +1.00	41	Misc Industrial	25-12	38 +0.34	64	Uranium	0-0	2 +0.00
18	High Technology	35-7	29 +0.97	42	Engineering Contractor	1-0	3 +0.33	65	Mining Investment	0-0	3 +0.00
19	Oil/Gas Exploration	38-4	38 +0.89	43	Property Dev'tment/Manager	6-0	18 +0.33	66	Transport	4-5	10 -0.10
20	Manufacturer/Retailer	13-3	12 +0.83	44	Computer & Office Serv.	39-16	72 +0.32	67	Leisure Activities	1-2	9 -0.11
21	Residential Developer	8-0	10 +0.80	45	Equipment/Services	11-1	50 +0.20	68	Mining Services	0-2	12 -0.17
22	Property Investor	7-0	9 +0.78	46	Biotechnology	6-0	32 +0.19	69	Automotive	1-4	13 -0.23
23	Light Engineering	9-0	12 +0.75	47	Health & Related Products	6-2	23 +0.17	70	Gold/Investment	0-2	1 -2.00
24	Coal	6-0	9 +0.67								

What Insiders are Buying . . .



"Insider" Insights

(A summary of buying and selling by major shareholders)

Company	Shareholder	Buy/ Sell	Shares (Mill)	% of Coy Held	
				Before	After
07/12/2001					
Bendon Group	UBS Nominees	Sell	-0.372	8.53%	7.32%
Frucor Beverages	Jardine Fleming	Buy	+0.525	4.63%	5.05%
Hallenstein Glasson	AMP Asset Mgmt	Sell	-0.998	13.51%	11.79%
Utilico International	AMP Henderson	Buy	+0.741	1.89%	5.66%
Waste Management NZ	AMP Asset Mgmt	Sell	-0.678	5.60%	4.90%
14/12/2001					
Cadmus Technology	GG Hill	Sell	-1.662	23.05%	21.80%
Lytelton Port Company	AM Henderson	Sell	-1.812	12.53%	10.75%
21/12/2001					
Auckland Airport	Sing. Changi Airport	Sell	-30.009	7.14%	0.0%
Auckland Airport	CBA	Buy	+6.665	11.37%	13.93%
F & P Appliances	AMP Asset Mgmt	Sell	-0.651	7.65%	6.64%
Fletcher Building	AMP Henderson	Sell	-0.581	5.03%	4.85%
Restaurant Brands NZ	AMP Henderson	Sell	-3.003	22.04%	18.78%
28/12/2001					
Fletcher Building	AXA Asia Pacific	Sell	-1.694	5.43%	4.94%
Genesis Research	AXA Asia Pacific	Sell	-1.565	15.41%	9.40%
Kiwi Income Properties	AXA Asia Pacific	Sell	-12.400	5.97%	3.27%
Property For Industry	AXA Asia Pacific	Sell	-4.682	6.62%	4.26%
Waste Management NZ	AXA Asia Pacific	Sell	-4.685	10.23%	5.46%
11/01/2002					
Auckland Airport	CBA	Buy	+12.287	8.45%	11.37%
Tourism Holdings	AXA Asia Pacific	Sell	-1.370	5.99%	4.50%

Total Return Index for All Listed Shares

	Dec 10	2068.71		
	Dec 11	2064.35		
	Dec 12	2057.32		
	Dec 13	2058.02		
	Dec 14	2053.90		
Dec 17	2062.90	Dec 24	2067.23	
Dec 18	2047.83	Dec 25	Holiday	
Dec 19	2058.47	Dec 26	Holiday	
Dec 20	2058.80	Dec 27	2073.18	
Dec 21	2061.47	Dec 28	2077.87	
Dec 31	2083.19	Jan 7	2097.61	
Jan 1	Holiday	Jan 8	2107.89	
Jan 2	Holiday	Jan 9	2111.40	
Jan 3	2087.72	Jan 10	2121.29	
Jan 4	2089.43	Jan 11	2132.17	

Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Owens Group	2.00	28-01	30-01	Nil
Tower Corporation	14.00	-	-	1.0
Wakefield Hospital	2.00	31-11	14-12	Full

Next Issue

The next issue of *Market Analysis* will be posted in four weeks time on Tuesday February 12, 2002 (and delivered in most areas on Wednesday 13).

Subscribers who have updated their account online with an e-mail address will also receive the Electronic version in their e-mail Tuesday morning.

Company Websites

We were looking for a website that linked to the websites of Australian companies, but the best we could find linked to only 4-500 Australian listed company sites and hadn't been updated (for deletions and new stockmarket listings) for 2-3 years.

They say "If you want a job done properly, you need to do it yourself" - so we did! This was a very big job, but we have now produced what we believe to be the *most comprehensive* list on the web with links to around 1000 Australian company websites.

Most companies now publish their Annual Reports and Interim Reports online (in Adobe pdf format) as well as stock exchange announcements, company profiles and other interesting information.

Investors can access our links pages to Australian Listed Company Websites from our "Free Advice" page (www.stockmarket.co.nz/free.htm). If you find any errors in the links, please let us know.

Newsletter Delivery

Despite paying for *Fastpost* service, NZ Post took 4-5 days to deliver many of our newsletters in December. In one case, a replacement newsletter mailed on Friday and the original, mailed on Tuesday, were both delivered in Wellington on Saturday!

Where-ever possible, we urge subscribers to take advantage of our quicker and more reliable *e-mail* delivery service. At *no extra charge* our "Post & E-mail" delivery option will provide e-mail delivery on Tuesday morning and a printed newsletter on Wednesday.

Just log in through our website using your individual User Name and Password to update your online subscription record with your e-mail address to automatically *add* e-mail delivery.

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If ever you don't receive a newsletter, please contact us for a replacement. Don't ask "Is the newsletter late this month?" - for 21 years we have researched, written, printed and then mailed *every* newsletter on its scheduled publication date. Unfortunately, we have no control over postal delivery times.

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