

Market Analysis

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Inside Market Analysis

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Summary and Recommended Investment Strategy.

The Australian and New Zealand stockmarkets remain weak and the outlook is Neutral. Nevertheless, we see good value - and good *potential* - in many investments, so remain close to fully invested in the recommended shares.

Investment Outlook.

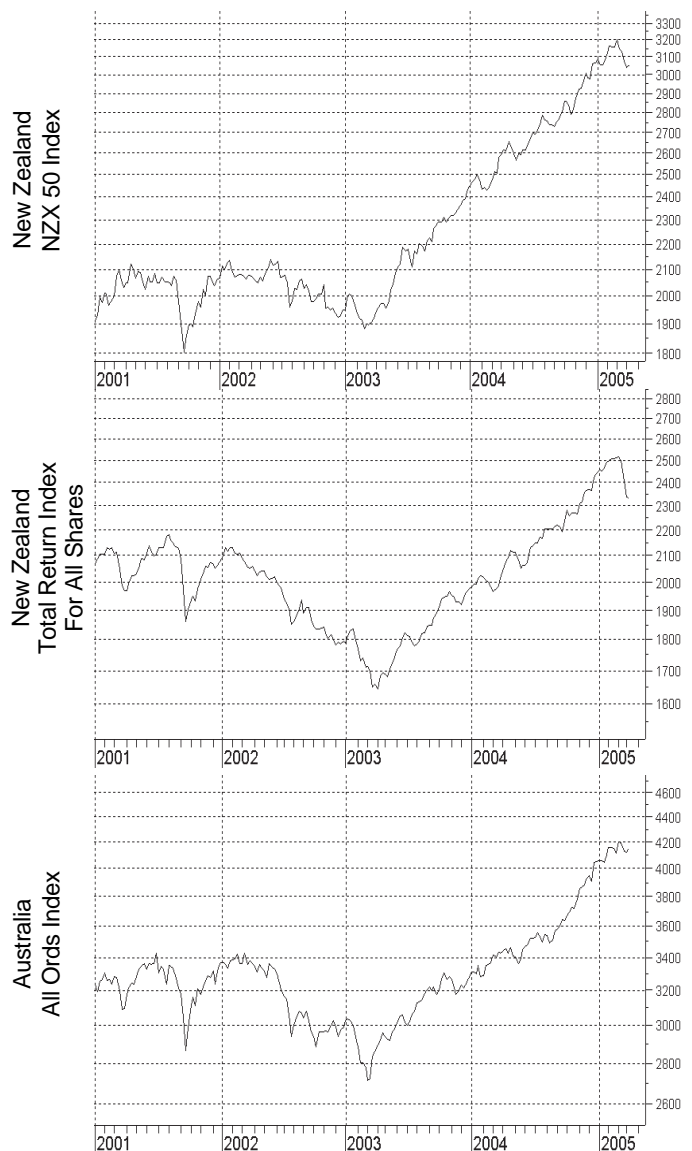
The stockmarket's recent correction has continued over the last month - probably anticipating slower economic growth over the next year, higher interest rates and the negative impact of the higher exchange rate on exporters. Nevertheless, while this situation is not ideal, it is not all bad. Export prices are high and support a healthy level of economic activity. While the high exchange rate partially depressed the returns to exporters it boosts the spending power of consumers. Slightly rising interest rates are normal - and neutral - as a result of the recent economic upturn. While the stockmarket may fluctuate and approximately drift sideways in the immediate future, we still see plenty of *value* in our current share investments. So remain close to fully invested in the recommended shares.

Australian *insiders* remain bullish (i.e. optimistic) with 70.8% buys and just 29.2% sells over the last thirteen weeks. That is an improvement on the 64.9% buys we reported in January. NZ *insiders* remain bearish (i.e. pessimistic) with just 37.2% buys (up slightly from only 34.1% buys previously) and 62.8% sells over the last thirteen weeks. So *insiders* - the most knowledgeable investors - remain bullish about the Australian stockmarket and bearish about the NZ stockmarket.

Our stockmarket Forecasts are fairly Neutral. So the general stockmarket returns may be fairly average over the next year or so. As often, superior investment returns requires superior share selection. So we shall continue to focus on *under-valued* shares, *out of favour* shares that are *neglected* by institutional investors and brokers, but which *insiders* are buying. We shall continue to look for businesses with a *competitive advantage* in a *niche market*, generating *strong cashflows* and with potential for either *profit recovery* or *profit growth*. Even in a less than favourable market environment, such shares have the potential to produce above average returns for investors.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	58% (Neutral)	62% (Bullish)
New Zealand:	48% (Neutral)	42% (Neutral)



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.

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Corporation	C	28	7.00	NE	Nil	Horizon Energy	B	413	4.16	16	8.0	Pyne Gould G.	B	185	0.64	10	7.3
ABS Canterbury	B	430	N/A	NE	Nil	ING Property	C	118	N/A	26	9.4	Pyne Gould Corp	B	470	1.10	14	4.4
AMP Limited	B	735	1.15	13	4.0	Ind Newspapers	A	630	4.70	49	2.2	Renaissance	C	90	0.29	15	12.2
AMP NZ Office	C	90	5.80	11	7.8	Infratil NZ	B	336	5.04	31	5.3	Restaurant Brds	D	132	0.40	12	11.3
AXA Asia Pac.	B	446	1.59	21	2.7	Just Water Int.	C	88	4.42	27	Nil	RetailX Limited	D	8.0	0.58	NE	Nil
Abano Health.	D	113	0.34	NE	Nil	KidiCorp	E	17	1.24	NE	Nil	Richina Pacific	D	72	0.18	22	2.8
Affco Holdings	B	45	0.26	4	Nil	Kingfish Ltd *	N/R	103	N/A	NE	Nil	Rubicon Limited	E	98	N/A	NE	Nil
Air New Zealand	C	146	0.25	5	Nil	Kirkcaldie & St	C	250	0.60	23	4.4	Ryman Health.	B	380	3.47	21	2.4
Akd Int Airport	A	848	9.86	27	4.9	Kiwi Property	C	115	N/A	15	7.5	Sanford Limited	C	442	1.18	8	7.4
Allied Farmers	A	290	0.62	16	5.4	Life Pharmacy	D	139	N/A	NE	Nil	Satara Co-op	D	118	0.56	27	7.6
Apple Fields	D	3.0	N/A	NE	Nil	Lion Nathan Ltd	C	785	1.87	24	4.1	Savoy Equities	D	1.3	N/A	NE	Nil
Blis Technology	C	21	N/A	NE	Nil	Livestock Imp.	A	124	0.37	8	13.1	Scott Tech. Ltd	C	265	1.84	18	7.3
Blue Chip NZ	C	95	2.31	10	Nil	Loan & Building	B	454	1.69	18	4.8	Sealegs Corp	E	36	N/A	NE	Nil
Botry-Zen Ltd	D	7.0	N/A	NE	Nil	Lytelton Port	D	176	2.91	15	9.3	Seeka Kiwifruit	C	460	0.72	12	5.8
Brierley Invest	B	106	2.83	16	2.1	MG Property Trt	B	113	7.76	20	8.4	Skellmax Indust	C	115	1.08	10	9.1
Briscoe Group	C	125	0.83	14	8.4	Mainfreight Grp	B	260	0.38	45	3.7	Sky City Ltd	C	482	3.35	20	8.2
Broadway Ind	C	86	0.41	6	2.3	Media Tech.	C	9.5	1.61	NE	Nil	Sky Network TV	C	675	5.97	75	Nil
CACI Group Ltd	D	18	0.26	NE	Nil	Methven Limited	D	137	N/A	NE	Nil	Slavus Strat. *	N/R	84	N/A	NE	Nil
CDL Hotel NZ	B	60	1.26	9	3.5	Metro. LifeCare	A	395	3.14	20	1.4	Smiths City	E	72	0.19	9	7.3
CDL Investments	C	36	3.58	9	6.6	Michael Hill	A	800	1.18	21	3.9	Software of Exc	E	113	1.45	NE	Nil
Cabletalk Group	B	57	0.33	10	Nil	Mid-Cap Index *	N/R	238	N/A	NE	Nil	Sol. Dynamics	E	108	0.73	NE	Nil
Cadmus Tech Ltd	C	27	4.56	NE	Nil	Mike Pero Mort.	D	70	0.89	14	12.8	South Port NZ	D	120	2.12	15	8.1
Calan Hlthcare	C	99	9.06	15	8.1	Mooring Systems	C	420	N/A	NE	Nil	Spectrum Res.	D	2.4	2.61	NE	Nil
CanWest Media.	C	187	N/A	NE	Nil	Mowbray Collect	E	149	3.27	NE	4.5	Speirs Group	C	120	N/A	NE	Nil
Cap Properties	B	124	5.06	19	7.3	Mr Chips Hold	D	100	0.69	12	7.5	Steel & Tube	C	471	1.07	15	8.6
Carter Holt	C	203	0.74	6	2.0	NGC Holdings	B	314	3.05	17	9.0	Sthn Travel	E	88	N/A	NE	Nil
Cavalier Corp	C	375	1.23	12	10.7	NZ Exchange Ltd	C	930	6.51	32	Nil	Summit Gold Ltd*	N/R	33	N/A	NE	Nil
Cert Organics	E	6.9	5.27	NE	Nil	NZ Experience	D	37	1.75	16	8.1	Tag Pacific Ltd	C	30	0.59	NE	Nil
Col Motor Co	C	284	0.20	9	10.5	NZ Finance Hold	C	86	N/A	NE	Nil	Taylor's Grp Ltd	B	250	0.99	14	6.6
Commssoft Group	E	0.3	N/A	NE	Nil	NZ Invest Trust*	N/R	760	N/A	NE	1.1	TeanTalk Ltd	B	245	2.46	19	10.1
Comvita	C	218	1.02	22	1.4	NZ Oil and Gas *	N/R	100	8.86	16	Nil	Telecom Corp	A	607	2.19	16	6.6
Connexion	D	42	N/A	NE	Nil	NZ Refining Co	A	3525	3.01	9	12.7	Tenon Ltd	D	400	0.36	NE	Nil
Contact Energy	B	661	2.98	26	5.6	NZ Wine Company	C	190	2.11	22	4.5	Tol NZ Ltd	B	300	0.91	6	Nil
Cube Capital	D	7.3	0.21	NE	Nil	NZ Wool Service	D	50	N/A	NE	Nil	Tourism Hold.	C	177	1.02	15	7.6
Cue Energy Ltd *	N/R	27	N/A	90	Nil	NZSX 50 Port.	D	140	N/A	NE	Nil	Tower Limited	E	186	0.73	14	Nil
Cynotech Hold.	C	26	1.42	NE	Nil	NZSX 10 Fund *	N/R	116	N/A	NE	Nil	Training Sol.	C	0.2	1.18	NE	Nil
Dominion Fin.	D	101	N/A	9	8.1	NZX Aust MidCap	C	432	N/A	NE	Nil	Trans-Tasman	D	38	2.86	8	Nil
Dorchester Pac	C	270	0.77	10	5.5	Nat Property Tr	C	92	5.85	14	9.8	Trust Power Ltd	B	520	1.30	13	5.0
Eastern Hi-Fi	D	90	0.66	13	Nil	New Image Group	C	8.0	0.95	NE	Nil	Turners & Grow.	C	240	0.31	18	Nil
Ebos Group Ltd	B	405	0.49	13	7.4	Northland Port	B	290	N/A	36	4.1	Turners Auction	B	375	1.30	15	8.0
Evergreen	D	29	1.12	NE	Nil	Nuhaka Forestry	A	2.0	3.57	NE	Nil	Urbus Property	B	110	2.62	5	8.2
F & P Appliance	D	293	0.82	9	10.3	%3150.0						Utilico Int'l	C	57	3.67	NE	Nil
F & P Health.	C	296	7.04	28	5.2	Nuplex Indust	C	480	0.45	10	7.6	VTL Group Ltd	C	89	0.94	14	3.7
Feltex Ltd	D	88	0.40	6	6.8	Opio Forestry	D	85	N/A	NE	Nil	Vertex Group	A	190	0.69	12	3.1
Finmedia Ltd	B	140	3.12	4	Nil	Owens Group Ltd	E	96	0.15	NE	Nil	WN Drive Tech.	D	47	N/A	NE	Nil
Finzsoft Solns	E	88	1.35	23	Nil	Oyster Bay	C	278	N/A	NE	Nil	Wakefield Hosp.	A	360	1.23	19	3.3
Fletcher Build.	B	666	0.74	12	5.6	Ozzy (Tortis) *	N/R	233	N/A	NE	Nil	Warehouse Group	B	382	0.52	19	5.7
Forty Two Below	C	70	N/A	NE	Nil	POD Ltd	C	140	0.63	12	3.2	Waste Mgmt NZ	A	637	2.95	25	6.2
Freightways Ltd	B	292	N/A	28	5.9	Pac Edge Bio.	E	24	N/A	NE	Nil	Widespread Port	E	2.0	7.51	NE	Nil
GDC Communicat.	E	16	0.23	NE	Nil	Pacific Retail	D	195	0.12	NE	Nil	Williams Kettle	B	441	0.58	15	5.8
Genesis Res.	D	28	1.65	NE	Nil	Port Tauranga	B	518	4.59	21	5.8	Windflow Tech.	E	250	N/A	NE	Nil
Guinness Peat	B	208	0.15	7	2.5	Ports Auckland	A	794	5.11	19	7.6	Wool Equities	D	60	N/A	NE	Nil
Gullivers Trv.	D	150	N/A	NE	Nil	Postie Plus Grp	C	70	0.26	7	15.1	World Index Fd *	N/R	112	N/A	NE	Nil
Hallenstein G.	A	400	1.30	14	9.0	Property F Ind.	C	103	8.75	17	7.6	Wrightson Ltd	D	180	0.40	25	9.5
Hellaby Hold.	A	585	0.87	14	8.9	Provenco Group	B	84	1.06	18	Nil	Zintel Comm.	D	100	1.26	12	10.1
Heritage Gold *	N/R	8.3	N/A	NE	Nil	Pumpkin Patch	B	320	2.42	66	Nil	Ave of 168 Cos	C	232	0.74	21	22.2
Hirequip NZ Ltd	B	105	1.54	7	2.8	Pure NZ Limited	C	2.5	8.62	NE	Nil						
ABB Grain Ltd	B	665	1.17	54	3.8	Envestra	B	115	2.96	39	8.3	Oil Search Ltd	A	247	4.87	14	1.6
AMP Ltd	B	691	1.18	14	3.9	Excel Coal Ltd	A	777	6.48	55	1.4	Onesteel Ltd	B	247	0.42	11	4.9
ANZ Bank	A	2101	4.12	27	4.8	Fairfax (John)	B	425	2.17	14	3.9	Orica Ltd	B	1818	1.04	15	3.7
APN News Media	B	486	1.83	18	4.5	Flight Centre	C	1542	1.82	18	4.0	Origin Energy	A	704	1.36	24	1.8
AWB Limited	A	498	0.32	18	5.0	Foodland Assoc	C	2461	0.42	20	4.0	Oxiana Ltd	C	98	N/A	NE	Nil
AXA Asia Pac	A	420	1.53	8	2.4	Foster's Group	C	539	2.77	14	3.6	Pacific Brands	B	248	3.37	NE	1.4
Adelaide Bank	A	1050	1.19	14	4.2	Futuris Corp.	B	218	0.53	60	3.7	Paperlin X Ltd	B	401	0.29	16	6.9
Adelaide Bright	A	164	1.28	11	4.6	GWA Internat'l	B	282	1.16	13	6.4	Patrick Corp	A	575	2.79	17	2.3
Alinta Limited	A	897	2.19	16	4.7	Gandel R. (CFS)	C	156	8.91	16	6.4	Perp Trust Aust	B	5790	6.97	25	2.6
Alumina Ltd	A	609	N/A	26	3.3	General Prop Tr	C	358	9.25	17	6.1	Primary Health	A	857	5.84	49	2.0
Amcor Ltd	C	718	0.61	18	4.5	Gt Sthn Plant'n	B	402	4.70	11	2.5	Promina Group	B	506	1.75	12	4.3
Ansell Ltd	B	990	1.54	25	1.3	Guinness Peat	B	192	0.57	27	1.3	Publishing & Br	B	1503	3.14	15	2.9
Argo Investment	B	542	N/A	31	3.0	Gunns Ltd	B	405	2.04	13	3.1	O.B.E. Insur.	B	1514	1.08	14	3.6
Aristocrat Leis	A	1065	4.47	29	0.8	HGH Plc	C	153	0.49	45	Nil	Qantas Airways	B	343	0.56	10	5.0
Arrow Pharm.	B	1213	2.28	40	0.8	Hardman Res.	C	191	N/A	NE	Nil	Ramsay Health	B	733	1.23	25	2.4
Aust Foundation	B	358	N/A	26	3.7	Harvey Norman	B	260	1.50	16	2.9	Record Invest.	B	536	N/A	33	3.4
Aust Pipeline	B	381	3.67	9	7.3	Hills Motorway	B	1100	N/A	NE	3.3	Reece Australia	B	1257	1.43	20	2.2
Aust Stock Exch	B	2010	8.50	25	2.8	ING Indust Trt	B	201	8.89	14	7.1	Rinker Group	A	1149	2.01	25	1.2
Aust Leis & Hos	B	370	1.36	19	2.2	ING Office Fund	C	121	6.88	12	8.4	Rio Tinto Ltd	A	4590	3.32	17	2.3
Aust Gas Light	B	1400	1.52	18	4.3	Iluka Resources	A	599	1.64	16	3.7	Rural Press Ltd	B	1025	3.75	22	3.8
Austar United	C	86	2.59	NE	Nil	Intcitec Pivot	C	1720	0.88	13	5.2	SFE Corporation	A	937	6.12	24	3.6
Australand Prop	B	167	1.17	10	9.9	Insurance Aust.	A	626	1.59	15	3.5	Santos Ltd	A	940	3.14	14	3.5
BHP Billiton	B	1845	2.01	15	1.9	Interoil Corpor	C	401	N/A	NE	Nil	Seven Network	A	789	1.43	18	3.0
Babcock & Brown	C	993	4.08	47	Nil	Investa Prop.	B	205	4.60	14	8.0	Sigma Company	B	874	0.59	21	3.0
Bank of O'land	B	1075	1.44	16	4.0	Ivanhoe Mines	D	1200	N/A	NE	Nil	Sims Group Ltd	B	1710	0.83	14	3.9
Bendigo Bank	B	958	3.25	17	3.5	James Hardie	B	600	2.00	15	1.3	Smorgon Steel	A	136	0.46	26	4.8
Billabong Int'l	B	1275	3.82	30	2.1	Leighton Hold	B	1010	0.56	25	4.5	Sonic Health	B	1245	3.21	58	1.6
Bluescope Steel	A	878	1.11	11	3.4	Lend Lease Corp	B	1269	0.52	15	3.5	Soul Pattinson	B	1000	4.51	15	2.0
Boral Limited	B	603	0.84	10	5.0	Lihir Gold	C	105	4.52	3	Nil	Southcorp Ltd	C	427	2.74	69	Nil
Brambles Ind.	B	837	1.81	46	1.2	Lionore Mining	B	725	2.72	14	Nil	Spotless Group	B	510	0.43	47	4.5
Brickworks Ltd	A	1050	2.84	9	2.3	Macarthur Coal	A	766	5.33	NE	0.5	St George Bank	B	2424	2.45		

Recommended Investments

Cavalier Corporation's major competitor, **Feltex Carpets**, has significantly lowered its forecast for the current financial year to 30 June 2005. Feltex Carpets now predicts revenues of \$295-305 million and a profit of \$15-16 million - down from earlier forecasts of \$310-315 million and \$24 million, respectively. On this announcement Feltex Carpets' share price was marked down by one-third.

While this would indicate difficult and competitive conditions in the carpet business, the impact on Cavalier Corporation may be quite different. Feltex Carpets has

a much weaker balance sheet, with little equity and fairly high debt levels. The company has earned little profit over the last decade. In a favourable environment the previous investors sold out in a public share issue and raised \$50 million in new equity for the company. This still left Feltex Carpets with \$107.0 million in interest bearing debt and only \$63.1 million in Shareholders Equity (after deducting goodwill).

Cavalier Corporation is more soundly financed. The company is smaller than Feltex Carpets, with around \$200 million in revenues, *(Continued on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation		Perform- mance 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 %	
		Code	- Date - Price										
NZ Shares													
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	C	200.5	1.6	3.58	9	6.6	36	9.3	+81%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	C	64.9	0.6	1.23	12	10.7	375	155.5	+240%
HOLD	Colonial Motor Company	CMO	10/11/92	150	C	27.9	0.5	0.20	9	10.5	284	271.3	+270%
HOLD+	Lyttelton Port Company	LPC	12/12/00	150	D	102.1	0.8	2.91	15	9.3	176	47.0	+49%
HOLD+	Metlifecare Ltd	MET	10/08/04	236	A	86.5	0.7	3.14	20	1.4	395	5.5	+70%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	46*	A	38.7	0.4	1.18	21	3.9	800	159.0	+1985%
BUY	Nuplex Industries Ltd	NPX	11/02/97	350	C	62.1	0.6	0.45	10	7.6	480	113.0	+69%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	38.2	1.0	0.29	15	12.2	90	25.9	+36%
BUY	Richina Pacific	RPL	03/11/95	94*	D	148.7	1.2	0.18	22	2.8	72	11.4	-11%
HOLD	South Port New Zealand	SPN	13/02/96	120	D	26.2	1.0	2.12	15	8.1	120	77.3	+64%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.0	0.6	1.07	15	8.6	471	115.0	+301%
BUY	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	0.7	0.99	14	6.6	250	50.0	+194%
Australian Shares (in Aust cents)													
BUY	AJ Lucas Group	AJL	13/05/03	120	B	51.2	0.8	0.73	9	4.6	173	20.5	+61%
HOLD+	Atlas Pacific Ltd	ATP	14/05/96	73	D	87.8	1.9	3.32	NE	Nil	22	7.0	-60%
BUY	Austin Group Ltd	ATG	08/02/05	93	A	62.2	1.0	1.00	14	6.5	92	4.0	+3%
TENDER	Austral Coal Ltd	AUO	16/01/01	19	C	233.0	0.9	3.88	NE	Nil	140	Nil	+637%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	418*	B	40.1	0.5	0.96	26	3.5	936	153.5	+161%
BUY	Candle Australia	CND	08/04/03	86	B	39.6	0.8	0.46	18	4.3	207	15.5	+159%
BUY	Cellnet Group Ltd	CLT	12/02/02	152	B	49.8	0.9	0.17	9	7.4	155	31.5	+23%
HOLD	Circadian Technologies	CIR	10/02/04	188	C	40.1	1.1	N/A	10	Nil	148	65.0	+13%
BUY	Citect Corporation Ltd	CTL	12/04/05	110	A	52.3	1.0	0.94	18	5.0	110	Nil	
BUY	Commander Comm.	CDR	11/09/01	92	A	154.6	0.8	0.71	37	0.9	225	13.2	+159%
BUY	Computershare Ltd	CPU	12/08/03	189	B	542.4	0.7	3.17	43	1.4	553	15.5	+201%
HOLD	Int'l AllSports	IAS	11/02/03	180	C	52.5	1.7	0.03	NE	Nil	32	2.5	-81%
BUY	Iluka Resources Ltd	ILU	12/10/04	471	A	232.9	0.6	1.64	16	3.7	599	12.0	+30%
BUY	Keycorp Ltd	KYC	10/08/04	154	A	81.7	1.1	1.47	19	1.6	182	Nil	+18%
BUY	LongReach Group Ltd	LRX	11/01/05	23½	B	167.0	2.0	0.72	51	Nil	22	Nil	-6%
BUY	Melbourne IT	MLB	10/02/04	53	B	52.8	0.8	1.14	18	4.2	130	7.5	+159%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	C	386.1	1.0	3.17	38	2.2	103	2.3	+25%
BUY	Ross Human Directions	RHD	14/08/01	92	C	59.1	1.2	0.27	11	4.6	76	19.0	+3%
HOLD+	Skilled Engineering	SKE	12/03/02	126	B	95.6	0.7	0.33	15	6.3	253	47.5	+138%
BUY	Sonnet Corporation	SNN	07/09/04	31½	C	82.0	1.7	0.79	6	17.6	26	3.0	-8%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	298.7	1.2	3.65	20	4.5	63	4.3	+53%
BUY	The Reject Shop Ltd	TRS	11/01/05	257	A	24.1	0.8	0.37	12	0.9	285	10.0	+15%
HOLD	Toll Holdings	TOL	08/09/98	60*	A	321.3	0.4	1.36	27	1.5	1400	75.0	+2358%
HOLD+	UXC Limited	UXC	11/01/00	55*	B	144.8	1.1	0.63	13	6.1	82	24.0	+93%
BUY	Vision Systems Ltd	VSL	10/11/98	69*	B	173.4	0.9	1.50	19	3.4	123	30.3	+121%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +211.4%.

This is equal to an average annual rate of +48.0%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 37 current and 130 closed out) is +34.0%, compared with a market gain of +9.2% (by the SRC Total Return Index).

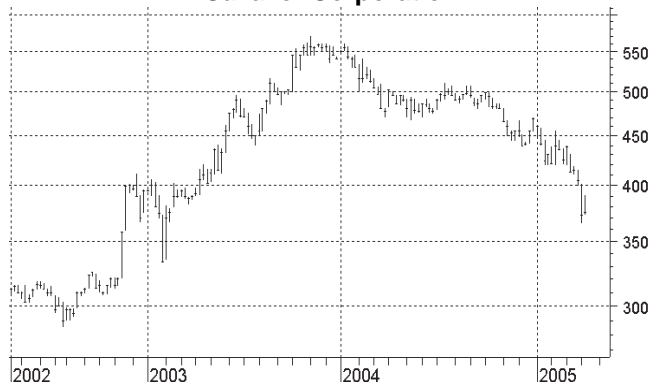
CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues.

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

Recommended Investments (Continued from Page 3) but has Shareholders Equity of \$65.0 million and interest bearing debts of just \$59.4 million.

Cavalier Corporation shares are *weak*, with a Relative Strength rating of -7.5%, ranked 88 - so may continue to under-perform in the short to medium term. The shares, however, now trade on a Price/Earnings ratio of only 12 and offer a very high gross Dividend Yield of 10.7% - so appear to offer good, long term investment value. Therefore we continue to rate Cavalier Corporation shares a "Hold".

Cavalier Corporation



Colonial Motor Company is restructuring its south Auckland dealer ownership. At present it owns 42% of **Auckland Auto Collection** which over recent years has consolidated fourteen Ford and Mazda dealerships into three dealerships. At the end of May, Colonial Motor Company will "exit its shareholding in Auckland Auto Collection" and take over direct ownership of one of the three dealerships, **South Auckland Ford and Mazda**.

Lyttelton Port Company and its unions have agreed on a new collective employment agreement that will cover the next three years. This should provide a "longer period of industrial stability".

Michael Hill International reports slower revenue growth in the March quarter - which was partially depressed by Easter falling in March this year and the less favourable exchange rate. Overall total revenues were up 6.4% to \$205.3 million. NZ store sales rose 0.9% to \$65.4 million, Australian revenues were up 12.9% in Australian dollars but that became only a 7.9% increase when expressed in NZ currency of \$133.4 million. Canadian revenues rose 48.0% to \$6.4 million reflecting the rapid percentage growth in store numbers in this small division.

Nuplex Industries' share price has dipped sharply over the last two months - but this company remains an attractive investment for current income and steady long term growth. The new Coating Resins business is "meeting its budgeted financial performance" and requires "relatively low" capital expenditure. Profits from the "traditional businesses" will be lower during the second half year but this will be offset by a "positive contribution" from the Coating Resins acquisition.

In late March, as the Nuplex share price started to decline, one *insider* purchased 2000 shares on-market at around 564 cents.

At the current price of 480 cents, Nuplex Industries shares trade on a low Price/Sales ratio of 0.45, a low Price/Earnings ratio of 10 and offer a high Dividend

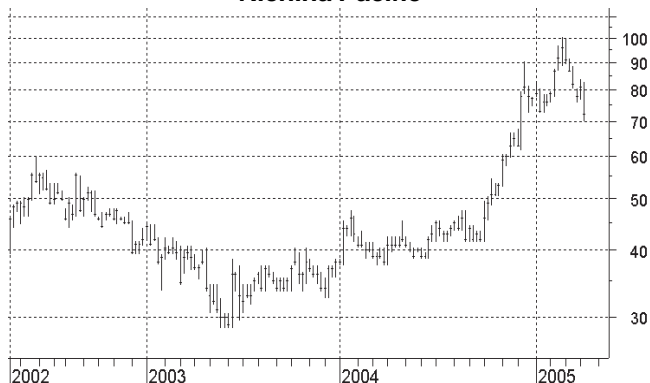
Yield of 7.6%. The shares are a little out of favour at present - and may remain weak in the short term - but offer excellent value. **"Buy" for current income and longer term capital appreciation.**

Nuplex Industries



Richina Pacific has restructured its business divisions following the acquisition of **Shanghai Leather Company** with its 43 subsidiary and eight associate companies. All businesses will now be grouped under *Richina Financial, Richina Land, Richina Industries* or *Richina Services*. Centralised corporate management is expected to result in overhead cost savings and improved governance.

Richina Pacific



Australian Shares

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

AJ Lucas Group's consortium has been named as *preferred tenderer* for the approximately \$650 million, 940 km **Trans-Territory Gas Pipeline**. **Australian Pipeline Trust** and **ANZ Infrastructure Services** will own and operate the pipeline, with **Spie Capag** and **AJ Lucas Group** involved in the construction.

The final tender is expected in June and construction will then start in late 2005 with gas delivery from December 2007.

AJ Lucas Group

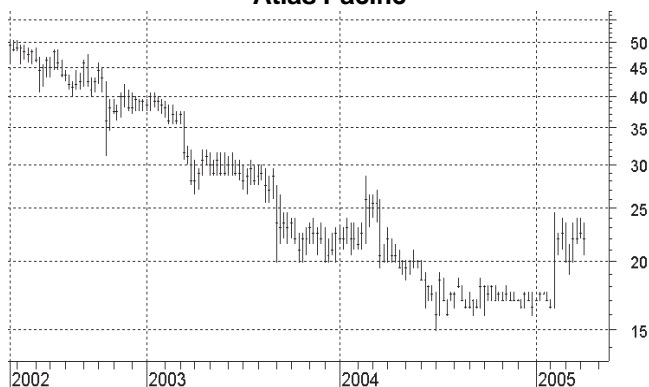


Atlas Pacific reports that the current hatchery operations are “very encouraging”. The number of juvenile oysters is “much higher than last year”, the new Penyabangan (North Bali) hatchery has “performed exceptionally well” and Bacan (North Maluku) has improved on last year. Half way through the season 150,000 oysters have already been transferred to Alyui and the company is actively searching for a second pearling site to be developed this year. This will further expand production capacity as well as reducing the geographic and environmental risks involved in any type of farming business.

The first pearl harvest for 2005 was completed in January with “significant improvement in quality and value”.

We would rate Atlas Pacific shares a “Buy” on any price weakness back into the range of 18-21 cents.

Atlas Pacific



The takeover offer for **Austral Coal** was declared unconditional *and* acceptances received before the close of business on 7 April will also receive **Centennial Coal's** interim dividend of 6.0 cents. These two developments prompted us to send an email update recommending converting the Austral Coal notes and accepting the takeover.

Subsequently, Swiss based **Glencore** acquired a 6.4% stake in Austral Coal, plus options to acquire a further 6.5% from institutional investors. Glencore clearly indicated it did not intend to make a competing takeover but would consider a *cash* offer if some *other* party would make such a bid. This situation really didn't make any sense. Glencore has simply managed to acquire a minority stake by purchasing Austral Coal shares on-market at a slightly inflated price. The only downside to Glencore holding this minority stake in Austral Coal is that if Centennial Coal obtains less than 80%, then *Australian* investors cannot obtain *rollover relief* from capital gains tax.

Centennial Coal now owns 66.7% of Austral Coal, but if it fails to obtain 100% ownership then it can still achieve most of the merger benefits. These benefits can largely be transferred to itself (i.e. as management fees, a fee for guaranteeing Austral Coal loans) so remaining a minority shareholder holds little attraction.

We continue to recommend accepting the Centennial Coal takeover and retaining the Centennial Coal shares. Over 90% of the convertible notes have been converted to ordinary shares, and any investors holding the notes should convert them before 21 April and accept the takeover offer for the ordinary shares before 22 April. Any investors holding ordinary shares should accept

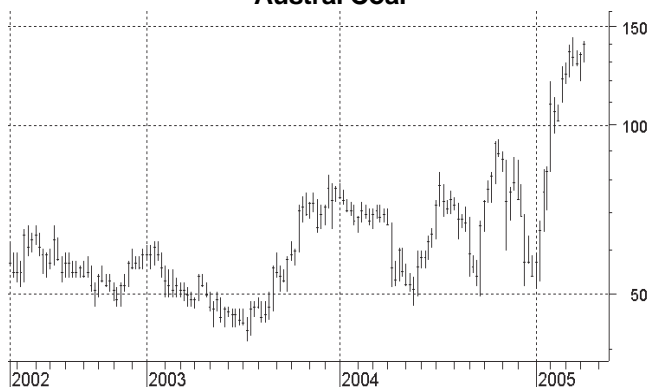
the takeover before 22 April.

When this merger was first announced it valued Austral Coal shares at 110 cents, but the Centennial Coal share price has since appreciated strongly - helped by the merger benefits - and now values Austral Coal at just under 140 cents!

As a result of this takeover we have received 10 Centennial Coal shares for every 37 Austral Coal shares. So in future our *Recommended Portfolio* will not show Austral Coal shares initially purchased at 19 cents, but the resulting Centennial Coal shares acquired at the equivalent price of 70.3 cents.

Centennial Coal is an attractive, much lower risk, coal company that offers attractive growth potential. So we rate the shares a “Hold+” - although many investors with very large holdings in this company should be realising partial profits.

Austral Coal



Centennial Coal



Computershare's acquisition of US based **EquiServe** is expected to be approved “within weeks”. Originally approval was expected around early January, but the **Securities and Exchange Commission** is reported to have contacted regulators in each country where Computershare operates!

Computershare has indicated that (1) the EquiServe acquisition would immediately add to “earnings per share” and (2) that it expects to realise synergies of US\$55 million annually within three years - which will significantly boost group profitability! These synergy cost savings are now generally considered to be conservative. EquiServe employs 400 IT staff and operates four separate IT systems. Prior to negotiating to buy EquiServe, Computershare won one of that company's biggest clients, **McDonald's**, which was successfully transferred to Computershare's IT system at the end of February. This improves the prospects for successfully transferring all of EquiServe's business to Computershare's system. (Continued on Page 6)

Recommended Investments (Continued from Page 5)

Computershare's share price has eased back in line with the general stockmarket correction over the last two months, but we still expect strong growth over future years so the shares remain a "Buy".

Computershare

International All Sports has lodged a counter-claim against the **Commonwealth Bank of Australia** over the bank's loss of \$17.0 million embezzled by a bank manager. International All Sports has noted "19 other counts of mismanagement" by the bank and that in the current case the bank manager "elected to turn himself in to the authorities" and that otherwise the fraud "may never have been detected".

Keycorp has received an order for 14,000 K23 terminals and 1000 K78 mobile terminals from Indonesian based **PT Bahana Sysfo Utama**, a third party supplier of merchant payment terminals.

Keycorp's "newly developed *MULTOS* contactless smartcard" has been selected for a new multifunction banking and transport card in Taiwan. The new card will include *MasterCard* credit, debit, *Mondex* stored value, *Cirrus* ATM network and *MasterCard PayPass* contactless features and be used on "a transportation system serving millions of residents in seven cities" in southern Taiwan.

Keycorp

M.Y.O.B.'s major shareholder **Solwood Lane Pty** - a joint venture investment company - has sold 40,000,000 shares at 118 cents each. This has allowed BShofer, who recently retired as a non-executive director, to reduce his interest in MYOB from 14.9% to 8.1%. Chief Executive C Winkler slightly reduced his investment (i.e. from 21.3% to 20.1%) and Executive Director C Lee sold most of his shares (i.e. reducing his holding from 3.1% to 1.2% of the company).

UXC lifted revenues 32.3% to \$115.2 million for the six months to 31 December 2004. Profits rose 33.1% to \$5,257,000 - with earnings per share up 17.9% to 3.3

cents per share. The interim dividend will be raised 12.5% to 2.25 cents. The net operating cash surplus was 8.5% lower at \$4.9 million.

UXC's *Fieldforce Services* has formed a joint venture with **Nylex** to market and install water conservation products to domestic households, schools and businesses.

UXC

Vision Systems reports that **Ventana** has instituted further legal action against the company alleging patent infringement. Vision Systems believes this claim is "baseless and consistent with the extensive pattern of litigation involving Ventana in the histology market".

More importantly, Vision Systems reports further excellent results from its *Vision BioSystems* division. The March quarter revenues of \$12 million were 73% higher than a year earlier, with significant growth in reagent revenues and *Bond* instrument placements. Last week the Managing Director reported that "In four months the *Bond-maX* sales have doubled the *Bond-X* sales achieved in nine months" with 100 *Bond-maX* instruments now installed - up from 50 in January. These instrument placements are driving *much faster* growth in reagent revenues as the number of instruments in use continues to grow. Vision Systems, however, will continue to spend a large amount of money on sales and marketing - which will hold back profit growth in the short to medium term, but build significant volumes of recurring, high margin, reagent revenues over the medium to long term.

We continue to rate Vision Systems a "Buy", mainly for capital appreciation although the shares do also offer a reasonable current income yield which should grow strongly over the next several years. The share price weakness in February has provided an attractive buying opportunity. New subscribers should acquire a holding in this company at current prices, while existing investors can consider adding to positions (providing, of course, that one maintains a diversified share portfolio).

Vision Systems

Share Recommendation: Buy Citect Corporation

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

BUY Australian listed Citect Corporation (code CTL). Citect Corporation is a former growth company whose business has matured, revenue growth has slowed and profit margins have shrunk over the last five years. This resulted in a 91% decline in the share price from its over-priced peak at the end of the Technology boom. The company is showing signs of recovery - despite under-performing its own forecast last year. Citect Corporation was recently dropped from the ASX300 Index and institutional investors have dumped the shares.

Such *out of favour* and *depressed* shares can be outstanding investments if the company can improve its performance. Although the recovery has been slower than forecast, we believe Citect Corporation has improved its business over recent years and it has the characteristics (i.e. free cash flows, economies of scale) that offer the *potential* to produce good returns to investors. Achieving just moderate revenue growth over future years should yield faster growth in profits and result in above average long term capital appreciation in the share price.

Company History

This business was established in 1973 and grew to become a world leader in process monitoring software and industrial automation software. The company, originally named **Ci Technologies**, was floated on the Australian stockmarket in 1997 when 46% of the capital was offered to investors at \$1.50 per share. The Technology boom carried the shares to a high of 925 cents in early 2000, but the price then steadily slipped to a low of 80 cents in mid-2003 and a low of 81 cents in late 2004.

Business and Growth Potential

Citect Corporation operates in three markets: HMI (i.e. Human Machine Interface), SCADA (i.e. Supervisory Control and Data Acquisition) and IIM (i.e. Industrial Information Management).

Industrial automation using HMI/SCADA is now a mature market, estimated at US\$440 million in annual revenues and expected to have "low single digit" growth rates. Citect Corporation is the market leader with over 85,000 software licences and a 6% global market share. Growth is expected to be faster in Asia and China - where most new plant and machinery is being installed - and Citect Corporation has a 35% market share in China, with this important market currently generating around 18% of group revenues. Major competitors in this business are **Siemens, Rockwell, GE, Invensys** and **Honeywell**.

IIM - which provides real-time information to

"improve overall equipment effectiveness" is a new market, worth around US\$420 million in revenues, and predicted to grow at 24-30% per annum! The major competitors are internal IT departments, although **Honeywell, GE, Rockwell, OSI, Matrikon, Lighthammer, ActivPlant** and **AspenTech** offer services in this sector. All of these software companies will probably experience strong growth in this sector as standardised or customised software is likely to be more cost effective than one-off developments by the IT departments of individual users.

Citect Corporation's undisclosed revenues in this sector grew 600% in 2003 (although off a very small base) and 103% in 2004. Its market share in HMI/SCADA offers a competitive advantage as customers usually add IIM to improve the performance of an existing automated system. Citect Corporation offered its first customised IIM software in May 2004 and was planning to release a packaged version during the first quarter of 2005.

Citect Corporation is also focusing on (1) particular sectors (i.e. the booming metals and mineral processing sector, the rapidly growing market in China), (2) building key alliances to market its products and (3) increasing its focus on support revenues.

Citect Corporation has alliances or partnerships in the United States with **Graybar** (which resells Citect solutions through its automation solutions group), **US Filter Control Systems** (which resells to the water and waste water market) and **Fairmount Minerals** (a silica sand company using Citect SCADA and promoting this service to its own customers in the glass, oil, gas and filtration industries), and in Europe with **Mitsubishi FA** (extending an earlier UK partnership into nine European countries).

Recent Results

Profitability grew rapidly until a peak of \$10,056,000 (19.6 cents per share) for the year to December 1999 when a dividend of 16.5 cents was paid.

For the year to December 2000, revenues fell 17.5% to \$40.7 million with profits down 49.4% to \$5,084,000 (9.8 cents per share) and the dividend was cut 51.5% to 8.0 cents.

Revenues recovered 17.4% to \$47.8 million for the year to December 2001. Profits rose 14.4% to \$5,816,000 (11.2 cents per share) but no dividend was paid. The cash operating surplus remained strong at \$7.4 million.

The year to December 2002 showed further growth: Revenues up 27.8% to \$61.1 million, profits up 40.1% to \$8,146,000 (15.6 cents per share) *(Continued on Page 8)*

BUY Citect Corporation (Continued from Page 7) and dividends were reinstated at 5.5 cents. The business generated a healthy operating cash surplus of \$11.0 million.

Revenues then contracted 3.5% to \$58.9 million in the year to December 2003 while trading profits plunged 68.5% to \$2,569,000 (4.9 cents per share) although the dividend was maintained at 5.5 cents. In addition there was a pre-tax \$6.4 million write-off of capitalised Research & Development costs. Research & Development is now expensed as incurred. The operating cash surplus was \$3.6 million. The full year was depressed owing to a slowdown in manufacturing in the United States, with the first half also suffering from lower activity in Asia, owing to SARS.

The full year result to 31 December 2004 saw revenues up 4.3% to \$61.5 million with profits recovering 21.6% to \$3,125,000 (6.0 cents per share). The annual dividend rate remained steady at 5.5 cents. The net operating cash surplus was \$3.7 million. The second half result was depressed owing to accelerated marketing expenditures of \$1 million to bring IIM products to market.

Investment Criteria

There are several features of Citect Corporation's business that *potentially* could make it a very rewarding investment. Firstly, the business generates high "free" cashflows. That is, cash that does not need to be re-invested to maintain the business but is free to be distributed to shareholders as a dividend or via a share re-purchase, or used to finance expansion or an acquisition to generate growth. Secondly, the company has a strong balance sheet with no interest bearing debt. So Citect Corporation *could* easily borrow money to help finance a major acquisition to boost future revenues and profits. Thirdly, all software businesses offer economies of scale owing to fixed costs such as Research & Development. So a 10-20% growth rate in revenues could support a 20-40% growth rate in profitability.

Our future investment returns, of course, will depend upon management's ability to win new customers and to grow the business profitably, but the business characteristics should be able to leverage moderate revenue growth into above average returns for investors.

At 110 cents, Citect Corporation shares trade on a low Price/Sales ratio of 0.94, a Price/Earnings ratio of 18 and offer a Dividend Yield of 5.0%.

That would be a reasonable valuation - offering a good current income yield - from a company that had little growth potential. If, however, the company can grow its business in the future then the share price will benefit from both this growth in earnings and dividends *and* the potential for the shares to be re-rated to a higher valuation.

Citect Corporation spends around \$7.7 million annually on Research & Development, which puts the shares on a Price/Research ratio of 7.5. For more details on this statistic, see Kenneth Fisher's book *Super Stocks*

(page 60) which suggests buying shares on a P/R ratio of 5-10.

With an issued capital of 52,302,000 shares the market capitalisation is just \$57.5 million. This makes Citect Corporation a *smaller* listed company but the shares are actively traded in reasonable volumes so investors shouldn't have too much difficulty building up investments in this company over the next few weeks and months.

Directors have significant investments in the company. One non-executive director, TA Boshier, holds 4,366,825 shares or 8.3% of the company. The Chairman, DA Mortimer has 557,960 shares. Non-executive director CG Yamey has 200,000 and DK Poyzer and Dr K Barton each own 10,000 shares.

There have been no *insider* buys or sells on-market over the last year.

Institutional investors owned about 60% of the company in December 2003, but the largest three have each sold around half of their shares over the last year, so institutional ownership is now around 45%. The shares were also *removed* from the ASX300 index in March, so *index funds* and other institutional investors have been sellers recently. The shares are also *neglected* by stockbrokers, with only two firms following the company closely enough to publish profit forecasts.

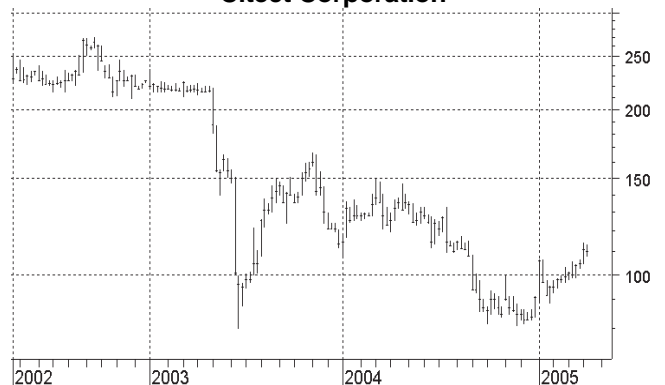
Technically, however, the shares appear to be in the early stages of a new uptrend. From lows of 81 cents in late 2004, Citect Corporation's share price has risen steadily and this has turned the Relative Strength rating *positive* at +2.1%, ranked 45.

Summary & Recommendation

Citect Corporation is a high quality company which is a global leader in its field of monitoring industrial processes and automation. This is now a mature business but still offers growth potential in niche markets (i.e. China and expansion into IIM products). The business characteristics offer the potential to leverage moderate revenue growth into more rapid profit growth and above average rates of capital appreciation over many years.

While we are mainly interested in the potential for long term capital appreciation, Citect Corporation shares also offer a high current income and good prospects for income growth. So while we would rate this as a *recovery* and *growth* share, it should also be suitable for investors requiring current *income*.

Citect Corporation



Readers Ask . . .

Question: I received a letter from Technology One stating that no future dividend cheques will be issued. They demand an Australian bank account so dividends can be direct credited. I am in the process of opening one through the ASB Bank which will be a Commonwealth Bank Account. They need a minimum Deposit of \$500 and there are setup fees. Also I am not sure where I stand from a tax point of view. Am I required to fill in a Australian tax return?

Answer: I have my dividends direct credited to an Australian cash management account with Macquaries (as discussed in December 2004, which has no fees but requires an A\$5000 minimum balance) so didn't receive this letter. Upon enquiring with Technology One's share registry, ASX Perpetual, I was informed "*The mandatory direct credit only applies to Australian shareholders. New Zealand shareholders will still receive their dividends via a cheque.*"

If you do decide to open an Australian bank account to collect dividends or to make payments (e.g. to pay for shares in a Share Purchase Plan or when exercising a share option) then you will NOT need to complete an Australian tax return. In fact, only Australian residents can file an Australian tax return. Your Australian bank will deduct 10% withholding tax from any interest earned. The gross interest is taxable on your *New Zealand* income tax return and you can claim the withholding tax as a foreign tax credit against the NZ income tax payable.

While on the subject, Australian share registries will also mail requests for Tax File Numbers to NZ shareholders. Foreign shareholders do NOT have (nor need, nor can they obtain) *Australian* tax numbers - so ignore this paperwork as well. NZ investors are also NOT subject to other Australian taxes such as Australian capital gains taxes and Australian GST on brokerage fees. We do, however, pay *double* tax on income - once at the Australian company level (i.e. company income tax) and, as the NZ tax department ignores Australian franking credits, again at the shareholder level in NZ when those tax-paid profits are distributed as a dividend.

Question: Do you have any view on margin lending?

Answer: My recommendation would generally be NOT to borrow to buy shares for the following reasons:

1. Shares are volatile investments. I believe that owning shares financed with your own capital is risky enough. Most investors would be uncomfortable with the additional risk of having funded share purchases with interest bearing debt.
2. Stockmarkets are manic-depressive. Investors tend to want to buy when prices are high and to sell when the market is depressed. These are the very worst times to be buying or selling. An unleveraged investor's ability to buy at a market high will at least be limited by his potential to *save new capital*. A margin investor can *borrow more debt* against the inflated value of existing shares - so is more likely to be buying shares at a market peak. A margin investor will also face more pressure to sell when the market is depressed.

When the stockmarket is depressed, an unleveraged investor can use new savings to buy additional shares at low prices, while a margin investor will need to use that cashflow just to pay interest.

3. Banks will usually only lend against larger listed shares, whereas smaller and medium sized companies offer better long term growth potential. So why borrow at a high interest rate to invest in mature, slow growing companies? If you want to improve your long term returns, avoid the larger companies and focus upon the smaller listed companies.
4. Margin "calls" can be much worse than expected and force the sale of shares at depressed levels. Banks may lend you up to about 70% of some shares. So you can buy \$100,000 of shares with just \$30,000 of equity and \$70,000 of margin debt. If that share falls 20%, reducing your investment to \$80,000 then at 70% margin the bank will lend only \$56,000 and so make a "call" requiring you to deposit \$14,000 of additional cash to reduce your debt. That is not too bad - but it is possible that the bank will also downgrade that share to just 50% margin. So they will lend only \$40,000 (i.e. half of your investment's current market value) and make a margin "call" of \$30,000. That is *twice* as much cash to find . . . and at a time when share prices are depressed.

In a serious 1929 or 1987 type of stockmarket decline the bank may either go bust and foreclose on your loan or decide to get out of risky margin lending and probably demand immediate repayment of all of your debt! That will result in *forced sales* for margin investors - while cash investors who can scrape together a few dollars will be able to buy up shares at severely depressed prices!

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.

Company	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current	4-Wk Chg.	Rank 0-99									
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													
Guinness Peat	208	+3.9	-2.1	43	0-11	3	0.4	5	0.7	7	2.5	0.15	485
Richina Pacific	72	+24.8	-12.1	3	0-0	-	1.2	6	1.2	22	2.8	0.18	107
Renaissance	90	+23.8	-8.3	4	1-8	-	3.5	23	1.0	15	12.2	0.29	34
Livestock Imp.	124	+6.6	+2.9	32	3-0	-	-	1.0	8	13.1	0.37	0.37	37
Mainfreight Grp	260	+14.6	-0.3	13	4-6	4	3.4	8	0.6	45	3.7	0.38	248
Wrightson Ltd	180	+10.5	-5.4	20	6-13	2	2.3	9	0.9	25	9.5	0.40	252
Restaurant Brds	132	+0.0	-0.2	62	1-0	3	2.5	21	1.0	12	11.3	0.40	128
Broadway Ind	86	+0.3	-7.2	61	0-0	-	1.0	18	0.9	6	2.3	0.41	17
Nuplex Indust	480	+1.9	-5.3	53	2-0	4	1.8	19	0.6	10	7.6	0.45	298
Ebos Group Ltd	405	+3.9	-4.3	42	0-1	-	2.4	18	0.5	13	7.4	0.49	112
Williams Kettle	441	+16.1	-9.2	12	1-0	-	2.5	16	0.5	15	5.8	0.58	98
Allied Farmers	290	+19.4	-3.3	8	0-0	-	2.3	14	0.7	16	5.4	0.62	46
POD Ltd	140	+3.3	-5.2	47	1-0	-	2.5	21	0.9	12	3.2	0.63	45
Pyne Gould G.	185	+5.6	-3.8	35	0-0	-	1.7	16	0.7	10	7.3	0.64	185
Vertex Group	190	+8.7	+5.3	26	0-7	-	2.5	20	0.8	12	3.1	0.69	61
Seeka Kiwifruit	460	+0.4	-2.3	59	1-0	-	1.5	12	0.5	12	5.8	0.72	37
Fletcher Build.	666	+12.5	-3.1	15	1-1	6	2.6	21	0.4	12	5.6	0.74	2,909
Dorchester Pac	270	+0.4	-0.7	60	0-2	-	1.9	20	0.7	10	5.5	0.77	56
Hellaby Hold.	585	+7.4	-3.4	29	0-0	2	2.9	21	0.4	14	8.9	0.87	288
Taylor's Grp Ltd	250	+0.9	-0.2	58	1-0	-	2.3	16	0.6	14	6.6	0.99	61
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													
Renaissance	90	+23.8	-8.3	4	1-8	-	3.5	23	0.7	15	12.2	0.29	34
Allied Farmers	290	+19.4	-3.3	8	0-0	-	2.3	14	0.5	16	5.4	0.62	46
Cabletalk Group	57	+18.0	-7.8	10	3-2	-	3.8	39	1.3	10	Nil	0.33	18
Williams Kettle	441	+16.1	-9.2	12	1-0	-	2.5	16	0.4	15	5.8	0.58	98
Fletcher Build.	666	+12.5	-3.1	15	1-1	6	2.6	21	0.4	12	5.6	0.74	2,909
Toll NZ Ltd	300	+12.4	+0.0	16	0-1	1	9.3	-	0.6	6	Nil	0.91	631
Affco Holdings	45	+9.0	+0.1	24	0-1	-	1.1	27	0.9	4	Nil	0.26	244
Vertex Group	190	+8.7	+5.3	26	0-7	-	2.5	20	0.7	12	3.1	0.69	61
Hellaby Hold.	585	+7.4	-3.4	29	0-0	2	2.9	21	0.3	14	8.9	0.87	288
Livestock Imp.	124	+6.6	+2.9	32	3-0	-	-	0.8	8	13.1	0.37	0.37	37
Pyne Gould G.	185	+5.6	-3.8	35	0-0	-	1.7	16	0.6	10	7.3	0.64	185
Ebos Group Ltd	405	+3.9	-4.3	42	0-1	-	2.4	18	0.4	13	7.4	0.49	112
Guinness Peat	208	+3.9	-2.1	43	0-11	3	0.4	5	0.6	7	2.5	0.15	485
POD Ltd	140	+3.3	-5.2	47	1-0	-	2.5	21	0.7	12	3.2	0.63	45
Nuplex Indust	480	+1.9	-5.3	53	2-0	4	1.8	19	0.5	10	7.6	0.45	298
Taylor's Grp Ltd	250	+0.9	-0.2	58	1-0	-	2.3	16	0.5	14	6.6	0.99	61
Seeka Kiwifruit	460	+0.4	-2.3	59	1-0	-	1.5	12	0.4	12	5.8	0.72	37
Dorchester Pac	270	+0.4	-0.7	60	0-2	-	1.9	20	0.6	10	5.5	0.77	56
Broadway Ind	86	+0.3	-7.2	61	0-0	-	1.0	18	0.6	6	2.3	0.41	17
Restaurant Brds	132	+0.0	-0.2	62	1-0	3	2.5	21	0.8	12	11.3	0.40	128
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													
NZ Refining Co	3525	+20.7	-3.4	6	0-0	2	2.2	26	0.1	9	12.7	3.01	846
Restaurant Brds	132	+0.0	-0.2	62	1-0	3	2.5	21	0.7	12	11.3	0.40	128
Cavalier Corp	375	-7.5	-2.1	88	5-11	1	3.6	31	0.4	12	10.7	1.23	243
F & P Appliance	293	-13.4	-5.3	95	2-9	5	1.4	15	0.5	9	10.3	0.82	767
Wrightson Ltd	180	+10.5	-5.4	20	6-13	2	2.3	9	0.7	25	9.5	0.40	252
Lytellon Port	176	+2.4	-0.5	51	0-0	4	3.5	24	0.5	15	9.3	2.91	180
Skellmax Indust	115	+1.5	-0.8	55	5-0	-	4.1	41	0.6	10	9.1	1.08	115
NGC Holdings	314	+4.3	-0.1	41	0-0	-	4.5	27	0.5	17	9.0	3.05	1,390
Hallenstein G.	400	+7.2	-0.1	29	1-1	2	4.3	31	0.3	14	9.0	1.30	236
Hellaby Hold.	585	+7.4	-3.4	29	0-0	2	2.9	21	0.3	14	8.9	0.87	288

Company	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current	4-Wk Chg.	Rank 0-99									
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
Skellmax Indust	115	+1.5	-0.8	55	5-0	-	4.1	41	0.5	10	9.1	1.08	115
Livestock Imp.	124	+6.6	+2.9	32	3-0	-	-	0.6	8	13.1	0.37	0.37	37
Loan & Building	454	+6.2	-0.7	33	4-1	-	1.4	8	0.2	18	4.8	1.69	14
MG Property Trt	113	+5.4	-1.9	36	2-0	-	1.2	6	0.4	20	8.4	7.76	164
Nuplex Indust	480	+1.9	-5.3	53	2-0	4	1.8	19	0.4	10	7.6	0.45	298
Restaurant Brds	132	+0.0	-0.2	62	1-0	3	2.5	21	0.6	12	11.3	0.40	128
Heritage Gold	8	+1.3	-5.1	56	1-0	-	0.8	-	1.4	NE	Nil	N/A	6
Speirs Group	120	+16.2	-3.7	11	1-0	-	-	0.6	NE	Nil	N/A	10	
Kiwi Property	115	+2.7	-0.2	51	1-0	5	1.0	7	0.4	15	7.5	N/A	749
POD Ltd	140	+3.3	-5.2	47	1-0	-	2.5	21	0.6	12	3.2	0.63	45

Company	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current	4-Wk Chg.	Rank 0-99									
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0													
Widespread Port	2	-12.6	-3.3	94	0-2	-	0.8	-	2.7	NE	Nil	7.51	6
A2 Corporation	28	-12.5	-5.7	94	0-0	-	2.9	-	1.0	NE	Nil	7.00	5
Spectrum Res.	2	-58.3	+0.0	98	1-0	-	3.3	-	2.6	NE	Nil	2.61	7
Blue Chip NZ	95	-9.8	-3.5	92	0-6	-	5.4	52	0.9	10	Nil	2.31	50
South Port NZ	120	-2.0	-0.8	71	0-0	1	1.3	9	0.5	15	8.1	2.12	31
NZ Wine Company	190	-1.6	-1.0	69	1-0	-	0.9	4	0.4	22	4.5	2.11	16

Company	STRENGTH RATING				Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
	Share Price	Current	4-Wk Chg.	Rank 0-99									
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Spectrum Res.	2	-58.3	+0.0	98	1-0	-	3.3	-	2.4	NE	Nil	2.61	7
Genesis Res.	28	-20.8	-3.9	97	0-0	-	0.5	-	1.0	NE	Nil	1.65	7
Media Tech.	10	-13.9	+0.1	96	0-3	-	1.5	-	2.1	NE	Nil	1.61	8
Postie Plus Grp	70	-13.8	-1.3	95	0-1	-	1.0	15	0.5	7	15.1	0.26	28
F & P Appliance	293	-13.4	-5.3	95	2-9	5	1.4	15	0.4	9	10.3	0.82	767
Widespread Port	2	-12.6	-3.3	94	0-2	-	0.8	-	2.4	NE	Nil	7.51	6
A2 Corporation	28	-12.5	-5.7	94	0-0	-	2.9	-	0.9	NE	Nil	7.00	5
Botry-Zen Ltd	7	-9.9	-2.9	92	0-4	-	6.6	-	1.4	NE	Nil	N/A	12
Blue Chip NZ	95	-9.8	-3.5	92	0-6	-	5.4	52	0.9	10	Nil	2.31	50
Connexion	42	-8.9	-2.9	90	0-0	-	-	-	0.8	NE	Nil	N/A	7
Sthn Travel	88	-8.4	-3.0	89	2-0	-	-	-	0.6	NE	Nil	N/A	12
Evergreen	29	-7.5	-0.3	89	5-2	-	0.6	-	0.7	NE	Nil	1.12	45
Cavalier Corp	375	-7.5	-2.1	88	5-11	1	3.6	31	0.3	12	10.7	1.23	243
Turners & Grow.	240	-7.4	-2.5	88	1-1	-	0.9	5	0.5	18	Nil	0.31	173
Scott Tech. Ltd	265	-6.2	-3.2	87	0-0	-	3.9	22	0.4	18	7.3	1.84	66
Mr Chips Hold	100	-6.1	-0.5	87	0-0	-	1.9	16	0.5	12	7.5	0.69	24
Zintel Comm.	100	-6.1	-0.5	86	1-6	-	9.4	77	0.5	12	10.1	1.26	50
Satara Co-op	118	-6.0	-1.0	85	0-0	-	1.2	4	0.6	27	7.6	0.56	30
Software of Exc	113	-5.8	-3.3	85	2-3	-	5.3	-	0.9	NE	Nil	1.45	25
Feltex Ltd	88	-5.7	-5.9	84	5-0	-	1.5	23	0.6	6	6.8	0.40	131

Computer Selections of Australian 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", "Income" and "Insider Buying" shares should be considered for purchase, while the "Over-Valued", "Worst Performing" and "Insider Selling" shares can be sold to release money for re-investment in more attractive shares.

Company	Share Price	STRENGTH RATING				Insider Buy-Sell	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	STRENGTH RATING				Insider Buy-Sell	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
		Cur.	4-Wk	Rank	Buy-Sell											Cur.	4-Wk	Rank	Buy-Sell								
		rent	Chg.	0.99	Brokers Following											rent	Chg.	0.99	Brokers Following								
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0																											
Takoradi Ltd	1	-6.3	-2.9	74	0.0	-	-	5.5	NE	Nil	N/A	5	Optima Corp Ltd	12	-22.6	-1.9	97	0.0	-	4.0	-	1.4	NE	Nil	N/A	8	
Anadis Limited	45	-0.4	-0.6	57	0.0	-	5.6	-	0.9	NE	Nil	9.66	41	Open Telecom.	43	-22.5	+5.8	97	0.0	-	2.4	-	0.7	NE	Nil	0.69	8
Sirtex Medical	160	-13.7	-3.7	88	4.0	-	7.0	5	0.5	127	Nil	9.30	89	Meditech Rsrch	11	-22.4	-4.3	97	2.0	-	2.8	-	1.1	NE	Nil	N/A	14
Voyager Energy	25	-8.5	-1.9	79	1.0	-	-	-	1.0	NE	Nil	9.08	30	Unlife Medical	68	-22.4	+0.3	97	1.0	-	-	-	1.2	NE	Nil	N/A	60
Kip McGrath EC	199	-3.9	-1.8	68	1.1	-10.0	30	0.4	34	2.5	9.08	34	Avastra Ltd	39	-22.0	-2.2	97	0.0	-	-	-	0.8	NE	Nil	N/A	11	
Neuren Pharm.	27	-7.6	-4.6	77	2.0	-	-	-	1.1	NE	Nil	8.68	23	East'd Medical	13	-22.0	-5.1	97	0.1	-	2.5	-	1.3	NE	Nil	2.86	15
Intec Ltd	7	-13.1	+1.2	87	0.1	-	6.5	-	1.9	NE	Nil	8.67	16	Range River Gld	13	-22.0	+1.0	97	2.0	-	-	-	0.9	NE	Nil	N/A	11
Solbec Pharm.	11	-2.6	-5.9	64	4.0	-	5.5	-	1.1	NE	Nil	8.46	18	Sky Net Global	105	-21.9	-7.1	97	2.0	-	1.5	25	0.8	6	Nil	0.62	6
Int'l Goldfield	30	-2.9	-2.0	65	0.0	-	-	-	0.8	14	Nil	8.29	9	View Resources	28	-21.5	-5.2	96	1.1	-	-	-	1.3	NE	Nil	N/A	8
Quantum Energy	13	-12.1	-2.6	86	1.0	-13.0	-	-	1.3	NE	Nil	8.18	114	Aust Mines Ltd	7	-21.4	-3.1	96	5.0	-	-	-	1.3	NE	Nil	N/A	8
Circadian Tech	148	-10.7	-3.1	83	1.1	-	1.2	12	0.7	10	Nil	8.17	59	Cygenics Ltd	46	-21.4	-2.7	96	2.0	-	-	-	0.7	NE	Nil	N/A	22
Eiffel Tech.	5	-18.9	-3.3	95	0.0	-	5.0	-	2.0	NE	Nil	7.81	10	Ambri Limited	16	-21.1	+8.0	96	2.0	1	-	-	1.2	NE	Nil	N/A	28
CO2 Group Ltd	41	-0.4	-0.4	57	0.0	-	-	-	0.7	NE	Nil	7.75	77	Aust Ethanol	22	-20.8	-1.9	96	0.0	-	-	-	1.4	NE	Nil	N/A	5
Northern Gold	25	-5.0	-2.3	71	0.0	-	-	-	0.8	NE	Nil	7.47	36	Argosy Minerals	8	-20.7	+0.1	96	0.0	-	-	-	1.6	NE	Nil	6.56	8
Kimberley Oil	7	-10.2	-3.9	82	0.0	-	-	-	1.8	NE	Nil	7.23	7	Panbio Ltd	18	-20.2	-8.8	96	3.0	1	0.9	-	1.2	NE	Nil	0.74	11
Ezenet Limited	12	-6.9	+4.2	76	0.0	-	2.9	-	1.4	NE	Nil	7.23	7	Aust Cancer T.	18	-20.2	-5.6	96	0.0	-	8.8	-	1.0	NE	Nil	N/A	20
Tech Star Ltd	14	-19.3	-1.6	95	0.0	-	-	-	1.1	NE	Nil	7.14	6	Metal Storm Ltd	17	-19.7	-3.2	96	0.0	-	4.3	-	1.0	NE	Nil	N/A	89
Alkane Explor.	19	-5.3	-0.6	71	4.1	-	-	-	1.2	NE	Nil	6.69	25	Pan Palladium	33	-19.7	-2.2	95	1.0	-	-	-	0.9	NE	Nil	N/A	29
Argosy Minerals	8	-20.7	+0.1	96	0.0	-	-	-	1.7	NE	Nil	6.56	8	Cogstate Ltd	15	-19.3	-1.6	95	4.0	-	-	-	1.1	NE	Nil	N/A	5
Optiscan Image	36	-2.4	+1.9	64	3.0	-	2.4	-	0.9	NE	Nil	6.49	29	Tech Star Ltd	14	-19.3	-1.6	95	0.0	-	-	-	1.0	NE	Nil	7.14	6
Biota Holdings	51	-9.1	+0.3	81	2.0	-	2.3	-	1.0	NE	Nil	6.14	49	Eiffel Tech.	5	-18.9	-3.3	95	0.0	-	5.0	-	1.9	NE	Nil	7.81	10
Bionomics Ltd	19	-8.9	-3.4	80	0.1	-	1.3	-	1.3	NE	Nil	5.91	12	Tantalum Aust.	3	-18.8	-6.0	95	0.0	-	-	-	2.1	NE	Nil	2.87	7
STW Comm Group	307	-2.9	+0.5	65	0.1	6	2.7	12	0.5	23	3.0	5.77	534	Medaire Inc	54	-18.6	+1.7	95	2.0	-	7.7	-	0.9	NE	Nil	0.92	30
Antares Energy	56	-5.3	-4.6	71	13.0	-	-	-	0.6	311	Nil	5.73	89	Prityome Pharm.	12	-18.5	+1.7	94	1.0	-	1.2	-	1.0	NE	Nil	N/A	6
Farsands Corp.	23	-0.8	-0.4	59	0.7	-	-	-	0.8	288	Nil	5.60	31	Mark Sensing	6	-18.3	+4.6	94	5.1	-	1.2	8	1.4	16	Nil	0.55	12
Tennant Creek G	12	-1.0	+2.5	60	4.0	-	-	-	1.3	NE	Nil	5.58	6	Medical Monitor	4	-18.3	+2.3	94	1.0	-	-	-	1.6	NE	Nil	N/A	10
Visionmed Group	3	-4.0	+3.5	68	3.0	-	-	-	2.5	NE	Nil	5.58	6	Aeris Tech Ltd	46	-18.2	-0.1	94	0.0	-	9.2	-	1.1	NE	Nil	N/A	21
Creatable Media	9	-17.9	-5.0	94	11.0	-	-	-	1.6	NE	Nil	5.56	9	Powerlan Ltd	26	-18.0	-4.5	94	4.0	-	-	-	1.1	NE	Nil	0.33	9
Peplin Ltd	45	-10.8	+2.4	83	0.0	-	3.2	-	0.7	NE	Nil	5.44	44	Creatable Media	9	-17.9	-5.0	94	11.0	-	-	-	1.5	NE	Nil	5.56	9
Verus Investmt	25	-1.7	+6.1	62	1.0	-	1.9	-	0.7	NE	Nil	5.35	5	Norwood Abbey	47	-17.9	-2.5	94	0.1	-	2.2	-	0.8	NE	Nil	N/A	76
China West Int.	12	-3.2	-14.4	66	0.0	-	0.6	0	2.0	171	Nil	5.29	48	Westonia Mines	15	-17.9	-5.9	94	5.1	-	-	-	1.0	NE	Nil	N/A	144
Stratelot Ltd	10	-3.5	-6.9	67	0.1	-	5.0	-	1.3	NE	Nil	5.03	6	Prima Biomed	12	-17.8	+1.7	94	5.5	-	-	-	1.3	NE	Nil	N/A	8
Jumbuck Enter.	34	-3.4	+3.4	67	1.0	-	-	-	1.1	16	Nil	4.82	14	QRSciences Hold	12	-17.7	-4.5	94	2.0	-	5.8	-	0.9	NE	Nil	N/A	18
Lihir Gold	105	-3.2	-1.1	66	0.0	8	2.1	64	0.4	3	Nil	4.52	1,348	Celtex Ltd	3	-17.6	-6.2	93	0.0	-	-	-	2.0	NE	Nil	N/A	6
Peet & Company	146	-0.3	-3.5	56	2.0	-	-	-	0.7	10	6.8	4.51	292	Namakwa Diamond	15	-17.3	-4.3	93	1.0	-	-	-	1.0	NE	Nil	N/A	12
Astro Diamond	6	-9.1	+2.4	80	0.0	-	-	-	2.1	NE	Nil	4.40	8	Multiimedia Ltd	2	-17.2	-1.8	93	1.2	-	2.1	-	2.8	NE	Nil	1.26	24
GoldLink Income	112	-0.1	+1.5	55	0.0	-	1.0	9	0.6	11	6.3	4.20	53	Quantum Res.	3	-16.9	-5.8	93	0.0	-	-	-	2.8	NE	Nil	N/A	7
Easycall Int'l	7	-7.9	-2.3	78	0.0	-	1.0	-	2.1	NE	Nil	3.97	17	Polartechnics	26	-16.8	-1.1	93	5.0	-	1.7	-	0.9	NE	Nil	3.16	16
Bounty Oil Gas	7	-13.6	-3.0	88	0.0	-	-	-	2.1	NE	Nil	3.92	6	INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
Desane Group	95	-7.9	-4.8	78	0.2	-	1.0	7	0.6	14	2.1	3.89	22	Tawana Resource	113	-6.3	-3.8	74	0.10	-	-	-	0.4	NE	Nil	N/A	57
DenX Ltd	12	-13.2	+5.4	88	5.0	-12.0	-	-	1.0	NE	Nil	3.64	17	Agincourt Res.	180	-0.5	+1.4	58	0.7	-	-	-	0.6	29	Nil	2.83	107
Icon Energy	4	-12.5	+3.4	87	0.0	-	-	-	2.1	NE	Nil	3.58	7	Farsands Corp.	23	-0.8	-0.4	59	0.7	-	-	-	0.7	288	Nil	5.60	31
Bass St Oil Trt	230	-5.7	+0.6	72	0.0	-	1.5	17	0.3	9	13.8	3.53	129	Broadcast Serv.	28	-7.0	-6.9	76	0.5	-	5.6	28	0.8	20	Nil	0.52	52
Amrad Corp.	45	-6.2	-0.3	74	7.1	-	1.2	-	0.6	NE	Nil	3.48	57	De Grey Mining	36	-11.6	+0.4	85	1.6	-	-	-	0.7	NE	Nil	N/A	20
Bullion Min.	13	-10.1	-5.2	82	9.2	-	-	-	1.3	NE	Nil	3.47	6	Cullen Resource	3	-3.9	-7.1	68	0.4	-	-	-	1.8	NE	Nil	N/A	11
Impress Venture	6	-10.8	+2.5	84	8.0	-	-	-	2.2	NE	Nil	3.43	7	Novogen Ltd	496	-4.3	-3.4	69	0.4	7	6.9	-	0.8	NE	Nil	N/A	480
Pacific Brands	248	-4.1	-4.5	69	5.0	-	-	-	0.5	106	1.4	3.37	1,247	WAM Capital Ltd	156	-1.0	+0.3	60	1.5	-	1.0	9	0.4	12	6.4	N/A	88
Baycorp Advant.	291	-0.6	-0.9	58	0.0	7	18.2	58	0.4	31	Nil	3.36	664	Kimberley Diam.	102	-6.7	+4.3	75	1.5	-	-	-	0.6	NE	Nil	N/A	174
Institute Drug	198	-4.0	-0.5	68	0.2	2	3.2	16	0.6	20	3.5	3.32	85	Troy Resources	275	-1.6	-3.0	61	0.3	-	-	-	0.5	9	2.2	1.57	133
Amcom Telecom.	19	-0.8	-4.3	59	2.4	-	1.2	2	1.2	54	1.4	3.31	67	Croesus Mining	45	-6.8											

"Insider" Trades in Australian Shares

The 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: 70.0% Buyers
Last 13 wks: 70.8% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
A.P. Eagers	1-0	Aust Healthcare	2-0	CTI Logistics	2-0	Creatable Media	11-0	Fleetwood Corp	0-3
AAV Limited	0-1	Aust Foundation	4-5	Cabcharge Ltd	0-2	Crescent Gold	5-0	Flight Centre	1-0
ABB Grain Ltd	1-0	Aust Ethical In	1-0	Campbell Bros	3-0	Croesus Mining	0-3	Flinders Diam.	2-0
ABC Learning	1-4	Aust Energy	0-5	Canberra Invest	4-0	Crown Diamonds	2-0	Foodland Assoc	1-0
AHC Ltd	0-1	Aust Stock Exch	1-0	Candle Aust.	4-2	Crusader Hold.	3-0	Forest Ent Aust	0-1
AI Limited	2-1	Aust Infra.	1-0	Capral Alum.	1-0	Cryosite Ltd	1-0	Fortescue Metal	2-3
AMCIL Limited	4-0	Aust Wwide Exp	0-1	Cardno Ltd	3-0	Cryptome Pharm.	1-0	Fox Resources	2-0
AMP Ltd	3-0	Aust Agricult.	0-1	Carlton Invest	0-4	Cullen Resource	0-4	Funtastic Ltd	6-1
ANZ Bank	2-3	Aust United In	3-0	Cararnov Pet.	2-0	Cygenics Ltd	2-0	Futuris Corp.	3-0
APN News Media	5-1	Aust Mines Ltd	5-0	Carpathian Res.	11-0	Cypress Lakes	1-0	G.R.D. NL	4-1
ARB Corporation	1-0	Aust Wealth Mgt	2-0	Carpenter Pac.	0-1	Cytopia Ltd	2-0	G.U.D. Holdings	2-1
ARC Energy	1-2	Austar United	0-1	Carrick Gold	3-0	DCA Group Ltd	2-3	GTN Resources	1-0
ASG Group Ltd	0-5	Austal Limited	1-2	Caspian Oil & G	5-2	DKN Financial	2-0	Gale Pacific	11-2
AV Jennings	4-0	Austereo Group	0-2	Catalyst Rec'mt	1-0	Dark Blue Sea	2-0	Gaming & Ent.	7-1
AVT Bioplasma	1-0	Austin Group	2-0	Cazaly Res Ltd	9-3	David Jones	1-2	Gandel R. (CFS)	0-1
AXA Asia Pac	0-1	Austral Coal	2-0	Celtesis Ltd	0-3	De Grey Mining	1-6	Garratt's Ltd	2-0
Aberdeen Leader	1-0	Auth Invest Fd	1-0	Cellnet Group	3-2	Deep Sea Fish.	2-0	Gateway Mining	2-0
Access Provider	2-1	Auto Group Ltd	1-0	Cent. Asia Gold	1-0	DenX Ltd	5-0	Giants Reef Min	2-0
Acrux Ltd	2-0	Avatar Indust.	1-0	Central Exch.	2-0	Desane Group	0-2	Gindalbie Met.	3-1
Acumen Cap Prop	4-0	Avexa Limited	6-0	Centro Property	5-0	Destra Corp Ltd	4-0	Gippsland Ltd	0-1
Acuron Ltd	1-0	Aviva Corp Ltd	4-0	Century Aust In	1-0	Devine	1-0	Giralia Res.	0-2
Adcorp Aust.	1-2	Avoca Resources	2-0	Ceramic Fuel C.	1-0	Dia-B Tech Ltd	1-0	Gleneagle Gold	2-0
Adelaide Bank	1-0	Axiom Property	1-0	Cervantes Sea.	1-0	Diamonex Ltd	1-0	Glangarry Res.	1-0
Adelaide Res.	0-1	Aztec Resources	1-0	Chal Financial	6-0	Didasko Ltd	1-0	Global Mining I	5-0
Adelaide Bright	3-0	BHP Billiton	1-0	Chalmers	1-0	Dioro Explor.	2-0	Globe Int'l Ltd	1-0
Admiralty Res.	2-0	BMA Gold Ltd	6-1	Chariot Limited	1-0	Discovery Nick.	1-0	Gloucester Coal	2-0
Adv Nanotech.	1-0	BOT Solutions	14-0	Charter Pacific	1-0	Div. Utility	0-1	Gold Aura Ltd	4-0
Advanced Energy	1-0	Ballarat Gold	1-0	ChemGenex Pharm	3-0	Div. United Inv	3-0	Golden State	1-0
Advance Health.	1-0	Bank of Qland	1-0	Chemeq Ltd	0-2	Djerriwarrh	2-7	Golden Valley	3-0
Affiance Group	1-0	Barlow (Tony)	1-0	Cheviot Bridge	1-0	Dominion Mining	2-0	Goldstream Min.	0-1
Agenix Limited	4-0	Bass St Oil Coy	0-3	Chiquita Brands	1-0	Downer EDI Ltd	1-0	Goldsearch Ltd	3-0
Agincourt Res.	0-7	Batavia Mining	0-1	Choiseul Inv.	5-0	Dragon Mining	0-1	Gowing Brothers	3-0
Aim Resources	1-0	Baxter Group	2-1	Citic Australia	0-4	Drillsearch	1-0	Graincorp	0-1
Ainsworth Game	1-0	Beaconsfield GI	3-0	Citigold Corp	0-1	Dromana Estate	1-0	Grange Resource	10-0
Alcaston Mining	3-0	Bemax Resources	3-0	Citrofresh Int.	2-0	E-Bet Limited	8-0	Greater Pacific	0-2
Alchemia Ltd	2-0	Bendigo Bank	0-1	City Pacific	0-4	ECSI Limited	0-1	Green's Foods	3-1
Ale Property	2-0	Bendigo Mining	3-0	Clime Capital	3-0	East African Co	0-1	Gro Pep Limited	5-1
Alesco Corp Ltd	1-3	Benitec Ltd	4-2	Clinical Cell	2-0	East'n Star Gas	1-0	Gt Sthn Plant'n	1-2
Alexander Res.	1-0	Bentley Int'l	18-0	Clover Corp.	0-1	Eastern Corp	2-0	Gt Western Exp.	1-0
Alinta Limited	0-1	Berkeley Res.	1-0	Club Crocodile	1-0	East'd Medical	0-1	Guinness Peat	0-13
Alkane Explor.	4-1	Beyond Int'l	3-0	Cluff Resource	1-0	Elixir Petrol.	1-0	Gunns Ltd	0-3
Allied Gold Ltd	3-0	Big Kev's Ltd	4-3	Cochlear Ltd	6-1	Elkedra Diamond	2-0	Gunson Res.	2-0
Allied Tech Grp	2-3	Biodiem Ltd	1-0	Cockatoo Ridge	1-0	Ellex Medical	1-0	HHG Plc	4-0
Alpha Tech.	2-0	Biomd Ltd	1-0	Coffey Int'l	2-0	Emitch Limited	1-0	Hamilton James	1-0
Altium Limited	1-0	Biometrics Ltd	6-1	Cogstate Ltd	4-0	Emperor Mines	0-1	Hannans Reward	1-0
Alumina Ltd	0-4	Bionomics Ltd	0-1	Coles Myer	1-0	Empire Oil, Gas	0-1	Hansen Tech.	1-0
Amalgamated Hld	0-1	Biosignal Ltd	1-0	Collection Hse	1-0	Energy Resource	0-1	Hardman Res.	1-4
Ambri Limited	2-0	Biota Holdings	2-0	Colorpak Ltd	1-0	Ent Media & Tel	1-3	Harrington Grp	1-0
Amcom Telecom.	2-4	Biotech Capital	1-0	Colorado Group	1-0	Entek Energy	6-0	Harvey Norman	0-1
Ancor Ltd	2-0	Biron Capital	0-3	Comwealth Bank	0-2	Environ. Sol'n	1-0	Harvey Wild Trav	4-0
Ammtec Ltd	0-1	Blackmores Ltd	2-1	ComOps Limited	1-0	Environ'm't Grp	1-0	Healthscope	0-1
Amrad Corp.	7-1	Bluescope Steel	2-0	Comdek Ltd	0-1	Envirozel Ltd	1-0	Heartware Ltd	8-0
Analytica Ltd	4-0	Bone Medical	1-0	Comet Ridge Ltd	1-0	Epitan Limited	1-4	Heemskirk Cons.	1-0
Anglo Pacific	1-4	Boom Logistics	1-2	Comet Resources	1-0	Eqitx Limited	4-0	Heron Resources	12-0
Angus & Cootie	1-0	Bradken Ltd	1-0	Commander Comm.	2-0	Equigold NL	7-0	Highland Pac.	1-0
Ansell Ltd	2-4	Brambles Ind.	3-0	Commoditel Ltd	1-0	Equinox Min.	1-0	Hillcrest Res.	6-0
Antares Energy	13-0	Brazin Limited	1-0	Commsecure Ltd	0-1	Essa Australia	1-0	Hillgrove Res.	1-0
Anvil Mining	0-1	Brickworks Ltd	4-1	Community Life	4-0	Eumundi Group	0-1	Hills Indust.	0-1
Apex Minerals	2-0	Brickworks Inv.	2-0	Compass Res	1-0	Eurogold Ltd	1-0	Home Bldg Soc.	4-0
Aquarius Plat.	8-0	Broadcast Serv.	0-5	Computershare	7-2	Euroz Limited	1-0	HomeLeisure Ltd	8-0
Aquila Res.	2-0	Buderim Ginger	3-0	Compumedics Ltd	1-0	Evans & Tate	1-0	Homeloans Ltd	1-0
Ariadne Aust	4-0	Buka Minerals	1-0	Concept Hire	1-0	Exco Resources	5-0	Housewares Int.	1-0
Aristocrat Leis	6-0	Bullion Min.	9-2	Cons Minerals	3-4	Extract Res.	1-0	Hpal Limited	0-1
Arrow Energy	2-1	Bunnings W/hse	4-1	Contango Micro.	1-0	F.F.I. Holdings	6-0	Hudson Timber	4-0
Aspen Group Ltd	0-5	Burdekin Pacifi	2-0	Coon or Cosy	3-1	FKP Limited	0-1	Hudson Invest.	1-0
Atlas Grp Hold.	3-2	C.S.R. Ltd	1-0	Coonawarra Aust	0-1	FSA Group Ltd	0-1	Hudson Sec.	3-1
Atlas Gold Ltd	4-0	CBD Energy Ltd	2-0	Copper Strike	1-0	Falcon Minerals	3-1	Hugall & Hoile	1-0
Aurox Resources	3-0	CBH Resources	0-5	Cordukes Ltd	1-0	Farsands Corp.	0-7	Hunter Hall Int	0-4
Auselect Ltd	1-0	CEC Group Ltd	0-1	Corp Express	1-2	Felix Resources	2-0	Huntley Invest	3-0
Auspine Ltd	3-0	CFS Private Cap	2-0	Cougar Metals	1-0	Fiducian P Serv	7-0	Hutchison Tel.	2-0
Ausquest Ltd	6-0	CPT Global Ltd	1-0	Coventry Group	2-0	Financial Res.	1-0	Hydromet Corp.	2-0
Ausron Limited	1-0	CSL Limited	1-2	Crane Group	1-0	First Aust Res.	2-1	Hyro Limited	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
IBA Health Ltd	2-0	Macquarie Prol.	2-1	Objective Corp.	0-3	Reliance Mining	2-1	TZ Limited	3-0
IBT Education	0-1	Macquarie Off.	1-0	Oceana Gold Ltd	4-0	Renew. Energy	3-2	Talent2 Int'l	0-2
IM Medical Ltd	6-8	Macquarie C'Wde	1-0	Oil Search Ltd	0-1	Repco Corp Ltd	1-4	Tap Oil	0-5
IMF (Aust) Ltd	0-2	Macquarie Air.	3-0	Oilex NL	4-0	Repol Ltd	2-1	Tasman Resource	3-0
ING Indust Trt	3-0	Magnesium Int'l	1-0	Oldfields Hold	2-0	Resonance Hlth	1-0	Tassal Group	1-0
ING Office Fund	4-0	Magnum Gold NL	0-1	Olea Australia	1-0	Resources Min.	5-0	Tawana Resource	0-10
IOOF Holdings	4-1	Marengo Mining	2-0	Omegacorp Ltd	1-0	Retail Cube	4-0	Technology One	0-1
IT & e Limited	1-0	Mariner Fin.	6-0	Onesteeel Ltd	0-2	Riversdale Min.	4-0	Tectonic Res.	1-3
ITL Limited	7-0	Marine Produce	7-1	Optiscan Image	3-0	Rivkin Fin Serv	1-2	Tele-IP Limited	1-0
IWL Limited	2-0	Mariner Wealth	0-2	Orchard Petrol.	0-1	Roberts Ltd	0-1	Templeton Globa	1-0
Iberian Res.	2-0	Mark Sensing	5-1	Orica Ltd	5-4	Roc Oil Company	0-3	Tempo Services	0-3
Ideas Intern'l	6-0	Marybor'gh Suga	0-3	Origin Energy	0-1	Rock Build Soc.	1-7	Ten Network	0-4
iINet	0-2	Maxi TRANS	0-1	Orion Telecom.	1-0	Rockey Biomed	3-0	Tennant Creek G	4-0
Image Resources	2-3	Macquarie Priv.	5-0	Ottoman Energy	2-0	Rox Resources	2-0	Tethyan Copper	2-0
Imdex Limited	2-0	McPherson's Ltd	2-0	Oxiana Ltd	1-0	Rubicon America	1-0	The Reject Shop	1-0
Impress Venture	8-0	Medaire Inc	2-0	PCH Group	1-2	Ruralco Hold.	1-0	Thundelarra Exp	7-3
Incitec Pivot	2-4	Medec Limited	0-2	PMP Limited	2-0	S Gilbert Wines	1-0	Tianshan Gold.	1-0
Independ. Group	2-0	Medical Dev Int	4-0	Pac. Star Netwk	1-0	S8 Limited	3-0	Tiger Resources	0-1
Info Choice Ltd	2-1	Medical Corp	1-0	Pacific Brands	5-0	SAI Global Ltd	1-0	Timbercorp	0-1
Infomedia Ltd	0-1	Medical Monitor	1-0	Pacific Energy	6-0	SDS Corporation	0-1	Titan Resources	1-4
Infracorp Ltd	4-0	Meditech Rsrch	2-0	Pacrim Energy	0-1	SFE Corporation	14-1	Toll Holdings	0-2
Innamincka Pet.	3-0	Medivac Ltd	2-0	Paladin Res.	0-3	SMS Mgmt & Tech	0-1	Total Com Infra	1-0
Institute Drug	0-2	Medusa Mining	0-1	Pan Australian	0-1	SSH Medical Ltd	3-0	Tourism Leisure	0-1
Int Research	2-1	Mermald Marine	0-1	Pan Palladium	1-0	STW Comm Group	0-1	TransMetro Corp	1-0
Int'l Goldfield	5-0	Metabolic Phar.	0-1	Panbio Ltd	3-0	Salmat Ltd	1-0	Transerv Aust.	1-0
Intec Ltd	0-1	Metallica Min.	1-0	Paperlin X Ltd	1-0	Sam's Seafood	0-2	Transurban Grp	0-2
Integrated Inv.	1-0	Metals Exp.	3-0	Patrick Corp	1-0	Santos Ltd	1-0	Transfield Serv	1-0
Integrated Grp	2-0	Metcash Trading	0-1	Payce Consol.	0-1	Saracen Mineral	3-0	Treasury Group	0-2
Intellect Hold	0-2	Meteorite Res.	2-0	Peet Healthcare	7-0	Scantech	4-0	Trent Capital	5-0
Intermin Res	8-0	Mikoh Corp.	4-0	Peet & Company	2-0	Scigen Ltd	0-2	Tri Origin Min.	1-0
Investa Prop.	1-0	Millers Retail	3-1	Pelorus Pipes	4-1	Scimitar Res.	2-0	Troy Resources	0-3
Investika Ltd	2-0	Milton Corp.	1-0	Pengana Mngrs	1-0	Select harvest	2-0	Two Way TV Aust	3-1
Investor Group	0-2	Mindax Limited	3-0	Perilyx Telecom	3-0	Senetas Corp	0-3	UNITAB Ltd	1-0
Invocare Ltd	0-2	Mineral Sec.	1-0	Peptech Limited	5-0	Servcorp Ltd	9-2	UXC Limited	0-1
Iress Mkt Tech	0-1	Mineral Commod.	1-0	Perilyx Mines	2-1	Seven Network	1-0	Union Resources	1-0
Ironbark Cap.	6-1	Minotaur Exp.	1-0	Perp Trust Aust	6-0	Shearer (John)	1-0	United Kimberley	3-0
JB Hi-Fi Ltd	2-0	Mirrabooka Inv.	3-4	Perseus Mining	6-0	Sherlock Bay N.	2-0	United Group	2-0
Jabiru Metals	3-0	Mirvac Group	0-2	Perseverance	1-0	Siberia Mining	3-0	Unlife Medical	1-0
Jackgreen Ltd	3-1	Mithril Res.	1-3	Petsec Energy	3-0	Silex Systems	0-1	Unwired Group	1-0
Jackson Gold	1-0	Mobilesoft Ltd	1-5	Pharmaust Ltd	3-0	Sims Group Ltd	0-1	Uscom Limited	5-0
Jindalee Res.	3-0	Moby Oil & Gas	0-2	Phileo Aust.	0-1	Sino Gold Ltd	2-1	Van Eyk Three P	1-0
Jubilee Mines	1-0	Monteray Group	0-2	Phosphagenics	4-0	Sipa Resources	1-0	VeCommerce Ltd	3-0
Jumbo Corp	1-2	Monto Minerals	1-0	Photon Group	1-0	Sirius Telecom.	1-0	Ventracor Ltd	1-0
Jumbuck Enter.	1-0	Mortgage Choice	3-0	Pioneer Nickel	2-0	Sirtex Medical	4-0	Verus Investm't	1-0
Just Group Ltd	3-0	Mosaic Oil NL	0-1	Planet Platinum	1-0	Skilled Group	7-0	Viagold Capital	0-2
KH Foods Ltd	1-0	Motion Picture	1-0	Plaspak Group	4-1	Sky Net Global	2-0	Vietnam Indust.	2-0
KLM Group Ltd	3-0	Moto Goldmines	3-0	Platinum Aust	6-0	Skywest Ltd	0-1	Village Road.	0-4
Keycorp Ltd	2-0	Mt Burgess Min.	1-0	Polaris Metals	1-0	Smorgon Steel	0-1	Villa World	1-4
Kimberley Diam.	1-5	Mt Gibson Iron	0-1	Polartechncs	5-0	Snowball Group	6-1	Virgin Blue	0-1
Kings Minerals	1-0	Multiplex Group	5-1	Port Bouvard	0-1	So Natural Food	3-0	Virotec Int'l	0-1
Knights Insol.	1-0	Multiimedia Ltd	1-2	Port Douglas	3-1	Solagran Ltd	2-0	Vision Systems	1-0
Korvest Ltd	0-1	Murchison Hold.	0-3	Powerlan Ltd	4-0	Solbec Pharm.	4-0	Visionmed Group	3-0
Lako Pacific	1-2	Murchison Metal	0-1	Powersol Metals	2-0	Solco Ltd	0-1	Volante Group	0-1
Landmark White	2-0	NGM Resources	1-0	Premier Bionics	1-0	Somnomed Ltd	2-0	Voxson Limited	1-0
Legalco Limited	3-1	NSX Limited	0-2	Premium Invest.	2-0	Sonic Health	0-4	Voyager Energy	1-0
Legend Corp.	2-0	Namakwa Diamond	1-0	Preston Res	0-1	Sonnet Corp Ltd	2-5	W'bool Cheese	2-0
Leighton Hold	0-1	Namoi Cotton	2-0	Primary Health	3-2	Sou Pattinson	4-0	WAM Capital Ltd	1-5
Lend Lease Corp	2-0	Nat'l Can	0-1	Prime Infra Grp	0-2	St Barbara Mine	5-0	WRF Securities	9-1
Leviathan Res.	8-0	Nat'l Telecoms	0-1	Pro Maintenance	0-3	Stargames Ltd	0-1	Wallace Abs Ret	0-1
Liberty Gold NL	2-0	Nat'l Aust Bank	2-0	Pro Indust.	0-2	Starpharma Hold	1-2	Wasabi Energy	0-1
Life Therapeut.	1-0	Navigator Res	1-0	Promentum Ltd	1-2	Sth Boulder Min	0-1	Waterco Ltd	7-0
Lighting Corp.	1-0	Neighbourhood C	2-0	Promina Group	3-0	Sthn Cross Brd.	2-1	Watpac Ltd	4-0
Lion Energy Ltd	2-0	Neptune Marine	0-2	Prophecy Int'l	3-2	Stirling Prod.	2-0	Wavenet Int'l	0-1
Lionore Mining	0-6	Neuren Pharm.	2-0	Prosperity Res.	3-0	Stockland	2-0	Webjet NL	1-0
Living Cell T.	1-0	New Holland Min	2-0	Proteome Syst	3-0	Straits Res.	0-4	Webspy Limited	2-0
Loftus Capital	9-0	New Horizon En.	3-1	Psiron Limited	0-1	Stratetel Ltd	0-1	Wedgetail Exp.	1-0
Longreach Group	3-1	New World Alloy	3-0	Publishing & Br	2-1	Striker Res.	1-0	Wentworth Mut.	2-0
Ludowici Ltd	0-1	Newcrest Mining	4-0	Q.B.E. Insur.	0-2	Structural Syst	11-0	West Aust Metal	4-0
Lumacom	2-0	Nexus Energy	1-8	QPSX Limited	1-0	Structural Mon.	1-0	West Aust News	2-0
M.Y.O.B. Ltd	1-2	Nickel Aust Ltd	3-0	QRSciences Hold	2-0	Stuart Petrol.	0-1	Westcoast Min.	2-0
MFS Diversified	3-1	Niquest Ltd	2-0	Qantas Airways	1-0	Sub-Sahara Res.	1-0	Western Areas	8-0
MFS Limited	5-0	Norwood Abbey	0-1	Quadrant Irid.	0-1	Sun Capital Grp	3-0	Westonia Mines	5-1
MFS Living & L.	3-0	Nova Health Ltd	1-0	Quantum Energy	1-0	Sun Resources	3-0	Whitefield Ltd	5-1
MGM Wireless	2-0	Novera Energy	5-0	Quay Magnesium	1-0	Sundowner Group	7-0	Willmott Forest	0-2
MMC Contrarian	0-1	Novogen Ltd	0-4	Queensland Gas	1-2	Sunland Group	8-6	Wilson Inv Fund	5-0
MXL Limited	4-0	Nithn Star Res.	1-0	Queens'd Cotton	1-0	Sunshine Gas	0-2	Wilson Invest.	5-1
Macarthur Coal	0-4	Nuenco NL	2-0	RCR Tomlinson	0-2	SuperCheap Auto	1-0	Wilson Leaders	5-3
Macarthur Cook	4-0	Nufarm Limited	4-3	Rabinvo Div Prp	2-0	Sydney Aquarium	1-0	Woolworths Ltd	0-3
Macmin Silver	1-0	Nustar Mining	3-0	Ramsay Health	0-1	Sylvastate Ltd	1-0	Working Systems	2-0
Macquarie C Tel	1-0	Nylex Ltd	4-0	Range River Glid	2-0	Sylvania Res.	1-2	Worley Group	1-0
Macquarie Good.	3-0	OAMPS	0-3	Range Resources	0-1	Sydney Holdings	0-2	Wrigdways Aust	3-0
Macquarie Leis.	1-0	OBJ Limited	0-4	Red 5 Ltd	4-0	Synergy Metals	5-0	Xanadu Wines	1-0
Macquarie Bank	3-5	OFM Investment	1-0	Red Metal Ltd	2-0	Synergy Equity	1-0	Xceed Biotech.	9-0
Macquarie Infra	3-0	ORT Ltd	2-0	Redflex Holding	0-3	TFS Corporation	5-0	Yamana Goldfld	5-0
Macquarie DDR	2-0	Oakton Limited	0-3	Reefton Mining	0-1	TVSN Limited	8-0	Yilgarn Mining	2-0
Macquaries C&I	2-0			Regenera Ltd	1-0			Zylotech	3-0

"Insider" Trades in NZ Shares

The 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: 35.2% Buyers
Last 13 wks: 37.2% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Limited	1-0	Comvita	0-2	Life Pharmacy	0-1	Pacific Retail	3-0	Speirs Group	1-0
AXA Asia Pac.	0-1	Dominion Fin.	0-1	Livestock Imp.	3-0	Port Tauranga	0-3	Steel & Tube	0-1
Abano Health.	1-0	Dorchester Pac	0-2	Loan & Building	4-1	Postie Plus Grp	0-1	Sthn Travel	2-0
Affco Holdings	0-1	Ebos Group Ltd	0-1	MG Property Trt	2-0	Provenco Group	2-1	Taylor's Grp Ltd	1-0
Air New Zealand	8-1	Evergreen	5-2	Mainfreight Grp	4-6	Pumpkin Patch	1-6	Telecom Corp	3-19
Akd Int Airport	0-5	F & P Appliance	2-9	Media Tech.	0-3	Renaissance	1-8	Tenon Ltd	1-0
Blue Chip NZ	0-6	F & P Health.	2-3	Metro. LifeCare	0-3	Restaurant Brds	1-0	Trust Power Ltd	0-1
Botry-Zen Ltd	0-4	Feltex Ltd	5-0	Mike Pero Mort.	2-0	Rubicon Limited	1-7	Turners Auction	0-14
Briscoe Group	1-2	Freightways Ltd	0-2	Mooring Systems	0-1	Ryman Health.	1-0	VTL Group Ltd	0-2
CDL Hotel NZ	0-2	GDC Communicat.	3-1	NZ Experience	0-2	Sanford Limited	0-1	Vertex Group	0-7
Cabletalk Group	3-2	Guinness Peat	0-11	NZ Invest Trust	0-1	Seeka Kiwifruit	1-0	WN Drive Tech.	0-3
Cadmus Tech Ltd	1-5	Heritage Gold	1-0	NZ Wine Company	1-0	Skellmax Indust	5-0	Wakefield Hosp.	1-0
Cap Properties	0-2	Hirequip NZ Ltd	3-2	NZ Wool Service	1-0	Sky City Ltd	0-7	Waste Mgmt NZ	0-5
Carter Holt	4-1	Infratil NZ	0-5	Nat Property Tr	1-2	Smiths City	1-2	Widespread Port	0-2
Cavalier Corp	5-11	Kingfish Ltd	0-1	Northland Port	0-1	Software of Exc	2-3	Williams Kettle	1-0
Cert Organics	0-1	Kiwi Property	1-0	Nuplex Indust	2-0	Spectrum Res.	1-0	Wrightson Ltd	6-13
Col Motor Co	1-0			POD Ltd	1-0			Zintel Comm.	1-6

Insider Buying Highlights Three Attractive Shares

FFI Holdings (code FFI).

FFI Holdings is a *micro-cap* \$20 million food company whose shares are very inactively traded. *If* one can acquire a few shares then this could be a fairly low risk investment with good growth potential.

The company considers itself to be in a "strong growth phase" - with growth coming from product development and acquisitions. The company acquired Sunrise Confectioners in June 2003 for \$1.6 million in cash and **Olympic Fine Foods** in May 2004 for \$1.8 million in cash. Revenues rose 27.0% to \$11.1 million for the six months to 31 December 2004. Profits rose 28.3% to \$743,439 before writing off licence fees (acquired as part of Olympic Fine Foods) of \$336,028 (after tax). The interim dividend will be 26.3% higher at 6.0 cents.

Debt levels are relatively low at \$1.6 million compared with Shareholders Equity of \$7.8 million. The company is also raising \$750,000 from a Share Purchase Plan (from shareholders as at 31 March).

FFI Holdings also owns 8.7 hectares (22 acres) of industrial land in the "rapidly expanding Perth southern development corridor". This land could be developed into 21 commercial and industrial sites at the present time for a pre-tax gain of "approximately \$4 million". The "true potential value of this asset", however, could be significantly higher with the planned completion of the southern rail system, the extension of North Lake Road and the development of Thomson Lake Regional Centre. FFI Holdings is therefore reviewing its

development options but likely to defer development until land values have increased further.

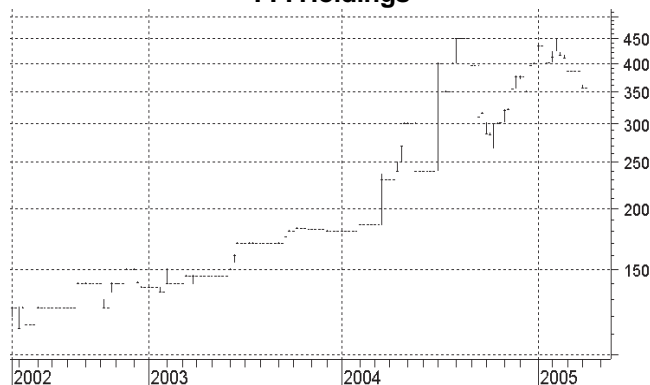
Over the last year there have been six insider buys on-market - at prices from 315-400 cents - and no sells. Unfortunately, the shares are very inactively traded so are difficult to obtain.

Summary and Recommendation

FFI Holdings is a soundly financed food company with good growth potential and trading on a reasonable valuation. There is also the potential to realise cash from the development and sale of surplus property which will help finance future acquisitions for further growth.

Investors with diversified portfolios could consider a small investment in FFI Holdings - *if* it is possible to acquire any shares.

FFI Holdings



TFS Corporation (code TFC).

TFS Corporation - which listed on the Australian stockmarket late last year - is involved in managing and owning Indian Sandalwood plantations in the Ord River Irrigation Area in northern Western Australia.

The company manages 520 hectares of plantation - with plans to acquire further land for expansion. 30% of its plantation is owned by the company, with 70% managed for outside investors, including the directors who own about 20% of the plantation. The directors also own 55.1% of TFS Corporation or 81.4 million shares out of the issued capital of 147.8 million shares. Despite their large shareholdings *prior* to the public share issue, the directors acquired 2.17 million shares on-market in four trades (at 23-23¼ cents) during December and a further 100,000 shares on-market at 30 cents in January.

The company was established in 1997 to manage the Indian Sandalwood plantation which can be harvested after 13-15 years. Natural supplies are diminishing and prices have risen around 18-20% per annum over the last decade to US\$45,000/tonne. The wood has therapeutic, religious and cultural uses in Asia and sandalwood oil is used in perfumes, cosmetics and aromatherapy. The company's nursery has the capacity to expand the plantation by 125 hectares per year.

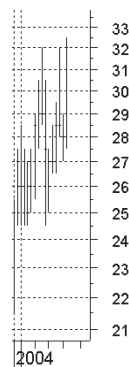
TFS Corporation plans to pay a 1.2 cents dividend, which will produce an immediate income yield of 4.3%.

Summary and Recommendation

This business appears to hold strong growth potential with the company earning fees from promoting managed investment schemes to invest in its Indian Sandalwood plantations as well as ongoing management fees. This is a high value crop which should continue to appreciate in value owing to growing demand but diminishing wild production. The directors have a large investment in TFS Corporation *and* have added further to that by purchasing additional shares on-market. Directors also have large investments in the company's managed investment schemes. The company is already profitable, plans to pay a maiden dividend this year and could grow strongly over the long term.

A "Buy" for long term capital growth.

TFS Corporation



Novera Energy (code NVE).

Following a restructuring last year, Novera Energy is now involved in two businesses: (1) a 50% interest in a renewable energy investment joint venture based in the United Kingdom and (2) promoting and developing new, renewable energy projects - mainly wind power - in the UK and Europe.

In December 2004, Novera Energy and **Macquarie Bank** formed a joint venture, **Novera Macquarie Renewable Energy** (NMRE). Both parties invested £16.3 million (A\$40.8 million) in equity and the venture borrowed a further £92.5 million (A\$231.3 million). It then acquired all of Novera Energy's renewable energy assets for £25.3 million (A\$63.3 million) and from UK

based **United Utilities plc** it acquired hydroelectric and landfill gas assets worth £63 million (A\$157.5 million). NMRE is expected to operate at a loss - owing to high depreciation charges - but generate a cash surplus *after debt repayments* which will be distributed to its shareholders. Novera Energy therefore expects to receive around A\$3.7 million in cash distributions from this investment this year and an average cash income of \$5.4 million (2.9 cents per share) annually over the next five years.

Novera Energy's other business will be developing new energy projects. It recently announced a joint venture with the **Renewable Energy Development Group** in Scotland to develop 200MW of wind power generating capacity in Scotland and northern England. This will consist of nine sites to be developed over the next 3-4 years. Novera Energy will provide development funding and own the completed projects which will be offered for sale to NMRE. Renewable Energy Development will secure further land options and planning approval, earning royalty payments once projects achieve minimum investment returns.

Novera Energy is also negotiating to acquire up to 56MW of German wind power assets offering "double digit cash yields" which will be offered to the NMRE joint venture.

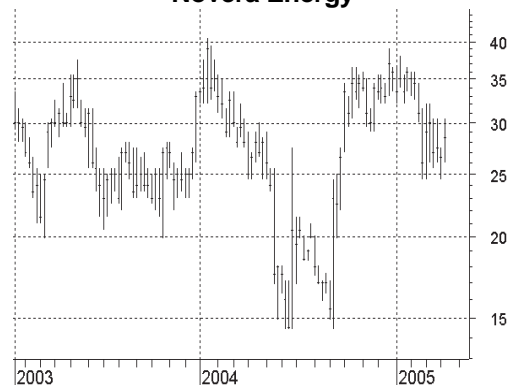
Novera Energy is planning to dual list its shares on the London Stock Exchange Alternative Investment Market in early June. Novera Energy will be the "first pure play renewable energy generator with substantial revenues to list in the UK" and demand for the shares could help to boost the share price over the next 6-18 months.

There have been five insider buys on-market over the last year - with four of these over recent weeks. One large purchase was made in June 2004 (573,555 shares at 18 cents), two purchases in March 2005 (126,419 shares at 30 cents and 97,783 shares at 28 cents) and two purchases so far this month (80,000 shares bought at 28-29 cents and another 80,000 shares at 27-30 cents).

Summary and Recommendation

Renewable energy is a popular investment theme and Novera Energy - which owns significant producing assets and seeking to develop or acquire new projects - could perform well over the short to medium term. The directors have large investments in this company and have been adding to those positions with on-market buys over recent weeks.

Novera Energy



(Continued on Page 16)

Insider Buying

(Continued from Page 15)

Update of a Previous Review**Heron Resources** (code HRR).

Heron Resources was reviewed in January this year. There have been no further *insider* buys over the last three months but the company has made significant progress towards developing its large scale, low grade nickel resource.

Heron Resources has been successful in finding an industry partner to fund further exploration and mine development. **Inco** will *fully fund* the current Pre-Feasibility Study at an estimated cost of US\$18 million. Heron Resources will continue to own 100% of the project at this stage with Inco earning the right to fully fund a US\$50 million Bank Feasibility Study. If mine development does not occur within five years then Inco will lose all rights and Heron Resources will continue to own 100% of this resource. If the project progresses to mine development then Inco will earn a 60% interest in return for contributing 95.5% of the equity funding (i.e. about A\$380 million) and "procuring all remaining project financing" (i.e. about A\$1000 million of debt funding).

Heron Resources will therefore need to provide only 4.5% of equity funding - a tiny A\$18 million - to retain a 40% interest in this project. The net present value of this project is over \$600 million, valuing Heron Resources' 40% share at \$240 million or about 170 cents per share.

We indicated in January that "a potential nickel industry partner may simply make a takeover offer for the whole company, acquiring the whole project at a relatively cheap price". Well, Inco *hasn't* sought to acquire any Heron Resources shares, but **BHP** has recently acquired 15.9 million shares (11.2% of the company). We wouldn't be surprised if BHP - or some other large company - eventually seeks to make a full takeover bid for Heron Resources.

Heron Resources share price rose about 45% on the joint venture funding announcement and another 70% when BHP started buying shares on-market. Overall the shares are up 162% from 23½ cents to 61½ cents - but these are both significant events that increase the value of Heron Resources so "Hold" for further gains!

Heron Resources

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Air New Zealand	2.50	18-04	29-04	Full
Briscoes Group	4.25	18-04	06-05	Full
Broadway Industries	2.00	25-05	29-04	Full
CanWest MediaWorks NZ	4.00	09-05	16-05	Full
Capital Properties	1.85	21-03	01-04	0.40
CDL Hotels	1.40	18-04	29-04	Full
CDL Hotels - special	0.70	18-04	29-04	Full
CDL Investments	1.60	18-04	29-04	Full
CDL Investments - special	0.40	18-04	29-04	Full
Hallenstein Glasson	13.00	18-04	22-04	Full
Mike Pero Mortgages	3.00	18-04	22-04	Full
NZ Exchange - special	40.00	02-05	11-05	Full
NZ Investment Trust	5.00pence	30-03	27-04	Nil
Restaurant Brands NZ	5.50	30-05	10-06	Full
Satara Co-op	6.00	29-03	31-03	Full
Scott Technology	4.00	02-05	05-05	Full
TeamTalk	9.00	18-04	22-04	Full
Tourism Holdings	5.00	18-04	22-04	Full
Turners Auctions	10.00	11-04	15-04	Full
Warehouse Group	10.50	18-04	26-04	Full
Australian Shares				
AJ Lucas Group	3.50	07-03	24-06	
Cellnet Group	7.00	30-03	19-04	
Commander Communications	2.00	15-03	05-04	
Iluka Resources	12.00	23-03	12-04	
MYOB	2.25	29-03	22-04	
Skilled Group	6.00	29-03	20-04	
UXC	2.25	11-04	02-05	

Total Return Index for All Listed Shares

Mar 7	2515.32		
Mar 8	2523.64		
Mar 9	2525.52		
Mar 10	2520.92		
Mar 11	2500.61		
Mar 14	2490.36	Mar 21	2442.82
Mar 15	2477.63	Mar 22	2442.31
Mar 16	2474.65	Mar 23	2405.60
Mar 17	2452.49	Mar 24	2404.94
Mar 18	2453.00	Mar 25	Holiday
Mar 28	Holiday	Apr 4	2331.83
Mar 29	2390.69	Apr 5	2341.98
Mar 30	2346.03	Apr 6	2344.67
Mar 31	2335.66	Apr 7	2342.12
Apr 1	2336.90	Apr 8	2336.05

Office Closed

During the last two weeks of April your Editor will be enjoying the sunshine and warm, clear waters off the beaches of a small island in the western Caribbean - but still continuing to monitor our investments and run the business via the internet and email.

Next Issue

The next issue of *Market Analysis* will be posted in four weeks time on Tuesday May 10, 2005 (and delivered in most areas on Wednesday 11).

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

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