Twenty Five Years of Independent Information and Unbiased Advice on the Australian and NZ Stockmarkets

Market Analysis

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Inside Market Analysis

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Summary and Recommended Investment Strategy.

Stockmarkets have moved up to new highs, sentiment is positive and shares still offer good value. Investors should seek to remain close to fully invested.

Investment Outlook.

Both the Australian and New Zealand stockmarkets have moved to new highs over the last few weeks. This is always a very Bullish (i.e. favourable) technical position.

The move to new highs and the global improvement in investment sentiment has restarted talk of a "wave of new money" headed for superannuation funds in Australia and New Zealand. If sentiment remains positive, then there will be a lot of new money looking for a home in the stockmarket. Australian tax rules for superannuation have been changed and simplified. One change will allow some individuals to contribute up to A$1 million to superannuation funds before 30 June 2007. In New Zealand the government is both encouraging private superannuation contributions and diverting tax revenues into the Cullen Fund - part of which is finding its way into the local stockmarket.

All of this *could* lead to a liquidity driven boom similar to the period from 1983 to 1987 - or perhaps the longer period from 1978 to 1987. Such a development would be favourable at this stage. Shares offer reasonably good value - so can confidently be bought as a sound long term investment (whether or not a liquidity driven boom will actually occur in the future). If a wave of money should surge over the stockmarket then existing investors will be well placed to enjoy far above average returns. Our *Recommended Portfolio* rose 614% from 1981 to 1986 - an annual compound return of 44% (although with individual annual returns from *minus* 15% to 109%) - and a similar performance could be experience over another period of favourable monetary conditions.

Towards the end of a boom, however, valuations become excessive *and* (as illogical as it seems in these non-boom times when common sense temporarily prevails) everyone starts to believe that the good times will go over forever!!

Stockmarket Forecasts

	One-Month	One-Year
Australia:	**69%** (Bullish)	**71%** (Bullish)
New Zealand:	**78%** (Bullish)	**70%** (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.

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Corporation	C	14	N/A	NE	Nil
AMP Onyx Mgmt	B	113	5.66	15	6.6
AMP Limited	B	1076	1.47	22	3.4
AXA Asia Pac.	B	685	2.14	19	2.3
Abano Health.	B	179	0.63	25	Nil
Affco Holdings	E	39	0.20	9	2.6
Air New Zealand	A	148	0.39	15	5.0
Akd Int Airport	C	206	8.22	24	5.9
Allied Work.	B	140	0.49	12	10.7
Allied Farmers	C	217	0.41	26	4.8
Apple Fields	C	5.0	N/A	NE	Nil
Barramundi Ltd	E	106	N/A	NE	Nil
Blis Technology	E	5.5	9.02	NE	Nil
Blue Chip Fin.	C	71	0.68	5	Nil
Botry-Zen Ltd	E	4.8	N/A	NE	Nil
Brierley Invest	D	150	3.47	33	2.3
Briscoe Group	B	161	0.99	14	7.0
Broadway Ind	B	85	0.43	21	4.7
CACI Group Ltd	C	35	0.50	7	Nil
CDL Investments	C	36	3.09	8	8.3
Cabletalk Group	D	40	0.35	12	7.5
Cadmus Tech Ltd	D	21	1.97	NE	Nil
Calan Hlthcare	B	131	9.72	17	7.0
CanWest Media.	D	193	1.75	33	4.9
Canty Bldg Soc.	C	410	1.18	10	5.5
Cavalier Corp	C	325	1.06	15	8.3
Cert Organics	E	4.4	1.98	NE	Nil
Charlie's Group	E	16	3.17	NE	Nil
Col Motor Co	B	320	0.19	13	11.2
Comvita	B	385	N/A	31	1.9
Connexion	D	32	3.87	NE	Nil
Contact Energy	C	780	1.93	16	5.0
Cynotech Hold.	E	14	1.32	11	5.5
Delegat's Group	B	283	3.31	54	0.8
Dominion Fin.	A	185	3.67	13	6.1
Dorchester Pac	B	223	0.62	8	7.4
Eastern Hi-Fi	B	45	0.25	8	19.9
Ebos Group Ltd	B	521	0.48	12	6.4
Evergreen	E	32	1.52	NE	Nil
F & P Appliance	C	417	0.91	17	6.4
F & P Health.	C	437	6.86	32	4.2
Feltex Ltd	E	3.0	0.02	NE	Nil
Finzsoft Sol'ns	D	88	0.93	14	Nil
Fletcher Build.	C	1010	0.86	13	5.9
Forty Two Below	C	76	N/A	NE	Nil
Freightways Ltd	B	410	2.05	22	6.3
GDC Communicat.	D	1.0	0.01	NE	Nil
Genesis Res.	E	26	2.62	NE	Nil
Guinness Peat	D	249	0.83	10	1.1
Gullivers Trv.	C	233	0.38	30	3.5
Hallenstein G.	B	550	1.66	15	9.5
Hellaby Hold.	C	481	0.47	10	9.6
Heritage Gold *	N/R	3.3	N/A	NE	Nil
Hirequip NZ Ltd	B	121	1.56	19	4.6
Horizon Energy	C	384	3.46	18	7.4
ING Property	B	121	9.31	15	8.2
Infratil NZ	C	475	3.45	NE	3.9
Jasons Media	D	60	0.86	19	Nil
Just Water Int.	B	106	2.56	19	5.0
KidiCorp	D	19	1.02	21	Nil
Kingfish Ltd	B	135	3.37	4	2.8
Kirkcaldie & St	C	262	0.60	22	4.6
Kiwi Property	B	137	N/A	13	6.6
Life Pharmacy	C	90	4.22	23	4.5
Lion Nathan Ltd	B	968	2.65	21	3.6
Livestock Imp.	A	168	0.50	7	14.6
Loan & Building	A	435	1.39	17	5.1
Lombard Group	E	2.1	1.79	21	Nil
Lyttelton Port	B	217	2.80	22	3.4
MDSnews	E	0.3	N/A	NE	Nil
MG Property Trt	B	131	N/A	20	7.5
Mainfreight Grp	A	673	0.73	22	2.7
Media Tech.	E	6.0	0.29	NE	Nil
Methven Limited	B	185	1.63	14	7.4
Metro. LifeCare	A	657	9.71	50	1.4
Michael Hill	C	696	0.88	17	4.9
Mid-Cap Index	D	307	N/A	NE	Nil
Mike Pero Mort.	C	106	2.01	16	8.4
Millennium & C.	D	63	1.28	9	5.0
Mooring Systems	E	440	N/A	NE	Nil
Mowbray Collect	E	155	3.66	NE	Nil
Mr Chips Hold	C	104	0.59	85	Nil
NZ Experience	D	25	1.07	11	11.9
NZ Exchange Ltd	A	624	7.63	33	6.0
NZ Finance Hold	C	152	4.81	31	1.2
NZ Invest Trust	C	956	N/A	NE	0.9
NZ Oil and Gas *	N/R	97	N/A	90	Nil
NZ Refining Co	C	675	4.44	12	7.2
NZ Wine Company	A	235	2.16	20	4.4
NZ Wool Service	C	48	0.25	12	9.3
NZ Windfarms	D	124	N/A	NE	Nil
NZSX 10 Fund	E	122	N/A	NE	Nil
NZSX 50 Port.	D	182	N/A	NE	Nil
NZX Aust MidCap	D	613	N/A	NE	Nil
Nat Property Tr	C	69	4.58	17	5.9
New Image Group	C	17	2.93	NE	Nil
Northland Port	B	301	N/A	66	3.0
Nuplex Indust	B	686	0.41	14	6.5
Opio Forestry	D	91	N/A	38	Nil
Oyster Bay	C	240	2.02	23	6.2
Ozzy (Tortis)	D	337	N/A	NE	Nil
PGG Wrightsons	C	163	0.54	17	9.2
POD Ltd	E	68	0.30	NE	Nil
Pac Edge Bio.	E	17	N/A	NE	Nil
Pacific Retail	E	155	0.15	NE	Nil
Plus SMS Hold.	D	15	N/A	NE	Nil
Port Tauranga	B	640	7.00	28	4.7
Postie Plus Grp	A	101	0.32	10	10.3
Property F Ind.	B	137	N/A	21	6.1
Propertyfinance	D	116	N/A	NE	Nil
Provenco Group	C	92	0.72	29	4.2
Pumpkin Patch	C	413	2.21	24	3.1
Pyne Gould Corp	B	425	0.90	11	6.3
Rakon Ltd	C	375	5.36	83	Nil
Renaissance	C	124	0.31	9	12.0
Restaurant Brds	C	97	0.30	9	15.4
Richina Pacific	E	40	0.07	NE	Nil
Rubicon Limited	E	95	0.40	30	Nil
Ryman Health.	A	900	6.30	26	1.9
Salvus Strat.	D	90	N/A	NE	4.1
Sanford Limited	D	460	1.17	14	7.1
Satara Co-op	D	115	0.59	NE	3.9
Savoy Equities	D	2.3	N/A	77	Nil
Scott Tech. Ltd	C	242	1.50	NE	2.5
Sealegs Corp	D	37	7.55	NE	Nil
Seeka Kiwifruit	C	371	0.45	10	8.0
Skellerup Hold.	A	160	1.05	13	7.5
Sky City Ltd	C	515	2.94	18	7.5
Sky Network TV	D	589	4.18	38	2.0
Smartpay NZ Ltd	C	7.6	N/A	NE	Nil
Smiths City	B	74	0.16	7	7.4
Software of Exc	C	180	1.89	NE	Nil
Sol. Dynamics	D	60	0.45	NE	Nil
South Port NZ	A	184	3.26	20	6.3
Speirs Group	B	147	0.34	18	7.1
Steel & Tube	C	465	0.93	13	10.3
Sthn Travel	C	38	0.15	10	11.8
Summit Gold Ltd*	N/R	306	N/A	NE	Nil
Tag Pacific Ltd	D	39	0.44	8	1.4
Taylors Grp Ltd	B	173	0.62	12	10.4
TeamTalk Ltd	D	229	2.26	15	12.4
Telecom Corp	C	452	1.52	11	11.7
Tenon Ltd	D	317	0.36	17	Nil
Toll NZ Ltd	D	280	0.85	11	Nil
Tourism Hold.	C	181	1.01	16	9.1
Tower Limited	C	328	1.04	12	Nil
Training Sol.	E	3.5	0.07	NE	Nil
Trans-Tasman	D	58	4.43	98	Nil
Trust Power Ltd	C	760	3.53	29	4.5
Turners & Grow.	D	245	0.37	14	Nil
Turners Auction	C	188	0.65	10	11.1
Utilico Int'l	C	68	5.33	NE	Nil
VTL Group Ltd	B	127	0.80	17	Nil
Vector Ltd	C	265	N/A	59	6.8
Viking Capital	E	25	N/A	NE	Nil
WN Drive Tech.	C	55	N/A	NE	Nil
Wakefield Hlth	B	740	2.04	30	2.8
Warehouse Group	A	690	1.12	22	3.5
Waste Mgmt NZ	A	862	3.43	28	5.3
Widespread Port*	N/R	2.2	3.49	5	Nil
Windflow Tech.	D	268	8.17	NE	Nil
Wool Equities	C	125	1.06	NE	Nil
World Index Fd	E	147	N/A	NE	Nil
Zintel Comm.	D	47	0.58	7	11.1
Ave of 164 Cos	C	237	0.41	21	3.8

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
ABC Learning	A	690	4.30	33	1.6
AMP Ltd	B	943	1.47	22	3.4
ANZ Bank	A	2853	5.16	14	4.4
APN News Media	A	592	2.07	19	4.1
AXA Asia Pac	C	655	2.32	21	2.1
Adelaide Bank	A	1391	0.93	16	4.2
Adelaide Bright	B	247	1.87	15	6.6
Allco Finance	B	1074	N/A	32	3.8
Alumina Ltd	C	637	N/A	24	3.1
Amcor Ltd	B	737	0.60	19	4.6
Ansell Ltd	B	1141	1.50	15	1.1
Aquarius Plat.	B	2594	5.13	26	0.9
Argo Investment	B	765	N/A	30	3.1
Aristocrat Leis	B	1485	5.31	29	2.0
Aust Stock Exch	B	3535	N/A	27	3.4
Aust Pipeline	B	456	3.83	23	5.3
Australand Prop	C	185	1.07	9	8.9
Aust W'wide Exp	D	303	N/A	NE	Nil
Austar United	C	120	3.15	25	Nil
Aust Wealth Mgt	B	264	N/A	72	1.7
Aust Foundation	B	502	N/A	26	3.4
B & B Infrastr.	B	171	2.91	30	7.7
BHP Billiton	C	2793	2.37	12	1.3
Babcock & Brown	B	2238	6.20	29	0.6
Bank of Q'land	A	1621	1.52	19	3.5
Bendigo Bank	A	1459	1.86	18	3.6
Billabong Int'l	C	1595	3.21	23	2.8
Bluescope Steel	C	749	0.66	5	5.6
Boral Limited	C	734	0.91	12	4.6
Brambles Ind.	B	1261	2.73	70	0.8
Brickworks Ltd	B	1225	3.06	16	2.9
Burns Philp	C	111	2.95	24	2.0
C'wth Prop Off.	C	143	5.40	8	6.8
C.S.R. Ltd	C	334	1.06	10	4.5
CSL Limited	B	5762	3.68	30	1.2
Caltex Austrlia	B	2170	0.35	10	2.1
Centennial Coal	B	385	1.41	22	3.4
Centro Property	B	794	N/A	10	4.6
Chal Financial	B	337	0.79	14	2.2
Coal & Allied	B	8100	4.74	24	2.8
Coates Hire	B	600	4.44	32	3.2
CocaCola Amatil	B	737	1.33	17	4.3
Cochlear Ltd	B	5653	6.83	39	1.8
Coles Myer	B	1382	0.48	31	3.0
Com'wealth Bank	A	4756	2.12	15	4.7
Computershare	B	770	2.86	25	1.7
ConnectEast Grp	C	132	N/A	NE	4.9
Corp Express	B	565	0.91	16	3.2
CuDeco Ltd	C	328	N/A	NE	Nil
DB Rreef Trust	B	167	3.20	4	6.6
DCA Group Ltd	B	342	1.70	20	2.3
DUET Group	C	284	1.71	NE	8.3
David Jones	B	336	0.81	18	4.8
Deutsche Div Tr	C	131	6.10	14	7.1
Downer EDI Ltd	C	696	0.47	NE	2.9
Energy Resource	A	1789	N/A	84	1.0
Excel Coal Ltd	B	949	3.94	21	2.5
FKP Limited	A	613	4.96	10	2.4
Fairfax (John)	B	479	2.36	20	4.1
Flight Centre	B	1680	1.59	20	3.1
Fortescue Metal	E	913	N/A	NE	Nil
Foster's Group	C	636	2.51	11	3.4
Futuris Corp.	C	180	0.39	15	5.0
GPT Group	B	486	8.29	17	5.0
Galileo Shop Am	B	122	6.77	9	8.4
Gandel R. (CFS)	C	194	N/A	19	5.4
Goodman Fielder	B	209	1.82	19	2.6
Guinness Peat	B	215	0.74	9	1.1
Hardman Res.	D	210	N/A	NE	Nil
Harvey Norman	B	373	1.74	17	2.1
Healthscope	A	525	1.09	22	2.8
Henderson Group	A	284	2.85	16	1.2
ING Office Fund	B	157	7.84	5	6.6
ING Indust Trt	B	238	N/A	17	6.5
Iluka Resources	C	755	1.76	13	2.9
Incitec Pivot	B	2492	1.34	NE	0.6
Insurance Aust.	B	559	1.36	10	5.3
Investa Prop.	B	239	2.74	11	7.1
James Hardie	B	797	1.91	14	1.3
Jubilee Mines	A	1368	6.01	17	2.8
Kagara Zinc Ltd	B	772	N/A	42	Nil
Leighton Hold	B	2174	0.71	22	3.0
Lend Lease Corp	B	1734	0.57	17	3.5
Lihir Gold	C	298	9.49	NE	Nil
Lionore Mining	B	1170	4.49	25	Nil
MFS Limited	B	435	5.11	10	6.0
Macquarie Infra	B	338	8.10	27	6.2
Macquarie Air.	B	324	3.70	8	6.2
Macquarie Prol.	B	122	6.79	12	8.9
Macquaries C&I	A	614	2.22	20	6.4
Macquarie DDR	A	122	6.26	13	8.2
Macquarie Bank	A	7375	4.08	20	2.9
Macquarie C'Wde	B	202	N/A	13	7.6
Macquarie Off.	A	151	9.48	8	7.4
Macquarie Good.	A	664	N/A	21	4.1
Mayne Pharma	B	421	3.36	NE	0.4
Milton Corp.	B	2100	N/A	25	3.3
Minara Resource	A	590	7.59	64	0.8
Mirvac Group	B	501	2.88	10	6.2
Multiplex Group	A	392	1.03	15	6.5
Nat'l Aust Bank	A	3861	1.75	15	4.3
New Hope Corp.	B	137	4.33	16	3.3
Newcrest Mining	B	2400	5.69	23	0.2
News Corp.	B	2890	2.87	31	0.5
Nufarm Limited	B	974	1.00	14	3.1
Oil Search Ltd	C	346	4.32	14	2.0
Onesteel Ltd	B	440	0.63	13	3.3
Orica Ltd	C	2315	1.20	27	3.1
Origin Energy	C	736	0.98	18	2.4
Oxiana Ltd	B	337	N/A	58	0.3
Pacific Brands	C	266	0.82	13	5.6
Paladin Res.	D	663	N/A	NE	Nil
Paperlin X Ltd	B	424	0.26	29	2.4
Perpetual Ltd	C	7335	7.11	22	4.4
Primary Health	A	1269	6.46	33	3.3
Promina Group	A	661	1.72	14	3.6
Publishing & Br	A	1920	3.61	21	3.1
Q.B.E. Insur.	A	2549	1.61	18	2.8
Qantas Airways	A	435	0.62	18	5.1
Ramsay Health	B	1085	0.94	21	2.2
Reece Australia	A	1931	1.72	22	2.3
Rinker Group	B	1872	2.57	18	2.0
Rio Tinto Ltd	B	8046	5.82	29	1.3
Rural Press Ltd	A	1220	2.46	13	4.4
SP Ausnet	B	135	3.72	8	2.4
Santos Ltd	C	1110	2.56	9	3.4
Seek Ltd	B	540	N/A	45	0.9
Seven Network	B	986	1.71	20	1.6
Sigma Pharm.	B	270	1.18	36	2.5
Sims Group Ltd	A	2178	0.72	14	4.8
Smorgon Steel	B	173	0.48	11	5.2
Sonic Health	B	1308	2.33	22	3.1
Soul Pattinson	B	860	2.26	22	3.1
St George Bank	A	3359	5.88	17	4.5
Sthn Cross Brd.	A	1510	1.93	22	4.5
Stockland	B	766	4.49	10	5.4
Suncorp-Metway	B	2042	1.49	13	4.8
Symbion Health	C	322	0.52	25	3.4
Tabcorp Holding	C	1644	2.25	16	5.4
Tattersall's	B	367	1.00	20	4.4
Telstra	C	392	2.18	11	7.1
Ten Network	B	328	1.47	29	1.2
Toll Holdings	B	1548	1.97	40	2.0
TransPacific In	B	809	2.54	35	1.1
Transurban Grp	C	720	8.53	NE	6.9
Transfield Serv	B	890	0.75	26	2.7
UNiTAB Ltd	B	1490	3.21	25	4.0
United Group	B	1355	0.83	24	1.8
Virgin Blue	C	187	1.06	17	Nil
Wesfarmers Ltd	B	3450	1.47	12	6.2
Westfield Group	B	1836	4.62	8	5.8
Westpac Banking	B	2468	2.72	17	3.5
West Aust News	A	1065	5.62	32	4.7
Woodside Petrol	B	3862	9.37	23	1.5
Woolworths Ltd	A	2068	0.65	24	2.9
Worley Group	B	1950	1.66	29	2.1
Zimplats Hold.	B	950	4.84	16	Nil
Zinifex Ltd	A	1697	4.37	36	0.2
Ave of 1737 Cos	C	231	0.44	27	2.2

Recommended Investments

Cavalier Corporation has announced a steady *first* interim dividend of 3.0 cents (plus full imputation tax credits). For the first four months, earnings are ahead around 5% and the company forecasts similar growth for the full year. The Australian retail market is showing signs of improvement, while the NZ retail market remains depressed. The contract carpet market is strong on both sides of the Tasman.

Colonial Motor Company reports first quarter revenues "slightly down on this time last year" but "in line with expectations".

Lyttelton Port Company will see container volumes increase "in excess of 5%" as a result of a new weekly service to the Pacific Islands by **Maersk Line**.

Micheal Hill International reports a 21.9% increase in revenues for the September 2006 quarter of $70.3 million. Same store revenues rose 10.5%, with a similar growth coming from the group's never ending expansion. Fluctuations in exchange rates - and the price of gold - will, however, "impact on margins".

In Canada, same store revenues were 24.3% higher and total revenues 119.9% higher. *(Cont'd on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Initial Recommendation Price	Performance Forecast	Issued Shares (mil.)	Volatility 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	C	210.6	1.5	3.09	8	8.3	36	13.3	+97%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	65.5	0.5	1.06	15	8.3	325	188.0	+229%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.5	0.19	13	11.2	320	292.8	+309%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.6	2.80	22	3.4	217	54.3	+81%
HOLD+	Michael Hill Int'l Ltd	MHI	11/06/91	46*	C	39.2	0.4	0.88	17	4.9	696	196.0	+1839%
HOLD	Nuplex Industries Ltd	NPX	11/02/97	350	B	78.4	0.4	0.41	14	6.5	686	161.0	+142%
BUY	Postie Plus Group	PPG	08/05/06	71	A	40.0	0.9	0.32	10	10.3	101	Nil	+42%
BUY	Renaissance Corp	RNS	13/08/96	85*	C	38.5	0.8	0.31	9	12.0	124	40.4	+93%
BUY	Smiths City Group	SCY	09/10/06	64	B	53.0	0.9	0.16	7	7.4	74	Nil	+16%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.7	3.26	20	6.3	184	89.3	+128%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.1	0.5	0.93	13	10.3	465	164.0	+331%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	0.7	0.62	12	10.4	173	62.0	+130%
	Australian Shares (in Aust cents)												
HOLD	AJ Lucas Group	AJL	13/05/03	120	B	52.0	0.9	0.37	21	Nil	123	20.5	+20%
HOLD	Allied Technologies	ATZ	11/01/05	71*	C	52.2	2.6	0.61	10	Nil	14	Nil	-80%
BUY	Atlas Pacific Ltd	ATP	14/05/96	73	A	87.8	1.4	3.20	17	2.7	37	9.5	-36%
HOLD	Austin Group Ltd	ATG	08/02/05	93	C	62.2	1.6	0.33	NE	10.3	29	7.0	-61%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	B	51.0	0.3	1.88	28	2.6	1930	192.6	+423%
BUY	Candle Australia	CND	08/04/03	86	B	49.8	0.7	0.62	14	5.0	337	42.5	+341%
BUY	Cellnet Group Ltd	CLT	12/02/02	152	A	51.5	0.9	0.14	52	1.3	159	33.5	+27%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	B	295.1	0.5	1.41	22	3.4	385	26.0	+487%
BUY	Circadian Technologies	CIR	10/02/04	188	C	40.1	0.9	1.17	NE	Nil	138	65.0	+8%
HOLD	Commander Comm.	CDR	11/09/01	92	B	222.9	0.9	0.56	17	2.0	197	23.2	+139%
BUY	Computershare Ltd	CPU	12/08/03	189	B	599.3	0.6	2.86	25	1.7	770	34.5	+326%
BUY	Devine Ltd	DVN	13/11/06	94	B	136.0	0.9	0.22	7	8.5	94	Nil	
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	61.2	1.2	1.40	24	Nil	80	Nil	+63%
BUY	Housewares Int'l	HWI	13/11/06	171	A	128.2	0.9	0.52	16	7.6	171	Nil	
HOLD	Int'l AllSports	IAS	11/02/03	180	B	66.4	1.7	0.02	15	5.4	28	4.0	-82%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	232.9	0.6	1.76	13	2.9	755	44.0	+70%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	D	82.2	1.2	0.73	NE	Nil	85	Nil	-31%
HOLD+	M2 Telecommunications	MTU	09/10/06	33	A	59.4	1.3	0.82	13	4.3	46	Nil	+39%
HOLD+	Melbourne IT	MLB	10/02/04	53	A	54.3	0.6	1.92	26	2.9	255	18.5	+416%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	392.4	0.9	2.69	27	2.5	112	6.3	+41%
BUY	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	C	112.7	1.1	0.18	5	11.2	58	3.5	-5%
BUY	Ross Human Directions	RHD	14/08/01	92	A	82.3	1.2	0.14	10	6.8	59	25.0	-9%
HOLD	Skilled Engineering	SKE	12/03/02	126	A	103.9	0.5	0.61	24	3.4	560	76.5	+405%
HOLD	Sonnet Corporation	SNN	07/09/04	32	C	166.6	3.5	0.30	NE	Nil	6	3.0	-72%
HOLD+	Technology One Ltd	TNE	11/11/03	44	A	296.7	1.1	4.11	22	3.7	92	9.4	+130%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	25.1	0.6	0.84	22	2.9	800	47.5	+230%
SELL	UXC Limited	UXC	11/01/00	55*	A	170.4	0.7	0.85	15	4.3	150	36.0	+238%
TENDER	Vision Systems Ltd	VSL	10/11/98	54*	B	176.4	0.7	5.80	NE	0.5	375	26.9	+644%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +186.7%. This is equal to an average annual rate of +36.2%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 40 current and 134 closed out) is +33.7%, compared with a market gain of +8.9% (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 *(Cont'd from Page 3)*

The number of Canadian stores will increase from 12 to 18 this year, which should provide the economies of scale to make that country's operations profitable.

The company is again talking about opening stores in the United States or more likely the United Kingdom. A steady 9% growth in stores would see its current 177 stores grow to 1000 stores over the next 20 years.

The group plans to significantly expand its range of *Michael Hill* brand watch sales from 10-15% at present to around 80%, with the balance being *Citizen* watches. It also seeks to expand its range of Diamond jewellery in the $2000 to $9000 price range.

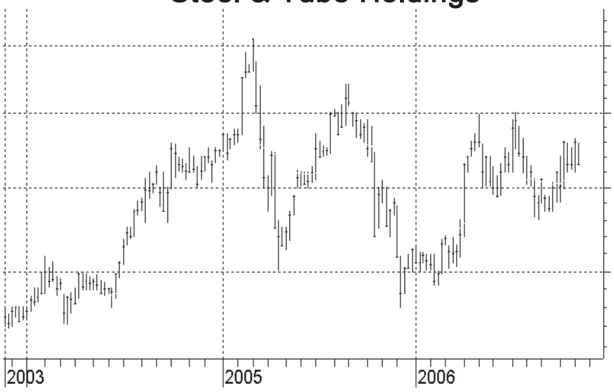
Nuplex Industries has agreed to acquire the business assets and inventory of **Huntsman Chemical Company Australia** for A$20.3 million in cash (plus an additional sum based upon earnings over the next three years). The business generates A$53 million in annual revenues from the manufacture of polyesters, vinylesters and gelcoats, and will "contribute immediately to earnings per share".

Postie Plus Group's major shareholder - interests of the Dellaca family - have reduced their ownership of the company from 35% to 15%. The 8,000,000 shares were placed with institutional investors at 92 cents, with entitlement to the final 4 cents dividend.

Steel & Tube Holdings expects "another solid result this year" and reports "higher steel margins, despite weaker sales" during its first quarter to 30 September.

This is a mature investment so we continue to recommend some partial profit taking as Steel & Tube Holdings shares strengthen.

Steel & Tube Holdings



Australian Shares

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

AJ Lucas Group has exercised its option to participate in the **Florence Oilfield Re-Development Project** in Colorado, USA. **Comet Ridge**, **Strike Oil** and AJ Lucas Group will fund the US$650,000 development.

Austin Group reports "efforts to substantially reduce our expense base are proving to be successful" and that a focus on costs, inventory management and brands "will enable the business to regain a competitive position".

Campbell Brothers reports its final shareholding in **CCI Holdings** is 28,340,808 shares or 21.38% of the company.

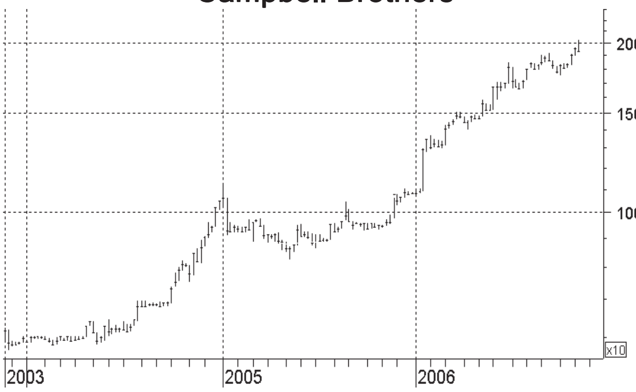
More importantly, Campbell Brothers has announced three small acquisitions - at a total cost of just $11 million - which are "strategically very important to the long term growth" of the company:

The Laboratory Services division has acquired Melbourne based **Consulchem Pty** - and its staff of 50 - which diversifies the group into servicng the pharmaceutical and food industries in Australia. These services will be expanded internationally through the company's existing global laboratory network.

The division also acquired West African laboratory group **Abilab**, which provides mineral services from two laboratories in Mali and one in Burkina Faso. This expands the group's coverage in Africa which is experiencing "very strong growth" in mineral exploration.

Campbell Brothers' Reward Distribution division has acquired **Pandee Services Pty**, an Adelaide based supply company servicing the hospitality, cleaning, catering and healthcare markets. This will provide the group with coverage in Adelaide and allow it to tender for national business.

Campbell Brothers



Cellnet Group has acquired **VME Systems Pty**, the largest distributor of flash memory products and the distributor of *SanDisk* MP3 music players and other multimedia devices. The company believe that SanDisk "will become one of Cellnet's most important partners".

Centenial Coal reports September quarter coal production of 4.7 million tonnes. This is 6% above the June 2006 quarter and 30% higher than September 2007.

Bids for the full sale, partial sale or restructuring of some of Centennial Coal's smaller mines were received in September and the directors will now evaluate alternatives and make a decision before the end of December.

A **Circadian Technologies**/**Monash University** research project to develop new stable peptides has been awarded a $200,000 research grant, payable over two years, from the **Australian Research Council**.

Computershare has announce two transactions expanding its interests in Russia. Firstly, it has increased its holding in **The National Registry Company**, Russia's largest independent registrar, from 45% to a controlling 65%. Secondly, it has acquired a 25% shareholding in **NIKoil**, the third largest registrar and largest mutual fund transfer agent, and this will increase to 40% once regulatory approval is received.

After its first quarter, **Ellex Medical Lasers** is continuing to predict 15% revenue growth (i.e. own brand revenues up 30%) and "improvement in profitability" for the current year. The company is in a strong position to grow its business, so remains a "Buy" for long term capital appreciation.

International All Sports reports first quarter receipts 16% higher at $189.5 million but an operating cash surplus of only $49,000. That suggests that the business is growing but that it traded close to break-even for the quarter. Cash on hand is $29.3 million - up 19% on the same time last year.

The company's *Canbet Sports Bookmakers* has been granted a licence to conduct business in the Northern Territory of Australia.

The merger between **LongReach Group** and **Allied Technologies** has been approved. LongReach Group shares have been delisted and shareholders will receive one Allied Technologies share for every three LongReach Group shares. The new Allied Technologies shares will trade from 14 November as "deferred delivery" and as normal Allied Technologies shares from 27 November.

Our initial recommendation cost for LongReach Group shares was 23½ cents, so consolidating three of these shares into one Allied Technologies makes our new cost price 70.5 cents per share.

M2 Telecommunications reports September quarter receipts up 52% to $10.3 million, compared with the same period last year, with the net operating cash surplus up 19% to $984,000.

Namoi Cotton Co-operative lifted revenues 16.6% to $241.1 million for the six months to 31 August, but profits fell 10.7% to $24,005,000 (22.1 cents per share). This is a seasonal business, however, so the full year profit is expected to be around $11-13 million. The interim dividend is being raised 16.7% to 3.5 cents.

Drought is expected to lower the total 2007 Australian cotton crop 38% to 1.6 million bales, of which Namoi Cotton Co-operative expects to gin and market around 475,000 bales - down 30-32% on the current financial year. The main financial impact of the drought will fall on cotton *farmers*, while Namoi Cotton Co-operative believes it is "strategically positioned to meet the challenges posed by seasonal vagaries and deliver sustainable levels of profitability and returns to stakeholders".

Sonnet Corporation reports first quarter receipts down 33% to $7.8 million compared with the same period last year, but up 10% on the June 2006 quarter. There was large operating cash *deficit* of $616,000.

Sonnet Corporation has also announced the acquisition of **AccessIQ** (for an undisclosed consideration) which is a "provider of enterprise grade voice and data solutions".

The Reject Shop sees "the potential to accelerate our growth from historical levels" and will seek to open 15-20 new stores this year. It also plans to expand undersized stores. Profits to June 2007 should be in line with the previous estimate of $10.7-10.9 million (i.e. up 17-20%), with the benefits of the increased stores showing up in the year to June 2008.

The Reject Shop shares have better than *tripled* in value for us over less than two years and now look a little pricey. With further strong growth expected, however, the shares remain a strong "Hold+" and we are happy to let our profits run.

Share Recommendation: Buy Devine

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

BUY Devine (code DVN).

We reviewed Devine - a large and diversified property developer - in July (*Market Analysis* issue 409) owing to *insider* buying, but stopped short of *formally* recommending the shares at that time. We are now upgrading the shares to a formal "Buy" recommendation and will add Devine to our *Recommended Portfolio*.

Property development can be a profitable business - although a little risky and volatile at times - so we believe it is appropriate to make an investment in this sector. Devine is a large and diversified property developer, which helps reduce the volatility and risk. The shares trade at a low valuation and offer a high current income yield. Devine is also seeking to further grow and diversify its business - which can help boost the medium to long term returns of an investment in these shares.

Company History

The business was started in 1981 to develop residential land and build detached houses. The company was incorporated in 1993 when it was floated on the Australian stockmarket.

In 1996 the business expanded with a Property Development division to build units and townhouses. In May 1997 it acquired **Pioneer Homes**. A Finance division was established in November 2000 to provide mortgage loans to property purchasers - but has been unprofitable and is now being sold. In 2004 the company established its own Construction division to help lower costs on developments which *(Continued on Page 6)*

Devine *(Continued from Page 5)*

were previously sub-contracted to outside construction companies.

Devine has recently established a Funds Management division which will form Property Trusts both to finance the acquisition of land stocks for future development and to invest in completed Devine projects. This will allow outside "investors to share in returns" but also provide the financing, while Devine focuses upon its strengths in Design, delivery, marketing and management of property developments. This also partially splits the capital intensive property *ownership* to be funded by outside investors, while Devine retains the less capital intensive *business* which can earn a higher rate of return on Shareholders Equity.

Recent Results

Profitability declined to only slightly better than break-even in the years to June 2000 and June 2001, but boomed in 2002 when revenues jumped 89.1% to $379.5 million. Profits were $26,623,000 (24.3 cents per share) and dividends were reinstated at 7.0 cents.

Revenues fell 10.4% to $340.0 million for the year to June 2003, with profits down 50.4% to $13,211,000 (12.8 cents per share) and a steady 7.0 cents dividend.

For the year to June 2004, revenues were 10.8% higher at $338.1 million, profits rose 18.5% to $15,650,000 (14.0 cents per share) and the annual dividend rate was raised 14.3% to 8.0 cents.

For the year to June 2005, revenues were up 25.9% to $474.1 million, the profit increased 3.0% to $16,125,000 (13.3 cents per share) and a steady 8.0 cents dividend was paid.

For the June 2006 year - under the new accounting rules which significantly change the way Property Developers report revenues and profits - Devine recorded revenues of $571.7 million. Profits were $18,870,000 (13.9 cents per share). A steady 8.0 cents annual dividend was paid.

Major Current Projects

Devine is currently planning several new major developments over the next 6-8 years:

The Hideaway at Currumbin: An option to acquire this site for $27 million was obtained in September 2003 and settled in March 2006 when the Gold Coast Council approved the company's Development Application for this 148 hectare site. The company will construct an 18 hectare lake, retain or plant a total of 59 hectares of bush and build 100 lakeside houses and 430 other dwellings. This development, which is 8 minutes from the surf beach and 12 minutes from Coolangatta Airport, should generate a total of around $500 million in revenues over 6-8 years.

Hamilton Harbour: Devine acquired the 17,555m^2 Butter Board site, adjacent to the new cruise ship terminal on the Brisbane River, at the end of June for $19.5 million and plans a major mixed-use project. An adjoining 2069m^2 site was purchased in August for $3.3 million. The final project value could be around $200-300 million. Planning approvals could take 18 months, with construction starting in mid 2007 or early 2008 and staged over five years. This development will include "at least 150 apartments" in multiple 12 level towers, plus free standing offices and shops.

Ann Street Development: In July, Devine announced the purchase of the 1,563m^2 site on Ann Street, Brisbane, for $11.1 million. In the first quarter of 2007 the company plans to begin construction of a 25 level office tower which has been pre-sold for around $125 million.

School Road: In August, the company acquired this 68 hectare site 28 km south west of Brisbane for $13.85 million. A development application will be lodged in early 2007, with the site developed into 585-700 lots - worth up to $250 million - in 12 stages over a five year period.

In addition, Devine is increasing its land bank. Its land holdings, increased 61% over the last year, will eventually be developed into over 3000 residential lots and the company plans to control enough land for 5000 lots by June 2008.

Investment Criteria

At 94 cents, Devine shares are trading on a Price/Sales ratio of 0.22, a low Price/Earnings ratio of 7 and offer a high Dividend Yield of 8.5%.

Property development can be a high risk and volatile business, but also offers high returns. Devine has a wide spread of projects and this business should be able to provide investors with a high dividend income. Plans to expand - and several new, large projects over the next 5-8 years offer the potential for steady growth in revenues, profits, dividends and the share value.

The one downside is partial *dilution* of this growth as the company seeks new capital to help finance some of its planned growth. Devine operates a Dividend Re-Investment Plan (i.e. so the issued capital increases each year) and has recently announced it is considering a private share placement, Share Purchase Plan (of up to $5000 per shareholder) or both.

The issued capital is 135,952,239 ordinary shares, giving the company a market capitalisation of $128 million. This makes Devine a *medium sized* listed Australian company.

The directors have a significant holding in Devine. The Founder and Managing Director, DHT Devine, owns 28,150,832 shares or 20.7% of the company and the Marketing Director, KM Woodley, has 9,577,039 shares (7.0%). Four other directors own a total of over 650,000 shares. Companies where directors have a large shareholding tend to be better investments than companies where the directors have little or no investments.

There have been three *insider* buys on-market over the last year. In December 2005, DHT Devine purchased a further 500,000 shares at 68 cents and DC Sommerville acquired an initial holding of 27,750 shares at 69 cents. In September, DC Sommerville purchased a further 20,000 shares at an average of 104½ cents.

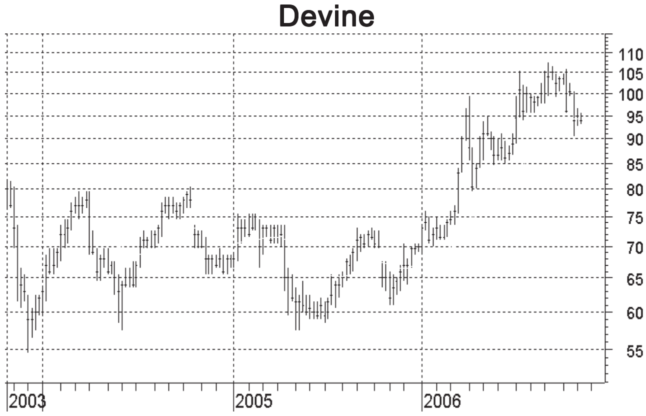
Devine shares are *neglected* by stockbrokers and institutional investors. No stockbrokers follow the company closely enough to publish profit forecasts and institutions appear to own less than 1½% of the shares. Research in the United States has indicated that *neglected* shares tend to *outperform* the market by an average of 5-6% per annum over the long term. The main reason is probably that *neglected* shares tend to be *under-valued* relative to *widely followed* shares. Future returns can be especially high if a *neglected* share is discovered by brokers and institutional investors who buy and push up the share price.

Devine shares lost significant value in 2000 when the business became unprofitable, but recovered strongly in 2001/2002. Over recent years the shares have increased moderately in value reflecting the growth in the business. At present the Relative Strength rating is +8.2%, ranked 24, showing an uptrend.

Summary and Recommendation

Property development can be a very profitable business and Devine shares trade at a low valuation - offering investors a high current income yield. Furthermore, the company plans to grow and expand its business and several long term projects should provide fairly steady cashflow and profit growth over many years. Growth in revenue and profits would lead to further dividend increases and the capital appreciation in the share price.

While there are risks associated with property development, Devine should be a suitable investment for investors requiring a high current income as well as the potential for good capital appreciation over the next several years.



Share Recommendation: Buy Housewares International

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

BUY Housewares International (code HWI).
If you buy one of Housewares International's electrical products it will come with a guarantee - but not if you buy its shares. There are no guarantees in the stockmarket. Nevertheless, the *best* investments are often those that offer *both* a high income yield (i.e. are probably under-valued) and the potential for growth.

Housewares International has suffered a downturn in its Australian business over the last two years which has depressed the share price. The company has restructured to improve this situation, but the local downturn has masked the development and rapid expansion of the company's international business - which could make a significant contribution to growth over the next few years.

Company History

This company was formed in May 1999 to acquire a housewares business for $72 million that had operated in Australia for 40 years and in the United States for 23 years. This was funded through the initial public offering of 72,000,000 shares at 100 cents.

In September 2001 the company significantly expanded its operation through two acquisitions: Firstly it bought Australian based **Breville** (which owned the *Breville* and *Kambrook* brands and imported *Philips* domestic appliances into Australia and NZ) for $60 million (i.e. $40 million in cash and the issue of 22.7 million shares at 88 cents). It also acquired a 50% share in **Anglo-Canadian Mercantile Company** for $11 million. The company also placed 11.4 million shares at 88 cents to raise $10 million in equity to help fund these acquisitions.

Recent Results

In the year to June 2002 - aided by the acquisitions mentioned above - revenues almost *doubled* to $376.7 million and profits were 116.9% higher at $16,363,000 (14.7 cents per share). An annual dividend of 8.0 cents was paid. The business generated an operating cash surplus of $26.3 million.

Revenues rose 21.6% to $456.0 million for the year to June 2003, with profits up 28.1% to $20,945,000(18.3 cents per share) and the dividend increased 25.0% to 10.0 cents. The cash surplus from operations slipped slightly to $20.7 million.

The year to June 2004 saw revenues just 0.4% higher at $457.6 million but profits ahead 9.1% at $22,858,000 (19.4 cents per share). Dividends were raised 5.0% to 10.5 cents. The net operating cash surplus was $20.0 million.

The business suffered a glitch in the *second* half of the year to June 2005. Consumer spending fell, retailers sourced more product directly from China, gross margins declined and Housewares International needed to increase spending on sales and marketing as well as start restructuring its Homewares division.

The first half year showed steady growth and the interim dividend was raised 35.7% as the directors decided to increase the *(Continued on Page 8)*

Housewares International

(Continued from Page 7)

dividend payout. The second half year resulted in a *loss* of $3.6 million - although the directors decided to maintain the final dividend at 3.5 cents. So the *annual* result was revenues 3.6% lower at $441.0 million, profits down 42.1% to $13,231,000 (11.0 cents per share) and the annual dividend rate *increased* 23.8% to 13.0 cents! The net operating cash surplus also dropped sharply - down 78% to $4.4 million - reflecting the downturn in the business.

This "extremely competitive environment" continued during the year to June 2006 - forcing further restructuring and depressing financial results. Revenues recovered slightly, up 3.9% to $424.2 million, but profits slipped a further 8.6% (after re-stating the 2005 result under the new accounting standards) to $13,360,000 (10.8 cents per share). The dividend was maintained at 13.5 cents. The net operating surplus improved significantly to $30.4 million - aided by the reduction in inventories.

Restructuring

Over the last two years, Housewares International has focused upon Electrical products innovation and development to take advantage of "strong offshore growth opportunities for its key brands" while the Australian business and the Homewares division have shrunk considerably in size.

International operations contributed only 29% of group earnings in the June 2004 year. This increased to 33% in 2005 and 65% of earnings last year. Earnings from the Australian operations have declined significantly. There has also been a major shift in earnings contribution between the Electrical and Homewares divisions. The Electrical division contributed 62% of earnings in 2004, rising to 87% in 2005 and 116% in 2006 (when the Homewares division became unprofitable).

In the year to June 2006, Asian revenues increased 55% to $30.7 million while North American revenues were up 64% to $80.5 million. Australia revenues fell 8% to $271.2 million and New Zealand revenues were down 4% at $41.8 million.

The company has built a "world class product development centre" in Sydney and established product procurement and quality assurance centres in Hong Kong and Shanghai.

The *Breville* brand "continues to gain increased market acceptance in the USA and Canada" and many leading North American retailers are selling a "growing range" of Breville products. The company predicts that operating margins will improve this year as its offshore businesses "gain critical mass".

Investment Criteria

At 171 cents, Housewares International shares are trading on a Price/Sales ratio of 0.52, a Price/Earnings ratio of 16 and offer a Dividend Yield of 7.6%.

That P/S ratio looks reasonable given the poor performance of the Australian business but the high profit margins on the International operations. The P/E ratio looks to offer reasonable value - with the shares likely to be re-rated in line with any profit recovery in the local operations or growth in the international business.

The issued capital is 123,454,185 shares, making this a *medium sized* to *larger* Australian listed company with a market capitalisation of $211 million.

Directors have some investment in the company. The Managing Director J Hersch owns 2,143,292 shares (or 1.7% of the company). The Chairman J Schmoll has just 10,000 shares, S Klein holds 109,081 shares, J McConnell owns 62,847 shares and S Fisher has just 267 shares.

There has been just one *insider* buy (and no sells) over the last year. In March 2006, W Wavish (who retired from the board in April) bought 25,000 shares on-market at 192 cents, lifting his holding to 132,033 shares.

Neglected shares are usually under-valued, but Housewares International is already moderately followed by institutional investors and brokers. Listed **Premier Investments** has a 21.8% shareholding in the company and other institutions own a further 45-50%. Five stockbrokers follow the company closely enough to publish profit forecasts.

The shares weakened from mid 2003 until mid 2006, but now appear to be in a new uptrend - although have slipped back a little over the last week. The Relative Strength Rating is +6.0%, ranked 30.

Summary and Recommendation

Housewares International suffered a glitch and major downturn in its Australian business from 2005 but has restructured to improve its performance in local markets. At the same time it has invested in new product design (in Australia), product manufacture and quality control (in China and Hong Kong) and developed new markets (in North America). These offshore operations have the potential to make a strong contribution to revenue and profit growth over the next few years.

This is a medium to low risk investment, with the shares trading at a medium to low valuation. The shares offer a high current income yield, but there is good potential for profit recovery (in Australia) and profit growth (from offshore). Any improvement in profitability over the next few years should lead to further dividend growth and to a re-rating of the share price.

Housewares International should therefore be an attractive investment for a wide range of investors who can buy for both high income and the potential for capital appreciation.

Housewares International

Share Recommendation: Accept the new 375 cents takeover offer for Vision Systems

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

TENDER or SELL Vision Sysytems (code VSL).

Vision Systems has received a takeover offer from a third party, **Danaher Corporation**, offering 375 cents in cash. Initially the offer was conditional on 50.1% acceptances, but is now unconditional. We therefore recommend that investors now accept the Danaher Corporation offer of 375 cents cash. Danaher Corporation will pay for the shares within five days of receiving acceptances. Alternatively investors can sell on-market, probably for a cent or so less, pay brokerage, but get paid slightly quicker.

Cytyc Corporation is also proceeding with its takeover offer at 325 cents - so make sure you accept the right takeover!!!

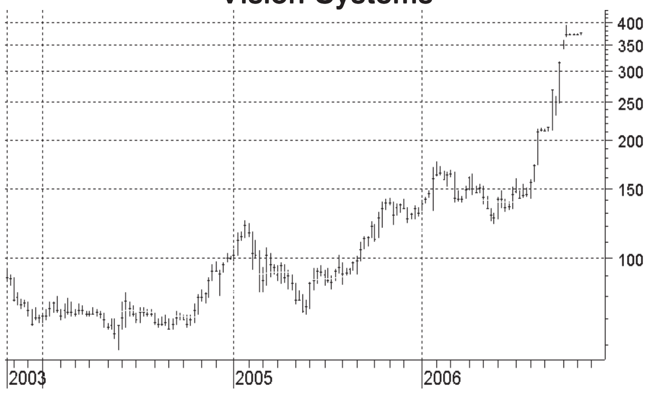
The ultimate future of Vision Systems is uncertain. **Ventana Medical Systems** holds 12.0% of the company and **Cytyc Corporation** owns around 13.6%. These two companies *may* choose to sell to **Danaher Corporation** - realising a significant short term capital gain. If not then Danaher Corporation - which currently owns 7.4% of Vision Systems, acquired on-market - will almost certainly acquire a controlling shareholding of between 50.1% and 74.4% of Vision Systems.

Neither Ventana Medical Sytems nor Cytyc Corporation can increase their offers for Vision Systems and a fourth bidder - well, nothing is impossible - is unlikely!

If the other two companies do not sell to Danaher Corporation, then it is possible that Vision Systems may remain a listed company with a number of public minority shareholders. We do not consider remaining a minority shareholder a particularly attractive alternative as the marketability of the shares may be limited and the current 375 cents probably more than fairly values this investment.

Accepting the Danaher Corporation offer (plus the dividends received over the years) will realise a 644% gain over exactly 8 years - or about 33% per annum compounded. Furthermore, the shares have regularly been rated a "strong Buy" over recent years - so any additional purchases made over those periods could have realised returns of 50-100% per annum!

Vision Systems



Share Recommendation: Sell UXC

SELL UXC (code UXC).

We are recommending the sale of UXC shares - simply as we believe these shares are now fully valued and we can re-invest elsewhere for a higher income and better long term growth. The shares have increased strongly over the last six months as the company has performed reasonably well and been re-rated by the market.

Realising around 150 cents for the shares - and the 36.0 cents in dividends over the years - will better than *triple* our initial investment. A total return of 238% over a little less than 7 years - equal to about a 25% per annum (compound return) - means that UXC has been a quiet but very successful long term investment for us!

Initially the shares rose in value as the company sold all of its technology businesses for a large cash sum - then fell in value as profits declined and the market was sceptical about re-investing the cash. Slowly UXC has acquired a large number of businesses, using both cash and shares, to grow into a much larger technology and utility services company. While those businesses are not unattractive, we do feel the strong rise in the share price now fully values the company. So we are recommending realising this more mature investment in our portfolio to provide funds for newer investments which we believe offer better value and better future growth potential.

UXC has grown to become a large company with a $230 million capitalisation and the shares are actively traded with daily turnover on the stockmarket of $200,000 to $1.0 million worth of shares.

UXC

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

For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. 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.

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Smiths City	74	+5.1	+3.5	27	4-1	-	1.0	13	0.9	7	7.4	0.16	39
Col Motor Co	320	+3.2	+0.8	35	4-0	-	0.8	6	0.5	13	11.2	0.19	89
Postie Plus Grp	101	+16.8	+3.3	7	0-1	1	1.4	14	0.9	10	10.3	0.32	40
Speirs Group	147	+2.0	+0.6	43	2-0	-	1.3	7	0.8	18	7.1	0.34	15
Gullivers Trv.	233	+10.8	-4.9	15	0-0	-	1.4	5	0.7	30	3.5	0.38	233
Air New Zealand	148	+5.9	+6.8	23	2-5	4	0.9	6	0.8	15	5.0	0.39	1,485
Nuplex Indust	686	+5.5	-0.5	25	1-0	4	1.7	12	0.5	14	6.5	0.41	538
Broadway Ind	85	+4.9	+1.6	28	2-0	-	0.9	4	0.9	21	4.7	0.43	17
Tag Pacific Ltd	39	+3.7	-2.9	31	3-0	-	1.5	18	1.5	8	1.4	0.44	26
Hellaby Hold.	481	+1.4	-1.5	50	1-1	3	2.1	20	0.4	10	9.6	0.47	238
Ebos Group Ltd	521	+2.9	-0.4	36	0-0	2	2.6	21	0.4	12	6.4	0.48	144
Livestock Imp.	168	+11.8	-1.8	12	5-0	-	0.6	8	0.8	7	14.6	0.50	55
Provenco Group	92	+2.7	+0.8	37	0-0	1	2.6	9	1.0	29	4.2	0.72	110
Mainfreight Grp	673	+16.6	-1.1	7	1-4	6	4.7	21	0.4	22	2.7	0.73	647
Guinness Peat	249	+2.2	-2.5	42	1-1	2	3.7	36	0.6	10	1.1	0.83	2,682
Fletcher Build.	1010	+2.6	+2.5	39	1-4	5	3.2	26	0.3	13	5.9	0.86	4,742
Steel & Tube	465	+0.5	+0.2	57	0-2	4	3.0	23	0.5	13	10.3	0.93	410
Briscoe Group	161	+7.0	-1.1	21	5-2	6	3.2	24	0.8	14	7.0	0.99	342

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
VTL Group Ltd	127	+44.0	+12.6	1	0-1	-	2.9	17	0.8	17	Nil	0.80	39
Postie Plus Grp	101	+16.8	+3.3	7	0-1	1	1.4	14	0.6	10	10.3	0.32	40
Livestock Imp.	168	+11.8	-1.8	12	5-0	-	0.6	8	0.6	7	14.6	0.50	55
CACI Group Ltd	35	+11.4	-6.0	13	0-0	-	1.6	22	1.0	7	Nil	0.50	2
Jasons Media	60	+9.3	+1.9	16	0-0	-	13.8	74	1.0	19	Nil	0.86	10
Briscoe Group	161	+7.0	-1.1	21	5-2	6	3.2	24	0.7	14	7.0	0.99	342
Air New Zealand	148	+5.9	+6.8	23	2-5	4	0.9	6	0.7	15	5.0	0.39	1,485
Nuplex Indust	686	+5.5	-0.5	25	1-0	4	1.7	12	0.4	14	6.5	0.41	538
Smiths City	74	+5.1	+3.5	27	4-1	-	1.0	13	0.6	7	7.4	0.16	39
Tag Pacific Ltd	39	+3.7	-2.9	31	3-0	-	1.5	18	1.1	8	1.4	0.44	26
Col Motor Co	320	+3.2	+0.8	35	4-0	-	0.8	6	0.3	13	11.2	0.19	89
Ebos Group Ltd	521	+2.9	-0.4	36	0-0	2	2.6	21	0.3	12	6.4	0.48	144
Fletcher Build.	1010	+2.6	+2.5	39	1-4	5	3.2	26	0.3	13	5.9	0.86	4,742
Guinness Peat	249	+2.2	-2.5	42	1-1	2	3.7	36	0.5	10	1.1	0.83	2,682
Speirs Group	147	+2.0	+0.6	43	2-0	-	1.3	7	0.6	18	7.1	0.34	15
Hellaby Hold.	481	+1.4	-1.5	50	1-1	3	2.1	20	0.3	10	9.6	0.47	238
Steel & Tube	465	+0.5	+0.2	57	0-2	4	3.0	23	0.4	13	10.3	0.93	410
Turners & Grow.	245	+0.2	-2.3	58	3-2	1	0.8	6	0.5	14	Nil	0.37	183

INCOME SHARES: Highest Yields, Capitalisation > NZ$100 million

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Telecom Corp	452	-5.1	+4.1	84	3-28	10	3.6	35	0.3	11	11.7	1.52	8,863
Hellaby Hold.	481	+1.4	-1.5	50	1-1	3	2.1	20	0.3	10	9.6	0.47	238
Hallenstein G.	550	+2.3	+1.0	40	0-4	3	5.1	34	0.2	15	9.5	1.66	327
PGG Wrightsons	163	-9.4	-1.7	89	1-1	-	1.1	6	0.4	17	9.2	0.54	459
Tourism Hold.	181	+3.5	-0.1	33	5-0	3	1.1	7	0.5	16	9.1	1.01	178
Cavalier Corp	325	+1.9	-1.8	45	5-1	4	3.4	22	0.3	15	8.3	1.06	213
ING Property	121	+1.5	-0.4	49	0-0	6	1.0	7	0.5	15	8.2	9.31	636
Sky City Ltd	515	-0.4	-0.7	65	0-17	7	7.2	39	0.3	18	7.5	2.94	2,211
MG Property Trt	131	+1.8	-0.1	45	4-1	6	1.2	6	0.4	20	7.5	N/A	686
Skellerup Hold.	160	+7.8	+3.5	19	2-0	4	3.4	27	0.5	13	7.5	1.05	167

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
AMP Limited	1076	+1.8	-0.6	46	10-0	-	6.3	29	0.3	22	3.4	1.47	20,120
Comvita	385	+11.1	-2.7	14	7-0	-	3.0	9	0.3	31	1.9	N/A	50
Wakefield Hlth	740	+7.3	-4.7	21	7-1	-	1.5	5	0.2	30	2.8	2.04	105
Livestock Imp.	168	+11.8	-1.8	12	5-0	-	0.6	8	0.5	7	14.6	0.50	55
Tourism Hold.	181	+3.5	-0.1	33	5-0	3	1.1	7	0.5	16	9.1	1.01	178
Col Motor Co	320	+3.2	+0.8	35	4-0	-	0.8	6	0.3	13	11.2	0.19	89
Cavalier Corp	325	+1.9	-1.8	45	5-1	4	3.4	22	0.3	15	8.3	1.06	213
Brierley Invest	150	+1.3	-1.0	52	6-2	-	1.3	4	0.5	33	2.3	3.47	2,052
Tag Pacific Ltd	39	+3.7	-2.9	31	3-0	-	1.5	18	0.8	8	1.4	0.44	26
Wool Equities	125	+29.4	+22.7	2	3-0	-	1.7	-	0.5	NE	Nil	1.06	29

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Blis Technology	6	-22.2	-2.5	95	0-0	-	7.2	-	1.7	NE	Nil	9.02	5
Akd Int Airport	206	-0.9	-0.1	68	0-1	5	1.4	6	0.3	24	5.9	8.22	2,514
F & P Health.	437	-0.1	-0.3	61	0-30	8	10.9	34	0.3	32	4.2	6.86	2,226
Nat Property Tr	69	-4.0	+0.1	78	0-0	4	0.8	5	0.4	17	5.9	4.58	84
Life Pharmacy	90	-0.8	+1.4	67	1-1	-	0.9	4	0.6	23	4.5	4.22	25
Sky Network TV	589	-3.7	+0.9	77	2-0	5	2.1	5	0.3	38	2.0	4.18	2,292
Connexion	32	-14.2	-1.4	92	0-0	-	22.2	-	0.8	NE	Nil	3.87	5
Mowbray Collect	155	-0.3	+0.4	63	0-1	-	3.4	-	0.3	NE	Nil	3.66	15
Horizon Energy	384	-4.3	+0.2	81	0-0	-	2.1	11	0.3	18	7.4	3.46	96
Charlie's Group	16	-58.3	+0.0	98	1-1	-	3.2	-	1.0	NE	Nil	3.17	47
Sky City Ltd	515	-0.4	-0.7	65	0-17	7	7.2	39	0.3	18	7.5	2.94	2,211
Genesis Res.	26	-4.9	+0.5	82	1-0	-	1.1	-	1.0	NE	Nil	2.62	7
TeamTalk Ltd	229	-0.1	-4.5	62	0-6	1	2.2	15	0.4	15	12.4	2.26	46
Oyster Bay	240	-6.8	+0.9	85	0-1	-	1.2	5	0.3	23	6.2	2.02	22

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Charlie's Group	16	-58.3	+0.0	98	1-1	-	3.2	-	0.9	NE	Nil	3.17	47
Plus SMS Hold.	15	-41.2	-6.7	96	0-0	-	9.2	-	1.0	NE	Nil	N/A	49
Blis Technology	6	-22.2	-2.5	95	0-0	-	7.2	-	1.6	NE	Nil	9.02	5
Heritage Gold	3	-19.4	-7.2	95	1-0	-	0.6	-	1.8	NE	Nil	N/A	5
Connexion	32	-14.2	-1.4	92	0-0	-	22.2	-	0.7	NE	Nil	3.87	5
Lombard Group	2	-11.7	+0.5	92	0-0	-	2.2	10	2.8	21	Nil	1.79	49
Cert Organics	4	-10.4	+3.7	90	0-0	-	1.0	-	1.9	NE	Nil	1.98	7
Media Tech.	6	-10.0	-1.6	90	0-0	-	-	-	2.0	NE	Nil	0.29	5
Pac Edge Bio.	17	-9.2	-1.9	89	0-0	-	8.8	-	0.9	NE	Nil	N/A	8
Satara Co-op	115	-9.0	-1.2	88	0-0	-	0.8	-	0.5	NE	3.9	0.59	31
F & P Appliance	417	-7.1	-3.0	87	0-21	5	1.8	11	0.3	17	6.4	0.91	1,104
Blue Chip Fin.	71	-7.1	-0.6	86	0-0	-	1.7	33	0.7	5	Nil	0.68	44
Cabletalk Group	40	-7.1	+3.9	86	0-0	1	1.8	15	0.8	12	7.5	0.35	13
Oyster Bay	240	-6.8	+0.9	85	0-1	-	1.2	5	0.3	23	6.2	2.02	22
Tenon Ltd	317	-5.9	-0.4	84	1-0	3	1.1	7	0.4	17	Nil	0.36	213
Toll NZ Ltd	280	-4.9	-2.0	83	0-0	-	1.8	16	0.4	11	Nil	0.85	589
Genesis Res.	26	-4.9	+0.5	82	1-0	-	1.1	-	0.9	NE	Nil	2.62	7
Cadmus Tech Ltd	21	-4.5	+1.9	81	0-2	-	3.5	3	0.9	131	Nil	1.97	51
Horizon Energy	384	-4.3	+0.2	81	0-0	-	2.1	11	0.3	18	7.4	3.46	96
Finzsoft Sol'ns	88	-4.3	-5.1	80	0-0	-	1.9	14	0.4	14	Nil	0.93	7

INSIDER SELLING: Most Insider Selling, Relative Strength < 0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
F & P Health.	437	-0.1	-0.3	61	0-30	8	10.9	34	0.3	32	4.2	6.86	2,226
Telecom Corp	452	-5.1	+4.1	84	3-28	10	3.6	35	0.3	11	11.7	1.52	8,863
F & P Appliance	417	-7.1	-3.0	87	0-21	5	1.8	11	0.3	17	6.4	0.91	1,104
Sky City Ltd	515	-0.4	-0.7	65	0-17	7	7.2	39	0.2	18	7.5	2.94	2,211
TeamTalk Ltd	229	-0.1	-4.5	62	0-6	1	2.2	15	0.4	15	12.4	2.26	46
Renaissance	124	-3.2	-1.1	75	1-5	-	4.2	45	0.4	9	12.0	0.31	48
Affco Holdings	39	-2.2	+1.3	72	0-2	-	0.9	10	0.5	9	2.6	0.20	197
Sanford Limited	460	-1.6	-2.0	70	0-2	3	0.9	6	0.2	14	7.1	1.17	431
Cadmus Tech Ltd	21	-4.5	+1.9	81	0-2	-	3.5	3	0.9	131	Nil	1.97	51
Akd Int Airport	206	-0.9	-0.1	68	0-1	5	1.4	6	0.3	24	5.9	8.22	2,514

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

For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. 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.

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Citic Australia	68	+12.3	-6.5	18	0-0	-	2.3	34	1.1	7	7.8	0.07	57
Adtrans Group	325	+2.4	+2.2	42	4-1	-	1.7	17	0.4	10	6.8	0.12	77
Ross Human Dir.	59	+10.9	+7.7	20	10-0	1	2.0	21	1.2	10	6.8	0.14	48
Cellnet Group	159	+12.3	+4.4	18	1-1	2	1.9	4	0.9	52	1.3	0.14	82
Lindsay Aust	20	+3.1	+5.4	40	2-0	1	1.0	5	2.0	22	5.6	0.16	28
Bridgestone	270	+0.6	+0.5	49	0-0	1	0.6	6	0.6	10	4.4	0.19	99
Automotive Hold	225	+20.0	-6.4	10	0-0	-	-	-	0.8	16	4.4	0.20	315
A.P. Eagers	960	+9.3	+5.4	22	3-0	1	1.5	10	0.3	15	4.0	0.20	213
Devine	94	+8.2	-3.9	24	3-0	-	2.0	30	0.9	7	8.5	0.22	128
Folkestone Ltd	68	+10.4	+1.1	20	4-0	-	1.0	9	1.0	11	8.8	0.24	20
Thomas & Coffey	65	+8.0	+5.1	25	4-0	-	4.6	34	1.1	14	3.8	0.25	46
Paperlin X Ltd	424	+8.5	+5.5	24	2-0	8	1.7	6	0.6	29	2.4	0.26	1,892
Tag Pacific	34	+3.8	+0.1	37	2-0	-	1.1	26	1.5	4	2.2	0.27	23
Queste Comm's	28	+9.6	+1.9	22	1-0	-	0.3	11	1.8	2	7.1	0.27	8
Integrated Grp	188	+6.6	-4.5	28	4-0	2	7.8	76	0.7	10	5.9	0.30	132
Merchant House	21	+12.5	+0.3	17	0-0	-	1.1	24	1.9	4	7.1	0.30	20
Data 3 Ltd	468	+14.9	+2.7	15	0-5	-	6.0	47	0.6	13	6.0	0.31	73
KLM Group Ltd	48	+13.4	+5.1	16	0-0	-	2.8	26	1.3	11	4.2	0.31	27
Buderim Ginger	53	+0.1	+1.3	51	8-0	-	0.6	2	1.2	28	1.9	0.32	15
Orion Telecom.	24	+12.5	+6.2	17	2-0	-	1.7	-	1.9	NE	5.1	0.35	21
Caltex Austrlia	2170	+3.0	-4.7	40	2-1	10	2.6	26	0.5	10	2.1	0.35	5,859
PeopleBank Aust	113	+23.1	+6.6	8	4-1	-	12.6	-	1.1	11	4.9	0.38	47
Crane Group	1308	+2.9	+4.1	41	2-0	6	3.4	13	0.5	25	4.6	0.38	784
Al Limited	37	+10.0	-1.2	21	2-0	-	1.9	16	1.4	12	11.0	0.39	53
Broadcast Serv.	34	+5.1	+8.1	33	3-0	-	3.4	5	1.6	73	29.9	0.39	51
CTI Logistics	196	+24.3	+10.3	7	4-0	-	1.8	26	0.6	7	2.6	0.40	22
Homeloans Ltd	60	+15.2	+6.6	14	4-0	-	1.7	15	1.2	12	8.3	0.41	30
Promentum Ltd	129	+1.6	+4.7	45	1-0	-	3.6	21	0.8	17	7.8	0.42	73
Chiquita Brands	73	+10.7	-6.3	20	3-0	1	2.3	7	1.2	32	2.1	0.43	108
Souls Priv Equ	21	+0.0	+2.9	52	4-0	-	0.8	75	2.0	1	2.4	0.45	125
McPherson's Ltd	227	+7.6	+10.2	26	3-0	2	-	-	0.6	11	6.2	0.45	143
Berklee Ltd	43	+12.5	+2.9	17	0-0	-	0.5	2	1.4	29	4.7	0.45	6
Kresta Holdings	27	+11.5	+11.9	19	1-0	1	1.9	20	1.7	10	7.4	0.46	37
Green's Foods	73	+10.0	+2.8	21	5-0	-	3.7	-	1.0	NE	2.1	0.47	80
Coles Myer	1382	+15.8	+2.0	14	1-0	11	5.9	19	0.4	31	3.0	0.48	16,480
Watpac Ltd	300	+8.0	+1.9	25	0-1	1	4.5	34	0.8	13	4.0	0.48	238
Smorgon Steel	173	+7.7	-2.6	25	0-0	7	-	-	1.0	11	5.2	0.48	1,551
Embelton Ltd	450	+2.5	+2.2	42	2-0	-	1.3	10	0.5	14	3.7	0.50	10
Housewares Int.	171	+6.0	+4.9	30	1-0	5	2.8	17	0.9	16	7.6	0.52	219
MacMahon Hold	83	+5.5	-0.3	31	0-0	3	-	-	1.3	57	2.4	0.53	429
Hastie Group	229	+16.0	+4.6	14	2-0	2	-	-	0.9	14	3.4	0.55	262
SuperCheap Auto	272	+10.5	+9.6	20	1-0	4	5.3	30	0.7	18	2.9	0.55	289
Chalmers	350	+10.3	+5.9	21	1-0	-	1.0	6	0.6	16	2.6	0.56	20
Nat'l Can	162	+4.3	-2.8	35	3-0	-	0.9	11	0.8	8	4.6	0.57	108
Lend Lease Corp	1734	+9.9	+3.3	22	2-0	8	3.1	19	0.5	17	3.5	0.57	6,931
Austin Eng.	74	+34.8	+12.2	4	8-0	-	4.9	27	1.1	18	2.7	0.59	29
Schaffer Corp	611	+7.9	-4.5	25	0-0	1	1.9	18	0.7	11	8.2	0.59	86
Amcor Ltd	737	+1.7	+1.9	45	1-0	9	4.1	22	0.5	19	4.6	0.60	6,589
Penrice Soda	179	+1.5	+6.6	46	0-0	-	3.4	38	0.9	9	8.2	0.60	81
Skilled Group	560	+17.4	+2.8	12	6-0	4	20.0	85	0.5	24	3.4	0.61	582
Service Stream	60	+34.6	+8.3	4	2-0	-	-	-	1.1	24	3.1	0.61	105
Colorpak Ltd	55	+1.3	+2.3	47	0-0	-	27.5	-	1.3	10	5.0	0.62	44
Candle Aust.	337	+3.7	-1.0	37	0-2	3	11.2	79	0.7	14	5.0	0.62	168
Qantas Airways	435	+10.9	+8.2	20	0-0	11	1.5	8	0.5	18	5.1	0.62	8,504
JB Hi-Fi Ltd	571	+7.7	+3.3	25	0-4	10	35.7	-	0.5	23	1.3	0.62	591
Onesteel Ltd	440	+6.8	+1.3	27	0-0	12	2.0	15	0.7	13	3.3	0.63	2,505
Wrigdways Aust	202	+28.2	+5.7	6	3-2	-	28.9	-	0.7	15	3.7	0.63	65
Tutt Bryant Grp	142	+1.1	-0.6	48	0-1	1	-	-	0.9	11	1.2	0.63	131
Roberts Ltd	250	+0.3	-0.1	51	0-0	-	3.0	23	0.7	13	5.8	0.63	129
K&S Corporation	356	+1.3	-0.7	47	0-0	2	2.5	19	0.5	13	3.9	0.64	235
Woolworths Ltd	2068	+6.1	+1.1	30	0-1	10	23.0	95	0.4	24	2.9	0.65	24,445
Dexion Ltd	159	+14.9	+5.9	15	0-0	2	6.4	46	1.0	14	2.8	0.65	86
Webster Ltd	83	+6.4	+5.6	29	2-0	-	1.0	10	1.1	10	3.6	0.67	51
Leighton Hold	2174	+10.9	+2.8	19	0-6	10	5.8	26	0.3	22	3.0	0.71	6,044
Sims Group Ltd	2178	+10.0	+2.9	21	1-1	9	4.7	34	0.4	14	4.8	0.72	2,712
Ausdrill Ltd	176	+4.9	+3.7	33	0-1	-	1.7	14	0.7	12	3.4	0.73	230
Regional Exp.	113	+5.2	+1.6	32	0-0	-	1.9	23	1.0	8	4.4	0.74	129
Guinness Peat	215	+0.5	+0.2	50	0-1	1	1.4	15	0.7	9	1.1	0.74	2,105
Transfield Serv	890	+5.3	-0.3	32	2-0	7	19.8	76	0.6	26	2.7	0.75	1,441
Tamawood Ltd	170	+4.4	+1.5	35	2-0	-	2.7	22	0.8	12	7.6	0.75	56

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Aircrusing Aust	7	+40.9	-5.4	3	0-0	-	1.4	35	2.3	4	Nil	0.12	1
Austin Eng.	74	+34.8	+12.2	4	8-0	-	4.9	27	0.8	18	2.7	0.59	29
Brandrill	24	+34.5	+4.0	4	2-0	-	3.0	32	1.5	9	Nil	0.75	76
Int'l Equities	5	+29.3	+21.2	5	0-0	-	0.6	29	3.4	2	Nil	0.35	6
Wrigdways Aust	202	+28.2	+5.7	6	3-2	-	28.9	-	0.6	15	3.7	0.63	65
CTI Logistics	196	+24.3	+10.3	7	4-0	-	1.8	26	0.5	7	2.6	0.40	22
PeopleBank Aust	113	+23.1	+6.6	8	4-1	-	12.6	-	0.8	11	4.9	0.38	47
Automotive Hold	225	+20.0	-6.4	10	0-0	-	-	-	0.7	16	4.4	0.20	315
CEC Group Ltd	192	+18.9	+1.4	10	2-1	-	-	-	0.9	13	5.2	0.96	105
CCI Holdings	36	+18.6	-5.4	11	14-0	-	9.0	51	1.3	18	2.8	0.81	48
Morning Star	8	+18.5	+8.6	11	0-0	-	2.0	-	2.3	1	Nil	0.04	5
M2 Telecom. Grp	46	+18.3	+8.7	11	1-0	-	-	-	1.0	13	4.3	0.82	27
UXC Limited	150	+17.9	+4.5	12	2-7	1	75.0	-	0.6	15	4.3	0.85	256
Tassal Group	172	+17.4	+8.6	12	4-2	1	2.9	16	0.7	18	2.8	0.98	194
Hastie Group	229	+16.0	+4.6	14	2-0	2	-	-	0.7	14	3.4	0.55	262
Homeloans Ltd	60	+15.2	+6.6	14	4-0	-	1.7	15	0.9	12	8.3	0.41	30
David Jones	336	+15.1	+0.3	14	0-3	8	4.3	23	0.5	18	4.8	0.81	1,469
Data 3 Ltd	468	+14.9	+2.7	15	0-5	-	6.0	47	0.5	13	6.0	0.31	73
Dexion Ltd	159	+14.9	+5.9	15	0-0	2	6.4	46	0.8	14	2.8	0.65	86
Beyond Int'l	80	+13.6	+0.5	16	0-0	-	2.0	10	1.0	19	Nil	0.83	48
Wavenet Int'l	19	+13.5	+3.7	16	0-0	-	1.3	22	1.8	6	Nil	0.94	10
KLM Group Ltd	48	+13.4	+5.1	16	0-0	-	2.8	26	1.0	11	4.2	0.31	27
Merchant House	21	+12.5	+0.3	17	0-0	-	1.1	24	1.4	4	7.1	0.30	20
Citic Australia	68	+12.3	-6.5	18	0-0	-	2.3	34	0.8	7	7.8	0.07	57
Hamilton James	35	+11.5	+9.6	18	2-0	-	3.9	86	1.1	5	Nil	0.28	21
Kresta Holdings	27	+11.5	+11.9	19	1-0	1	1.9	20	1.2	10	7.4	0.46	37
Qantas Airways	435	+10.9	+8.2	20	0-0	11	1.5	8	0.4	18	5.1	0.62	8,504
Ross Human Dir.	59	+10.9	+7.7	20	10-0	1	2.0	21	0.9	10	6.8	0.14	48
Hudson Invest.	5	+10.7	-9.3	20	0-0	-	0.5	31	3.1	2	Nil	0.68	12
Rebel Sport	454	+10.6	+5.2	20	0-1	1	3.8	23	0.4	17	3.3	0.98	364
SuperCheap Auto	272	+10.5	+9.6	20	1-0	4	5.3	30	0.5	18	2.9	0.55	289
Folkestone Ltd	68	+10.4	+1.1	20	4-0	-	1.0	9	0.7	11	8.8	0.24	20
Chalmers	350	+10.3	+5.9	21	1-0	-	1.0	6	0.4	16	2.6	0.56	20
Sims Group Ltd	2178	+10.0	+2.9	21	1-1	9	4.7	34	0.3	14	4.8	0.72	2,712
Al Limited	37	+10.0	-1.2	21	2-0	-	1.9	16	1.0	12	11.0	0.39	53
CP1 Limited	90	+10.0	+2.5	21	0-0	-	2.4	59	0.8	4	14.4	0.85	127
Lend Lease Corp	1734	+9.9	+3.3	22	2-0	8	3.1	19	0.5	17	3.5	0.57	6,931
Queste Comm's	28	+9.6	+1.9	22	1-0	-	0.3	11	1.3	2	7.1	0.27	8
A.P. Eagers	960	+9.3	+5.4	22	3-0	1	1.5	10	0.2	15	4.0	0.20	213
CPT Global Ltd	90	+9.1	+3.1	23	4-2	-	4.5	30	0.9	15	6.7	1.00	31
National Hire	190	+8.8	+3.2	23	0-1	2	1.8	14	0.7	13	2.9	0.97	227
Shearer (John)	345	+8.2	+1.3	24	0-0	-	-	-	0.4	10	2.0	0.95	43
Devine	94	+8.2	-3.9	24	3-0	-	2.0	30	0.7	7	8.5	0.22	128
Watpac Ltd	300	+8.0	+1.9	25	0-1	1	4.5	34	0.6	13	4.0	0.48	238
Thomas & Coffey	65	+8.0	+5.1	25	4-0	-	4.6	34	0.9	14	3.8	0.25	46
Schaffer Corp	611	+7.9	-4.5	25	0-0	1	1.9	18	0.6	11	8.2	0.59	86
Smorgon Steel	173	+7.7	-2.6	25	0-0	7	-	-	0.8	11	5.2	0.48	1,551
McPherson's Ltd	227	+7.6	+10.2	26	3-0	2	-	-	0.4	11	6.2	0.45	143
RCR Tomlinson	235	+7.5	-2.8	26	1-7	-	3.5	24	0.7	15	1.7	0.86	233
Corum Group Ltd	19	+7.2	+9.0	27	0-0	-	-	-	1.9	12	Nil	0.77	13
Onesteel Ltd	440	+6.8	+1.3	27	0-0	12	2.0	15	0.6	13	3.3	0.63	2,505
Integrated Grp	188	+6.6	-4.5	28	4-0	2	7.8	76	0.5	10	5.9	0.30	132
Sunnycove Mgmt	84	+6.5	+6.4	28	0-0	-	2.7	26	0.8	10	Nil	0.59	18
Webster Ltd	83	+6.4	+5.6	29	2-0	-	1.0	10	0.9	10	3.6	0.67	51
PMP Limited	187	+6.2	+5.3	29	0-2	4	4.3	26	0.9	17	Nil	0.44	551
Pacific Brands	266	+6.1	+2.5	29	0-0	10	-	-	0.6	13	5.6	0.82	1,338
Housewares Int.	171	+6.0	+4.9	30	1-0	5	2.8	17	0.7	16	7.6	0.52	219
Essa Australia	39	+5.8	+1.1	31	2-3	-	1.9	20	1.1	9	6.4	0.95	17
Loftus Capital	67	+5.7	+0.4	31	8-1	-	1.0	80	0.7	1	6.0	0.92	33
Regional Exp.	113	+5.2	+1.6	32	0-0	-	1.9	23	0.8	8	4.4	0.74	129
Ausdrill Ltd	176	+4.9	+3.7	33	0-1	-	1.7	14	0.5	12	3.4	0.73	230
Tamawood Ltd	170	+4.4	+1.5	35	2-0	-	2.7	22	0.6	12	7.6	0.75	56
Nat'l Can	162	+4.3	-2.8	35	3-0	-	0.9	11	0.7	8	4.6	0.57	108
Brisbane Bronco	20	+4.0	-2.5	36	0-0	-	2.5	36	1.5	7	Nil	0.93	20
Colorado Group	420	+3.8	-4.1	37	0-1	8	4.2	38	0.5	11	5.7	0.84	398
Tag Pacific	34	+3.8	+0.1	37	2-0	-	1.1	26	1.1	4	2.2	0.27	23
Candle Aust.	337	+3.7	-1.0	37	0-2	3	11.2	79	0.6	14	5.0	0.62	168
Global TV Ltd	95	+3.6	+6.2	38	0-0	-	1.3	39	0.9	3	Nil	0.51	36
Stokes (Aust)	55	+3.5	-2.4	38	2-0	-	0.8	11	0.9	7	Nil	0.15	3
Auspine Ltd	425	+3.5	-0.9	39	6-0	1	0.8	5	0.4	16	4.5	0.96	229

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
INCOME SHARES: Highest Yields, Capitalisation > A$250 million													
Everest Babcock	158%	+102.6	+23.0	0	5-0	-	0.3	1	0.7	35	27.2	N/A	853
Port Bouvard	448	+34.3	+4.0	5	1-0	-	5.6	99	0.5	6	20.1	2.80	283
Chal Infra Fund	130	-0.8	+1.4	58	0-0	-	-	-	0.7	NE	10.9	3.78	312
AWB Limited	279	-16.8	-3.1	92	1-0	5	1.6	26	0.4	6	10.4	0.19	961
City Pacific	422	+12.2	-0.1	18	0-0	-	4.5	52	0.3	9	9.7	1.68	542
Macarthur Coal	437	-5.8	+0.0	74	2-3	8	2.1	39	0.4	5	9.4	1.49	797
Australand Prop	185	-4.1	+1.9	69	0-0	-	1.3	15	0.6	9	8.9	1.07	1,638
Macquarie Prol.	122	+2.6	+1.6	42	1-1	5	1.1	9	0.5	12	8.9	6.79	1,044
Multiplex Acum.	119	+2.2	+0.1	44	0-0	-	1.0	7	0.9	14	8.7	9.43	411
Sthn C. Fliers	10960	-0.5	+0.1	57	0-0	-	-	-	0.1	11	8.7	N/A	658
Envestra	112	+0.6	+0.2	50	3-0	3	-	-	0.5	NE	8.5	2.70	912
Galileo Shop Am	122	+1.7	+1.6	45	0-0	8	1.0	11	0.6	9	8.4	6.77	1,166
DUET Group	284	+1.7	+2.1	45	2-0	2	1.3	-	0.4	NE	8.3	1.71	1,402
Macquarie DDR	122	+3.7	+2.1	37	3-0	4	1.0	8	0.5	13	8.2	6.26	1,118
Deutsche Ind Tr	196	+0.0	-0.0	52	0-0	-	1.2	10	0.4	12	8.1	6.49	663
Hast Div Util	310	+7.5	+1.1	26	0-0	3	1.3	8	0.4	17	7.9	3.36	464
B & B Infrastr.	171	+2.2	+2.0	43	4-0	4	-	-	0.4	30	7.7	2.91	2,517
ING Real Estate	128	+2.5	+2.5	42	0-0	1	1.1	12	0.6	10	7.7	N/A	391
Macquarie C'Wde	202	+2.7	+1.9	42	1-1	7	1.1	8	0.4	13	7.6	N/A	2,462
JF Meridian Trt	137	+4.9	+3.0	33	0-0	2	1.1	14	0.4	8	7.5	5.36	859
Macquarie Off.	151	+5.8	+1.5	31	1-2	7	1.2	15	0.4	8	7.4	9.48	2,962
G.U.D. Holdings	812	-2.4	+1.5	64	0-1	7	8.5	70	0.4	12	7.4	1.05	487
Thakral Holding	90	+7.1	+3.2	27	0-0	1	1.0	6	0.6	16	7.2	1.69	580
Telstra	392	-2.2	+0.9	64	1-0	12	7.5	68	0.4	11	7.1	2.18	49,503
Deutsche Div Tr	131	+0.0	-0.0	52	0-0	-	1.1	8	0.5	14	7.1	6.10	1,306
INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
Bakehouse Quart	358	+2.9	+1.7	41	49-3	-	1.2	6	0.3	20	9.1	N/A	21
Antares Energy	60	+4.8	+5.1	34	34-0	-	-	-	0.6	78	Nil	3.91	96
Investika Ltd	365	+26.4	+0.5	7	22-0	-	2.1	-	0.7	NE	Nil	N/A	48
Xceed Biotech.	26	+3.3	+1.7	40	15-0	-	2.8	-	0.8	NE	Nil	6.13	22
CCI Holdings	36	+18.6	-5.4	11	14-0	-	9.0	51	1.0	18	2.8	0.81	48
Equity Trustees	2000	+12.7	-2.9	17	12-0	1	6.2	21	0.4	30	2.5	6.06	154
Medical Dev Int	47	+8.1	+11.7	25	12-0	-	11.8	35	1.0	34	Nil	4.08	27
AMP Ltd	943	+3.7	+1.1	37	11-0	9	11.9	55	0.4	22	3.4	1.47	17,633
Deep Yellow Ltd	40	+27.7	+22.1	6	10-0	-	-	-	1.2	NE	Nil	N/A	155
Ross Human Dir.	59	+10.9	+7.7	20	10-0	1	2.0	21	0.7	10	6.8	0.14	48
Austin Eng.	74	+34.8	+12.2	4	8-0	-	4.9	27	0.6	18	2.7	0.59	29
Buderim Ginger	53	+0.1	+1.3	51	8-0	-	0.6	2	0.6	28	1.9	0.32	15
Fox Resources	190	+54.8	+9.6	2	8-0	-	13.5	-	0.8	NE	Nil	7.31	214
Esplanade Prop.	20	+19.7	-9.2	10	8-0	-	3.3	12	1.1	28	8.0	N/A	19
MFS Limited	435	+9.6	-0.6	22	8-0	3	9.9	96	0.5	10	6.0	5.11	1,002
Retail Food Grp	94	+0.9	+4.9	49	9-1	-	-	-	0.9	11	Nil	N/A	67
Kip McGrath EC	102	+1.5	+8.0	46	7-0	-	-	-	0.6	17	5.6	3.79	18
So Natural Food	47	+2.2	-1.9	43	7-0	-	3.6	25	0.8	15	Nil	0.44	21
Pac. Star Netwk	8	+49.3	-18.3	2	7-0	-	-	-	1.8	NE	Nil	5.47	30
Aust Infra.	232	+1.3	+3.1	47	7-0	4	1.0	12	0.4	8	6.3	6.57	863
United Group	1355	+4.5	+0.1	34	7-0	9	52.1	-	0.4	24	1.8	0.83	1,859

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price Earn. Ratio	Divi-dend Yield	Price Sales Ratio	Market Cap'n
Hydromet Corp.	6	+8.1	+4.4	25	8-1	-	2.0	-	2.2	NE	Nil	1.29	17
Loftus Capital	67	+5.7	+0.4	31	8-1	-	1.0	80	0.5	1	6.0	0.92	33
Community Life	26	+1.7	-0.5	45	6-0	-	0.5	1	1.1	91	Nil	8.44	12
Clough Limited	46	+7.2	+3.3	27	6-0	1	1.5	-	0.9	NE	Nil	0.36	232
Jupiter Energy	6	+4.2	-34.2	36	6-0	-	-	-	1.8	NE	Nil	N/A	4
Brambles Ind.	1261	+10.5	+2.4	20	6-0	9	7.1	10	0.4	70	0.8	2.73	21,322
Oilex Ltd	127	+18.9	+0.5	11	6-0	-	-	-	1.0	NE	Nil	N/A	62
Pioneer Nickel	23	+2.5	+9.5	42	6-0	-	-	-	1.0	NE	Nil	N/A	11
IM Medical Ltd	2	+10.3	+19.6	21	6-0	-	-	-	3.3	NE	Nil	N/A	16
Riversdale Min.	173	+26.4	+12.4	7	6-0	-	2.4	-	1.1	NE	Nil	6.40	223
Codan Ltd	151	+23.0	+10.4	8	6-0	4	8.4	29	0.4	29	4.0	2.09	245
IWL Limited	516	+8.8	+2.3	23	6-0	-	-	-	0.4	15	4.3	2.77	302
Tasmanian Perp	670	+1.6	-0.3	46	6-0	-	7.9	41	0.4	19	4.5	7.12	145
Auspine Ltd	425	+3.5	-0.9	39	6-0	1	0.8	5	0.4	16	4.5	0.96	229
Skilled Group	560	+17.4	+2.8	12	6-0	4	20.0	85	0.3	24	3.4	0.61	582
Everest Babcock	158%	+102.6	+23.0	0	5-0	-	0.3	1	0.6	35	27.2	N/A	853
E-Bet Limited	20	+17.4	+16.0	12	5-0	-	20.0	80	1.3	25	Nil	2.24	44
Aevum Ltd	222	+8.3	+4.7	24	5-0	-	1.4	9	0.4	16	3.4	7.14	214
Wilson Inv Fund	107	+5.3	+1.1	32	5-0	-	0.9	1	0.5	165	4.7	N/A	134
Green's Foods	73	+10.0	+2.8	21	5-0	-	3.7	-	0.6	NE	2.1	0.47	80
Envirozel Ltd	33	+32.9	+13.8	5	5-0	-	16.5	56	0.8	29	Nil	3.30	46
Bentley Int'l	44	+2.2	+2.2	43	5-0	-	0.9	11	0.9	8	4.5	6.10	17
QM Technologies	287	+10.9	+6.5	19	5-0	-	4.7	32	0.5	15	2.7	2.11	128
Impress Venture	9	+7.6	+3.6	26	5-0	-	-	-	2.0	NE	Nil	N/A	16
Thundelarra Exp	43	+58.6	+13.8	1	5-0	-	-	-	0.9	NE	Nil	N/A	32
Nat'l Leisure	41	+0.3	+3.6	51	5-0	-	2.1	-	0.9	NE	Nil	3.91	38
Carrick Gold	94	+0.5	-4.6	50	6-1	-	-	-	0.9	NE	Nil	N/A	56
Coffey Int'l	364	+7.1	+4.0	27	6-1	2	-	-	0.6	24	3.6	1.12	282
Bow Energy Ltd	18	+3.5	-5.1	38	4-0	-	-	-	1.6	NE	Nil	N/A	N/A
Entek Energy	22	+22.4	+11.6	8	4-0	-	-	-	1.0	NE	Nil	N/A	8
Centro Retail	180	+7.1	+1.4	27	4-0	-	0.9	23	0.6	4	6.7	N/A	936
United Kimberly	27	+34.0	+16.7	5	4-0	-	-	-	1.1	NE	Nil	N/A	25
Integrated Grp	188	+6.6	-4.5	28	4-0	2	7.8	76	0.4	10	5.9	0.30	132
Carnarvon Pet.	9	+30.1	+13.6	5	4-0	-	-	-	1.6	NE	Nil	N/A	25
ConnectEast Grp	132	+5.7	+2.9	31	4-0	-	1.4	-	0.8	NE	4.9	N/A	1,600
Jindalee Res.	80	+7.0	-0.7	27	4-0	-	-	-	1.1	NE	Nil	N/A	24
S8 Limited	472	+14.7	+6.3	15	4-0	4	-	-	0.3	20	2.1	3.68	428
GoldLink Income	104	+0.2	+0.1	51	4-0	-	0.9	10	0.6	10	6.3	4.08	131
Horizon Oil Ltd	32	+4.2	-6.2	35	4-0	1	-	-	1.3	NE	Nil	N/A	232
Apa Financial	65	+1.2	+2.8	48	4-0	-	-	-	1.0	NE	Nil	6.54	11
Aequs Capital	26	+3.7	+6.4	37	4-0	-	2.1	14	1.1	15	9.8	1.05	7
CTI Logistics	196	+24.3	+10.3	7	4-0	-	1.8	26	0.3	7	2.6	0.40	22
Folkestone Ltd	68	+10.4	+1.1	20	4-0	-	1.0	9	0.5	11	8.8	0.24	20
Sundowner Group	19	+4.4	-0.2	35	4-0	-	0.8	-	1.0	NE	Nil	1.38	33
B & B Infrastr.	171	+2.2	+2.0	43	4-0	4	-	-	0.4	30	7.7	2.91	2,517
Pharmaxis Ltd	328	+12.6	+12.0	17	4-0	1	6.0	-	0.6	NE	Nil	N/A	580
Comet Resources	17	+16.6	+7.0	13	4-0	-	-	-	1.4	NE	Nil	N/A	12
Thomas & Coffey	65	+8.0	+5.1	25	4-0	-	4.6	34	0.7	14	3.8	0.25	46
Ale Property	360	+13.3	+2.2	16	4-0	1	1.4	2	0.3	61	3.6	6.93	327

Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
AIM Resources	23	10	2-7	15.0	16.7	-10	0.83	1.27	1.00	+3
AXG Mining	7	20	3-9	3.5	2.3	+55	0.72	1.70	1.00	+38
Accent Resources	15	20	2-10	4.0	6.5	-38	0.73	1.63	1.00	+18
Acclaim Exploration	4	5	1-7	1.3	1.3	-1	0.76	1.93	1.00	+33
Adv Ocular Systems	15	110	1-7	1.7	0.9	+97	0.94	2.53	1.00	+263
Advanced Healthcare	4	12	1-1	0.5	0.0	+999	0.00	9.99	1.00	+224
Alcaston Mining	15	15	0-10	0.9	6.0	-85	1.18	1.71	1.00	+12
Allied Gold	45	20	0-7	26.0	25.9	+0	0.62	1.70	1.00	+4
Alloy Resources	15	20	2-4	4.8	4.8	+1	0.65	1.91	1.00	+26
Amcil Ltd	60	50	0-3	10.5	10.8	-3	0.19	5.44	1.00	+3
Anitsense Therapeutic	3	20	0-2	0.3	0.0	+999	0.66	9.99	1.00	+999
Arafura Resources	55	20	1-7	38.5	37.1	+4	0.59	1.42	1.00	+5
Argonaut Resources	19	30	0-7	3.0	1.0	+195	0.62	4.41	1.00	+170
Arrow Energy	104	75	0-0	28.0	1.0	+999	0.44	4.41	1.00	-100
Ashburton Minerals	5	32	0-4	0.3	0.0	+999	0.72	9.99	1.00	+999
Astro Mining	2	5	6-0	1.1	0.7	+52	0.62	1.56	1.00	+23
Astro Mining NL	2	75	3-1	2.5	0.0	+999	0.62	4.07	1.00	+239
Atlas Gold	49	20	1-3	29.0	31.4	-8	0.75	1.46	1.00	+1
Audax Resources	8	20	2-1	3.0	1.1	+172	0.65	2.45	1.00	+68
Aurox Resources	92	20	0-11	80.0	73.1	+9	0.56	1.26	1.00	+10
Ausquest Ltd	22	20	0-0	1.0	73.1	-99	1.23	1.26	1.00	-100
Aust Oil Company	9	20	3-1	2.0	1.8	+10	0.58	2.15	1.00	+36
Australasia Gold	14	20	1-7	4.0	5.2	-22	0.97	1.69	1.00	+44
Australis Mining Corp.	12	20	0-1	2.7	0.0	+999	0.00	9.99	1.00	+999
Auth Investments	5	25	0-1	0.5	0.0	+999	0.95	9.99	1.00	+999

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
Auth Investments	5	25	3-4	1.0	1.7	-41	0.95	1.57	1.00	+64
Autron Corporation	8	18	0-6	1.0	0.2	+425	0.71	4.95	1.00	+410
Avantogen Ltd	5	25	1-1	1.5	0.1	+999	0.80	3.56	1.00	+358
Bannerman Res	147	20	0-6	139.5	127.7	+9	1.01	1.15	1.00	+18
Bass Metals	33	25	0-8	11.0	11.4	-3	0.68	2.28	1.00	+17
Bass Strait Oil Co	8	30	0-7	1.2	0.0	+999	0.48	9.99	1.00	+868
Batavia Mining	5	5	0-7	1.4	1.0	+37	0.79	2.74	1.00	+77
Benitec Ltd	8	32	1-4	1.2	1.4	-16	1.15	1.96	1.00	+198
Berkeley Resources	105	20	0-0	75.5	1.4	+999	0.90	1.96	1.00	-100
Biolayer Corporation	15	35	0-11	5.0	2.6	+89	1.06	2.24	1.00	+192
Biomd Ltd	11	20	0-9	0.6	1.2	-52	0.87	2.85	1.00	+146
Biometrics Ltd	12	20	1-1	3.7	3.7	-1	1.16	1.79	1.00	+95
Bionomics Ltd	23	50	0-8	0.4	0.5	-13	0.60	5.19	1.00	+224
Bionomics Ltd	23	22	2-2	7.2	9.2	-22	0.60	1.85	1.00	+12
Biopharmica Ltd	14	20	0-7	1.5	5.9	-75	1.78	1.58	1.00	+109
Bioprospect Ltd	2	5	0-7	0.1	0.0	+999	0.58	7.06	1.00	+496
Biosignal Ltd	17	20	0-1	2.0	0.2	+948	0.50	9.99	1.00	+999
Black Range Minerals	7	5	4-3	5.1	5.6	-8	0.88	1.19	1.00	+7
Blaze International	3	10	0-7	0.1	0.1	+36	0.92	3.92	1.00	+701
Bluestone Tin	23	20	2-1	8.8	10.5	-16	0.67	1.70	1.00	+11
Bone Medical	25	40	0-5	5.0	4.6	+9	1.28	2.45	1.00	+310
Boulder Steel	53	20	2-0	32.0	40.5	-21	1.04	1.22	1.00	-1
Bounty Industries	17	20	0-1	0.6	0.2	+260	0.48	9.99	1.00	+901
Bow Energy	18	20	1-4	8.0	6.0	+34	0.80	1.93	1.00	+42
Buka Gold	19	65	1-7	2.5	1.9	+33	0.80	2.53	1.00	+126

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
C @ Ltd	5	20	1-4	1.3	1.4	-4	1.33	1.72	1.00	+197
CBD Energy	4	2	0-2	0.1	1.9	-95	0.91	2.01	1.00	-99
CBD Energy	4	100	0-2	10.0	0.0	+999	0.91	9.99	1.00	+999
CO2 Group	25	12	4-11	16.0	20.6	-22	0.89	1.14	1.00	+2
Cape Lambert Iron	29	30	1-11	15.0	10.8	+38	0.64	1.89	1.00	+26
Cardia Technologies	5	10	1-1	0.6	0.8	-23	0.90	2.37	1.00	+112
Carnarvon Petroleum	9	6	0-1	4.0	3.1	+28	0.57	2.89	1.00	+210
Carrick Gold	94	20	0-1	72.0	74.1	-3	0.57	1.27	1.00	-23
Castlemaine Gold.	17	20	0-8	3.6	3.0	+22	0.73	2.89	1.00	+71
Central Petroleum	13	20	0-7	3.0	0.5	+535	0.50	5.54	1.00	+166
Chameleon Mining	4	20	1-1	0.6	0.0	+999	0.00	9.99	1.00	+414
Chemgenex Pharm.	52	125	3-4	15.0	7.7	+96	0.48	2.52	1.00	+35
Cheviot Bridge	13	40	1-1	0.1	0.2	-55	0.61	4.41	1.00	+193
Chrome Corporation	1	5	0-10	0.1	0.0	+999	0.97	3.87	1.00	+999
Citrofresh International	13	25	1-6	3.5	2.8	+27	0.84	2.12	1.00	+76
Cityview Corp.	4	8	0-4	1.5	0.8	+94	1.54	2.39	1.00	+906
Climax Mining	46	32	0-5	20.0	16.5	+21	0.72	2.42	1.00	+39
Commoditel Ltd	1	3	0-1	0.1	0.0	+999	1.03	9.99	1.00	+999
Conquest Mining	44	20	0-1	25.0	24.1	+4	1.10	1.82	1.00	+31
Contact Resources	55	20	1-7	38.0	37.6	+1	0.59	1.42	1.00	+3
Continental Goldfields	8	20	0-10	1.5	0.4	+307	0.77	3.54	1.00	+248
Cool or Cosy	12	20	1-6	3.2	1.6	+105	0.55	2.97	1.00	+55
Cortona Resources	22	20	1-4	8.5	7.2	+18	0.57	2.22	1.00	+21
Cougar Metals NL	35	25	0-1	9.0	9.8	-8	0.77	3.31	1.00	-16
Crusader Holdings	31	20	0-1	8.5	11.1	-24	0.75	2.74	1.00	-64
Dia-B Tech Ltd	6	20	4-1	1.7	3.9	-56	1.14	1.24	1.00	+36
Diatreme Resources	35	25	0-11	16.0	15.2	+5	0.77	1.88	1.00	+19
Digital & Voice Media	11	3	0-7	7.5	8.6	-13	1.03	1.26	1.00	-15
Dyesol Ltd	68	20	2-0	42.5	60.2	-29	1.63	1.08	1.00	-4
Dynasty Metals Aust	23	20	1-3	7.3	11.6	-37	1.05	1.55	1.00	+15
Eagle Bay Resources	7	15	2-7	3.2	1.3	+155	0.54	2.43	1.00	+42
Eastland Medical	11	20	0-0	0.8	1.3	-36	0.60	2.43	1.00	+999
Eden Energy	18	20	2-10	7.5	6.7	+12	0.54	1.89	1.00	+16
Elemental Minerals	45	20	2-2	29.5	33.1	-11	0.99	1.25	1.00	+4
Emerald Oil & Gas	9	20	1-6	3.0	3.8	-21	1.35	1.49	1.00	+91
Eneabba Gas	20	30	2-7	6.0	7.5	-20	0.75	1.70	1.00	+27
Energy Metals	240	30	1-7	220.0	213.0	+3	0.66	1.13	1.00	+3
Enterprise Energy	3	20	1-1	0.2	0.0	+999	0.67	5.19	1.00	+481
EnviroGold Ltd	11	20	1-1	1.5	0.5	+175	0.49	4.33	1.00	+86
Eqitx Limited	12	20	0-7	1.2	0.2	+437	0.46	6.59	1.00	+165
Equigold NL	165	140	0-6	28.5	33.4	-15	0.33	4.09	1.00	+4
Eureka Energy	61	20	1-4	39.5	44.6	-11	0.91	1.30	1.00	-2
Evans & Tate	16	150	0-11	0.1	0.3	-70	1.13	3.05	1.00	+999
Ezenet Ltd	16	15	0-7	3.0	3.8	-22	0.73	2.66	1.00	+29
Fall River Resources	12	25	1-0	2.0	0.8	+143	0.65	3.49	1.00	+125
Financial Resources	17	20	1-6	5.0	3.0	+65	0.42	3.10	1.00	+29
Flinders Resources	1	10	1-10	0.3	0.0	+517	0.76	2.94	1.00	+197
Fox Resources	190	75	0-7	113.0	118.1	-4	0.70	1.57	1.00	-1
Gateway Mining NL	17	30	0-3	1.5	0.2	+576	0.76	6.61	1.00	+999
Genesis Biomedical	3	3	4-0	1.6	2.3	-29	0.94	1.23	1.00	+9
Gippsland	11	9	1-1	4.1	3.4	+21	0.57	2.32	1.00	+23
Gippsland Offshore	21	20	0-0	1.0	3.4	-70	0.60	2.32	1.00	+0
Gleneagle Gold	30	20	0-7	11.0	11.4	-4	0.54	2.37	1.00	+6
Globe Uranium	50	20	0-11	28.5	33.0	-14	0.95	1.42	1.00	-3
Gold Aura	8	13	2-4	3.1	2.2	+38	0.63	2.05	1.00	+34
Golden Cross Explor.	6	5	-1-10	4.0	2.2	+78	0.82	2.05	1.00	-95
Golden Deeps	8	15	0-3	0.5	0.1	+462	0.74	6.91	1.00	+999
Golden State Petrol.	34	65	0-1	4.0	0.0	+999	0.69	9.99	1.00	+999
Golden State Res.	59	10	0-7	41.0	49.1	-16	1.23	1.18	1.00	-21
Golden West Res	220	20	1-1	181.5	201.6	-10	1.03	1.09	1.00	-8
Goldsearch Ltd	4	5	0-11	1.5	1.1	+38	0.80	2.28	1.00	+61
Gondwana Resources	2	1	1-1	0.2	1.1	-82	1.06	1.37	1.00	-42
Gravity Diamonds	22	50	1-0	7.0	0.5	+999	0.51	4.97	1.00	+159
Graynic Metals	28	20	0-11	14.0	15.1	-7	1.17	1.52	1.00	+24
Great Gold Mines	5	10	6-3	2.0	2.8	-29	0.66	1.39	1.00	+14
Great Gold Mines	5	20	5-5	3.2	1.7	+83	0.66	1.63	1.00	+32
Great Gold Mines	5	125	3-10	0.2	0.1	+103	0.66	2.77	1.00	+129
Greater Pacific Gold	2	3	1-6	0.3	0.4	-26	0.86	2.02	1.00	+62
Green Rock Energy	9	20	0-1	0.2	0.0	+999	0.50	1.00	1.00	+999
Gt Australian Res	17	20	2-1	6.5	7.2	-10	0.79	1.67	1.00	+24
Gulfx Ltd	14	20	3-1	5.7	5.2	+10	0.62	1.77	1.00	+22
Harrington Group	6	25	0-1	0.1	0.0	+999	0.67	9.99	1.00	+999
Healthlinx	3	5	0-4	0.5	0.1	+685	0.80	5.22	1.00	+846
Helix Resources	9	14	0-4	2.0	0.3	+500	0.74	5.11	1.00	+522
Hill End Gold	12	15	0-6	3.0	1.8	+67	0.85	2.99	1.00	+145
Hillcrest Litigation	25	25	0-4	3.0	4.2	-29	0.70	3.55	1.00	+40
Hillgrove Resources	27	20	0-1	5.0	7.1	-30	0.54	3.70	1.00	-60
Hodges Resources	24	20	0-10	7.5	8.5	-12	0.74	2.12	1.00	+18
Horizon Global	5	25	2-1	2.0	1.3	+57	1.06	1.76	1.00	+120
Hunter Hall Global	107	100	0-5	6.8	9.9	-31	0.11	9.91	1.00	-0
IC2 Global	0	2	2-7	0.1	0.1	+51	2.01	1.16	1.00	+225
IM Medical	2	4	2-1	1.3	0.8	+60	1.02	1.57	1.00	+60
ING Private Equity	99	100	0-11	7.2	7.9	-8	0.14	8.40	1.00	+9
Imugene Ltd	17	50	0-2	4.0	0.0	+999	0.65	9.99	1.00	+999
Indigo Pacific Capital	93	150	0-4	0.1	0.1	+16	0.34	9.99	1.00	+320
Integra Mining	12	20	2-12	5.0	4.0	+25	0.69	1.76	1.00	+30
Intermet Resources	40	20	1-0	20.0	22.4	-11	0.67	1.66	1.00	+0
JV Global	20	20	1-11	8.0	9.0	-11	0.79	1.66	1.00	+20
Jaguar Minerals	18	20	1-10	5.0	9.5	-47	1.05	1.45	1.00	+20
Jupiter Mines	14	20	0-2	2.2	0.4	+408	0.82	6.26	1.00	+999
Kalgoorlie-Boulder	17	20	1-8	3.9	5.9	-34	0.78	1.85	1.00	+25
Katana Capital	98	95	0-6	6.4	6.9	-7	0.11	9.99	1.00	+7
LV Living	5	5	1-1	1.1	1.8	-38	0.91	1.86	1.00	+25
Legend Mining	7	4	1-8	4.7	4.2	+12	0.67	1.55	1.00	+11
Liberty Gold NL	16	20	0-6	1.0	1.8	-44	0.65	3.80	1.00	+72
Linq Resources	105	100	0-2	5.2	6.7	-23	0.19	9.99	1.00	+1
M2M Corporation	1	20	3-3	0.3	0.1	+199	0.97	1.92	1.00	+164
MGM Wireless	5	20	4-0	1.2	0.8	+45	0.59	2.13	1.00	+43
Macmin Silver	31	25	1-11	15.0	14.4	+4	0.66	1.72	1.00	+14
Magnesium Intern.	147	180	0-3	19.0	0.0	+999	0.00	9.99	1.00	+236
Malachite Resources	24	20	1-9	9.0	10.8	-16	0.73	1.70	1.00	+13
Marengo Mining	27	20	1-3	9.9	11.1	-11	0.65	1.92	1.00	+10
Marine Produce	2	8	0-10	0.1	0.1	+52	0.90	3.41	1.00	+436
Marion Energy	81	25	0-4	55.5	56.5	-2	0.55	1.43	1.00	-2
Mawson West	22	20	0-6	6.0	5.5	+10	0.76	2.67	1.00	+46
Maximus Resources	17	20	1-7	5.1	4.2	+22	0.58	2.35	1.00	+30
Medical Therapies	20	20	1-1	8.0	7.1	+13	0.82	1.96	1.00	+36
Medusa Mining Ltd	76	20	0-2	51.5	56.2	-8	0.57	1.35	1.00	-31
Metallic Minerals	50	25	0-1	19.0	24.6	-23	0.57	2.01	1.00	-76
Metroland Australia	17	26	2-6	1.1	3.1	-65	0.44	2.65	1.00	+21
Michelago Ltd	3	15	0-1	0.1	0.0	+999	0.61	9.99	1.00	+999
Midas Resources	12	25	0-0	0.1	0.0	+999	1.08	9.99	1.00	+999
Millepde International	3	15	1-3	0.6	0.0	+999	0.76	3.64	1.00	+319
Mindax Ltd	16	20	1-7	3.4	4.3	-21	0.63	2.22	1.00	+27
Mineral Securities	133	115	1-2	37.0	37.8	-2	0.44	2.67	1.00	+12
Minerals Commodities	17	30	0-7	2.0	0.7	+171	0.64	4.56	1.00	+196
Minerals Corporation	2	9	0-10	0.4	0.0	+999	0.70	5.40	1.00	+678
Moby Oil & Gas	7	30	1-7	1.6	0.3	+515	0.67	3.31	1.00	+157
Molopo Australia	4	10	0-7	0.6	0.0	+999	0.47	8.59	1.00	+370
Monaro Mining	157	120	0-8	49.0	51.5	-5	0.58	2.49	1.00	+12
Monteray Group	8	10	2-1	2.5	4.6	-46	1.11	1.38	1.00	+22
Monto Minerals	25	5	-1-10	4.0	4.6	-14	0.49	1.38	1.00	+999
Mt Gibson Iron	83	25	0-1	58.0	57.6	+1	0.39	1.43	1.00	+8
Murchison Holdings	135	100	2-1	49.0	52.7	-7	0.33	2.24	1.00	+5
Murchison Metals	85	20	1-0	64.0	65.7	-3	0.49	1.28	1.00	-1
My Net Fone	13	25	2-5	3.0	1.8	+64	0.51	2.65	1.00	+40
NGM Resources	14	20	0-4	2.5	0.6	+342	0.63	5.63	1.00	+315
NGM Resources Ltd	14	20	0-4	2.5	0.6	+342	0.63	5.63	1.00	+315
Navigator Resources	35	20	0-7	18.0	16.1	+12	0.69	1.95	1.00	+18
Neptune Marine Serv	23	20	4-1	9.0	13.7	-34	0.66	1.40	1.00	+6
New Hope Corp	137	45	1-9	98.0	96.8	+1	0.28	1.41	1.00	+2
New Privateer Hold.	481	115	0-1	100.0	366.6	-73	0.99	1.31	1.00	-100
Northwest Resources	33	20	1-2	15.0	15.5	-3	0.58	1.86	1.00	+7
Norton Gold Fields	8	20	3-10	3.4	3.5	-2	0.82	1.50	1.00	+32
Norwood Systems	2	20	1-2	0.1	0.0	+145	1.05	2.95	1.00	+691
Nuenco NL	1	6	1-1	0.3	0.0	+999	0.44	8.79	1.00	+329
Olympia Resources	19	25	1-1	3.6	2.8	+28	0.54	3.16	1.00	+46
On Q Group	25	30	1-6	8.0	8.7	-8	0.80	1.88	1.00	+32
Optima Corporation	7	20	0-4	0.5	0.0	+999	0.75	7.84	1.00	+999
Orchid Capital	3	5	0-0	0.5	0.0	+999	0.49	7.84	1.00	+999
ORT	1	14	1-3	0.1	0.3	-70	1.65	1.65	1.00	+535
ORT	1	6	1-3	0.3	0.5	-44	1.65	1.49	1.00	+233
Orient Resources	11	20	1-1	3.0	0.3	+931	0.40	5.52	1.00	+98
Oropa Ltd	9	5	1-1	1.0	5.0	-80	0.73	1.65	1.00	-33
Oropa Ltd	9	20	0-1	0.2	0.0	+999	0.73	9.99	1.00	+999
Ottoman Energy	19	20	0-0	0.4	0.0	+999	0.60	9.99	1.00	+999
Pacific Magnesium	47	5	0-0	0.3	0.0	+999	1.10	9.99	1.00	-100
Pacmag Metals	47	18	1-4	28.0	34.1	-18	1.10	1.28	1.00	-2
Pan Pacific Petroleum	19	15	0-7	8.1	5.1	+58	0.42	3.12	1.00	+40
Papyrus Australia	37	20	1-4	18.0	21.3	-16	0.77	1.54	1.00	+2
Paradigm Gold	7	25	1-6	3.5	1.1	+210	0.98	2.13	1.00	+159
Paramount Mining	8	20	0-1	0.1	0.0	+999	0.81	9.99	1.00	+999
Perseus Mining	41	20	2-4	28.0	25.8	+8	0.59	1.46	1.00	+7
PharmAust Ltd	10	30	1-0	0.5	0.1	+884	0.49	6.17	1.00	+205
Pharmanet Group	3	5	0-1	0.2	0.0	+999	0.77	9.99	1.00	+999
Phosphagenics	32	20	2-6	19.0	16.0	+19	0.38	1.82	1.00	+8
Phylogica Ltd	33	25	0-9	20.0	12.3	+62	0.71	2.14	1.00	+51
Pinnacle VRB	3	5	2-1	1.0	1.2	-16	1.01	1.55	1.00	+44
Platinum Australia	130	20	0-0	108.0	1.2	+999	0.71	1.55	1.00	-100
Plentex Ltd	2	5	0-4	0.4	0.2	+166	1.13	3.54	1.00	+999
Polaris Metals NL	23	20	2-1	12.0	10.4	+15	0.66	1.72	1.00	+17
Polartechnics Ltd	12	20	0-0	0.1	10.4	-99	1.29	1.72	1.00	+999
Portland Orthopaedics	36	25	2-0	18.0	18.6	-3	0.69	1.59	1.00	+10
Prairie Downs Metals	43	25	1-6	24.0	24.8	-3	0.81	1.51	1.00	+9
Premier Bionics Ltd	21	20	0-1	0.8	1.2	-36	0.39	9.99	1.00	+19
Prima Biomed	6	20	0-0	0.1	1.2	-92	0.47	9.99	1.00	+999

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
Prosperity Resources	9	12	0-6	2.0	1.1	+82	0.76	3.41	1.00	+142
Quantum Resources	4	10	5-5	1.0	3.6	-73	1.40	1.07	1.00	+19
Quantum Resources	4	10	3-11	1.0	3.3	-69	1.40	1.13	1.00	+28
Quantum Resources	4	5	6-0	2.1	3.9	-46	1.40	1.04	1.00	+9
Queensland Ores	30	30	0-2	3.0	4.0	-25	0.85	4.15	1.00	+96
Quest Investments	40	15	2-1	17.0	26.9	-37	0.18	1.49	1.00	-10
Ramelius Resources	36	20	1-1	18.0	19.0	-5	0.68	1.71	1.00	+5
Ramelius Resources	36	18	0-7	19.5	19.5	-0	0.68	1.76	1.00	+5
Range Resources	2	5	0-10	1.0	0.1	+657	0.67	3.78	1.00	+200
Red Fork Energy	36	20	2-5	17.0	20.7	-18	0.56	1.54	1.00	+2
Red River Resources	14	20	3-4	6.0	8.1	-26	0.93	1.35	1.00	+20
Redbank Mines	8	28	1-6	1.2	0.6	+94	0.78	2.72	1.00	+143
Redport Ltd	25	5	0-7	18.5	19.7	-6	0.76	1.24	1.00	-7
Reefton Mining NL	2	10	3-0	0.6	0.0	+999	0.41	4.24	1.00	+72
Regis Resources	13	5	7-2	8.6	10.0	-14	0.51	1.20	1.00	+1
Regis Resources NL	13	10	5-11	6.5	7.8	-16	0.51	1.39	1.00	+5
Regis Resources NL	13	20	5-5	2.6	5.2	-50	0.51	1.66	1.00	+12
Republic Gold	5	25	0-0	0.1	5.2	-98	0.58	1.66	1.00	+999
Resonance Health	3	40	1-2	0.4	0.0	+999	0.93	3.81	1.00	+998
Resonance Health	3	15	0-2	0.1	0.0	+999	0.93	1.00	1.00	+999
Reward Minerals	23	20	2-7	10.0	10.3	-3	0.56	1.75	1.00	+11
Rey Resources	17	20	1-1	6.0	3.4	+75	0.58	2.77	1.00	+48
Richfield International	15	20	1-0	1.5	6.0	-75	1.22	1.67	1.00	+43
Ritract Ltd	11	75	0-1	0.2	0.0	+999	0.60	9.99	1.00	+999
Rockeby Biomed	2	5	2-6	0.7	0.6	+10	0.82	1.78	1.00	+49
Rocklands Richfield	17	30	3-0	8.0	9.0	-11	0.98	1.39	1.00	+31
Royal Resources	22	20	0-12	5.6	6.0	-7	0.54	2.61	1.00	+17
Royal Resources	22	20	2-8	8.0	9.4	-15	0.54	1.81	1.00	+10
Rusina Mining NL	18	20	1-4	4.5	6.6	-32	0.89	1.80	1.00	+29
S8 Ltd	472	300	0-5	320.0	180.2	+78	0.33	2.59	1.00	+92
Safety Medical Prod.	19	20	2-1	8.0	6.5	+23	0.56	2.03	1.00	+20
Salus Technologies	6	10	1-7	1.2	1.2	-4	0.69	2.32	1.00	+48
Saracen Mineral Hold.	34	10	6-7	12.0	28.2	-57	0.58	1.15	1.00	-6
Saracen Mineral Hold.	34	13	3-0	12.0	23.9	-50	0.58	1.33	1.00	-9
Segue Resources	63	100	3-7	10.0	18.3	-45	0.50	2.01	1.00	+17
Select Vaccines	4	20	1-6	0.5	0.3	+81	0.88	2.60	1.00	+202
Select-Tel Ltd	4	20	0-2	0.1	0.0	+999	0.88	9.99	1.00	+999
Souls Private Equity	21	30	3-1	4.4	2.3	+88	0.25	3.93	1.00	+18
Southern Gold	34	20	0-4	14.0	15.6	-10	0.96	1.96	1.00	+0
Stirling Products	7	20	1-1	2.0	0.3	+655	0.71	3.54	1.00	+208
Strathfield Group	4	7	1-4	1.5	0.3	+383	0.47	3.81	1.00	+73
Strike Resources	151	20	1-7	123.0	134.2	-8	1.04	1.11	1.00	-3
Structural Monitoring	10	20	0-5	1.0	0.1	+704	0.64	6.29	1.00	+493
Structural Systems	167	45	0-7	129.0	123.1	+5	0.36	1.35	1.00	+8
Style Plantation	35	20	2-2	18.0	20.9	-14	0.73	1.45	1.00	+5
Sub-Sahara Res	8	15	2-7	3.7	2.7	+38	0.72	1.81	1.00	+37
Sunnycove Mgmt	84	150	2-6	16.0	15.9	+1	0.53	2.42	1.00	+32
Synergy Metals	4	10	0-3	0.1	0.0	+999	0.72	8.65	1.00	+999
Tawana Resources NL	18	100	1-5	3.0	0.3	+999	0.70	3.75	1.00	+249
Telezon	40	20	1-7	24.0	30.6	-22	1.44	1.19	1.00	+6
Tennant Creek Gold	41	15	0-6	27.0	26.5	+2	0.65	1.54	1.00	+5
Tomahawk Energy	30	20	2-1	12.5	16.6	-25	0.70	1.54	1.00	+4
Trojan Equity	112	100	1-7	17.0	24.6	-31	0.22	3.74	1.00	+3
Unilife Medical Solns	20	50	1-7	4.0	3.5	+15	0.82	2.24	1.00	+87
Union Resources	4	10	2-4	2.0	0.5	+340	0.51	2.88	1.00	+55
Union Resources	4	10	2-4	2.0	0.5	+340	0.51	2.88	1.00	+55
United Kimberley	27	20	1-8	15.0	14.7	+2	0.92	1.48	1.00	+18
Uran Ltd	82	20	2-6	59.5	75.0	-21	1.60	1.06	1.00	-1
Uranium Exploration	48	20	1-4	26.5	34.4	-23	1.15	1.28	1.00	-2
View Resources	21	20	1-7	10.0	8.9	+12	0.78	1.74	1.00	+25
Virax Holdings Ltd	17	20	3-1	6.9	8.3	-16	0.77	1.50	1.00	+17
Visiomed Group	1	12	1-4	0.2	0.0	+999	0.58	6.39	1.00	+469
WCP Diversified Inv.	10	2	3-7	7.9	9.2	-14	1.21	1.06	1.00	-0
Wasabi Energy	3	2	0-1	0.8	0.6	+23	0.85	3.55	1.00	+143
Washington Res	22	25	1-3	5.6	7.0	-20	0.77	2.04	1.00	+30
West Aust Metals	16	5	1-9	11.5	11.5	+0	0.80	1.29	1.00	+4
Westralian Gas & P	10	25	2-10	1.8	4.3	-58	1.03	1.46	1.00	+45
Yilgarn Gold	11	5	2-1	6.1	7.1	-15	0.84	1.33	1.00	+3
Yilgarn Mining	16	25	0-7	1.5	1.1	+40	0.64	4.16	1.00	+137
ZBB Energy Corp	23	50	1-1	1.8	1.7	+3	0.68	3.28	1.00	+118
Zedex Minerals	18	20	2-0	4.0	4.3	-7	0.42	2.63	1.00	+15
Zelos Resources NL	17	20	1-1	4.8	5.1	-7	0.83	2.07	1.00	+42

NZ Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
Kingfish	135	100	1-1	39.0	43.0	-9	0.16	3.1	1.00	+3%
Salvus Strategic	90	100	1-1	10.0	7.7	+30	0.23	6.0	1.00	+20%

Review of Existing Options

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

Aurox Resources (codes AXO and AXOO).

Aurox Resources has entered an agreement with **Chengde Iron & Steel** and **China Metallurgical Group** which will raise cash and provide a certain market for some of its future production. The Chinese companies will pay Aurox Resources $53.6 million in cash to acquire (1) a 30% share of the *Balla Balla Vanadium* project, (2) 51% of the Titanomagnetite Iron Ore project and (3) for 6,000,000 Aurox Resources shares. The Chinese companies have also agreed to purchase 70% of the annual ferro-vanadium production over the life of the to-be-developed mining operation and a minimum of 2,000,000 tonnes of titanomagnetite iron ore annually.

Aurox Resources will receive this money (and transfer partial ownership of the projects) over a period of time, but this agreement will enable the company to exercise its option to acquire the *Balla Balla* project for $15 million.

<u>We estimate the agreement above values Aurox Resources shares at around 215 cents</u>. That is cash (from the share issue and next year's option exercise, less the $15 million purchase cost) of about $43 million (60 cents per share, fully diluted) and 70% of *Balla Balla* currently worth (based upon the value of this agreement) about $110 million (153 cents per share).

Aurox Resources shares currently trade around 92 cents - so could appreciate strongly over the next few months to reflect the value the company has created from its option to acquire this project and its exploration and Bankable Feasibility study.

The Bankable Feasibility study has been expanded to include operations to process four million tonnes of titanomagnetite ore annually to produce two million tonnes of high quality iron ore concentrate.

Exploration at *Balla Balla* has discovered a "significant copper anomaly" of 50 parts per million over 4½ km. This large copper deposit appears similar to three other nearby copper mining operations owned by **Straits Resources**. Aurox Resources will test drill this copper deposit in late November.

Aurox Resources options - to buy shares at 20 cents on 20 October 2007 - do not offer much leverage and are a little over-priced relative to the shares, but this is an attractive mineral development project and both the shares and options should continue to perform strongly over the months ahead. "Hold" for further capital appreciation.

Bounty Industries (codes BNT and BNTO).
Bounty Industries reported revenues up over 3-fold to $22.6 million for the year to 30 June, and a profit of $4,607,309 (4.8 cents per share).

The stockmarket is, however, very sceptical of the company and rates the shares on a very low P/E ratio of 3½. As mentioned in previous reviews, placements at low prices depressing the market value of the shares and diluting future earnings per share growth have probably not helped!

Bounty Industries *may* have strong growth potential - or the value of that growth *may* continue to be diluted through poor capital management. Bounty Industries is perhaps a good example of where management's interests are not aligned with those of the shareholders. Management is seeking to grow the business rapidly (perhaps to pay themselves higher salaries?), but share issues at low prices is diluting this growth and destroying the wealth of the existing shareholders. So the company may grow rapidly, while the share price continues to decline.

The bottom line for us, however, is that our options expire at the end of next month (i.e. on 31 December 2006). Each option allows us to buy one new share from the company at 20 cents - but Bounty Industries shares are trading on-market at only 17 cents. So unless the shares jump sharply in value over the next seven weeks, our options will expire absolutely worthless!

Cool or Cosy (codes COS and COSO).
Cool or Cosy lifted revenues 19.3% to $27.8 million for the year to 30 June, but profits fell 91.0% to $153,489. No final dividend will be paid, leaving just the interim of 0.3587 cents for the year.

Cool or Cosy is to re-sell transportable business **Blue Ridge WA** back to its former owner and will focus upon its core air-conditioning and insulation businesses.

We rate the Cool or Cosy options as a "Hold". The company's poor performance and the drop in the share price has destroyed much of the value in the options. Recovering value in the options will be difficult. The "break-even rate" is a very high 55% (i.e. the shares will need to recover in value by at least 55% per annum) for the options to *increase* in value. The final exercise/expiry date is just 18 months away - and if the shares cannot recover from around 12 cents to in excess of 20 cents, then our options will be worthless.

Equigold (EQI and EQIO).
Equigold lifted revenues 11.4% to $108.4 million for the year to 30 June. Profits rose 237.5% to $30.7 million (6.4 cents per share) before the hedge accounting adjustment. A final dividend of 3.0 cents will be paid, making a steady 6.0 cents annual dividend.

The company has upgraded its gold reserve from re-optimising its pit designs based upon the higher price of gold. The *Mt Rawdon* reserves have increased 24.3% to 1,202,000 ounces, while the *Bonikro Project* has been increased 13.2% to 780,800 ounces.

Equigold has good growth potential - but the risk is that there is only six months until the options final exercise/expiry date of 31 May 2007. So our success (or otherwise) on this option investment will depend upon the *short term* performance of the shares.

This is still an attractive speculation, but high risk owing to the close expiry date.

Financial Resources (codes FRL and FRLO).
Financial Resources recorded revenues down 19.1% to $12.6 million for the year to 30 June. Profits fell 73.3% to $539,000 (0.8 cents per share). A 0.75 cents dividend will be paid (to the shareholders).

This is not a good result, but the company is seeking to expand and believes it is "now positioned to generate significant revenue growth over the next 12 months". The options offer very high leverage - 3.1 times - so any recovery and growth in the share price would have a significantly larger impact upon the value of the options. "Hold".

Global Mining Investments (codes GMI and GMIO).
Our Global Mining Investments have a final exercise date of 30 November - so need to either be (1) exercised to buy shares at 100 cents or (2) sold on-market.

Selling on-market would realise around 30½ cents - for a gain of around 118% over 21 months.

Investors wishing to retain an exposure to global mining companies can exercise the options (i.e. buy new shares from the company at 100 cents) and as these are worth 133 cents on-market this produces a slightly better value (i.e. 33 cents per option).

Image Resources (code IMA and IMAO).
Some investors who exercised their Image Resources options (rather than selling the options on-market when prices were depressed) have benefited from the recent rise in the share price. Last quarter the shares were trading around 46cents - but have since soared to 184½ cents on good exploration results.

Early stage mineral exploration is a risky business - so some partial profit taking is probably a sound strategy.

Marengo Mining (codes MGO and MGOO).
Marengo Mining's pre-feasibility study has revealed a preliminary mineral resource for part of the project of over 4010 million pounds of copper equivalent (i.e. copper and molybdenum).

Marengo Mining, however, has little cash - so has placed 50.0 million shares at 25 cents to raise $12.5 million. While raising additional cash is essential to continue its exploration, such placements can depress the share price.

The options offer good leverage and have 15 months until their final exercise/expiry date, so remain suitable as a speculative "Buy" or a "Hold".

Metroland Australia (codes MTD and MTDO).
Metroland Australia made a small $734,000 (0.75 cents per share) profit last year. The sale of its Neutral Bay property (for a profit of over $4 million) and the 16-20 Mountain Road property will "realise substantial profits" for the current financial year.

The options are under-valued at 1.1 cents and offer very high leverage of 2.65 times. At the current depressed levels, however, there is little or no market in the options. There are no sellers in *(Continued on Page 16)*

Review of Options *(Continued from Page 15)*

the market and the last trade was two months ago! So we rate Metroland Australia options a "Hold".

ORT (codes ORT and ORTO).
ORT is now a listed shell with $1.6 million in cash - and is seeking businesses wishing to obtain a "backdoor" listing on the Australian stockmarket. That *may* eventually generate some value - but almost certainly not enough to lift the shares from 1 cent to the option exercise value of 6 cents. These options are effectively worthless - but do not expire until 28 February 2008.

Orchid Capital (codes ORC and ORCO).
Our remaining Orchid Capital options will probably expire worthless on 30 November 2006 - so we recommend selling on-market *now*. Our options allow us to buy shares at 5 cents, but the shares are worth only around 3 cents. So the options have no real value.

There are, however, buyers on the stockmarket for large quantities of the options at 0.4-0.5 cent. Therefore we recommend selling these remaining options on-market to realise some value.

We originally reviewed these options at 0.8 cent in August 2003. We sold around one-third of the options at 3 cents in December 2004 and another one-third around 9.0 cents in May 2005. So *overall* we have multiplied our initial investment about 5-fold.

Stirling Products (codes STI and STIO).
Cash short Stirling Products has announced many research studies over the last quarter:

Results from tests on Merino sheep indicate that 10 parts of million of *R-Salbutamol* over four weeks could add "about $10" to the value of each lamb "before any consideration for the superior carcass quality with more meat". Approvals to conduct a similar trial to determine the optimal dose for pigs was received in September.

Planned swine and poultry trials in South Africa were deferred three months owing to delays in getting regulatory approval.

Stirling Products has received separate approvals from the **Centre for Veterinary Medicine of the United States Food & Drug Administration** to conduct trials of *R-Salbutamol* on obese dogs, for the treatment of heaves and as a growth promotor in sheep and chickens.

Unfortunately, one of the major risks with Stirling Products was its lack of cash, which requires it to issue new shares - diluting the potential future growth and depressing the share price in the knowledge that the company will need to make further and further share placements.

Our options now have only 13 months until their final exercise/expiry date of 31 December 2007. The exercise price is 20 cents - well above the current market value of the shares of 7 cents. So time is running out for our options - which probably have little or no value.

Dividend$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Allied Workforce	2.50	15-11	30-11	Full
Cavalier Corporation	3.00	01-12	08-12	Full
Dorchester Pacific	4.75	16-11	23-11	Full
F&P Appliances	9.00	23-11	04-12	Full
F&P Healthcare	5.40	22-11	01-12	Full
Finzsoft	1.50	24-12	08-12	Full
Hallenstein Glasson	18.00	01-12	11-12	Full
Lyttelton Port Company	5.00	17-10	27-11	Full
MG Properties	2.35	01-12	15-12	0.200
Methven Ltd	5.72	08-12	15-12	Full
Mr Chips Holdings	5.40	22-11	01-12	Full
National Property Trust	1.25	17-11	01-12	Nil
NZ Wool Services	3.00	03-11	16-11	Full
Oyster Bay	10.00	01-11	15-11	Full
Postie Plus Group	4.00	10-11	12-12	Full
Restaurant Brands	2.50	10-11	24-11	Full
Southern Travel Holdings	3.00	10-11	21-11	Full
Warehouse Group	5.50	10-11	20-11	Full
Wakefield Healthcare	7.00	01-12	08-12	Full
Zintel	1.74	17-11	01-12	Full
Australian Shares				
UXC	4.00	01-11	21-11	

Total Return Index for All Listed Shares

	Oct 9	2427.62	
	Oct 10	2425.46	
	Oct 11	2433.60	
	Oct 12	2451.54	
	Oct 13	2465.61	
Oct 16	2470.72	Oct 23	Holiday
Oct 17	2467.21	Oct 24	2454.33
Oct 18	2465.03	Oct 25	2460.25
Oct 19	2444.61	Oct 26	2475.86
Oct 20	2445.09	Oct 27	2480.11
Oct 30	2494.96	Nov 6	2514.69
Oct 31	2502.21	Nov 7	2514.42
Nov 1	2512.01	Nov 8	2514.90
Nov 2	2510.28	Nov 9	2531.02
Nov 3	2512.81	Nov 10	2546.83

Next Issue:

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The print version will be delivered later that week, depending upon printing and postal delivery times.

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