

# Market Analysis

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## Inside Market Analysis

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## Summary and Recommended Investment Strategy.

Our stockmarket forecasts are Neutral - but *insiders* are optimistic and our *Recommended Portfolio* is continuing to grow strongly in value. So remain fully invested.

## Investment Outlook.

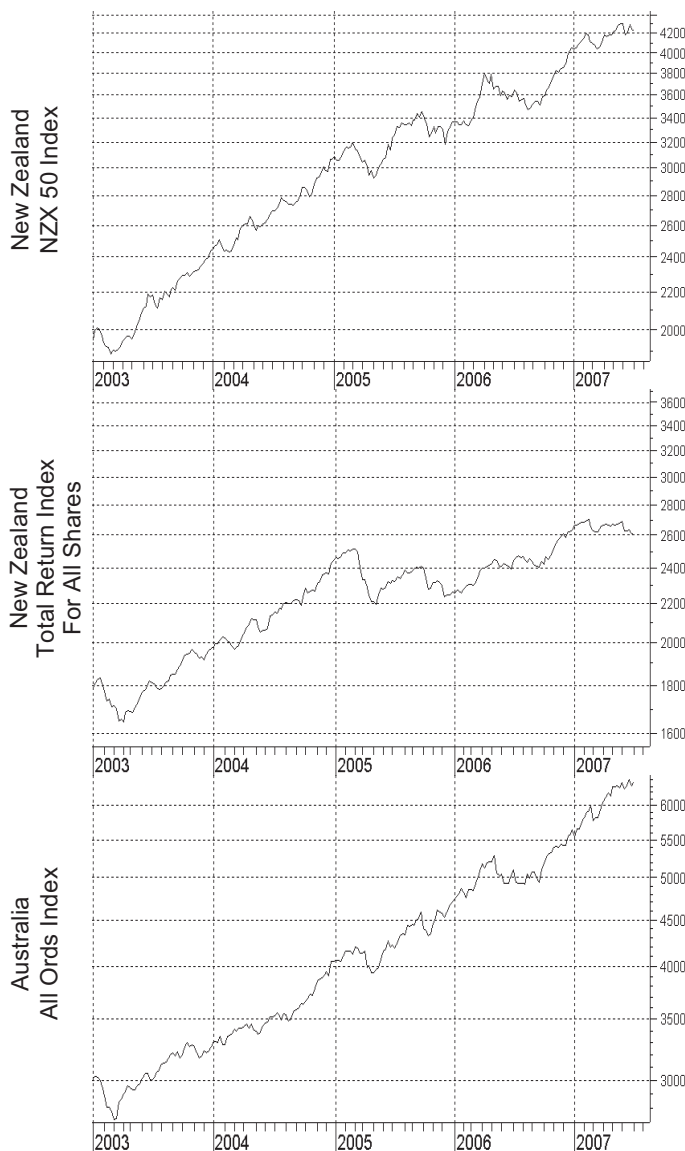
Every quarter we publish a list on *insider* buying and selling in each Australian and New Zealand listed company - and report on the overall level of *insider* trading. As with recent years, Australian *insiders* remain very bullish with 72.9% buys (and 27.1% sells) over the last 13 weeks. New Zealand *insider* buying has risen to a moderately favourable 42.5% (with 57.5% sells).

As *insiders* often accumulate shares off-market (i.e. prior to a company listing on the stockmarket or from share options) the average level of on-market buying is around 35-40%. *Insiders* are the most knowledgeable investors - and often buy or sell shares at just the right time! For example, NZ *insiders* last became slightly bullish (i.e. as they are today) in mid-2006 - just ahead of the year end rally. By the end of the rally NZ *insiders* were again bearish with just 25% buys and 75% of trades being sells as they cashed in their shares at higher prices. So despite some gloomy economic predictions, rising interest rates and the high exchange rate, NZ *insiders* do see good value in their company shares and are buying (or, perhaps more accurately, holding on to their shares and selling shares at a below average rate).

Our One-Year Forecasting models, however, rate the outlook for both the Australian and New Zealand stockmarkets as fairly Neutral. Despite this subdued outlook, we are still able to see good value in many of our *Recommended Portfolio* shares and the portfolio continues to grow strongly in value. So we are happy to remain close to fully invested in the recommended shares.

### Stockmarket Forecasts

	One-Month	One-Year
Australia:	71% (Bullish)	60% (Neutral)
New Zealand:	55% (Neutral)	46% (Neutral)



# Performance Forecasts

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

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Corporation	C	24	4.78	NE	Nil	Jasons Media	C	81	1.12	23	5.5	Rakon Ltd	C	470	5.40	54	Nil
AMP Onyx Mgmt	C	133	6.66	18	5.6	Just Water Int.	B	82	1.98	14	6.5	Renaissance	C	96	0.23	6	16.3
AMP Limited	C	1135	1.55	23	3.2	Kermadec Prop.	E	102	N/A	NE	Nil	Restaurant Brds	C	85	0.26	8	17.6
Abano Health.	B	385	1.36	54	Nil	Kidicorp	D	22	0.87	NE	Nil	Richina Pacific	C	50	0.11	8	Nil
Afco Holdings	C	40	0.21	10	2.5	Kingfish Ltd	A	145	N/A	2	6.2	Rubicon Limited	D	108	0.46	34	Nil
Air New Zealand	B	254	0.67	27	2.9	Kirkcaldie & St	C	320	0.73	56	Nil	Ryman Health.	B	230	6.04	28	1.7
Akd Int Airport	A	330	N/A	39	3.7	Kiwi Property	B	163	N/A	20	5.9	Salvus Strat.	C	98	N/A	NE	3.8
Allied Work.	C	120	0.38	18	6.8	Life Pharmacy	E	65	3.90	NE	1.1	Sanford Limited	C	430	1.03	15	7.6
Allied Farmers	C	195	0.37	24	5.4	Lion Nathan Ltd	B	996	2.54	21	3.9	Satara Co-op	B	120	0.35	26	6.2
Apple Fields	E	6.5	3.02	11	Nil	Livestock Imp.	B	174	0.52	8	14.1	Savoy Equities	D	5.0	N/A	NE	Nil
Baramundi Ltd	D	116	N/A	NE	Nil	Loan & Building	B	507	1.35	16	4.6	Scott Tech. Ltd	D	201	1.83	NE	2.2
Blis Technology	D	10	N/A	NE	Nil	Lombard Group	C	165	1.17	8	Nil	Sealegs Corp	D	83	9.64	NE	Nil
Botry-Zen Ltd	E	3.3	N/A	NE	Nil	Lytelbird Port	A	234	3.02	24	3.2	Seeka Kiwifruit	B	400	0.53	18	7.5
Brierley Invest	D	135	3.13	29	2.6	MDSnews	E	0.3	N/A	NE	Nil	Skellerup Hold.	C	83	0.54	6	14.4
Briscoe Group	C	162	0.92	13	7.4	Mainfreight Grp	B	739	0.74	13	3.0	Sky City Ltd	B	498	2.84	18	7.8
Broadway Ind	C	88	0.44	21	4.5	Media Tech.	E	4.0	0.20	NE	Nil	Sky Network TV	C	555	3.93	36	2.2
CACI Group Ltd	D	26	0.37	5	Nil	Methven Limited	B	270	1.96	19	6.3	Smartpay NZ Ltd	D	4.0	0.23	NE	Nil
CDL Investments	C	42	2.96	8	8.2	Metro. LifeCare	A	790	N/A	60	1.4	Smiths City	C	64	0.12	8	8.6
Cabletalk Group	E	34	0.27	NE	Nil	Michael Hill	B	1000	1.27	25	3.4	Software of Exc	C	265	2.78	NE	Nil
Cadmus Tech Ltd	E	19	1.79	NE	Nil	Mid-Cap Index	D	336	N/A	NE	Nil	Sol. Dynamics	E	60	0.45	NE	Nil
Calan Hlthcare	C	139	N/A	18	6.6	Millennium & C.	A	87	1.62	11	4.3	South Port NZ	A	255	4.52	27	4.5
CanWest Media.	B	234	2.09	21	5.4	Mowbray Collect	D	175	4.24	NE	2.1	Speirs Group	C	81	0.20	NE	5.5
Canty Bldg Soc.	B	503	1.11	18	4.5	Mr Chips Hold	A	125	0.64	11	4.8	Steel & Tube	C	460	0.92	13	10.4
Cavalier Corp	D	320	1.04	15	8.4	NZ Exchange Ltd	B	1170	N/A	62	3.2	Sthn Travel	B	38	0.15	10	11.8
Cavotec MSL	C	515	1.51	25	Nil	NZ Experience	B	34	1.45	15	8.2	Summit Gold Ltd*	N/R	385	N/A	NE	Nil
Cert Organics	E	8.3	2.04	NE	Nil	NZ Finance Hold	C	100	1.93	23	2.6	Tag Pacific Ltd	D	40	0.45	9	1.4
Charlie's Group	E	17	3.19	NE	Nil	NZ Invest Trust	B	1125	N/A	NE	0.7	Taylor's Grp Ltd	B	195	0.70	13	9.2
Col Motor Co	C	351	0.21	14	10.2	NZ Oil & Gas *	N/R	112	N/A	NE	Nil	TeamTalk Ltd	C	258	2.55	17	11.0
Comvita	C	310	1.40	36	2.4	NZ Refining Co	A	765	4.55	14	8.8	Telecom Corp	C	462	1.56	11	11.5
Connexion	E	25	3.02	NE	Nil	NZ Wine Company	A	249	2.29	21	4.2	Tenon Ltd	E	257	0.29	13	Nil
Contact Energy	B	900	2.23	18	4.3	NZ Windfarms	D	120	N/A	NE	Nil	Toll NZ Ltd	C	297	0.90	12	Nil
Cynotech Hold.	D	17	1.52	9	4.4	NZ Wool Service	B	44	0.23	11	10.2	Tourism Hold.	A	270	1.50	24	6.1
Delegat's Group	C	221	2.59	43	1.1	NZSX 10 Fund	D	132	N/A	NE	Nil	Tower Limited	D	246	0.65	7	Nil
Dominion Fin.	B	190	1.68	7	6.7	NZSX 50 Port.	D	193	N/A	NE	Nil	Training Sol.	D	0.7	0.01	NE	Nil
Dorchester Pac	C	152	0.56	18	8.8	NZX Aust MidCap	D	713	N/A	NE	Nil	Trans-Tasman	E	59	2.03	NE	4.8
Eastern Hi-Fi	D	35	0.23	NE	Nil	Nat Property Tr	C	74	4.91	18	5.5	Trust Power Ltd	B	840	4.23	27	4.8
Ebos Group Ltd	C	496	0.49	13	6.8	New Image Group	D	8.0	1.38	NE	Nil	Turners & Grow.	B	240	0.40	13	8.7
F & P Health.	C	324	4.65	29	5.7	Northland Port	A	331	N/A	72	2.7	Turners Auction	C	125	0.46	11	13.7
F & P Appliance	C	346	0.69	16	7.8	Nuplex Indust	B	703	0.42	14	6.3	Utilico Int'l	D	55	4.31	NE	Nil
Feltex Ltd	E	3.0	0.02	NE	Nil	Oyster Bay	A	260	2.19	25	5.7	VTL Group Ltd	D	80	0.50	11	Nil
Finzsoft Sol'ns	C	100	1.11	45	6.7	Ozzy (Tortis)	D	360	N/A	NE	Nil	Vector Ltd	C	267	N/A	59	6.7
Fletcher Build.	B	1212	1.03	15	4.9	PGG Wrightsons	B	173	0.57	18	8.6	Viking Capital	E	25	4.88	6	Nil
Freightways Ltd	B	415	2.07	22	6.2	POD Ltd	E	48	0.30	NE	Nil	WN Drive Tech.	E	37	N/A	NE	Nil
Genesis Res.	E	30	3.75	NE	Nil	Pac Edge Bio.	E	14	N/A	NE	Nil	Wakefield Hlth	C	780	1.66	29	3.3
Goodman Prop.	C	149	N/A	18	6.8	Plus SMS Hold.	E	9.5	N/A	NE	Nil	Warehouse Group	D	601	0.98	19	4.0
Guinness Peat	D	209	0.68	26	1.4	Port Tauranga	A	680	7.44	29	4.4	Widespread Port*	N/R	1.9	N/A	NE	Nil
Hallenstein G.	C	478	1.44	13	10.9	Postie Plus Grp	D	74	0.24	8	14.1	Windflow Tech.	C	387	N/A	NE	Nil
Hellaby Hold.	C	327	0.32	7	14.1	Property F Ind.	C	150	N/A	22	5.8	Wool Equities	D	51	0.43	NE	Nil
Heritage Gold *	N/R	6.5	N/A	NE	Nil	Propertyfinance	D	130	0.47	NE	Nil	World Index Fd	E	137	N/A	NE	Nil
Horizon Energy	B	360	3.00	17	7.9	Provenco Group	D	72	0.56	23	5.4	Xero Live Ltd	E	93	N/A	NE	Nil
ING Property	C	124	8.86	19	8.5	Pumpkin Patch	D	348	1.86	20	3.6	Zintel Comm.	C	37	0.47	7	8.1
Infratil NZ	B	312	1.96	39	6.0	Pyne Gould Corp	B	445	0.95	11	6.0	Ave of 155 Cos	C	247	0.39	21	3.9
ABB Grain Ltd	A	900	1.13	19	3.3	DB Reef Trust	B	198	3.79	5	5.6	News Corp.	C	2728	2.71	30	0.6
ABC Learning	B	687	4.28	33	1.6	DUET Group	B	370	2.23	NE	6.4	Nufarm Limited	A	1406	1.44	20	2.1
AMP Ltd	B	1043	1.62	24	3.1	David Jones	C	563	1.35	30	2.8	Oil Search Ltd	A	413	5.40	8	2.6
ANZ Bank	C	2939	5.32	15	4.3	Deutsche Div Tr	C	131	6.10	14	7.1	Onesteel Ltd	A	663	0.94	20	2.2
APA Group	C	425	3.71	23	5.6	Downer EDI Ltd	C	714	0.48	NE	2.8	Orica Ltd	C	2935	1.92	16	2.5
APN News Media	C	576	2.07	17	1.7	Dyno Nobel Ltd	B	235	1.18	17	2.4	Origin Energy	B	945	1.26	23	1.9
ASX Limited	B	4917	N/A	37	2.4	Energy World	C	105	N/A	NE	Nil	Oxiana Ltd	B	374	N/A	NE	2.1
AWB Limited	B	416	0.30	14	4.8	Energy Resource	B	1885	N/A	82	0.9	Pacific Brnds	C	360	1.11	18	4.2
AXA Asia Pac	C	737	2.11	19	2.5	FKP Limited	B	729	5.90	12	2.0	Paladin Res.	E	778	N/A	NE	Nil
Abacus Property	C	192	N/A	18	6.1	Fairfax Media	B	491	2.41	20	4.0	Paperlin X Ltd	D	349	0.21	24	2.9
Adelaide Bank	B	1485	0.99	17	3.9	Felix Resources	B	574	5.08	36	0.7	Perpetual Ltd	C	8218	7.97	25	4.0
Adelaide Bright	B	355	2.43	19	3.5	Flight Centre	B	1950	1.84	23	2.7	Portman Limited	B	1100	5.45	23	Nil
Alinta Ltd	B	1533	5.11	44	3.0	Fortescue Metal	E	3750	N/A	NE	Nil	Primary Health	C	1260	6.42	33	3.3
Allico Finance	B	1062	N/A	31	3.9	Foster's Group	D	637	2.51	11	3.4	Publishing & Br	C	1930	3.63	21	3.1
Alumina Ltd	B	795	N/A	18	3.0	Futures Corp.	A	262	0.56	22	3.4	Q.B.E. Insur.	C	3087	2.12	17	3.1
Amcor Ltd	B	742	0.60	19	4.6	GPT Group	B	481	N/A	7	5.7	Qantas Airways	B	559	0.80	23	3.9
Aneka Tambang	B	620	N/A	NE	1.8	GWA Internat'l	A	440	1.98	22	4.1	Queensland Gas	C	298	N/A	NE	Nil
Ansell Ltd	B	1224	1.61	16	1.0	Gandel R. (CFS)	B	194	N/A	19	5.4	Ramsay Health	B	1153	1.00	23	2.1
Aquarius Plat.	A	3834	7.58	38	0.6	Goodman Fielder	B	247	2.15	22	2.2	Reece Australia	A	2840	2.54	33	1.5
Argo Investment	B	805	N/A	32	3.0	Guinness Peat	C	191	0.65	37	1.3	Rinker Group	B	1891	2.54	17	2.6
Aristocrat Leis	B	1460	6.36	29	2.5	Gunns Ltd	B	314	1.67	12	5.1	Rio Tinto Ltd	A%	10205	1.38	5	1.4
Aust Foundation	B	565	N/A	29	3.0	Harvey Norman	B	540	2.52	25	1.5	Roc Oil Company	C	347	7.10	NE	Nil
Aust Infra	A	306	8.66	10	4.7	Healthscope	C	261	N/A	NE	Nil	SP Ausnet	C	143	3.95	9	2.3
Australand Prop	B	224	1.96	9	7.4	Healthscope	B	530	1.10	22	2.7	Santos Ltd	B	1371	2.96	13	2.9
Austar United	B	172	4.33	10	Nil	Henderson Group	B	389	N/A	75	2.0	Seek Ltd	N/A	780	N/A	65	0.6
Aust Wealth Mgt	B	266	N/A	73	1.7	ING Office Fund	B	179	8.91	6	5.8	Seven Network	B	1151	2.00	24	1.3
Aust W'wide Exp	C	355	N/A	NE	Nil	ING Indust Trt	B	240	N/A	17	6.5	Sigma Pharm.	B	174	0.62	16	5.0
B & B Wind Part	C	191	N/A	NE	5.4	Iluka Resources	C	601	1.31	12	3.7	Silex Systems	C	1213	N/A	NE	Nil
B & B Infrastr.	B	177	3.01	31	7.5	Incitec Pivot	B	7619	3.46	82	1.4	Sims Group Ltd	A	2652	0.88	17	4.0
BHP Billiton	A	3754	3.07	9	1.3	Insurance Aust.	B	570	1.39	11	5.2	Smorgon Steel	A	273	0.76	17	3.3
Babcock & Brown	A	3212	4.31	28	1.1	Investa Prop.	A	292	3.35	13	5.8	Sonic Health	B	1513	2.70	26	2.7
Bank of Q'land	B	1692	1.59	19	3.4	Iress Mkt Tech	A	898	N/A	41	2.3	Soul Pattinson	B	1012	2.65	26	2.7
Becton Prop Grp	B	390	6.47	48	0.6	JB Hi-Fi Ltd	A	1149	1.26	46	0.6	St George Bank	B	3615	6.33	18	4.2
Bendigo Bank	B	1523	1.94	19	3.4	James Hardie	B	905	2.19	22	2.8	Sthn Cross Brd.	B	1733	2.22	25	3.9
Billabong Int'l	C	1776	3.58	25	2.5	Jubilee Mines	B	1691	7.43	21	2.2	Stockland	B	841	4.92	11	4.9
Bluescope Steel	C	1071	0.97														

# Recommended Investments

**Cavalier Corporation's** 92.5% owned **Hawkes Bay Woollscourers** is to increase its shareholding in **Canterbury Woollscourers** from 50% to 100%, paying \$2.4 million in cash for the remaining shares.

**Lyttelton Port Company** expects to report an \$8.0 million profit for the year to June 2007, plus a \$1.0 million gain from the change to the new International Financial Reporting Standards. This result is down on the \$10,060,000 to June 2006, but steady on earlier forecasts.

**Postie Plus Group** is to move two of its three

Westport operations to Christchurch. New stock is currently imported into Westport for re-distribution to group stores nationwide. This operation will cease and be out-sourced to **Contract Logistics** (a joint venture between **NZ Post** and **DHL**) which has a specialist, high-tech distribution centre in Christchurch. Postie Plus will also move its *Schooltex* school uniform operation from Westport and merge it with recently acquired Christchurch based *Classmates* business. These changes are expected to result in "significant savings" in the current, new financial year. (Continued on Page 4)

## Portfolio of Recommended Investments

CURRENT ADVICE	Company		Initial Recommendation		Perform- mance	Issued Shares	Vola- tility	Price/ Sales	Price/ Earnings	Gross Dividend	Recent Share	Cash Dividends	Total Return
	NZ Shares	Code	- Date -	Price	Forecast	(mil.)	Ratio	Ratio	Ratio	Yield	Price	Rec'd	%
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	C	218.9	1.4	2.96	8	8.2	42	15.6	+130%
BUY	Cavalier Corporation	CAV	05/12/95	156*	D	65.5	0.9	1.04	15	8.4	320	196.5	+231%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	C	27.9	0.5	0.21	14	10.2	351	302.8	+336%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	A	102.3	0.7	3.02	24	3.2	234	60.6	+96%
HOLD+	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	39.2	0.4	1.27	25	3.4%	1000	206.0	+2522%
HOLD	Nuplex Industries Ltd	NPX	11/02/97	350	B	78.4	0.5	0.42	14	6.3	703	176.5	+151%
BUY	Postie Plus Group	PPG	08/05/06	71	D	40.0	1.1	0.24	8	14.1	74	6.0	+13%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	39.0	1.0	0.23	6	16.3	96	46.4	+68%
BUY	Smiths City Group	SCY	09/10/06	64	C	53.0	1.3	0.12	8	8.6	64	1.5	+2%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.6	4.52	27	4.5	255	89.3	+187%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.1	0.7	0.92	13	10.4	460	179.0	+338%
HOLD	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	0.6	0.70	13	9.2	195	68.0	+158%
Australian Shares (in Aust cents)													
HOLD	AJ Lucas Group	AJL	13/05/03	120	A	52.0	1.1	0.63	36	Nil	208	20.5	+90%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	A	89.3	1.3	3.19	14	7.5	47	13.5	-18%
HOLD	Austin Group Ltd	ATG	08/02/05	93	B	62.2	2.1	0.20	NE	17.6	17	7.0	-74%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	51.6	0.3	2.26	28	2.5	2778	262.6	+649%
BUY	Candle Australia	CND	08/04/03	86	B	49.8	0.8	0.63	14	4.9	344	42.5	+349%
BUY	Cellnet Group Ltd <sup>1</sup>	CLT	12/02/02	152	B	51.5	1.0	0.08	30	2.2	90	33.5	+1%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	B	295.1	0.8	1.16	19	4.1	318	26.0	+391%
BUY	Circadian Technologies	CIR	10/02/04	188	D	40.1	1.0	43.99	NE	Nil	128	65.0	+3%
HOLD	Commander Comm.	CDR	11/09/01	92	C	222.9	1.1	0.32	10	3.5	115	25.2	+52%
BUY	Computershare Ltd	CPU	12/08/03	189	B	599.3	0.6	3.98	35	1.2	1071	42.5	+489%
BUY	Devine Ltd	DVN	13/11/06	94	C	136.0	0.9	0.32	10	5.9	135	4.0	+48%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	61.2	1.3	1.38	24	Nil	79	Nil	+61%
HOLD+	Housewares Int'l	HWI	13/11/06	171	B	128.2	0.7	0.88	28	4.5	291	Nil	+70%
HOLD	Int'l AllSports	IAS	11/02/03	180	B	66.4	1.7	0.02	16	5.0	30	4.0	-81%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	232.9	0.8	1.31	12	3.7	601	54.0	+39%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	C	82.2	1.6	0.32	NE	Nil	38	Nil	-70%
SELL	LongReach Group Ltd	LRG	11/01/05	71*	B	52.2	5.6	0.14	2	Nil	3.2	Nil	-95%
BUY	M2 Telecommunications	MTU	09/10/06	33	A	59.4	1.2	1.36	21	2.6	77	1.0	+135%
BUY	Mercury Mobility										20		
HOLD	Melbourne IT	MLB	10/02/04	53	A	76.0	0.6	2.99	48	2.0	402	23.0	+702%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	1.0	2.51	26	3.5	120	9.3	+54%
HOLD+	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	B	107.8	1.2	0.18	5	9.0	61	3.5	-1%
BUY	Ross Human Directions	RHD	14/08/01	92	C	82.3	1.2	0.16	11	6.1	66	27.0	+1%
HOLD+	Skilled Engineering	SKE	12/03/02	126	B	103.9	0.6	0.55	21	3.7	511	84.5	+373%
HOLD+	Technology One Ltd	TNE	11/11/03	44	A	296.7	1.0	5.22	28	2.9	117	10.9	+191%
BUY	TFS Corporation Ltd	TFC	08/01/07	44½	A	157.8	1.2	5.57	13	2.1	99	0.9	+122%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	25.1	0.5	1.34	35	1.8%	1270	64.5	+419%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +213.7%. This is equal to an average annual rate of +39.7%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 38 current and 137 closed out) is +35.3%, compared with a market gain of +8.7% (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.

(1) Cellnet Group's return includes 1½ shares of Mercury Mobility distributed shareholders.



## Recommended Investments

(Continued from Page 3)

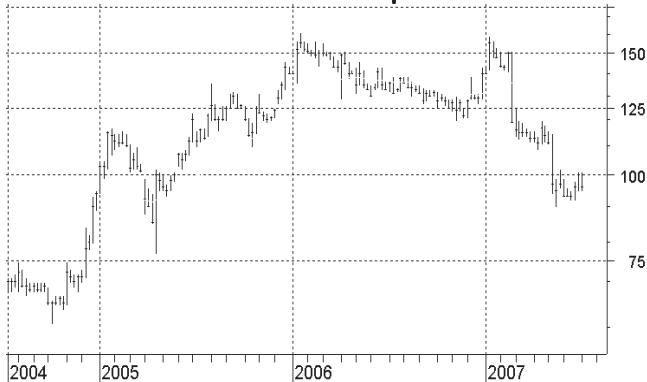
At this stage the company will retain a store replenishment division in Westport, subject to “negotiations with the **West Coast Development Trust**” to keep the replenishment centre a “competitive, efficient operation”.

**Renaissance Corporation** has acquired the largest **Apple** reseller in New Zealand, **MagnumMac** for \$3.5 million (i.e. 2,000,000 shares plus \$1,500,000 in cash). This business generates annual revenues of around \$28 million and earnings (before interest and tax) of about \$1.0 million - so is being acquired on a Price/Sales ratio of about 0.13 and a Price/Earnings ratio of about 7-10.

Magnum Mac has stores in Christchurch, Dunedin, Wellington and Auckland - but is planning “a major expansion with five new stores due to open in the near future”.

This acquisition has been made at a good valuation and has the potential for good growth from the store expansion - but does further expose the group to the products of its one largest supplier.

### Renaissance Corporation



**Smiths City Group** raised revenues 12.9% to \$274.3 million for the year to 30 April 2007, but profits slipped 23.8% to \$4,142,000 (7.8 cents per share). A 4.0 cents (unimputed) dividend will be paid, maintaining a steady 5.5 cents (unimputed).

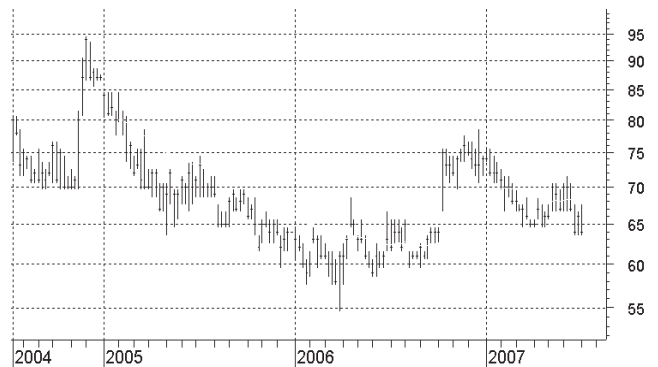
The group suffered a cash operating *deficit* of \$1.5 million, compared with a surplus of \$8.3 million in 2006. Cash operating surpluses, however, can fluctuate from period to period owing to changes in stock levels, debtors and creditors.

The 2006 result was boosted by a \$1.27 million gain on the sale of two development properties, with just a \$360,000 gain on property sales this year. The company's Colombo Street, Christchurch, property was revalued by \$3,358,000 during the year.

Smiths City Group will continue to focus on “its core operations of appliances, furniture and sporting goods” retailing, plus finance and property development. The company is investing in a new point of sales system which will be in all stores by September. This will allow better management to improve stock turn, reduce costs and improve store performance.

At 64 cents, Smiths City Group shares trade on a Price/Sales ratio of 0.12, a low Price/Earnings ratio of 8 and offer a Dividend Yield of 8.6%. That is a low valuation which justifies a “Buy” recommendation for the shares of this retailer/finance/property company.

## Smiths City Group



### Australian Shares

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

**AJ Lucas Group** has released its first coal bed methane (CBM) drilling result from the Gloucester Basin. The first well was suspended at 703 metres (short of its 730 metre target depth) owing to the “collapse of a thick, fractured coal seam”. Overall the hole intersected 10.8 metres of gassy coals and “the CBM potential is very encouraging”. Phase I exploration will involve a total of four wells and subject to the results of these the company will then move to Phase II, spending \$13-15 million over the next 18 months for another 9 exploration wells plus five pilot production facilities of approximately five wells each.

**AJ Lucas Group** is to raise \$25 million through the issue of three year, unsecured redeemable convertible notes, paying interest at 10% and repayable in cash or ordinary shares at a 15% discount to the market value at conversion. \$10 million will re-finance maturing convertible notes and \$15 million will provide new working capital and finance the Gloucester Basin exploration. This is a reasonably attractive capital raising. It improves AJ Lucas Group's cash position and does not dilute existing shareholders interests by issuing shares at a low share price. There is, however, some increase in longer term risks. *If* the CBM exploration is unsuccessful *and* the group's other businesses also perform poorly, then refinancing and repaying this \$25 million in three years could prove difficult. If the company is successful, then the benefits of that success will largely flow to the *existing* ordinary shareholders.

### AJ Lucas Group



**Atlas South Sea Pearl** harvested 40,000 pearls in January and another 100,000 in late May. Despite *El Nino* conditions in Indonesia in late 2006 and early 2007, the hatchery performed well and the company

expects to meet its 2007 production target. An additional lease has been granted in Penyabangan, North Bali, to expand the growing area for seeded oysters. A formal application to lease sites in Sabah, eastern Malaysia, was submitted in June.

**Circadian Technologies** 67% owned **Vegenics** has obtained from **CoGenesys** the exclusive worldwide rights to human monoclonal antibodies that target VEGF-C. This expands the company's patent portfolio covering VEGF-C and VEGF-D.

Vegenics is also to acquire a 25% interest in Italian based **SienaGen srl**. This will involve a new US based company **Kappa Life Sciences Inc** acquiring 100% of SienaGen through a share swap and then Vegenics buying a 25% interest in Kappa by investing •1,000,000 in cash and providing a worldwide licence of its intellectual property covering VEGF-D in orthopaedic disease therapeutics, while SienaGen will grant Vegenics an exclusive licence to its intellectual property for VEGF-D for all other applications.

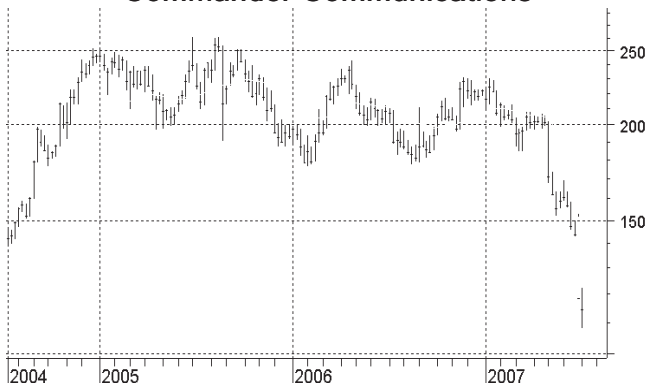
**Commander Communications** has again downgraded its forecast earnings (before interest and tax and a \$16 million restructuring charge) from \$80-90 million to *at least* \$65 million.

As before, the company is experiencing delays to implement its franchise initiative, although the new franchises “show encouraging growth in revenue”.

The company has experienced problems owing to “stronger than usual” growth in ICT hardware sales during the June quarter! A very large volume of transactions “overwhelmed” its automated processing systems and a “significant number” of orders for hardware and professional services were not delivered and invoiced in June (i.e. the 2007 financial year) but completed in July (i.e. deferring revenues and profits to the 2008 year). Commander Communications believes it has now rectified its systems and has “appropriate back up procedures” to enable it to handle any future surge in orders.

The stockmarket has harshly punished Commander Communications' share price for what looks like one-off problems and delays to its business rather than a permanent downturn in its profitability. So if the business recovers next year then the shares should be re-rated strongly and/or the company could receive a takeover offer owing to its low valuation! At this stage we shall continue to rate the shares a “Hold” as we do not like to buy weak shares in an attempt to guess the bottom of a decline. On signs of a recovery in the business and/or the share price, however, we would consider re-rating the shares and adding to our existing investment in this company.

**Commander Communications**



**Computershare** is to purchase Irish based **Datacare Software Group** for •12.0 million (US\$16.0 million). The business generates annual revenues of around US\$9.5 million from over 500 clients worldwide, managing the secretarial work of 250,000 legal entities. Datacare Software is a direct competitor of Computershare's existing US based **World Records** business. Both businesses provide “entity management and company secretarial software” and combining these two businesses will make Computershare the leading global provider in this sector.

**Devine's** annual revenues and profit *could* be volatile owing to current accounting rules which recognise revenues and profits on the final settlement of a property transaction. Delays in settling major projects *could* therefore carry revenues and profits to a future accounting year. This, however, has not happened for the year ended 30 June 2007. Reported profits will therefore be around \$20.8-21.7 million (up 10-15%) and the directors intend to pay a final 4.0 cents dividend to maintain an annual 8.0 cents dividend rate.

Devine has announced that **Freeman Fox** has acquired the naming rights and will lease five floors of its first office tower development at 333 Ann Street in the Brisbane CBD. This pre-leases 65% of the building, with negotiations underway for half of the remaining space. At completion in a year, the \$120 million building will be sold to the **Domaine Property Trust**.

**Ellex Medical Lasers** has placed 6,500,000 shares at 85 cents, raising \$5,525,000. This will initially be used to repay its bank debt and provide working capital, but also provide “flexibility to pursue the next phase of its growth strategy”.

The Japanese business is “now growing strongly and solidly profitable” and over the next two years the company will seek to expand its direct sales in the United States. The company also notes that there are “an unusually high number of small one or two product companies” in the ophthalmic device industry which could be acquired and marketed through the company's distribution channels.

Ellex Medical Lasers has confirmed revenue growth to June 2007 of around 20%. The share placement will increase the issued capital by 10.6%, partially diluting growth in earnings per share, but the cash should help boost both internal growth and growth through acquisition in the future.

**Ellex Medical Lasers**



(Continued on Page 6)

## Recommended Investments

(Continued from Page 5)

Ellex Medical Lasers' share price has dipped to 79 cents as a result of the share placement. Although the shares are a little pricey - and not yet paying a dividend - we believe this is a high quality growth company that could significantly grow its business over the long term both internally and through acquisition. Therefore we continue to rate the shares a "Buy".

**Iuka Resources** reports achieving planned levels of commercial production at its *Murray Basin Mineral Separation Plant*. Production for the current year to December 2006 should be approximately 180,000 tonnes (60% zircon and 40% rutile), around 160-170,000 tonnes in 2008 and then rising to 300-330,000 tonnes from 2009 to 2013 as the *Murray Basin Stage II* provides additional heavy mineral concentrate to the plant.

The board has approved funds for the Definitive Feasibility Study to develop the *Jacinth-Ambrosia* zircon rich mineral sands. A development decision is expected in the second quarter of 2008, with production from mid-2010. These deposits can produce 300,000 tonnes of zircon annually for 15 years.

Preliminary drilling has identified the *Typhoon Prospect*, another high zircon deposit just 5½ km south-east of the *Jacinth-Ambrosia* deposits. The company has drilled just one line of exploration holes across the prospect, which indicates a high grade deposit about 1000 metres wide and 21 metres thick.

**M2 Telecommunications** has announced two further acquisitions which should further improve the economies of scale of this business and which will immediately boost earnings per share.

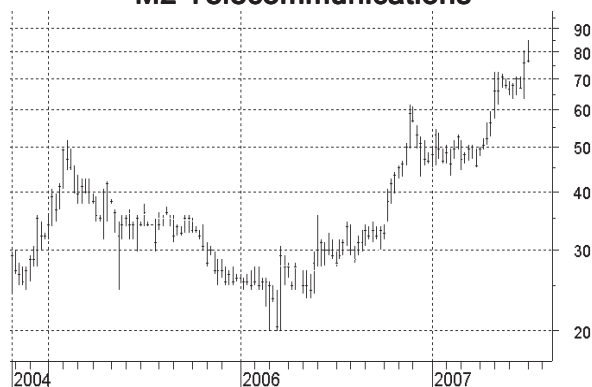
M2 Telecommunications is to acquire the business of listed **Orion Telecommunications** (excluding its Irish and UK operations) via a scheme of arrangement. Orion Telecommunications shareholders will receive 0.238 M2 Telecommunications shares plus 6.55 cents in cash. This will increase M2 Telecommunications issued capital by about 30%, but lift revenues 40-45% and profits an expected 80%. So earnings per share should increase around 40%. Orion is a reseller of fixed line, mobile and data services to 25,000 residential and small business customers across Australia under the brand *Southern Cross Telco*. The company employs 60 people from its base in Hobart, Tasmania.

M2 Telecommunications has also acquired the customers and business assets of **Tenex Pty** for \$510,000 in cash and *Bartercard* "trade dollars"! Tenex provides fixed line and mobile services to small and medium sized enterprises, so is an exact match for M2 Telecommunications' existing SME business. This business is being acquired at a low 1.75 times forecast earnings for the year to June 2008, so will boost earnings per share by around 10%. This is a relatively small acquisition, purchased cheaply, which should be easy to integrate with M2 Telecommunications' core business.

Not only has M2 Telecommunications been successful at growing its business internally, but over recent months has made several attractively priced acquisitions that should significantly boost future

earnings per share! We recently slightly downgraded M2 Telecommunications shares to "Hold+" owing to the rapid appreciation in the share price, but recent acquisitions should significantly boost growth so we are upgrading the shares to a "Buy".

### M2 Telecommunications



**M.Y.O.B.** reports half year revenues to June 2007 to be around 13% ahead of last year, with reported profits down slightly. Longer term the company still aims for "double digit revenue growth", with "earnings growth at a faster rate". The half year result will be released on 22 August.

### M.Y.O.B.



**Skilled Group** expects earnings (before interest, tax and depreciation) to be near the top of its previous \$66-69 million estimate, while net profit will be near the bottom of its \$29-32 million forecast. The company is also predicting "another strong year" to June 2008.

**TFS Corporation** has announced its 2007 offering in Sandalwood plantation has closed over-subscribed, with the sale of over 525 hectares to investors. This is up 60.8% on the previous year's sale of 326½ hectares. The company expects to report a profit of at least \$16.5 million (10.5 cents per share), up about 37%.

The company has also negotiated a *Collaboration Agreement* with French based **Albert Vieille SA**, a supplier of essential oils and extracts to the fine fragrance industry. Under the agreement the parties will investigate bringing forward the initial harvesting (currently expected in 2012) and processing of TFS Corporation's Indian Sandalwood plantations. Albert Vieille will provide technical assistance and advice to the company to establish a pilot processing and distillation facility and will have the right to purchase 25% of oil produced (up to 10 tonnes annually) at prices to be negotiated annually. Albert Vieille will also assist in identifying



other products for the fragrance industry that TFS Corporation could viably grow in its plantations.

This agreement confirms the interest in TFS Corporation's future Sandalwood oil production and provides the company with assistance in developing a vertically integrated business and possible future diversification.

TFS Corporation has raised \$15.3 million from the placement of 17,000,000 shares and will raise up to another \$5.0 million from a Share Purchase Plan offering up to \$5000 worth of shares to existing shareholders at 90 cents. Overall this will increase the issued capital by about 14% but provide \$20.3 million, improving the company's position to finance future growth.

Although the shares have risen strongly since our initial buy recommendation, TFS Corporation's business is performing extremely well and the shares still offer good value so remain a "Buy". Investors wishing to further increase their shareholding should take up entitlements under the SPP.

TFS Corporation already has a significant land bank but it is seeking to acquire more land both in the Ord River Irrigation Area (ORIA) and in other locations in north-western Western Australia and in the Northern Territory - presumably to further increase the rate of expansion of its business. It has agreed to acquire a further 172 hectare site in the ORIA.

#### TFS Corporation



## Take Up Entitlements to Mercury Mobility shares

Cellnet Group has spun-off its **Mercury Mobility** business as a separate company, distributing 1.5 Mercury Mobility shares for every Cellnet Group share held.

Mercury Mobility is now seeking to raise \$3.0 million in cash to finance future growth via a 3 for 16 cash issue to (new) existing shareholders at 20 cents per share. Following this cash issue - which opens on 2 July and closes on 23 July - Mercury Mobility shares will list on the Australian stockmarket and should begin trading on 1 August.

Evaluating a business like Mercury Mobility is not easy. Its market is growing very rapidly but also changing. In the past, telecommunications companies have paid large up-front fees for work, but now prefer to pay a recurring share of future revenues. So headline reported revenues may decline even though the *real* volume of business increases.

For the year to June 2008 the company is predicting revenues of \$5,767,000 (down from \$7,958,000 in 2006) and a loss of \$1,570,000 (although after the one-off \$1.75 million cost of options for the Managing Director). The company is also investing heavily in expanding its overseas markets which will contribute to losses in the short to medium term. Based upon the issued capital of 105,000,000 shares after this cash issue and a share value of 20 cents, this places the shares on a Price/Sales ratio of 3.6.

As readers of this newsletter will know, we prefer

shares trading on *low* Price/Sales ratios (i.e. below 1.00), but some high profit margin businesses or high growth businesses (i.e. without significant current revenues) could justify a higher valuation. These shares, however, can involve higher risks.

Mercury Mobility is clearly an early stage company which is seeking to grow very strongly in the years ahead. There is no guarantee that it will be successful and this type of high risk business is not among our favourite investments. We prefer growth companies that are further developed and *emerging* into profitability (i.e. which have *proven* their business model by making profits and generating cash surpluses to finance future growth) yet still with the potential for significant expansion. We believe these *emerging* growth companies usually offer a better risk/return profile for investors.

#### **Summary and**

#### **Recommendation**

We have received our existing Mercury Mobility shares via the spin off from Cellnet Group and are happy to hold these shares and see how the company develops. The cash issue requires only a small additional investment (i.e. less than 20% of the value of the shares already distributed to us) and the market may well value these shares at greater than 20 cents when they list early next month. Therefore we are prepared to support the company in raising cash for expansion and to slightly increase our holding in this company.

# Share Recommendation: SELL LongReach Group shares and convertible notes

## SELL LongReachGroup (codes LRG and LRGG).

We are recommending the sale of these securities following the company appointing an Administrator for its largest subsidiary, **LongReach Communications**. This is the original LongReach business, before the reverse takeover of **Allied Technologies**, and it is the *Networks, Wireless* and investment in *Startronics* which are covered by this administration.

Sales of wireless equipment to **Ericsson** have slowed over the last year and the directors "no longer anticipate that significant revenues will be achieved" in the new financial year. The group's investment in this subsidiary of around \$16 million will be "substantially impaired" (i.e. probably worthless). This subsidiary has bank debts of \$2.7 million but the parent company has no liability for these debts.

So effectively LongReach Group will write-off about three-quarters of its assets and businesses, but the listed holding company has no liability for the subsidiary debts so will not be included in the liquidation of the business. The parent company, however, has lost most of its assets and businesses and is left with just the *ServicePoint Australia* and *Redflex Communications Systems* businesses and about \$5 million of its own interest bearing debt. Unfortunately, these two remaining businesses are small so the company will probably need to merge with other small companies (or get taken over by a larger company) to achieve the economies of scale necessary to become profitable.

Given its weakened financial position LongReach Group's capital structure will also likely present some problems over the next 12-24 months. The issued capital consists of 110,763,447 shares which now have little value, trading around 3.2 cents, and which have declined significantly over the last few years as the company failed to achieve the potential growth in sales of wireless communications equipment. There are also 15,110,604 convertible notes which in October 2008 can either (1) convert to an ordinary share or (2) be repaid in cash at 36 cents.

Clearly the note holders will not convert to an ordinary share (worth only 3.2 cents) but will all choose the cash redemption at 36 cents. That will require \$5.4 million in cash which LongReach Group does not have and is unlikely to have by October 2008. This will require the company to re-negotiate the final conversion terms - probably with the note holders ending up owning 60-80% of the company (i.e. receiving 10-30 ordinary shares per convertible note) and this will significantly dilute any remaining value in the ordinary shares which will probably decline another 40-95% in value.

The \$5.4 million cash liability on the convertible

notes would make it unattractive for another company to seek to takeover LongReach Group at the present time.

### Summary and Recommendation

LongReach Group ordinary shares have *already* declined significantly over the last few years reflecting the poor performance of its business. Unfortunately, the ordinary shares will now likely decline *significantly* further owing to the liability for the October 2008 convertible notes. We anticipate a re-negotiation of the conversion terms which will significantly dilute the value of the ordinary shares to perhaps only 0.2-2.0 cents. So investors are better to sell on-market at the current price of around 3.2 cents.

The convertible notes are in a better position than the ordinary shares, but still involve high risks. The company will be unable to meet its obligation to repay the notes at 36 cents cash. *If* converted to cash, the company would probably immediately appoint an Administrator and the former noteholders would become unsecured creditors and receive little of the 36 cents. More likely the conversion terms will be re-negotiated, with the note holders taking ownership of 60-80% of the group (i.e. each note converting to 10-30 ordinary shares of significantly declined value). Depending upon the performance of LongReach Group over the next 15 months that may be worth 6-15 cents per convertible note. The 36 cents redemption is extremely unlikely, so note holders are probably better to sell on-market at around 15 cents.

The company also remains in a vulnerable financial position. It has lost most of its assets and its biggest business through the current Administration. While the parent company survives at this stage, it does have around \$5 million of its own interest bearing debt. With the loss of the LongReach Communications subsidiary the risk that the parent company will lack cashflow to fund expansion or meet obligations to its banker must increase. Sell.

### LongReach Group





# 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.

STRENGTH RATING													STRENGTH RATING														
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Rel- ative Strength	Buy- sell Following	Price to NTA	Return on Equity	Vola- tility	Price Earn- ing Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy- sell Following	Price to NTA	Return on Equity	Vola- tility	Price Earn- ing Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n	
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0													<b>OVER-VALUED SHARES:</b> Highest Price/Sales Ratios, Relative Strength < 0														
Affco Holdings	40	+4.3	+0.8	27	1-1	-	0.9	10	1.4	10	2.5	0.21	202	ING Property	124	-1.3	-0.9	65	0-0	2	1.0	5	0.4	19	8.5	8.86	672
Col Motor Co	351	+2.6	-1.1	40	2-0	-	0.9	6	0.5	14	10.2	0.21	98	Nat Property Tr	74	-0.7	-3.5	59	0-0	4	0.8	5	0.6	18	5.5	4.91	91
Satara Co-op	120	+2.4	+0.6	42	0-0	-	0.5	2	1.0	26	6.2	0.35	20	Viking Capital	25	-7.8	-7.5	80	0-0	-	0.9	14	1.0	6	Nil	4.88	17
Turners & Grow.	240	+4.6	-5.5	25	0-2	1	0.8	6	0.7	13	8.7	0.40	222	F & P Health.	324	-7.5	-0.2	80	0-15	5	8.6	30	0.5	29	5.7	4.65	1,656
Nuplex Indust	703	+1.1	-2.2	47	2-0	4	1.7	12	0.5	14	6.3	0.42	551	Sky Network TV	555	-1.8	-0.2	68	3-0	5	2.0	5	0.3	36	2.2	3.93	2,160
Broadway Ind	88	+0.6	-1.2	50	2-0	-	0.9	4	0.9	21	4.5	0.44	17	Life Pharmacy	65	-10.7	-4.6	89	0-1	-	0.9	-	0.6	NE	1.1	3.90	20
Livestock Imp.	174	+2.6	-3.5	39	5-0	-	0.6	8	0.9	8	14.1	0.52	57	Charlie's Group	17	-58.3	-0.0	98	3-1	-	3.2	-	1.2	NE	Nil	3.19	47
Seeka Kiwifruit	400	+2.7	-0.2	38	1-0	1	1.0	5	0.5	18	7.5	0.53	50	Brierley Invest	135	-3.4	-1.2	72	1-4	-	1.2	4	0.7	29	2.6	3.13	1,847
PGG Wrightsons	173	+2.2	+1.4	43	1-1	5	1.2	6	0.8	18	8.6	0.57	487	Horizon Energy	360	-0.6	-1.7	58	0-0	1	1.3	8	0.3	17	7.9	3.00	90
Mr Chips Hold	125	+9.2	+4.4	15	0-0	-	1.7	15	0.9	11	4.8	0.64	31	Sky City Ltd	498	-0.9	+2.0	61	1-8	9	7.0	39	0.4	18	7.8	2.84	2,138
Air New Zealand	254	+27.0	-4.0	1	3-3	5	1.6	6	0.7	27	2.9	0.67	2,549	Freightways Ltd	415	-0.3	-2.1	57	0-0	5	7.3	33	0.5	22	6.2	2.07	532
Taylor's Grp Ltd	195	+0.3	-1.6	53	1-0	-	1.7	13	0.6	13	9.2	0.70	47	<b>WORST PERFORMING SHARES:</b> Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
Mainfreight Grp	739	+0.3	-0.8	54	1-5	5	4.6	36	0.6	13	3.0	0.74	714	Charlie's Group	17	-58.3	-0.0	98	3-1	-	3.2	-	1.2	NE	Nil	3.19	47
Pyne Gould Corp	445	+2.6	-2.2	38	1-2	-	2.5	22	0.7	11	6.0	0.95	436	Plus SMS Hold.	10	-19.4	+3.6	96	0-0	-	2.7	-	2.1	NE	Nil	N/A	33
<b>BEST PERFORMING SHARES:</b> Strongest Shares, P/E < 20, P/S < 1.0													New Image Group	8	-17.9	+0.1	95	0-0	-	13.6	-	2.5	NE	Nil	1.38	15	
Mr Chips Hold	125	+9.2	+4.4	15	0-0	-	1.7	15	0.7	11	4.8	0.64	31	Provenco Group	72	-12.5	-4.8	92	0-1	2	2.0	9	0.6	23	5.4	0.56	86
Richina Pacific	50	+7.1	+2.1	17	0-0	-	0.7	9	0.9	8	Nil	0.11	76	Wool Equities	51	-12.2	-9.4	91	0-0	-	0.7	-	0.6	NE	Nil	0.43	12
Turners & Grow.	240	+4.6	-5.5	25	0-2	1	0.8	6	0.5	13	8.7	0.40	222	Botry-Zen Ltd	3	-11.9	+2.5	90	0-0	-	3.0	-	2.2	NE	Nil	N/A	5
Affco Holdings	40	+4.3	+0.8	27	1-1	-	0.9	10	1.0	10	2.5	0.21	202	Life Pharmacy	65	-10.7	-4.6	89	0-1	-	0.9	-	0.5	NE	1.1	3.90	20
Seeka Kiwifruit	400	+2.7	-0.2	38	1-0	1	1.0	5	0.3	18	7.5	0.53	50	Widespread Port	2	-10.0	+6.2	88	2-0	-	0.9	-	2.7	NE	Nil	N/A	18
Pyne Gould Corp	445	+2.6	-2.2	38	1-2	-	2.5	22	0.6	11	6.0	0.95	436	VTL Group Ltd	80	-9.3	-0.9	87	0-0	-	1.8	17	0.6	11	Nil	0.50	24
Livestock Imp.	174	+2.6	-3.5	39	5-0	-	0.6	8	0.8	8	14.1	0.52	57	Just Water Int.	82	-8.6	-2.1	84	0-1	-	3.0	21	0.5	14	6.5	1.98	58
Col Motor Co	351	+2.6	-1.1	40	2-0	-	0.9	6	0.4	14	10.2	0.21	98	NZ Finance Hold	100	-7.8	+0.9	81	1-3	-	3.6	15	0.4	23	2.6	1.93	77
PGG Wrightsons	173	+2.2	+1.4	43	1-1	5	1.2	6	0.6	18	8.6	0.57	487	Viking Capital	25	-7.8	-7.5	80	0-0	-	0.9	14	0.9	6	Nil	4.88	17
Nuplex Indust	703	+1.1	-2.2	47	2-0	4	1.7	12	0.4	14	6.3	0.42	551	F & P Health.	324	-7.5	-0.2	80	0-15	5	8.6	30	0.5	29	5.7	4.65	1,656
Toll NZ Ltd	297	+0.5	+2.2	52	0-0	-	1.9	16	0.5	12	Nil	0.90	624	Tenon Ltd	257	-7.0	-1.8	79	1-0	3	0.9	7	0.5	13	Nil	0.29	173
Taylor's Grp Ltd	195	+0.3	-1.6	53	1-0	-	1.7	13	0.5	13	9.2	0.70	47	Pac Edge Bio.	14	-6.8	+1.3	78	0-0	-	29.2	-	1.2	NE	Nil	N/A	10
Mainfreight Grp	739	+0.3	-0.8	54	1-5	5	4.6	36	0.5	13	3.0	0.74	714	Tower Limited	246	-6.4	+4.6	77	0-0	5	1.1	15	0.3	7	Nil	0.65	462
<b>INCOME SHARES:</b> Highest Yields, Capitalisation > NZ\$100 million													Pumpkin Patch	348	-5.9	-3.8	77	0-9	6	6.0	29	0.4	20	3.6	1.86	579	
Hellaby Hold.	327	-8.5	-1.5	83	4-1	2	1.4	20	0.4	7	14.1	0.32	162	Sanford Limited	430	-5.1	-2.0	76	0-1	4	0.8	5	0.4	15	7.6	1.03	403
Telecom Corp	462	-0.4	-1.1	57	0-34	10	3.7	35	0.4	11	11.5	1.56	9,060	Allied Work.	120	-4.9	-0.7	75	0-0	1	1.9	10	0.8	18	6.8	0.38	31
Hallenstein G.	478	-3.0	-1.1	71	0-6	5	4.4	34	0.3	13	10.9	1.44	284	Allied Farmers	195	-4.2	+0.2	75	1-0	-	1.3	6	0.4	24	5.4	0.37	37
NZ Refining Co	765	+6.6	+3.5	18	0-0	2	3.0	22	0.2	14	8.8	4.55	1,836	<b>INSIDER SELLING:</b> Most Insider Selling, Relative Strength < 0													
Turners & Grow.	240	+4.6	-5.5	25	0-2	1	0.8	6	0.5	13	8.7	0.40	222	Telecom Corp	462	-0.4	-1.1	57	0-34	10	3.7	35	0.3	11	11.5	1.56	9,060
PGG Wrightsons	173	+2.2	+1.4	43	1-1	5	1.2	6	0.5	18	8.6	0.57	487	F & P Health.	324	-7.5	-0.2	80	0-15	5	8.6	30	0.5	29	5.7	4.65	1,656
ING Property	124	-1.3	-0.9	65	0-0	2	1.0	5	0.5	19	8.5	8.86	672	F & P Appliance	346	-2.2	+0.0	69	0-9	5	1.4	9	0.4	16	7.8	0.69	981
Cavalier Corp	320	-3.4	-0.7	71	2-1	4	3.3	22	0.7	15	8.4	1.04	210	Pumpkin Patch	348	-5.9	-3.8	77	0-9	6	6.0	29	0.4	20	3.6	1.86	579
Sky City Ltd	498	-0.9	+2.0	61	1-8	9	7.0	39	0.4	18	7.8	2.84	2,138	Sky City Ltd	498	-0.9	+2.0	61	1-8	9	7.0	39	0.4	18	7.8	2.84	2,138
F & P Appliance	346	-2.2	+0.0	69	0-9	5	1.4	9	0.5	16	7.8	0.69	981	Steel & Tube	460	-1.3	+1.4	64	0-6	5	3.0	23	0.4	13	10.4	0.92	405
<b>INSIDER BUYING:</b> Most Insider Buying, Relative Strength > 0													Warehouse Group	601	-2.2	-3.9	68	0-6	6	5.5	29	0.2	19	4.0	1.836		
Rubicon Limited	108	+4.5	+1.0	26	7-0	2	1.2	3	0.5	34	Nil	0.46	272	Hallenstein G.	478	-3.0	-1.1	71	0-6	5	4.4	34	0.2	13	10.9	1.44	284
Livestock Imp.	174	+2.6	-3.5	39	5-0	-	0.6	8	0.6	8	14.1	0.52	57	Brierley Invest	135	-3.4	-1.2	72	1-4	-	1.2	4	0.6	29	2.6	3.13	1,847
AMP Limited	1135	+0.9	-2.3	48	5-0	-	6.6	29	0.5	23	3.2	1.55	21,223	Renaissance	96	-13.1	-0.4	93	0-2	1	2.7	45	0.5	6	16.3	0.23	37
Tourism Hold.	270	+16.4	+0.2	4	4-0	4	1.6	7	0.4	24	6.1	1.50	265														
Broadway Ind	88	+0.6	-1.2	50	2-0	-	0.9	4	0.4	21	4.5	0.44	17														
Kermadec Prop.	102	+0.2	-2.8	55	2-0	-	-	-	0.7	NE	Nil	N/A	62														
Col Motor Co	351	+2.6	-1.1	40	2-0	-	0.9	6	0.3	14	10.2	0.21	98														
Cynotech Hold.	17	+6.2	-3.0	19	2-0	-	1.9	21	1.6	9	4.4	1.52	14														
Nuplex Indust	703	+1.1	-2.2	47	2-0	4	1.7	12	0.3	14	6.3	0.42	551														
Methven Limited	270	+10.1	+1.1	13	1-0	2	5.9	31	0.6	19	6.3	1.96	138														

# 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.

Company	STRENGTH RATING										Market Cap'n	Company	STRENGTH RATING										Market Cap'n						
	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Under-Valued	Best Performing	Income	Over-Valued	Worst Performing	Price to NTA			Return on Equity	Volatility	Price to Earn.	Dividend Ratio	Price to Sales	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Under-Valued		Best Performing	Income	Over-Valued	Worst Performing	Price to NTA	Return on Equity
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0											<b>BEST PERFORMING SHARES:</b> Strongest Shares, P/E < 20, P/S < 1.0																		
Citic Australia	84	+2.9	-4.6	51	0-0	-	2.7	33	1.2	8	6.8	0.09	70	Omnitech Hold.	13	+49.2	+5.0	5	0-0	-	0.7	22	2.1	3	Nil	0.19	6		
Danks Holdings	905	+7.1	-1.2	38	2-0	-	1.1	6	0.3	20	4.4	0.11	59	A.P. Eagers	1521	+23.3	+4.4	17	4-0	1	1.9	12	0.2	16	2.8	0.35	411		
Adtrans Group	430	+11.5	+1.4	29	2-1	-	2.3	17	0.4	14	5.1	0.16	101	Walter Div Serv	269	+23.1	+2.7	17	0-0	-	10.0	-	0.7	1	Nil	0.04	4		
Ridley Corp.	114	+1.9	+0.4	54	0-2	3	1.1	10	1.1	12	6.1	0.26	321	Smorgon Steel	273	+21.8	+4.5	18	0-0	9	1.2	7	0.7	17	3.3	0.76	2,448		
AWB Limited	416	+9.0	+3.1	34	1-0	6	2.6	19	0.6	14	4.8	0.30	1,441	SCV Group Ltd	110	+21.7	+2.4	18	1-0	-	2.9	22	1.1	13	Nil	0.77	24		
Merchant House	23	+0.9	-1.1	57	0-0	-	1.0	23	1.9	4	6.7	0.30	21	TransMetro Corp	90	+20.7	-0.9	19	0-0	-	1.0	16	0.6	6	2.2	0.50	12		
Tag Pacific	40	+2.2	-2.0	53	0-0	-	1.0	19	1.6	5	1.9	0.31	27	Int'l Equities	6	+20.2	+5.2	19	0-0	-	0.9	33	2.9	3	Nil	0.46	8		
Coventry Group	446	+0.2	+1.4	60	5-0	3	1.4	9	0.5	17	7.8	0.32	160	Becker Group	50	+18.1	+2.2	21	0-0	-	2.5	18	1.1	14	3.0	0.60	32		
Devine	135	+8.6	-6.1	35	4-0	-	2.8	28	0.9	10	5.9	0.32	184	McPherson's Ltd	339	+17.2	-0.3	22	0-0	4	-	-	0.5	16	4.1	0.68	213		
Folkestone Ltd	92	+5.3	-0.6	43	2-0	-	1.4	10	0.9	15	6.5	0.33	28	Sietel Ltd	145	+16.2	+0.8	23	0-0	-	0.8	14	0.6	6	Nil	0.31	12		
Queste Comm's	36	+2.9	-4.6	50	2-0	-	0.6	20	1.6	3	5.6	0.34	10	Multistack Int'l	3	+14.7	+8.7	25	0-0	-	0.4	6	4.8	8	Nil	0.23	3		
A.P. Eagers	1521	+23.3	+4.4	17	4-0	1	1.9	12	0.2	16	2.8	0.35	411	Sims Group Ltd	2652	+13.5	-0.3	27	2-3	10	5.4	32	0.5	17	4.0	0.88	3,302		
Caltex Austria	2465	+6.3	-0.8	40	2-0	10	2.8	20	0.5	14	3.2	0.36	6,656	CMA Corporation	46	+13.5	-3.2	27	1-0	-	3.5	31	1.1	11	Nil	0.16	19		
Automotive Hold	420	+31.4	-0.4	11	3-0	-	32.3	-	0.7	29	2.4	0.37	588	Dexion Ltd	275	+12.7	-9.0	28	3-0	3	-	-	0.7	19	2.9	0.91	171		
Queens'd Cotton	588	+25.4	-2.1	15	0-2	1	1.3	5	0.4	25	1.0	0.38	166	Oldfields Hold	115	+12.6	+3.6	28	4-1	-	1.1	11	0.6	11	5.2	0.43	13		
Data 3 Ltd	590	+12.1	+1.0	28	1-3	-	7.4	46	0.6	16	4.7	0.38	92	Data 3 Ltd	590	+12.1	+1.0	28	1-3	-	7.4	46	0.5	16	4.7	0.38	92		
Ambertech Ltd	65	+7.8	+3.9	37	0-0	-	1.4	10	1.2	13	4.6	0.39	20	Integrated Inv.	1	+11.5	-19.6	29	0-0	-	-	-	7.6	5	Nil	0.34	1		
Thomas & Coffey	100	+11.8	-0.2	29	8-0	-	-	-	1.2	21	2.5	0.39	70	Adtrans Group	430	+11.5	+1.4	29	2-1	-	2.3	17	0.3	14	5.1	0.16	101		
PeopleBank Aust	118	+1.6	+3.4	55	1-1	-	10.7	91	1.0	12	4.7	0.40	49	Lighting Corp.	79	+11.2	-3.2	30	1-0	-	2.8	21	0.8	13	5.4	0.44	70		
Spotless Group	502	+1.4	+1.2	56	1-0	6	-	-	0.6	17	4.6	0.42	107	Bill Express	24	+11.1	+6.1	30	0-0	-	2.0	13	1.4	15	Nil	0.12	95		
Oldfields Hold	115	+12.6	+3.6	28	4-1	-	1.1	11	0.8	11	5.2	0.43	13	Tutt Bryant Grp	180	+11.0	+5.3	30	1-0	1	2.6	14	0.7	18	3.1	0.97	234		
KLM Group Ltd	67	+4.4	+2.9	46	1-2	-	4.5	29	1.4	15	3.0	0.44	38	Tamawood Ltd	225	+9.4	-1.7	33	2-0	-	3.2	20	0.5	16	5.8	0.99	75		
Aust Pharm. Ind	211	+2.2	+1.8	53	1-0	1	2.9	5	0.9	55	4.4	0.44	543	AWB Limited	416	+9.0	+3.1	34	1-0	6	2.6	19	0.5	14	4.8	0.30	1,441		
Lighting Corp.	79	+11.2	-3.2	30	1-0	-	2.8	21	1.1	13	5.4	0.44	70	Souls Priv Equ	25	+8.8	+1.3	34	5-0	-	0.9	72	1.3	1	2.0	0.52	145		
Maxi TRANS	63	+0.5	-3.9	58	0-0	4	2.5	21	1.2	12	6.7	0.44	108	Devine	135	+8.6	-6.1	35	4-0	-	2.8	28	0.7	10	5.9	0.32	184		
CostaExchange	76	+2.9	-0.8	51	2-0	-	4.8	14	1.2	33	2.0	0.45	113	Adelaide Bank	1485	+8.2	+1.2	36	0-2	14	2.5	15	0.4	17	3.9	0.99	1,593		
W'bool Cheese	430	+9.2	+4.3	33	0-0	1	1.6	7	0.6	22	1.9	0.47	167	Aircrasing Aust	21	+8.2	-1.9	36	1-0	-	0.9	7	1.3	12	Nil	0.37	3		
RCG Corporation	28	+23.2	+10.1	17	0-0	-	14.0	-	1.8	NE	4.3	0.48	31	Wrigdways Aust	255	+7.9	+0.5	36	2-2	-	25.5	-	0.5	19	2.9	0.79	82		
Downer EDI Ltd	714	+3.5	+0.4	49	6-0	7	6.8	-	0.7	NE	2.8	0.48	2,243	Ambertech Ltd	65	+7.8	+3.9	37	0-0	-	1.4	10	0.9	13	4.6	0.39	20		
TransMetro Corp	90	+20.7	-0.9	19	0-0	-	1.0	16	0.9	6	2.2	0.50	12	Chalmers	390	+7.4	+1.2	38	1-0	-	1.1	6	0.5	18	2.3	0.62	22		
Souls Priv Equ	25	+8.8	+1.3	34	5-0	-	0.9	72	1.9	1	2.0	0.52	145	Danks Holdings	905	+7.1	-1.2	38	2-0	-	1.1	6	0.2	20	4.4	0.11	59		
Crane Group	1794	+9.5	-2.7	33	2-0	6	4.3	12	0.5	35	3.3	0.52	1,076	Schaffer Corp	870	+6.9	+1.8	39	0-0	2	2.7	18	0.4	15	5.7	0.84	123		
Coles Group Ltd	1510	+9.4	-3.9	33	1-0	12	7.9	24	0.5	34	2.8	0.53	18,006	Caltex Austria	2465	+6.3	-0.8	40	2-0	10	2.8	20	0.4	14	3.2	0.36	6,656		
Ruralco Hold.	405	+5.2	+1.9	44	5-1	-	2.8	13	0.5	22	3.7	0.54	181	Hudson Invest.	5	+5.7	+5.2	42	0-0	-	0.6	11	3.1	5	Nil	0.75	12		
Futuris Corp.	262	+13.0	+3.0	27	4-4	6	2.5	12	0.9	22	3.4	0.56	1,889	Ludowici Ltd	810	+5.5	+0.1	43	1-3	-	3.7	22	0.4	17	4.6	0.99	144		
AV Jennings	127	+3.4	+0.2	49	0-0	-	1.1	7	0.9	17	5.9	0.59	273	Folkestone Ltd	92	+5.3	-0.6	43	2-0	-	1.4	10	0.6	15	6.5	0.33	28		
Amcor Ltd	742	+0.7	-1.1	58	0-0	12	4.6	24	0.5	19	4.6	0.60	6,634	Tasmania Mines	101	+4.9	-0.7	45	0-0	-	1.5	35	0.7	4	Nil	0.99	18		
Becker Group	50	+18.1	+2.2	21	0-0	-	2.5	18	1.5	14	3.0	0.60	32	HGL Limited	219	+4.6	+2.9	45	0-0	-	2.0	18	0.5	12	5.3	0.79	105		
Lend Lease Corp	1868	+4.4	-3.6	46	1-0	7	3.2	18	0.5	18	3.3	0.62	7,466	BBX Holdings	25	+4.5	-1.2	46	0-0	-	1.9	16	1.7	12	Nil	0.89	8		
Chalmers	390	+7.4	+1.2	38	1-0	-	1.1	6	0.6	18	2.3	0.62	22	Lend Lease Corp	1868	+4.4	-3.6	46	1-0	7	3.2	18	0.5	18	3.3	0.62	7,466		
Wattyl Ltd	317	+3.1	-1.1	50	1-0	8	2.5	4	0.8	66	4.4	0.63	269	KLM Group Ltd	67	+4.4	+2.9	46	1-2	-	4.5	29	1.1	15	3.0	0.44	38		
Candle Aust.	344	+1.4	+0.1	55	0-2	7	8.4	58	0.8	14	4.9	0.63	171	AV Jennings	127	+3.4	+0.2	49	0-0	-	1.1	7	0.7	17	5.9	0.59	273		
Roberts Ltd	250	+0.0	-0.0	61	0-0	-	3.0	23	0.7	13	5.7	0.63	129	RCR Tomlinson	219	+2.9	+3.6	50	1-3	2	2.8	20	0.7	14	1.8	0.80	217		
SP Telecom.	78	+2.0	-2.8	54	2-0	2	-	-	1.2	39	3.1	0.64	316	Queste Comm's	36	+2.9	-4.6	50	2-0	-	0.6	20	1.1	3	5.6	0.34	10		
Fantastic Ltd	183	+2.7	-2.0	51	1-2	5	10.8	53	0.7	20	4.4	0.67	243	Citic Australia	84	+2.9	-4.6	51	0-0	-	2.7	33	1.0	8	6.8	0.09	70		
McPherson's Ltd	339	+17.2	-0.3	22	0-0	4	-	-	0.6	16	4.1	0.68	213	Stokes (Aust)	60	+2.6	+2.4	51	2-0	-	0.9	11	0.8	8	Nil	0.16	3		
Symbion Health	411	+8.8	+0.9	34	1-0	11	-	-	0.6	32	2.6	0.71	2,644	Eftel Ltd	9	+2.5	-3.3	52	1-0	-	9.0	69	2.6	13	Nil	0.54	14		
Homeloans Ltd	105	+27.3	-8.3	14	0-0	-	-	-	1.0	20	4.8	0.71	53	Pro-Pac Pack.	45	+2.2	+0.9	53	0-0	-	4.5	26	1.1	17	5.1	0.76	18		
Pro-Pac Pack.	45	+2.2	+0.9	53	0-0	-	4.5	26	1.4	17	5.1	0.76	18	Tag Pacific	40	+2.2	-2.0	53	0-0	-	1.0	19	1.2	5	1.9	0.31	27		
Smorgon Steel	273	+21.8	+4.5	18	0-0	9	1.2	7	0.8	17	3.3	0.76	2,448	Freedom Nut'l	49	+2.1	+0.9	53	8-0	-	3.5	23	1.0	15	Nil	0.46	22		
Wrigdways Aust	255	+7.9	+0.5	36	2-2	-	25.5	-	0.7	19	2.9	0.79	82	Flexicorp Ltd	295	+2.1	-0.3	53	0-0	-	-	-	0.6	4	Nil	0.79	96		
HGL Limited	219	+4.6	+2.9	45	0-0	-	2.0	18	0.6	12	5.3	0.79	105	Brandill	28	+1.9	-3.5	54	2-0	-	2.8	25	1.5	11	Nil	0.87	89		
RCR Tomlinson	219	+2.9	+3.6	50	1-3	2	2.8	20	0.9	14	1.8	0.80	217	Ridley Corp.	114														

Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Price to Buy/Sell	Return on NTA	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n	
		Cur-ent	4-Wk Chg.	Rank									
Centro America	119	+0.8	+0.6	58	0-0	7	1.2	13	0.6	9	8.6	6.63	1,142
Macquarie DDR	123	+0.7	+1.4	58	0-0	7	1.1	8	0.6	13	8.1	6.34	1,132
Envestra	117	-0.5	-2.1	66	0-0	4	-	-	0.6	NE	8.1	2.83	953
Deutsche Ind Tr	196	+0.0	-0.0	61	0-0	-	1.2	10	0.4	12	8.1	6.49	663
Multiplex Acum.	132	+4.4	+0.3	46	4-0	1	1.0	6	0.7	16	7.8	N/A	456
Macquarie C'Wde	199	+2.3	-0.2	52	1-1	8	1.0	8	0.4	13	7.7	N/A	2,425
Macquarie Prol.	143	+7.0	+1.4	38	0-0	7	1.3	9	0.5	14	7.6	7.99	1,229
B & B Infrastr.	177	+1.3	-1.4	56	1-0	6	-	-	0.5	31	7.5	3.01	2,598
Mirvac REIT	138	-0.3	+0.4	65	0-0	2	1.1	13	0.4	8	7.5	5.38	862
Hast Div Util	345	+5.2	+0.4	44	1-0	2	1.4	9	0.4	15	7.4	4.16	608
Australand Prop	224	+5.8	-1.3	42	1-0	2	1.4	17	0.5	9	7.4	1.96	2,077
ING Real Estate	134	+2.7	-2.2	51	0-0	1	1.1	11	0.6	10	7.3	N/A	409
Tishman Speyer	235	+0.1	-1.9	61	0-0	6	1.0	10	0.5	10	7.2	3.99	701
Mirvac Ind Trt	102	+4.3	-2.5	46	0-1	2	1.0	3	1.4	37	7.2	4.31	377
Platinum Cap'l	210	-5.9	-1.1	79	0-0	-	1.3	17	0.4	7	7.1	N/A	255
Deutsche Div Tr	131	+0.0	-0.0	61	0-0	-	1.1	8	0.5	14	7.1	6.10	1,306
Centro Retail	170	+0.0	+1.1	61	2-0	6	0.9	23	0.6	4	7.1	N/A	1,648
Macquarie Off.	168	+4.2	+1.2	47	0-1	8	1.2	14	0.5	9	6.7	N/A	3,296
Macquaries C&I	592	+2.0	-1.7	53	0-0	4	-	-	0.2	19	6.6	2.14	2,338

**INSIDER BUYING:** Most Insider Buying, Relative Strength > 0

Oroton Group	325	+28.2	+0.7	13	14-0	1	6.8	7	0.6	91	1.5	0.87	139
Investika Ltd	660	+43.7	+8.4	7	13-0	-	3.7	-	0.6	NE	Nil	N/A	89
MFS Living & L.	94	+6.6	-1.9	40	11-0	-	3.0	-	0.7	NE	Nil	0.56	4
Antares Energy	78	+13.4	-3.2	27	11-1	-	1	-	0.5	NE	Nil	N/A	124
Auspine Ltd	631	+24.2	+13.4	16	10-0	-	1.3	5	0.3	24	3.0	1.42	340
Biota Holdings	183	+8.5	+1.9	35	9-0	-	6.5	-	0.7	NE	Nil	N/A	328
Freedom Nut'l	49	+2.1	+0.9	53	8-0	-	3.5	23	0.7	15	Nil	0.46	22
Thomas & Coffey	100	+11.8	-0.2	29	8-0	-	-	-	0.8	21	2.5	0.39	70
MFS Limited	585	+14.1	-1.5	26	8-0	3	2.2	16	0.5	14	4.4	6.96	1,511
TFS Corporation	99	+31.6	+10.7	11	8-0	-	4.3	33	0.8	13	2.1	5.57	156
Shield Mining	38	+37.7	+23.7	9	8-0	-	-	-	1.0	NE	Nil	N/A	10
Rialto Energy	47	+25.7	+10.6	15	8-0	-	-	-	1.0	NE	Nil	N/A	5
Zicom Group	40	+37.8	-5.3	9	8-0	-	3.6	0	1.6	790	Nil	3.96	72
ZBB Energy Corp	35	+15.8	+0.4	24	8-0	-	11.7	-	1.2	NE	Nil	N/A	29
Telezon Limited	39	+21.8	+4.2	18	8-0	-	4.9	-	0.8	NE	Nil	0.10	8
Retail Food Grp	167	+9.4	-2.5	33	9-1	2	-	-	0.6	20	Nil	N/A	120
Esplanade Prop.	20	+1.5	-0.6	55	7-0	-	1.0	3	1.7	28	8.0	N/A	19
Clough Limited	50	+4.6	-11.3	45	7-0	2	1.7	-	0.9	NE	Nil	0.40	255
Marion Energy	145	+34.3	+27.4	10	7-0	-	-	-	0.4	NE	Nil	N/A	279
United Group	1736	+10.6	+3.6	31	7-0	9	-	-	0.5	30	1.4	1.07	2,382
Monarch Gold M.	31	+15.3	+2.0	25	7-0	-	-	-	1.4	NE	Nil	N/A	80
Cochlear Ltd	6255	+4.4	-2.9	46	7-0	10	-	-	0.3	44	1.6	7.56	3,418
Ind Minerals	51	+27.0	-6.8	14	7-0	-	-	-	0.9	NE	Nil	N/A	4
Aust Infra.	306	+10.4	+1.4	31	7-0	6	1.2	12	0.4	10	4.7	8.66	1,138
Intermin Res	38	+31.8	+8.5	11	8-1	-	-	-	1.0	18	Nil	7.71	35

Company	Share Price	STRENGTH RATING			Insider Buy/Sell	Price to Buy/Sell	Return on NTA	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n	
		Cur-ent	4-Wk Chg.	Rank									
Equity Trustees	3200	+16.4	-0.1	23	6-0	2	12.8	27	0.2	48	1.6	9.70	246
IM Medical Ltd	3	+4.9	+8.6	44	6-0	-	-	-	3.0	NE	Nil	N/A	20
Royal Resources	51	+59.0	+14.0	4	6-0	-	-	-	1.1	NE	Nil	N/A	25
Echo Resources	27	+6.8	-1.4	39	6-0	-	-	-	1.8	NE	Nil	N/A	12
Niagara Mining	106%	+153.2	+26.8	1	6-0	-	-	-	1.4	NE	Nil	N/A	257
Solagran Ltd	133	+97.1	-7.6	2	6-0	-	66.5	-	0.6	NE	Nil	N/A	201
Tamaya Res.	27	+19.0	+5.6	21	6-0	-	-	-	1.8	NE	Nil	3.84	91
Djerriwarrh	498	+2.5	+1.3	52	6-0	-	1.1	5	0.3	22	4.6	N/A	975
Entek Energy	21	+3.4	+2.2	49	6-0	-	-	-	1.2	16	Nil	3.62	23
Peptech Limited	140	+0.1	-9.2	60	6-0	-	3.1	7	0.6	45	Nil	9.26	230
Sydney Gas Ltd	39	+1.5	+2.6	55	6-0	1	-	-	1.0	NE	Nil	N/A	135
Ironbark Gold	520%	+111.8	-34.9	1	6-0	-	-	-	0.8	NE	Nil	N/A	N/A
Downer EDI Ltd	714	+3.5	+0.4	49	6-0	7	6.8	-	0.6	NE	2.8	0.48	2,243
Helix Resources	20	+9.3	-5.7	33	6-0	-	-	-	1.4	NE	Nil	N/A	19
Cogstate Ltd	20	+0.1	+2.4	60	6-0	-	5.0	-	1.2	NE	Nil	3.66	9
Carpathian Res.	36%	+161.8	+87.4	0	6-0	-	-	-	1.0	NE	Nil	N/A	48
Brickworks Ltd	1382	+5.9	-0.1	41	6-0	2	2.5	14	0.2	18	2.6	3.45	1,834
Ale Property	425	+6.9	+1.6	39	6-0	1	1.5	21	0.3	7	3.8	3.62	386
Aberdeen Leader	200	+5.2	+0.8	43	6-0	-	1.1	11	0.5	10	4.0	7.19	114
Horizon Oil Ltd	36	+5.4	+3.5	43	7-1	1	-	-	1.3	NE	Nil	N/A	261
Jupiter Energy	25%	+111.1	+56.3	1	7-1	-	-	-	1.1	NE	Nil	N/A	20
Huntley Invest	94	+1.4	-0.0	56	7-1	-	1.0	7	0.5	14	4.3	N/A	135
Gulf Resources	33	+20.4	+10.5	19	5-0	-	-	-	1.0	NE	Nil	N/A	9
Avexa Limited	70	+29.3	-25.2	12	5-0	2	8.8	-	0.7	NE	Nil	N/A	194
B&B Res Land	91	+0.2	+0.2	60	5-0	-	10.1	-	0.8	NE	Nil	N/A	N/A
APA Group	425	+0.3	+0.1	59	5-0	6	2.0	9	0.4	23	5.6	3.71	1,752
Conquest Mining	79	+18.6	-5.1	21	5-0	-	-	-	0.7	NE	Nil	N/A	10
Coventry Group	446	+0.2	+1.4	60	5-0	3	1.4	9	0.3	17	7.8	0.32	160
Souls Priv Equ	25	+8.8	+1.3	34	5-0	-	0.9	72	1.0	1	2.0	0.52	145
CVC Limited	197	+0.3	-0.9	59	5-0	-	1.1	11	0.6	10	3.0	6.74	231
Cromwell Group	124	+2.2	+0.7	52	5-0	2	1.6	6	0.4	25	3.6	7.64	194
Icon Resources	49	+47.0	+17.0	6	5-0	-	-	-	0.9	NE	Nil	N/A	20
Milton Corp.	2290	+2.8	-0.1	51	5-0	-	1.3	5	0.2	27	3.1	N/A	1,642
Yilgam Mining	55	+65.9	+21.0	3	5-0	-	-	-	0.8	28	Nil	4.91	33
Chalice Gold	13	+2.5	+2.0	52	5-0	-	-	-	1.7	NE	Nil	N/A	9
Visionmed Group	2	+22.3	+17.8	17	5-0	-	-	-	3.3	NE	Nil	9.13	6
Macarthur Coal	763	+14.3	+8.5	26	5-0	11	3.5	38	0.6	9	5.4	2.60	1,392
Div. United Inv	400	+6.6	+1.4	40	5-0	-	1.1	3	0.4	37	2.3	N/A	491
Allied Gold Ltd	49	+10.1	+6.4	32	6-1	-	-	-	1.3	NE	Nil	N/A	133
Coffey Int'l	450	+3.4	+2.1	49	6-1	6	12.9	42	0.6	31	2.9	1.42	449
Macquarie Good.	652	+0.6	-2.1	58	4-0	6	3.5	17	0.5	21	4.2	N/A	10,484
Havilah Res.	261%	+131.3	+153.9	1	4-0	-	-	-	0.8	NE	Nil	N/A	2,084
Yilgam Gold	21	+45.3	+19.1	6	4-0	-	-	-	1.7	NE	Nil	N/A	41
Photon Group	625	+3.2	+0.6	50	4-0	7	-	-	0.5	29	3.2	2.19	371
Bannerman Res.	293	+24.5	-14.8	16	4-0	-	-	-	0.7	NE	Nil	N/A	65

# “Insider” Trades in Australian Shares

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

## “Insider” Indicators

Last 5 wks: 74.8% Buyers  
Last 13 wks: 72.9% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	3-0	APN News Media	0-1	Advanced Engine	2-0	Allied Brands	0-2	Apa Financial	8-0
3D Resources	1-0	APN Property	0-1	Aequus Capital	4-1	Alpha Tech.	0-1	Apex Minerals	3-0
900 Degrees Ltd	4-0	ARB Corporation	1-0	Aevum Ltd	5-1	Altium Limited	1-0	Apollo Life Sci	4-0
A-Cap Resources	0-1	ASG Group Ltd	2-1	Agenix Limited	4-0	Alumina Ltd	1-0	Aquarius Plat.	0-2
A.P. Eagers	4-0	AWB Limited	1-0	Agri Energy Ltd	2-0	Amadeus Energy	1-0	Arafura Res.	0-2
ABB Grain Ltd	4-2	AXG Mining Ltd	1-0	Aim Resources	0-2	Amcom Telecom.	2-4	Arasor Int'l	2-1
ABC Learning	5-0	Aberdeen Leader	6-0	Aircrusing Aust	1-0	Analytica Ltd	2-0	Argo Investment	0-1
ABM Resources	1-0	Abra Mining Ltd	1-0	Alara Uranium	1-0	Aneka Tambang	2-0	Argus Solutions	1-0
AGL Energy Ltd	4-0	Access Provider	2-0	Alchemia Ltd	1-0	Anglo Australia	1-0	Aristocrat Leis	3-0
AHC Ltd	1-0	Acruux Ltd	0-2	Alco Property	6-0	Ansearch Ltd	1-0	Arrow Energy	0-2
AI Limited	3-1	Adelaide Bank	0-2	Alesco Corp Ltd	1-0	Ansell Ltd	2-0	Asciano Group	3-0
AMCIL Limited	1-0	Adelaide Bright	2-3	Alkane Explor.	3-0	Antares Energy	11-0	Ashburton Min.	1-0
AMP Ltd	3-0	Adtrans Group	2-1	Allco Finance	4-0	Antisense T.	1-0	Asian Pacific	1-0
ANZ Bank	0-5	Adv Nanotech.	2-0	Alco Max Sec.	1-0	Anvil Mining	0-4	Aspen Group Ltd	4-0
APA Group	5-0	Adv. Magnesium	4-0	Allied Gold Ltd	6-1	Anzon Australia	1-0	Atcor Medical	1-0



Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Atlas Grp Hold.	3-1	CTI Logistics	3-0	CuDeco Ltd	3-2	Finbar Group	4-0	Hudson Res. Ltd	4-0
Atlas Iron Ltd	2-0	CVC Limited	5-0	Customers Ltd	1-0	First Capital	2-0	Hunter H Global	1-0
Aura Energy Ltd	4-0	Cadence Capital	0-5	Cyclopharm Ltd	0-1	Firstfolio Ltd	0-1	Huntley Invest	7-1
Aurox Resources	1-0	Caltex Austria	2-0	Cypress Lakes	1-0	Flat Glass Ind.	3-0	Hunter Hall Int	0-11
Ausenco Ltd	0-1	Campbell Bros	0-1	Cytopia Ltd	3-0	Fleetwood Corp	1-4	Hutchison Tel.	1-0
Ausmelt Ltd	0-2	Candle Aust.	0-2	D'Aguilar Gold	2-0	Foster's Minerals	1-0	Hydromet Corp.	2-4
Auspine Ltd	10-0	Capital Mining	0-1	DUET Group	3-1	Folkestone Ltd	2-0	Hyperion Flag.	4-6
Aust Mines Ltd	0-2	Capral Alum.	4-0	DVM Intern'l	0-1	Fortescue Metal	0-2	Hyro Limited	4-0
Aust Foundation	2-0	Carbine Res.	3-0	Danks Holdings	2-0	Foster's Group	2-0	IBA Health Ltd	1-11
Aust Infra.	7-0	Cardia Tech.	0-4	Dart Mining NL	1-0	Fox Invest Ltd	1-0	IM Medical Ltd	6-0
Aust Agricult.	2-0	Cardno Ltd	0-2	Data 3 Ltd	1-3	Freedom Nut'l	8-0	IMD Group Ltd	1-0
Austereo Group	3-2	Carlton Invest	0-1	David Jones	1-5	Funtastic Ltd	1-2	IMF (Aust) Ltd	1-2
Aust Education	3-0	Camaron Pet.	4-1	De Grey Mining	2-0	GBST Holdings	1-0	ING Retail E.E.	1-0
Austin Eng.	1-0	Carpathian Res.	6-0	Deep Yellow Ltd	2-0	GDF Corporation	0-1	ING Office Fund	1-0
Australand Prop	1-0	Carrick Gold	4-0	Destra Corp Ltd	0-1	GPT Group	1-0	ING Priv Equity	4-0
Aust Biodiesel	2-0	Cash Converters	3-0	Devine	4-0	GVM Metals Ltd	2-0	ING Indust Trt	2-0
Aust Pharm. Ind	1-0	Caspian Oil & G	0-1	Dexion Ltd	3-0	GWA Internat'l	0-2	ISS Group Ltd	1-0
Austar United	1-0	Castle Minerals	1-0	Diatreme Res.	0-2	Gale Pacific	0-1	ITL Limited	7-0
Austral Gold	1-0	Castlemaine G.	3-0	Dioro Explor.	1-0	Garratt's Ltd	2-0	Icon Resources	5-0
Australis Aqua.	1-2	Cathrx Ltd	2-0	Discovery Metal	3-0	Gateway Mining	2-0	Icon Energy	1-0
Aust Resources	3-0	Cedar Woods Prp	1-0	Div. United Inv	5-0	Gazzal Corp	7-0	iiNet	3-1
Aust Enh Income	2-0	Cellnet Group	1-2	Djeriwarh	6-0	Genepharm Aust.	1-0	Iluka Resources	2-0
Automotive Hold	3-0	Cellestis Ltd	0-1	Dominion Mining	1-0	Genetic Tech.	5-0	Image Resources	5-2
Avalon Minerals	2-0	Century Aust In	1-0	Downer EDI Ltd	6-0	Gindalbie Met.	0-2	Imdex Limited	2-1
Avastra Ltd	1-0	Centro Property	2-0	Dragon Mining	0-1	Gippsland Ltd	1-0	Impact Capital	4-0
Avexa Limited	5-0	Centrepnt All	1-3	Drake Resources	3-0	Gleneagle Gold	0-1	Impress Venture	10-0
Avoca Resources	1-0	Centamin Egypt	2-0	Dyesol Ltd	2-0	Glengary Res.	4-0	Incitec Pivot	3-0
Azumah Res.	3-0	Centro Retail	2-0	Dynasty Metals	3-0	Global Mining I	4-0	Incremental Pet	3-0
B & B Wind Part	3-0	Centrebet Int'l	2-0	E-Bet Limited	2-0	Global Petrol.	0-4	Ind Pracrif.	3-2
B & B Infrastr.	1-0	Chalmers	1-0	E.R.G.	0-2	Global Approach	1-2	Ind Minerals	7-0
B&B Res Land	5-0	Chal Div Prop	0-2	ETT Ltd	2-0	Globe Int'l Ltd	1-0	Independ. Group	1-7
BC Iron Ltd	2-0	Chalice Gold	5-0	Eagle Bay Res.	1-0	GoldLink Income	2-0	Indo Mines Ltd	2-1
BHP Billiton	9-6	Chal Wine Trust	1-0	East'n Star Gas	0-1	Golden Gate Pet	0-1	Industrea Ltd	0-4
BMA Gold Ltd	1-0	Chal Financial	2-0	Eastern Corp	1-0	Gold Aura Ltd	1-0	Infomedia Ltd	0-1
BQT Solutions	4-1	Chandler McLeod	2-0	Easycall Int'l	0-6	Golden State	3-1	Int'l Goldfield	2-0
BSA Ltd	3-1	Charter Pacific	3-0	Echelon Res.	1-0	Golden Cross	0-1	Integra Mining	3-0
Babcock & Brown	2-0	ChemGenex Pharm	0-2	Echo Resources	6-0	Gold Company	1-0	Intermin Res	8-1
Bank of Q'land	0-1	Cheviot Bridge	11-0	Eftel Ltd	1-0	Goldsearch Ltd	3-1	Internet Res.	1-0
Bannerman Res.	4-0	Chrome Corp Ltd	5-1	Eiffel Tech.	1-0	Goldstar Res.	7-0	Intec Ltd	6-1
Barra Resources	1-3	Circadian Tech	1-0	Electrometals	2-0	Golden West Res	1-0	Inventis Ltd	1-0
Bass Metals Ltd	2-0	Citigold Corp	0-1	Electro Optic	3-0	Goldlink Growth	1-0	Investa Prop.	4-0
Bass St Oil Coy	4-0	Clime Capital	1-0	Elemental Min.	1-0	Golden Tiger	0-2	Investika Ltd	13-0
Batavia Mining	4-1	Clough Limited	7-0	Elk Petroleum	5-0	Goodman Fielder	1-0	Invocare Ltd	1-2
Beach Petroleum	3-0	Clover Corp.	1-0	Embelton Ltd	2-0	Gosford Quarry	0-1	Iress Mkt Tech	3-1
Bemax Resources	1-0	Cobar Cons Res.	3-0	Emeco Holdings	2-0	Graincorp	0-2	Iron Ore Hold.	1-0
Bendigo Mining	3-0	Cochlear Ltd	7-0	Emerald Oil & G	1-0	Grange Resource	2-0	Ironbark Gold	6-0
Bentley Int'l	1-0	Cockatoo Ridge	1-0	Emperor Mines	3-0	Graynic Metals	1-0	JB Hi-Fi Ltd	0-5
Billabong Int'l	1-0	Coffey Int'l	6-1	Empire Sec.	1-0	Great Aust Res	1-0	JV Global Ltd	2-3
BioLayer Corp.	1-0	Cogstate Ltd	6-0	Empire Beer Grp	3-0	Great Artesian	2-0	Jackgreen Ltd	3-1
Biodiem Ltd	0-1	Coles Group Ltd	1-0	Eneabba Gas Ltd	1-0	Greater Pacific	0-1	Jackson Gold	1-0
Biosignal Ltd	1-0	Collection Hse	5-4	Energy Metals	0-1	Great Southern	2-0	Jervois Mining	0-2
Biota Holdings	9-0	Colopak Ltd	1-0	Energy Ventures	2-0	Green Rock En.	1-0	Jindalee Res.	3-0
Blackmores Ltd	0-4	Colonial Res.	1-0	Energy One Ltd	3-0	Gryphon Mineral	1-0	Jubilee Mines	0-8
Blackham Res.	3-0	Com'wealth Bank	1-0	Ent Media & Tel	1-0	Gt Bendigo Gold	2-0	Jumbo Corp	2-0
Black Range Min	1-0	Comet Resources	2-0	Entek Energy	6-0	Gujarat NRE Res	0-2	Jumbuck Enter.	2-1
Bluescope Steel	1-0	Commander Comm.	0-4	Envirozel Ltd	3-0	Gulf Resources	5-0	Jupiter Energy	7-1
Bonaparte Diam.	1-0	Commoditil Ltd	0-1	Environ'm't Grp	2-0	Gulfx Ltd	4-0	Jupiter Mines	1-8
Boom Logistics	3-2	Community Life	5-0	Envirogold Ltd	3-0	Gullewa Gold NL	0-2	Just Group Ltd	3-2
Boral Limited	1-0	Computershare	2-5	Eormanga Uran.	0-1	Gunns Ltd	3-1	KLM Group Ltd	1-2
Boulder Steel	2-1	ComputerCORP	1-0	Epsilon Energy	5-0	HFA Accelerator	3-0	KLT Technology	3-0
Bow Energy Ltd	5-0	Compass Res	1-7	Equigold NL	1-2	HFA Holdings	1-2	Kangaroo Metals	1-0
Bradken Ltd	0-1	Compumedics Ltd	0-1	Equity Trustees	6-0	Haddington Res.	2-0	Kardoon Gas	1-0
Brainytoys Ltd	2-0	Concept Sports	0-1	Equinox Min.	1-0	Hamilton James	6-0	Karmelsonix Ltd	3-0
Brambles Ltd	7-0	Coneco Ltd	1-0	Eromanga H/C	1-0	Hansen Tech.	2-0	Kentor Gold Ltd	4-0
Brandrill	2-0	Connxn Ltd	1-0	EservGlobal Ltd	1-0	Harrington Grp	1-0	Key Petroleum	1-0
Bravura Sol.	1-0	Conquest Mining	5-0	Esplanade Prop.	7-0	Hast Div Util	1-0	Keycorp ltd	1-0
Breakaway Res.	2-0	Cons Minerals	2-0	Espreon Ltd	2-1	Havilah Res.	4-0	Kimberley Diam.	3-1
Bremer Park Ltd	0-1	Contango Micro.	1-0	Essa Australia	0-1	HealthLinx Ltd	0-1	Kings Minerals	0-1
Brickworks Ltd	6-0	Cool or Cosy	6-0	Essential Pet.	2-0	Health Corp.	1-0	Kip McGrath EC	2-0
Brickworks Inv.	3-0	Cooper Energy	1-5	Eurogold Ltd	3-0	Healthscope	2-0	Konekt Limited	2-0
Buderim Ginger	5-0	CopperCo Ltd	2-0	Everest Babcock	3-0	Heartware Ltd	10-0	Korab Resources	4-0
Bunnings W/hse	1-0	Copper Strike	0-1	Exco Resources	0-2	Heemskirk Cons.	1-0	Korvest Ltd	2-0
C'wth Prop Off.	1-0	Cordlife Ltd	0-2	Extract Res.	6-0	Helix Resources	6-0	Kresta Holdings	3-0
C.S.R. Ltd	2-1	Corp Express	0-3	Ezenet Limited	1-0	Hemisphere Res.	2-0	L&M Petroleum	1-0
CBH Resources	0-8	Cortona Res Ltd	1-0	F.F.I. Holdings	3-1	Henderson Group	0-3	LV Living Ltd	1-0
CDS Tech	1-0	CostaExchange	2-0	Fac. Digital	1-0	Herold Resource	2-0	Labtech Systems	1-0
CI Resources	0-2	Cougar Energy	1-0	Fairfax Media	1-0	Heron Resources	2-0	Lakes Oil NL	4-0
CMA Corporation	1-0	Count Financial	0-1	Falcon Minerals	2-0	Hillgrove Res.	1-4	Landmark White	1-0
CMI Limited	1-0	Coventry Group	5-0	Felix Resources	0-1	Hillcrest Litig	8-0	Lefroy Res.	5-0
CO2 Group Ltd	1-4	Coziron Res.	1-0	Fermiscan Hold.	0-2	Hill End Gold	6-4	Legend Mining	2-0
CPI Group	1-0	Crane Group	2-0	Ferraus Ltd	0-1	Hills Indust.	0-4	Legend Corp.	2-0
CPT Global Ltd	1-0	Credit Corp	0-1	Ferrowest Ltd	1-0	Hodges Res.	1-0	Leighton Hold	2-1
CSL Limited	0-1	Cromwell Group	5-0	Financial Res.	1-0	Home Bldg Soc.	4-1	Lernarne Corp	1-0
		Cryosite Ltd	2-0			Horizon Oil Ltd	7-1		

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Lend Lease Corp	1-0	Monto Minerals	2-0	Photo-Me Aust.	3-0	Safety Medical	2-1	Ten Network	3-2
Leyshon Res.	3-0	Montec Int'l	1-0	Photon Group	4-0	Saferoads Hold.	1-2	Terrain Mineral	1-0
Liberty Gold NL	2-0	Mom. Star Gold	2-1	Phylogica Ltd	1-0	Salinas Energy	4-0	The Reject Shop	0-1
Life Therapeut.	2-1	Morning Star	1-0	Pioneer Nickel	1-0	Sally Malay Min	1-2	Thinksart Ltd	0-1
Lighting Corp.	1-0	Mortgage Choice	0-4	Pipe Networks	0-1	Salmat Ltd	4-0	Thomas & Coffey	8-0
Linc Energy Ltd	1-0	Mosaic Oil NL	3-0	Platinum Aust	0-2	Samson Oil/Gas	1-0	Thundelarra Exp	2-3
Lindsay Aust	1-0	Mt Burgess Min.	2-0	Platina Res.	3-1	Santos Ltd	1-0	Tidewater Inv	4-0
Linq Resources	1-2	Mt Gibson Iron	3-2	Platinum Asset	0-1	Saracen Mineral	2-0	Tiger Resources	1-0
Lionstone Res.	2-0	Multi Channel S	2-0	Po Valley Ener.	3-0	Scantech	2-0	Timbercorp Prim	1-0
Liq Natural Gas	0-1	Multiplex Acum.	4-0	Polartechincs	1-0	Scarborough Min	1-0	Tolhurst Noall	1-0
Little World B.	1-3	Mundo Minerals	2-0	Polaris Metals	0-4	Scimitar Res.	1-0	Toll Holdings	2-6
Living Cell T.	3-0	Murchison Metal	0-1	Portland Ortho.	1-0	Scott Corp Ltd	1-0	Toodyay Res.	2-0
Lodestone Exp.	1-0	Murchison Un.	3-0	Port Bouvard	5-0	Sedgman Ltd	0-1	Tow Way Ltd	0-2
London City Eq.	3-0	My Net Fone Ltd	6-0	Powerlan Ltd	2-0	Seek Ltd	0-1	Trafalgar Corp.	0-1
Gt Western Exp.	1-0	NSX Limited	3-0	Praemium Ltd	1-0	Select harvest	6-0	Traffic Tech.	1-0
Ludowici Ltd	1-3	Nat'l Leisure	6-0	Previous Metals	3-4	Senetas Corp	0-2	Trafford Res.	2-3
Lycopodium Ltd	1-0	Nat'l Can	3-0	Premium Invest.	1-0	Servcorp Ltd	7-0	Transol Corp	2-0
M.Y.O.B. Ltd	0-1	Nat'l Aust Bank	2-0	Primary Health	2-0	Seven Network	3-0	Transurban Grp	5-2
MEO Australia	1-5	National Hire	0-1	Prime Life Corp	3-0	Shaw River Res.	1-0	TransPacific In	4-0
MFS Living & L.	11-0	Natural Fuel	1-0	Prime TV	2-0	Shield Mining	8-0	Transit Hold.	2-0
MFS Limited	8-0	Navigator Res	2-1	Probiotec Ltd	4-0	Sigma Pharm.	0-1	Transfield Serv	1-0
MMC Contrarian	1-0	Neptune Marine	0-4	Progen Pharm.	1-0	Silx Systems	0-3	Tranzact Fin.	0-1
MRI Holdings	1-0	Netcomm Limited	3-2	Prophesy Int'l	4-0	Silver Swan Grp	2-0	Treasury Group	2-1
MacMahon Hold	1-0	Network Ltd	1-2	Prosperity Res.	0-1	Silver Mines	1-0	Tri Origin Min.	0-1
Macarthurcook P	2-0	New Privateer	1-0	Proteome Syst	1-0	Silver Chef Ltd	3-0	Trinity Group	0-2
Macarthur Coal	5-0	Newcrest Mining	3-0	Proto Resources	2-0	Sims Group Ltd	2-3	Trust Company	4-0
Macarthur Cook	0-1	Newhaven Hotels	2-0	Pryme Oil & Gas	2-0	Sino Gold Min.	1-0	Truscott Mining	4-0
Macmin Silver	1-4	Newland Res.	0-1	Pure Energy Res	1-0	Sipa Resources	2-0	Tutt Bryant Grp	1-0
Macquarie Off.	0-1	Nexus Energy	5-4	Q.B.E. Insur.	3-1	Sirius Telecom.	2-0	UCMS Group Ltd	2-0
Macquarie Priv.	2-0	Niagara Mining	6-0	QM Technologies	3-0	Skilled Group	7-0	Undercoverwear	6-0
Macquarie Air.	3-0	Nomad Building	1-0	QRSciences Hold	6-0	Snowball Group	1-3	United Minerals	0-3
Macquarie Good.	4-0	Noni B Limited	2-1	Qantas Airways	0-1	Solagran Ltd	6-0	United Group	7-0
Macquarie Infra	1-0	Norton Gold	2-0	Quay Magnesium	1-0	Somnomed Ltd	1-0	Unlife Medical	0-2
Magellan Flag.	10-0	Northern Energy	3-0	Queens'd Cotton	0-2	Sonic Health	0-3	Unwired Group	3-0
Magna Pacific	2-0	North Aust Diam	1-0	Queensland Gas	1-4	Sonnet Corp Ltd	0-1	Uranium King	1-0
Magnetic Res.	4-0	Northern Mining	2-0	Queste Comm's	2-0	Soul Pattinson	1-0	Uscom Limited	2-0
Magna Metals	5-0	Nova Energy Ltd	2-0	Quickstep Hold.	0-1	Souls Priv Equ	5-0	VDM Group Ltd	1-3
Mantle Mining	2-0	Novogen Ltd	2-0	Quiktrak Netwks	3-0	Southern Gold	0-2	Van Eyk Blue AP	1-2
Marathon Res.	1-0	Nth Qld Metals	1-0	RCR Tomlinson	1-3	Spotless Group	1-0	Van Eyk Three P	0-1
Marengo Mining	3-0	Nthn Uranium	0-1	RMG Limited	1-0	St Barbara Ltd	1-0	Venus Resources	2-0
Marion Energy	7-0	Nuenco NL	0-1	RR Australia	4-1	St George Bank	2-0	Verticon Group	10-7
Mariner Am Prop	2-0	Nusep Ltd	3-0	Ramelius Res.	0-2	Starpharma Hold	4-1	View Resources	1-0
Mariner Bridge	1-0	Nylax Ltd	9-1	Range River Gld	1-0	Sth Boulder Min	0-1	Village Road.	0-7
Marybor'gh Suga	1-2	OM Holdings	4-0	Rawson Res.	2-0	Stn Cross Exp.	1-0	Viralitics Ltd	1-0
Matrix Metals	1-0	Oakton Limited	0-1	Red Fork Energy	0-1	Stirling Prod.	0-1	Virgin Blue	6-2
Matrixview Ltd	5-0	Objective Corp.	0-1	Red Metal Ltd	1-0	Stockland	4-0	Viridis Clean E	1-0
McKinley Co Ltd	0-5	Ocean Capital	1-0	Red Hill Iron	2-0	Stokes (Aust)	2-0	Visionmed Group	5-0
Medaire Inc	2-0	Oceana Gold Ltd	2-0	Redbank Mines	4-0	Strategic Min.	1-0	Vision Group	6-2
Medec Limited	2-1	Odyssey Gaming	1-0	Reed Resources	10-2	Straits Res.	1-5	Vital Metals	2-0
Medivac Ltd	1-0	Oldfields Hold	4-1	Reef Casino Trt	1-0	Strike Oil Ltd	2-0	Voltage IP Ltd	1-0
Medical Therapy	7-0	Olympia Res.	0-1	ReefTime Media	2-0	Structural Syst	2-7	Vulcan Res.	4-0
Medical Dev Int	4-0	Orica Ltd	3-0	Regional Exp.	1-0	Structural Mon.	1-0	WAM Capital Ltd	0-7
Medic Vision	1-0	Orient Res Hold	0-1	Regis Resources	4-0	Suncorp-Metway	2-0	WHK Group Ltd	0-1
Medtech Global	1-0	Origin Energy	0-2	Renison Cons	3-0	Sundance Energy	2-0	Wallace Abs Ret	0-1
Medusa Mining	2-0	Oroton Group	14-0	Roton Ltd	2-0	Shine Heart	1-0	Wasabi Energy	0-3
Melbourne IT	0-1	Ottoman Energy	1-0	Resonance Hlth	3-0	SuperCheap Auto	1-0	Waterco Ltd	7-0
Mermaid Marine	0-3	Overland Res.	1-0	Resource Pac.	1-0	Supply Network	4-0	Wattyl Ltd	1-0
Metal Storm Ltd	1-0	Over Fifty Grp	1-0	Retail Food Grp	9-1	Swick Min Serv	1-0	Wavenet Int'l	0-1
Metals X Ltd	0-1	Oz Brewing Ltd	1-0	Reverse Corp	0-3	Swish Group	1-0	Webjet NL	3-1
Metallica Min.	1-12	PMP Limited	0-2	Reward Minerals	2-1	Sydney Attract.	2-0	Webster Ltd	1-0
Meteoric Res.	2-0	PPK Group Ltd	4-0	Ray Resources	2-0	Sydney Gas Ltd	6-0	Wellcom Group	1-0
Metroland Aust	1-0	Pacific Energy	3-0	Rialto Energy	8-0	Sylvastate Ltd	3-0	Wentworth Hold.	4-0
Michelago Ltd	1-0	Pacrim Energy	1-0	Ridley Corp.	0-2	Symbion Health	1-0	Wesfarmers Ltd	2-0
Midwest Corp	0-1	Palamedia Ltd	1-0	Rimfire Pacific	0-1	Synergy Equity	1-0	Westpac Banking	0-1
Milton Corp.	5-0	Paladio Group	3-0	Rinker Group	1-0	TFS Corporation	8-0	Westonia Mines	1-0
Mincor Resource	0-2	Pan Palladium	1-0	Riversdale Min.	2-0	TNG Limited	1-10	Westfield Group	2-1
Mineral Sec.	2-0	Pan Australian	1-0	Robust Resource	1-0	TSV Holdings	3-1	Westgold Res.	3-0
Mineral Commod.	2-0	Pan Pacific Pet	1-0	Roc Oil Company	0-6	TVN Corporation	0-1	West Gas Power	0-1
Mineral Deposit	0-1	Panaegis Gold	2-0	Rockeby Biomed	3-0	TZ Limited	1-0	West'n Metals	3-0
Minemakers Ltd	1-0	Panbio Ltd	1-0	Ross Human Dir.	6-1	Tabcorp Holding	1-0	Whitefield Ltd	2-0
Minerals Corp.	1-0	Paperlin X Ltd	5-0	Rox Resources	1-0	Takoradi Ltd	0-2	Wilson Leaders	0-2
Mining Projects	4-1	Papyrus Aust.	2-0	Royal Resources	6-0	Talent2 Int'l	0-1	Wilson Inv Fund	4-0
Mintails Ltd	3-1	Patties Foods	4-0	Rubicon Europe	1-0	Talisman Mining	1-0	Wilson HTM Inv.	1-0
Mirrabooka Inv.	3-0	Peak Resources	5-0	Rubicon America	1-0	Tamaya Res.	6-0	Woodside Petrol	3-0
Mirvac Group	3-0	Pearl Healthcare	2-0	Rubicon Res.	2-0	Tamawood Ltd	2-0	Worley Group	0-2
Mirvac Ind Trt	0-1	Pengana Hedge.	0-10	Rubicon Japan	1-0	Tanami Gold NL	4-0	Wotif.com Hold.	2-0
Mission Biofuel	3-0	People Telecom	1-2	Ruralco Hold.	5-1	Tap Oil	0-1	Xceed Biotech.	11-0
Mobilesoft Ltd	2-0	Pepinini Min.	0-3	Rusina Mining	3-0	Tasman Resource	2-0	YTC Resources	4-0
MobileActive	1-0	Peptech Limited	6-0	S/Tracks ASX200	0-1	Tassal Group	0-3	Yilgarn Mining	5-0
Moby Oil & Gas	3-0	Perilya Mines	0-3	SAI Global Ltd	0-1	Tawana Resource	2-0	Yilgarn Gold	4-0
Monax Mining	0-1	Perpetual Ltd	5-4	SCV Group Ltd	1-0	Technology One	0-2	ZBB Energy Corp	8-0
Monarch Gold M.	7-0	Perseus Mining	0-1	SP Ausnet	0-1	Telezon Limited	8-0	Zicom Group	8-0
Montezuma Min.	0-2	Phosphagenics	1-0	SP Telecom.	2-0	Telstra	1-0	Zinifex Ltd	0-2
				STW Comm Group	2-0				

# Insiders Buy Gazal Corporation

## Gazal Corporation (code GZL).

Gazal Corporation manufactures, imports and distributes a broad range of branded apparel in Australia and NZ.

For the year to June 2005, revenues rose 10.2% to \$212.6 million with profits up 15.2% to \$12,481,000 (20.9 cents per share). The dividend was raised 3.2% to 16.0 cents.

Revenues rose slightly to \$215.8 million for the year to June 2006, with *trading* profits down 7.9% to \$11,494,000 (18.8 cents per share). There was, however, also a loss of \$4,064,000 from restructuring and discontinuing operations in the UK and Italy and licencing its *MAMBO* brand in Europe to **Blacks Leisure Group plc**. The annual dividend was cut 12.5% to 14.0 cents.

The six months to December 2006 saw revenues 17.7% higher to \$131.1 million, trading profits up 0.6% at \$8,247,000 (13.5 cents per share) but further *losses* of \$1,521,000 from the discontinued European operations. A steady interim dividend of 7.0 cents was paid.

Further losses of up to around \$1.5 million are expected during the second half (i.e. to June 2007) from exiting the European business, but no further losses are expected for the 2008 financial year.

The *MAMBO* brand continues to trade successfully in Australia, but Gazal Corporation has recently received "a number of approaches" from parties interested in acquiring or licensing this brand. As a result, the company is currently undertaking a strategic review of this part of its business.

Other company brands include *Van Heusen, Nautica, Calvin Klein, Trent Nathan, Lovable, Milford* and *Bisley*.

At 235 cents the shares appear to offer good value. The Price/Sales ratio is 0.67, the Price/Earnings ratio is 13 and the Dividend Yield 6.0%.

The directors have significant interests in the company *and* there have been seven *insider* buys (and no sells) over the last year. Managing Director, MJ Gazal, directly owns 4,610,817 shares (7.6% of the company)

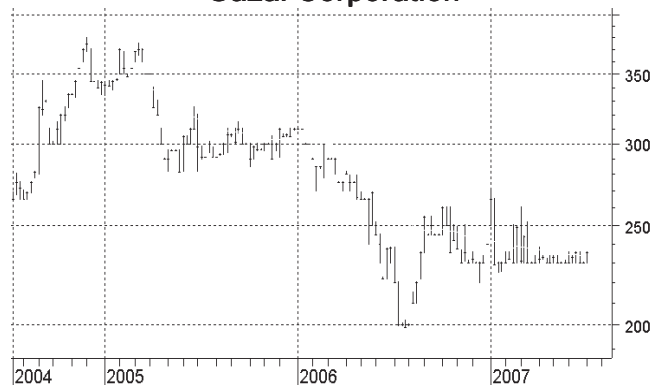
and is a 25% shareholder of Gazal Nominees which owns 30,736,615 shares (50.7% of the company). Executive director DJ Gazal directly owns 3,194,562 shares (5.3%) and 25% of Gazal Nominees. The Chairman JW Blood holds 350,000 shares and Non-Executive director C Kimberley has 250,000 shares.

Gazal Nominees purchased 5,000 shares on-market at 230 cents in January 2007 and 7,756 shares on-market at 236-239 cents in November 2006. C Kimberley made five on-market purchases during September and October 2006, acquiring over 66,500 shares at prices from 235-250 cents.

### Summary and Recommendation

Gazal shares are attractively priced, offering investors a high current Dividend Yield and potential for reasonably steady long term growth. The share price has been depressed over the last couple of years owing to problems with the European business (which has since been closed) and profitability could recover over the next few years. The directors have a *very large* investment in the company and have been further increasing that through on-market buying. There is nothing really exciting or high-tech about Gazal - it is just one of those "dull, boring" businesses that often prove to be very good investments!

### Gazal Corporation



## "Insider" Trades in NZ Shares

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

### "Insider" Indicators

Last 5 wks: 34.6% Buyers  
Last 13 wks: 42.5% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Limited	5-0	F & P Appliance	0-9	Rakon Ltd	0-5	Speirs Group	3-0		
Akd Int Airport	0-1	Fletcher Build.	0-2	Renaissance	0-2	Steel & Tube	0-6		
Allied Farmers	1-0	Hallenstein G.	0-6	Rubicon Limited	7-0	Tag Pacific Ltd	1-0		
Brierley Invest	1-4	Hellaby Hold.	4-1	Ryman Health.	2-4	Taylors Grp Ltd	1-0		
Briscoe Group	2-0	Infratil NZ	0-2	Salvus Strat.	1-0	TeamTalk Ltd	0-1		
Broadway Ind	2-0	Jasons Media	1-0	Sanford Limited	0-1	Telecom Corp	0-34		
CACI Group Ltd	0-2	Just Water Int.	0-1	Scott Tech. Ltd	3-0	Tenon Ltd	1-0		
Cavalier Corp	2-1	Kermadec Prop.	2-0	Sealegs Corp	0-2	Tourism Hold.	4-0		
Cavotec MSL	0-1	Kirkcaldie & St	0-1	Seeka Kiwifruit	1-0	Trust Power Ltd	0-8		
Charlie's Group	3-1	Kiwi Property	2-4	Skellerup Hold.	4-0	Turners & Grow.	0-2		
Col Motor Co	2-0	Life Pharmacy	0-1	Sky City Ltd	1-8	WN Drive Tech.	6-3		
Cynotech Hold.	2-0	Livestock Imp.	5-0	Sky Network TV	3-0	Wakefield Hlth	1-3		
Dominion Fin.	5-8	Mainfreight Grp	1-5	Smiths City	3-1	Warehouse Group	0-6		
Dorchester Pac	1-0	Methven Limited	1-0	Software of Exc	0-6	Widespread Port	2-0		
Eastern Hi-Fi	0-1	NZ Exchange Ltd	0-3	Sol. Dynamics	1-0	Windflow Tech.	1-3		
F & P Health.	0-15	NZ Experience	0-1	South Port NZ	0-1	Zintel Comm.	3-1		
				NZ Finance Hold	1-3				
				NZ Invest Trust	1-2				
				NZ Wine Company	0-1				
				NZ Windfarms	0-2				
				NZ Wool Service	1-0				
				Northland Port	2-1				
				Nuplex Indust	2-0				
				POD Ltd	1-0				
				Postie Plus Grp	0-1				
				Property F Ind.	0-1				
				Propertyfinance	0-1				
				Provenco Group	0-1				
				Pumpkin Patch	0-9				
				Pyne Gould Corp	1-2				



# Current Issues

## CASH ISSUES

	Ratio	Price	Ex-Date	Appln Date
Canterbury Bldg Society	1:10	450	13-07	13-08
ICP Biotech. (1)	1:1	5	-	-
Methven Ltd	1:8	175	-	-

(1) Plus for every two new shares, one series 1 warrant to buy a share at 6 cents in February 2007 and one series 2 warrant to buy a share at 8 cents in February 2008.

## NEW ISSUES

	Price	Date	EPS	DPS
Burger Fuel Worldwide	100	-	-	-
Pike River Coal	100	-	-	-

### Burger Fuel Worldwide

The company may have a good product and ambitious worldwide growth plans, but life is too short to invest in growth companies which have failed to generate significant revenue or to become profitable after ten years.

While the franchise operators generate total revenues in excess of (a not very large) \$16 million, the parent company has revenues of a little over \$3 million for the nine months to December 2006 and operated at a small loss. The business has *negative* Shareholders Equity prior to this float which will seek to raise \$15.0 million from the issue of 15.0 million shares (i.e. 25% of the post-float capital).

The company has a good product, thinks big and may be able to grow significantly in the future - although international expansion is difficult and involves high risks. But the \$60 million valuation (i.e. 20 times *revenues*) makes these shares just too expensive to be of interest to us.

### Summary and Recommendation

"Investing" to us means finding companies with good products, potential to increase existing revenues, profits and dividends *and* a reasonable valuation - so that future growth will lead to an increase in the share price (and dividend income). Burger Fuel Worldwide just doesn't have the revenues, profits or valuation that would interest us in owning its shares. A P/S of 20 is a bit too rich for our taste!

### Total Return Index for All Listed Shares

Jun 11	2631.00	Jun 18	2635.63
Jun 12	2624.32	Jun 19	2652.30
Jun 13	2617.17	Jun 20	2643.91
Jun 14	2617.64	Jun 21	2637.22
Jun 15	2622.98	Jun 22	2636.91
Jun 25	2636.90	Jul 2	2602.35
Jun 26	2640.09	Jul 3	2592.55
Jun 27	2618.13	Jul 4	2603.35
Jun 28	2599.68	Jul 5	2607.69
Jun 29	2609.36	Jul 6	2602.86

### Pike River Coal

This company is seeking to raise \$65-85 million from the public issue of 65-85,000,000 shares at 100 cents each. This money, together with another \$45-65 million that the company hopes to be able to borrow from somewhere, will enable it to complete the \$207 million development of the Pike River underground coal mine.

The mine life will be around 19 years, producing just under one million tonnes annually. Underground mining operating costs are estimated at around NZ\$35/tonne and transportation (i.e. trucking 46 km to Greymouth, coastal shipping to Port Taranaki for transfer to export vessels) will add a further NZ\$40/tonne to ongoing operating costs.

Coal mining involves all the usual commodity risks involving volatile selling prices, exchange rate fluctuations and the eventual exhaustion of mineral reserves. A company with just one underground mine is also vulnerable to events that could disrupt production and impact upon profitability. Hopefully the company will never upset any of the environmental groups who have caused significant financial losses to other coal miners on the West Coast!

### Summary and Recommendation

If everything goes well then Pike River Coal could provide a good dividend return to investors over the next two decades. The business, however, involves risk and there is probably limited potential to expand production or grow the company. Overall we favour *non-capital intensive*, sustainable businesses with the potential to steadily grow revenues, profits and dividends each year. So we believe there are probably better places to invest.

## Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Allied Workforce	3.00	09-07	23-07	Full
Jason Travel Media	1.50	20-07	02-08	Full
Loan & Building	8.00	26-06	29-06	Full
Mainfreight Grp	8.00	13-07	20-07	Full
Mr Chips Holdings	4.00	30-07	03-08	Full
Mowbray Collectibles	2.50	27-07	03-08	Full
Smiths City Group	4.00	03-08	13-08	Nil
Software of Excellence	3.00	26-06	02-07	Full
Tourism Holdings	6.00	20-07	25-07	Full

### Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday August 6, 2007.

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

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