

Market Analysis

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Inside Market Analysis

Management take major stake in Austin Group 4	Insider Trades 8 - 11
Campbell Brothers continues to expand 4	Insiders Buy
Centennial Coal to sell Austral Coal and Anvil Hill 5	Nylex, Prophecy International 11, 12

Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Remain fully invested in the recommended shares.

Investment Outlook.

This newsletter regularly points out that a major banking, stockmarket or other economic crisis is likely to happen *several times each year*. All are potentially dangerous, but most are quickly resolved and forgotten. Many help create under-valued investment situations.

Excessive concerns about the global liquidity problem have been forgotten over the last month, and especially the last week! The Australian stockmarket has hit new highs! In New Zealand the NZX50 Index has returned to around its earlier highs, although the broad market remains depressed owing to declines by some medium sized shares.

The NZ dollar - driven by high interest rates and global credit conditions - dipped sharply in response to liquidity problems but has since recovered to approach new highs. We do have concerns about the exchange rate - and any weakening over future years will benefit exporters and companies with offshore businesses, but be unfavourable for importers.

Our Forecasting models are Bullish (i.e. favourable) for the immediate future, but Neutral to slightly unfavourable for the next year.

As we previously pointed out, *insiders* bought heavily during the recent market dip - and continue to buy. In NZ 63.8% of *insider* trades have been Buys over the last five weeks! In Australia the figure is 81.2% Buys (down slightly from the 87.5% we reported last month).

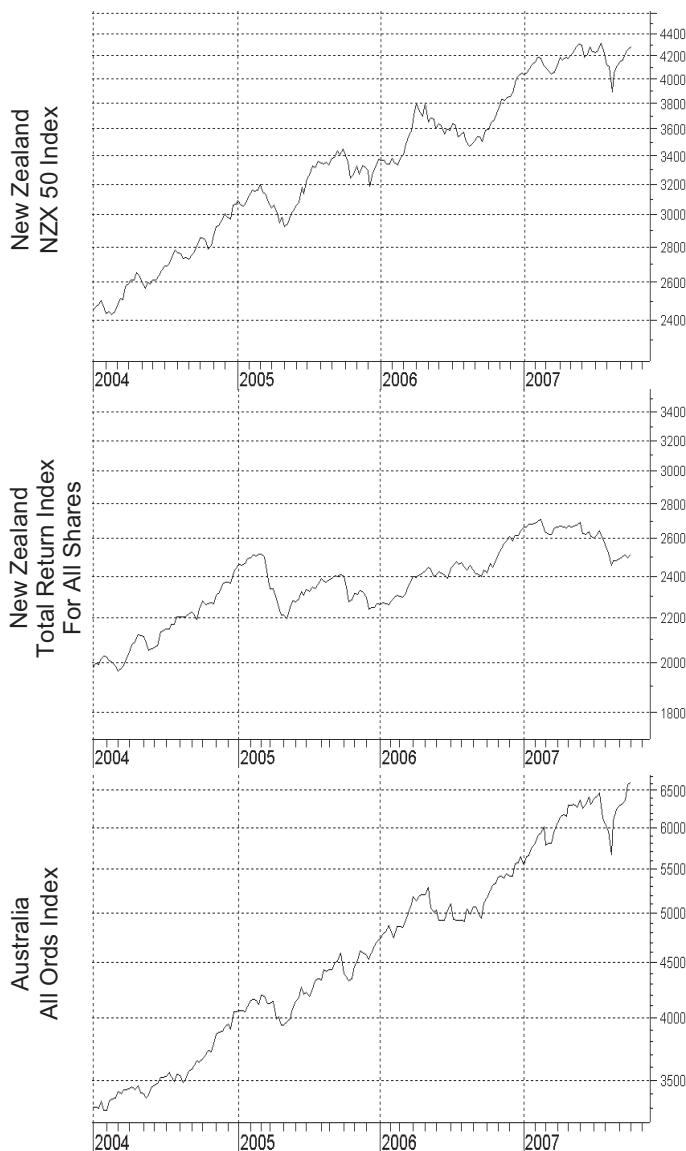
Despite some uncertainty in our Forecasts, the *Recommended Shares* remain an attractive portfolio and we continue to recommend that investors be close to 100% invested in equities.

All NZ based investors need to diversify their portfolios to include Australian shares (which can be bought through any NZ broker). This removes some of the NZ country and currency risk. Plus with 12 times as many listed Australian shares, there is better potential for finding under-valued growth investments.

Younger and/or wealthier investors should invest 10-30% internationally - diversifying to add exposure to other economies and further hedge currency risk.

Stockmarket Forecasts

	<u>One-Month</u>	<u>One-Year</u>
Australia:	79% (Bullish)	54% (Neutral)
New Zealand:	67% (Bullish)	34% (Bearish)



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	23	4.58	NE	Nil	Infratil NZ	B	296	1.96	40	6.3	Pumpkin Patch	C	305	1.39	18	4.4
AMP Onyx Mgmt	C	135	8.63	23	5.7	Jasons Media	A	95	1.31	27	4.7	Pyne Gould Corp	C	420	2.15	13	7.5
AMP Limited	B	1250	1.71	25	2.9	Just Water Int.	C	72	1.74	NE	7.4	Rakon Ltd	D	480	5.52	55	Nil
Abano Health	B	400	1.03	18	4.1	Kermadec Prop.	E	95	N/A	NE	Nil	Renaissance	C	82	0.20	5	19.1
Afco Holdings	D	38	0.20	9	2.6	Kidicorp	D	23	0.91	NE	Nil	Restaurant Brds	D	87	0.27	8	17.2
Air New Zealand	C	236	0.57	12	5.1	Kingfish Ltd	B	133	N/A	2	6.7	Richina Pacific	D	45	0.10	7	Nil
Akd Int Airport	A	309	N/A	41	4.0	Kirkcaldie & St	C	315	0.72	55	Nil	Rubicon Limited	E	88	4.00	NE	Nil
Allied Work.	C	106	0.34	16	7.7	Kiwi Property	C	147	N/A	18	6.5	Ryman Health.	C	220	5.78	26	1.8
Allied Farmers	D	180	0.32	NE	1.7	Life Pharmacy	E	67	4.02	NE	1.1	Salvus Strat.	C	100	2.33	3	8.2
Apple Fields	C	8.0	3.72	14	Nil	Lion Nathan Ltd	A	1095	2.80	23	3.6	Sanford Limited	C	433	1.04	16	7.6
Barramundi Ltd	C	107	N/A	5	Nil	Livestock Imp.	A	168	0.42	5	22.2	Satara Co-op	B	110	0.32	24	6.8
Blis Technology	E	9.0	N/A	NE	Nil	Loan & Building	B	543	1.45	18	4.3	Savoy Equities	E	2.8	N/A	NE	Nil
Botry-Zen Ltd	E	3.4	N/A	NE	Nil	Lombard Group	D	110	0.78	5	Nil	Scott Tech. Ltd	D	190	1.73	NE	2.4
Brierley Invest	D	116	2.45	90	4.5	Lytelton Port	B	230	3.08	24	2.6	Sealegs Corp	E	58	6.74	NE	Nil
Briscoe Group	D	148	0.84	12	8.1	Mainfreight Grp	B	690	0.69	12	3.2	Seeka Kiwifruit	B	340	0.45	15	8.8
Broadway Ind	D	82	0.34	15	2.4	Media Tech.	E	3.0	0.15	NE	Nil	Skellerup Hold.	D	103	0.56	NE	4.3
Burger Fuel	E	60	N/A	NE	Nil	Methven Limited	B	250	1.90	18	6.8	Sky Network TV	B	578	3.64	19	2.6
CDL Investments	C	40	2.82	8	8.6	Metro. LifeCare	B	770	3.93	22	2.9	Sky City Ltd	B	539	3.08	19	7.2
Cabletalk Group	D	28	0.22	NE	Nil	Michael Hill	B	1178	1.29	21	3.3	Smartpay NZ Ltd	D	3.5	0.20	NE	Nil
Cadmus Tech Ltd	E	17	1.81	NE	Nil	Mid-Cap Index	D	327	N/A	NE	Nil	Smiths City	C	62	0.12	8	8.9
CanWest Media	B	269	2.40	25	4.7	Millennium & C.	B	76	1.42	10	4.9	Sol. Dynamics	D	59	0.50	NE	Nil
Canty Bldg Soc.	A	541	1.19	19	4.1	Mowbray Collect	D	165	3.99	NE	2.3	South Port NZ	A	265	4.76	31	4.4
Cavalier Corp	C	320	0.99	14	8.9	Mr Chips Hold	A	135	0.69	12	4.4	Speirs Group	C	65	0.16	NE	6.9
Cavotec MSJ	D	500	1.46	24	Nil	NZ Experience	B	33	1.29	9	13.6	Steel & Tube	B	446	0.84	14	9.7
Cert Organics	D	9.8	2.41	NE	Nil	NZ Exchange Ltd	B	980	N/A	52	3.8	Sthn Travel	A	45	0.21	11	10.0
Charlie's Group	E	18	1.93	NE	Nil	NZ Finance Hold	D	81	1.56	19	3.2	Tag Pacific Ltd	D	35	0.21	3	2.7
Col Motor Co	B	352	0.22	14	9.8	NZ Invest Trust	B	1135	N/A	NE	0.7	Taylor's Grp Ltd	C	175	0.64	12	10.2
Comvita	C	304	1.38	36	2.5	NZ Oil & Gas	N/R	100	N/A	93	Nil	TeamTalk Ltd	B	235	1.94	13	12.7
Connexion	E	24	2.38	NE	Nil	NZ Refining Co	A	781	4.64	14	8.6	Telecom Corp	C	456	1.69	10	11.6
Contact Energy	B	935	2.70	23	4.3	NZ Wine Company	A	254	2.05	23	4.1	Tenon Ltd	D	170	0.22	16	Nil
Cynotech Hold.	C	17	1.52	9	4.4	NZ Wool Service	B	44	0.21	21	Nil	Toll NZ Ltd	C	297	0.86	18	Nil
Delegat's Group	A	282	2.12	19	2.4	NZ Windfarms	D	122	N/A	NE	Nil	Tourism Hold.	B	237	1.23	17	6.9
Dominion Fin.	C	158	1.39	6	8.0	NZSX 50 Port.	C	195	N/A	NE	Nil	Tower Limited	D	230	0.61	7	Nil
Dorchester Pac	C	106	0.39	13	12.7	NZSX 10 Fund	D	133	N/A	NE	Nil	Training Sol.	E	0.6	0.01	NE	Nil
Eastern Hi-Fi	E	32	0.21	NE	Nil	NZX Aust MidCap	C	770	N/A	NE	Nil	Trust Power Ltd	B	870	4.38	28	4.6
Ebos Group Ltd	C	504	0.60	18	6.7	Nat Property Tr	D	68	4.30	17	7.4	Turners & Grow.	C	225	0.38	12	9.3
F & P Appliance	C	355	0.71	16	7.6	New Image Group	E	11	0.88	NE	Nil	Turners Auction	C	110	0.41	10	15.6
F & P Health.	C	334	4.79	30	5.5	Northland Port	A	325	N/A	15	5.1	Utilico Int'l	C	55	3.10	8	Nil
Feltex Ltd	E	3.0	0.02	NE	Nil	Nuplex Indust	B	758	0.42	23	5.5	VTL Group Ltd	D	70	0.44	9	Nil
Finzsoft Sol'ns	C	115	1.28	52	5.8	Oyster Bay	B	260	2.44	59	2.9	Vector Ltd	C	238	1.76	23	8.2
Fletcher Build.	B	1220	1.03	13	5.5	Ozzy (Wrights)	C	408	N/A	NE	Nil	Viking Capital	E	20	3.91	5	Nil
Freightways Ltd	C	383	1.74	20	7.0	PGG Worldisons	B	198	0.54	21	9.0	WN Drive Tech.	E	46	N/A	NE	Nil
Genesis Res.	D	31	3.87	NE	Nil	POD Ltd	D	49	0.32	NE	Nil	Wakefield Hlth	C	750	1.60	28	3.4
Goodman Prop.	B	155	N/A	19	6.6	Pac Edge Bio.	E	13	N/A	NE	Nil	Warehouse Group	C	537	0.95	14	4.9
Guinness Peat	D	195	0.63	24	1.5	Pike River Coal	E	93	N/A	NE	Nil	Widespread Prop*	N/R	1.6	N/A	NE	Nil
Hallenstein G.	C	450	1.34	13	11.6	Plus SMS Hold.	E	8.0	N/A	NE	Nil	Windflow Tech.	C	350	8.37	NE	Nil
Hellaby Hold.	C	285	0.29	16	5.2	Port Tauranga	A	696	6.65	25	4.7	Wool Equities	D	73	0.81	NE	Nil
Heritage Gold *	N/R	6.0	N/A	NE	Nil	Postie Plus Grp	C	80	0.23	12	11.2	World Index Fd	D	144	N/A	NE	Nil
Horizon Energy	B	330	2.75	16	8.6	Propertyfinance	E	110	0.40	NE	Nil	Xero Live Ltd	D	84	N/A	NE	Nil
ING Med. Prop.	C	125	8.92	17	7.6	Property F Ind.	C	144	N/A	21	6.1	Zintel Comm.	C	37	0.47	7	8.1
ING Property	C	116	8.29	18	9.1	Provenco Group	E	55	0.45	NE	Nil	Ave of 152 Cos	C	245	0.36	18	4.1
ABB Grain Ltd	B	738	0.93	16	4.1	Cons Minerals	A	495	3.82	36	1.3	Nat'l Aust Bank	C	4076	3.64	27	4.1
ABC Learning	B	657	4.09	32	1.7	Corp Express	A	717	1.16	20	2.5	New Hope Corp.	A	245	7.71	29	1.9
AED Oil Ltd	B	1003	N/A	NE	Nil	Crane Group	A	1699	0.50	33	3.5	Newcrest Mining	A	2820	6.01	NE	0.2
AGL Energy Ltd	B	1635	1.88	17	2.2	DB Reef Trust	B	204	8.42	5	5.5	News Corp.	B	2664	2.47	21	0.5
AMP Ltd	B	1057	1.64	24	3.0	DUET Group	B	327	2.34	73	7.6	Nufarm Limited	A	1423	1.46	20	2.1
ANZ Bank	B	3057	5.53	15	4.1	David Jones	C	501	1.14	21	4.4	Oil Search Ltd	B	417	5.45	9	2.6
APA Group	C	370	3.00	25	5.4	Deutsche Div Tr	C	131	6.10	14	7.1	Onesteel Ltd	A	687	0.98	21	2.1
APN News Media	C	534	1.92	15	1.8	Djerriwarrh	A	530	N/A	12	4.9	Orica Ltd	C	3110	2.04	17	2.4
ASX Limited	B	5466	N/A	32	3.0	Downer EDI Ltd	B	655	0.39	13	3.2	Origin Energy	A	1007	1.40	24	2.1
AXA Asia Pac	B	815	2.33	21	2.3	Dyno Nobel Ltd	B	256	1.28	19	2.2	Oxiana Ltd	B	379	N/A	NE	2.1
Abacus Property	B	196	6.03	10	6.4	Energy Resource	B	1959	N/A	86	0.9	Pacific Brands	B	312	0.86	15	5.3
Adelaide Bank	B	1473	4.66	17	4.4	Energy World	C	84	N/A	17	Nil	Paladin Res.	E	682	N/A	NE	Nil
Adelaide Bright	B	386	2.64	20	3.2	Equinox Min.	C	485	N/A	NE	Nil	Paperlin X Ltd	C	304	0.17	17	3.6
Aditya Birla	C	386	3.73	NE	Nil	FKP Limited	B	710	4.44	10	2.3	Perpetual Ltd	C	7640	6.75	17	4.7
Allico Finance	B	918	5.83	15	4.8	Fairfax Media	B	475	3.23	27	4.2	Platinum Asset	D	677	N/A	25	Nil
Alumina Ltd	B	694	N/A	16	3.5	Felix Resources	A	590	4.59	24	1.0	Portman Limited	C	1140	5.65	24	Nil
Amcor Ltd	B	751	0.61	19	4.5	Flight Centre	B	2065	1.69	16	3.2	Primary Health	B	1210	5.41	27	3.7
Aneka Tambang	B	620	N/A	NE	1.8	Fortescue Metal	C	4971	N/A	NE	Nil	Publishing & Br	B	1983	6.69	46	2.8
Ansell Ltd	A	1270	1.47	17	0.9	Foster's Group	B	674	2.79	17	3.5	Q.B.E. Insur.	B	3354	2.30	18	2.8
Aquarius Plat.	A	3770	7.65	37	0.6	Futuris Corp.	B	206	0.49	15	4.6	Qantas Airways	B	565	0.74	16	5.3
Argo Investment	B	822	N/A	27	3.3	GPT Group	B	492	N/A	7	5.6	Queensland Gas	D	253	N/A	NE	Nil
Aristocrat Leis	B	1384	6.02	27	2.6	GWA Internat'l	B	374	1.62	19	5.2	Ramsay Health	B	1063	0.87	17	2.7
Arrow Energy	C	253	N/A	NE	Nil	Gandel R. (CFS)	B	194	N/A	19	5.4	Reece Australia	A	2925	2.22	28	1.8
Aust Wealth Mgt	B	258	5.10	25	3.7	Goodman Fielder	B	222	1.27	13	5.8	Rio Tinto Ltd	A	10765	1.45	6	1.4
Australand Prop	B	236	2.07	9	7.0	Guinness Peat	B	167	0.77	32	1.5	SF Aus Ltd	C	126	3.48	8	2.6
Aust W'wide Exp	C	348	N/A	NE	Nil	Guns Ltd	B	365	1.92	16	3.8	Santos Ltd	C	1526	3.30	14	2.6
Aust Foundation	B	600	N/A	22	3.5	Harvey Norman	A	600	4.78	20	1.8	Seek Ltd	A	872	N/A	45	1.6
Aust Resources	C	151	N/A	NE	Nil	Havilah Res.	C	185	N/A	NE	Nil	Seven Network	A	1325	1.15	2	2.2
Aust Infra.	B	332	9.40	11	4.4	Healthscope	A	575	1.20	24	2.5	Sigma Pharm.	B	150	0.53	14	5.9
Austar United	C	167	4.19	10	Nil	Henderson Group	B	396	N/A	76	1.9	Silex Systems	C	930	N/A	NE	Nil
B & B Infrast.	B	166	2.43	29	8.6	Hills Indust.	A	595	1.02	22	4.6	Sims Group Ltd	A	3070	0.70	15	3.9
B&B Power	C	316	0.36	NE	4.4	ING Office Fund	B	177	9.67	4	6.5	Sino Gold Min.	C	710	N/A	NE	Nil
BHP Billiton	A	4410	2.64	9	1.3	ING Indust Trt	A	280	N/A	8	5.9	Sonic Health	A	1620	2.58	25	2.8
Babcock & Brown	B	2890	3.88	25	1.2	Iluka Resources	C	549	1.20	11	4.0	Soul Pattinson	B	935	2.45	24	2.9
Bank of Q'land	B	1840	1.73	21	3.1	Incitec Pivot	B	8270	3.75	89	1.2	St George Bank	B	3650	6.39	18	4.1
Beach Petroleum	B	147	2.29	13	1.2	Insurance Aust.	B	525	1.31	17	5.6	Sthn Cross Brd.	A	1715	2.36	21	4.3
Bendigo Bank	B	1387	3.56	16	3.7	JB Hi-Fi Ltd											

Recommended Investments

Cavalier Corporation is to acquire a 70% interest in **Norman Ellison Carpets** for \$5.6 million (i.e. will issue about 1,600,000 new shares and pay \$500,000 in cash). The business was established in 1975 as a distributor but expanded to become an integrated carpet manufacturer. The business generates annual revenues of \$60 million and earnings (before interest and tax) of \$6.5 million. This acquisition is therefore being made at a low valuation - a Price/Sales ratio of about 0.13 and a Price/Earnings ratio of around 3-3½ - which will boost earnings per share and should help increase the value of Cavalier Corporation shares. (Continued on Page 4)

Cavalier Corporation



Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Perform- mance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<u>NZ Shares</u>													
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	C	218.9	1.4	2.82	8	8.6	40	15.6	+122%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	65.5	0.8	0.99	14	8.9	320	207.0	+238%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.5	0.22	14	9.8	352	302.8	+336%
HOLD	Lytelton Port Company	LPC	12/12/00	150	B	102.3	0.7	3.08	24	2.6	230	60.6	+94%
HOLD+	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	38.3	0.4	1.29	21	3.3	1178	206.0	+2909%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	B	79.9	0.5	0.42	23	5.5	758	176.5	+167%
BUY	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.0	0.23	12	11.2	80	6.0	+21%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	39.0	1.0	0.20	5	19.1	82	50.9	+56%
BUY	Smiths City Group	SCY	09/10/06	64	C	53.0	1.3	0.12	8	8.9	62	5.5	+5%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.6	4.76	31	4.4	265	94.3	+199%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	B	88.2	0.7	0.84	14	9.7	446	193.0	+338%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	C	24.3	0.7	0.64	12	10.2	175	74.0	+144%
<u>Australian Shares</u> (in Aust cents)													
HOLD	AJ Lucas Group	AJL	13/05/03	120	A	54.2	1.0	0.76	26	0.8	304	22.5	+172%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	B	89.3	1.4	2.81	12	8.5	41	13.5	-25%
BUY	Austin Group Ltd	ATG	08/02/05	93	C	62.2	1.4	0.41	NE	Nil	36	7.0	-54%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	51.6	0.3	2.40	30	2.4	2955	262.6	+693%
BUY	Candle Australia	CND	08/04/03	86	B	53.4	0.8	0.58	13	5.9	322	52.5	+335%
HOLD+	Cellnet Group Ltd	CLT	12/02/02	152	C	53.1	1.1	0.07	NE	Nil	70	33.5	-1%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	A	305.6	0.8	1.22	NE	3.5	370	34.0	+477%
BUY	Circadian Technologies	CIR	10/02/04	188	D	40.1	1.0	19.29	NE	Nil	125	65.0	+1%
HOLD+	Commander Comm.	CDR	11/09/01	92	C	228.8	1.4	0.13	NE	3.4	60	25.2	-8%
BUY	Computershare Ltd	CPU	12/08/03	189	C	590.9	0.6	3.38	20	1.8	945	51.5	+427%
BUY	Devine Ltd	DVN	13/11/06	94	C	236.8	0.9	0.56	14	6.2	130	8.0	+47%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	68.4	1.3	1.21	24	Nil	82	Nil	+66%
HOLD+	Housewares Int'l	HWI	13/11/06	171	D	125.0	0.8	0.72	16	Nil	214	Nil	+25%
HOLD	Int'l AllSports	IAS	11/02/03	180	C	66.4	1.5	0.02	NE	Nil	38	4.0	-77%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	232.9	0.8	1.20	11	4.0	549	64.0	+30%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	C	82.2	1.5	0.34	NE	Nil	39	Nil	-68%
BUY	M2 Telecommunications	MTU	09/10/06	33	A	60.2	1.2	1.09	20	3.8	79	1.0	+142%
HOLD	Mercury Mobility	MMY			C	105.0	2.0	N/A	NE	Nil	31		
HOLD	Melbourne IT	MLB	10/02/04	53	B	76.0	0.6	2.64	42	2.3	355	29.0	+625%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	0.9	2.62	28	3.4	125	9.3	+60%
HOLD	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	B	107.8	1.1	0.18	5	9.2	60	3.5	-2%
BUY	Ross Human Directions	RHD	14/08/01	92	B	82.9	1.3	0.14	10	6.8	59	29.0	-4%
HOLD+	Skilled Engineering	SKE	12/03/02	126	B	104.6	0.6	0.38	18	4.3	508	98.5	+381%
HOLD+	Technology One Ltd	TNE	11/11/03	44	B	297.7	1.0	4.03	21	3.5	106	13.1	+171%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	162.1	1.2	3.43	8	3.6	96	0.9	+114%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	25.6	0.5	1.26	29	2.2	1380	78.5	+468%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +232.7%. This is equal to an average annual rate of +40.6%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 37 current and 138 closed out) is +35.4%, compared with a market gain of +8.4% (by the SRC Total Return Index).

CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues. * Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

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

Recommended Investments (Cont'd from Page 3)

The issued capital will increase just 2.4% to finance this acquisition but annual revenues will rise almost 30% to around \$270 million, with profits about 10-15% higher. That would lift earnings per share around 7-12%. Furthermore, Cavalier Corporation expects cost savings from synergies in manufacturing and marketing which could further boost revenues and profit margins.

Postie Plus Group lifted revenues 8.9% to \$136.6 million for the year to 31 July 2007. Profits for the second half year rose, but the annual profit was down 30.4% at \$2,732,000 (6.8 cents per share). A final dividend of 4.0 cents will make the annual dividend rate 14.3% lower at 6.0 cents (plus full imputation tax credits).

There was a cash operating *deficit* of \$5.1 million, down from a high surplus of \$9.0 million in 2006.

Jan Cameron, founder of **Kathmandu**, has recently purchased 3,450,000 Postie Plus Group shares (8.6% of the company).

Postie Plus Group



Renaissance Corporation



Australian Shares

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

Austin Group has employed investment bank **Kidder Williams** to help with a review to “explore strategic business and commercial opportunities”.

Of more significance is a change in ownership and control of the company. The transfer of shares has been at 45 cents, about a 60% premium to the market price before the deal was announced. Chairman Richard Austin sold all of his 13,054,113 shares and another director, D Zappelli, sold all of his 5,160,596 shares.

The existing major shareholder **Hawkwood Investments** purchased 2.8 million of these shares (increasing its holding to 12.4 million) and provided unsecured funding for the Chief Executive B Santamaria to purchase 12.3 million shares (19.5% of the company) for \$5.5 million and Chief Financial Officer D McLean to purchase 3.0 million shares (4.9%) for \$1.35 million.

This change of ownership offers the advantages of a private equity fund investment structure where management are motivated with significant debt funded equity investments in the company - but *without* the huge fees charged by a private equity fund manager.

This large investment by senior executives would justify investors following their example and adding to holdings in Austin Group. Therefore we are again upgrading our recommendation to “Buy”.

Austin Group



Campbell Brothers has announced an acquisition and a joint venture to expand its business. The company has acquired the leading coal analysis business **ACIRL Pty** for \$76.8 million in cash. ACIRL operates eight major laboratories and five on-site laboratories in New South Wales and Queensland with a 46% share of the coal testing market. The company says this “complements our existing start-up coal testing operations” but more likely just takes them straight to a leading position in this industry in Australia - with coal testing knowledge that can now be taken worldwide to expand the group's range of services and revenues.

Campbell Brothers is also set to rapidly expand in the Russian mineral testing business. The company had established an office in Moscow and was completing a large minerals testing laboratory in Chita, south eastern Russia. That will now be transferred to a joint venture with **MMC Norilsk Nickel**, which is the largest mining and minerals company in Russia. Campbell Brothers will own 75% of the joint venture. A joint venture with its largest potential customer is an excellent way to expand in a new market. Given the potential problems operating in Russia, a joint venture with a large Russian incorporated company also looks like an attractive strategy. Total expenditure on mineral exploration in Russia is growing rapidly and is currently about half of the exploration expenditure in Australia. So this is a big market where Campbell Brothers will be able to establish many new laboratories.

Campbell Brothers



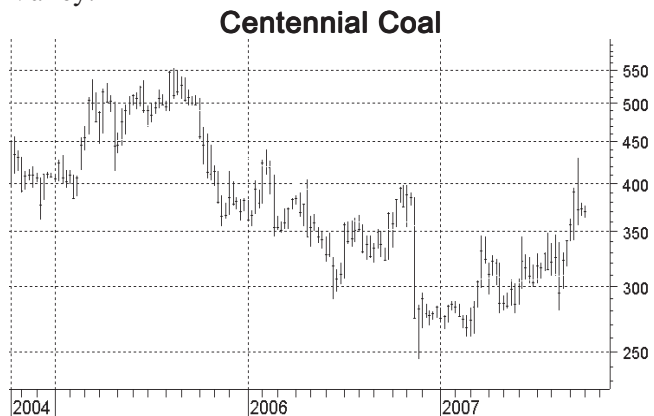
Centennial Coal has announced that it plans to sell both its 86% interest in **Austral Coal** for \$479 million in cash (plus receive the re-payment of loans to Austral Coal of \$156 million) and all of its *Anvil Hill* development project for \$425 million to **Xstrata**. These sales will realise around \$1,060 million - or a gain of about \$350 million over book value or \$300 million over estimated value.

Centennial Coal would use this cash to reduce interest bearing debt to a 40% target gearing and *could* pay a special dividend, capital repayment or buy-back shares.

Sale of these assets will change the investment characteristics of Centennial Coal. *Growth* potential would diminish, but so would the need to retain profits, borrow and/or raise capital to develop the *Anvil Hill* mine. The business could still grow, albeit more slowly, from its other mines, but would become more of an *income* type investment. With about 33 years of coal reserves (and also 200 years of coal resources) and low debt levels, Centennial Coal should be able to generate strong cash flows and profits. With little need to retain cash, most could be distributed through a high dividend payout to shareholders.

It is difficult to estimate potential profit levels and dividend distributions - but there is potential for the shares to appreciate if Centennial Coal generates reasonable profits and becomes an attractive *income* share.

The group is also looking at developing coal seam methane from *Mandalong* and has "attractive land holdings" in the developing Central Coast and Hunter Valley.

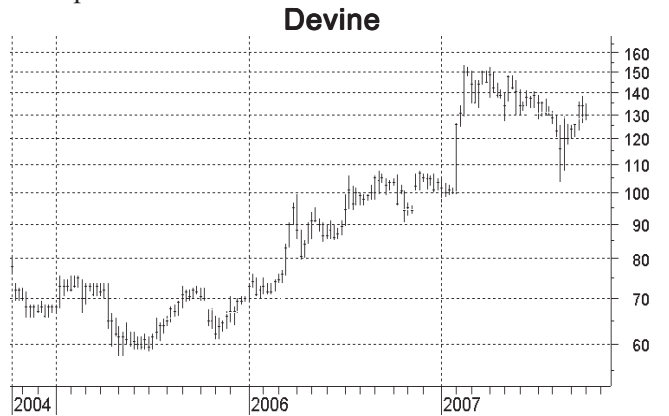


Devine has proposed a \$300 million, 37-storey commercial tower on the site of an existing 1850's Presbyterian Church at 145 Ann Street. The development will have 33,000m² of lettable space and 174 car parks. Subject to development approval, construction will begin in mid-2008 and be completed in early 2011.

Devine has begun construction of a \$75 million, four level commercial development of 4,900m² at the Butterfield Street site acquired in June. Completion is scheduled for August 2008.

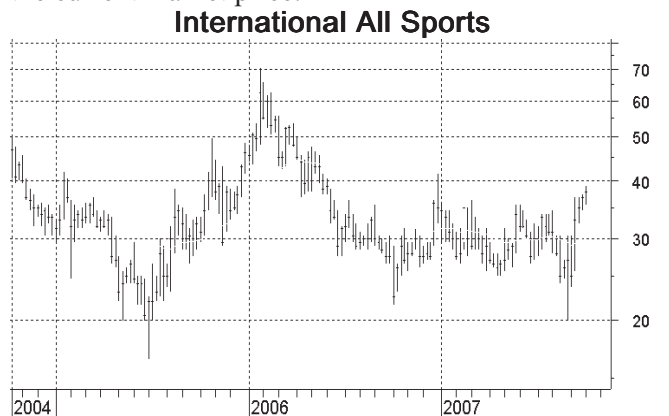
Its residential land development division has purchased the 157.9 hectare partially-developed *Sandstone Lakes Estate* 4km south of Bribie Island and 44km north of Brisbane for \$38 million. The project has development approval for 437 housing lots which it can start bringing to market immediately.

It has also purchased 41.86 hectares of another partially completed residential land development at Truganina, 20km west of Melbourne for \$18 million. This will be developed in six stages, commencing in the first quarter of 2008.



International All Sports has announced that a party has approached the company about the "possibility of making separate offers to acquire the shares or assets" of the company (i.e. making a takeover offer or seeking to acquire its assets and business).

While nothing may come of these discussions, any takeover would need to be at a significant premium to the current market price.



Keycorp has signed a managed services contract with a major oil company to manage EFTPOS terminals for a network of petrol stations throughout Australia. Keycorp had already supplied and installed equipment and will now maintain the system and provide a help desk - which is expected to generate revenues of about \$2 million annually over the three year contract.

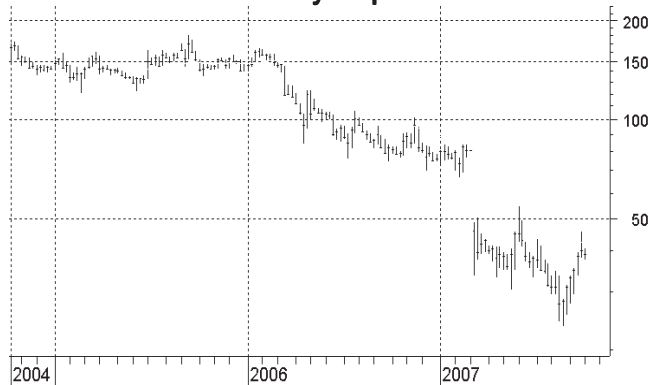
(Continued on Page 6)

Recommended Investments

(Continued from Page 5)

Keycorp has also received a \$5.8 million order for EMV contact and contactless smartcards from a major Korean bank which will mainly be shipped this financial year (to June 2008).

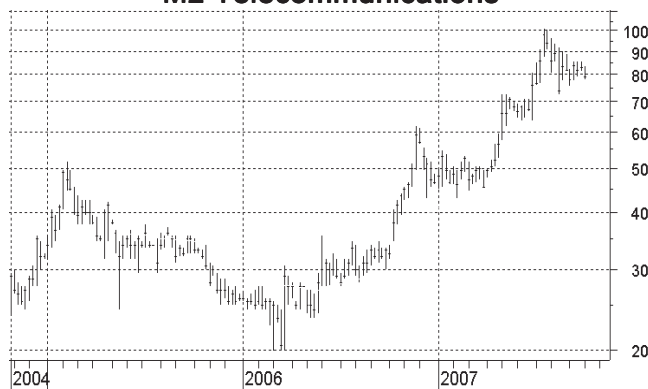
Keycorp



M2 Telecommunications has completed its acquisition of **Orion Telecommunications**. The company is predicting earnings per share will increase 72% this year to 6.9 cents. With the shares at 79 cents, that would give a Price/Earnings ratio of just 11.

The current dip from recent highs of 100 cents also offers an attractive buying opportunity for investors not owning (or under-weighted in) M2 Telecommunications shares. "Buy".

M2 Telecommunications



Ross Human Directions has acquired **Aurion Corporation** - a leading developer of Human Resources Management software - for \$9 million (i.e. \$8.65 million in cash plus \$350,000 in shares). This business has 47 employees, is profitable and generated revenues of \$8.7 million over the last year. The purchase price is a Price/Sales ratio of 1.03 - which is quite low for a software business which can be valued around 2-5 times revenues (owing to potentially high profit margins).

The two businesses are complementary and Ross Human Direction expects synergies in operations and marketing as well as cross-selling opportunities which will be "a catalyst for further organic growth".

Ross Human Directions



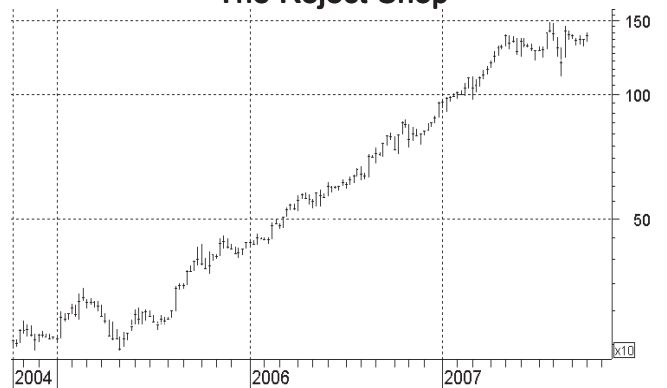
Skilled Group has made yet another acquisition - albeit a relatively small one. The company will pay \$3.6 million (and provide additional working capital) to acquire the assets and business of **Hudson's Trade and Industrial**. This business provides skilled and semi-skilled blue collar labour to mining, manufacturing, transport and logistics businesses, generating annual revenues of around \$55 million and earnings (before interest, depreciation and tax) of about \$2 million. Excluding the investment required to provide working capital, this is an attractively priced acquisition, with a P/S of only 0.07 and a low P/E of about 4-5.

One-off costs of \$600-700,000 integrating the business will depress the initial earnings contribution to around \$700,000 over the eight months to June 2008 but with full earnings in following years!

Skilled Group



The Reject Shop



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
	Share Price	Cur. rent	4-Wk Chg.	Rank	Buy/Sell	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0											
ZyloTech	6	-7.8	-4.1	71	0-0	6.1	-1.9	NE	Nil	N/A	8
Iress Mkt Tech	845	-0.6	-4.4	47	5-0	11 26.4	68 0.4	39 2.5	9.95	944	
Transurban Grp	720	-4.8	-1.4	63	5-2	7 2.1	-0.2	NE	7.5	9.75	7,692
Advent Ltd	66	-12.0	+1.3	80	0-0	-0.9	-0.7	NE	36.6	9.70	14
Kingsgate Cons.	550	-0.1	-1.8	45	0-0	3 3.3	-0.7	NE	Nil	9.69	510
Novogen Ltd	170	-13.3	+1.4	82	2-0	-3.0	-0.7	NE	Nil	9.59	166
Clinical Cell	3	-26.9	+3.3	96	0-0	-0.9	-2.7	NE	Nil	9.19	14
Atlantic Ltd	2	-6.8	-0.3	69	0-0	-2.1	-3.0	NE	Nil	9.13	7
APN Property	305	-4.1	+0.1	60	0-1	1 8.0	35 0.5	23 3.3	8.66	394	
Orchard Indust.	88	-2.9	-1.0	56	2-0	-	-0.9	NE	Nil	8.65	304
China Education	36	-11.9	-3.8	79	4-0	-5.1	13 1.5	38 Nil	8.57	115	
B & B Wind Part	174	-1.4	-3.0	51	0-0	6 2.3	2 0.6	136 7.2	8.43	998	
Desane Group	73	-2.4	-0.3	54	0-0	-0.8	7 0.7	12 4.1	8.43	20	
Macquarie C'Wde	202	-3.3	-0.4	58	1-1	8 1.0	19 0.3	5 7.7	8.34	2,659	
Centro Property	774	-6.9	-2.0	69	2-0	-3.4	24 0.3	14 5.1	8.23	6,541	
First Aust Res.	12	-4.3	-8.2	61	0-0	-	-1.8	NE	Nil	8.16	23
Biodiem Ltd	20	-12.0	-2.4	80	0-0	-1.4	-1.1	NE	Nil	8.06	10
Peptech Limited	119	-11.0	-1.1	78	9-0	-1.0	3 0.6	38 Nil	7.87	195	
Cabcharge Ltd	994	-3.5	-6.9	58	7-0	12 7.6	33 0.4	23 3.0	7.84	1,183	
Probiotics Ltd	4	-11.6	+0.6	79	0-0	-	-2.3	NE	Nil	7.76	7
Reverse Corp	425	-2.0	-9.7	53	0-3	3 47.2	-0.4	19 5.2	7.70	392	
Oncard Int'l	33	-4.3	-3.7	61	0-0	-6.5	18 0.7	37 Nil	7.68	51	
Empire Beer Grp	17	-12.5	+1.4	81	3-0	-	-1.2	NE	Nil	7.67	5
RP Data Ltd	175	-3.7	-7.5	59	0-0	-	-0.6	91 1.0	7.61	242	
DenX Ltd	7	-0.1	+0.0	45	0-0	-3.7	-1.5	NE	Nil	7.55	12
Quiktrak Netwks	5	-28.8	-4.1	97	2-0	-	-2.5	NE	Nil	7.54	20
Extract Res.	54	-14.6	-4.7	85	9-0	-	-1.2	NE	Nil	7.50	45
ING Real Estate	111	-0.8	-0.6	48	0-0	-1.1	12 0.6	9 7.6	7.47	55	
Reef Casino Trt	360	-7.3	-1.5	70	0-0	-1.5	6 0.3	27 4.4	7.40	179	
Cazaly Res Ltd	37	-17.1	-8.8	89	0-0	-	-1.1	NE	Nil	7.33	19
Tasmanian Perp	680	-0.4	-2.3	46	0-0	-8.0	42 0.4	19 4.7	7.29	148	
Admerex Ltd	7	-5.3	-4.3	64	0-0	-1.1	-1.5	NE	Nil	7.14	23
ASF Group Ltd	2	-0.0	+0.0	44	0-0	-	-3.1	9 Nil	7.08	24	
Tanami Gold NL	13	-6.0	-0.2	66	4-0	-1	-1.4	NE	Nil	7.07	74
Impact Capital	60	-1.9	-2.1	52	3-1	-2.2	-0.6	NE	Nil	7.06	39
Safe Effect	4	-12.9	-1.7	81	1-0	-0.7	-2.0	NE	Nil	7.02	18
Samson Oil/Gas	21	-8.7	+2.5	73	1-0	-	-1.3	NE	Nil	6.98	40
Van Eyk Blue AP	920	-2.5	-3.3	55	1-2	-0.9	7 0.4	12 12.9	6.97	37	
Starpharma Hold	36	-8.6	-0.4	73	4-1	-6.0	-0.8	NE	Nil	6.77	65
Perpetual Ltd	7640	-1.7	-1.7	52	3-3	10 12.9	75 0.4	17 4.7	6.75	3,147	
Publishing & Br	1983	-4.1	+0.8	60	0-0	2.8	6 0.3	46 2.8	6.69	13,491	
Sterling BioFl	20	-31.1	+1.2	98	0-0	-0.4	-1.1	NE	Nil	6.67	7
Roc Oil Company	317	-0.4	-1.4	46	1-5	7	-0.7	NE	Nil	6.49	945
Portland Ortho.	25	-9.2	-2.3	74	1-0	-4.2	-1.0	NE	Nil	6.46	37
Pet Ltd	377	-2.6	-1.4	55	0-0	2	-0.4	18 5.2	6.46	834	
Trust Company	1156	-1.7	-2.0	51	5-1	1 3.3	22 0.2	15 3.8	6.43	374	
Bendigo Mining	30	-21.8	+3.4	93	3-0	3 1.4	-1.1	NE	Nil	6.40	52
St George Bank	3650	-0.8	-0.4	48	2-0	13 5.1	28 0.3	18 4.1	6.39	19,220	
Advanced Engine	15	-13.7	-6.3	83	0-0	-	-1.3	NE	Nil	6.30	19
Aust Education	178	-1.7	+0.2	52	1-0	4 1.4	15 0.3	9 7.7	6.29	152	
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average											
Empowemet Int.	5	-42.8	+2.0	99	0-1	-	-2.1	NE	Nil	1.10	8
GoldLink Income	19	-41.2	+2.8	99	3-0	-0.3	-0.9	NE	Nil	1.25	23
Aust Biodiesel	9	-39.0	+4.7	99	2-0	-0.5	-1.4	NE	Nil	0.66	12
ST Synergy Ltd	45	-38.1	-0.4	99	0-0	-3.5	-0.6	NE	Nil	N/A	31
Golden State	20	-37.7	-1.6	99	2-2	-	-1.5	NE	Nil	N/A	26
KH Foods Ltd	19	-36.1	+1.8	99	0-0	-0.1	-0.8	NE	Nil	0.37	23
Perseverance	14	-35.8	-2.3	99	0-0	8 4.5	-1.5	NE	Nil	0.82	96
Life Therapeut.	68	-35.6	-0.9	99	3-1	-3.4	-0.6	NE	Nil	1.14	73
Adv. Magnesium	13	-34.6	-2.8	98	4-0	-1.6	-1.0	NE	Nil	N/A	11
Natural Fuel	27	-34.5	-4.2	98	1-0	-0.8	-0.9	NE	Nil	N/A	90
Viagold Capital	200	-33.4	+3.7	98	0-0	-	-0.5	NE	Nil	0.44	25
Coziron Res.	16	-32.3	-5.4	98	1-0	-	-1.1	NE	Nil	N/A	7
Sterling BioFl	20	-31.1	+1.2	98	0-0	-0.4	-1.0	NE	Nil	6.67	7
Rittract Limited	4	-30.6	+3.3	98	0-0	-4.0	-1.9	NE	Nil	N/A	5
Uran Limited	33	-30.5	+2.9	98	1-1	-	-1.0	NE	Nil	N/A	19
B & B Env. Inv.	48	-30.2	-0.6	98	4-1	1 0.5	5 0.8	9 Nil	0.73	64	
Harvest Road	6	-29.8	-3.7	98	0-0	-1.5	-1.9	NE	Nil	1.55	5
Senetas Corp	13	-29.7	+3.6	98	2-2	1 3.3	-1.6	NE	Nil	5.42	60
Intellect Hold	9	-28.9	+2.3	97	0-0	-	-2.0	NE	Nil	0.34	5
Coneco Ltd	20	-28.9	-4.4	97	1-0	-1.8	-1.6	NE	Nil	N/A	8
Quiktrak Netwks	5	-28.8	-4.1	97	2-0	-	-2.3	NE	Nil	7.54	20
Res & Invest NL	15	-28.7	-5.5	97	0-0	-	-1.0	NE	Nil	N/A	43
Pharmaust Ltd	4	-28.6	-4.2	97	1-1	-0.5	67 1.9	1 Nil	0.74	9	

Company	STRENGTH RATING										Market Cap'n
	Share Price	Cur. rent	4-Wk Chg.	Rank	Buy/Sell	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	
Korab Resources	29	-28.6	-5.5	97	2-0	-	-1.0	NE	Nil	N/A	13
Globe Int'l Ltd	115	-28.4	-1.4	97	4-0	3 8.2	-0.6	NE	Nil	0.38	48
CFK Childcare	21	-28.3	+9.3	97	0-0	-	-1.1	NE	Nil	0.87	19
Lafayette Min.	3	-28.2	-0.1	97	0-0	1	-2.2	NE	Nil	3.61	12
Elemental Min.	16	-27.8	+0.5	97	0-0	-	-1.2	NE	Nil	N/A	5
Apollo Life Sci	17	-27.7	-2.6	97	1-0	-3.4	-1.0	NE	Nil	N/A	32
Safety Medical	31	-27.6	-3.4	97	2-1	-15.5	-0.8	NE	Nil	N/A	22
Aust Ren. Fuels	25	-27.4	-4.5	96	0-0	-1.3	-0.9	NE	Nil	3.14	43
Newland Res.	11	-26.9	-6.8	96	0-1	-	-1.2	NE	Nil	3.61	18
Clinical Cell	3	-26.9	+3.3	96	0-0	-0.9	-2.5	NE	Nil	9.19	14
Renison Cons	4	-26.6	-1.6	96	3-0	1	-2.1	NE	Nil	N/A	20
Environ. Clean	12	-26.5	+0.1	96	0-0	-	-1.0	NE	Nil	N/A	32
Northwood Abbey	5	-26.1	+0.8	96	0-0	-1.2	-1.9	NE	Nil	N/A	10
Quest Investm't	15	-26.1	+6.6	96	0-0	-1.1	5 0.9	21 Nil	0.83	5	
Emperor Mines	10	-25.7	-1.9	95	1-0	1 2.5	-1.7	NE	Nil	1.05	103
Retail Star Ltd	2	-25.5	-5.6	95	0-0	-	-2.9	NE	Nil	N/A	8
P-Sivida Ltd	12	-25.5	-0.0	95	0-0	-	-1.4	NE	Nil	N/A	46
Mooter Media	29	-24.8	+5.0	95	0-0	-1.2	-1.2	NE	Nil	N/A	11
U308 Ltd	37	-24.6	-6.4	95	0-0	-	-1.1	NE	Nil	N/A	24
Tow Way Ltd	12	-24.5	-2.9	95	3-2	-0.7	-1.2	NE	Nil	5.11	11
Fulcrum Equity	4	-24.5	-1.4	95	0-0	-4.0	-1.8	NE	Nil	1.35	18
Austin Explor.	22	-24.4	-1.4	95	0-0	-	-1.1	NE	Nil	N/A	13
Highland Pac.	11	-24.3	-1.1	95	0-0	1	-1.6	NE	Nil	N/A	53
WCP Resources	10	-24.0	-2.9	95	1-0	-	-1.5	NE	Nil	N/A	16
Konekt Limited	14	-23.9	+0.7	95	3-0	-2.3	-1.1	NE	Nil	0.27	7
Olympia Res.	7	-23.7	-0.2	94	0-0	-	-2.1	NE	Nil	N/A	8
Lion Energy Ltd	14	-23.4	+1.1	94	0-0	-0.7	-1.2	NE	Nil	3.95	9

INSIDER SELLING: Most Insider Selling, Relative Strength < 0											
CBH Resources	51	-4.5	-2.6	62	0-10	3 2.8	26 1.3	11 Nil	1.56	421	
Metallica Min.	66	-4.4	-9.3	62	1-11	-	-0.8	NE	Nil	N/A	60
Jupiter Mines	25	-1.5	-0.5	51	1-11	-	-1.1	NE	Nil	N/A	16
IBA Health Ltd	96	-9.6	-2.3	75	1-10	3 4.5	22 0.7	21 1.6	5.32	423	
Village Road.	295	-2.1	-1.2	53	0-7	1	-0.4	16 6.1	0.48	732	
Jubilee Mines	1611	-1.9	+0.7	52	1-7	9 6.2	51 0.4	12 4.2	5.43	2,104	

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

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STRENGTH RATING											STRENGTH RATING																
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Buyers Following	Sellers Following	Price to NTA	Return on Equity	Volatility	Price to Earnings	Dividend Yield	Price to Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Buyers Following	Sellers Following	Price to NTA	Return on Equity	Volatility	Price to Earnings	Dividend Yield	Price to Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average													
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														INSIDER BUYING: Most Insider Buying, Relative Strength > 0													
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million														INSIDER SELLING: Most Insider Selling, Relative Strength < 0													
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0																											

“Insider” Trades in NZ Shares

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

“Insider” Indicators

Last 5 wks: 63.8% Buyers
Last 13 wks: 57.5% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Limited	7-0	Fletcher Build.	1-2	NZ Exchange Ltd	0-2	Rakon Ltd	0-5	Steel & Tube	0-6
Affco Holdings	1-0	Goodman Prop.	2-1	NZ Finance Hold	0-4	Renaissance	3-2	Tag Pacific Ltd	2-0
Air New Zealand	6-4	Hallenstein G.	0-6	NZ Invest Trust	1-2	Rubicon Limited	8-0	TeamTalk Ltd	0-1
Ald Int Airport	0-1	Hellaby Hold.	11-0	NZ Wine Company	0-2	Ryman Health.	3-7	Telecom Corp	1-28
Allied Farmers	2-0	ING Med. Prop.	1-0	NZ Windfarms	0-2	Salvus Strat.	0-1	Tenon Ltd	2-0
Brierley Invest	0-4	ING Property	1-0	Nuplex Indust	4-0	Scott Tech. Ltd	3-0	Trust Power Ltd	0-7
Briscoe Group	2-0	Jasons Media	1-0	PGG Wrightsons	1-0	Sealegs Corp	0-2	Turners & Grow.	0-2
Cavotec MSL	0-1	Just Water Int.	0-1	Plus SMS Hold.	2-0	Seeka Kiwifruit	2-0	Vector Ltd	2-1
Charlie's Group	3-0	Kermadec Prop.	4-0	Port Tauranga	3-0	Skellerup Hold.	2-0	WN Drive Tech.	6-2
Col Motor Co	3-0	Kirkcaldie & St	0-1	Postie Plus Grp	0-1	Sky Network TV	3-0	Wakefield Hlth	1-3
Cynotech Hold.	2-0	Kiwi Property	1-2	Propertyfinance	0-1	Sky City Ltd	1-7	Warehouse Group	0-5
Dominion Fin.	4-6	Livestock Imp.	2-0	Property F Ind.	0-1	Smiths City	0-1	Widespread Port	2-0
Eastern Hi-Fi	0-1	Mainfreight Grp	0-6	Provenco Group	0-1	Sol. Dynamics	1-0	Windflow Tech.	1-3
F & P Appliance	0-9	Methven Limited	0-2	Pumpkin Patch	0-9	South Port NZ	0-1	Zintel Comm.	3-0
F & P Health.	0-19	Mr Chips Hold	1-0	Pyne Gould Corp	3-1	Speirs Group	3-0		

“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: 81.2% Buyers
 Last 13 wks: 80.3% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	4-0	Aust Wealth Mgt	4-1	Carlton Invest	0-1	DVM Intern'l	0-1	Fone Zone Group	3-0
3D Resources	1-0	Aust Wine Hold.	0-1	Carnegie Corp	0-1	DWS Adv Bus Sol	0-1	Forge Group Ltd	1-0
900 Degrees Ltd	7-0	Austereo Group	2-0	Carnarvon Pet.	4-1	Danks Holdings	2-0	Foster's Group	2-0
A-Cap Resources	0-1	Austin Eng.	1-0	Carpathian Res.	4-0	Dart Mining NL	1-0	Fox Resources	2-3
A.P. Eagers	9-0	Australand Prop	1-0	Carrick Gold	2-0	Datadot Tech.	3-2	Fox Invest Ltd	1-0
ABB Grain Ltd	3-2	Aust Biodiesel	2-0	Cash Converters	3-0	David Jones	1-3	Freedom Nut'l	15-0
ABC Learning	9-0	Aust Pharm. Ind	1-0	Caspian Oil & G	0-2	De Grey Mining	1-0	Funtastic Ltd	1-3
ABM Resources	1-0	Aust Agricul.	2-0	Castle Minerals	1-0	Deep Yellow Ltd	2-0	Fusion Res.	1-0
ADV Group	2-0	Austral Gold	1-0	Castlemaine G.	4-0	Devine	4-0	Futuris Corp.	3-4
AED Oil Ltd	0-2	Aust W'wide Exp	1-2	Catalyst Metals	1-0	Dexion Ltd	5-0	G.R.D. NL	2-3
AGL Energy Ltd	4-0	Aust Foundation	3-0	Cathrx Ltd	2-0	Diamonex Ltd	0-1	GBST Holdings	2-0
AHC Ltd	1-0	Australis Aqua.	0-4	Cellestis Ltd	0-1	Diatreme Res.	0-2	GDF Corporation	0-1
AI Limited	5-1	Aust Resources	1-0	Cellnet Group	1-2	Dioro Explor.	1-0	GTI Resources	2-0
AJ Lucas	1-0	Aust Infra.	3-1	Century Aust In	1-0	Discovery Metal	3-0	GWA Internat'l	0-1
AMCIL Limited	1-0	Aust Enh Income	2-0	Centro Property	2-0	Div. United Inv	6-0	Gale Pacific	0-1
AMP Ltd	4-0	Aust Mines Ltd	0-2	Centretbet Int'l	2-0	Djerriwarrh	4-0	Galileo Japan	2-0
ANZ Bank	1-3	Automotive Hold	3-0	Cent. Asia Res.	1-0	Dolomatrix Intl	1-0	Garrratt's Ltd	4-0
APA Group	8-0	Avalon Minerals	2-0	Centamin Egypt	2-0	Dominion Mining	1-2	Gazal Corp	3-0
APN Property	0-1	Avastra Ltd	1-0	Centro America	0-1	Downer EDI Ltd	5-0	Genepharm Aust.	2-0
AWB Limited	1-0	Aveva Limited	5-0	Centro Retail	2-0	Dragon Mining	1-0	Genetic Tech.	6-0
AXG Mining Ltd	1-0	Aviva Corp Ltd	0-2	Centaurus Res.	2-0	Drake Resources	3-0	Genesis Mineral	1-0
Aberdeen Leader	6-0	Avoca Resources	0-2	Centennial Coal	1-0	Dysoel Ltd	2-0	Gindalbie Met.	0-2
Abra Mining Ltd	1-0	Azumah Res.	2-0	Ceramic Fuel C.	1-0	Dynasty Metals	3-0	Gippsland Ltd	1-0
Acrox Ltd	0-1	B & B Env. Inv.	4-1	Chalice Gold	3-0	E-Bet Limited	1-0	Glengarry Res.	3-0
Adamus Resource	1-0	B & B Infrastr.	2-0	Chal Financial	4-0	E.R.G.	0-2	Gleneagle Gold	0-1
Adelaide Bright	1-5	B&B Res Land	1-0	Chandler McLeod	2-0	Eagle Bay Res.	1-0	Global Petrol.	0-4
Aditya Birla	0-1	BC Iron Ltd	4-0	Charter Pacific	2-0	East'n Star Gas	0-1	Global Mining I	4-0
Adv Nanotech.	2-0	BHP Billiton	7-2	ChemGenex Pharm	0-2	Echo Resources	10-0	Global Approach	1-2
Adv. Magnesium	4-0	BQT Solutions	4-1	Cheviot K Vine.	1-0	Effel Ltd	1-0	Globe Int'l Ltd	4-0
Aequis Capital	3-1	BSA Ltd	6-1	Cheviot Bridge	9-0	Eiffel Tech.	1-0	Global Nickel	1-0
Aeris Tech Ltd	1-0	Babcock & Brown	2-0	China Education	4-0	Electrometals	2-0	Gloucester Coal	0-3
Aevum Ltd	0-1	Bank of Q'land	0-1	Chrome Corp Ltd	2-1	Elk Petroleum	3-0	Goldstar Res.	8-0
Agenix Limited	5-0	Bannerman Res.	5-0	Circadian Tech	1-0	Ellex Medical	1-0	Goldstream Min.	1-0
Agri Energy Ltd	2-0	Barra Resources	1-3	Citic Australia	1-0	Ellerston Gems	2-0	Goldlink Growth	1-0
Aim Resources	0-2	Bass St Oil Coy	7-0	Citrofresh Int.	3-1	Embelton Ltd	1-0	Golden Tiger	0-3
Aircrusing Aust	1-0	Bass Metals Ltd	1-0	Clean Seas Tuna	1-0	Emeco Holdings	2-0	Goldsearch Ltd	3-1
Alara Uranium	1-0	Batavia Mining	6-0	Clever Com Aust	2-0	Emerald Oil & G	0-1	Golden Cross	0-1
Albidon Ltd	0-1	Beacon Minerals	2-0	Clime Capital	1-0	Emperor Mines	1-0	Golden Gate Pet	1-0
Alchemia Ltd	2-0	Bendigo Mining	3-0	Clinuvel Pharm.	1-0	Empire Oil, Gas	0-3	GoldLink Income	3-0
Ale Property	3-0	Bentley Int'l	1-0	Clough Limited	2-0	Empire Sec.	1-0	Gold Aura Ltd	0-1
Alesco Corp Ltd	1-0	Billabong Int'l	3-1	Clover Corp.	2-0	Empire Beer Grp	3-0	Golden Rim Res.	1-0
Alexanders Sec.	3-0	BioLayer Corp.	1-0	Coates Hire	1-0	Empowemet Int.	0-1	Golden West Res	1-0
Alkane Explor.	3-0	Biomd Ltd	1-0	Cobar Cons Res.	2-0	Eneabba Gas Ltd	1-0	Goodman Fielder	3-0
Allco Finance	4-0	Biota Holdings	9-0	CocaCola Amatil	0-1	Energy Develop.	5-0	Gosford Quarry	0-2
Allco Max Sec.	2-0	Blackham Res.	3-0	Cochlear Ltd	9-0	Energy Ventures	5-0	Graincorp	0-2
Allco Hit Ltd	6-0	Black Range Min	1-0	Codan Ltd	2-0	Energy One Ltd	3-0	Grange Resource	2-0
Allied Gold Ltd	5-1	Blackmores Ltd	0-4	Coffey Int'l	2-1	Ent Media & Tel	3-0	Graynic Metals	3-0
Altium Limited	2-0	Bluescope Steel	1-0	Cogstate Ltd	4-0	Entek Energy	6-0	Greater Pacific	0-1
Alumina Ltd	1-0	Bonaparte Diam.	2-0	Coles Group Ltd	1-0	Enterprise En.	1-0	Great Southern	2-0
Amadeus Energy	1-0	Bondi Mining	1-0	Collection Hse	8-3	Envestra	1-0	Great Aust Res	1-0
Amcom Telecom.	4-5	Bone Medical	1-0	Colorpak Ltd	3-0	Envirozel Ltd	4-0	Great Artesian	2-0
Analytica Ltd	2-0	Boom Logistics	4-1	Colonial Res.	2-0	Envirogold Ltd	4-0	Greencap Ltd	1-0
Anchor Res. Ltd	1-0	Boral Limited	1-0	Com'wealth Bank	3-0	Environm't Grp	1-0	Green Rock En.	2-0
Aneka Tambang	2-0	Boulder Steel	2-1	Comet Resources	2-0	Eormanga Uran.	0-1	Greenland Min.	1-0
Anglo Australia	1-0	Bow Energy Ltd	6-0	Commoditell Ltd	0-1	Epsilon Energy	5-0	Gt Bendigo Gold	3-0
Anglo Pacific	1-0	Bradken Ltd	0-1	Community Life	7-0	Equity Trustees	6-0	Gt Western Exp.	1-0
Ansell Ltd	2-0	Brambles Ltd	7-0	Commander Comm.	0-3	Equinox Min.	1-0	Gujarat NRE Res	0-5
Ansearch Ltd	1-0	Brandrill	3-0	Compass Res	1-6	Equigold NL	0-4	Gulfx Ltd	6-0
Antares Energy	5-0	Bravura Sol.	1-0	Compumedics Ltd	0-1	Eromanga H/C	1-0	Gulf Resources	5-0
Antisense T.	1-0	Breakaway Res.	2-0	Computershare	1-5	Erongo Energy	1-0	Gulf Mines Ltd	3-0
Anvil Mining	1-4	Bremer Park Ltd	0-1	Concept Hire	0-1	EservGlobal Ltd	1-0	Gunns Ltd	0-1
Apa Financial	10-0	Brickworks Ltd	6-0	Coneco Ltd	1-0	Esplanade Prop.	3-0	Gunson Res.	1-0
Apex Minerals	3-0	Brickworks Inv.	4-0	Connixion Ltd	1-0	Espreon Ltd	0-1	HFA Holdings	4-2
Apollo Life Sci	1-0	Buderim Ginger	4-0	Conquest Mining	5-0	Essa Australia	0-1	HFA Accelerator	1-0
Aquarius Plat.	0-2	Buka Gold Ltd	2-0	Contango Cap P.	1-0	Essential Pet.	2-0	Haddington Res.	2-0
Arafura Pearls	1-0	Bunnings W/hse	1-0	Cool or Cosy	6-0	Eurogold Ltd	4-0	Halcyon Group	1-0
Arafura Res.	0-3	C'wth Prop Off.	1-0	Cooper Energy	1-2	Everest Babcock	2-0	Halcyon Pharm.	1-0
Arasor Int'l	8-1	C.S.R. Ltd	3-1	CopperCo Ltd	2-0	Every Day Mine	1-0	Hamilton James	6-0
Archer Explor.	1-0	CBH Resources	0-10	Copper Strike	0-1	Exco Resources	2-0	Hansen Tech.	2-0
Argo Investment	1-2	CDS Tech	1-0	Cordlife Ltd	0-2	Extract Res.	9-0	Harrington Grp	4-0
Argus Minerals	1-0	CI Resources	0-2	Corp Express	0-2	Ezenet Limited	2-0	Harvey Norman	1-6
Argus Solutions	1-0	CMI Limited	1-0	Cortona Res Ltd	3-0	F.F.I. Holdings	2-1	Hast Div Util	2-0
Aristocrat Leis	3-0	CO2 Group Ltd	0-5	CostaExchange	2-0	Fac. Digital	1-0	Havilah Res.	2-0
Arrow Energy	0-4	CPI Group	1-0	Cougar Energy	1-0	Fairfax Media	2-0	Health Corp.	1-0
Asciano Group	4-0	CPT Global Ltd	1-0	Count Financial	0-1	Fantastic Hold.	1-0	HealthLinx Ltd	2-1
Ashburton Min.	1-0	CSL Limited	0-1	Coventry Group	8-0	Felix Resources	0-1	Healthscope	2-0
Asian Pacific	1-0	CTI Logistics	3-0	Coziron Res.	1-0	Fermiscan Hold.	0-2	Heartware Ltd	11-0
Aspermont Ltd	0-1	CVC Limited	7-0	Credit Corp	1-2	Ferrowest Ltd	2-1	Hedley L&G Prop	3-0
Aspen Group Ltd	4-0	Cabcharge Ltd	7-0	Croesus Mining	1-0	Feraus Ltd	0-1	Heemskirk Cons.	3-0
Atcor Medical	1-0	Cadence Capital	0-5	Cromwell Group	5-0	Fiducian P Serv	2-0	Helix Resources	12-0
Athena Res.	1-0	Calliden Group	1-0	Crosader Hold.	1-0	Financial Res.	1-0	Helicon Group	1-0
Atlas SS Pearl	0-3	Caltex Austria	1-0	CuDeco Ltd	3-1	Finbar Group	5-0	Hemisphere Res.	2-0
Atlas Grp Hold.	0-1	Campbell Bros	0-1	Cullen Resource	0-2	Findlay Sec.	3-0	Henderson Group	1-3
Atomic Res. Ltd	1-0	Candle Aust.	0-2	Curnamona En.	1-0	First Capital	1-0	Herald Resource	2-0
Aura Energy Ltd	4-0	Capital Health	1-0	Customers Ltd	4-0	Firstfolio Ltd	0-1	Heron Resources	2-0
Aurox Resources	2-0	Capital Mining	0-1	Cyclopharm Ltd	0-1	Fit Glass Ind.	3-0	Hillcrest Litig	10-0
Ausenco Ltd	0-5	Capral Alum.	4-0	Cytopia Ltd	2-0	Fleetwood Corp	0-5	Hill End Gold	5-3
Ausmelt Ltd	0-2	Carbine Res.	3-0	D'Aguiar Gold	3-0	Flight Centre	0-1	Hills Indust.	0-4
Auspine Ltd	14-0	Cardia Tech.	0-4	DMC Mining Ltd	1-0	Focus Minerals	2-0	Hillgrove Res.	1-5
Aust Education	1-0	Cardno Ltd	0-1	DUET Group	2-1	Folkestone Ltd	2-0	Hodges Res.	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Home Bldg Soc.	0-1	MFS Limited	4-0	Nylex Ltd	10-1	Rialto Energy	6-0	Tattersall's	4-0
Homeloans Ltd	1-0	MMC Contrarian	1-2	OM Holdings	3-0	Ridley Corp.	0-1	Tawana Resource	3-0
Horizon Oil Ltd	8-1	MRI Holdings	1-0	Oaks Hotel	2-0	Rimfire Pacific	0-1	Technology One	0-1
Hostworks Group	0-1	MacMahon Hold	1-0	Objective Corp.	0-1	Riversdale Min.	1-0	Telezon Limited	8-0
Hudson Res. Ltd	6-0	Macarthur Coal	5-1	Ocean Capital	1-0	Robust Resource	4-0	Telstra	2-0
Huntley Invest	4-1	Macarthurcook P	2-0	Odyssey Gaming	1-0	Roc Oil Company	1-5	Ten Network	4-2
Hunter Hall Int	2-14	Macarthur Cook	0-2	Oldk Uranium	2-0	Rockeby Biomed	2-0	Territory Uran.	1-0
Hutchison Tel.	1-0	Macmin Silver	1-4	Oldfields Hold	6-1	Rock Build Soc.	0-1	Terrain Mineral	1-0
Hydromet Corp.	0-5	Macquarie Air.	2-0	Olea Australia	1-0	Ross Human Dir.	4-1	The Reject Shop	4-0
Hyperion Flag.	2-5	Macquarie Good.	3-0	Orchard Indust.	2-0	Rox Resources	1-0	Thinksmart Ltd	0-1
Hyro Limited	2-0	Macquarie Off.	0-1	Orica Ltd	3-0	Royal Resources	2-0	Thomas & Coffey	6-1
IBA Health Ltd	1-10	Macquarie Bank	5-1	Origin Res Hold	0-1	Rubicon Japan	1-0	Thundelarra Exp	2-3
IGDX Holdings	0-1	Macquarie Priv.	2-0	Origin Energy	0-1	Rubicon Europe	1-0	Tidewater Inv	6-0
IM Medical Ltd	4-1	Magellan Flag.	11-0	Orotan Group	9-0	Rubicon America	1-0	Timbercorp	0-1
IMD Group Ltd	1-0	Magnetic Res.	4-0	Overalnd Res.	1-0	Rubicoor Group	1-0	Timbercorp Prim	1-0
IMF (Aust) Ltd	1-2	Magna Metals	6-0	Over Fifty Grp	1-0	Rubicon Res.	2-0	Tolhurst Noall	4-0
ING Retail E.E.	1-0	Mantle Mining	2-0	Oz Brewing Ltd	1-0	Run Corporation	1-0	Toll Holdings	2-4
ING Office Fund	1-0	Marathon Res.	1-0	PMP Limited	0-4	Ruralaus Invest	0-1	Tow Way Ltd	3-2
ING Indust Trt	2-0	Marengo Mining	6-0	PPK Group Ltd	3-0	Ruralco Hold.	5-0	Traffic Tech.	3-0
ING Priv Equity	4-0	Mariner Bridge	2-0	Pac. Enviromin	2-0	Rusina Mining	3-0	Trafford Res.	2-3
ITL Limited	6-0	Marion Energy	6-0	Pacific Brands	0-1	S/Tracks ASX200	0-1	Traka Resources	1-0
ITX Group	2-0	Marybor'gh Suga	0-2	Pacific Energy	1-0	SAI Global Ltd	1-2	Transit Hold.	2-0
Icon Resources	7-0	Matilda Mineral	2-1	Pacrim Energy	1-0	SCV Group Ltd	1-0	Tranzact Fin.	0-1
Icon Energy	2-0	Matrixview Ltd	2-0	Paladio Group	4-0	SDI Limited	1-0	Transcol Corp	2-0
iiNet	3-2	Matrix Metals	2-0	Pan Australian	1-0	SMS Mgmt & Tech	0-1	TransPacific In	3-0
Iluka Resources	1-0	McGuigan Simeon	0-1	Pan Palladium	1-0	SP Ausnet	0-1	Transfund Serv	0-1
Image Resources	10-2	McKinley Co Ltd	0-5	Pan Pacific Pet	1-0	SP Telecom.	2-0	Transurban Grp	5-2
Imdex Limited	3-1	Medaire Inc	1-0	Panaegis Gold	2-0	STW Comm Group	1-0	Treasury Group	3-1
Impact Capital	3-1	Medic Vision	1-0	Paperlin X Ltd	3-0	Safety Medical	1-0	Trinity Group	1-2
Impress Venture	13-0	Medical Dev Int	5-0	Papyrus Aust.	2-0	Saferoads Hold.	0-2	Trojan Equity	2-0
Incitec Pivot	2-0	Medivac Ltd	1-0	Patties Foods	8-0	Safe Effect	1-0	Troy Resources	0-1
Incremental Pet	7-0	Medical Therapy	3-0	Peak Resources	5-0	Salinas Energy	3-0	Trust Company	5-1
Ind Practition.	3-0	Medtech Global	1-0	Peel Healthcare	2-0	Salmat Ltd	4-0	Truscott Mining	4-0
Ind Minerals	7-0	Medusa Mining	1-0	Peel Explor.	1-0	Samson Oil/Gas	1-0	Tutt Bryant Grp	1-0
Independ. Group	1-4	Melbourne IT	0-1	Pengana Hedge.	0-6	Santos Ltd	1-0	U.S. Masters	1-0
Indophil Res.	0-1	Mermaid Marine	0-3	Peninsula Min.	2-0	Saracen Mineral	3-0	UCMS Group Ltd	3-0
Industrea Ltd	0-4	Metallica Min.	1-11	People Telecom	0-3	Scantech	2-0	UXC Limited	3-2
Infomedia Ltd	0-1	Metals X Ltd	0-1	PeopleBank Aust	1-0	Scimitar Res.	2-0	Undercoverwear	6-0
Innamincka Pet.	0-1	Meteoric Res.	5-0	Pepinnini Min.	0-4	Scott Corp Ltd	1-0	United Minerals	0-3
Insurance Aust.	2-0	Metgasco Ltd	2-1	Peplin Ltd	1-0	Sedgman Ltd	0-1	United Group	4-0
Int'l Goldfield	1-0	Metroland Aust	1-0	Peptech Limited	9-0	Seek Ltd	0-2	Unife Medical	0-2
Intec Ltd	5-1	Midas Resources	1-0	Perilya Mines	0-3	Segue Resources	1-0	Unwired Group	2-0
Intermet Res.	1-0	Midwest Corp	1-3	Perseus Mining	0-1	Select harvest	7-0	Uranium King	1-0
Intermin Res.	9-2	Milton Corp.	5-0	PharmNet Online	0-1	Servcorp Ltd	9-0	Uranium Equitie	2-0
Integra Mining	4-0	Minara Resource	0-2	Pharmaxis Ltd	0-1	Seven Network	3-0	Uranoz Limited	1-0
Intrapower Ltd	1-0	Mincor Resource	1-2	Photo-Me Aust.	3-0	Shaw River Res.	1-0	Uraniums Ltd	2-0
Investika Ltd	5-0	Mineral Deposit	0-1	Photon Group	5-0	Shield Mining	8-0	Uscom Limited	2-0
Inventis Ltd	1-0	Mineral Res.	0-2	Pioneer Nickel	2-0	Sierra Mining	1-0	VDM Group Ltd	1-4
Iress Mkt Tech	5-0	Mineral Commod.	3-0	Pipe Networks	1-2	Silex Systems	0-3	Valad Property	1-0
Iron Ore Hold.	1-0	Mineral Sec.	2-0	Plan B Group	2-0	Silver Mines	2-0	Van Eyk Blue AP	1-2
Ironbark Gold	5-0	Minemakers Ltd	2-0	Platsearch NL	2-0	Silver Chef Ltd	4-0	Van Eyk Three P	0-1
JB Hi-Fi Ltd	0-8	Minerals Corp.	1-0	Platinum Asset	0-1	Silver Swan Grp	2-0	Ventacor Ltd	1-0
JV Global Ltd	4-2	Mining Projects	4-0	Platinum Aust	0-3	Sims Group Ltd	1-3	Venus Resources	6-0
Jabiru Metals	1-0	Mint Wireless	1-0	Platina Res.	3-1	Sipa Resources	1-0	Verticon Group	4-3
Jackgreen Ltd	3-1	Mintails Ltd	2-1	Pluton Resource	6-0	Sirius Telecom.	2-0	Verus Investm't	0-1
Jackson Gold	4-0	Mirabela Nickel	1-0	Po Valley Ener.	3-0	Skilled Group	4-0	Vietnam Indust.	5-0
James Hardie	1-0	Mirabooka Inv.	2-0	Polartechnics	1-0	Snowball Group	1-3	View Resources	1-0
Jervois Mining	0-2	Mirvac Group	1-0	Polaris Metals	2-6	Solagran Ltd	15-0	Village Road.	0-7
Jindalee Res.	3-0	Mirvac Ind Trt	0-1	Portland Ortho.	1-0	Sonnomed Ltd	1-0	Viralytics Ltd	1-0
Jubilee Mines	1-7	Mission Biofuel	2-0	Port Bouvard	6-0	Sonic Health	0-3	Virgin Blue	9-2
Jumbuck Enter.	2-1	Mitchell Comm.	3-0	Praemium Ltd	3-0	Soul Pattinson	2-0	Visionmed Group	5-0
Jumbo Corp	4-1	Mobilesoft Ltd	3-0	Precious Metals	1-4	Souls Priv Equ	4-0	Vision Group	5-4
Jupiter Mines	1-11	MobileActive	1-0	Primary Health	2-0	Southern Gold	3-0	Vita Life Sci.	1-0
Jupiter Energy	5-1	Moby Oil & Gas	1-0	Prime TV	2-0	Spotless Group	2-0	Vital Metals	2-0
Just Group Ltd	3-2	Molopo Aust	0-1	Prima Biomed	0-1	St Barbara Ltd	3-0	Vmoto Ltd	4-0
Jutt Holdings	1-0	Monarch Gold M.	4-0	Probiotec Ltd	6-0	St George Bank	2-0	Voltage IP Ltd	1-0
KLM Group Ltd	1-2	Monax Mining	0-1	Prophecy Int'l	5-0	Staging Connect	2-1	Vulcan Res.	2-0
KLT Technology	3-0	Montezuma Min.	0-2	Proteome Syst	1-0	Starpharma Hold	4-1	WAM Capital Ltd	0-7
Kangaroo Metals	1-0	Montec Int'l	1-0	Proto Resources	4-0	Stellar Res.	1-0	WCP Resources	1-0
Kardoon Gas	1-0	Morning Star	1-0	Pryme Oil & Gas	2-0	Sth Boulder Min	1-0	WHK Group Ltd	3-0
Karmelsonix Ltd	10-0	Morn. Star Gold	3-1	Pulse Health	1-0	Sthn Cross Exp.	0-1	Wallace Abs Ret	0-1
Kentor Gold Ltd	5-0	Mortgage Choice	0-4	Q'ld Trustees	1-0	Stirling Prod.	0-1	Walter Div Serv	2-0
Key Petroleum	1-0	Mosaic Oil NL	2-0	Q-Mastor Ltd	1-0	Stockland	4-0	Warwick Res.	1-0
Keycorp Ltd	2-0	Mt Burgess Min.	2-0	Q.B.E. Insur.	3-2	Stokes (Aust)	1-0	Wasabi Energy	0-4
Kimberley Diam.	3-1	Mt Gibson Iron	3-4	QM Technologies	3-0	Strategic Min.	2-0	Waterco Ltd	6-0
Kings Minerals	0-1	Multiplex Acum.	4-0	QRSciences Hold	8-0	Strathfield Grp	1-0	Watpac Ltd	0-1
Kip McGrath EC	1-0	Multi Channel S	2-0	Qantas Airways	0-1	Straits Res.	3-4	Wavenet Int'l	0-1
Konekt Limited	3-0	Mundo Minerals	2-0	Quay Magnesium	1-0	Strike Oil Ltd	2-0	Webjet NL	2-1
Korab Resources	2-0	Murchison Metal	0-1	Queensland Gas	1-4	Structural Syst	1-8	Webster Ltd	2-0
Korvest Ltd	2-0	Murchison Un.	4-0	Qweste Comm's	2-0	Structural Mon.	1-0	Webspy Limited	0-1
Kresta Holdings	3-0	My Net Fone Ltd	9-0	Quiktrak Netwks	2-0	Style Limited	0-1	Wentworth Hold.	2-0
L&M Petroleum	1-0	NSX Limited	3-0	RCR Tomlinson	2-3	Suncorp-Metway	3-0	Westfarmers Ltd	2-0
Labtech Systems	3-0	Nat'l Can	3-0	RIM Capital Ltd	1-2	Sundance Energy	2-0	West Gas Power	0-1
Lakes Oil NL	4-0	Nat'l Aust Bank	3-0	RR Australia	4-1	Sunshine Heart	1-0	Western Areas	11-4
Latin Gold Ltd	2-0	Nat'l Leisure	5-0	Ramelius Res.	0-2	SuperCheap Auto	1-0	West'n Metals	1-0
Lefroy Res.	7-0	Natural Fuel	1-0	Rams Home Loans	1-0	Supply Network	2-0	Westfield Group	0-1
Legend Corp.	2-0	Navigator Res	2-1	Rawson Res.	2-0	Swick Min Serv	1-0	Westpac Banking	0-1
Legend Mining	2-0	Neptune Marine	0-4	Record Realty	1-0	Sydney Gas Ltd	5-0	Westgold Res.	4-0
Leighton Hold	2-0	Netcomm Limited	3-2	Red 5 Ltd	2-0	Sydney Attract.	2-0	Western Desert	1-0
Lemarne Corp	1-0	New Privateer	1-0	Red Hill Iron	1-0	Sylvastate Ltd	5-0	Western Plains	0-1
Leyshon Res.	2-0	New World Alloy	0-1	Red Metal Ltd	1-0	Synergy Equity	3-0	Westonia Mines	1-0
Liberty Gold NL	2-0	Newcrest Mining	2-0	Red Fork Energy	0-1	TFS Corporation	8-0	Whitefield Ltd	1-0
Life Therapeut.	3-1	Newhaven Hotels	2-0	Redbank Mines	3-0	TNG Limited	1-9	Willmott Forest	1-0
Lighting Corp.	1-0	Newland Res.	0-1	Redflex Holding	2-1	TSV Holdings	4-1	Wilson HTM Inv.	1-0
Linc Energy Ltd	1-0	Nexus Energy	3-5	Reece Australia	1-0	TVN Corporation	0-1	Wilson Inv Fund	4-0
Linc Resources	0-2	Nido Petroleum	0-1	Reed Resources	7-1	TZ Limited	1-0	Wilson Leaders	0-1
Liontown Res.	4-0	Niplats Aust.	1-0	Regis Resources	4-0	Tabcorp Holding	1-0	Woodside Petrol	2-0
Liq Natural Gas	0-1	Northern Energy	3-0	Regional Exp.	2-0	Tag Pacific	1-0	Woolworths Ltd	0-1
Little World B.	1-3	Northwest Res.	2-0	Renison Cons	3-0	Takoradi Ltd	0-2	Wotif.com Hold.	2-0
Living Cell T.	3-0	Norton Gold	2-0	Repcol Ltd	2-0	Talisman Mining	1-0	Wrigdways Aust	0-2
Lodestone Exp.	1-0	Nova Energy Ltd	2-0	Resonance Hlth	2-0	Tamawood Ltd	2-0	Xceed Biotech.	4-0
Longreach Group	1-0	Novogen Ltd	2-0	Resource Pac.	1-0	Tamaya Res.	9-0	YTC Resources	4-0
M.Y.O.B. Ltd	0-2	Nth Qld Metals	1-0	Retail Food Grp	4-0	Tanami Gold NL	4-0	Yilgam Mining	3-0
MEO Australia	1-7	Nthn Uranium	0-1	Reverse Corp	0-3	Tap Oil	0-1	Zedex Minerals	1-0
MFS Living & L.	8-0	Nuenco NL	0-1	Reward Minerals	7-2	Tasman Resource	2-0	Zicom Group	8-0
MFS Diversified	1-0	Nusep Ltd	5-0	Rey Resources	1-0	Tassal Group	1-3	Zinifex Ltd	0-2

Insiders Buy Share with Recovery and Growth Potential

Nylex (code NLX).

Nylex, previously called Austrim Nylex, was a conglomerate that accumulated, and nearly collapsed under, a mountain of debt during the 1990's. The shares peaked in late 1997 and have since lost over 99% of their value! Over recent years the company has sought to restructure - selling off under-performing businesses to reduce debt.

Assets sold included the *Pryda* and *Reid* building products businesses for \$79.5 million in December 2003, its equipment and plant hire business for \$111 million in October 2005 and non-core automotive businesses for \$30 million in December 2005.

Shareholders and other investors have also been asked to contribute new equity - much of which has been lost. A share placement and Share Purchase Plan (at a post-consolidation price of \$10.00 per share) raised \$100 million in October 2003 and another placement and SPP in April/May 2004 (at the equivalent of \$10.80 per share) raised a further \$40 million. Investors in those new shares have lost over 80% of that additional investment! Recovery situations can be risky!!

In December 2006 the company raised a further \$20 million in a cash issue of ordinary shares at 4.3 cents (equal to 172 cents following the subsequent consolidation) and \$20 million in convertible notes and attached options (to buy shares at 184 cents on 8 December 2009). The convertible notes pay 10% interest but convert to ordinary shares at a 10% discount to *market value* (i.e. so do not participate in any appreciation in the ordinary share price).

The shares, notes and options were all consolidated, with 40 old shares (or notes or options) becoming one new share (or note or option) earlier this year.

The company now has three divisions: *Nylex Lifestyle* (garden and home products), *Nylex Solutions* (water conservation products) and *Nylex Automotive* (fuel tanks and automotive trim). The company is experiencing strong demand for water tanks and water conservation products, while it has won a contract to provide fuel tanks for *Ford Falcon* vehicles (in addition to the current production for *Holden*) from September/October 2007.

The company may now have turned around and the shares could offer some recovery/growth potential over the next few years. *Insider* trades would tend to support that view with 10 Buys and one Sell on-market over the last year. Nearly all of these trades have been in the *options* as the directors have sought to leverage their additional investments in the company.

For the year to June 2007, revenues rose 7.0% to \$308.5 million, with a profit of \$11,939,000 (32.2 cents per share) - compared with a *trading loss* of \$36.0 million in 2006 (but when there was a gain of \$49.1 million on the sale of businesses). No dividend was paid.

The shares hit a low of 127 cents in May and could now be in the early stages of a new uptrend. The Relative Strength rating is *positive* at +1.0%, ranked 38 (on a scale of 0-99).

Summary and Recommendation

Recovery situations can involve high risks. Just look at the \$140 million in new equity raised by the company in 2003 and 2004 at prices equivalent to \$10.00 - \$10.80 per share! But the company has since returned to profitability, the immediate outlook appears to offer further growth, *insiders* have been buying and the share price appears to have started to recover.

So investors could consider an investment in Nylex shares which has potential for further recovery and capital appreciation over the next few years.

The options (code NXLO) - trading around 55-60 cents - offer an attractive *leveraged* entry into the company.



Prophecy International (code PRO).

Prophecy International is a small Australian software company, selling worldwide to large businesses. Its main products are: *Basis2* (a revenues management and billing system), *E-Foundation* (an enterprise package of Financials, Procurement, Distribution and Asset Management) and *Velatte* (a rapid application development environment for *Java* based applications).

The *Basis2* application probably offers strong growth potential for the company and could drive revenue and profit growth. This has been installed in the UK at **South East Water** and **Cambridge Water**, and in Indonesia for **Batam Water**. In December 2006 the company won the contract to instal the system for the **City of Philadelphia's** Water and Water Revenue Departments. This will generate around \$5 million in revenues over three years. This installation is "making excellent progress" - ahead of schedule and performing quickly and accurately - and could lead to more sales to US utilities.

For the year to June 2007, revenues rose 57.3% to \$5.27 million, lifting the company from a *loss* of \$299,583

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Insiders Buy . . .*(Continued from Page 11)*

the previous year to a profit of \$2,038,341 (4.6 cents per share). A final dividend of 1.5 cents brought the annual dividend rate to 3.5 cents.

The improvement in revenues also lifted the cash operating surplus to \$2.1 million (from a *deficit* of \$0.5 million in 2006) and the company's cash in the bank to \$5.0 million (11.3 cents per share).

At 40 cents, the shares trade on a Price/Sales ratio of 3.39, a low Price/Earnings ratio of 9 and a high Dividend Yield of 8.8%.

The company expects further sales and "the continuation of profitable trading for the coming year". Software is a business with relatively fixed costs, so additional sales to lift revenue over future years would result in a strong growth in profitability.

There have been five *insider* buys (and no sells) on-market over the last year. With two buys around 28-36 cents in late 2006, two buys around 40-50 cents early this year and a buy in July at 38 cents.

The shares rose *very strongly* in 2006, before peaking at 52 cents in February 2007 and have slipped back around 35-45 cents over recent months. Technically that is probably still a weak uptrend. The Relative Strength rating is +2.3%, ranked 34.

The only problem with Prophecy International shares are that they are relatively inactively traded. So building up an investment in the shares can be difficult.

Summary and Recommendation

Software is an economies of scale business, so if a company can expand its revenues then profitability could increase significantly. Prophecy International's *Basis2* software has been developed over recent years and now holds the potential to generate improved profits for the company. With no interest bearing debt and \$5 million in cash the financial risks are not high. The company is profitable and pays a dividend, with the shares trading on a relatively low valuation. *Insiders* have been buying shares over the last year - adding to already substantial investments in the company - so investors may also wish to make a small investment in Prophecy International shares *if* they are available.

Prophecy International

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Auckland Int'l Airport	4.45	12-10	19-10	Full
Broadway Industries	2.00	19-10	26-10	Full
Colonial Motor Company	13.00	12-10	24-10	Full
Delegat's Group	4.50	12-10	26-10	Full
Ebos Group	13.00	19-10	26-10	Full
Fletcher Building	23.00	21-09	11-10	Full
Lyttelton Port Company	2.70	31-10	14-11	Full
Michael Hill International	16.00	05-10	15-10	Full
Nuplex Industries	20.50	05-10	19-10	2.00
Oyster Bay	5.00	02-11	15-11	Full
Postie Plus Group	2.50	09-11	11-12	Full
Pumpkin Patch	4.50	05-10	17-10	Full
Salvus Investment	4.50	07-08	12-10	Full
South Port NZ	5.00	28-09	05-11	Full
Team Talk	10.00	12-10	19-10	Full
Warehouse Group	5.00	21-09	28-09	Full
Warehouse Group special	35.00	21-09	28-09	Full
Australian Shares				
Atlas South Sea Pearl	2.00	25-09	26-10	
Devine	4.00	27-09	18-10	
Iluka Resources	10.00	25-09	19-10	
M2 Telecommunications	2.00	09-10	31-10	
Melbourne IT	6.00	17-09	19-10	
Ross Human Directions	2.00	17-09	12-10	
Skilled Group	14.00	18-09	16-10	
TFS Corporation	2.50	12-11	30-11	
The Reject Shop	14.00	24-09	12-10	

Total Return Index for All Listed Shares

Sep 10	2481.81	Sep 17	2495.53
Sep 11	2483.20	Sep 18	2486.20
Sep 12	2487.91	Sep 19	2491.37
Sep 13	2497.47	Sep 20	2506.09
Sep 14	2498.96	Sep 21	2508.07
Sep 24	2486.55	Oct 1	2496.41
Sep 25	2494.06	Oct 2	2505.75
Sep 26	2489.93	Oct 3	2510.44
Sep 27	2494.91	Oct 4	2518.40
Sep 28	2492.47	Oct 5	2512.07

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on **Monday November 12, 2007**.

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

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