

Market Analysis

Issue No. 432

www.stockmarket.co.nz

June 9, 2008

Inside Market Analysis

AJ Lucas Group shares soar . . . but ideally placed to profit from strong growth in the emerging Coal Seam Methane gas industry export boom 4, 5
 TFS Corporation predicts strong growth 6, 7

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Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

The economic outlook may be “bad”, but that is usually “good” for stockmarket investments (i.e. share prices *anticipate* future economic conditions and are probably *already* at their lows). In *any* environment there are opportunities for companies to build new businesses - and from low initial valuations this can create very significant shareholder wealth!

Investment Outlook.

The Reserve Bank of New Zealand predicts that inflation will rise to 4.7% this year and stay above its 1-3% target range for at least the next two years. Nevertheless, it will begin lowering interest rates later this year owing to the weak economy. GDP is forecast to grow just 0.9% in the year to March 2009 and 1.4% to March 2010. Over the next three years the unemployment rate is expected to almost double to 6.0%, house prices to fall 13% (or 22% adjusted for inflation - which the bank compares to the 38% real decline after the 1970's oil shock) and the NZ dollar to decline 14%.

Unfortunately the Reserve Bank (and before that, politicians) have not been particularly good at either predicting, or managing, the NZ economy in the past - often *increasing* cyclical volatility by incorrectly loosening monetary policy during a boom and tightening during a downturn.

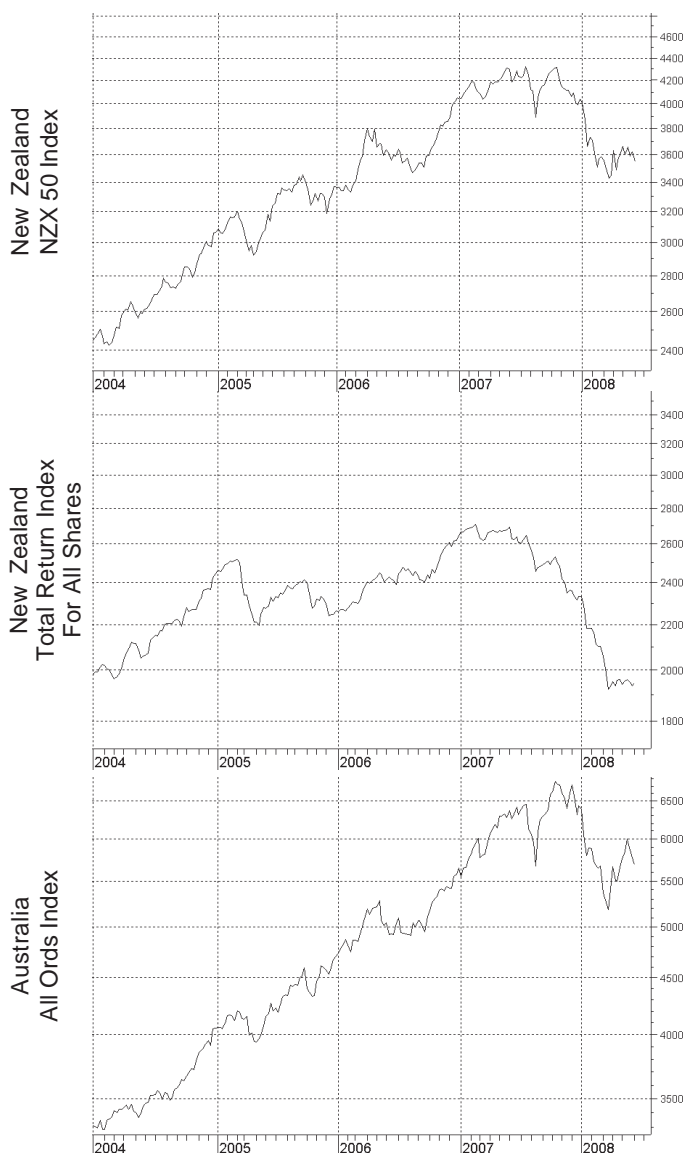
Whatever *actually* happens this time, however, investors should remember that an economic boom is a bad time to buy shares while a recession is a good time to buy shares. The NZ stockmarket suffered a sharp decline in 1973-74 - but then recovered very strongly over the rest of the decade from its low in late 1974.

The greatest risk in the short term is probably the NZ dollar exchange rate which has been inflated by high interest rates. If interest rates have peaked *and* international investors lose confidence in the weaker NZ economy, then NZ fixed interest investments could be the next Sub-Prime crisis. Interest rates, however, will only decline slowly - and will remain high by international standards - so a major crisis may be avoided.

The inevitable (and at times, volatile) decline in the NZ dollar over future years will further increase the attraction of investing a large part of portfolios in Australian shares and other international investments.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	45% (Neutral)	54% (Neutral)
New Zealand:	65% (Bullish)	36% (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	PE Ratio	Gross Yield	Performance Forecast	Price	Price/Sales Ratio	PE Ratio	Gross Yield	Performance Forecast	Price	Price/Sales Ratio	PE Ratio	Gross Yield			
A2 Corporation	D	16	3.19	NE	Nil	Infratil NZ	C	219	0.86	NE	4.3	ProvencoCadmus	E	31	0.25	NE	Nil
AMP Onyx Mgmt	B	121	7.73	20	6.4	Jasons Media	C	80	1.16	16	2.8	Pumpkin Patch	C	162	0.74	10	8.3
AMP Limited	C	950	1.05	16	4.9	Just Water Int.	C	62	1.50	NE	8.6	Pyne Gould Corp	C	345	1.77	11	9.1
Abano Health	B	494	1.27	23	3.3	Kermadec Prop.	B	73	5.20	9	11.9	Rakon Ltd	D	336	2.36	38	Nil
Affco Holdings	C	45	0.24	NE	Nil	Kingfish Ltd	B	119	N/A	NE	5.6	Renaissance	C	55	0.13	7	20.4
Air New Zealand	C	117	0.28	6	10.2	Kirkcaldie & St	B	285	0.63	25	5.2	Restaurant Brds	C	91	0.29	8	10.7
Akd Int Airport	C	212	8.05	28	5.8	Kiwi Property	B	123	5.93	8	7.5	Richina Pacific	C	58	0.18	4	2.6
Allied Work.	D	80	0.25	11	10.8	Life Pharmacy	D	52	2.93	NE	Nil	Rubicon Limited	E	92	0.42	NE	Nil
Allied Farmers	C	135	0.24	NE	2.2	Lion Nathan Ltd	A	1130	2.89	24	3.5	Ryman Health.	C	175	N/A	12	2.9
Apple Fields	D	7.5	2.22	4	Nil	Livestock Imp.	A	260	0.65	8	14.4	Salvus Strat.	A	101	2.35	3	8.1
Barramundi Ltd	C	73	N/A	3	Nil	Lombard Group	E	15	0.10	NE	Nil	Sanford Limited	A	512	1.30	24	6.4
Blis Technology	E	6.5	N/A	NE	Nil	Lytelton Port	B	225	3.01	24	2.7	Satara Co-op	A	98	0.27	12	4.6
Botry-Zen Ltd	D	5.0	N/A	NE	Nil	Mainfreight Grp	B	735	0.75	17	3.7	Savoy Equities	E	1.2	N/A	NE	Nil
Briscoe Group	C	110	0.57	10	10.9	Marlin Global	E	78	N/A	NE	Nil	Scott Tech. Ltd	C	120	1.01	10	11.2
Broadway Ind	C	70	0.29	13	2.9	Media Tech.	D	5.2	0.27	NE	Nil	Sealegs Corp	E	45	5.67	NE	Nil
Burger Fuel	E	60	N/A	NE	Nil	Methven Limited	C	174	1.01	12	10.0	Seeka Kiwifruit	B	240	0.32	11	12.4
CDL Investments	C	35	2.47	7	9.8	Metro. LifeCare	C	443	2.26	13	5.0	Skellerup Hold.	C	87	0.52	NE	5.1
Cabletalk Group	E	1.9	0.02	NE	Nil	Michael Hill	C	87	0.95	16	4.5	Sky Network TV	C	475	2.99	16	3.1
Cadmus Tech Ltd	E	9.5	1.02	NE	Nil	Mid-Cap Index	D	280	N/A	NE	Nil	Sky City Ltd	C	368	2.04	17	10.5
Canty Bldg Soc	C	465	1.02	16	4.8	Millennium & C.	B	66	1.37	10	5.7	Smartpay NZ Ltd	E	1.5	0.11	NE	Nil
Cavalier Corp	B	274	0.85	12	10.3	Mowbray Collect	D	135	3.08	62	Nil	Smiths City	C	42	0.08	5	13.1
Cavotec MSL	C	465	2.22	40	1.3	Mr Chips Hold	A	260	1.12	12	2.3	Sol. Dynamics	E	35	0.30	NE	Nil
Cert Organics	E	4.8	1.56	NE	Nil	NZ Exchange Ltd	B	840	6.48	23	3.7	South Port NZ	B	219	3.93	26	5.3
Charlie's Group	E	16	1.66	NE	Nil	NZ Experience	B	30	1.17	8	14.9	Speirs Group	C	32	0.08	NE	14.0
Col Motor Co	B	340	0.21	14	10.1	NZ Finance Hold	D	45	1.29	9	3.3	Steel & Tube	C	307	0.58	10	14.1
Comvita	B	210	0.95	25	3.6	NZ Farming Sys.	C	187	N/A	NE	Nil	Sthn Travel	C	25	0.11	6	17.9
Connexion	E	10	0.99	NE	Nil	NZ Invest Trust	B	1090	N/A	NE	0.8	Tag Pacific Ltd	D	30	0.18	2	3.1
Contact Energy	A	885	2.55	21	4.6	NZ Oil & Gas * N/R	A	157	N/A	25	Nil	Taylor's Grp Ltd	C	142	0.52	9	12.6
Cynotech Hold.	E	14	1.09	7	5.3	NZ Refining Co	A	810	5.75	17	8.3	TeamTalk Ltd	B	212	1.75	12	14.1
Delegat's Group	B	190	1.43	13	3.5	NZ Wine Company	B	230	1.86	21	4.5	Telecom Corp	C	386	1.43	8	13.7
Dominion Fin.	D	65	0.58	5	2.3	NZ Windfarms	D	100	N/A	NE	Nil	Tenon Ltd	D	86	0.11	8	Nil
Dorchester Pac	E	43	0.24	NE	Nil	NZ Wool Service	C	37	0.18	18	Nil	Tourism Hold.	C	165	0.85	12	10.0
Eastern Hi-Fi	D	16	0.09	NE	Nil	NZSX 10 Fund	D	105	N/A	NE	Nil	Tower Limited	B	223	0.83	12	4.0
Ebos Group Ltd	B	480	0.58	17	7.0	NZSX 50 Port.	D	155	N/A	NE	Nil	Training Sol.	E	0.1	5.00	NE	Nil
F & P Appliance	D	230	0.47	12	10.3	NZX Aust MidCap	D	680	N/A	NE	Nil	Trust Power Ltd	A	870	4.03	28	4.8
F & P Health.	C	242	3.44	35	6.8	Nat Property Tr	C	51	2.87	4	9.8	Turners & Grow.	A	230	0.39	13	9.1
Finzsoft Sol'ns	D	80	0.82	NE	5.6	New Image Group	D	14	1.12	NE	Nil	Turners Auction	C	86	0.28	10	10.8
Fletcher Build.	D	755	0.64	8	8.9	Northland Port	B	287	N/A	13	5.7	Utilico Int'l	B	61	3.43	9	Nil
Freightways Ltd	B	335	1.52	17	8.0	Nuplex Indust	B	600	0.33	18	7.0	VTL Group Ltd	C	1.5	0.01	0	Nil
Genesis Res.	E	15	5.05	NE	Nil	Opus Int'l Cons	D	180	N/A	NE	Nil	Vector Ltd	B	205	1.52	20	9.5
Goodman Prop.	B	131	9.27	11	7.6	Oyster Bay	A	260	2.44	59	2.9	Viking Capital	E	10	1.95	2	Nil
Guinness Peat	C	159	0.60	7	1.6	Ozzy (Wrights)	C	379	N/A	NE	Nil	WN Drive Tech.	E	36	N/A	NE	Nil
GuocoLeisure	D	74	1.56	57	7.1	PGG Wrightsons	A	250	0.68	27	7.2	Wakefield Hlth	B	825	1.66	15	3.6
Hallenstein G.	C	314	0.94	9	16.6	Pac Edge Bio.	E	10	N/A	NE	Nil	Warehouse Group	C	533	0.94	14	4.9
Hellaby Hold.	D	158	0.16	9	9.4	Pike River Coal	D	201	N/A	NE	Nil	Widespread PortN/R	A	1.4	N/A	NE	Nil
Heritage Gold * N/R	A	4.1	N/A	NE	Nil	Pike SMS Hold.	D	10	N/A	NE	Nil	Windflow Tech.	D	300	7.38	NE	Nil
Horizon Energy	A	335	2.98	15	7.4	Port Tauranga	B	689	6.58	24	4.8	Wool Equities	D	30	0.33	NE	Nil
ICP Biotech.	E	1.5	N/A	NE	Nil	Postie Plus Grp	C	44	0.13	6	20.4	World Index Fd	D	133	N/A	NE	Nil
ING Property	C	92	4.58	7	10.7	Propertyfinance	D	16	0.06	NE	Nil	Xero Ltd	D	86	N/A	NE	Nil
ING Med. Prop.	B	118	8.42	16	8.1	Property F Ind.	B	125	8.46	14	7.1	Zintel Comm.	C	20	0.27	4	16.8
												Ave of 150 Cos	C	202	0.28	10	4.8
ABB Grain Ltd	A	995	0.98	NE	1.5	DUET Group	A	340	2.43	76	7.3	Nufarm Limited	A	1670	1.62	27	1.9
AGL Energy Ltd	A	1378	1.59	15	2.6	David Jones	B	344	0.78	14	6.4	Oil Search Ltd	A	587	7.67	12	1.8
AMP Ltd	B	761	1.00	16	5.3	Deutsche Div Tr	A	131	6.10	14	7.1	Onesteel Ltd	B	755	1.53	32	2.5
ANZ Bank	C	2074	3.40	9	6.6	Dexus Property	B	161	6.62	4	7.0	Orica Ltd	A	3010	1.68	19	3.0
APA Group	C	307	2.49	21	6.5	Downer EDI Ltd	A	713	0.42	14	2.9	Origin Energy	A	1560	2.18	38	1.3
APN News Media	C	398	1.48	12	7.9	Dyno Nobel Ltd	A	313	1.61	66	0.9	Oxiana Ltd	C	297	N/A	NE	2.7
ASX Limited	C	3267	N/A	19	5.0	Energy Resource	A	2333	N/A	58	0.9	Pacific Brands	B	207	0.57	10	8.0
AWB Limited	B	321	0.23	11	6.2	Energy World	B	130	N/A	26	Nil	Paladin Energy	C	540	N/A	NE	Nil
AXA Asia Pac	C	530	1.52	14	3.5	Equinox Min.	D	469	N/A	NE	Nil	Panaust Ltd	C	103	N/A	NE	Nil
Adelaide Bright	A	371	2.27	18	3.6	Fairfax Media	B	340	2.31	19	5.9	Paperlin X Ltd	A	233	0.13	13	4.7
Adelaide Bank	B	1558	4.93	18	4.2	Felix Resources	A	1965	N/A	79	0.3	Perpetual Ltd	A	4993	4.41	11	7.2
Alumina Ltd	B	552	N/A	13	4.3	Flight Centre	A	1770	1.45	14	3.7	Platinum Asset	B	404	6.72	15	Nil
Amcor Ltd	B	595	0.53	10	5.7	Fortescue Metal	C	1000	N/A	NE	Nil	Portman Limited	A	1809	6.58	28	Nil
Aneka Tambang	C	300	N/A	NE	3.6	Foster's Group	B	539	2.23	14	4.4	Primary Health	A	604	3.81	19	7.5
Ansell Ltd	B	1105	1.28	16	2.2	Futuris Corp.	B	182	0.43	13	5.2	Q.B.E. Insur.	A	2462	1.69	13	3.9
Aquarius Plat.	A	1665	5.10	19	3.0	GPT Group	B	297	6.73	4	9.3	Qantas Airways	B	349	0.46	10	8.6
Aquila Res.	C	1540	N/A	NE	Nil	Goodman Group	B	395	7.82	10	8.0	Queensland Gas	C	504	N/A	NE	Nil
Argo Investment	B	735	N/A	24	3.7	Goodman Fielder	B	164	0.90	9	8.2	Ramsay Health	B	1075	0.88	17	2.7
Aristocrat Leis	B	718	2.95	13	5.0	Guinness Peat	B	125	0.53	6	1.8	Reece Australia	B	2210	1.68	21	2.4
Arrow Energy	C	375	N/A	NE	Nil	Gujarat NRE Min	C	190	N/A	NE	Nil	Rio Tinto Ltd	A	13753	1.86	6	1.1
Ausenco Ltd	A	1504	3.37	30	2.0	Gunns Ltd	B	290	1.52	13	4.8	Riversdale Min.	B	1009	N/A	NE	Nil
Aust W'wide Exp	B	404	N/A	51	Nil	Harvey Norman	C	335	2.67	11	3.3	SP Ausnet	B	122	2.42	17	9.5
Aust Foundation	B	540	N/A	20	3.9	Healthscope	B	445	0.77	13	3.9	Santos Ltd	A	2135	4.61	20	1.9
Australand Prop	B	148	1.30	6	11.1	Henderson Group	B	256	4.80	17	5.4	Seek Ltd	B	544	9.85	28	2.5
Austar United	C	132	3.31	8	Nil	ING Indust Trt	B	198	8.44	5	8.4	Seven Network	B	889	0.77	1	3.3
B & B Wind Part	A	176	8.53	NE	7.1	ING Office Fund	B	134	7.34	3	8.6	Sims Group Ltd	A	3833	0.87	19	3.1
B & B Infrastr.	B	108	1.58	19	13.2	Incitec Pivot	A	18921	6.95	46	1.4	Sonic Health	B	1469	2.34	22	3.1
BHP Billiton	A	4400	2.64	9	1.3	Insurance Aust.	B	405	1.01	13	7.3	Soul Pattinson	A	1040	2.91	25	2.7
Babcock & Brown	B	1116	1.50	10	3.2	JB Hi-Fi Ltd	B	960	0.78	25	1.1	Spark Infrastru	B	179	8.40	70	8.5
Bank of Q'land	B	1541	1.17	13	4.5	James Hardie	C	532	1.49	NE	3.9	St George Bank	B	3080	1.76	14	5.5
Beach Petroleum	B	152	2.38	13	1.2	Kagara Ltd	B	485	3.63	12	2.1	Stockland	B	617	4.32	5	7.2
Bendigo Bank	B	1350	3.46	16	3.9	Leighton Hold	A	5335	1.48	33	2.1	Straits Res.	A	750	1.41	39	1.3
Billabong Int'l	A	1230	2.07	15	4.1	Lend Lease Corp	B	1170	0.33	9	6.6	Suncorp-Metway	B	1490	1.37	13	7.2
Bluescope Steel	A	1200	0.99	13	3.9	Lihir Gold Ltd	D	297	9.96	NE	Nil	Tabcorp Holding	B	1100	1.49	13	8.5
Boral Limited	B	595	0.73	12	5.7	Linc Energy Ltd	C	410	N/A	NE	Nil	Tatts Group Ltd	D	256	N/A	NE	7.0
Brambles Ltd	B	816	2.53	23	3.7	Macarthur Coal	A	1995	N/A	56	0.9	Telstra	B	460	2.39	18	6.1
Brickworks Ltd	B	1039	2.47	13	3.7	Macquarie Air.	B	279	3.24	8	9.0	Ten					

Recommended Investments

CDL Investments' business has slowed this year with the downturn in the residential property market and decline in building consents. The company, however, has no debt so is not being forced to discount section prices in a weak market. It is seeking to maintain the value of its property assets and is minimising costs by slowing the rate of new residential section development, while focusing upon stronger geographic markets.

Lyttelton Port Company has again upgraded its profit forecast for the period to June 2008. Last year the

company earned a profit of \$9,641,000 but immediately warned that the 2008 profits would decline around 12% to \$8.5 million owing to higher interest and depreciation costs from its capital investment program. That was later upgraded to a steady \$9.6 million and now the company expects to report a 5-10% higher \$10.0-10.5 million net profit.

The company has settled a new Collective Employment Agreement with a 6% increase in wages, salaries and allowances plus
(Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation			Perform- mance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
		Code	Date	Price									
NZ Shares													
HOLD	CDL Investments Ltd	CDI	12/01/99	25	C	218.9	1.3	2.47	7	9.8	35	17.9	+112%
BUY	Cavalier Corporation	CAV	05/12/95	156*	B	65.5	0.8	0.85	12	10.3	274	216.0	+214%
HOLD	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.5	0.21	14	10.1	340	326.8	+345%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.7	3.01	24	2.7	225	64.8	+93%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	C	382.8	0.8	0.95	16	4.5	87	23.4	+2108%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	B	79.9	0.5	0.33	18	7.0	600	217.0	+133%
HOLD+	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.4	0.13	6	20.4	44	8.5	-26%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	42.7	1.4	0.13	7	20.4	55	50.9	+25%
HOLD+	Smiths City Group	SCY	09/10/06	64	C	53.0	1.6	0.08	5	13.1	42	7.0	-23%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.8	3.93	26	5.3	219	97.0	+163%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.2	0.8	0.58	10	14.1	307	202.0	+249%
HOLD	Taylors Group Ltd	TAY	09/11/99	102	C	24.3	0.8	0.52	9	12.6	142	80.0	+118%
Australian Shares (in Aust cents)													
HOLD	AJ Lucas Group	AJL	13/05/03	120	A	54.2	0.6	1.63	55	0.4	650	26.0	+463%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	A	89.3	1.2	1.89	5	9.0	45	15.5	-18%
HOLD+	Austin Group Ltd	ATG	08/02/05	93	D	62.2	3.0	0.08	NE	Nil	7	7.0	-85%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	52.1	0.3	2.01	21	3.2	2940	297.6	+697%
HOLD+	Cellnet Group Ltd ¹	CLT	12/02/02	147*	D	74.3	1.5	0.03	NE	Nil	31	32.4	-44%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	40.1	0.9	14.51	0	Nil	94	65.0	-15%
BUY	Clarius Group Ltd	CND	08/04/03	86	B	53.4	0.8	0.27	6	12.7	150	61.5	+146%
BUY	Computershare Ltd	CPU	12/08/03	189	A	590.9	0.4	3.29	20	1.8	919	61.5	+419%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	35.6	0.9	0.77	11	8.6	90	Nil	+2%
BUY	Devine Ltd	DVN	13/11/06	94	A	284.2	0.9	0.42	11	8.6	94	12.0	+12%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	68.4	1.2	0.80	15	Nil	54	Nil	+9%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	A	33.1	0.8	3.16	16	4.1	254	Nil	-2%
HOLD	Housewares Int'l	HWI	13/11/06	171	D	125.0	0.8	0.41	9	Nil	123	8.5	-23%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	A	232.9	0.7	0.79	7	6.1	362	64.0	-10%
BUY	Integrated Research	IRI	14/01/08	40	B	166.3	1.3	1.65	11	8.3	36	1.5	-6%
HOLD+	Int'l AllSports	IAS	11/02/03	180	C	66.4	1.5	0.02	NE	Nil	33	4.0	-80%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	D	82.2	1.8	0.18	NE	Nil	22	Nil	-83%
BUY	M2 Telecommunications	MTU	09/10/06	33	B	60.2	1.1	0.81	15	5.1	59	5.0	+94%
HOLD	Mercury Mobility ¹	MMY			C	105.0	2.3	N/A	NE	Nil	13	Nil	
HOLD	Melbourne IT	MLB	10/02/04	53	A	76.8	0.5	1.68	19	3.9	336	36.0	+602%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	0.7	2.91	31	3.1	139	33.3	+105%
BUY	Probiotec Ltd	PBP	11/02/08	116	A	46.5	0.8	1.07	12	Nil	124	1.0	+8%
HOLD	Ross Human Directions	RHD	14/08/01	92	B	82.9	1.2	0.11	8	8.4	48	31.0	-15%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	104.6	0.6	0.25	12	6.6	332	107.5	+249%
HOLD+	Technology One Ltd	TNE	11/11/03	44	B	297.7	0.9	3.38	18	4.2	89	13.1	+132%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	162.1	0.9	4.31	10	2.8	120	0.9	+169%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	B	25.6	0.4	0.95	22	3.0%	1038	107.5	+346%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +178.00%. This is equal to an average annual rate of +30.6%, 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 141 closed out) is +32.5%, compared with a market gain of +6.5% (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 return includes 1½ shares of Mercury Mobility distributed to shareholders.

Recommended Investments

(Continued from Page 3)

supplementary adjustments for skills for the current year, followed by Consumer Price Index adjustments in each of the next two years.

Lyttelton Port Company



Renaissance Corporation reports that its *Txttunes* music download business has “not proven to be a commercial success” but it has applied for a patent on its new *widget* web based payment system.

The company has also launched a new business venture called *inDATAsure* which backups data online and includes insurance cover if the customer is unable to restore data. This service has been launched - in partnership with **QBE**, **Marsh Insurance** and **Unisys** - in New Zealand, with plans to expand overseas.

Renaissance Corporation



Australian Shares

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

AJ Lucas Group's share price has continued to rise strongly over the last month as a \$13 billion takeover offer from **British Gas** for **Origin Energy** has focused attention on the booming emerging coal seam methane (CSM) gas business. Not only does AJ Lucas Group have investments in CSM (i.e. through its 70% interest in the Gloucester Basin and 16.5% shareholding, plus additional options, in **Sydney Gas**) but also has the technology and skills for horizontal directional drilling (which allows holes to be drilled along coal seams to maximise gas extraction) and in pipeline construction (which will be necessary to bring the gas to market).

Several large companies are planning to develop significant CSM gas reserves in Queensland and spend around \$16 billion on LNG processing and export facilities in Gladstone. Extracting *current* CSM reserves

will require drilling 3500 wells, but that number will grow with exploration and new discoveries. The two major LNG projects at Gladstone will require 800 km of pipeline. AJ Lucas is by far the largest company providing drilling and maintenance services to the emerging CSM industry, with a 70% market share in New South Wales and a 30% share of the larger Queensland industry.

Over the last month, AJ Lucas Group has purchased a further 4,754,100 shares in **Sydney Gas** for \$1.87 million, lifting its direct shareholding to 66,556,202 shares or 16.54% of that company. It also holds a further 40.25 million options (exercisable at 60 cents and 75 cents, subject to achieving exploration targets to increase CSM gas reserves).

AJ Lucas Group has reported that in addition to the strong methane coal gas flows from its *Stratford 3* well (reported in January), the new *Stratford 4* and *Stratford 8* wells are each showing gas flows in excess of 1,115,000 ft³ per day in initial production testing from deep coal deposits. *Stratford 4* intersected a total of 12.0 metres of coal at depths from 515 metres and 739 metres, while *Stratford 8* found 12.7 metres of coal between 555 and 699 metres. Dewatering is incomplete, so gas flows will likely continue to increase.

Production testing of *Stratford 5* and *6* will commence in early June, followed by *Stratford 9* which is currently drilled to 820 metres with a target depth of 950 metres.

AJ Lucas Group needs to completely dewater these wells to fully test production volumes to assess their productive value.

The performance of the AJ Lucas Group share price is just another example of how the saying that “The market is always right” is, well, nearly always wrong! If you look back at our May 2003 newsletter (i.e. its a free download from our website) you will see we were attracted by the company's plans to build its business around pipelines and its underground horizontal directional drilling (HDD) technology. Ironically, it has been a lack of demand for HDD services in other areas that led AJ Lucas Group to itself enter the coal seam methane gas business to further develop and exploit its technologies!

The stockmarket in its wisdom re-rated the shares 112% over the eight months after we bought into AJ Lucas Group, to a high of 255 cents. Then the market downgraded the shares by 76% in value to a low of 61 cents in March 2006. Over the last two years the shares have recovered and grown over 10½-fold in value to 650 cents. Clearly the “market” (i.e. most investors) is manic-depressive, with shares fluctuating from extremes of under-valuation to extremes of over-valuation.

Clearly the stockmarket significantly under-valued AJ Lucas Group in 2006 (as, dare we say, it is under-valuing many other shares this year) but it is not so clear that AJ Lucas Group shares are necessarily over-valued today. AJ Lucas Group is a mid-sized company with a market capitalisation of \$352 million. Profits could recover to \$17-18 million this year (i.e. to June 2008) which would value the shares on a Price/Earnings ratio of around 20-21. That is not too high for the company

best placed to benefit from drilling related services and pipeline construction to service a potentially large emerging industry in CSM gas. Also the value of CSM assets has increased significantly over recent months. International gas prices have increased, while plans for LNG exports creates the potential to access those more valuable markets (compared with the previously much lower domestic gas price). So the company's 70% owned Gloucester Basin interests *could* now be worth \$125-175 million or 230-320 cents per share!

Another stockmarket saying is "You can't go broke realising a profit" but this newsletter has long advocated the opposite view that "You won't get rich taking *small* profits" (and, given our success over more than quarter of a century, we should perhaps change that to say "We didn't *get rich* by taking small profits"). Despite some ups and downs along the way, our investment in AJ Lucas Group is up 5½-fold over 5 years. That is an average compound gain of over 40% per annum - which doubles our money every two years! That is a very good rate of return - but investors need to focus on the *future*, not the *past*. If AJ Lucas Group shares were looking expensive and lacked future potential then it would be time to realise profits and re-invest in the many other under-valued opportunities that the market currently offers . . . but that is not the case! AJ Lucas Group's share valuation still looks reasonable and it has the technology and expertise to remain the market leader in the development and growth in the emerging CSM gas industry. That should generate significant high margin revenue growth over many years!

So we initially invested in AJ Lucas Group partly owing to its HDD technologies. That technology has become a major factor in the commercialisation and development of the CSM industry. Of course, in 2003 we couldn't have known that HDD would be further adapted to CSM, or that the CSM gas market would boom owing to higher energy prices *and* current plans for LNG exports . . . but we did know that "lucky" things happen to companies with niche market technologies and that new technologies (if they can be commercialised) can create significant shareholder wealth!

Rather than sell our AJ Lucas Group shares for just a 5½-fold gain it would appear to make more sense to continue to "Hold" this over-weighted position to further benefit from strong growth as this industry moves from the start-up to growth phase.

AJ Lucas Group



Atlas South Sea Pearl has experienced "excellent results" from harvests of larger, high value, repeat seeded pearls over the last six months - compared with quality problems from these pearls some years back. The proportion of repeat harvest pearls will increase over the next year - adding to both revenues and profit margins.

The company's oyster genetic research and selective breeding should start to yield results in the near future. Oysters have previously been selected for improved growth rates (although it will require many generations of selective breeding to significantly improve growth rates) and the first pearls from these will be harvested in September. Oyster families for future breeding will then be selected on both oyster growth rates and pearl quality characteristics.

The value adding, retail jewellery business is growing rapidly, with plans to double the number of Bali outlets to four by the end of the year.

Atlas South Sea Pearl



Austin Group has secured the licence to import and distribute a "premium LA denim brand", *Chip & Pepper*, in Australia and New Zealand from September. While the market rates Austin Group shares as if it was going out of business next month, the company is obviously focused not on survival, but future growth!

Austin Group



Campbell Brothers has lifted operating revenues 19.7% to \$761.0 million with trading profits up 39.7% to \$71,270,000 (136.7 cents per share). In addition there was a \$5.5 million gain after tax from the sale of its investment in **CCI Holdings**. A final dividend of 60.0 cents (50% franked) will lift the annual dividend rate 35.7% to 95 cents.

The net operating cash surplus was 37% higher at \$79.6 million. *(Continued on Page 6)*

Recommended Investments

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The group is restructuring its Laboratory Services business from geographically based to divisional lines (i.e. Minerals, Environmental, Coal, Food and Tribology). Market conditions “are forecast to remain buoyant” for “at least the next few years” and it will seek to expand further in the high growth markets of Russia, China and India through acquisitions and building new laboratories.

Campbell Brothers estimates the global testing market at A\$66 billion annually. The company is probably the largest global business in the Minerals testing market, but that sectors accounts for just 2% of the above total. Expansion in the larger Environmental and Food testing sectors could offer the group significant medium to long term growth potential beyond the continuing mineral exploration boom.

At \$29.40, Campbell Brothers shares trade on a Price/Earnings ratio of 21 and offer a Dividend Yield of 3.2%. Although a lot of good shares trade on about half that valuation, Campbell Brothers is an excellent global business with sound growth potential, so the shares still remain an attractive long term investment. “Hold+”.

Campbell Brothers



CPT Global has warned that annual revenues to June 2008 will only be around 5% higher than the previous year. The *Credit Crunch* is continuing to have a “short term detrimental effect on our current and potential client base in the United States and to a lesser extent Europe”. As the company was planning for strong growth (i.e. around 30% annually over the next several years) and increasing its personnel and other overheads to lift capacity, we estimate that only 5% revenue growth could result in a 10-20% profit decline in the current period.

CPT Global



Medium to long term, CPT Global can help banks and other large companies reduce computer expenses and become more efficient. The current slowdown reflects delays in new work (as banks focus on more serious short term problems!), not a change in CPT Global's potential to grow revenues and profits strongly in future years!

Devine expects profits for the current year to June 2008 to be 40-50% higher than the previous year. This should approximately maintain earnings per share on capital increased through a cash issue. The company expects to pay a final 4.0 cents dividend, maintaining the annual dividend at 8.0 cents.

Devine



Iluka Resources' board has approved the \$420 million development of the *Jacinth-Ambrosia* mineral sand project which will produce 6.0 million tonnes of Heavy Mineral concentrate, including 2.9 million tonnes of the more valuable Zircon, over an estimated ten year mining life. Mining and production should begin in the first quarter of 2010, with product sales from the second half of 2010 (i.e. within about two years).

A pipeline explosion at Apache Energy's *Varanus Island* facility on 3 June has cut gas and electricity supplies to Iluka Resources' mineral sands operations in Western Australia. The company has completed a controlled shutdown of operations and will investigate alternative energy supplies and undertake maintenance initiatives during the shut down.

Iluka Resources



Melbourne IT has formed a joint venture with Fairfax Digital to be called Advantate which will offer search engine marketing services to small and medium sized businesses in Australia and New Zealand. This service will manage and re-sell pay-per-view search

engine advertising from companies like **Google** and **Yahoo!** It will also target small businesses without a website, creating a single-page website (with domain names provided by Melbourne IT) linked to the search engine advertisements.

The recent **Digital Brands Management Services** acquisition and Advantate are expected to have minimal impact on current year earnings, but contribute to profits from 2009. Existing businesses are expected to generate first half earnings (before interest and tax) of “in excess of \$11 million” (i.e. up over 20%), with further growth in the second half of the year.

Melbourne IT shares have performed well - up 7-fold in the 4½ years since we invested in this company - and at 336 cents trade on a Price/Earnings ratio of 19 and a Dividend Yield of 3.9%. There are many recent recommendations that offer better value for new purchases, but a P/E of 19 for a high quality company expected to grow at better than 20% per annum is not excessive, so Melbourne IT shares remain a sound “Hold”.

Melbourne IT



Ross Human Directions is predicting around a 17% increase in revenues and 14% rise in earnings (before interest, depreciation and tax) but a 15-20% reduction in net profit.

The company has made “a significant investment in a major IT infrastructure upgrade” which together with additional working capital (to support the revenue growth) has increased interest bearing debts and financing costs.

Ross Human Directions



Skilled Group has improved its financial position by refinanced and extended a \$175 million debt facility due to expire in August. This facility has been extended three years until August 2011, but at a 0.7% higher bank margin in line with current market conditions. The

company has a second, unchanged facility of \$175 million until August 2010. Overall the company has currently drawn down \$271 million of these \$350 million facilities and expects to reduce that further by 30 June.

Skilled Group



Technology One has reported a 29.6% increase in revenues to \$49.5 million for the six months to 31 March 2008. Profits were 14.9% higher at \$6,971,000 (2.3 cents per share), with this lower growth owing to a 45.2% increase in Research & Development expenses.

The interim dividend will be increased 9.9% to 1.67 cents, while the net operating cash surplus was 88% lower at just \$1.1 million.

This is a better than expected result, with much stronger growth now expected in the second half. The first half result was depressed by \$700,000 of losses from the recently acquired **Avand** business which should break-even by the end of the year. Annual Licence & Support revenue was \$14.3 million in the first half, but will be at least \$21 million in the second half. The costs of providing these services will remain steady, so the extra revenue will add \$6.7 million to pre-tax profits.

Technology One



TFS Corporation has again confirmed plans to “significantly expand plantings” over the next 3-5 years and is forecasting a greater than 500% increase in “cash annuity revenue” (i.e. annual management fees and land lease fees charged to investors) over the next three years.

At June 2007 the company had 1,750 hectares planted and currently has a further 3,890 hectares suitable for planting. The company expects to plant and sell at least 650 hectares as Managed Investment Schemes this year, but has the capacity to develop over 800 hectares so will probably develop and (Continued on Page 8)

Recommended Investments

(Continued from Page 7)

retain ownership of some new plantation.

The forecast growth in annual management fees over the next three years suggests expanding the plantation to around 10,000-10,500 hectares, requiring around a 75% growth in annual plantation development each year! That would require further significant increases in capacity and develop the existing land bank within about two years. The company is debt-free, profitable and generates positive cashflows, so is in a strong position to finance future growth.

Revenue from the processing and sale of sandalwood products is expected to begin in 3-5 years. That would also require some capital investment in processing plant and equipment but should add significantly to the

company's recurring annual profits.

TFS Corporation remains a "must have" growth share in our portfolio! "Buy".

TFS Corporation



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.

Company	Share Price	Cur- rent	4-WkRang	STRENGTH	RATING	Insider Buy-Sell	Brokers Following	Price to Earnings	Return on Equity	Vola- ity	PriceDivi- dends	Price Yield Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld>0, RelStrength>0													
Richina Pacific	58	+10.4	+0.7	3	0-0	-	0.6	16	1.2	4	2.6	0.18	88
Turners & Grow.	230	+0.1	+1.3	13	0-1	2	0.7	6	0.7	13	9.1	0.39	213
Skellerup Hold.	87	+1.3	+3.0	11	6-0	2	2.5	2	1.3	159	5.1	0.52	115
Livestock Imp.	260	+6.9	+6.0	5	0-0	-	0.8	10	0.7	8	14.4	0.65	77
PGG Wrightsons	250	+4.6	+2.5	5	8-0	3	1.7	6	0.7	27	7.2	0.68	703
Mainfreight Grp	735	+0.8	+3.9	12	3-7	4	2.8	16	0.6	17	3.7	0.75	710
BEST PERFORMING SHARES: Strongest Shares, P/E<20, P/S<1.0													
Richina Pacific	58	+10.4	+0.7	3	0-0	-	0.6	16	0.9	4	2.6	0.18	88
Livestock Imp.	260	+6.9	+6.0	5	0-0	-	0.8	10	0.5	8	14.4	0.65	77
Mainfreight Grp	735	+0.8	+3.9	12	3-7	4	2.8	16	0.5	17	3.7	0.75	710
Turners & Grow.	230	+0.1	+1.3	13	0-1	2	0.7	6	0.5	13	9.1	0.39	213
INCOME SHARES: Highest Yields, Capitalisation>NZ\$100million													
Hallenstein G.	314	-9.2	-2.6	59	2-1	4	2.8	32	0.4	9	16.6	0.94	187
Telecom Corp	386	-5.1	+1.3	40	9-20	11	2.2	26	0.6	8	13.7	1.43	6,931
Briscoe Group	110	-9.6	-1.2	61	3-0	5	2.0	19	0.6	10	10.9	0.57	233
ING Property	92	-8.4	+0.6	55	1-0	3	0.7	10	0.5	7	10.7	4.58	473
Sky City Ltd	368	-9.3	+1.2	60	1-8	10	4.4	26	0.7	17	10.5	2.04	1,659
Cavalier Corp	274	-5.6	+1.8	42	0-0	4	2.8	23	0.6	12	10.3	0.85	179
F & P Appliance	230	-14.0	+1.5	74	2-7	6	1.0	8	0.8	12	10.3	0.47	655
Air New Zealand	117	-21.2	-2.4	86	9-3	5	0.7	12	0.7	6	10.2	0.28	1,230
Methven Limited	174	-13.3	+3.2	72	3-3	2	2.1	18	0.7	12	10.0	1.01	116
Tourism Hold.	165	-10.2	+0.7	63	2-0	4	0.9	8	0.7	12	10.0	0.85	162
INSIDER BUYING: Most Insider Buying, Relative Strength>0													
PGG Wrightsons	250	+4.6	+2.5	5	8-0	3	1.7	6	0.5	27	7.2	0.68	703
NZ Farming Sys.	187	+8.0	+7.7	3	7-0	-	-	-	0.6	NE	Nil	N/A	317
Skellerup Hold.	87	+1.3	+3.0	11	6-0	2	2.5	2	0.9	159	5.1	0.52	115
Plus SMS Hold.	10	+13.1	-0.8	2	5-0	-	-2.9	-	2.3	NE	Nil	N/A	35
Affco Holdings	45	+3.1	+4.0	9	4-0	-	0.9	0	0.7	188	Nil	0.24	227
Pike River Coal	201	+27.7	+13.6	1	2-0	2	2.5	-	0.8	NE	Nil	N/A	528
Mt Chips Hold	260	+31.4	+2.2	0	2-0	-	-3.0	25	0.4	12	2.3	1.12	64
Contact Energy	885	+4.1	+3.3	6	1-0	6	1.8	8	0.5	21	4.6	2.55	5,104
NZ Refining Co	810	+2.5	+2.1	9	1-0	2	3.2	18	0.4	17	8.3	5.75	1,944
NZ Oil & Gas	157	+21.0	+2.7	1	1-0	-	-4.3	17	0.5	25	Nil	N/A	201
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength<0													
Goodman Prop.	131	-3.1	+1.1	29	2-1	4	1.0	9	0.5	11	7.6	9.27	1,092
Property F Ind.	125	-3.6	+0.4	31	0-0	4	0.9	6	0.5	14	7.1	8.46	263
ING Med. Prop.	118	-0.8	+2.5	18	4-0	4	0.9	5	0.5	16	8.1	8.42	164
Akd Int Airport	212	-11.7	-0.1	68	0-1	8	1.3	5	0.6	28	5.8	8.05	2,590
AMP Onyx Mgmt	121	-0.5	+2.3	14	1-0	4	0.9	4	0.4	20	6.4	7.73	833
Windflow Tech.	300	-4.5	+0.2	36	2-0	-	-4.3	-	0.3	NE	Nil	7.38	25
Port Tauranga	689	-1.0	+1.7	20	3-0	4	1.4	6	0.4	24	4.8	6.58	923

Company	Share Price	Cur- rent	4-WkRang	STRENGTH	RATING	Insider Buy-Sell	Brokers Following	Price to Earnings	Return on Equity	Vola- ity	PriceDivi- dends	Price Yield Ratio	Market Cap'n
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio>0.25, Yld<Twice Average													
NZ Exchange Ltd	840	-4.6	+5.0	37	0-1	2	7.0	30	0.6	23	3.7	6.48	204
Kiwi Property	123	-5.1	+1.7	41	2-0	4	0.9	11	0.5	8	7.5	5.93	1,023
Sealegs Corp	45	-8.3	+2.8	53	0-1	-	-17.8	-	1.3	NE	Nil	5.67	34
Kermadec Prop.	73	-9.0	+1.2	58	4-0	-	0.7	7	0.7	9	11.9	5.20	56
ING Property	92	-8.4	+0.6	55	1-0	3	0.7	10	0.4	7	10.7	4.58	473
Trust Power Ltd	870	-0.3	+3.6	14	0-2	4	2.2	8	0.5	28	4.8	4.03	2,744
South Port NZ	219	-5.1	+0.9	40	0-0	1	2.2	9	0.5	26	5.3	3.93	57
F & P Health.	242	-9.1	+0.5	59	1-19	6	6.3	18	0.5	35	6.8	3.44	1,233
A2 Corporation	16	-18.0	-0.1	80	0-0	-	-	-	1.5	NE	Nil	3.19	24
Mowbray Collect	135	-7.4	-0.5	50	0-4	-	3.4	5	0.3	62	Nil	3.08	15
Lytelton Port	225	-4.6	-1.7	38	0-0	3	1.9	8	0.5	24	2.7	3.01	230
Sky Network TV	475	-8.5	+0.3	55	1-0	6	1.7	11	0.3	16	3.1	2.99	1,848
Horizon Energy	335	-1.3	+2.9	20	0-0	1	1.7	11	0.2	15	7.4	2.98	84
Charlie's Group	16	-58.3	-0.0	98	1-0	-	-3.0	0	1.2	NE	Nil	1.66	45
ICP Biotech.	2	-27.5	-10.0	93	0-0	-	-	-	3.1	NE	Nil	N/A	8
Cert Organics	5	-26.1	-3.6	92	0-1	-	1.1	-	2.3	NE	Nil	1.56	13
Guoco Leisure	74	-24.4	-2.3	90	0-0	-	0.7	1	0.6	57	7.1	1.56	1,012
Dominion Fin.	65	-24.2	-1.9	90	2-3	-	0.9	18	0.8	5	2.3	0.58	47
Wool Equities	30	-22.4	-2.8	88	0-0	-	0.6	-	0.6	NE	Nil	0.33	7
NZ Finance Hold	45	-22.1	-0.6	88	2-1	-	1.5	16	0.5	9	3.3	1.29	35
Provenco Cadmus	31	-20.1	+0.4	85	0-0	1	0.7	-	0.7	NE	Nil	0.25	43
Pumpkin Patch	162	-20.0	+1.9	84	5-5	4	2.5	25	0.6	10	8.3	0.74	271
Metro Life Care	443	-18.4	+1.1	81	0-0	1	1.4	11	0.2	13	5.0	2.26	387
A2 Corporation	16	-18.0	-0.1	80	0-0	-	-	-	1.5	NE	Nil	3.19	24
Cadmus Tech Ltd	10	-17.4	+1.7	78	0-0	-	1.6	-	1.2	NE	Nil	1.02	26
Comvita	210	-17.2	+6.0	78	2-0	-	1.2	5	0.5	25	3.6	0.95	37
Heritage Gold	4	-16.5	+3.4	77	0-0	-	1.0	-	2.4	NE	Nil	N/A	12
Viking Capital	10	-15.3	-11.3	76	0-0	-	0.4	14	1.5	2	Nil	1.95	7
Fletcher Build.	755	-13.8	-0.4	73	1-3	6	1.6	21	0.5	8	8.9	0.64	3,770
Cynotech Hold.	14	-12.8	-3.5	71	0-0	-	1.1	16	1.2	7	5.3	1.09	13
Finzsoft Solns	80	-12.2	-5.2	71	0-0	-	1.9	-	0.5	NE	5.6	0.82	7
Burger Fuel	60	-12.1	+6.4	70	0-0	-	-	-	0.7	NE	Nil	N/A	32
INSIDER SELLING: Most Insider Selling, Relative Strength<0													
F & P Health.	242	-9.1	+0.5	59	1-19	6	6.3	18	0.4	35	6.8	3.44	1,233
Telecom Corp	386	-5.1	+1.3	40	9-20	11	2.2	26	0.5	8	13.7	1.43	6,931
Sky City Ltd	368	-9.3	+1.2	60	1-8	10	4.4	26	0.6	17	10.5	2.04	1,659
Michael Hill	87	-7.9	-1.6	52	2-9	4	4.6	29	0.4	16	4.5	0.95	333
F & P Appliance	230	-14.0	+1.5	74	2-7	6	1.0	8	0.7	12	10.3	0.47	655
Mowbray Collect	135	-7.4	-0.5	50	0-4	-	3.4	5	0.3	62	Nil	3.08	15
Salvus Strat.	101	-1.0	+1.4	19	0-2	-	0.8	30	0.6	3	8.1	2.35	20
Trust Power Ltd	870	-0.3	+3.6	14	0-2	4	2.2	8	0.5	28	4.8	4.03	2,744
NZ Windfarms	100	-7.2	+2.3	49	0-2	-	1.0	-	0.9	NE	Nil	N/A	79
Lion Nathan Ltd	1130	-0.7	+0.9	16	0-2	-	7.3	30	0.2	24	3.5	2.89	6,037

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											Price	Return	Volatility	Price	Dividend	Price	Market
	Share	Cur.	4-Wk	Rank	to	0-99	Following	Price	Return	Volatility	Price							
UNDER-VALUED SHARES: Lowest Price/Sales, Yld>0, RelStrength>0																		
CiticAustralia	85	+0.1	-2.2	16	1-0	-	2.2	27	1.0	8	6.7	0.09	71					
AWB Limited	321	+7.5	+7.1	9	3-0	6	-	-	0.5	11	6.2	0.23	1,112					
SupplyNetwork	39	+0.8	-0.9	15	1-0	-	1.0	4	1.3	24	2.6	0.25	9					
RuralcoHold.	440	+5.6	+2.1	10	1-0	1	3.1	17	0.4	18	4.5	0.27	200					
Ridley Corp.	142	+2.7	+5.4	13	4-0	4	1.4	8	0.8	18	4.9	0.29	415					
AmbertechLtd	80	+6.5	-1.3	10	0-0	-	1.5	15	0.9	10	6.3	0.41	25					
DownerEDILtd	713	+11.6	+3.7	6	11-0	7	4.6	32	0.7	14	2.9	0.42	2,289					
TransMetroCorp	90	+2.4	-0.8	13	0-0	-	0.8	16	0.8	5	3.3	0.48	12					
FreedomNutl	56	+4.2	-0.3	11	13-0	-	13.9	66	1.1	21	1.8	0.49	25					
LemameCorp	380	+0.9	+3.1	15	0-0	-	1.2	17	0.4	7	4.9	0.51	37					
PenriceSoda	170	+4.8	+2.9	11	3-0	1	3.5	31	0.7	11	5.9	0.57	77					
Chalmers	395	+6.4	+0.3	10	0-0	-	1.0	15	0.5	7	5.1	0.59	23					
Graincorp	1120	+4.7	-4.0	11	2-4	4	1.8	9	0.3	20	4.5	0.78	637					
SimsGroupLtd	3833	+12.8	+1.1	6	1-5	9	5.9	31	0.4	19	3.1	0.87	4,834					
RamsayHealth	1075	+1.9	+0.1	14	1-1	14	44.8	-	0.3	17	2.7	0.88	1,860					
CountryRoad	335	+7.1	-4.1	9	0-0	-	4.4	32	0.4	14	2.2	0.96	231					
WDSLimited	274	+2.8	+7.4	13	3-0	3	5.7	29	0.8	19	1.8	0.97	215					
ABB GrainLtd	995	+7.8	+3.1	9	1-0	4	2.7	1	0.3	203	1.5	0.98	1,485					
Domino'sPizza	360	+2.5	+2.0	13	1-1	7	6.9	28	0.5	25	3.0	0.99	227					
BluescopeSteel	1200	+3.0	+1.0	13	4-0	10	3.0	23	0.5	13	3.9	0.99	8,806					
MacMahonHold	175	+3.4	+2.3	12	2-2	6	4.5	15	0.8	30	1.7	1.01	915					
MonadelphousGr	1326	+0.1	+3.1	16	1-1	8	13.3	73	0.4	18	3.8	1.14	1,101					
AustalLimited	339	+5.5	+8.7	10	1-0	3	3.1	22	0.5	14	3.5	1.18	641					
Straits Res.	750	+8.5	-2.2	8	2-5	2	-	-	0.7	39	1.3	1.41	1,350					
VeallsLtd	160	+6.1	+5.2	10	0-0	-	-	-	0.6	3	5.8	1.52	19					
OnesteelLtd	755	+1.4	+0.2	14	0-1	10	6.0	19	0.6	32	2.5	1.53	6,585					
DynoNobelLtd	313	+16.9	+6.8	5	0-0	10	6.1	9	0.9	66	0.9	1.61	2,567					
NufarmLimited	1670	+7.6	-0.4	9	2-0	13	7.7	29	0.4	27	1.9	1.62	2,864					
AJLucas	650	+24.3	+12.1	3	0-1	10	17.6	32	0.6	55	0.4	1.63	352					
OricaLtd	3010	+0.4	+1.5	16	2-0	12	-	-	0.4	19	3.0	1.68	9,268					
Rio Tinto Ltd	13753	+8.8	-0.6	8	0-0	7	-	-	0.5	6	1.1	1.86	62,826					
Atlas SS Pearl	45	+3.3	+5.1	12	0-0	-	-	-	1.2	5	9.0	1.89	40					
BEST PERFORMING SHARES: Strongest Shares, P/E<20, P/S<1.0																		
KoonHoldings	23	+18.1	-2.2	5	0-0	-	1.0	32	1.1	3	Nil	0.13	19					
SimsGroupLtd	3833	+12.8	+1.1	6	1-5	9	5.9	31	0.3	19	3.1	0.87	4,834					
DownerEDILtd	713	+11.6	+3.7	6	11-0	7	4.6	32	0.6	14	2.9	0.42	2,289					
AircourseAust	21	+11.6	-4.6	7	0-0	-	0.7	5	1.2	14	Nil	0.35	3					
Int'lEquities	7	+8.6	-1.9	8	0-0	-	0.6	14	2.3	5	Nil	0.59	9					
AWB Limited	321	+7.5	+7.1	9	3-0	6	-	-	0.4	11	6.2	0.23	1,112					
CountryRoad	335	+7.1	-4.1	9	0-0	-	4.4	32	0.3	14	2.2	0.96	231					
AmbertechLtd	80	+6.5	-1.3	10	0-0	-	1.5	15	0.7	10	6.3	0.41	25					
Chalmers	395	+6.4	+0.3	10	0-0	-	1.0	15	0.4	7	5.1	0.59	23					
MultistackInt'	2	+6.2	+0.4	10	0-0	-	0.3	3	4.7	9	Nil	0.16	2					
RuralcoHold.	440	+5.6	+2.1	10	1-0	1	3.1	17	0.3	18	4.5	0.27	200					
PenriceSoda	170	+4.8	+2.9	11	3-0	1	3.5	31	0.5	11	5.9	0.57	77					
TowerAustralia	295	+3.5	+5.1	12	2-0	4	2.5	46	0.6	6	Nil	0.77	691					
BluescopeSteel	1200	+3.0	+1.0	13	4-0	10	3.0	23	0.4	13	3.9	0.99	8,806					
WDSLimited	274	+2.8	+7.4	13	3-0	3	5.7	29	0.6	19	1.8	0.97	215					
Ridley Corp.	142	+2.7	+5.4	13	4-0	4	1.4	8	0.6	18	4.9	0.29	415					
TransMetroCorp	90	+2.4	-0.8	13	0-0	-	0.8	16	0.6	5	3.3	0.48	12					
RamsayHealth	1075	+1.9	+0.1	14	1-1	14	44.8	-	0.2	17	2.7	0.88	1,860					
LemameCorp	380	+0.9	+3.1	15	0-0	-	1.2	17	0.3	7	4.9	0.51	37					
CiticAustralia	85	+0.1	-2.2	16	1-0	-	2.2	27	0.8	8	6.7	0.09	71					
ChinaCons	3	+0.0	+0.0	7	0-0	-	0.0	0	3.2	16	Nil	0.76	16					
INCOMESHARES: Highest Yields, Capitalisation>A\$250million																		
CentroProperty	34	-52.1	+0.9	99	6-0	5	0.3	42	1.1		1%117.1	0.36	287					
CentroRetail	40	-35.1	+4.4	95	2-1	5	0.2	14	0.9	2	31.8	1.12	454					
MacquarieDDR	54	-23.8	+2.2	81	11-0	7	0.5	19	0.8	3	18.5	1.83	502					
INGRealEstate	66	-23.6	-1.5	80	3-0	2	0.6	16	0.6	4	16.2	7.58	313					
ConsMediaHold	343	-10.1	-1.9	44	0-0	-	19.1	58	1.1	33	16.0	4.75	2,334					
ZinifexLtd	937	-14.7	+2.1	60	1-1	10	1.4	25	0.6	6	14.9	2.36	4,562					
MacquarieC'Wde	117	-16.5	+1.8	64	4-0	7	0.6	19	0.5	3	13.4	4.81	1,534					
B&B Infrastr.	108	-13.9	+1.6	57	3-0	6	-	-	0.5	19	13.2	1.58	1,990					
Envestra	73	-10.2	+2.2	45	3-0	5	-	-	0.6	NE	13.0	1.86	622					
ABC Learning	135	-41.8	-1.1	98	8-10	4	-	-	0.6	4	12.6	0.37	632					
MacquarieMedia	364	-7.5	+0.9	36	8-0	5	-	-	0.4	21	12.5	1.09	759					
MivacREIT	85	-13.6	-1.4	57	0-0	1	0.6	18	0.5	3	12.2	6.53	530					
AMP Cap China	115	-11.0	+1.8	48	0-0	-	0.6	11	0.7	6	12.2	5.11	322					
RivercityMway	48	-17.9	-0.7	68	0-0	3	6.0	33	0.9	18	11.3	N/A	347					
MacquarieOff.	99	-16.1	+2.9	63	2-0	8	0.6	31	0.6	2	11.3	1.55	1,979					
MacquariesC&I	372	-13.2	-1.6	55	0-0	4	-	-	0.3	16	11.3	1.29	1,894					
ValadProperty	99	-19.9	+6.3	73	4-0	6	1.0	13	0.6	8	11.2	6.04	820					
AustralandProp	148	-13.7	-0.2	57	0-0	4	0.9	15	0.4	6	11.1	1.30	1,372					
Chal Infra Fund	290	-3.9	+2.5	27	2-0	4	-	-	0.4	20	11.1	5.98	801					
AleProperty	300	-10.8	+4.3	47	1-0	1	0.9	32	0.3	3	10.8	5.29	272					
INSIDER BUYING: Most Insider Buying, Relative Strength>0																		
WesternAreas	967	+40.6	+14.2	1	22-2	5	12.2	-	0.5	NE	Nil	N/A	1,358					
HudsonRes.Ltd	41	+42.8	+54.6	1	17-0	-	13.7	-	0.7	NE	Nil	N/A	41					
FreedomNutl	56	+4.2	-0.3	11	13-0	-	13.9	66	0.6	21	1.8	0.49	25					
DownerEDILtd	713	+11.6	+3.7	6	11-0	7	4.6	32	0.5	14	2.9	0.42	2,289					
LittleWorldB.	160	+3.7	+1.4	12	11-0	-	-	-	0.4	32	2.7	3.52	95					
PlutonResource	205	+4.0	+5.3	11	11-1	-	-	-	0.5	NE	Nil							

“Neglect” Ratings of NZ Shares

“Neglected” Shares = 1-2 Brokers, “Moderately Followed” Shares = 3-4 Brokers, “Widely Followed” Shares = 5 or more Brokers.

Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)
AMP Onyx Mgmt	4	833	Freightways Ltd	4	431	NZ Exchange Ltd	2	204	Scott Tech. Ltd	1	30
Abano Health.	1	114	Goodman Prop.	4	1,092	NZ Refining Co	2	1,944	Seeka Kiwifruit	1	30
Air New Zealand	5	1,230	Guinness Peat	2	2,027	Nat Property Tr	4	97	Skellerup Hold.	2	115
Akd Int Airport	8	2,590	Hallenstein G.	4	187	Nuplex Indust	4	479	Sky Network TV	6	1,848
Allied Work.	1	21	Hellaby Hold.	2	79	PGG Wrightsons	3	703	Sky City Ltd	10	1,659
Briscoe Group	5	233	Horizon Energy	1	84	Pike River Coal	2	528	South Port NZ	1	57
Cabletalk Group	1	1	ING Property	3	473	Port Tauranga	4	923	Steel & Tube	6	271
Cavalier Corp	4	179	ING Med. Prop.	4	164	Property F Ind.	4	263	Telecom Corp	11	6,931
Cavotec MSL	3	296	Infratil NZ	2	1,164	ProvencoCadmus	1	43	Tenon Ltd	2	57
Col Motor Co	1	95	Just Water Int.	1	46	Pumpkin Patch	4	271	Tourism Hold.	4	162
Contact Energy	6	5,104	Kiwi Property	4	1,023	Pyne Gould Corp	1	338	Tower Limited	5	422
Delegat's Group	3	191	Lyttelton Port	3	230	Rakon Ltd	2	410	Trust Power Ltd	4	2,744
Ebos Group Ltd	2	177	Mainfreight Grp	4	710	Restaurant Brds	3	88	Turners & Grow.	2	213
F & P Appliance	6	655	Methven Limited	2	116	Rubicon Limited	2	229	Turners Auction	1	24
F & P Health.	6	1,233	Metro. LifeCare	1	387	Ryman Health.	3	871	Vector Ltd	4	2,050
Fletcher Build.	6	3,770	Michael Hill	4	333	Sanford Limited	3	479	Wakefield Hlth	1	117
									Warehouse Group	8	1,657

“Neglect” Ratings of Australian Shares

“Neglected” Shares = 1-4 Brokers, “Moderately Followed” Shares = 5-10 Brokers, “Widely Followed” Shares = 11 or more Brokers.

Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)
A.P.Eagers	1	377	AncorLtd	11	5,261	BHPBilliton	9	147,668	CentroProperty	5	287
ABBGrainLtd	4	1,485	AnsellLtd	7	1,600	BSALtd	1	59	CentennialCoal	8	1,559
ABCLeaming	4	632	AntaresEnergy	1	25	Babcock&Brown	8	2,996	CentroRetail	5	454
AEDOILtd	3	383	AnzonAustralia	2	445	Bank of Q'land	15	1,744	ChalFinancial	11	1,252
AGLEnergyLtd	10	5,974	AristocratLeis	10	3,334	BeachPetroleum	6	1,348	Chal Infra Fund	4	801
AJLucas	3	352	ArrowEnergy	4	2,093	Becton PropGrp	5	261	Chal Div Prop	4	429
AMPLtd	13	14,268	AspenGroupLtd	3	335	BemaxResources	1	292	ChandlerMcLeod	1	55
ANZBank	16	38,673	Atlas IronLtd	1	767	BendigoBank	14	1,947	Charter Hall GR	5	603
APAGroup	8	1,325	AusdrillLtd	2	346	Berkeley Res.	1	74	ChemGenexPharm	1	173
APNProperty	1	98	AusencoLtd	4	1,242	BillabongInt'l	9	2,551	ClariusGroup	6	80
APNNewsMedia	9	1,947	AustPharm. Ind	8	272	BlackmoresLtd	3	289	Clinuvel Pharm.	1	107
APN/UKAEuroPr	3	217	AustW'wideExp	12	1,812	BluescopeSteel	10	8,806	ClivePeeters	3	64
ARBCorporation	2	263	AustralandProp	4	1,372	BoomLogistics	7	167	CloughLimited	2	383
ARCEnergy	5	474	Austal Limited	3	641	BradkenLtd	5	918	Coal & Allied	3	9,180
ASGGroupLtd	2	139	AustWealthMgt	7	920	BramblesLtd	11	11,550	CocaColaAmatil	11	5,985
ASX Limited	11	5,582	AustarUnited	7	1,665	BravuraSol.	4	189	CochlearLtd	10	2,766
AWBLimited	6	1,112	AustEducation	5	110	BrickworksLtd	3	1,379	CodanLtd	1	113
AXAAsiaPac	13	9,239	AustereoGroup	10	579	BunningsW/hse	4	585	Coffey Int'l	4	235
AbacusProperty	5	770	Austbrokers	4	209	C'with Prop Off.	7	2,086	Collection Hse	1	48
AcruxLtd	1	139	AustAgricuit.	2	865	C.S.R. Ltd	10	2,771	Com'wealth Bank	15	56,115
AdcorpAust.	1	22	AustVintage	5	186	CBHResources	3	208	CommanderComm.	4	24
AdelaideBright	10	2,015	Austin Eng.	2	109	CFS Retail Prop	6	4,520	Computershare	12	5,430
AdityaBirla	3	787	AutomotiveHold	2	443	CPIGroup	2	24	ConnectEastGrp	6	1,369
AevumLtd	3	217	Avexa Limited	2	152	CSGLtd	4	172	Cons Rutile	1	154
AlbidonLtd	5	674	AvocaResources	4	487	CSL Limited	11	22,514	CooperEnergy	1	80
AleProperty	1	272	AxiomProperty	1	47	CabchargeLtd	10	1,014	CopperCoLtd	1	216
AlescoCorpLtd	7	553	B & B Wind Part	7	1,010	Caltex Australia	9	3,937	CorpExpress	7	1,057
AllcoFinance	2	135	B & B Infrastr.	6	1,990	CampbellBros	4	1,533	CountFinancial	5	522
Altium Limited	1	54	B&B Capital Ltd	1	834	CardnoLtd	5	293	Coventry Group	1	82
AluminaLtd	14	6,232	B&B ResLand	2	75	Carindale Prop	1	276	CraneGroup	8	842
AmadeusEnergy	1	102	B&B Power	6	901	CathrxLtd	1	29	CreditCorp	4	30
AmcomTelecom.	1	94	B&B Japan Prop.	4	542	Centrebet Int'l	4	113	CromwellGroup	2	591

Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)
DKNFinancial	1	72	InfomediaLtd	1	129	OaksHotel	1	153	SirtexMedical	1	212
DUETGroup	8	2,044	InnaminckaPet.	1	172	OaktonLimited	10	295	SkilledGroup	4	347
DWS Adv Bus Sol	6	225	InsuranceAust.	12	7,266	OilSearchLtd	10	6,573	Slater&Gordon	1	141
DarkBlueSea	1	35	IntResearch	1	60	OnesteeLtd	10	6,585	SnowballGroup	1	87
Data3Ltd	2	92	InvocareLtd	9	651	OrchardIndust.	2	135	SonicHealth	12	4,409
DavidJones	10	1,552	IressMktTech	10	728	OricaLtd	12	9,268	SparkInfrastru	7	1,805
Devine	1	266	JB Hi-FiLtd	11	1,004	OriginEnergy	10	13,608	SpecFashion	5	206
DexionLtd	3	84	JabiruMetals	2	310	OrotonGroup	1	146	SpotlessGroup	9	691
DexusProperty	7	4,646	JamesHardie	11	2,303	Over Fifty Grp	1	75	StBarbaraLtd	3	468
Domino'sPizza	7	227	JumbuckEnter.	1	31	OxianaLtd	14	4,113	StGeorgeBank	13	16,403
DominionMining	1	354	JustGroupLtd	9	749	PMPLimited	7	308	StagingConnect	1	31
DownerEDILtd	7	2,289	K&SCorporation	2	205	PacificBrands	9	1,040	Stockland	7	9,042
DynoNobelLtd	10	2,567	KagaraLtd	7	1,043	PanaustLtd	3	1,476	Straits Res.	2	1,350
EmecoHoldings	8	742	KeycorpLtd	1	18	PaperlinXLtd	10	1,046	StructuralSyst	2	117
EnergyResource	8	4,450	KingsgateCons.	3	514	PattiesFoods	1	150	Suncoop-Metway	11	13,781
Energy Develop.	4	393	KorvestLtd	1	45	PeetLtd	2	546	SunlandGroup	4	862
Envestra	5	622	LeightonHold	8	14,836	PerniceSoda	1	76	SunshineGas	2	658
EquigoldNL	4	854	Lend Lease Corp	8	4,693	PerilyaMines	3	126	SuperCheapAuto	6	297
EquinoxMin.	3	2,069	LihirGoldLtd	12	5,656	PerpetualLtd	10	2,057	SwickMinServ	1	154
Equity Trustees	2	198	Lindsay Aust	1	26	PetsecEnergy	2	142	Talent2Intl	3	167
EverestBabcock	2	120	LycopodiumLtd	4	149	PharmaxisLtd	3	301	TanamiGoldNL	1	60
FKPLimited	6	965	Lynas Corp Ltd	2	741	PhotonGroup	6	238	TapOil	4	282
FairfaxMedia	10	5,031	M.Y.O.B. Ltd	7	536	PipeNetworks	4	190	TassalGroup	5	346
Fantastic Hold.	8	245	Mac Services	4	423	Platinum Asset	5	2,266	Tatts Group Ltd	9	3,239
FelixResources	7	3,689	MacMahonHold	6	915	Portman Limited	2	3,178	TechnologyOne	3	265
FleetwoodCorp	5	489	MacarthurCook	11	18	PrimeMediaGrp	8	362	Telstra	13	57,238
FlexicorpLtd	5	105	MacarthurCoal	11	3,738	PrimaryHealth	12	1,969	TenNetwork	9	1,937
FlightCentre	6	1,672	MacquarieCapA	1	574	ProMaintenance	10	388	TerraminAust	2	293
ForestEntAust	1	207	MacquarieAir.	6	4,795	ProMedicusLtd	1	129	ThakralHolding	1	544
FortescueMetal	6	27,984	MacquarieLeis.	7	418	Q.B.E. Insur.	12	20,003	TheRejectShop	7	266
Foster'sGroup	12	10,627	MacquarieC'Wde	7	1,534	QantasAirways	9	6,928	Timbercorp	4	347
FuntasticLtd	4	101	MacquariesC&I	4	1,894	QueenslandGas	4	3,708	TishmanSpeyer	7	561
Futuris Corp.	6	1,333	Macquarie Infra	6	7,558	RCRTomlinson	3	86	TollHoldings	10	4,666
G.R.D. NL	1	190	MacquarieGroup	10	15,373	RPData Ltd	2	168	TowerAustralia	4	691
G.U.D. Holdings	8	525	MacquarieMedia	5	759	RRAustralia	2	98	Tox Free Sol.	2	124
GBSTHoldings	1	88	MacquarieOff.	8	1,979	RamsayHealth	14	1,860	TrafalgarCorp.	1	70
GEOProperty	1	144	MacquarieDDR	7	502	Realestate.com	3	636	Transfield Serv	7	1,787
GPTGroup	9	6,063	MarathonRes.	1	87	RecksonNY Prop	3	95	TransurbanGrp	10	5,748
GWAInternat'l	6	787	Marybor'ghSuga	1	44	ReckonLimited	3	164	TransfieldSIn	2	380
Gale Pacific	1	20	MatrixMetals	1	45	Redflex Holding	4	262	TransPacificIn	7	2,099
GalileoJapan	3	132	MaxiTRANS	4	112	Reef Casino Trt	1	144	TreasuryGroup	4	254
GeodynamicsLtd	1	296	McMillan Shake.	2	205	RegionalExp.	1	129	TriOriginMin.	1	79
GindalbieMet.	1	675	McPherson'sLtd	3	166	ResoluteMining	2	610	TrinityGroup	3	238
Globe Int'lLtd	2	29	MelbourneIT	5	258	RetailFoodGrp	2	89	TrustCompany	2	320
GloucesterCoal	7	942	MermaidMarine	4	225	ReverseCorp	3	131	TuttBryantGrp	1	215
GoodmanGroup	8	6,518	MesoblastLtd	1	105	RidleyCorp.	4	415	UXCLimited	1	224
GoodmanFielder	7	2,173	MetalsXLtd	1	416	RioTintoLtd	7	62,826	Un. Biosensors	1	104
Graincorp	4	637	MetcashLtd	11	3,240	RiversdaleMin.	1	1,451	UnitedGroup	8	1,688
GreatSouthern	2	433	MidwestCorp	2	1,381	RivercityM'way	3	347	VDMGroupLtd	2	162
GunnsLtd	8	1,111	MinaraResource	7	1,797	RocOilCompany	7	670	ValadProperty	6	820
HFAHoldings	3	370	MincorResource	4	612	RossHumanDir.	1	39	VentracorLtd	1	97
HarveyNorman	11	3,546	MineralDeposit	2	326	RubiconAmerica	2	71	VirginBlue	8	652
HastieGroup	6	428	MineralRes.	3	806	RubiconEurope	3	63	Viridis Clean E	4	129
Hast Div Util	2	467	MirabelaNickel	2	806	RuralcoHold.	1	200	VisionGroup	5	128
Healthscope	12	1,058	MirvacREIT	1	530	SAIGlobalLtd	9	376	VitaGroupLtd	1	61
HeartwareLtd	1	115	MirvacGroup	8	3,296	SDILimited	1	32	W'boolCheese	2	181
HendersonGroup	8	4,992	MirvacIndTrt	1	157	SMSMgmt&Tech	11	292	WDSLimited	3	215
Hills Indust.	4	637	MitchellComm.	3	161	SPAusnet	9	2,553	WHKGroupLtd	6	321
HorizonOilLtd	2	302	MolyMinesLtd	3	222	SPTelemedia	1	118	WatpacLtd	2	172
HousewaresInt.	7	154	MonadelphousGr	8	1,101	STWCommGroup	7	372	WattylLtd	8	117
HutchisonTel.	7	94	MortgageChoice	6	120	SallyMalayMin	6	868	WellcomGroup	3	75
IBAHealthGrp	3	213	MtGibsonIron	5	2,324	SalmatLtd	6	411	WesfarmersLtd	10	16,634
IMDGroup	6	328	MurchisonMetal	3	1,336	SantosLtd	11	12,778	WestpacBanking	14	42,101
ING Indust Trt	5	2,187	Nat'lAustBank	13	46,739	SchafferCorp	1	111	WesternAreas	5	1,358
ING Office Fund	6	1,632	NationalHire	3	251	SedgmanLtd	2	467	WestAustNews	10	1,965
ING Real Estate	2	313	NavitasLtd	3	711	SeekLtd	12	1,546	WestfieldGroup	10	30,969
IOOFHoldings	8	356	NeptuneMarine	1	114	Selectharvest	2	247	Wide Bay Aust.	1	247
liNet	4	197	NewHopeCorp.	3	3,799	ServcorpLtd	2	336	WindimurraVan.	1	292
IlukaResources	11	843	NewcrestMining	17	13,556	ServiceStream	2	161	WoodsidePetrol	11	40,387
IncitecPivot	11	9,541	NewsCorp.	4	60,873	SevenNetwork	9	2,009	WoolworthsLtd	11	34,226
Independ.Group	5	619	NexusEnergy	3	922	SigmaPharm.	12	996	WorleyGroup	8	9,106
IndophilRes.	2	404	Nick Scali Ltd	3	57	SimsGroupLtd	9	4,834	Wotif.com Hold.	8	768
IndustreaLtd	2	392	Nufarm Limited	10	2,864	SinoGoldMin.	6	867	Zinifex Ltd	10	4,562

Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Allied Farmers	2.50	06-06	16-06	Full
Allied Workforce	3.00	09-07	23-09	Full
Dominion Finance	1.00	06-06	13-06	Full
F&P Appliances	9.00	20-06	15-07	1.20
F&P Healthcare	7.00	18-06	27-06	1.50
Goodman Property Trust	2.535	29-05	12-06	Full
Horizon Energy	9.00	13-06	27-06	Full
Infratil	3.75	06-06	16-06	Full
ING Medical Property	2.187	-	-	0.363
Jason Travel Media	1.50	18-07	01-08	Full
Kermadec Property	1.84	-	-	0.33
Kingfish	4.50	06-06	20-06	Full
Kiwi Income Properties	4.50	04-06	16-06	0.18
Mainfreight	10.00	18-07	25-07	Full
Methven	6.00	-	27-06	Full
National Property Trust	1.74	13-06	01-07	Nil
Restaurant Brands	3.50	13-06	27-06	Full
Ryman Healthcare	2.80	13-06	27-06	Nil
Trustpower	15.00	03-06	06-06	5.4179
Wakefield Healthcare	12.00	17-06	24-06	Full
Zintel	1.25	-	-	Full
<u>Australian Shares</u>				
Atlas South Sea Pearl	2.00	26-06	14-07	
Campbell Brothers	60.00	06-06	01-07	
M.Y.O.B. repayment	13-18	?	?	

Total Return Index for All Listed Shares

May 12	1959.16	May 19	1955.33
May 13	1965.44	May 20	1951.52
May 14	1954.24	May 21	1943.87
May 15	1957.21	May 22	1945.14
May 16	1962.66	May 23	1951.07
May 26	1935.82	Jun 2	Holiday
May 27	1935.17	Jun 3	1939.22
May 28	1928.86	Jun 4	1945.50
May 29	1930.23	Jun 5	1944.80
May 30	1935.23	Jun 6	1947.93

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday July 14, 2008.

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

MARKET ANALYSIS is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Birkenhead, Auckland. Subscribe online at www.stockmarket.co.nz or www.australia-stockmarket.com or email james@stockmarket.co.nz.

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