

# Market Analysis

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## Inside Market Analysis

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Founder: James R Cornell (B.Com.)

## Summary and Recommended Investment Strategy.

Share valuations are very low, inflationary pressure *may* be easing and interest rates are starting to decline in Australia and New Zealand.

## Investment Outlook.

The impact of the *Credit Crunch* on stockmarkets is over (although will continue to linger in the media), with inflation and recession being the current problems. Stockmarkets, however, discount expectations about the future, so current prices probably fully reflect the worst that could lie ahead. Furthermore, the increase in global inflation has been mainly driven by significant increases in oil, food, coal and other commodities. As long as these items don't *continue* to rise in value, there is likely to be a short term spike in inflation, rather than a spiralling increase in wages and prices.

In fact, oil, basic foods and other commodities have fallen in value over the last month.

The fears of *stagflation* (i.e. recession *and* inflation) are probably greatly exaggerated. The corporate sector is generally in good shape, although savings and debt reduction is necessary in the personal sector. That could eventually result in a slow, drawn out recovery - which is actually a favourable environment for businesses and stockmarket investors!

Personal debt levels are unevenly distributed across the population. Some people have over-spent and accumulated credit card and hire purchase debts. Others have over-invested in personal housing, with large mortgage debts. Others may have borrowed to acquire dubious property "investments". The media might blame this on unscrupulous promoters preying on "hard working mums and dads" but that is just another way people avoid taking *individual responsibility* for their own financial affairs, so no amount of legislation or new lending rules will change this situation.

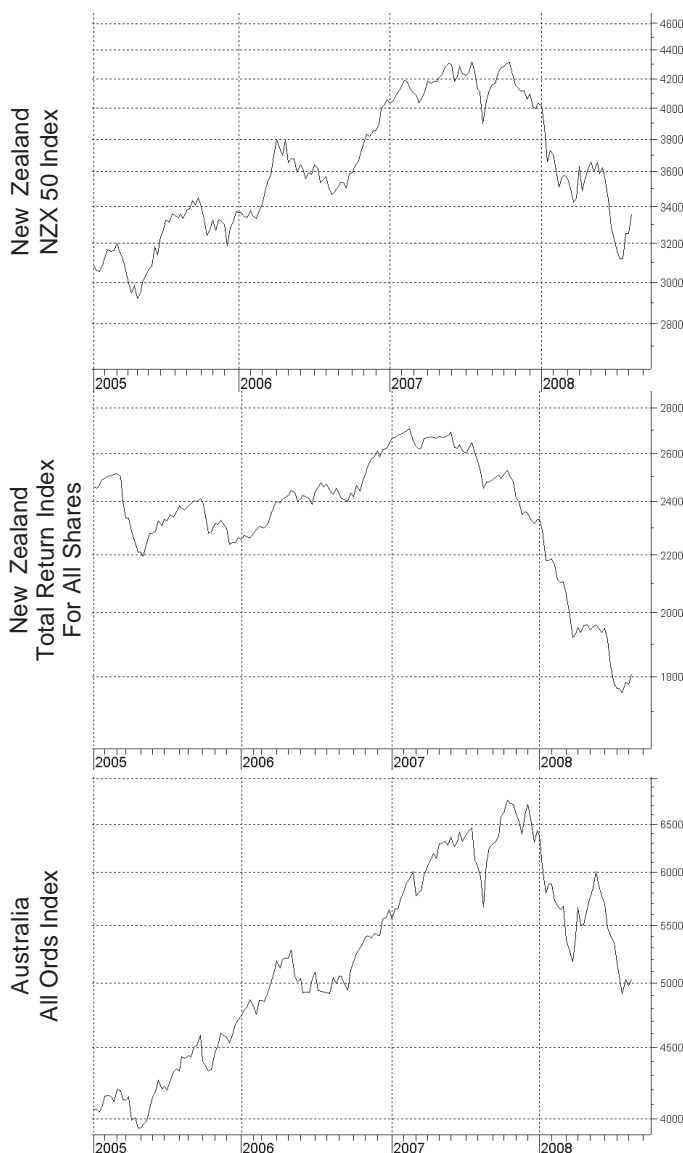
Still other people will have little or no debt, own their own home, have investments, cash in the bank and an income from investments and employment.

So those people with a negative net worth will de-leverage their personal balance sheets - selling assets and investments at low prices to reduce debt - while those with a strong personal balance sheet and free cash flow will be able

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### Stockmarket Forecasts

	One-Month	One-Year
Australia:	72% (Bullish)	51% (Neutral)
New Zealand:	77% (Bullish)	49% (Neutral)



# Performance Forecasts

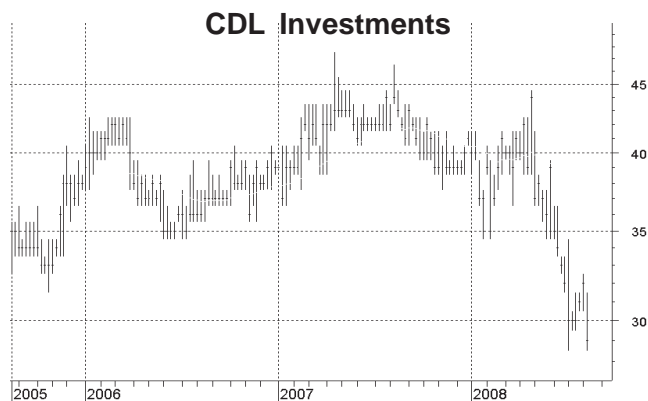
"Performance Forecasts" are computer generated predictions of the relative future price performance of a company's shares over the next three to six months. Performance Forecasts are calculated for every listed NZ share (except Investment Trusts) on a rating scale using the letters "A" (Highest potential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

	Performance Forecast	Price	Price/Sales Ratio	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	10	5.41	NE	Nil	Infratil NZ	C	220	0.86	NE	4.2	ProvencoCadmus	E	21	0.17	NE	Nil
AMP Onyx Mgmt	B	111	7.09	19	7.0	Jasons Media	D	80	1.16	16	2.8	Pumpkin Patch	C	163	0.74	10	8.2
AMP Limited	C	830	0.92	14	5.7	Just Water Int.	C	48	1.16	83	11.1	Pyne Gould Corp	B	321	1.65	10	9.8
Abano Health	B	480	0.89	14	5.6	Kermadec Prop.	B	69	4.91	9	12.6	Rakon Ltd	D	302	2.12	34	Nil
Affco Holdings	C	61	0.32	NE	Nil	Kingfish Ltd	C	100	N/A	NE	6.7	Renaissance	C	60	0.14	8	18.7
Air New Zealand	C	124	0.30	6	9.6	Kirkcaldie & St	B	250	0.55	22	6.0	Restaurant Brds	C	76	0.24	7	12.8
Akd Int Airport	C	197	7.48	26	6.2	Kiwi Property	B	111	5.35	8	8.3	Richina Pacific	D	42	0.13	3	3.6
Allied Work.	C	65	0.21	9	13.3	Life Pharmacy	E	44	2.48	NE	Nil	Rubicon Limited	E	87	0.39	NE	Nil
Allied Farmers	C	125	0.22	NE	2.4	Lion Nathan Ltd	A	1086	2.77	23	3.6	Ryman Health.	C	170	N/A	12	2.9
Apple Fields	D	4.0	1.18	2	Nil	Livestock Imp.	A	350	0.87	7	10.7	Salvus Strat.	A	90	2.10	2	9.1
Barramundi Ltd	C	61	N/A	3	Nil	Lombard Group	E	5.0	0.03	NE	Nil	Sanford Limited	A	574	1.45	27	5.7
Blis Technology	E	6.5	9.70	NE	Nil	Lytelton Port	B	230	3.08	24	2.6	Satara Co-op	A	95	0.26	12	4.7
Botry-Zen Ltd	D	3.5	N/A	NE	Nil	Mainfreight Grp	B	695	0.71	16	3.9	Savoy Equities	E	1.9	N/A	NE	Nil
Briscoe Group	D	104	0.54	10	11.5	Marlin Global	E	65	N/A	NE	Nil	Scott Tech. Ltd	C	118	1.00	10	11.4
Broadway Ind	C	75	0.31	14	2.7	Media Tech.	D	7.0	1.10	8	Nil	Sealegs Corp	E	40	5.04	NE	Nil
Burger Fuel	D	46	5.17	NE	Nil	Methven Limited	B	168	0.98	11	10.4	Seeka Kiwifruit	B	240	0.28	12	Nil
CDL Investments	D	29	2.04	6	11.8	Metro. LifeCare	C	441	2.25	13	5.0	Skellerup Hold.	C	97	0.58	NE	4.6
Cabletalk Group	E	1.0	0.01	NE	Nil	Michael Hill	D	82	0.89	15	4.7	Sky Network TV	C	474	2.98	16	3.1
Cadmus Tech Ltd	E	9.5	1.02	NE	Nil	Mid-Cap Index	D	260	N/A	NE	Nil	Sky City Ltd	C	370	2.05	17	10.5
Canty Bldg Soc	B	425	1.37	25	2.8	Millennium & C.	C	54	1.12	8	6.9	Smartpay NZ Ltd	D	1.4	0.10	NE	Nil
Cavalier Corp	B	252	0.78	11	11.3	Mowbray Collect	E	90	2.05	42	Nil	Smiths City	C	41	0.09	6	11.0
Cavotec MSL	B	445	2.12	39	1.3	Mr Chips Hold	A	277	1.19	13	2.2	Sol. Dynamics	D	43	0.37	NE	Nil
Cert Organics	E	3.0	0.98	NE	Nil	NZ Exchange Ltd	B	772	5.96	21	4.1	South Port NZ	B	216	3.88	25	5.4
Charlie's Group	E	13	1.40	NE	Nil	NZ Experience	C	30	1.17	8	14.9	Speirs Group	D	35	0.08	NE	Nil
Col Motor Co	B	315	0.20	13	10.9	NZ Finance Hold	D	40	1.15	8	3.7	Steel & Tube	C	300	0.57	10	14.4
Comvita	E	190	1.02	NE	Nil	NZ Farming Syst.	C	182	N/A	NE	Nil	Sthn Travel	C	25	0.11	6	17.9
Connexion	E	14	0.94	NE	Nil	NZ Invest Trust	B	1090	N/A	NE	0.8	Tag Pacific Ltd	D	24	0.14	2	3.9
Contact Energy	B	870	2.51	21	4.6	NZ Oil & Gas * N/R	155	N/A	25	Nil	Taylor's Grp Ltd	C	130	0.47	9	13.8	
Cynotech Hold.	E	15	1.13	7	5.1	NZ Refining Co	B	670	4.75	14	10.0	TeamTalk Ltd	C	196	1.62	11	15.2
Delegat's Group	A	211	1.59	14	3.2	NZ Wine Company	A	240	1.94	22	4.4	Telecom Corp	C	340	1.26	7	15.6
Dominion Fin.	C	14	0.12	1	11.1	NZ Windfarms	C	108	N/A	NE	Nil	Tenon Ltd	D	74	0.10	7	Nil
Dorchester Pac	D	18	0.10	NE	Nil	NZ Wool Service	C	45	0.22	22	Nil	Tourism Hold.	C	139	0.72	10	11.8
Eastern Hi-Fi	D	10	0.06	NE	Nil	NZSX 10 Fund	D	94	N/A	NE	Nil	Tower Limited	B	216	0.80	12	4.1
Ebos Group Ltd	B	485	0.58	17	6.9	NZSX 50 Port.	D	148	N/A	NE	Nil	Training Sol.	E	0.2	N/A	NE	Nil
F & P Appliance	C	211	0.43	11	11.2	NZX Aust MidCap	C	619	N/A	NE	Nil	Trust Power Ltd	B	774	3.58	25	5.4
F & P Health.	C	291	4.14	42	5.7	Nat Property Tr	B	53	2.98	5	9.4	Turners & Grow.	A	210	0.35	11	10.0
Finzsoft Sol'ns	D	100	1.02	NE	4.5	New Image Group	D	20	1.65	NE	Nil	Turners Auction	C	82	0.26	10	11.3
Fletcher Build.	C	669	0.56	7	10.0	Northland Port	A	270	9.57	13	6.1	Utilico Int'l	B	61	3.43	9	Nil
Freightways Ltd	B	314	1.42	16	8.6	Nuplex Indust	C	604	0.33	18	7.0	VTL Group Ltd	C	1.5	0.01	0	Nil
Genesis Res.	E	14	4.55	NE	Nil	Opus Int'l Cons	D	177	N/A	NE	Nil	Vector Ltd	B	221	1.63	22	8.8
Goodman Prop.	B	120	8.49	10	8.2	Oyster Bay	A	273	2.56	62	2.7	Viking Capital	E	10	3.85	NE	Nil
Guinness Peat	D	155	0.58	6	1.7	Ozzy (Tortis)	C	350	N/A	NE	Nil	WN Drive Tech.	E	32	N/A	NE	Nil
GuccoLeisure	D	76	1.60	59	6.9	PGG Wrightsons	A	279	0.76	30	6.4	Wakefield Hlth	B	870	1.75	16	3.4
Hallenstein G.	C	280	0.83	8	18.7	Pac Edge Bio.	E	12	N/A	NE	Nil	Warehouse Group	D	344	0.61	9	7.6
Hellaby Hold.	C	184	0.19	10	8.1	Pike River Coal	D	184	N/A	NE	Nil	Widespread Port	N/R	43	N/A	NE	Nil
Heritage Gold *	N/R	3.4	N/A	NE	Nil	Plus SMS Hold.	E	6.0	4.32	NE	Nil	Windflow Tech.	B	380	9.35	NE	Nil
Horizon Energy	A	330	2.94	15	7.5	Port Tauranga	B	672	6.42	24	4.9	Wool Equities	D	30	0.33	NE	Nil
ICP Biotech.	E	1.5	N/A	NE	Nil	Postie Plus Grp	C	38	0.11	6	23.6	World Index Fd	D	124	N/A	NE	Nil
ING Property	C	79	3.93	6	12.5	Propertyfinance	D	10	0.08	NE	Nil	Xero Ltd	C	80	N/A	NE	Nil
ING Med. Prop.	B	113	8.06	15	8.4	Property F Ind.	B	117	7.92	13	7.5	Zintel Comm.	C	26	0.35	6	12.9
												<b>Ave of 150 Cos</b>	<b>C</b>	<b>193</b>	<b>0.24</b>	<b>9</b>	<b>4.9</b>
ABB Grain Ltd	A	761	0.75	NE	2.0	DUET Group	B	297	2.12	66	8.3	Nufarm Limited	A	1660	1.61	27	1.9
AGL Energy Ltd	A	1350	1.55	14	2.6	David Jones	A	360	0.82	15	6.1	OZ Minerals Ltd	D	184	N/A	NE	4.4
AMP Ltd	B	662	0.87	14	6.0	Deutsche Div Tr	A	131	6.10	14	7.1	Oil Search Ltd	B	525	6.86	11	2.0
ANZ Bank	C	1735	2.84	8	7.8	Dexus Property	B	150	6.19	4	7.5	Onesteel Ltd	A	626	1.27	26	3.0
APA Group	B	319	2.59	21	6.3	Downer EDI Ltd	B	670	0.40	13	3.1	Orica Ltd	A	2390	1.36	15	3.7
APN News Media	C	325	1.21	9	9.7	Energy Resource	A	1860	9.79	47	1.1	Origin Energy	A	1615	2.25	39	1.3
ASX Limited	B	3530	N/A	21	4.6	Equity World	C	85	N/A	17	Nil	Pacific Brands	B	206	0.57	10	8.0
AWB Limited	B	296	0.21	10	6.8	Equinox Min.	E	358	N/A	NE	Nil	Paladin Energy	C	494	N/A	NE	Nil
AXA Asia Pac	C	484	1.38	13	3.9	FKP Limited	A	410	2.56	5	4.0	Paperlin X Ltd	A	236	0.14	13	4.7
Adelaide Bright	A	347	2.12	17	3.9	Fairfax Media	B	274	1.86	15	7.3	Perpetual Ltd	A	4296	3.80	10	8.4
Adelaide Bank	B	1558	4.93	18	4.2	Felix Resources	A	1942	N/A	78	0.3	Platinum Asset	C	340	5.66	12	Nil
Alumina Ltd	B	484	N/A	11	5.0	Flight Centre	A	1865	1.53	15	3.5	Portman Limited	A	1820	6.62	28	Nil
Amcor Ltd	B	558	0.50	9	6.1	Fortescue Metal	D	783	N/A	NE	Nil	Primary Health	A	506	3.19	16	8.9
Ansell Ltd	B	1081	1.25	16	2.2	Foster's Group	B	510	2.11	13	4.7	Q.B.E. Insur.	A	2321	1.59	13	4.1
Aquarius Plat.	B	990	3.03	11	5.0	GPT Group	C	171	3.87	3	16.1	Qantas Airways	A	340	0.45	9	8.8
Aquila Res.	C	1325	N/A	NE	Nil	Goodman Fielder	B	148	0.81	8	9.1	Queensland Gas	C	431	N/A	NE	Nil
Aristocrat Leis	B	532	2.19	10	6.8	Goodman Group	C	269	5.33	7	11.7	Ramsay Health	B	994	0.81	16	2.9
Arrow Energy	C	293	N/A	NE	Nil	Guinness Peat	B	120	0.51	6	1.9	Reece Australia	B	1950	1.48	19	2.7
Asciano Group	C	482	1.10	NE	9.5	Gujarat NRE Min	B	152	N/A	NE	Nil	Rio Tinto Ltd	B	11600	1.57	5	1.3
Ausenco Ltd	A	1218	2.73	24	2.5	Harvey Norman	B	335	2.67	11	3.3	Riversdale Min.	B	882	N/A	NE	Nil
Austar United	C	117	2.95	7	Nil	Healthscope	B	430	0.75	12	4.1	SP Ausnet	C	114	2.26	16	10.1
Aust Foundation	B	500	N/A	12	4.2	Henderson Group	B	265	4.97	17	5.2	Santos Ltd	B	1723	3.72	16	2.3
Australand Prop	C	60	0.65	3	27.7	ING Indust Trt	C	148	6.33	4	11.3	Seek Ltd	B	500	9.05	26	2.7
Aust W'wide Exp	B	332	N/A	42	Nil	ING Office Fund	B	144	7.89	3	8.0	Seven Network	B	794	N/A	12	4.3
B & B Infrastr.	C	90	1.31	15	15.9	Iluka Resources	A	475	1.04	9	4.6	Sigma Pharm.	B	117	0.34	13	6.0
BHP Billiton	B	3715	2.23	8	1.5	Incitec Pivot	A	14799	5.43	36	1.8	Sims Group Ltd	A	3135	0.71	16	3.8
Babcock & Brown	B	680	0.91	6	5.3	Insurance Aust.	B	388	0.97	13	7.6	Sonic Health	B	1377	2.19	21	3.3
Bank of Q'land	B	1417	1.08	12	4.9	JB Hi-Fi Ltd	A	1296	1.06	34	0.8	Soul Pattinson	A	1050	2.94	25	2.7
Bendigo Bank	B	1076	2.76	13	4.8	James Hardie	C	471	1.32	NE	4.4	Spark Infrastru	B	162	7.61	63	9.4
Billabong Int'l	A	1068	1.80	13	4.7	Leighton Hold	B	4230	1.17	26	2.6	St George Bank	B	2942	1.69	13	5.7
Bluescope Steel	A	1034	0.85	11	4.5	Lend Lease Corp	B	910	0.26	7	8.5	Stockland	C	498	3.49	4	8.9
Boral Limited	B	597	0.73	12	5.7	Lihir Gold Ltd	D	241	8.08	NE	Nil	Suncorp-Metway	B	1139	1.04	10	9.4
Bradken Ltd	A	960	1.59	21	2.2	Linc Energy Ltd	C	320	N/A	NE	Nil	Tabcorp Holding	B	890	1.16	9	5.3
Brambles Ltd	B	870	2.70	24	3.5	Macarthur Coal	A	1400	7.23	39	1.3	Tatts Group Ltd	C	247	N/A	NE	7.3
Brickworks Ltd	A	1196	2.84	15	3.2	Macquarie Off.	B	97	1.51	2	11.6	Telstra	B	454	2.36	17	6.2
C'wth Prop Off.	B	144	5.45	4	6.9	Macquarie Infra	B	273	2.54	4	7.3	Ten Network	C	162	1.49	23	8.0
C.S.R. Ltd	B	242	0.74	4	6.2	Macquarie Group	B	5345									

# Recommended Investments

**CDL Investments New Zealand** has experienced an 81.3% drop in revenues to just \$3.6 million for the six months to 30 June. Only 20 residential sections were sold during the period, compared with 108 in the first half of 2007. The company, however, has also successfully reduced costs - slowing its development program to meet current levels of demand - and has remained profitable, albeit with profits also down 80.4% to \$1,481,000 (0.6 cents per share). This company does not pay interim dividends.

There was a cash operating deficit of \$1.5 million, down from a surplus of (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									
<u>NZ Shares</u>													
HOLD	CDL Investments Ltd	CDI	12/01/99	25	D	218.9	1.4	2.04	6	11.8	29	17.9	+88%
BUY	Cavalier Corporation	CAV	05/12/95	156*	B	65.5	0.8	0.78	11	11.3	252	216.0	+200%
HOLD	Colonial Motor Company	CMO	10/11/92	150	B	27.9	0.5	0.20	13	10.9	315	326.8	+328%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.7	3.08	24	2.6	230	64.8	+97%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	D	382.8	0.8	0.89	15	4.7	82	23.4	+2008%
BUY	Nuplex Industries Ltd	NPX	11/02/97	350	C	79.9	0.5	0.33	18	7.0	604	217.0	+135%
HOLD	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.4	0.11	6	23.6	38	8.5	-35%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	42.7	1.3	0.14	8	18.7	60	50.9	+30%
HOLD+	Smiths City Group	SCY	09/10/06	64	C	53.0	1.5	0.09	6	11.0	41	7.0	-25%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.8	3.88	25	5.4	216	97.0	+161%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.2	0.8	0.57	10	14.4	300	202.0	+244%
HOLD	Taylors Group Ltd	TAY	09/11/99	102	C	24.3	0.8	0.47	9	13.8	130	80.0	+106%
<u>Australian Shares (in Aust cents)</u>													
HOLD	AJ Lucas Group	AJL	13/05/03	120	A	54.2	0.6	1.41	48	0.4	563	26.0	+391%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	B	89.3	1.2	1.60	4	10.7	38	17.5	-25%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	52.1	0.3	2.29	24	2.8	3347	357.6	+812%
HOLD+	Cellnet Group Ltd <sup>1</sup>	CLT	12/02/02	147*	D	74.3	1.4	0.03	NE	Nil	31	32.4	-44%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	40.1	0.9	N/A	NE	Nil	80	65.0	-23%
BUY	Clarius Group Ltd	CND	08/04/03	86	B	53.4	0.8	0.24	5	14.4	132	61.5	+125%
BUY	Computershare Ltd	CPU	12/08/03	189	A	590.9	0.4	3.45	21	1.8	965	61.5	+443%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	35.6	0.9	0.60	8	11.1	70	Nil	-20%
BUY	Devine Ltd	DVN	13/11/06	94	B	284.2	0.9	0.38	10	9.4	85	12.0	+3%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	68.4	1.5	0.45	9	Nil	30	Nil	-39%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	A	32.7	0.8	2.63	12	5.7	230	Nil	-12%
HOLD	Housewares Int'l	HWI	13/11/06	171	D	125.0	0.8	0.40	9	Nil	120	8.5	-25%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	A	232.9	0.6	1.04	9	4.6	475	64.0	+14%
BUY	Integrated Research	IRI	14/01/08	40	A	166.3	1.2	1.97	13	7.0	43	1.5	+11%
HOLD+	Int'l AllSports	IAS	11/02/03	180	D	66.4	1.7	0.01	NE	Nil	23	4.0	-85%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	C	82.2	1.5	0.25	NE	Nil	29	Nil	-76%
BUY	M2 Telecommunications	MTU	09/10/06	33	A	60.2	1.1	0.82	15	5.0	60	5.0	+97%
HOLD+	Mercury Brands Ltd	MCB	08/02/05	93	D	62.2	3.5	0.06	NE	Nil	5	7.0	-87%
HOLD	Mercury Mobility	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	1.46	16	4.5	292	36.0	+519%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	0.8	2.49	26	3.6	119	33.3	+81%
BUY	Probiotec Ltd	PBP	11/02/08	116	A	46.5	0.8	1.16	13	Nil	135	1.0	+17%
HOLD	Ross Human Directions	RHD	14/08/01	92	B	82.9	1.2	0.10	7	9.8	41	31.0	-22%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	104.6	0.6	0.19	9	8.6	257	107.5	+189%
HOLD+	Technology One Ltd	TNE	11/11/03	44	A	297.7	0.9	3.23	17	4.4	85	13.1	+123%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	162.1	0.8	4.76	11	2.6	133	0.9	+196%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	25.6	0.4	0.90	21	3.1	985	107.5	+325%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +168.2%. This is equal to an average annual rate of +28.2%, 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 +31.6%, compared with a market gain of +6.1% (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)

\$4.2 million previously, but CDL Investments remains in a strong financial position with no interest bearing debt and \$7.2 million (3.0 cents per share) of cash.

Trading conditions are expected to remain difficult but the company “does not forecast a loss at this stage” for the full year. The company is seeking to maintain the value of its significant land assets and be in a position to “maximise sales when market conditions start to improve”.

**Nuplex Industries** has most of its businesses overseas, so the shares should be a good hedge against weakness in the NZ dollar exchange rate.

### Nuplex Industries



**Postie Plus Group** has received shareholder approval for the sale of its *Arbuckles* business for around \$4 million. This will result in non-recurring losses of \$2.4-2.6 million in the year to July 2008, mainly from the loss of goodwill, but will remove on-going annual operating losses of over \$1 million from the group.

13 of the 30 Arbuckles stores have been transferred to the new owner, 13 will be converted to expand the group's *Postie+*, *Baby City* and *Schooltex* brands. Another lease has been assigned to a third party and leases on the remaining three stores will not be renewed when they expire.

Owing to “aggressive restructuring and extremely difficult trading conditions”, Postie Plus Group is now predicting a *trading* loss of \$6½-7½ million for the year ended 31 July 2008 - plus goodwill write-offs of \$2.4-2.6 million.

**Renaissance Corporation** managed to lift revenues 9.0% to \$96.0 million for the six months to 30 June 2008, with profits up 20.3% to \$1,464,000. Earnings per share were 6.5% higher at 3.3 cents (owing to new shares issued to help finance acquisitions). A 33.3% lower interim dividend of 3.0 cents (plus full imputation tax credits) will be paid.

There was a net operating cash *deficit* of \$8.1 million - compared with a \$5.4 million surplus in the same period of 2007 - but this is volatile depending upon the receipt of cash from debtors and payment of creditors.

The earnings contribution from its *Education* division rose 2½-fold owing to the acquisition of **Natcoll**. The new **MagnumMac** retail business experienced difficult trading conditions - with earnings of just \$211,000 - but is continuing with its expansion plans.

Renaissance Corporation continues to predict “a small increase in profit” for the full year to December 2008.

## Renaissance Corporation



### Australian Shares

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

**AJ Lucas Group** has made a major acquisition which will expand its *Drilling* division around 75-80% and *quadruple* its involvement in Coal Seam Gas drilling. The company has bought **Mitchell Drilling** for \$150 million. This will be funded - together with \$10 million of acquisition costs and \$29.2 million in working capital - from the issue of \$15 million of shares to the vendor, a placement of 5.5 million shares at \$5.30 to raise \$29.2 million, \$45 million of 11% convertible preference shares (converting to 6.25 million ordinary shares at \$7.20) and \$105 million of bank debt repayable over three years.

Mitchell Drilling is expected to generate earnings (before interest, tax and depreciation) of \$21.5 million for the year ended June 2008 and earnings of around \$26.8 million for the current financial year.

AJ Lucas Group sees this as a “highly strategic acquisition”, expanding its size, range of services and customers in the rapidly growing coal seam gas drilling business.

AJ Lucas predicts earnings (before interest, depreciation and tax - and \$5.2 million of non-recurring legal costs) of \$42.8 million for the year ended June 2008, equal to a net profit around \$19 million (35 cents per share). With the acquisition of Mitchell Drilling and growth from its existing businesses, earnings for the current year to June 2009 are forecast to be “at least” \$80 million - which should be equal to a net profit around \$40-50 million (64-80 cents per share on the increased capital).

The company has also confirmed its plans to “restructure ownership” of **Lucas Energy** (i.e. its coal seam gas exploration assets) - which could involve a public share float and/or spinning off the business to existing shareholders - “within 6-12 months”. It notes that similar businesses are being valued at around 1.2-3.3 times their 2P reserves - which would be around \$200-540 million (320-860 cents per AJ Lucas share!).

AJ Lucas Group has also purchased further **Sydney Gas** shares on-market to lift its holding from 16.54% to 18.39% (i.e. 74,028,457 shares).

**Campbell Brothers** has predicted the half year profit to 30 September 2008 will “show an increase of approximately 60%”, with a “similar percentage increase” for the full year to March 2009!!!

Rapid earnings per share growth creates significant shareholder value! Campbell Brothers' forecast 60%

August 11, 2008.

growth to March 2009 will compound with the 38% growth in 2008, 45% growth in 2007 and 28% growth in 2006 to produce a greater than 4-fold increase in earnings per share over just four years. That has driven a similar 5-fold increase in the share price over that period (and 9-fold increase in value since we first bought into the company nine years ago). This is a very well managed company and expanding rapidly with good potential for further medium to long term growth . . . which will continue to raise the value of our investment!

The company has acquired **Staveley Fluids North America Inc** for US\$15 million. This is the “premier tribology laboratory” in North America, with eight laboratories and 200 staff, processing two million samples annually. This acquisition will help Campbell Brothers build a global oil condition monitoring business.

In December 2007 the group acquired South African based **Witlab** for \$5 million and now plans to build a new \$5 million coal laboratory to expand that business. In Canada, a new coal laboratory is being built in Vancouver that will be opened in October.

The group's minerals testing business is expected to “remain buoyant well beyond 2010” and it sees “great potential to expand in high-growth markets such as Russia, China, Africa and India” where it “currently has a low exposure”.

### Campbell Brothers



**Circadian Technologies** will increase its shareholding in **Vegenics** from 67% to 100%, buying out its co-founders the **International Ludwig Institute for Cancer Research** and **Licentia Ltd** who will receive 5,117,430 Circadian Technology shares immediately (plus \$650,000 in cash) and another 1,155,000 in two years - effectively swapping a 33% shareholding in unlisted Vegenics for a 13.8% shareholding in Circadian Technologies.

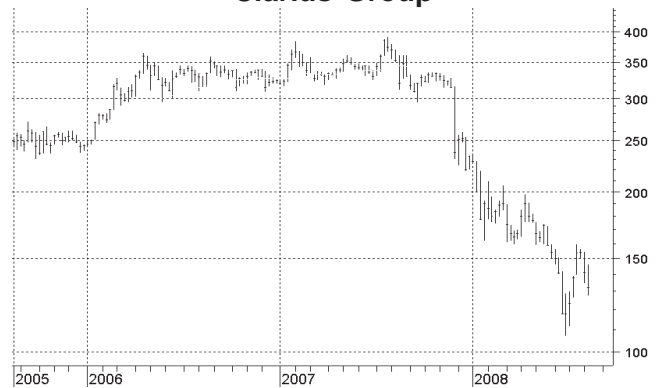
**Clarius Group** has confirmed its earlier forecast of an improvement in the second half year to June 2008. First half profits were \$5.3 million (after some one-off costs) and the second half profit should be around \$6.0 million, making \$11.3 million (about 21 cents per share) for the full year.

The company's policy is to distribute 70-80% of profits, so the annual dividend rate *may* be cut slightly from 19.0 cents to 15-17 cents.

Based upon a share price of 132 cents, that would give a Price/Earnings ratio of 6 and a Dividend Yield of 11.4-12.9%. Double that share price - giving a P/E of 12 and Yield of 6% - would still be a very attractive valuation for this business! “Mr Market” would appear

to be significantly under-valuing these shares, so we continue to rate Clarius Group shares a “Buy” and to add to our holding in this company.

### Clarius Group



**Fiducian Portfolio Services** has reported a 7.9% lift in revenues for the year to 30 June 2008, with profits up 18.1% to \$6,269,000 (19.2 cents per share). The final dividend of 6.5 cents will lift the annual dividend rate 23.8% to 13.0 cents.

This is a slowdown in the company's historical growth rate - which is only to be expected given the current state of financial markets - but still steady growth. The second half profit of \$3,162,000 is slightly ahead of the same period the previous year (i.e. \$3,083,000) and the first half of the year (i.e. \$3,107,000).

At 230 cents, the shares trade on a Price/Earnings ratio of 12 and offer a Dividend Yield of 5.7%. That is an attractive valuation for a *low growth* business but, given reasonable market conditions, Fiducian Portfolio Services should have the potential to continue to grow at an above average rate.

Two directors bought a further 19,000 and 27,000 shares on-market at 225 cents at the end of July.

### Fiducian Portfolio Services



**International All Sports** reports June quarter receipts of \$335.3 million - up 23% compared with the June 2007 quarter. Annual receipts of \$1,336.0 million were also 23% higher. There was a small cash operating deficit of \$345,000 for the quarter, but an annual surplus of \$4.2 million - up from a \$2.6 million deficit in the previous year.

Cash at the bank (or on deposit) at 30 June was \$27.6 million (which includes customer balances of \$21.1 million).

**Mercury Brands** has issued 4,000,000 options (to buy shares at 9.7 cents until December 2010) to its consultancy firm, **333**, which has conducted a review of the business.

(Continued on Page 6)

**Recommended Investments**

(Continued from Page 5)

**Mercury Mobility** reports June quarter receipts of \$2.5 million and a small net operating cash surplus of \$246,000. That takes annual receipts to \$7.8 million with an annual cash operating deficit of \$159,000. Cash on hand is \$1.5 million.

**Technology One** has signed a \$2 million contract with the PNG Department of Lands and Physical Planning for a system for over 70,000 land records.

**TFS Corporation** has expanded into processing sandalwood oil with the acquisition of Albany (West Australia) based **Mount Romance Australia**. TFS Corporation will pay \$11 million (i.e. \$9.9 million in cash plus \$1.1 million in shares) to acquire this business, plus take over existing debts of \$17.6 million - so the total cost is \$28.6 million. The business generates annual revenues of \$13.9 million but will be "immediately earnings per share accretive" which suggests a net profit of \$1.2-1.5 million (so a Price/Earnings ratio of 7-9).

More importantly, TFS Corporation immediately acquires a business with the know how and experience to produce sandalwood oil - which is a low-risk strategy

for expanding into this value added, high profit margin, processing business!

Mount Romance Australia produces oil from *Australian* sandalwood trees, supplied under contract from the Western Australian government. The oil is exported internationally, including to the French perfume industry for over five years. TFS Corporation's *Indian* sandalwood is a different species, producing larger quantities of better quality oil, but will require similar processing technologies.

**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-WkRnk Chg.	0-99	Insider Buy/Sell	Brokers Following	Price to Earnings	Return on Equity	Vola. Ratio	Price Dividend Yield	Price to Sales Ratio	Market Cap'n	
<b>UNDER-VALUED SHARES: Lowest Price/Sales, Yld&gt;0, RelStrength&gt;0</b>													
SkellerupHold.	97	+0.9	-1.5	13	6-0	2	2.7	2	1.2	177	4.6	0.58	128
MainfreightGrp	695	+2.1	-1.0	11	3-5	4	2.7	16	0.6	16	3.9	0.71	671
PGGWrightsons	279	+15.1	+4.2	5	12-0	3	1.9	6	0.7	30	6.4	0.76	785
TowerLimited	216	+0.3	+0.6	14	2-0	5	1.6	13	0.9	12	4.1	0.80	409
LivestockImp.	350	+29.6	+8.1	2	0-0	-	0.7	10	0.6	7	10.7	0.87	116
AbanoHealth.	480	+2.7	+0.1	11	0-0	1	2.0	14	0.8	14	5.6	0.89	111
<b>BEST PERFORMING SHARES: Strongest Shares, P/E&lt;20, P/S&lt;1.0</b>													
LivestockImp.	350	+29.6	+8.1	2	0-0	-	0.7	10	0.5	7	10.7	0.87	116
AbanoHealth.	480	+2.7	+0.1	11	0-0	1	2.0	14	0.7	14	5.6	0.89	111
MainfreightGrp	695	+2.1	-1.0	11	3-5	4	2.7	16	0.5	16	3.9	0.71	671
TowerLimited	216	+0.3	+0.6	14	2-0	5	1.6	13	0.8	12	4.1	0.80	409
<b>INCOME SHARES: Highest Yields, Capitalisation &gt; NZ\$100 million</b>													
HallensteinG.	280	-16.1	-1.8	81	2-1	4	2.5	32	0.4	8	18.7	0.83	167
TelecomCorp	340	-6.0	-0.6	41	9-21	11	1.9	26	0.6	7	15.6	1.26	6,105
INGProperty	79	-8.4	-0.8	54	2-0	3	0.6	10	0.5	6	12.5	3.93	406
TourismHold.	139	-15.3	-3.2	79	2-0	4	0.8	8	0.7	10	11.8	0.72	136
BriscoeGroup	104	-14.7	-1.1	76	3-0	5	1.9	19	0.6	10	11.5	0.54	221
CavalierCorp	252	-7.2	-1.0	47	0-0	4	2.5	23	0.6	11	11.3	0.78	165
F&P Appliance	211	-15.9	-1.3	80	2-5	6	0.9	8	0.8	11	11.2	0.43	601
LivestockImp.	350	+29.6	+8.1	2	0-0	-	0.7	10	0.4	7	10.7	0.87	116
SkyCityLtd	370	-11.8	-0.6	69	1-8	10	4.4	26	0.7	17	10.5	2.05	1,668
MethvenLimited	168	-5.6	+3.0	38	4-3	2	2.0	18	0.7	11	10.4	0.98	112
<b>INSIDER BUYING: Most Insider Buying, Relative Strength &gt; 0</b>													
PGGWrightsons	279	+15.1	+4.2	5	12-0	3	1.9	6	0.5	30	6.4	0.76	785
NZFarmingSys.	182	+15.0	+0.1	5	7-0	-	-	-	0.6	NE	Nil	N/A	309
SkellerupHold.	97	+0.9	-1.5	13	6-0	2	2.7	2	0.8	177	4.6	0.58	128
XeroLtd	80	+5.0	+0.4	8	5-0	-	3.9	-	0.9	NE	Nil	N/A	44
AffcoHoldings	61	+19.1	+8.6	3	3-0	-	1.2	0	0.7	254	Nil	0.32	308
PortTauranga	672	+0.7	-0.3	13	3-0	4	1.3	6	0.4	24	4.9	6.42	901
WindflowTech.	380	+7.2	+7.3	7	2-0	-	5.5	-	0.3	NE	Nil	9.35	32
TowerLimited	216	+0.3	+0.6	14	2-0	5	1.6	13	0.7	12	4.1	0.80	409
PikeRiverCoal	184	+44.6	-3.3	0	2-0	2	2.3	-	0.8	NE	Nil	N/A	483
<b>OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength &lt; 0</b>													
BlisTechnology	7	-6.3	+4.2	42	0-0	-	4.0	-	1.6	NE	Nil	9.70	9
NorthlandPort	270	-6.6	-0.6	45	0-0	-	0.7	6	0.4	13	6.1	9.57	117
GoodmanProp.	120	-6.9	-2.1	45	2-1	4	0.9	9	0.5	10	8.2	8.49	1,000
INGMed.Prop.	113	-2.4	-0.8	24	5-0	4	0.8	5	0.5	15	8.4	8.06	157

Company	Share Price	Cur. rent	4-WkRnk Chg.	0-99	Insider Buy/Sell	Brokers Following	Price to Earnings	Return on Equity	Vola. Ratio	Price Dividend Yield	Price to Sales Ratio	Market Cap'n	
<b>Worst Performing Shares: Weakest Shares, P/S Ratio &gt; 0.25, Yield &lt; Twice Average</b>													
PropertyFInd.	117	-5.3	-1.1	36	0-0	4	0.8	6	0.5	13	7.5	7.92	246
AkdIntAirport	197	-11.7	+0.2	69	2-1	8	1.2	5	0.6	26	6.2	7.48	2,407
AMPOnyxMgmt	111	-2.6	-2.7	25	2-0	4	0.8	4	0.4	19	7.0	7.09	764
NZExchangeLtd	772	-3.7	-1.8	30	0-0	2	6.5	30	0.6	21	4.1	5.96	187
A2Corporation	10	-20.6	-2.6	86	0-0	-	-	-	1.7	NE	Nil	5.41	26
KiwiProperty	111	-5.9	-1.1	40	3-0	4	0.8	11	0.5	8	8.3	5.35	924
BurgerFuel	46	-7.0	+3.6	46	0-0	-	5.3	-	0.8	NE	Nil	5.17	24
SealegsCorp	40	-7.8	-1.8	51	0-1	-	15.8	-	1.3	NE	Nil	5.04	30
KermadecProp.	69	-8.8	-0.6	56	2-0	-	0.6	7	0.7	9	12.6	4.91	53
NZRefiningCo	670	-2.7	-3.8	26	1-0	2	2.6	18	0.4	14	10.0	4.75	1,608
Plus SMS Hold.	6	-10.2	-11.4	65	5-1	-	3.2	-	2.5	NE	Nil	4.32	24
F&PHealth.	291	-9.8	+2.3	63	1-14	6	7.6	18	0.5	42	5.7	4.14	1,483
INGProperty	79	-8.4	-0.8	54	2-0	3	0.6	10	0.4	6	12.5	3.93	406
Charlie'sGroup	13	-58.3	+0.0	98	1-0	-	2.6	0	1.2	NE	Nil	1.40	38
ICP Biotech.	2	-32.4	+0.1	94	0-0	-	-	-	3.0	NE	Nil	N/A	8
CertOrganics	3	-28.9	-2.7	92	0-1	-	0.7	-	2.7	NE	Nil	0.98	8
Viking Capital	10	-28.1	-2.4	91	0-0	-	1.4	-	1.5	NE	Nil	3.85	8
WoolEquities	30	-25.8	-0.8	90	0-0	-	0.6	-	0.6	NE	Nil	0.33	7
NZFinanceHold	40	-22.3	+1.4	88	2-0	-	1.3	16	0.5	8	3.7	1.15	31
A2Corporation	10	-20.6	-2.6	86	0-0	-	-	-	1.6	NE	Nil	5.41	26
PumpkinPatch	163	-18.7	+0.1	84	5-5	4	2.5	25	0.6	10	8.2	0.74	272
AirNewZealand	124	-17.4	+3.4	82	10-3	5	0.7	12	0.5	6	9.6	0.30	1,304
WarehouseGroup	344	-15.3	-5.9	80	0-1	8	3.1	34	0.5	9	7.6	0.61	1,070
GuccoLeisure	76	-15.1	+3.9	78	5-0	-	0.7	1	0.5	59	6.9	1.60	1,040
WidespreadPort	43	-14.9	-4.2	77	0-0	-	25.0	-	1.4	NE	Nil	N/A	9
Metro.LifeCare	441	-13.7	+1.5	75	0-0	1	1.4	11	0.2	13	5.0	2.25	386
CynotechHold.	15	-13.2	+1.5	73	2-0	-	1.2	16	1.2	7	5.1	1.13	13
HeritageGold	3	-12.8	+1.6	72	0-0	-	0.8	-	2.5	NE	Nil	N/A	10
MowbrayCollect	90	-12.4	-5.2	71	0-4	-	2.3	5	0.3	42	Nil	2.05	10
<b>INSIDER SELLING: Most Insider Selling, Relative Strength &lt; 0</b>													
F&PHealth.	291	-9.8	+2.3	63	1-14	6	7.6	18	0.4	42	5.7	4.14	1,483
TelecomCorp	340	-6.0	-0.6	41	9-21	11	1.9	26	0.5	7	15.6	1.26	6,105
Michael Hill	82	-9.7	-0.2	63	1-9	4	4.3	29	0.4	15	4.7	0.89	314
SkyCityLtd	370	-11.8	-0.6	69	1-8	10	4.4	26	0.6	17	10.5	2.05	1,668
MowbrayCollect	90	-12.4	-5.2	71	0-4	-	2.3	5	0.3	42	Nil	2.05	10
F&P Appliance	211	-15.9	-1.3	80	2-5	6	0.9	8	0.7	11	11.2	0.43	601
SalvusStrat.	90	-1.2	-1.4	20	0-2	-	0.7	30	0.6	2	9.1	2.10	18
TrustPowerLtd	774	-0.7	-0.6	17	0-2	4	1.9	8	0.5	25	5.4	3.58	2,441

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

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Company	STRENGTH RATING											Price	Return	Volatility	Price	Dividend	Price
	Share Price	Cur. Chg.	4-Wk Rank	12 Mo. Rank	18 Mo. Rank	24 Mo. Rank	36 Mo. Rank	52 Wk. Rank	Rel. Strength	Yield	Ratio						
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld>0, RelStrength>0																	
Tel.PacificLtd	10	+1.2	-4.4	17	1-0	-	2.0	53	2.5	4	9.4	0.23	9				
Ridley Corp.	116	+5.7	-0.1	12	4-0	4	1.2	8	0.8	15	6.0	0.24	339				
SupplyNetwork	38	+0.1	-0.7	19	1-0	-	0.9	4	1.2	23	2.7	0.24	8				
RuralcoHold.	405	+1.4	-3.5	17	3-0	1	2.8	17	0.4	16	4.9	0.25	184				
DownerEDILtd	670	+4.7	-3.9	13	8-0	7	4.3	32	0.6	13	3.1	0.40	2,151				
TransMetroCorp	90	+2.6	-0.4	15	0-0	-	0.8	16	0.7	5	3.3	0.48	12				
LemameCorp	362	+9.2	+3.0	10	0-0	-	1.1	17	0.4	6	5.1	0.49	35				
PenriceSoda	173	+5.8	+1.5	12	3-0	1	3.6	31	0.6	12	5.8	0.58	78				
SimsGroupLtd	3135	+9.1	-7.2	10	1-5	9	4.8	31	0.4	16	3.8	0.71	3,954				
AdcorpAust.	42	+0.4	+2.1	18	1-0	1	3.2	27	1.0	12	3.6	0.72	25				
WDSLimited	210	+0.5	-5.2	18	3-0	3	4.4	29	0.8	15	2.3	0.75	165				
AusdrillLtd	237	+8.4	+3.3	10	4-0	2	1.6	14	0.6	12	3.8	0.85	313				
BluescopeSteel	1034	+3.5	-1.9	14	4-0	10	2.6	23	0.5	11	4.5	0.85	7,587				
AustalLimited	260	+0.8	-3.3	18	1-0	3	2.4	22	0.5	11	4.6	0.90	491				
BrisbaneBronco	23	+1.4	+0.1	17	0-0	-	2.1	14	1.6	15	4.3	0.91	23				
Domino'sPizza	348	+3.4	-1.0	15	1-1	7	6.7	28	0.5	24	3.1	0.95	219				
Straits Res.	510	+0.3	-9.5	19	0-3	2	-	-	0.7	27	2.0	0.96	918				
MacMahonHold	166	+4.0	-0.6	14	2-2	6	4.3	15	0.8	29	1.8	0.96	871				
<b>BEST PERFORMING SHARES:</b> Strongest Shares, P/E<20, P/S<1.0																	
TowerAustralia	293	+9.4	-0.9	9	2-0	4	2.5	46	0.5	5	Nil	0.76	686				
LemameCorp	362	+9.2	+3.0	10	0-0	-	1.1	17	0.3	6	5.1	0.49	35				
SimsGroupLtd	3135	+9.1	-7.2	10	1-5	9	4.8	31	0.3	16	3.8	0.71	3,954				
AusdrillLtd	237	+8.4	+3.3	10	4-0	2	1.6	14	0.5	12	3.8	0.85	313				
Newland Res.	15	+8.2	+14.9	10	0-0	-	-	1.4	5	Nil	0.99	25					
PenriceSoda	173	+5.8	+1.5	12	3-0	1	3.6	31	0.5	12	5.8	0.58	78				
AircrusAust	21	+5.8	-2.0	12	0-0	-	0.7	5	1.1	14	Nil	0.35	3				
Ridley Corp.	116	+5.7	-0.1	12	4-0	4	1.2	8	0.6	15	6.0	0.24	339				
WavenetInt'l	13	+5.2	+3.6	12	4-0	-	0.9	5	1.8	18	Nil	0.87	8				
DownerEDILtd	670	+4.7	-3.9	13	8-0	7	4.3	32	0.6	13	3.1	0.40	2,151				
Int'l Equities	7	+4.4	-1.5	13	0-0	-	0.6	14	2.1	5	Nil	0.59	9				
Bluescope Steel	1034	+3.5	-1.9	14	4-0	10	2.6	23	0.4	11	4.5	0.85	7,587				
Artist & Enter.	5	+3.5	+12.0	14	0-1	-	-	2.4	17	Nil	0.91	5					
TransMetroCorp	90	+2.6	-0.4	15	0-0	-	0.8	16	0.5	5	3.3	0.48	12				
Espreon Ltd	50	+2.4	+8.8	16	0-0	-	-	1.1	14	Nil	0.33	46					
BrisbaneBronco	23	+1.4	+0.1	17	0-0	-	2.1	14	1.1	15	4.3	0.91	23				
RuralcoHold.	405	+1.4	-3.5	17	3-0	1	2.8	17	0.3	16	4.9	0.25	184				
MultistackInt'	3	+1.4	-4.3	17	0-0	-	0.4	3	3.6	13	Nil	0.24	3				
Tel.PacificLtd	10	+1.2	-4.4	17	1-0	-	2.0	53	1.8	4	9.4	0.23	9				
Austal Limited	260	+0.8	-3.3	18	1-0	3	2.4	22	0.4	11	4.6	0.90	491				
KoonHoldings	22	+0.7	-4.4	18	0-0	-	0.9	32	1.1	3	Nil	0.12	18				
WDSLimited	210	+0.5	-5.2	18	3-0	3	4.4	29	0.7	15	2.3	0.75	165				
AdcorpAust.	42	+0.4	+2.1	18	1-0	1	3.2	27	0.7	12	3.6	0.72	25				
<b>INCOME SHARES:</b> Highest Yields, Capitalisation>A\$250million																	
CentroRetail	35	-31.1	+0.1	92	2-1	5	0.2	14	0.9	1	36.3	0.98	397				
MacquarieDDR	36	-26.9	-4.4	87	11-0	7	0.3	19	0.9	2	27.8	1.22	335				
AustralandProp	60	-23.7	-6.4	82	0-0	4	0.4	12	0.6	3	27.7	0.65	1,103				
ABC Learning	69	-41.6	-0.2	98	1-10	4	-	-	0.7	2	24.8	0.19	320				
B&B Power	64	-35.9	-7.0	95	3-0	6	2.6	-	0.7	NE	21.9	0.07	442				
MinvacREIT	48	-25.5	-5.4	85	0-0	1	0.3	18	0.6	2	21.7	3.67	298				
ValadProperty	52	-22.6	-3.8	80	4-0	6	0.5	13	0.7	4	21.5	3.14	427				
ConsMediaHold	325	-12.0	-1.2	52	0-0	-	18.1	58	1.1	31	16.9	4.50	2,211				
MacquarieCWde	97	-19.7	-3.0	72	4-0	7	0.5	19	0.5	3	16.1	4.00	1,277				
GPTGroup	171	-23.4	-6.2	81	0-0	9	0.4	17	0.5	3	16.1	3.87	3,491				
B&B Infrastr.	90	-19.7	-0.9	72	2-0	6	-	-	0.5	15	15.9	1.31	1,649				
B&B Japan Prop.	76	-19.8	-3.7	73	3-1	4	0.6	21	0.7	3	15.7	4.82	375				
GreatSouthern	84	-28.8	-5.8	89	2-0	2	0.4	10	0.6	4	14.3	0.52	271				
AMP Cap China	99	-13.7	-2.2	57	0-0	-	0.5	11	0.7	5	14.2	4.38	276				
TishmanSpeyer	128	-8.0	-2.3	40	1-0	7	0.5	30	0.5	2	13.3	0.98	439				
MacquariesC&I	320	-19.0	-3.2	71	0-0	4	-	-	0.3	14	13.1	1.11	1,629				
ChalDivProp	58	-15.7	-4.5	63	2-0	4	0.5	14	0.7	4	12.7	4.78	308				
Envestra	76	-9.5	-0.2	45	3-0	5	-	-	0.5	NE	12.6	1.93	643				
MacquarieMedia	370	-7.9	+1.3	40	8-0	5	-	-	0.4	21	12.3	1.11	771				
CharterHallGR	86	-21.2	-4.2	76	4-6	5	0.7	10	0.6	7	12.1	5.95	376				
GoodmanGroup	269	-20.1	-5.0	74	4-0	8	1.4	19	0.5	7	11.7	5.33	4,439				
MacquarieOff.	97	-12.9	+0.6	55	2-0	8	0.6	31	0.6	2	11.6	1.51	1,929				
MinvacGroup	281	-22.2	-2.9	79	0-0	8	0.7	14	0.4	5	11.4	1.26	2,799				
Chal Infra Fund	284	-5.7	+0.1	33	2-0	4	-	-	0.3	19	11.3	5.85	785				
INGIndustTrt	148	-15.7	-4.6	63	1-0	5	0.6	15	0.4	4	11.3	6.33	1,639				
<b>INSIDER BUYING:</b> Most Insider Buying, Relative Strength>0																	
Hudson Res. Ltd	15	+66.1	-2.4	1	16-0	-	-	5.0	-	1.0	NE	Nil	7.25	15			
WesternAreas	720	+23.0	-20.3	4	16-2	5	9.1	-	-	0.5	NE	Nil	N/A	1,011			
Intermin Res	27	+8.0	-19.1	10	8-0	-	-	-	-	0.9	NE	Nil	7.57	24			
Red Hill Iron	550	+13.2	-14.1	8	8-0	-	-	-	-	0.5	NE	Nil	N/A	217			
Downer EDI Ltd	670	+4.7	-3.9	13	8-0	7	4.3	32	0.5	13	3.1	0.40	2,151				
RobustResource	16	+12.8	+1.8	8	8-0	-	-	-	-	1.4	NE	Nil	N/A	2			
MawsonWestLtd	17	+7.8	+2.1	10	8-0	-	-	-	-	1.1	NE	Nil	N/A	18			
BowEnergyLtd	27	+35.7	-3.0	3	8-0	-	-	-	-	1.2	NE	Nil	N/A	29			
Horizon Oil Ltd	33	+11.3	-0.7	9	7-0	2	-	-	-	1.0	NE	Nil	N/A	239			
CloverCorp.	16	+4.1	+3.8	13	7-0	-	1.2	3	1.2	42	Nil	1.50	26				
JackgreenLtd	13	+4.9	+9.0	13	7-0	-	3.1	-	-	1.4	NE	Nil	0.86	20			
PlutonResource	142	+7.2	-2.6	11	8-1	-	-	-	-	0.5	NE	Nil	N/A	74			
VenusResources	41	+10.8	+1.2	9	6-0	-	-	-	-	1.0	NE	Nil	N/A	10			
RIM Capital Ltd	36	+28.4	-2.2	3	6-0	-	3.3	12	0.7	27	Nil	7.55	32				
Bradken Ltd	960	+3.5	+2.6	14	5-0	5	9.8	47	0.6	21	2.2	1.59	1,018				
Jupiter Energy	9	+8.2	+5.3	10	5-0	-	-	-	-	1.6	NE	Nil	N/A	20			
Jackson Mineral	12	+3.0	-5.0	15	5-0	-	-	-	-								

# Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Black-Scholes Price	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Exercise Price	Yr/Mth to Expiry	Black-Scholes Price	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate		
A1 Minerals	11	25	0-3	1.0	0.0	+999	0.83	7.07	1.00	+999	Colltech Australia	3	4	1-2	1.0	1.0	-1	0.96	1.87	1.00	+55
AIM Resources	3	10	0-10	0.8	0.1	+436	0.94	3.08	1.00	+405	Colonial Resources	9	20	2-4	2.5	2.0	+24	0.68	2.09	1.00	+48
AXG Mining	5	20	2-0	1.3	1.1	+15	1.06	1.76	1.00	+118	Commodit Ltd	6	2	0-10	0.2	4.5	-96	0.79	1.30	1.00	-78
Accent Resources	31	20	1-1	16.5	16.6	-1	0.93	1.58	1.00	+16	Con Global Invest.	2	20	1-5	0.2	0.5	-58	1.75	1.52	1.00	+499
Actinogen Ltd	9	50	3-11	1.0	3.4	-70	0.93	1.50	1.00	+56	Con Tin Mines	12	20	5-4	4.7	8.2	-43	0.90	1.22	1.00	+14
Activex Ltd	6	20	0-6	0.1	0.0	+215	0.77	5.70	1.00	+999	Convergent Minerals	11	20	3-4	3.7	6.7	-45	1.07	1.29	1.00	+26
Adelaide Energy	10	25	0-10	2.2	0.1	+999	0.58	5.18	1.00	+253	Copper Range Ltd	7	30	2-1	1.6	1.0	+61	0.83	2.18	1.00	+106
Agenix Ltd	2	30	2-10	1.0	0.2	+542	0.90	2.14	1.00	+168	Coppermoly	10	30	2-8	2.5	2.1	+18	0.75	1.96	1.00	+59
Alara Uranium	7	25	0-10	1.1	0.1	+999	0.70	4.52	1.00	+377	Coretrack Ltd	16	20	1-6	4.0	8.1	-51	1.19	1.46	1.00	+31
Alexander Securities	3	4	3-10	3.0	2.6	+15	1.18	1.15	1.00	+21	Costarella Design	3	20	2-1	0.2	0.4	-48	0.98	2.03	1.00	+158
All Brands	39	60	2-4	10.0	10.1	-1	0.59	2.13	1.00	+29	Cougar Energy	11	5	0-4	7.3	6.3	+16	1.08	1.65	1.00	+40
Alloy Resources	5	20	0-7	1.0	0.1	+999	0.91	4.27	1.00	+999	DMC Mining	50	20	0-10	36.5	35.5	+3	1.37	1.30	1.00	+16
Amcom Telecom.	17	17	1-4	2.5	2.8	-11	0.30	3.81	1.00	+13	Dart Mining NL	18	20	1-9	4.0	8.1	-51	0.93	1.58	1.00	+20
Anaeco Ltd	20	50	1-9	2.3	2.5	-8	0.67	2.60	1.00	+73	Desert Energy	29	25	1-8	16.5	13.9	+19	0.80	1.63	1.00	+24
Anaeco Ltd	20	100	3-9	1.6	3.4	-53	0.67	2.03	1.00	+54	Dia-B Tech Ltd	3	20	2-4	0.3	0.2	+87	0.75	2.58	1.00	+137
Anchor Resources	9	25	1-7	1.1	0.1	+999	0.38	5.86	1.00	+96	Drake Resources	9	20	1-4	2.0	1.8	+10	0.90	2.16	1.00	+95
Aragon Resources	21	25	2-1	6.5	12.0	-46	1.11	1.37	1.00	+21	Dyesol Ltd	100	20	0-3	75.0	79.9	-6	0.59	1.25	1.00	-17
Archer Exploration	13	25	1-6	3.5	2.1	+70	0.72	2.46	1.00	+76	Eagle Eye Metals	9	20	1-10	1.7	4.0	-57	1.20	1.49	1.00	+62
Artemis Resources	11	25	1-1	2.0	2.1	-3	0.98	2.21	1.00	+129	Eagle Nickel	30	30	3-10	12.0	13.3	-10	0.46	1.75	1.00	+9
Asburton Minerals	2	7	1-6	0.5	0.1	+323	0.57	3.56	1.00	+104	Eastland Medical	14	20	2-9	5.5	4.6	+19	0.59	1.91	1.00	+24
Astro Diamond Mines NL	1	5	4-3	1.3	0.3	+375	0.97	1.45	1.00	+68	Eden Energy	21	20	1-1	7.3	6.4	+13	0.68	2.20	1.00	+30
Astro Mining	1	5	4-3	0.2	0.3	-27	0.97	1.45	1.00	+60	Eldore Mining Corp	3	4	1-4	1.4	0.8	+75	0.65	2.33	1.00	+48
Astro Mining NL	1	75	1-4	0.5	0.0	+999	0.97	4.50	1.00	+999	Electrometals Tech.	6	14	2-8	2.0	2.3	-12	0.88	1.62	1.00	+44
Athena Resources	9	20	1-3	4.0	2.0	+97	0.98	2.04	1.00	+119	Elemental Minerals	10	20	0-5	2.1	0.9	+139	1.09	3.17	1.00	+570
Atlantic Gold NL	12	18	1-2	1.8	1.1	+65	0.46	3.83	1.00	+54	Empire Beer Group	6	35	0-3	0.1	0.0	+999	0.78	9.99	1.00	+999
Atom Energy	5	38	2-2	0.5	0.4	+40	0.81	2.48	1.00	+153	Empire Resources	10	25	0-10	1.0	0.9	+7	0.90	2.86	1.00	+215
Atomic Resources	25	25	3-0	6.3	14.8	-57	0.89	1.35	1.00	+9	Eneabba Gas	10	30	0-10	0.7	1.4	-48	1.19	2.28	1.00	+309
Atticus Resources	17	20	4-1	4.0	9.4	-57	0.69	1.43	1.00	+9	Entek Energy	15	20	1-4	5.0	2.0	+152	0.47	3.27	1.00	+50
Audax Resources	11	20	0-4	1.4	0.6	+131	0.95	4.03	1.00	+636	Envirogold	8	25	1-4	1.6	0.1	+999	0.49	4.93	1.00	+144
Augur Resources	7	20	1-10	1.6	2.1	-25	1.12	1.65	1.00	+93	Eromanga Hydrocarbons	37	10	0-11	60.0	28.7	+109	1.22	1.24	1.00	+104
Aura Energy	22	20	0-4	3.5	4.6	-25	0.69	3.28	1.00	+22	Erongo Energy Ltd	7	20	0-8	2.1	0.5	+352	0.99	3.08	1.00	+461
Aurium Resources	3	20	1-9	1.2	0.4	+175	1.07	2.01	1.00	+206	Excalibur Mining	2	6	4-4	0.5	0.6	-17	0.84	1.50	1.00	+40
Ausquest Ltd	23	20	1-3	9.5	11.5	-17	1.03	1.56	1.00	+22	Excalibur Mining	2	3	1-4	0.5	0.3	+65	0.84	2.22	1.00	+89
Aust Oil Company	8	20	1-4	1.7	1.7	-1	1.04	1.96	1.00	+122	Exoma Energy	9	20	2-7	1.6	1.7	-3	0.59	2.29	1.00	+41
Aust Renewable Fuels	6	60	0-8	0.5	0.3	+46	1.68	2.35	1.00	+999	Eyecare Partners	20	20	2-1	3.0	4.4	-31	0.29	3.13	1.00	+8
Austindo Resources	6	2	3-10	3.5	5.5	-36	1.13	1.08	1.00	-5	Fairstar Resources	13	25	1-0	6.2	3.4	+80	1.12	1.95	1.00	+140
Auth Investments	6	25	1-7	1.0	0.7	+52	0.91	2.32	1.00	+161	Fall River Res.	2	10	0-8	1.5	0.0	+999	0.81	5.36	1.00	+999
Avanco Resources	36	20	1-10	15.0	19.5	-23	0.47	1.71	1.00	-2	Ferrowest Ltd	19	25	1-9	7.0	6.6	+7	0.80	1.82	1.00	+37
BMA Gold	1	3	4-2	0.6	0.7	-8	0.98	1.30	1.00	+29	Fission Energy	15	20	2-6	4.2	6.2	-32	0.74	1.67	1.00	+21
BQT Solutions	25	8	1-1	1.3	18.2	-93	0.90	1.32	1.00	-60	Flinders Mines	17	10	0-1	6.0	7.6	-21	2.29	1.87	1.00	-31
Balkans Gold	9	25	1-0	0.8	1.9	-58	1.22	1.97	1.00	+193	GB Energy	10	20	3-1	4.0	3.2	+24	0.68	1.80	1.00	+33
Baraka Petroleum	3	25	0-1	0.2	0.0	+999	0.73	9.99	1.00	+999	GBM Resources	15	25	1-10	6.0	3.2	+90	0.65	2.27	1.00	+51
Barra Resources	12	65	2-4	4.0	0.7	+438	0.67	2.72	1.00	+112	Genesis Biomedical	1	3	2-3	0.4	0.2	+85	0.67	2.24	1.00	+59
Bass Metals	16	40	1-8	4.0	1.5	+173	0.63	2.88	1.00	+87	Geodynamics	144	200	0-6	21.0	6.0	+250	0.48	5.85	1.00	+136
Bathurst Resources	39	25	2-4	12.0	23.8	-49	0.76	1.42	1.00	-2	Gladiator Resources	5	20	0-10	0.2	0.2	+12	0.94	3.27	1.00	+461
Bauxite Resources	29	20	0-5	10.5	11.2	-7	0.83	2.18	1.00	+13	Gleneagle Gold	3	20	0-5	0.3	0.2	+56	1.90	2.43	1.00	+999
Beacon Minerals	11	20	2-0	2.9	3.1	-7	0.81	1.87	1.00	+48	Global Geoscience	9	25	4-0	2.4	4.6	-47	0.92	1.38	1.00	+32
Bellevue Resources	15	20	2-6	5.0	6.5	-23	0.82	1.57	1.00	+24	Global Nickel Inv.	10	20	1-0	1.0	2.5	-60	1.17	1.92	1.00	+121
Benitec Ltd	7	15	2-7	3.1	2.3	+35	0.77	1.78	1.00	+43	Gold Aura	3	13	0-7	0.5	0.0	+999	0.58	9.82	1.00	+999
Bionomics Ltd	34	22	0-5	12.0	12.8	-6	0.60	2.39	1.00	+4	Gold Company Ltd	45	20	2-10	37.5	33.0	+14	0.80	1.26	1.00	+9
Biopropect Ltd	2	5	1-7	0.6	0.1	+493	0.58	3.38	1.00	+105	Golden State Res	9	20	0-10	2.0	1.2	+72	1.00	2.50	1.00	+213
Black Fire Energy	16	20	1-10	4.6	7.2	-36	0.99	1.54	1.00	+29	Golden West Res	165	200	2-4	40.0	77.5	-48	0.83	1.56	1.00	+17
Black Range Minerals	5	5	2-6	2.8	2.2	+30	0.71	1.60	1.00	+21	Goldsearch	4	10	1-2	1.6	0.4	+261	0.78	2.74	1.00	+144
Blackham Resources	25	20	0-3	12.0	8.6	+39	1.27	2.20	1.00	+168	Gondwana Resources	14	1	0-10	3.0	12.6	-76	1.48	1.07	1.00	-77
Boss Energy	12	20	2-3	5.5	8.1	-32	1.45	1.22	1.00	+40	Gondwana Resources	14	1	1-10	2.8	12.7	-78	1.48	1.05	1.00	-48
Boulder Steel	18	20	0-3	2.0	2.2	-9	0.79	4.01	1.00	+123	Grand Gulf Energy	3	6	0-6	0.4	0.1	+587	0.75	4.81	1.00	+506
Bounty Industries	9	20	3-4	1.5	3.2	-53	0.72	1.69	1.00	+29	Greater Pacific Gold	1	2	2-9	0.4	0.5	-14	1.09	1.38	1.00	+43
Bowen Energy	24	20	1-3	9.0	11.7	-23	1.00	1.58	1.00	+18	Greenearth Energy	10	30	0-8	2.7	0.0	+999	0.58	7.14	1.00	+611
Braintoy Ltd	9	20	4-7	1.6	5.0	-68	0.87	1.33	1.00	+21	Greenvale Mining	35	30	3-4	14.0	25.9	-46	1.09	1.19	1.00	+7
Brumby Resources	18	15	1-5	9.4	10.5	-11	1.25	1.36	1.00	+26	Gt Australian Res	11	20	0-4	2.0	0.2	+923	0.74	5.77	1.00	+820
Burey Gold Ltd	3	20	0-10	0.5	0.0	+999	0.89	4.07	1.00	+865	Gt Bendigo Gold Mines	13	20	1-4	4.5	5.6	-19	1.20	1.57	1.00	+61
Burleson Energy	10	25	2-0	2.1	0.7	+194	0.52	3.17	1.00	+68	Gt Western Explor.	4	30	3-10	0.8	0.5	+61	0.66	2.17	1.00	+68
CO2 Group	29	12	3-2	20.0	21.5	-7	0.79	1.23	1.00	+4	Gulf Mines	16	30	1-2	4.4	2.6	+72	0.77	2.54	1.00	+93
Cape Lambert Iron Ore	59	30	0-2	30.0	29.4	+2	0.74	1.99	1.00	+11	Gulf Resources	11	25	1-4	3.2	1.6	+104	0.77	2.51	1.00	+103
Capital Mining	12	20	2-2	5.0	5.8	-14	1.06	1.46	1.00	+41	Gulf Resources	11	20	2-10	6.0	4.2	+42	0.77	1.66	1.00	+35
Carnavale Resources	12	20	0-10	3.2	1.9	+70	0.88	2.56	1.00	+132	Gulf Ltd	9	20	1-4	3.0	2.4	+24	1.04	1.89	1.00	+102
Carpentaria Exploration	8	30	1-10	1.2	1.0	+21	0.80	2.35	1.00	+110	Haddington Resources	31	35	1-9	16.5	12.0	+37	0.7			



Company	Share Price	Yr/Mth Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Yr/Mth Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
IC2 Global	14	15	0-10	2.0	5.3	-62	1.09	1.81	1.00	+26	Nylex Ltd	65	184	1-3	8.0	9.5	-16	0.91	2.33	1.00	+134
IC2 Global	14	200	0-10	1.3	0.1	+999	1.09	3.74	1.00	+999	Odin Energy	8	25	4-3	1.4	2.7	-49	0.75	1.59	1.00	+34
IC2 Global	14	2	0-10	0.4	12.2	-97	1.09	1.14	1.00	-88	Oil Basins Ltd	7	20	1-1	1.9	0.4	+436	0.68	3.52	1.00	+176
IFC Capital	12	30	0-1	5.0	0.0	+999	0.84	9.99	1.00	+999	Olympia Resources	5	35	1-4	0.5	0.2	+142	0.93	2.82	1.00	+335
IM Medical	1	4	0-4	0.1	0.0	+999	0.91	6.56	1.00	+999	Olympia Resources	5	20	1-10	0.4	0.9	-54	0.93	2.05	1.00	+115
ISS Group	56	44	0-0	10.0	0.0	+999	0.76	6.56	1.00	-100	Orchid Capital	2	5	3-6	0.5	0.4	+17	0.55	2.13	1.00	+34
Imagine UN	2	125	0-4	0.1	0.0	+999	1.69	5.91	1.00	+999	Ord River Resources	11	65	1-4	1.6	0.2	+626	0.77	3.50	1.00	+303
Impedimed Ltd	70	72	4-2	15.0	27.7	-46	0.37	1.96	1.00	+5	Orion Petroleum	13	30	2-1	3.5	2.3	+54	0.66	2.32	1.00	+58
India Resources	4	20	1-4	1.0	0.1	+904	0.70	3.62	1.00	+229	Oropa Ltd	5	20	1-5	2.5	0.3	+780	0.75	3.00	1.00	+185
Industrial Minerals	26	20	1-4	15.0	12.7	+18	0.84	1.65	1.00	+25	Oroya Mining	2	5	0-11	0.6	0.2	+165	1.07	2.35	1.00	+254
Intec Ltd	4	8	1-4	1.1	0.3	+313	0.61	3.26	1.00	+105	Oz Brewing	5	20	4-4	2.2	3.3	-33	1.35	1.15	1.00	+45
Integra Mining	20	20	1-3	7.0	7.3	-3	0.83	1.88	1.00	+31	Palace Resources	4	20	3-10	1.5	0.7	+117	0.72	1.90	1.00	+61
Iron Mountain Mining	28	20	3-5	10.0	23.8	-58	1.37	1.10	1.00	+2	Paragon Care	2	2	3-9	2.0	1.4	+44	0.70	1.39	1.00	+16
Iron Ore Holdings	58	100	2-8	27.0	16.7	+62	0.63	1.97	1.00	+34	Peak Resources	9	25	1-1	1.6	0.9	+79	0.90	2.61	1.00	+187
JV Global	11	20	0-2	0.1	0.0	+999	0.71	9.99	1.00	+999	Peel Exploration	17	20	2-3	5.5	6.8	-19	0.70	1.75	1.00	+20
Jaguar Minerals	10	20	0-1	0.5	0.0	+999	1.09	9.59	1.00	+999	Pegasus Metals	4	20	1-7	1.4	0.1	+999	0.59	4.05	1.00	+180
Jupiter Energy	9	8	1-10	2.2	4.8	-54	1.04	1.42	1.00	+10	Pelican Resources	9	20	0-4	1.9	0.4	+436	1.10	3.87	1.00	+999
Jutt Holdings	12	20	0-11	3.0	3.1	-2	1.11	1.99	1.00	+113	Pensinsula Minerals	3	10	1-10	1.0	0.2	+345	0.68	2.76	1.00	+111
Jutt Holdings	12	10	0-10	8.6	5.1	+70	1.11	1.72	1.00	+84	Persesus Mining	89	20	0-7	71.0	69.8	+2	0.58	1.27	1.00	+4
K2 Energy	9	20	1-1	2.5	2.7	-6	1.21	1.81	1.00	+131	PharmaNet Group	1	5	0-4	0.1	0.0	+999	1.07	7.40	1.00	+999
K2 Energy	9	20	0-4	2.1	0.6	+233	1.21	3.33	1.00	+999	Phosphagenics	9	20	0-9	2.5	0.0	+999	0.35	9.99	1.00	+230
KTL Technologies	2	5	0-9	0.3	0.1	+246	0.72	3.92	1.00	+244	Polaris Metals NL	37	20	0-4	16.0	17.6	-9	0.60	2.06	1.00	-8
Kairiki Energy	16	5	0-4	12.0	11.1	+8	0.82	1.43	1.00	+20	Portland Orthopaedics	2	25	0-3	1.0	0.0	+999	1.07	9.99	1.00	+999
Kangaroo Metals	8	20	0-12	2.4	0.8	+210	0.89	2.73	1.00	+206	Poseidon Nickel	64	92	3-3	26.0	38.2	-32	0.97	1.32	1.00	+21
Key Petroleum	23	35	0-7	5.8	8.0	-28	1.57	1.75	1.00	+167	Poseidon Nickel	64	81	1-3	31.0	24.0	+29	0.97	1.77	1.00	+56
Kingsrose Mining	26	20	4-4	9.0	17.4	-48	0.75	1.28	1.00	+3	Prima Biomed	1	2	3-4	0.3	0.4	-19	0.81	1.56	1.00	+33
L & M Petroleum	13	25	0-2	1.6	0.1	+999	1.03	7.35	1.00	+999	Primary Resources	22	20	1-12	7.2	10.6	-32	0.81	1.58	1.00	+13
Labtech Systems	20	20	4-10	15.0	13.0	+16	0.73	1.31	1.00	+12	Prime Minerals	21	20	1-2	10.0	6.3	+59	0.58	2.34	1.00	+36
Labtech Systems	20	20	4-10	5.0	13.0	-61	0.73	1.31	1.00	+5	Progen Pharm	65	840	1-9	6.0	0.8	+633	0.81	3.24	1.00	+335
Laserbond	13	25	1-0	1.0	0.2	+314	0.41	5.97	1.00	+100	Proto Resources & Inv.	12	25	5-4	3.3	8.9	-63	1.14	1.14	1.00	+18
Lefroy Resources	8	25	0-10	0.7	0.1	+999	0.58	5.59	1.00	+306	Proto Resources & Inv.	12	20	3-0	3.5	7.2	-51	1.14	1.28	1.00	+27
Liberty Resources	7	25	0-7	1.5	0.0	+999	0.77	5.39	1.00	+999	Pure Energy Res	143	30	0-4	125.0	113.8	+10	0.98	1.26	1.00	+27
Lincoln Minerals	22	30	1-10	5.0	8.4	-41	0.88	1.69	1.00	+30	QRScience Holdings	14	45	3-10	1.7	8.4	-80	1.17	1.25	1.00	+38
Indian Resources	14	30	1-4	5.0	6.9	-28	1.53	1.41	1.00	+99	Quantum Resources	1	10	2-2	1.0	0.0	+999	0.70	3.05	1.00	+178
Lion Energy	8	35	3-0	2.1	1.3	+65	0.74	2.04	1.00	+70	Quantum Resources	1	5	4-3	1.5	0.3	+357	0.70	1.75	1.00	+49
Lion Selection	153	151	0-8	13.0	18.5	-30	0.28	5.37	1.00	+11	Quantum Resources	1	10	3-8	1.0	0.1	+657	0.70	2.16	1.00	+83
Lumacom Ltd	1	7	0-4	0.1	0.0	+999	0.95	7.64	1.00	+999	Quest Investments	17	15	0-4	1.2	4.7	-74	0.94	2.56	1.00	-13
M2M Corporation	2	20	1-6	0.2	0.0	+382	0.93	2.95	1.00	+425	Ramelius Resources	73	100	0-10	17.5	10.5	+67	0.64	3.10	1.00	+77
MGM Wireless	4	20	2-3	1.5	0.6	+150	0.85	2.09	1.00	+111	Ramelius Resources	73	150	1-10	13.0	12.1	+7	0.64	2.45	1.00	+55
Macmin Silver	7	25	0-2	0.3	0.0	+999	0.57	9.99	1.00	+999	Range Resources	14	100	2-1	5.5	1.1	+414	0.84	2.41	1.00	+164
Macquarie Harbour Min.	7	20	4-0	2.0	3.1	-36	0.85	1.46	1.00	+33	Range River Gold	2	25	0-1	0.1	0.0	+999	1.16	9.99	1.00	+999
Magellan Financial Grp	51	300	7-10	8.0	19.1	-58	0.62	1.53	1.00	+26	Reco Financial Serv	2	10	0-4	0.1	0.0	+999	1.36	4.38	1.00	+999
Magellan Financial Grp	51	120	0-10	4.5	1.5	+195	0.62	4.40	1.00	+192	Red Emperor Res.	27	25	1-0	11.5	12.9	-11	1.15	1.59	1.00	+35
Magellan Financial Grp	51	130	2-10	11.0	10.2	+8	0.62	2.15	1.00	+43	Red Fork Energy	54	20	0-8	30.0	35.0	-14	0.48	1.54	1.00	-11
Magna Mining NL	1	10	1-3	0.2	0.0	+999	0.50	7.56	1.00	+390	Red River Resources	12	20	1-7	7.0	5.2	+36	1.13	1.56	1.00	+67
Magnesium Int'l	4	10	3-9	2.8	4.0	-30	3.19	1.00	1.00	+36	Red Sky Energy	4	30	0-11	0.5	0.2	+203	1.24	2.61	1.00	+961
Malachite Resources	16	20	0-0	0.7	4.0	-82	0.68	1.00	1.00	+999	Regal Resources	4	20	0-3	0.1	0.0	+999	0.86	9.99	1.00	+999
Mamba Minerals	6	20	1-7	1.8	1.2	+52	0.98	2.01	1.00	+126	Regis Resources	22	5	5-5	10.0	19.3	-48	0.69	1.11	1.00	-7
Mantle Mining Corp	21	25	0-8	8.0	7.9	+2	1.38	1.74	1.00	+104	Regis Resources	22	200	3-8	1.3	2.1	-38	0.69	2.22	1.00	+83
Mantra Resources	225	20	0-10	204.0	206.2	-1	0.70	1.09	1.00	-1	Regis Resources	22	50	5-5	1.3	10.8	-88	0.69	1.45	1.00	+17
Maximus Resources	12	20	0-10	4.8	2.9	+65	1.07	2.11	1.00	+139	Regis Resources	22	100	4-2	1.3	5.4	-76	0.69	1.82	1.00	+44
Medic Vision Ltd	8	20	3-5	2.8	3.6	-22	0.90	1.47	1.00	+36	Regis Resources NL	22	20	3-8	35.0	12.8	+172	0.69	1.42	1.00	+28
Metal Storm	4	0	1-0	1.7	4.1	-58	0.46	1.03	1.00	-56	Regis Resources NL	22	10	4-2	6.0	16.6	-64	0.69	1.23	1.00	-7
Metals Australia	2	5	1-1	1.2	0.2	+488	0.81	2.78	1.00	+184	Repol Ltd	2	1	2-4	0.5	1.1	-53	1.23	1.22	1.00	+7
Metals X Ltd	31	20	0-4	14.0	12.0	+17	0.65	2.38	1.00	+32	Republic Gold	6	3	0-3	3.2	4.0	-19	1.43	1.51	1.00	-33
Metminco Ltd	28	25	4-3	10.0	19.4	-49	0.84	1.25	1.00	+5	Reward Minerals	113	20	0-10	86.0	94.5	-9	0.95	1.19	1.00	-7
Metroland Australia	6	26	0-9	0.3	0.0	+999	0.62	6.48	1.00	+587	Rey Resources	25	30	1-7	8.1	11.5	-29	1.01	1.57	1.00	+30
Midas Resources	6	10	2-9	1.8	3.2	-43	1.00	1.40	1.00	+28	Rialto Energy Ltd	32	60	2-10	13.0	14.9	-13	0.92	1.49	1.00	+34
Midas Resources	6	10	1-1	1.0	1.6	-39	1.00	1.99	1.00	+75	Richfield Group	3	1	0-9	1.7	1.8	-7	1.35	1.32	1.00	+5
Millepede Int'l	2	5	3-7	0.5	1.1	-55	1.16	1.26	1.00	+37	Rockeby Biomed	1	5	0-9	0.3	0.0	+999	0.79	5.79	1.00	+999
Minemakers Ltd	118	30	0-4	86.0	88.7	-3	1.26	1.31	1.00	-4	Rocklands Richfield	19	30	1-3	2.5	4.7	-47	0.84	2.13	1.00	+54
Mining Projects Group	1	1	0-11	0.1	0.1	+2	0.94	2.31	1.00	+113	Rockstead Financial	1	25	1-3	0.4	0.0	+999	1.30	2.60	1.00	+999
Monteray Group	2	10	0-4	1.0	0.0	+999	0.80	8.61	1.00	+999	Royal Resources	21	20	0-11	8.5	7.6	+12	0.95	1.90	1.00	+46
Monteray Group	2	10	0-4	1.3	0.0	+999	0.80	8.61	1.00	+999	Sabre Resources	19	35	1-5	10.5	5.2	+101	0.92	1.95	1.00	+85
Montezuma Mining	12	20	3-0	2.6	5.7	-54	0.85	1.49	1.00	+23	Safety Medical Prod	8	100	2-4	0.6	0.3	+113	0.81	2.63	1.00	+201
Morning Star Gold	22	25	0-4	3.5	1.3	+172	0.47	6.19	1.00	+133	Safety Medical Prod	8	20	0-4	0.3	0.1	+496	0.81	6.20	1.00	+999
Mosaic Oil NL	11	18	0-9	2.4	0.4	+437	0.49	5.07	1.00</												

Company	Share Price	Yr/Mth Exercise Price	Option to Expiry	Black-Scholes Price	Option Scholes Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Yr/Mth Exercise Price	Option Scholes Price	Option Scholes Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate			
SwishGroup	1	2	1-5	0.3	0.1	+208	0.74	2.61	1.00	+111	UraniumsaLtd	10	25	1-5	2.6	2.4	+8	1.01	1.95	1.00	+107
SynergyMetals	2	3	3-0	0.7	0.7	-2	0.62	1.81	1.00	+23	VectorResources	24	20	3-10	9.8	17.2	-43	0.92	1.23	1.00	+6
SynergyMetals	2	4	1-2	1.0	0.2	+471	0.62	3.25	1.00	+119	VerusInvestments	2	10	1-10	0.4	0.2	+136	0.97	2.18	1.00	+188
TVN Corporation	1	1	0-4	0.1	0.3	-66	0.96	2.58	1.00	+0	VictoriaPetroleum	17	25	1-5	8.5	4.3	+99	0.74	2.18	1.00	+61
TalismanMining	48	20	2-4	31.0	38.5	-19	1.19	1.16	1.00	+3	ViraxHoldingsLtd	4	20	1-4	1.0	0.3	+259	0.89	2.73	1.00	+241
TargetEnergy	8	25	1-3	2.5	0.7	+270	0.81	2.79	1.00	+173	VitalMetals	24	80	0-0	0.1	0.3	-64	0.81	2.73	1.00	+999
TasmanResourcesNL	9	20	1-4	3.0	1.6	+87	0.85	2.27	1.00	+104	WAMActive	91	100	0-10	4.0	4.3	-7	0.17	9.39	1.00	+18
TawanaResources	5	10	2-7	2.0	2.4	-16	1.01	1.45	1.00	+40	WCPDiversifiedInv.	7	2	1-10	5.0	4.9	+2	0.52	1.34	1.00	+3
TerrainMinerals	4	25	1-11	1.0	0.0	+999	0.60	3.92	1.00	+185	WCPResources	7	4	1-10	1.3	3.4	-62	0.52	1.72	1.00	-11
TerritoryUranium	8	70	1-10	0.7	0.7	-3	0.99	2.23	1.00	+228	WersternMetals	6	35	1-8	2.0	0.3	+516	0.78	2.84	1.00	+187
TexonPetroleum	45	50	0-8	12.5	8.6	+46	0.67	2.92	1.00	+64	WestAustMetals	18	5	1-12	10.0	0.3	+999	0.80	2.84	1.00	+999
ThundelarraExplor	36	19	0-10	23.0	18.9	+21	0.64	1.77	1.00	+20	WesternUranium	11	20	1-10	1.5	2.8	-46	0.75	2.05	1.00	+44
TidewaterInvestments	41	125	0-9	0.1	0.0	+999	0.31	9.99	1.00	+343	WestoniaMines	5	10	1-10	1.7	1.7	-0	1.08	1.61	1.00	+68
TorrensEnergy	35	25	1-7	11.5	19.8	-42	0.92	1.48	1.00	+3	WestralianGas&P	6	25	1-1	0.6	1.6	-63	1.46	1.76	1.00	+284
TrarfordResources	44	25	0-2	22.0	18.9	+17	0.78	2.26	1.00	+70	WestsideCorporation	50	50	0-7	9.9	13.4	-26	0.84	2.42	1.00	+36
TransitHoldings	12	25	1-4	3.5	3.3	+6	1.07	1.83	1.00	+98	WhinnenResources	18	20	0-5	3.1	3.8	-18	1.00	2.62	1.00	+95
TransolCorporation	3	2	2-9	1.9	1.6	+19	0.90	1.33	1.00	+18	WhiteCliffNickel	13	25	2-10	3.3	6.5	-49	1.03	1.39	1.00	+33
TranszachtFinancial	15	30	1-8	1.8	1.8	+0	0.57	2.88	1.00	+57	WindyKnobResources	8	20	1-4	1.6	2.1	-23	1.12	1.83	1.00	+117
U308Limited	25	25	0-10	4.3	8.4	-49	0.89	2.04	1.00	+21	XceedCapital	6	20	1-5	0.5	0.7	-28	0.89	2.38	1.00	+147
UnionResources	1	10	0-7	0.3	0.0	+999	0.74	7.85	1.00	+999	XenolithGold	13	8	2-10	4.2	7.7	-46	0.69	1.41	1.00	-1
UnionResources	1	10	0-7	0.3	0.0	+999	0.74	7.80	1.00	+999	YellowRockRes	12	20	1-3	3.0	3.6	-18	0.99	1.88	1.00	+68
UnitedUranium	10	20	0-10	1.5	1.6	-3	0.95	2.49	1.00	+151	ZamiaGoldMines	15	20	0-10	3.6	4.1	-13	0.99	2.09	1.00	+72
UranLtd	13	20	0-9	4.5	2.4	+84	0.93	2.48	1.00	+138	ZedexMinerals	17	20	0-3	3.0	0.4	+582	0.42	8.90	1.00	+278
UraniumOil&Gas	8	20	1-11	2.9	1.5	+100	0.75	2.20	1.00	+74	ZincCoAustralia	9	25	1-3	1.3	0.9	+42	0.77	2.76	1.00	+130

## Review of Existing Options

### Allied Brands (codes ABQ and ABQO).

Allied Brands is to roll out a new franchise business called *Awesome Entertainment* based upon an existing business model used by a private franchise business *Awesome Water*. The new business involves flat screen televisions and entertainment packages for domestic and commercial users. The company has received 50 expressions of interest for potential franchises. This new business will be "immediately profitable and a material contributor" to profits for the year to June 2009.

Allied Brands has also confirmed that profits for the year ended 30 June 2008 will be within the range of \$7.25-8.3 million before tax. That should give earnings per share of 5.5-6.3 cents per share, so at 39 cents the shares trade on a Price/Earnings ratio of just 6-7.

The company has also announced an on-market share buy back which could acquire up to 10% of the capital over the next year. This type of buy-back is often a "Buy" signal and the directors are buying back shares as they feel the current low share price does not reflect the value of the business. Over the last month it has repurchased 110,412 shares (or 0.1% of its capital).

The shares have dipped 20.4% to 39 cents since we first reviewed this company in May this year, with the options down just 9.1% to 10 cents. This is the *fair value* for the options, but they offer high 2.13 times leverage in

a business that is currently expanding very rapidly and could potentially increase significantly in value over the next few years. The options still have 2¼ years until their final exercise/expiry date, so are an attractive, leverage investment.

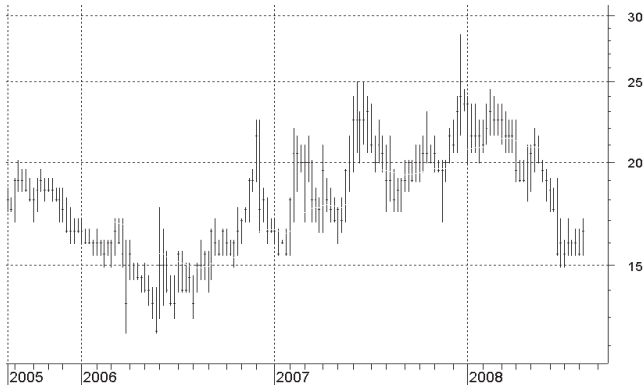


### Amcom Telecommunications (codes AMM and AMMO).

The share price fell 19.0% to 17 cents, with the options down 45.7% to 2.5 cents, over the last quarter. That puts the shares right on the option exercise price of 17 cents.

Amcom Telecommunications is still an attractive company and the options are still a high 3.81 times leveraged way to obtain an exposure to this business. At current prices investors could look to add to their holdings in the options.

**Amcom Telecommunications**



**Electrometals Technologies** (codes EMM and EMMO).

The shares and options of Electrometals Technologies have fallen over the last quarter. While this is still an interesting situation, we are concerned about the growing *Break-Even Rate* which is now 44% per annum. For the options to have *any* value at their final exercise/expiry date the share price needs to recover significantly from around 6.1 cents to over 14 cents. That is possible, especially for a micro-cap share which could be significantly depressed in the current market.

There is 2¾ years until the options expire. We are happy to hold our existing position in the options, but would not buy further options at this time.

**Electrometals Technologies**



**Style** (codes SYP and SYPO)

Style has reached agreement to exit its *Wanzai Plantation* leases owing to damage to the bamboo in storms in February 2008. This, however, will result in losses of around \$1.3 million.

While this company *could* generate good long term growth for shareholders, problems and delays over the last year have resulted in significant loss of value in the shares. The final exercise/expiry date for the options is

31 January 2009 - which is just 5½ months away - so there is limited time left for a recovery and growth which could restore significant value to the options.

We shall continue to hold our existing options, but the short period until the final exercise/expiry makes new purchases very risky.

**Style**



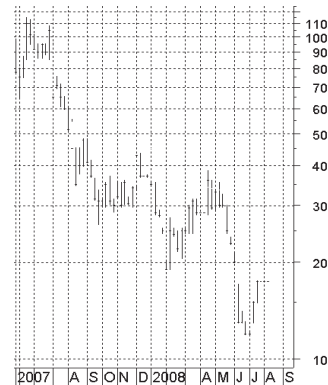
**Whinnen Resources** (codes WWW and WWWO).

Whinnen Resources has “decided not to proceed” with the *Fongo Tongo Bauxite Project* in the Republic of Cameroon - and the withdrawal from this highly leveraged project has contributed to the decline in the share price from 30 cents to 18 cents. That, in turn, has reduced the option price from 9 cents to 3.1 cents.

The shares last traded at 17½ cents, but there is a seller in the market at 15 cents. The options have a final exercise/expiry date of 31 January 2009 - only 5½ months away - with an exercise price of 20 cents. We would therefore consider cutting our losses and selling these options on-market. Unfortunately, there isn't currently a meaningful market for the options: one small buyer at 1.1 cents and a seller at 15 cents.

Based upon the current share price, we would consider selling the options around 2½-3 cents, if that were possible.

**Whinnen Resources**



## Investment Outlook

(Continued from Page 1)

to accumulate further income producing investments. So the rich will get richer and the (relatively) poor will get poorer.

Many shares currently offer the best value that we have seen in 25-35 years! So now is an excellent time to be steadily acquiring shares in sound businesses that will build significant personal wealth over the years and decades ahead. Decisions that individuals make for themselves will determine their personal financial situation in the years ahead. The best investment a person can make is in increasing their own level of knowledge. Unfortunately you just cannot rely on outsourcing your investment decisions to government superannuation, kiwisaver or that friendly "property investment consultant".

Many Australian companies report their June 2008 result this month and this will give further insight into the value and current performance of many of these businesses.

# Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Abano Healthcare	5.00	14-08	21-08	-
Allied Workforce	3.00	09-07	23-09	Full
Cynotech Holdings	0.50	05-08	13-08	Nil
Goodman Property Trust	2.5625	04-09	18-09	small
ING Medical Properties	2.21	25-08	01-09	0.24
Kermadec Property	2.17	14-08	21-08	Nil
Livestock Improvement	22.66	15-08	29-08	Full
Property For Industry	1.55	07-08	19-08	small
Renaissance Corporation	3.00	26-09	08-10	Full
Smiths City Group	3.00	08-08	15-08	Nil
Telecom NZ	8.00	29-08	12-09	Full
<u>Australian Shares</u>				
Fiducian Portfolio Serv	6.50	21-08	17-09	
M.Y.O.B. repayment	13-18 cents	?	?	

### Total Return Index for All Listed Shares

Jul 14	1762.57	Jul 21	1758.18
Jul 15	1757.94	Jul 22	1771.00
Jul 16	1749.35	Jul 23	1777.42
Jul 17	1760.12	Jul 24	1792.45
Jul 18	1753.59	Jul 25	1784.86
Jul 28	1788.64	Aug 4	1787.29
Jul 29	1778.02	Aug 5	1785.81
Jul 30	1793.69	Aug 6	1795.90
Jul 31	1793.26	Aug 7	1798.85
Aug 1	1779.67	Aug 8	1809.28

### Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday September 8, 2008.

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

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