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

Market Analysis

| Issue No. 439 | www.stockma | January 12, 2009 | | | | | | | | |
|--|-------------|--|----------|--|--|--|--|--|--|--|
| Inside Market Analysis | | | | | | | | | | |
| "Bad" economic outlook and low share valua favourable for high future stockmarket return Michael Hill International restructure yields significant on-going tax savings | าร 1, 14 | SELL M.Y.O.B. BUY Challenger Wine Trust Insider Trades | 8, 9 | | | | | | | |
| AJ Lucas receives \$293 million cash from sale of Coal Seam Gas assets | 5 | Founder: James R Cornell | (B.Com.) | | | | | | | |

Summary and Recommended Investment Strategy.

The *worst* economic conditions can yield the *highest* stockmarket returns. The current "bad" economic outlook has depressed share prices to historically low valuations. Low share valuations yield *high future returns*. We recommend being fully invested in shares.

Investment Outlook.

When was the third largest rally in US stock prices?

Knowing the answer to that question could be very relevant to managing your share portfolio in today's depressed and depressing investment and economic climate. But first a little history to put things in perspective.

The *largest* rise in the United States stockmarket (as measured by the Dow Jones Industrial Average) was from 1982 to 2000 - a period of economic expansion, technological innovation and increases in world trade. The stockmarket rose 1344% over 18 years, or an average of about 16% per annum.

Its *second largest* increase happened from 1921 to 1929. This was a period of both economic expansion *and* stockmarket boom. Share prices rose 497% - or about 25% per annum.

So when was the third largest rally? The correct answer (and, of course, you all knew this) is 1932 to 1937, when shares rose 372% or about 36% per annum. <u>This rally occurred from the 2nd to 7th year of the 10¹/₂ year long Great Depression, but its was also a period when share prices had become very under-valued following the 1929-1932 stockmarket crash.</u>

You may also have noticed that the 1932-37 rally produced the *highest* annual rate of appreciation!

The important lesson here is that it is <u>not</u> necessarily a healthy, growing economy that generates stockmarket wealth. <u>Low share prices as experienced in 1932 are an</u> <u>even more important factor in determining *future* share <u>price returns</u> . . . and we are currently experiencing a similar period of very under-valued share prices!</u>

Today some people are predicting the economic recession will last ten years. *That* would be just too similar to the 1930's Depression . . . but does suggest that 2009-2014 could be the best period in a lifetime to build investment wealth!! In fact, the Great Depression lasted for a decade as governments waited *five* years before taking any action to improve (*Continued on Page 14*)

| Austr New 2 | | <u>One-Mo</u> 86% (Bul 64% (Bull | lish) 65 | <u>One-Year</u> % (Bullish % (Neutra | 1) |
|---|------|--|-----------------|--|---|
| New Zealand NZX 50 Index | | Mund | ~~~~~ | | 4500 4000 3500 3000 |
| New Zealand Total Return Index For All Shares | 2005 | 2006 | 2007 | | 200 200 200 200 200 200 1800 1600 7, 7, 140 |
| Australia All Ords Index | 2005 | 2006 | 2007 | 2008 | 20(6600 6600 5600 4500 4500 4000 4500 |

Market Analysis 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 | PriceSales PE Gross Ratio Ratio Yield | Performance | Price/Sales PE Gross rice Ratio Ratio Yield | Performance Forecast Price | Price/Sales PE Gross Ratio Ratio Yield |
|---|---|----------------------|--|---|--|
| Trust Power Ltd B 732 AMP Onyx Mgmt B 98 | 3.39 24 5.8 5.59 6 8.6 | | 5.0 1.92 N.E Nil 70 1.02 14 3.2 | ProvencoCadmus E 8.4 Pumpkin Patch C 97 | 0.11 NE Nil 0.44 6 13.8 |
| AMP Limited C 667 Abano Health. B 470 | 0.74 11 7.0 0.87 14 5.7 | Kermadec Prop. C | 370.896414.4493.49617.7 | Pyne Gould Corp C263Rakon LtdD126 | 1.08 6 13.1 0.88 14 Nil |
| Affco Holdings D 39 Air New Zealand C 93 | 0.21 NE Nil 0.21 5 13.6 | Kirkcaldie & St B 2 | 79 N/A NE 8.5 230 0.51 20 6.5 | Renaissance C 39 Restaurant Brds C 68 | 0.09 5 28.7 0.22 6 14.3 |
| Akd Int AirportB171Allied Work.C61Allied FarmersD78 | 5.95 19 7.2 0.19 8 14.2 0.14 44 Nil | Life Pharmacy C | 105 5.07 7 8.7 46 2.70 N E Nil 918 2.34 19 4.2 | Richina Pacific D 36 Rubicon Limited E 58 Ryman Health. C 139 | 0.11 3 4.2 0.26 NE Nil 9.16 10 3.6 |
| Apple Fields B 11 Barramundi Ltd E 42 | 3.25 6 Nil N/A NE Nil | Livestock Imp. B 1 | 10 2.34 19 4.2 180 0.45 4 20.7 6.1 0.04 N E Nil | Salvus Strat. B 73 Sanford Limited B 541 | 1.70 2 11.2 1.37 26 6.1 |
| Blis Technology D 6.0 Botry-Zen Ltd E 2.0 | 8.96 NE Nil N/A NE Nil | Lyttelton Port A 2 | 255 3.13 25 3.0 171 0.48 11 5.7 | Satara Co-op A 90 Savoy Equities E 1.0 | 0.25 11 5.0 N/A NE Nil |
| Briscoe Group C 80 Broadway Ind D 25 | 0.42 8 14.9 0.10 5 8.0 | Media Tech. D | 51 N/A NE Nil 4.0 0.63 4 Nil | Scott Tech. Ltd C 100 Sealegs Corp E 13 | 0.85 8 13.4 1.64 NE Nil |
| Burger FuelE35CDL InvestmentsD22 | 3.93 NE Nil 1.55 4 15.6 | Metro. LifeCare D 2 | 24 0.72 8 14.1 252 3.79 NE 7.5 | Seeka Kiwifruit B 245 Skellerup Hold. D 75 | 0.29 12 Nil 0.45 NE 6.0 |
| Cabletalk Group D 1.0 Cadmus Tech Ltd D 9.5 Canty Bldg Soc. B 400 | 0.01 NE Nil 1.02 NE Nil 1.32 24 3.0 | Mid-Cap Index D 2 | 54 0.55 8 8.8 206 N/A N E Nil 40 0.83 6 9.3 | Sky Network TVC390Sky City LtdC295Smartpay NZLtdD1.1 | 2.30 16 5.4 1.57 13 10.9 0.08 NE Nil |
| Cavalier Corp C 188 Cavotec MSL C 297 | 1.32 24 3.0 0.50 7 15.9 1.42 26 2.0 | Mowbray Collect D 1 | 25 2.85 58 Nil 274 1.18 13 2.2 | Smiths City C 30 Sol. Dynamics E 27 | 0.06 NE NI 0.06 4 15.0 0.23 NE NI |
| Cert Organics E 2.0 Charlie's Group E 12 | 0.65 N.E. Nil 1.20 N.E. Nil | NZ Experience C | 26 1.02 7 17.2 540 4.17 15 5.8 | South Port NZ A 215 Speirs Group D 25 | 3.67 22 6.6 0.06 NE Nil |
| Col Motor CoB255ComvitaE100 | 0.14 10 13.5 0.54 NE Nil | NZ Finance Hold C | 59 N/A NE Nil 35 1.00 7 4.3 | Steel & TubeB285Sthn TravelC20 | 0.50 11 10.0 0.09 5 22.4 |
| Connexion C 15 Contact Energy B 745 | 1.00 NE Nil 1.56 18 5.6 | NZ Oil & Gas * N/R 1 | 090 N/A NE 0.8 124 N/A 20 Nil | Tag Pacific LtdD16TaylorsGrp LtdB115 | 0.10 1 5.9 0.40 12 15.6 |
| Cynotech Hold. C 17 Delegat's Group A 200 | 1.33 9 4.4 1.21 10 4.5 | NZ Windfarms D | 580 4.11 12 11.6 75 9.75 24 Nil | TeamTalk Ltd B 205 Telecom Corp C 241 | 1.36 11 14.6 0.78 6 18.0 |
| Dominion Fin. C 1.0 Dorchester Pac D 9.5 Eastern Hi-Fi E 10 | 0.01 0149.3 0.05 NE Nil 0.06 NE Nil | NZ Wool Service B | 223 1.80 20 4.7 42 0.20 20 Nil 80 N/A NE Nil | Tenon LtdE50Tourism Hold.C70Tower LimitedC150 | 0.07 8 Nil 0.45 8 23.5 0.56 8 6.0 |
| Ebos Group Ltd B 430 F & P Appliance C 137 | 0.23 12 8.0 0.28 7 17.2 | NZSX 50 Port. D 1 | 18 N/A NE Nil 100 N/A NE Nil | Training Sol. E 0.1 Trust Power Ltd B 680 | 5.00 NE Nil 3.15 22 6.2 |
| F & P Health. C 313 Finzsoft Sol'ns C 68 | 4.46 45 5.3 0.69 NE 6.6 | Nat Property Tr B | 43 2.42 4 11.6 14 1.16 NE Nil | Turners & Grow.C143Turners AuctionC50 | 0.24 8 14.6 0.16 6 18.5 |
| Fletcher Build. C 598 Freightways Ltd B 300 | 0.42 6 12.0 1.19 12 9.3 | Nuplex Indust C 2 | 270 9.57 13 6.1 298 0.16 5 15.1 | Utilico Int'l B 61 VTL Group Ltd C 1.5 | 3.43 9 Nil 0.01 0 Nil |
| Genesis Res. E 9.0 Goodman Prop. B 97 | 3.03 NE Nil 6.86 8 10.2 | Öyster Bay B 2 | 16 N/A NE Nil 266 1.51 9 Nil | Vector Ltd A 214 WN Drive Tech. E 13 | 1.81 15 9.2 8.67 NE Nil |
| Guinness Peat D 95 GuocoLeisure D 34 Hallenstein G. C 210 | 0.36 4 2.7 0.72 26 15.4 0.63 6 24.9 | PGG Wrightsons C 1 | 263 N/A NE Nil 142 0.34 6 16.8 10 N/A NE Nil | Wakefield Hlth B 860 Warehouse GroupB 363 Widespread Port*N/R 10 | 1.73 15 3.5 0.64 10 7.2 N/A NE Nil |
| Hellaby Hold. C 130 Heritage Gold * N/R 2.5 | 0.13 3 10.8 N/A NE Nil | Pike River Coal E 1 | 101 N/A NE Nil 1.8 1.29 NE Nil | Windflow Tech. C 273 Wool Equities C 26 | 6.72 NE Nil 0.29 NE Nil |
| Horizon Energy A 320 ING Property B 66 | 2.85 14 7.7 3.28 5 14.9 | Port Tauranga A 6 | 350 5.85 21 5.7 33 0.10 NE Nil | World Index Fd D 107 Xero Ltd C 85 | N/A NE NII N/A NE NII |
| ING Med. Prop. B 108 Infratil NZ C 164 | 6.21 18 9.1 0.64 NE 5.7 | | 10 0.08 NE Nil 11 7.51 12 7.9 | Zintel Comm. C 20 Ave of 149 Cos C 163 | 0.27 4 16.8 0.18 5 7.0 |
| | | | | | |
| ABB Grain Ltd A 698 AGL Energy Ltd A 1397 | 0.53 25 3.0 1.14 20 3.8 | Deutsche Div Tr A 1 | 3060.71108.8316.10147.1 | Orica Ltd B 1449 Origin Energy B 1608 | 0.80 10 6.1 1.70 38 1.6 |
| AMP Ltd B 560 ANZ Bank A 1520 | 0.74 11 7.1 0.76 9 8.9 | Downer EDI Ltd B 4 | 82 3.54 6 14.6 108 0.24 8 6.3 | Paladin Energy C 296 Perpetual Ltd A 3275 | N/A NE Nil 2.77 9 10.1 |
| APA Group A 306 APN News Media A 243 ASX Limited A 3200 | 1.62213.50.90713.08.91156.0 | Fairfax Media B 1 | 030N/A481.01700.87711.83803.9296.0 | Platinum Asset A 335 Primary Health A 512 Q.B.E. Insur. A 2620 | 6.64 12 7.2 2.92 NE 5.3 1.80 14 3.6 |
| AXA Asia Pac A 512 Adelaide Bright B 210 | 1.46 13 3.7 1.28 10 6.4 | Fortescue Metal E 2 | 207 N/A N E Nil 534 2.25 92 4.9 | Qantas Airways A 257 Queensland Gas B 575 | 0.30 5 13.6 N/A 19 Nil |
| Alumina Ltd C 164 Amcor Ltd B 585 | N/A 4 14.6 0.53 19 5.8 | GPT Group C | 91 2.06 1 30.2 50 0.74 72 9.0 | Ramsay Health A 910 Reece Australia B 1650 | 0.59 17 3.6 1.14 14 3.5 |
| Ansell Ltd A 1111 Aquarius Plat. B 493 | 1.21 15 2.4 1.35 5 9.7 | | 012.00331.2790.3342.9 | Rio Tinto LtdC4393SP AusnetA96 | 0.59 2 3.3 1.89 13 12.1 |
| Aristocrat Leis B 376 Arrow Energy C 240 | 1.54 7 9.6 N/A NE Nil | Healthscope A 4 | 244 1.81 7 5.7 113 0.68 16 4.7 | Santos Ltd B 1447 Seven Network A 620 | 3.13 13 2.8 N/A 9 5.5 |
| Aust Foundation B 417 Aust W'wide Exp B 259 | N/A 10 5.0 1.42 4 Nil | ING Office Fund B | 47 2.76 10 9.5 77 4.70 4 14.0 100 4.00 4.00 4.00 | Sims Metal Mgmt B 1920 Sonic Health A 1330 | 0.27 5 6.3 1.86 18 3.9 |
| BHP BillitonA 3170Bank of Q'landA 963Bendigo BankA 1041 | 1.7972.30.66117.60.99145.6 | Incitec Pivot B 2 | I86 1.06 10 4.5 265 1.11 5 4.9 378 0.91 N E 6.0 | Soul Pattinson B 941 Spark Infrastru B 131 St George Bank A 2210 | 3.29253.26.135111.71.06109.6 |
| Billabong Int'l A 820 Bluescope Steel C 384 | 1.26 10 6.8 0.28 5 12.8 | JB Hi-Fi Ltd B 9 | 070 0.56 16 2.7 155 1.28 NE 4.6 | Stockland B 391 Suncorp-Metway B 855 | 2.16 8 11.9 0.62 15 12.5 |
| Boral Limited B 455 Brambles Ltd B 690 | 0.51 11 7.5 2.11 15 5.0 | Leighton Hold B 23 | 3020.63116.37050.191110.9 | Tabcorp Holding B 696 Tatts Group Ltd A 277 | 0.90 7 6.8 1.14 14 3.4 |
| Brickworks Ltd B 950 C'wth Prop Off. B 118 | 2.28 12 4.1 6.38 5 7.8 | Macquarie Group B 31 | 2759.22N ENil380.61511.0 | TelstraB372Ten NetworkB114 | 1.85 13 7.5 1.05 12 11.8 |
| C.S.R. Ltd B 162 CFS Retail Prop B 187 | 0.52 3 9.3 7.90 6 6.4 | Macquarie Infra B 1 | 232 2.70 7 10.8 76 N/A 5 11.4 | Toll HoldingsB629Transurban GrpC501 | 0.73 16 4.0 5.96 NE 11.4 |
| CSL Limited B 3291 Caltex Austrlia B 752 | 4.77 26 2.4 0.11 4 10.6 | Midwest Corp C 6 | 127 0.32 17 4.9 536 N/A NE Nil | TransPacific In B 350 United Group B 916 | 0.46 6 5.2 0.43 11 6.3 |
| Coal & Allied B 8004 CocaCola Amatil A 918 Cochlear Ltd A 5320 | 4.90341.71.56243.54.91262.8 | Mirvac Group C 1 | Image: H60 N/A 10 6.0 32 0.59 2 24.2 00 0.79 8 9.2 | Wesfarmers Ltd B 1895 Westfield Group B 1381 West Aust News B 515 | 0.45 14 10.6 2.66 4 7.7 2.28 10 10.3 |
| Com'wealth Bank A 2880 Computershare A 750 | 4.91 26 2.8 1.04 8 9.2 2.55 14 2.8 | New Hope Corp. B 3 | 00 0.79 8 9.2 352 8.63 31 1.6 065 5.88 N E 0.3 | Westpac Banking A 1650 Woodside Petrol A 3598 | 2.28 10 10.3 1.31 11 8.6 6.30 17 3.5 |
| ConnectEast Grp B 55 Cons Media Hold A 208 | N/A NE 15.5 N/A 1 7.9 | News Corp. B 13 | 882 1.18 7 0.9 062 1.03 17 3.0 | Woolworths Ltd A 2623 Worley Group A 1510 | 0.68 20 3.5 0.78 11 5.7 |
| Crown Ltd B 605 DUET Group B 188 | 1.88308.91.222314.4 | | 4736.18102.22610.3198.2 | Ave of 1954 Cos C 111 | 0.16 8 6.9 |

Recommended Investments

2008's Investment Returns

After ten straight years of consecutive gains, our *Recommended Portfolio* suffered a 32.0% *loss* during 2008 (or, to be strictly accurate, for the year from 11 January 2008 through to last Friday's closing prices). That compares with a 28.8% decline in the NZX 50 Index, a 39.8% decline by the broad NZ market and

39.2% decline in the All Ordinaries Index.

Over the last three years our portfolio is up just 1.0%, but beating the 18.0% *fall* in the NZX, 38.9% *decline* in the broad NZ market and 21.7% *decline* in the All Ordinaries Index.

Building significant wealth in the stockmarket is not about a "hot tip" or *(Continued on Page 4)*

| | Portfolio | of | Rea | con | ıme | ena | lea | | nv | est | me | ents | 7 |
|-------------------|--|------------|----------------------|-----------|---------|---------------|------------|--------------|---------|------------|----------|--------------|---------------|
| CURRENT ADVICE | Company | U | itial Recom | | Perform | - Issued | | Price/ | Price/ | Gross | Recent | | Total |
| ADVIOL | company | Code | - Date - | | Forecas | | Ratio | Ratio | Ratio | Yield | Price | Rec'd | % |
| | NZ Shares | | | | | | | | | | | | |
| HOLD | CDL Investments Ltd | CDI | 12/01/99 | 25 | D | 218.9 | 1.5 | 1.55 | 4 | 15.6 | 22 | 17.9 | +60% |
| HOLD+ | Cavalier Corporation | CAV | 05/12/95 | 156* | С | 67.1 | 0.8 | 0.50 | 7 | 15.9 | 188 | 230.0 | +168% |
| HOLD | Colonial Motor Company | CMO | 10/11/92 | 150 | В | 27.9 | 0.5 | 0.14 | 10 | 13.5 | 255 | | +296% |
| HOLD | Lyttelton Port Company | LPC | 12/12/00 | 150 | A | 102.3 | 0.7 | 3.13 | 25 | 3.0 | 255 | | +116% |
| BUY | Michael Hill Int'l Ltd | MHI | 11/06/91 | 5* | D | 382.5 | 1.0 | 0.55 | 8 | 8.8 | 54 | | -1488% |
| HOLD+ | Nuplex Industries Ltd | NPX | 11/02/97 | 350 | С | 81.7 | 0.6 | 0.16 | 5 | 15.1 | 298 | 240.0 | +54% |
| HOLD | Postie Plus Group | PPG | 08/05/06 | 71 | D | 40.0 | 1.4 | 0.10 | NE | Nil | 33 | 8.5 | -42% |
| HOLD+ | Renaissance Corp | | 13/08/96 | 85* | С | 42.7 | 1.5 | 0.09 | 5 | 28.7 | 39 | 53.9 | +9% |
| HOLD | Smiths City Group | SCY | 09/10/06 | 64 | C | 53.0 | 1.6 | 0.06 | 4 | 15.0 | 30 | 10.0 | -38% |
| HOLD | South Port New Zealand | SPN | | 120 | A | 26.2 | 0.8 | 3.67 | 22 | 6.6 | 215 | | +166% |
| HOLD | Steel & Tube Holdings | STU | 08/08/00 | 146 | B | 88.2 | 0.8 | 0.50 | 11 | 10.0 | 285 | 212.0 | +240% |
| HOLD+ | Taylors Group Ltd | TAY | 09/11/99 | 102 | В | 24.3 | 0.8 | 0.40 | 12 | 15.6 | 115 | 86.0 | +97% |
| BUY | Australian Shares (in Aust AJ Lucas Group | AJL | 13/05/03 | 120 | В | 59.3 | 0.6 | 0.65 | 20 | 1.5 | 462 | 30.5 | +310% |
| HOLD+ | Atlas South Sea Pearl | AJL | 14/05/96 | 73 | B | 59.5 89.3 | 1.5 | 0.89 | 20 2 | 19.0 | 402 | 30.5 17.5 | +310% -47% |
| HOLD | Breville Group Ltd | BRG | 13/11/06 | 171 | B | 129.5 | 1.0 | 0.09 | 4 | 15.9 | 66 | 10.5 | -47 % |
| BUY | Campbell Brothers Ltd | CPB | 12/10/99 | 406* | В | 52.1 | 0.3 | 1.25 | 13 | 5.2 | 1827 | 407.6 | +450% |
| HOLD | Cellnet Group Ltd ¹ | CLT | 12/02/02 | 147* | C | 76.8 | 1.4 | 0.05 | NE | Nil | 27 | 32.4 | -49% |
| BUY | Challenger Wine Trust | | 12/01/09 | 30 | В | 170.3 | 1.3 | 1.56 | 4 | 31.3 | 30 | Nil | 1070 |
| HOLD | Circadian Technologies | CIR | 10/02/04 | 188 | Č | 40.1 | 1.0 | 2.86 | NE | Nil | 58 | 65.0 | -35% |
| BUY | Clarius Group Ltd | | 08/04/03 | 86 | C | 57.4 | 1.2 | 0.08 | 2 | 38.1 | 42 | 68.5 | +28% |
| BUY | CPT Global Ltd | CGO | | 88 | В | 36.9 | 1.3 | 0.26 | 7 | 15.6 | 32 | 1.8 | -62% |
| BUY | Devine Ltd | DVN | 13/11/06 | 94 | А | 285.7 | 1.0 | 0.29 | 5 | 13.6 | 59 | 16.0 | -20% |
| BUY | Ellex Medical Lasers | ELX | 14/03/06 | 49 | С | 102.8 | 2.4 | 0.14 | 4 | Nil | 10 | Nil | -80% |
| HOLD | Fiducian Portfolio Ser | FPS | 11/02/08 | 260 | В | 32.8 | 0.9 | 1.42 | 6 | 10.8 | 120 | 6.5 | -51% |
| HOLD | lluka Resources Ltd | ILU | 12/10/04 | 471 | Α | 232.9 | 0.6 | 1.06 | 10 | 4.5 | 486 | 64.0 | +17% |
| BUY | Integrated Research | IRI | 14/01/08 | 40 | В | 166.5 | 1.4 | 1.16 | 7 | 11.5 | 26 | 3.0 | -27% |
| HOLD | Int'l AllSports | IAS | 11/02/03 | 180 | С | 66.4 | 1.7 | 0.29 | NE | Nil | 20 | 4.0 | -87% |
| BUY | M2 Telecommunications | MTU | 09/10/06 | 33 | Α | 78.9 | 1.1 | 0.38 | 8 | 9.6 | 52 | 8.0 | +82% |
| HOLD | Mercury Brands Ltd | MCB | 08/02/05 | 93 | D | 62.2 | 4.8 | 0.04 | NE | Nil | 3 | 7.0 | -90% |
| HOLD | Mercury Mobility ¹ | MMY | | | С | 105.0 | 2.1 | 1.63 | NE | Nil | 10 | Nil | |
| HOLD | Melbourne IT | MLB | 10/02/04 | 53 | В | 76.8 | 0.5 | 1.15 | 13 | 5.7 | 230 | 43.0 | +415% |
| SOLD | M.Y.O.BLtd | | | | - | | | | _ | | | | |
| BUY | Photon Group Ltd | PGA | 10/11/08 | 140 | B | 102.8 | 0.7 | 0.18 | 5 | 20.6 | 139 | Nil | -1% |
| BUY | Probiotec Ltd | PBP | 11/02/08 | 116 | A | 46.6 | 0.7 | 1.00 | 10 | 1.8 | 141 | 2.5 | +24% |
| BUY | Prophecy International | PRO | 08/09/08 | 26 | A | 45.1 | 1.3 | 2.89 | 9 | 10.7 | 38 | Nil | +44% |
| HOLD | Ross Human Directions | RHD | | 92 | A | 83.5 | 1.6 | 0.04 | 4 | 17.9 | 20 | 32.5 | -43% |
| BUY | Skilled Group Ltd | SKE | 12/03/02 | 126 | B | 122.0 | 0.7 | 0.09 | 5 | 15.6 | 147 | | +113% |
| HOLD+ BUY | Technology One Ltd | TNE TFC | 11/11/03 | 44 45 | B B | 298.9 | 0.9 0.9 | 2.17 2.34 | 14 6 | 5.2 4.7 | 80 86 | 17.2 3.9 | +121% +99% |
| | TFS Corporation Ltd The Reject Shop Ltd | - | 08/01/07 11/01/05 | 45 257 | A | 187.3 25.7 | 0.9 | 2.34 0.73 | 0 15 | | 1001 | | +99% |
| | The Reject Shop Liu | | 11/01/05 | ZO7 | | 20.7 | | 0.75 | 10 | 4.0 | 1001 | 120.0 | TJJ9/0 |

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +111.7%. This is equal to an average annual rate of +18.1%, 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 144 closed out) is +28.3%, compared with a market gain of +4.8% (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 returns include 11/2 shares in Mercury Mobility distributed to shareholders.

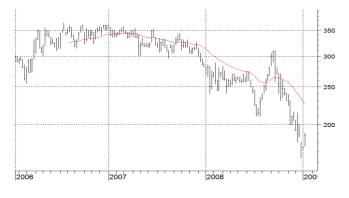
Recommended Investments

(Continued from Page 3) one "lucky investment". Nor is it about the performance of the market over a relatively short period like a year. Successful stockmarket investment requires an intelligent and systematic approach to finding shares with the potential for above average future returns, diversifying investment capital across many attractive companies (as companies are individually risky and, even if carefully selected, some will fail or perform poorly)... and taking a long term approach (as the stockmarket can be very volatile and experience numerous booms and busts).

At this stage, 2008 is probably a year that most investors want to forget . . . but if some recent undervalued share purchases become future 5, 10 or 20baggers, then 2008 will become a year worth remembering! As is usually the case, market fluctuations (either up or down) offer the opportunity to realise profits on fully valued shares and re-invest in shares that offer better value. Last year we realised significant cash sums from a capital repayment and then the sale of Centennial **Coal** (i.e. a 9¹/₂-fold gain over our seven year investment) and later from Computershare (i.e. sold for a better than 5-fold gain over five years). This cash helped finance the purchase of some very under-valued shares which should yield excellent future gains ... and, to date, they have at least increased our dividend income, generating more new cash to buy further under-valued shares.

New Zealand Shares

Cavalier Corporation has agreed to a joint venture with **NZ Woolscourers** (owned by David Ferrier, who already owns 7.5% of Cavalier's commission wool scouring operations in Hawkes Bay and Timaru) which would enable the "much needed rationalisation of the wool scouring industry in NZ" following the substantial reduction in sheep numbers over recent years. The proposal is subject to approval by the **Commerce Commission** and approval by the shareholders of Cavalier Corporation.



Cavalier Corporation

Michael Hill International has announced an internal restructuring that will have a significant impact upon reducing future income taxes and boosting operating cash surpluses over future years. A wholly owned Australian subsidiary will acquire from a wholly owned New Zealand subsidiary the Intellectual Property of the "Michael Hill Jeweller System of Retailing" at its independent valuation of \$293 million. This involves no external borrowing and is funded by inter-company loans between the wholly owned subsidiaries.

This will result in a one-off gain of \$57 million this financial year from the recognition of future Australian tax deductions available on the intellectual property rights, plus an on-going increase in reported profits of around \$7.4 million annually. <u>So this restructuring will add around 30% to future annual profits</u>.

Operating cash surpluses will increase around \$4.9 million this year and around \$9.5 million annually in future years for at least five years. After five years there will be a minimum benefit of at least \$2.1 million annually.

Effectively this restructuring - approved by the *Australian Tax Office* and the *Inland Revenue Department* - will reduce NZ income tax to near zero and significantly reduce Australian income tax. Consequently, the April 2009 dividend will be the last dividend with full imputation tax credits and full franking credits. Future dividends would have no imputation tax credits and be only about 50% franked. Having very effectively reduced income tax at the company level, hopefully the Michael Hill directors will now look at more tax efficient ways to distribute surplus cash to the shareholders.

Fully imputed dividends from Michael Hill International have been in doubt for some time as the company grows internationally and earns more of its profits outside of New Zealand. This restructuring at least significantly reduces income tax at the company level. The most tax efficient way to utilise those higher net profits would be to finance faster internal growth and expansion, or to distribute surplus cash via non-taxable share buy-backs. Unimputed dividends would require more income tax to be paid at the shareholder level, but the company should be able to offset this with higher gross dividend payouts (from its higher net profits and greater cash surpluses) so there should still be a significant benefit for shareholders.

For the six months to 31 December Michael Hill International experienced (in local currencies) a 1.2% growth in same store sales in Australia, but a 9.3% drop in NZ and 10.4% decline in Canada. In total - and helped by new stores - group revenues rose 8.7% to NZ\$226.9 million.

The recent strength in the US dollar, however, has increased the local currency cost of goods ordered for the Christmas period, significantly reducing margins. The company also made a "conscious decision to target sales at the expense of margins" in the current difficult retail environment, reducing stock levels and boosting cashflows.

There were also one-off costs from the US acquisition and internal restructuring, so the first half *trading* result will be "materially below" the record \$19.5 million profit last year.

It will be interesting to see how the "market" continues to react to a one-off poor trading result, versus the company's strategic decision to maintain a strong balance sheet (at the expense of short term profits) and the expected on-going improvement in future profits as a result of its long term, strategic tax planning. We believe that Michael Hill International has been one of NZ's most successful companies owing to its focus on long term, strategic planning, while many other companies have failed owing to their focus on only short term profits.

Michael Hill International



Postie Plus Group has closed out forward exchange contracts at a profit and will use the proceeds to reduce bank debt by \$3.6 million.



Smiths City Group has reported revenues 14.2% lower at \$114.2 million for the six months to 31 October, with profits down 53.5% to \$820,000 (1.5 cents per share). A 33.3% lower, unimputed dividend of 1.0 cent will be paid.

The net operating cash surplus was 74% lower at \$294,000.

The 2007 half year result included a \$549,000 profit from the redevelopment and sale of the group's store in



Gore. This year the group redeveloped the Gisborne store, selling it in December at book value (to reduce debt) with no property development profit in the current market environment.

The home appliances, furniture and flooring retail market is "probably the worst for 15 years", but the company seeks to expand market share in this contracting market and to be well placed for the eventual upturn.

South Port NZ reports that Hardwood Forests has sold its forestry assets and is being liquidated. South Port NZ owns around 10% of this company and will report a \$500,000 profit from this liquidation.

Australian Shares

(*This section is in Australian currency, unless stated.*) <u>AJLucas Group</u> issued \$45 million worth of Redeemable Convertible Preference shares to refinance \$45 million of short term borrowings used to help finance the acquisition of **Mitchell Drilling**. These preference shares receive interest at 11-13% and can be redeemed in cash or converted to ordinary shares at 720 cents.

AGL has acquired all of PEL285 in the Gloucester Basin for \$370 million in cash, with AJ Lucas Group receiving \$259 million for its 70% interest in this coal seam gas exploration licence. <u>This realises a massive</u> gain over AJ Lucas Group's book value of only \$24 <u>million for this asset</u>!

AGL is also making a full takeover of listed Sydney Gas, offering 42¹/₂ cents per share. AJ Lucas Group has agreed to accept this takeover for its 20% stake in Sydney Gas, which will realise a capital gain and a further \$34 million in cash.

AJ Lucas Group will also continue to provide technical and drilling services for both of these projects being acquired by AGL. These transactions have allowed AJ Lucas Group to realise \$293 million in cash (432 cents per share!!) from the sale of its New South Wales coal seam gas assets. The company retains *all* of its profitable, income earning businesses which it forecasts will generate revenues this year of \$600 million and earnings (before interest, depreciation and tax) of \$80 million. We estimate \$80 million in earnings would produce a net profit of \$40-50 million (60-75 cents per share).

AJ Lucas Group had interest bearing debts of \$71.0 million in June 2008 and to finance the acquisition of **Mitchell Drilling** borrowed a further \$105.0 million (over three years) and \$45 million via convertible shares. So the company *could* repay all of this debt and still have over \$72 million in surplus cash.

At the very least, <u>AJ Lucas Group should significantly</u> increase its regular dividends this year, but a special dividend or capital repayment of anywhere from 50 cents to 200 cents per share could also be possible.

So AJ Lucas Group has no net debt and \$72 million (106 cents per share) in surplus cash. At 462 cents the shares trade at around 0.52 times this year's expected revenues (excluding asset sales) and just 6-8 times forecast *trading* profits. With strong profit growth, plus a very strong balance sheet and potential for cash distributions or new acquisitions with the cash from its CSG asset sales, we believe (*Continued on Page 6*)

Recommended Investments

(Continued from Page 5) there is good potential for AJ Lucas Group's share price to continue to appreciate strongly. "Buy" and Hold for further investment gains.



AJ Lucas Group

<u>Clarius Group</u> reports that "trading conditions deteriorated further in the last quarter" and now expects *trading* profits (before any one-off costs) for the six months to December 2008 to be 60-64% lower at \$1.9-2.1 million (3.1-3.4 cents per share).

The contracting business - which generates 65% of gross profits - has "held up reasonably well", while the highly cyclical permanent recruitment division has suffered from a sharp drop in hiring as the economy weakened.

Cyclical businesses can experience sharp profit declines in an economic downturn as revenues decline quickly but it is slower to downsize and cut operating costs. Even if the business remains depressed, profits will likely recover as costs are reduced to meet the current trading environment. Medium to long term there will still be a demand for permanent recruitment and when revenues recover in that division then profits (and dividends and the share price) should rebound very strongly.

Medium to long term there is also a trend towards companies outsourcing their non-core labour requirements through employment businesses like Clarius Group, Ross Human Directions and Skilled Group.

Even at current depressed levels of profitability the market is significantly under-valuing shares in companies in this sector!



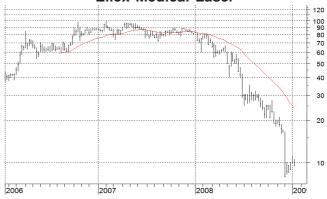
<u>Ellex Medical Lasers</u> expects unit sales over the half year to December 2008 will be below last year, while the weaker Australian dollar will "ensure similar revenues" for the period. Foreign currency expenses, however, have increased, with a "material reduction in profits". The company will also report unrealised foreign exchange losses on hedging contracts of around \$3.4 million (before tax).

The company is seeking to further reduce operating costs and working capital to offset the impact of the economic slowdown on profitability and cash flow.

The underwriter of the 1:2 cash issue has agreed to take up at least 14 million shares for \$1.4 million (up from the 11 million shares originally agreed). We did <u>not</u> take up our rights to buy new shares at 10 cents, but bought a greater number of shares on-market at prices up to 9.0 cents to maintain our ownership in this business.

Overall the company issued 16,379,506 shares (47.8% of the total offered), raising \$1.6 million.

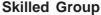
Ellex Medical Laser



Skilled Group has re-affirmed its June 2009 forecast of earnings (before interest, depreciation and tax) of \$100-110 million. Unlike other companies in this sector it is <u>not</u> dependent upon the cyclical permanent recruitment business and has little or no exposure to the worst sectors of the economy (e.g. banking, finance, property).

Net debt has increased to \$320 million as a result of earn-out payments on acquisitions, but expected to fall to \$280-300 million by June 2009. That is a relatively high debt level, but manageable given the strong cashflows in this business.

The company is likely to maintain its current 23.0 cents annual dividend, so the shares offer a very high 15.6% Dividend Yield and trade on a low Price/Earnings ratio of 5. We are upgrading Skilled Group shares to a "Buy".





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Share Recommendation: Sell M.Y.O.B. On-Market

The following update was emailed to subscribers on the 18th December. For NZ resident investors, selling the shares on-market at least equalled or was slightly better (after tax) than the maximum takeover consideration <u>if</u> the company reached 90% acceptances - and with earlier receipt of the money and less risk.

Manhattan Software now has 91.9% acceptances - but the takeover has yet to become unconditional owing to a financing condition (or is that just a good way to delay payment of the \$406 million takeover consideration and save \$100,000 per day in interest?). The 8.15 cents dividend will be paid (to investors who haven't sold on-market) on 6 February.

The MYOB directors have negotiated with Manhattan Software for what they call an "improved offer" for your MYOB shares.

Instead of receiving 102.15 cents (if Manhattan receives acceptances of less than 90%) you will now get 94 cents plus an 8.15 cents dividend . . . or a total of 102.15 cents.

If Manhattan receives over 90% acceptances, then instead of receiving 112.15 cents you will now receive 104 cents plus the 8.15 cents dividend . . . which we calculate as a total of 112.15 cents.

We are not sure what part of the offer is really "improved"?

The dividend (which will go to all shareholders, whether accepting the takeover offer or not) will be paid in January. MYOB is in the All Ordinaries Index, so for NZ resident investors the shares are exempt from the "Fair Dividend Tax" and a NZ investor will now pay income tax on the 8.15 cents dividend, while the previous capital consideration would have been completely non-taxable.

After tax, the net consideration to a NZ investor (on a 39% tax rate) will be reduced to 98.9715 cents or 108.9715 cents!

Current Options

The takeover offer has been extended until 31 December and, as is usual, will probably be extended again - so there is no need to rush to take action with your shares.

Investors have the option of unconditionally accepting the takeover and getting 94 cents (or perhaps 104 cents), plus the dividend. Or accepting with the new BLUE acceptance form which only becomes effective *if* acceptances reach 90%. So under this option an investor would either get 104 cents from the takeover *or* have their shares returned to them (plus, of course, the dividend).

The third option is to do nothing. You will remain a minority shareholder in MYOB (which will be controlled by Manhattan owning 50-90%) or, if Manhattan reaches 90% acceptances your shares will be subject to compulsory acquisitions (at 104 cents). In either case you will also receive the dividend.

The fourth option is to simply sell your shares onmarket. The shares should trade around 102-112 cents (depending upon the market's assessment of whether or not the takeover will reach 90%). At present the shares trade around 108¹/₂ cents, but that will likely rise slightly over the next few weeks if Manhattan continue to build acceptances towards the 90% level.

Selling on-market for a tax-free capital sum is a better option for NZ resident investors than a capital sum of 94-104 cents plus a 8.15 taxable dividend!

Summary and Recommendation

The MYOB directors are now recommending the BLUE (i.e. conditional on 90%) acceptance of this takeover offer. In this situation, Manhattan is likely to be successful at acquiring full ownership of MYOB. The potential for a rival bid has rapidly diminished and Manhattan already has acceptances totalling a controlling 52.6%.

Acceptance of the takeover is now only worth 99-109 cents (after tax) to a NZ resident investor compared with 108½ cents (non-taxable) selling on-market today or perhaps up to 110-113 cents over the next few weeks.

We therefore recommend that investors sell their MYOB shares on-market over the next few weeks to realise the best after tax return.





Page 7

Buy Challenger Wine Trust

BUY Challenger Wine Trust (code CWT).

We reviewed this specialist property trust two months ago but the stockmarket, in its wisdom, has lowered the share price from 44 cents to 30 cents. That is less than one-third of its net asset value . . . and boosts the very reliable income yield to around 31.7%. So an investment in this relatively low risk, "no-growth" business will provide a very high 30% cash income (which we can continue to re-invest in other under-valued shares while the stockmarket is depressed) and the unit price should eventually be re-rated to around 70-80 cents (i.e. for a capital gain of 133-167%) as the stockmarket recovers over the next few years.

This isn't a growth investment, but still offers significant capital apprciation as the stockmarket recovers. A recovery over the next three years would equal an annual compound rate of capital gain of around 36%. Add in the 30% income yield and this investment could produce a total return of around 65% per annum! If the stockmarket recovery takes five years, the annual compound rate of capital gain would be about 20%, for a total return of around 50% per annum.

How significant are these rates of return? Well, \$10,000 invested and compounding at 65% will grow to about \$1.5 million in just ten years!! At 50% it would still grow to \$576,000. (And, for those of you that prefer to think in bigger numbers, \$7-17 million invested at 50-65% per annum over just one decade would grow to a *billion* dollars!)

Company Business

Challenger Wine Trust is a specialist property trust investing in vineyard properties on long term leases to wine companies and contract grape growers.

In the short to medium term the trust is <u>not</u> exposed to the risks involved in agricultural businesses (i.e. crop yields, commodity prices, exchange rates) as it leases its land, grape vines and water rights to wineries and contract grape growers under long term leases, often with Consumer Price Index increases to annual rentals. Over the long term, however, the value of grapes that can be produced determines the value of the land and the vines and will impact upon future rental income every 5-15 years as leases expire and are renegotiated.

The trust holds investments in 24 vineyards and two wineries valued at \$137.6 million, vines valued at \$130.3 million and tradeable water rights with a book value of \$21.8 million but assessed at a market value of \$30.2 million. This \$298.1 million of assets are rented out at an average return of about 10.6% per annum with an average remaining lease term averaging around 5½ years (plus rights of renewal for further periods of time).

The trust leverages the return to investors, financing around half of its assets through mortgages and debt facilities. These were re-negotiated in May 2008, with repayments (or refinancing) in 2011 and 2012. The trust has debt facilities totalling \$166.3 million, of which \$155.0 million has been drawn down. Interest rates are fixed at 7.9%.

Recent Results

Rental income for the year to 30 June was \$31.6 million, with an operating profit of \$16,010,000 or a net profit (after a small decline in asset values) of \$13,534,000 (8.0 cents per share).

The annual distribution for 2008 was 9.4 cents, with the trust now predicting a 9.5 cents distribution for 2009. The units currently trade ex-entitlement to the December 2008 distribution of 2.3 cents.

Around 70-80% of the trust's quarterly distributions are untaxed Australian income, which is taxable to Australian investors and subject to 30% withholding tax to foreign investors. A further 5-10% is Australian interest subject to 10% foreign withholding tax, another 5-10% foreign income and the last 5-10% "tax deferred" income.

NZ\$10,000 invested by a NZ resident would be taxed on a 5% "fair dividend" of only \$500 annually. At a 39% tax rate that is a NZ tax liability of \$195. The investor, however, would receive around \$2430 in cash annually and a withholding tax credit of about \$736 which can be claimed as a credit on a NZ Income Tax Return. So this will produce a net cash income of \$2430 plus a tax benefit of around \$541 (i.e. the \$736 foreign withholding tax credit, less the NZ "fair dividend" tax). That is a 24.3% cash yield and a further 5.4% yield from the surplus tax credits.

Investment Criteria

At 30 cents the units trade on a Price/Sales ratio of 1.56, a low Price/Earnings ratio of 4 and offer an historical income yield of 31.3%. The net asset value per unit (based upon the assessed value of water rights) is 94 cents, so at 30 cents the units are trading at a 68% discount!

This business is soundly financed with reliable rental income from long term leases and mortgages at fixed interest rates. The trust therefore has predictable and reliable cash income and cash expenses, so is in an excellent position to pay regular, reliable income to its investors. Nothing is without some risk, so investors need to maintain a diversified portfolio, but Challenger Wine Trust would normally be a suitable investment for investors requiring a reliable income. At current prices it offers both a *very high* income and the potential for significant capital appreciation.

Under more normal financial conditions the units would trade around at least 70-80 cents - offering an attractive 11.8-13.4% income yield. *If* financial markets return to normal over the next few years then these units should appreciate 133-167% back to this 70-80 cents valuation. *If* financial markets did <u>not</u> improve then, in the short to medium term the trust would continue to offer an income return over 30%, while medium to long term the trust could seek to progressively sell off its agricultural land and other assets, probably realising close to book value, and could ultimately liquidate and make capital returns of perhaps 90-95 cents to investors! Two vineyard sales in December 2007 were settled at

around a 5-6% premium to book value.

There are 170,312,633 units on issue, giving a market capitalisation of \$51.1 million. There appears to be a large seller in the market which has helped depress the price over recent months but also means there are plenty of units available for purchase. UBS Nominees has recently disclosed reducing its holding from 10.9 million units (6.4%) to under 5% and appears to still be selling.

There have been three *insider* buys over the last year. GK McWilliams purchased 30,000 units at 71 cents in February 2008 to increase his holding to 130,000 units. R Hooper purchased all of his 200,000 units at prices from 70 cents to 72 cents per share, also in February 2008. In August 2008, B O'Connor purchased 3000 units at 58 cents, doubling his holding to (a not very large) 6000 units.

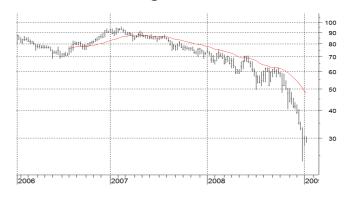
The other directors also own investments in the trust. B Shanahan has 400,000 units, IM Martens has 256,148 units, I Moore holds 480,000 units and R Woods owns 233,812 units. Challenger Life owns 45.9 million units (27.0%).

Summary and Recommendation

Challenger Wine Trust is a relatively low risk, specialist property investment trust with reliable cashflows and distributions. This would normally be considered an income investment, but at current prices offers an The potential for 50-65% per annum returns from a relatively low-risk investment will make Challenger Wine Trust units a "must Buy" for all investors!

The high income yield will also provide our portfolio with strong cashflows to help finance further undervalued share purchases this year and over the next few years as the stockmarket starts to recover.

Challenger Wine Trust



"Cash is King"

In an economic downturn people often say that "Cash is King" - but that is only half the story. Over the long term, cash in the bank is <u>not</u> a good investment, earning only a low income and depreciating in value with inflation. <u>The king-making power of cash in a financial downturn or recession comes from the ability to *spend* that cash to acquire some real assets, businesses or investments at low prices. Hold on to your "safe" cash too long and asset prices will recover and the opportunity to acquire wealth enhancing assets will be gone . . . and the real value of your cash holding will steadily dwindle.</u>

Fully realising the benefits of holding cash during a downturn, however, are not easy. Usually this requires making *two* difficult decisions accurately. Firstly you need to sell your investments at just the right time and secondly you need to buy back investments at both the right time and right price. Get just one of these decisions wrong - sell too early or too late, or buy back too early or too late - and the potential benefits of timing the market can be lost.

But if you *do* hold some cash in a downturn - perhaps from earlier asset sales, an inheritance, accumulated investment income or savings from employment - then you need to look for a strategy to *invest* that cash in real assets or investments.

The strategy for investing cash during a downturn will depend upon how much cash a person has and their financial circumstances.

For example, a person with a *cashflow* from employment savings or investment income *could* steadily re-invest that cash as it becomes available - knowing that there will be more cashflow for investment next month or next quarter. A person with a lump sum, but no ongoing savings or other investments should probably be more cautious about spending that cash to acquire investments. As it is impossible to accurately time a stockmarket recovery - and share prices will probably fluctuate widely - a person with a lump sum to invest should probably seek to invest the cash steadily over a period of time.

Depending upon one's expectations and risk tolerance, it may be appropriate, for example, to invest around 25% initially and then another 12½% per month over the next six months. Or, for a more cautious investor, just invest around 4-5% per month over the next 18-24 months.

High yield shares can also be particularly attractive as even if you invest in them "too early" and they decline in capital value in the short term, they will still generate cash flows from dividends, providing additional cash to finance further investments over future months and years.

In the current depressed market there are a number of shares with yields of 15-30%. Every \$1000 invested in these shares will produce another \$150-300 of cash *this year* and \$150-300 of cash *next year* and so on every year. So spending cash to acquire under-valued investments will quickly produce further cash! Perhaps that the real meaning of the term "Cash is King"? Page 10

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

| | 5 | TREN | STH RATING = | ng | Price | Return | Vol | a-PriceDivi- Price | |
|---------|-------|------|--------------|--------|-------|--------|------|---|--------|
| Company | Share | Cur- | 4-WkRank 🖉 S | 8 N | to | on | til- | a-PriceDivi- Price Earn.dend Sales RatioYield Ratio | Market |
| | Price | rent | Chg.0-99 드쿱 | ᇤᇋ | NTAE | quity | ity | RatioYield Ratio | Cap'n |

UNDER-VALUED SHARES: Lowest Price/Sales, Yld>0, Rel Strength>0 None

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0 None

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

| INCOME SHARES: | | | | | | | | | 0.4 | 0 | 24.0 | 0.00 | 105 |
|--|------------------------------------|--|--|---------------------------------|---------------------------------|------------------------|---------------------------------|------------------------|---------------------------------|---------------------------------|----------------------------------|--------------------------------------|---------------------------------|
| Hallenstein G. | 210 | -15.0 -18.4 | -0.7 | 64 | 3-0 | 4 | 1.9 | 32 | 0.4 | | 24.9 | 0.63 | 125 |
| TelecomCorp | 241 | | +0.8 | 75 | 6-9 2-0 | 11 5 | 1.6 | 26 8 | 0.6 | 6 | 18.0 17.2 | 0.78 | 4,400 |
| F & P Appliance | 137 | -21.0 -21.1 | +0.7 | 81 | | э 4 | 0.6 | | 0.8 | 7 | | 0.28 | 390 |
| PGGWrightsons | 142 | | -2.4 | 82 | 13-0 | | 0.9 | 15 | 0.6 | 6 | 16.8 | 0.34 | 411 |
| Cavalier Corp | 188 | -13.8 | -4.8 | 54 | 0-0 | 4 | 1.5 | 21 | 0.6 | 7 | 15.9 | 0.50 | 126 |
| GuocoLeisure | 34 | -29.6 | -0.6 | 89 | 10-0 | - | 0.3 | 1 | 0.9 | 26 | 15.4 | 0.72 | 465 |
| BriscoeGroup | 80 | -13.0 | +1.8 | 52 | 0-0 | 4 | 1.4 | 19 | 0.6 | 8 | 14.9 | 0.42 | 170 |
| INGProperty | 66 | -13.7 | +2.2 | 54 | 5-0 | 3 | 0.5 | 10 | 0.6 | 5 | 14.9 | 3.28 | 339 |
| Turners&Grow. | 143 | -14.4 | -3.2 | 58 | 0-0 | 2 | 0.5 | 6 | 0.5 | 8 | 14.6 | 0.24 | 132 |
| Pumpkin Patch | 97 | -22.7 | -0.4 | 84 | 3-1 | 4 | 1.5 | 25 | 0.8 | 6 | 13.8 | 0.44 | 162 |
| | | | | | ~ | | ~ | | | | | | |
| INSIDER BUYING: | | | | | | 0 | | 40 | 4.0 | ~ | | 4 00 | 40 |
| Cynotech Hold. | 17 | | +3.7 | 7 | 2-0 | - | 1.4 | 16 | 1.2 | 9 | 4.4 | 1.33 | 16 |
| Apple Fields | 11 | +19.7 | +1.2 | 0 | 1-0 | - | 2.5 | 41 | 2.6 | 6 | Nil | 3.25 | 9 |
| | | L Barla a at | D.: | 0-1 | D-4 | D-1 | | N | | | | | |
| OVER-VALUEDSH | | -14.7 | | | | | | | | 24 | NI:I | 0.75 | 50 |
| NZWindfarms | 75 | | -1.1 | 61 | 0-0 | - | 0.7 | 3 | 1.0 | 24 | Nil | 9.75 | 59 |
| Northland Port | 270 | -2.0 | +0.2 | 11 | 0-0 | - | 0.7 | 6 | 0.4 | 13 | 6.1 | 9.57 | 117 |
| Ryman Health. | 139 | -8.7 | -0.3 | 34 | 2-0 | 4 | 1.9 | 20 | 0.6 | 10 | 3.6 | 9.16 | 692 |
| BlisTechnology | 6 | -9.4 | +9.3 | 36 | 0-0 | - | 3.7 | - | 1.6 | NE | Nil | 8.96 | 8 |
| WNDriveTech. | 13 | -23.6 | -2.0 | 84 | 0-0 | - | 2.5 | - | 1.1 | NE | Nil | 8.67 | 44 |
| Property FInd. | 111 | -6.0 | +0.7 | 25 | 0-0 | 3 | 0.8 | 6 | 0.5 | 12 | 7.9 | 7.51 | 234 |
| Goodman Prop. | 97 | -10.5 | -1.9 | 41 | 0-0 | 3 | 0.7 | 9 | 0.5 | 8 | 10.2 | 6.86 | 809 |
| WindflowTech. | 273 | -7.8 | -1.0 | 29 | 1-0 | - | 3.9 | - | 0.3 | NE | Nil | 6.72 | 23 |
| ING Med. Prop. | 108 | -3.2 | +0.2 | 18 | 3-0 | 2 | 0.9 | 5 | 0.5 | 18 | 9.1 | 6.21 | 151 |
| Akd Int Airport | 171 | -11.6 | -0.8 | 48 | 2-1 | 7 | 1.1 | 6 | 0.6 | 19 | 7.2 | 5.95 | 2,090 |
| PortTauranga | 650 | -2.6 | +0.1 | 15 | 0-0 | 4 | 1.4 | 7 | 0.4 | 21 | 5.7 | 5.85 | 871 |
| AMPOnyxMgmt | 98 | -7.0 | -1.1 | 28 | 3-0 | 3 | 0.7 | 12 | 0.4 | 6 | 8.6 | 5.59 | 674 |
| Kiwi Property | 105 | -8.3 | -2.0 | 33 | 3-0 | 3 | 0.8 | 11 | 0.5 | 7 | 8.7 | 5.07 | 874 |
| NZExchangeLtd | 540 | -13.6 | +0.1 | 53 | 0-0 | 2 | 4.5 | 30 | 0.6 | 15 | 5.8 | 4.17 | 131 |
| NZ Refining Co | 580 | -8.1 | -0.0 | 31 | 1-0 | 2 | 2.3 | 18 | 0.4 | 12 | 11.6 | 4.11 | 1,392 |
| Burger Fuel | 35 | -14.1 | -7.4 | 55 | 0-0 | - | 4.0 | - | 0.8 | NE | Nil | 3.93 | 19 |
| Metro. LifeCare | 252 | -18.3 | -4.8 | 74 | 0-0 | - | 0.4 | - | 0.3 | NE | 7.5 | 3.79 | 220 |
| South Port NZ | 215 | -4.3 | -2.1 | 19 | 0-0 | 1 | 2.1 | 9 | 0.5 | 22 | 6.6 | 3.67 | 56 |
| Kermadec Prop. | 49 | -16.5 | -1.0 | 71 | 0-0 | - | 0.4 | 7 | 0.7 | 6 | 17.7 | 3.49 | 38 |
| Trust Power Ltd | 732 | -5.2 | -0.8 | 22 | 0-1 | 4 | 1.8 | 8 | 0.5 | 24 | 5.8 | 3.39 | 2,309 |
| | | | | | | | | | | | | | |
| WORSTPERFORM | | | | | | | | 0.25, Y | | | | | |
| Charlie's Group | 12 | -58.3 | -0.0 | 98 | 1-0 | - | 2.3 | - | 1.2 | NE | Nil | 1.20 | 36 |
| Sealegs Corp | 13 | -38.9 | -6.0 | 95 | 0-0 | - | 5.1 | - | 1.6 | NE | Nil | 1.64 | 10 |
| Plus SMS Hold. | 2 | -37.4 | +1.7 | 94 | 1-3 | - | 1.0 | - | 3.2 | NE | Nil | 1.29 | 7 |
| CertOrganics | 2 | -34.1 | +3.4 | 90 | 0-1 | - | 0.5 | - | 2.9 | NE | Nil | 0.65 | 5 |
| RakonLtd | 126 | -29.2 | -3.2 | 88 | 1-3 | 4 | 1.2 | 8 | 0.9 | 14 | Nil | 0.88 | 154 |
| NZFarmingSys. | 59 | -27.9 | -6.0 | 87 | 15-0 | - | 0.6 | - | 0.7 | NE | Nil | N/A | 144 |
| Heritage Gold | 3 | -27.0 | +2.4 | 86 | 0-0 | - | 0.6 | - | 2.6 | NE | Nil | N/A | 7 |
| WNDriveTech. | 13 | -23.6 | -2.0 | 84 | 0-0 | - | 2.5 | - | 1.0 | NE | Nil | 8.67 | 44 |
| Pumpkin Patch | 97 | -22.7 | -0.4 | 84 | 3-1 | 4 | 1.5 | 25 | 0.7 | 6 | 13.8 | 0.44 | 162 |
| Pike River Coal | 101 | -22.0 | -3.9 | 82 | 3-0 | 4 | 1.3 | - | 0.8 | NE | Nil | N/A | 265 |
| NZX Aust MidCap | 400 | -20.5 | -1.1 | 79 | 0-0 | - | - | - | 0.5 | NE | Nil | N/A | 34 |
| Comvita | 100 | -20.0 | -3.2 | 78 | 2-0 | - | 0.5 | - | 0.6 | NE | Nil | 0.54 | 28 |
| Guinness Peat | 95 | -19.2 | +0.4 | 77 | 0-0 | 2 | 0.5 | 12 | 0.6 | 4 | 2.7 | 0.36 | 1,211 |
| BarramundiLtd | 42 | -18.9 | -0.7 | 76 | 0-0 | - | 0.5 | - | 0.8 | NE | Nil | N/A | 42 |
| Metro. LifeCare | 252 | -18.3 | -4.8 | 74 | 0-0 | - | 0.4 | - | 0.3 | NE | 7.5 | 3.79 | 220 |
| Michael Hill | 54 | -17.8 | -2.3 | 74 | 0-0 | 3 | 2.3 | 28 | 0.4 | 8 | 8.8 | 0.55 | 207 |
| | | | | | | | | | | | | | |
| INSIDER SELLING | Mostlr | nsider S | elling, F | Relativ | ve Stre | ngth | n<0 | | | | | | |
| Mainfreight Grp | 471 | -16.1 | -2.8 | 69 | 0-9 | 5 | 1.8 | 16 | 0.5 | 11 | 5.7 | 0.48 | 455 |
| | | | . 1 0 | 31 | 0-3 | 8 | 3.3 | 34 | 0.5 | 10 | 7.2 | 0.64 | 1,129 |
| Warehouse Group | 363 | -8.0 | +4.0 | 01 | | | | | | | | | |
| Warehouse Group Wakefield Hlth | 363 860 | -8.0 -0.7 | +4.0 -0.1 | 9 | 1-4 | 1 | 1.5 | 10 | 0.2 | 15 | 3.5 | 1.73 | 122 |
| | | | -0.1 | | 1-4 6-9 | | 1.5 1.6 | 10 26 | 0.2 0.5 | | 3.5 18.0 | 1.73 0.78 | 122 4,400 |
| Wakefield Hlth | 860 | -0.7 | -0.1 | 9 | | | | | | | | | |
| Wakefield Hlth Telecom Corp | 860 241 | -0.7 -18.4 -29.2 | -0.1 +0.8 | 9 75 | 6-9 | 11 | 1.6 | 26 | 0.5 | 6 | 18.0 | 0.78 | 4,400 |
| Wakefield Hlth Telecom Corp Rakon Ltd | 860 241 126 | -0.7 -18.4 -29.2 | -0.1 +0.8 -3.2 | 9 75 88 | 6-9 1-3 | 11 4 | 1.6 1.2 | 26 8 | 0.5 0.9 | 6 14 | 18.0 Nil | 0.78 0.88 | 4,400 154 |
| Wakefield Hlth Telecom Corp Rakon Ltd Plus SMS Hold. | 860 241 126 2 | -0.7 -18.4 -29.2 -37.4 | -0.1 +0.8 -3.2 +1.7 | 9 75 88 94 | 6-9 1-3 1-3 | 11 4 - | 1.6 1.2 1.0 | 26 8 - | 0.5 0.9 3.1 | 6 14 NE | 18.0 Nil Nil | 0.78 0.88 1.29 | 4,400 154 7 |
| Wakefield Hith Telecom Corp Rakon Ltd Plus SMS Hold. Trust Power Ltd | 860 241 126 2 732 | -0.7 -18.4 -29.2 -37.4 -5.2 | -0.1 +0.8 -3.2 +1.7 -0.8 | 9 75 88 94 22 | 6-9 1-3 1-3 0-1 | 11 4 - 4 | 1.6 1.2 1.0 1.8 | 26 8 - 8 | 0.5 0.9 3.1 0.5 | 6 14 NE 24 | 18.0 Nil Nil 5.8 | 0.78 0.88 1.29 3.39 | 4,400 154 7 2,309 |
| Wakefield Hith TelecomCorp Rakon Ltd Plus SMS Hold. Trust Power Ltd Cert Organics | 860 241 126 2 732 2 | -0.7 -18.4 -29.2 -37.4 -5.2 -34.1 | -0.1 +0.8 -3.2 +1.7 -0.8 +3.4 | 9 75 88 94 22 90 | 6-9 1-3 1-3 0-1 0-1 | 11 4 - 4 - | 1.6 1.2 1.0 1.8 0.5 | 26 8 - 8 - | 0.5 0.9 3.1 0.5 2.8 | 6 14 NE 24 NE 11 | 18.0 Nil Nil 5.8 Nil | 0.78 0.88 1.29 3.39 0.65 | 4,400 154 7 2,309 5 |

Market Analysis

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

| 0 | | STREN | <u>GTH</u> F | RATIN | | ers ving | Price | Retur | nVola | -Pric | eDivi- | Price | |
|------------------------------------|----------------|----------------|--------------|--------------|--------------|-------------|-------------|--------------|------------|----------------|--------------|--------------|-----------------|
| Company | Share Price | rent | 4-Wk Chg. | Rank 0-99 | Buy- | 포 동 이 | to NTA | on Equity | ity | Earn. Ratio | Yield | Ratio | Market Cap'n |
| UNDER-VALUED | | | | | | | | | | | | 0.40 | 10 |
| Namoi Cotton Metcash Ltd | 38 427 | +1.6 +1.3 | +5.9 +0.7 | 2 3 | 1-0 0-0 | | 0.3 26.7 | 4 | 1.1 0.6 | 9 17 | 2.7 4.9 | 0.16 0.32 | 40 3.266 |
| Country Road | 330 | +1.3 | +0.7 -0.7 | 2 | 0-0 | - 14 | | 17 | 0.0 | 23 | 4.9 2.5 | 0.32 | 228 |
| BrisbaneBronco | 23 | +0.8 | -1.0 | 3 | 0-0 | - | 2.3 | 15 | 1.3 | 15 | 4.3 | 0.91 | 23 |
| ProbiotecLtd | 141 | +2.2 | +1.5 | 2 | 2-0 | - | 2.2 | 21 | 0.6 | 10 | 1.8 | 1.00 | 66 |
| BESTPERFORMI | NGSHA | RES:St | ronaes | tSha | res. P/I | E<2 | 0. P/S• | <1.0 | | | | | |
| ProbiotecLtd | 141 | +2.2 | | 2 | 2-0 | - | | 21 | 0.5 | 10 | 1.8 | 1.00 | 66 |
| Namoi Cotton | 38 | | +5.9 | 2 | 1-0 | - | 0.3 | 4 | 0.8 | 9 | 2.7 | 0.16 | 40 |
| Metcash Ltd | 427 | +1.3 | +0.7 | 3 | 0-0 | 14 | 26.7 | - | 0.5 | 17 | 4.9 | 0.32 | 3,266 |
| Int'l Equities Brisbane Bronco | 7 23 | +0.9 +0.8 | -0.3 -1.0 | 3 3 | 0-0 0-0 | - | 0.6 2.3 | 3 15 | 1.7 0.9 | 18 15 | Nil 4.3 | 0.25 0.91 | 9 23 |
| Symex Holdings | 46 | +0.8 | -1.2 | 3 | 23-0 | - | 2.4 | 33 | 0.6 | 7 | Nil | 0.34 | 59 |
| Netcomm Limited | 14 | +0.2 | +2.1 | 3 | 1-0 | - | 1.8 | 29 | 1.1 | 6 | Nil | 0.66 | 13 |
| INCOMESHARES | 0 | | | | | |)millio | | | | | | |
| B&BInfrastr. | 13 | -50.2 | -1.4 | 97 | 2-0 | 4 | - | - | 1.0 | NE | 76.9 | 0.13 | 309 |
| Australand Prop Macquarie C'Wde | 27 27 | -40.2 -43.4 | -2.2 -7.5 | 84 90 | 0-0 5-0 | 4 8 | 0.2 0.2 | 13 8 | 0.7 0.7 | 1 | 62.3 55.6 | 0.29 1.08 | 491 366 |
| Macquaries C&I | 89 | -40.5 | -5.3 | 85 | 0-0 | 4 | - | - | 0.4 | NĒ | 52.0 | 0.19 | 464 |
| Macquarie Off. | 26 | -39.5 | -5.7 | 82 | 1-0 | 8 | 0.2 | 7 | 0.8 | 3 | 43.1 | 1.77 | 531 |
| MinaraResource | 38 | -46.5 | -1.2 | 94 | 13-0 | 8 | 0.3 | 23 | 1.0 | 1 | 40.0 | 0.39 | 437 |
| AscianoGroup | 140 | -37.7 | -3.3 | 78 | 4-0 | - | - | - | 0.6 | NE | 32.9 | 0.32 | 919 |
| ABC Learning | 54 101 | -34.5 -42.6 | +3.7 -4.5 | 69 89 | 0-8 0-0 | - 8 | - 0.5 | - 20 | 0.6 0.6 | 2 | 31.5 31.2 | 0.15 2.00 | 253 1,667 |
| Goodman Group GPT Group | 91 | -42.0 -34.8 | -4.5 -2.2 | 69 | 0-0 | 0 10 | 0.5 | 20 18 | 0.6 | 3 | 30.2 | 2.00 | 1,858 |
| Envestra | 35 | -23.1 | -7.4 | 41 | 0-0 | 6 | - | - | 0.6 | | 27.5 | 0.89 | 431 |
| MirvacGroup | 132 | -33.7 | -3.8 | 67 | 1-0 | 9 | 0.4 | 15 | 0.5 | | 24.2 | 0.59 | 1,315 |
| Alesco Corp Ltd | 300 | -26.9 | -5.9 | 49 | 6-0 | 10 | - | - | 0.3 | | 22.3 | 0.25 | 272 |
| Transfield Serv | 199 | -37.3 | -5.3 | 77 | 8-0 | 9 | - | - | 0.6 | 7 | 18.1 | 0.19 | 786 |
| Macquarie Leis. Cromwell Group | 111 60 | -27.4 -12.5 | -1.3 -1.2 | 51 19 | 0-0 7-0 | 9 2 | 0.7 0.6 | 11 15 | 0.6 0.4 | 6 4 | 17.7 16.8 | 0.77 1.99 | 256 422 |
| B&BWindPart | 90 | -22.9 | +1.3 | 40 | 0-1 | 3 | 5.6 | 23 | 0.6 | 25 | 16.1 | 1.46 | 606 |
| Thakral Holding | 44 | -24.2 | -6.9 | 43 | 1-0 | 1 | 0.3 | 3 | 0.6 | | 15.9 | 0.67 | 262 |
| ConnectEast Grp | 55 | -22.5 | -1.8 | 40 | 1-0 | 9 | 0.5 | - | 0.6 | NE | 15.5 | N/A | 1,196 |
| Transfield S In | 121 | -13.2 | -2.6 | 20 | 9-0 | 4 | 1.1 | 8 | 0.6 | 13 | 15.3 | 1.77 | 323 |
| Chal Div Prop Chal Infra Fund | 56 230 | -12.2 -18.4 | +1.8 -1.9 | 19 31 | 2-0 1-0 | 4 3 | 0.5 | 7 | 0.6 0.3 | 8 NE | 15.2 14.8 | 3.86 1.96 | 299 802 |
| Alumina Ltd | 164 | -39.4 | -2.8 | 82 | 2-0 | 16 | 1.4 | 37 | 0.6 | | 14.6 | N/A | 1,852 |
| DexusProperty | 82 | -25.2 | -4.8 | 45 | 0-0 | 9 | 0.5 | 8 | 0.5 | 6 | 14.6 | 3.54 | 2,478 |
| OZ Minerals Ltd | 55 | -41.1 | -3.4 | 86 | 4-1 | 15 | 0.6 | 0 | 0.9 | NE | 14.5 | N/A | 762 |
| INSIDER BUYING | | | | | | 0 | | | | | | | |
| Symex Holdings | 46 | +0.8 | -1.2 | 3 | 23-0 | - | 4 | 33 | 0.5 | 7 | Nil | 0.34 | 59 |
| Hudson Res. Ltd Customers Ltd | 24 127 | +18.9 +3.8 | +11.6 | 1 1 | 12-0 11-0 | - | 2.7 | - | 0.7 0.6 | NE NE | Nil Nil | N/A 1.96 | 24 157 |
| Pan Pacific Pet | 31 | +0.4 | | 3 | 7-0 | - | - | - | 0.0 | 3 | Nil | 1.17 | 180 |
| CIResources | 103 | +0.7 | -4.8 | 3 | 5-0 | - | 5.4 | 21 | 0.6 | 26 | Nil | N/A | 75 |
| Cogstate Ltd | | +15.8 | -1.5 | 1 | 4-0 | - | 5.3 | - | 0.8 | NE | Nil | 4.27 | 7 |
| Ruralaus Invest | 18 | +1.7 | +1.3 +2.5 | 2 | 4-0 | - | - | - | 0.9 | NE | Nil | 3.50 | 10 |
| Jackgreen Ltd Navitas Ltd | 11 238 | +0.3 +2.2 | +2.5 -0.8 | 3 2 | 4-0 3-0 | - | 3.5 | - | 1.3 0.3 | NE 22 | Nil 4.6 | 0.48 2.36 | 21 816 |
| Clover Corp. | 19 | +5.5 | | 1 | 3-0 | - | 1.2 | 17 | 1.0 | 7 | 5.4 | 1.34 | 31 |
| QuantumEnergy | 11 | +11.9 | -2.7 | 1 | 3-0 | - | 10.5 | - | 0.9 | NE | Nil | 0.42 | 107 |
| Prophecy Int'l | 38 | +5.2 | -2.9 | 1 | 3-0 | - | 3.1 | 36 | 0.7 | 9 | 10.7 | 2.89 | 17 |
| Origin Energy | 1608 | +6.4 | -1.1 | 1 | 4-1 | 13 | 8.8 | 23 | 0.3 | 38 | 1.6 | 1.70 | 14,163 |
| Redflex Holding Marine Produce | 322 6 | +7.9 +4.3 | +5.2 | 1 1 | 5-2 2-0 | 4 | - 6.0 | - | 0.5 1.2 | 38 NE | 1.1 Nil | 4.09 0.48 | 287 7 |
| ProbiotecLtd | 141 | +4.3 | +1.5 | 2 | 2-0 | - | 2.2 | 21 | 0.4 | 10 | 1.8 | 1.00 | 66 |
| Brand New Vint. | 4 | +3.7 | -0.5 | 2 | 2-0 | - | 1.8 | 8 | 1.7 | 22 | Nil | 2.03 | 7 |
| AGLEnergyLtd | 1397 | | +2.0 | 1 | 2-0 | 12 | 3.4 | 17 | 0.3 | 20 | 3.8 | 1.14 | 6,194 |
| UscomLimited | | +19.5 | | 0 | 2-0 | - | 8.8 | - | 0.4 | NE | Nil | N/A | 27 |
| Eurogold Ltd Queensland Gas | 8 575 | +66.4 - +17.3 | | 0 1 | 2-0 3-1 | - 5 | - 4.6 | - 24 | 1.1 0.4 | NE 19 | Nil Nil | N/A N/A | 26 4,722 |
| AnsearchLtd | | +17.5 | | 0 | 3-1 | - | 4.0 5.8 | - 24 | 1.5 | NE | Nil | 2.97 | 4,722 |
| Foster's Group | 534 | +0.3 | -1.4 | 3 | 1-0 | 13 | 9.5 | 10 | 0.3 | 92 | 4.9 | 2.25 | 10,265 |
| Bandanna Energy | | +54.3 | | 0 | 1-0 | - | - | - | 0.9 | NE | Nil | N/A | 39 |
| Nullarbor Hold | 59 | +24.1 | -4.4 | 0 | 1-0 | - | - | - | 1.3 | NE | Nil | N/A | 44 |
| Netcomm Limited | 14 | +0.2 | +2.1 | 3 | 1-0 | - | 1.8 | 29 | 0.8 | 6 | Nil | 0.66 | 13 |
| RCG Corporation Namoi Cotton | 26 38 | +0.9 +1.6 | +0.9 +5.9 | 3 2 | 1-0 1-0 | 2 | 2.0 0.3 | 19 4 | 0.6 0.6 | 11 9 | Nil 2.7 | 2.18 0.16 | 52 40 |
| Sunshine Gas | | +30.8 | +5.9 | 2 | 1-0 | 1 | - | 4 | 0.8 | 9 NE | Z.7 Nil | 0.16 N/A | 941 |
| Fluorotechnics | 99 | +0.2 | -0.4 | 4 | 1-0 | | | - | 0.8 | NE | Nil | N/A | N/A |
| IlukaResources | 486 | +0.3 | +1.4 | 3 | 1-0 | 13 | 1.6 | 17 | 0.4 | 10 | 4.5 | 1.06 | 1,132 |
| Q.B.E. Insur. | 2620 | +1.5 | -0.8 | 2 | 2-1 | 15 | 3.7 | 26 | 0.3 | 14 | 3.6 | 1.80 | 21,286 |

January 12, 2009. Page 11 **"Insider" Trades in Australian Shares**

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

"Insider" Indicators Last 5 wks: 88.8% Buyers Last 13 wks: 90.5% Buyers

| Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers |
|-----------------------|-------------------------------|-----------------------------------|-------------------------------|------------------------|-------------------------------|-----------------------|-------------------------------|-----------------|-------------------------------|
| 1300 Smiles Ltd | 1-0 | AnekaTambang | 1-0 | Azumah Res. | 1-0 | CTI Logistics | 11-0 | Cockatoo Coal | 2-0 |
| 3DResources | 1-0 | Anglo Pacific | 7-0 | AzureMinerals | 1-0 | CVCLimited | 0-3 | Cockatoo Ridge | 1-0 |
| 3Q Holdings Ltd | 1-0 | Anglo Australia | 10-1 | B & B Infrastr. | 2-0 | Cabcharge Ltd | 6-1 | Codan Ltd | 6-0 |
| A-Cap Resources | 3-0 | Ansearch Ltd | 3-1 | B & B Wind Part | 0-1 | Cadence Capital | 1-0 | Coffey Int'l | 2-0 |
| A.P. Eagers | 19-0 | Antares Energy | 4-0 | B&B Japan Prop. | 8-1 | Cape Range Wire | 4-0 | Cogstate Ltd | 4-0 |
| ABCLearning | 0-8 | Antisense T. | 1-0 | B&BPower | 3-0 | Capital Health | 1-0 | Collection Hse | 9-0 |
| ADG Gbl Supply | 1-0 | AnvilMining | 2-0 | BC Iron Ltd | 2-0 | Capral Limited | 1-0 | Colonial Res. | 2-0 |
| AGLEnergyLtd | 2-0 | Apa Financial | 3-0 | BHP Billiton | 2-0 | Carbon Con | 3-0 | Colorpak Ltd | 2-0 |
| AMP Ltd | 5-0 | ApexMinerals | 1-0 | BSA Ltd | 13-0 | Carbon Energy | 1-0 | Com'wealth Bank | 2-0 |
| ANZBank | 12-0 | Aquacarotene | 1-0 | BT Invest Mgmt | 3-0 | CardnoLtd | 4-0 | ComOpsLimited | 3-0 |
| APAGroup | 8-0 | Aquarius Plat. | 2-1 | Bandanna Energy | 1-0 | Cardia Tech. | 4-2 | CometResources | 1-0 |
| APN Property | 14-0 | Arafura Pearls | 7-0 | BankofQ'land | 1-3 | Carlton Invest | 0-1 | Commquest Ltd | 10-0 |
| APN Euro Prop. | 8-0 | Arafura Res. | 2-0 | Bannerman Res. | 7-1 | Carnavale Res. | 3-0 | CommunityLife | 3-0 |
| APN News Media | 4-1 | Arana Thera. | 4-0 | Bass St Oil Coy | 1-0 | Carnarvon Pet. | 4-5 | CommanderComm. | 1-0 |
| ARBCorporation | 0-1 | ArgentMinerals | 1-0 | Bass Metals Ltd | 1-0 | Cash Converters | 2-0 | ComputerCORP | 6-0 |
| ASF Group Ltd | 2-0 | Argo Explor. | 1-0 | Batavia Mining | 14-0 | Caspian Oil & G | 2-1 | Computershare | 2-10 |
| ASG Group Ltd | 1-0 | Argo Investment | 4-0 | Bathurst Res. | 6-0 | Catalpa Res. | 1-0 | Compass Hotel | 7-0 |
| ASXLimited | 0-3 | Ariadne Aust | 1-0 | Bauxite Res. | 0-1 | Catalyst Metals | 3-0 | Compass Res | 4-0 |
| AVJennings | 1-0 | Aristocrat Leis | 3-0 | Beaconsfield Gl | 4-0 | Cathrx Ltd | 1-0 | Comtel Corp. | 3-0 |
| AWBLimited | 2-0 | Artist & Enter. | 0-5 | Beacon Minerals | 5-0 | Cazaly Res Ltd | 2-0 | Condor Nickel | 4-0 |
| AXA Asia Pac | 1-0 | Ascent Pharm. | 4-0 | Becton Prop Grp | 1-0 | Cedar Woods Prp | 3-0 | Coneco Ltd | 2-0 |
| Abacus Property | 5-0 | Asciano Group | 4-0 | BellFinancial | 15-0 | Centamin Egypt | 3-0 | ConnectEastGrp | 1-0 |
| AberdeenLeader | 4-0 | Ashburton Min. | 1-0 | Bendigo Bank | 1-3 | Centennial Coal | 2-0 | ConquestMining | 9-0 |
| Acrux Ltd | 0-1 | Aspen Group Ltd | 7-1 | Beyond Int'l | 2-0 | Centro Retail | 0-1 | ConsRutile | 1-0 |
| Activex Ltd | 1-0 | AspermontLtd | 1-0 | Billabong Int'l | 3-1 | Centaurus Res. | 2-0 | Cons Tin Mines | 1-0 |
| Acuvax Ltd | 2-0 | Atlas Iron Ltd | 3-1 | Biosignal Ltd | 1-0 | Centrebet Int'l | 1-0 | Cons Media Hold | 1-0 |
| Ad Braking Tech | 1-0 | Atlas SS Pearl | 0-3 | Biota Holdings | 1-0 | Central Petrol. | 0-2 | Contango Cap P. | 6-0 |
| Adavale Res. | 8-0 | Atom Energy Ltd | 1-0 | Blackmores Ltd | 1-0 | Century Aust In | 1-0 | Cool or Cosy | 2-0 |
| Adcorp Aust. | 1-0 | Audax Resources | 2-0 | Black Fire En. | 1-0 | Centrepoint All | 5-0 | CoonawarraAust | 1-0 |
| Adelaide Bright | 0-2 | Augustus Min. | 4-0 | Blackthorn Res. | 1-0 | Ceramic Fuel C. | 4-0 | Cooper Energy | 1-0 |
| AdelphiEnergy | 1-0 | Augur Resources | 3-0 | Blue Energy Ltd | 1-0 | Chal Wine Trust | 3-0 | Coote Indust. | 7-0 |
| Admiralty Res. | 2-1 | Aura Energy Ltd | 1-0 | Bluescope Steel | 6-0 | Chal Infra Fund | 1-0 | Copper Strike | 1-0 |
| Adtrans Group | 19-0 | Aurium Res. | 1-0 | Bluglass Ltd | 1-0 | Chal Financial | 1-0 | CopperMoly Ltd | 1-0 |
| Adv Share Reg. | 1-0 | AuroraOilGas | 2-0 | BoartLongyear | 9-1 | Chal Div Prop | 2-0 | Coretrack Ltd | 9-0 |
| AdvSurgical | 1-0 | Aurox Resources | 7-0 | Boom Logistics | 6-0 | Chalice Gold | 5-0 | Corvette Res. | 1-0 |
| Adv. Magnesium | 1-0 | AusdrillLtd | 6-0 | BoralLimited | 2-0 | Chameleon Min. | 4-0 | Costarella Des. | 2-0 |
| Advanced Engine | 4-0 | AusmeltLtd | 1-0 | Botswana Metals | 7-0 | Chandler McLeod | 1-0 | CountFinancial | 11-0 |
| Advance Energy | 1-0 | Aussie Q Res. | 1-0 | Bow Energy Ltd | 15-0 | Charter Pacific | 5-0 | Coventry Group | 7-0 |
| AegusCapital | 2-5 | Austock Group | 2-0 | Bowen Energy | 1-0 | Charter Hall GR | 6-5 | CraneGroup | 0-1 |
| AevumLtd | 4-0 | Aust Leaders Fd | 1-0 | BradkenLtd | 4-0 | Chesser Res. | 1-0 | CreditCorp | 5-1 |
| African Energy | 5-0 | Aust Pharm. Ind | 7-0 | Brand New Vint. | 2-0 | Cheviot K Vine. | 1-0 | CrescentGold | 2-0 |
| AgenixLimited | 4-1 | Aust Wealth Mgt | 2-0 | Brandrill | 9-0 | Cheviot Bridge | 3-0 | CromwellGroup | 7-0 |
| AinsworthGame | 2-0 | Australis Aqua. | 5-0 | Bravura Sol. | 2-0 | China Y Copper | 6-0 | Crown Ltd | 1-0 |
| Albidon Ltd | 1-0 | Austar United | 1-2 | Breakaway Res. | 4-0 | China Century | 8-0 | CuDeco Ltd | 1-0 |
| Alchemy Res. | 3-0 | Aust Power Gas | 9-1 | Bremer Park Ltd | 1-0 | Choiseul Inv. | 2-0 | Cumminscorp Ltd | 1-0 |
| AlchemiaLtd | 4-0 | Aust Infra. | 9-0 | Brickworks Inv. | 9-0 | Chrome Corp Ltd | 3-1 | Curnamona En. | 1-0 |
| AleProperty | 3-0 | Austin Eng. | 1-0 | Brickworks Ltd | 4-2 | Circadian Tech | 2-0 | Customers Ltd | 11-0 |
| Alesco Corp Ltd | 6-0 | Aust Mines Ltd | 2-0 | Brierty Ltd | 7-0 | Citigold Corp | 1-0 | Cyclopharm Ltd | 0-1 |
| Alkane Explor. | 1-0 | AustEducation | 6-0 | Buccaneer En. | 2-0 | City Pacific | 4-0 | Cypress Lakes | 1-0 |
| AllcoFinance | 1-0 | AustFoundation | 2-0 | Buderim Ginger | 1-0 | City View | 0-1 | D'AguilarGold | 1-0 |
| Allco Eq Part. | 3-0 | Aust Enh Income | 1-0 | Buka Gold Ltd | 1-0 | Clancy Expor. | 2-0 | DKN Financial | 1-0 |
| Allco Hit Ltd | 3-0 | Aust Gold Ltd | 2-0 | BunningsW/hse | 2-0 | Clean Seas Tuna | 1-0 | DUETGroup | 3-0 |
| Allied Brands | 3-0 | Aust W'wide Exp | 0-1 | Burleson Energy | 3-0 | Clime Inv Mamt | 6-0 | DWS Adv Bus Sol | 3-0 |
| AlliedGoldLtd | 2-1 | Auth Invest Fd | 1-0 | Buru Energy Ltd | 3-0 | Clime Capital | 1-2 | Danks Holdings | 0-1 |
| AlteraCapital | 3-0 | Automotive Hold | 2-0 | C.S.R. Ltd | 3-0 | Clinuvel Pharm. | 1-0 | Dark Blue Sea | 3-0 |
| Altium Limited | 5-0 | Autodom Limited | 1-0 | CBD Energy Ltd | 1-0 | Clive Peeters | 1-0 | Datadot Tech. | 1-0 |
| AluminaLtd | 2-0 | AutoTechnology | 1-0 | CGAMiningLtd | 0-4 | Cloncurry Metal | 2-0 | Datasquirt Ltd | 1-0 |
| AmadeusEnergy | 5-0 | Avalon Minerals | 3-0 | CI Resources | 5-0 | Clough Limited | 6-0 | Deep Yellow Ltd | 1-2 |
| Amalgamated Hld | 4-2 | Avastra Sleep | 4-0 | CMACorporation | 2-1 | Clover Corp. | 3-0 | Destra Corp Ltd | 3-0 |
| Ambition Group | 8-0 | Avita Medical | 4-0 2-0 | CMI Limited | 21-0 | Coalworks Ltd | 1-0 | Devine | 9-0 |
| Amcom Telecom. | 2-3 | Aviva Corp Ltd | 2-0 0-1 | CO2 Group Ltd | 6-3 | Coal of Africa | 3-0 | Dexion Ltd | 3-0 3-0 |
| Amex Resources | 2-3 1-0 | Aviva Corp Liu Avoca Resources | 2-0 | CPIGroup | 1-0 | Cobar Cons Res. | 3-0 1-0 | Diatreme Res. | 3-0 2-0 |
| Analytica Ltd | 0-2 | Axiom Mining | 2-0 | CSGLtd | 3-1 | CocaCola Amatil | 0-1 | Dioro Explor. | 2-0 1-0 |
| Andean Res. | 3-2 | Axiom Property | 2-0 3-0 | CSLLimited | 2-0 | CochlearLtd | 3-0 | Div. United Inv | 3-0 |
| , 11000111100. | 52 | , wonn roporty | 0.0 | | 20 | | 50 | | 0.0 |

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| Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers |
|---------------------------------|-------------------------------|-----------------------------------|-------------------------------|------------------------------------|-------------------------------|----------------------------------|-------------------------------|-----------------------------------|-------------------------------|
| Djerriwarrh | 3-0 | Ferrowest Ltd | 1-0 | Hastie Group | 7-0 | Jatoil Limited | 1-0 | Magna Metals | 1-0 |
| Dolomatrix Intl | 5-0 | Fiducian P Serv | 3-0 | Hast Div Util | 1-0 | Jetset Travel | 2-0 | Malagasy Min. | 2-0 |
| Domino's Pizza | 0-5 | FinbarGroup | 14-0 | Hastings Hi-Yld | 6-0 | Jindalee Res. | 1-0 | Manas Resources | 1-0 |
| Downer EDI Ltd | 9-0 | Finders Res. | 1-0 | Havilah Res. | 9-0 | Joyce Corp. | 3-0 | Manaccom Corp. | 2-0 |
| Dragon Mountain | 3-0 | Findlay Sec. | 3-1 | Headline Group | 8-0 | Jumbuck Enter. | 7-0 | MantleMining | 7-0 |
| Dragon Mining | 1-0 | Firestone En. | 3-0 | HealthLinxLtd | 1-0 | Jupiter Mines | 1-2 | MarbletrendGrp | 8-0 |
| Drake Resources | 3-0 | Firstfolio Ltd | 1-0 | HedleyL&G Prop | 3-0 | K&SCorporation | 6-0 | MarengoMining | 5-0 |
| Drillsearch | 6-0 | First Aust Res. | 0-1 | Helix Resources | 7-0 | K2 Asset Mgmt | 3-0 | Marine Produce | 2-0 |
| Dulhunty Power | 1-0 | Fission Energy | 3-0 | Helicon Group | 1-0 | KLM Group Ltd | 1-0 | Marion Energy | 1-0 |
| Dyesol Ltd | 2-0 | Flat Glass Ind. | 9-0 | Herald Resource | 1-0 | KLTTechnology | 1-0 | Mariner Pipe In | 1-0 |
| Dynasty Metals | 1-0 | Fleetwood Corp | 0-5 | Heron Resources | 4-0 | KagaraLtd | 2-1 | Mariner Fin. | 2-0 |
| E & A Limited | 11-0 | Flexicorp Ltd | 3-0 | Highland Pac. | 6-0 | KairikiEnergy | 1-0 | Matilda Mineral | 1-0 |
| E-BetLimited | 11-0 | FlindersMines | 3-0 | Hill End Gold | 1-0 | Kal-Boulder Res | 0-1 | Matrix Metals | 6-1 |
| E-pay Asia Ltd | 7-0 | Fluorotechnics | 1-0 | Hillcrest Litig | 5-0 | Karmelsonix Ltd | 2-0 | Maverick Energy | 4-0 |
| ETT Ltd | 1-0 | FocusMinerals | 5-0 | Hillgrove Res. | 3-1 | Kasbah Resource | 1-0 | Mawson West Ltd | 10-0 |
| EagleNickel | 3-0 | FolkestoneLtd | 4-0 | Hitech Energy | 0-3 | Kentor Gold Ltd | 3-0 | MaxiTRANS | 3-0 |
| Eagle Eye Metal | 1-0 | Forest Place Gr | 1-0 | Hodges Res. | 5-0 | Key Petroleum | 1-0 | McPherson's Ltd | 5-0 |
| East Energy Res | 1-0 | Forge Group Ltd | 1-0 | Horizon Oil Ltd | 7-0 | KeyBridgeCap'l | 4-0 | Medical Therapy | 4-0 |
| East Coast Min. | 4-0 | Forte Energy NL | 2-0 | Hudson Res. Ltd | 12-0 | Kings Minerals | 2-0 | MedivacLtd | 1-0 |
| Eastern Corp Echo Resources | 1-0 | Fortescue Metal Foster's Group | 0-2 1-0 | Huntley Invest | 1-0 10-15 | Kip McGrath EC Konekt Limited | 1-0 2-0 | Medic Vision | 1-0 5-0 |
| | 2-0 0-1 | FranklandOlive | 1-0 1-0 | Hunter Hall Int Hunter H Global | 10-15 | | 2-0 2-0 | Medical Dev Int Medtech Global | 5-0 2-0 |
| Eden Energy Ltd Eftel Ltd | 5-0 | Freedom Nut'l | 9-0 | Hutchison Tel. | 1-0 | Koon Holdings Korab Resources | 2-0 2-0 | MelbourneIT | 2-0 7-0 |
| Electrometals | 10-0 | Funtastic Ltd | 9-0 1-0 | HydrometCorp. | 1-0 | KorvestLtd | 2-0 1-0 | MercuryBrands | 1-0 |
| Elixir Petrol. | 1-0 | G.R.D. NL | 7-0 | Hydrotech Int'l | 4-0 | KrestaHoldings | 5-0 | MerchantHouse | 2-0 |
| ElkPetroleum | 10-0 | G.U.D. Holdings | 2-0 | Hyperion Flag. | 4-0 9-0 | Kuth Energy Ltd | 1-0 | Mermaid Marine | 2-0 1-0 |
| EllexMedical | 1-0 | GBSTHoldings | 11-0 | Hyro Limited | 6-0 | L&MPetroleum | 1-0 | Mesoblast Ltd | 2-1 |
| Embelton Ltd | 1-0 | GEOProperty | 3-0 | I-Cash Payment | 0-1 | Labtech Systems | 2-3 | Metals Finance | 8-0 |
| Emeco Holdings | 5-1 | GMEResources | 3-0 | IBA Health Grp | 1-0 | Lachlan Star | 3-0 | Metal Storm Ltd | 1-0 |
| Emerald Oil & G | 2-0 | GTIResources | 2-0 | IM Medical Ltd | 2-1 | Lakes Oil NL | 1-0 | Metabolic Phar. | 1-0 |
| Emerson Stewart | 1-0 | GWAInternat'l | 2-1 | IMDGroup | 7-0 | LandmarkWhite | 3-0 | Meteoric Res. | 1-0 |
| Emerg. Leaders | 2-0 | Gage Road Brew. | 3-0 | IMX REsources | 5-0 | LaserbondLtd | 1-0 | MetrolandAust | 3-0 |
| Emmerson Res. | 2-0 | GalePacific | 4-0 | ING Real Estate | 3-0 | Lefroy Res. | 5-0 | Midwest Corp | 0-3 |
| Empire Sec. | 1-0 | GalileoJapan | 17-0 | ING Priv Equity | 3-0 | Legacy Iron Ore | 2-0 | Mikoh Corp. | 1-0 |
| Empire Oil, Gas | 0-1 | Gas2GridLtd | 1-0 | ING Indust Trt | 1-0 | LegendCorp. | 1-0 | Millennium Min. | 1-0 |
| Emu Nickel NL | 2-0 | Genesis Bio. | 2-0 | ING Office Fund | 1-2 | Leighton Hold | 6-2 | Millepede Int'l | 4-0 |
| Encounter Res. | 2-0 | GeneraBio. | 2-0 | ING Retail E.E. | 2-0 | Lend Lease Corp | 1-0 | Minara Resource | 13-0 |
| EnergyOneLtd | 1-0 | Geodynamics Ltd | 2-0 | IPGA Ltd | 1-0 | Liberty Res. | 4-0 | Mincor Resource | 3-0 |
| EnerjiLtd | 0-1 | Geopacific Res. | 1-0 | ISS Group Ltd | 0-2 | Life Therapeut. | 1-0 | Mindax Limited | 10-2 |
| EnergyVentures | 1-0 | Gindalbie Met. | 6-0 | IT & e Limited | 2-0 | Lihir Gold Ltd | 6-0 | Minemakers Ltd | 3-2 |
| EnergyWorld | 1-0 | Glengarry Res. | 4-0 | ITL Limited | 3-0 | Linc Energy Ltd | 3-5 | Mineral Res. | 1-0 |
| Entek Energy | 11-0 | Global Nickel | 1-0 | ITXGroup | 3-0 | LindsayAust | 1-0 | Mineral Commod. | 5-0 |
| EntellectSoln | 1-0 | Global Health | 4-1 | Icon Resources | 4-0 | LingResources | 4-0 | MineralsCorp. | 7-0 |
| Enterprise Met. | 1-0 | Global Con Serv | 2-0 | Icon Energy | 1-0 | Lion Selection | 4-1 | Mining Projects | 2-0 |
| Environm'tGrp | 1-0 | Global Mining I | 4-0 | liNet | 0-1 | Liq Natural Gas | 0-2 | Mint Wireless | 2-0 |
| Environ. Clean | 1-0 | GloucesterCoal | 7-0 | IlukaResources | 1-0 | Little World B. | 15-0 | Mintails Ltd | 8-0 |
| EnvirogoldLtd | 4-0 | Golden West Res | 6-1 | Image Resources | 6-0 | Living Cell T. | 0-2 | Mirrabooka Inv. | 4-0 |
| EnvirozelLtd | 18-0 | Golden Rim Res. | 1-0 | Impedimed Ltd | 3-0 | LivingLeisure | 0-1 | Mirvac Group | 1-0 |
| Enviromission | 1-0 | GoldLink Income | 1-0 | Impress Energy | 14-0 | Lodestar Min. | 3-0 | Mitchell Comm. | 5-0 |
| Epsilon Energy | 3-0 | Golden State | 4-0 | Imugene Ltd | 2-0 | Logicamms Ltd | 3-0 | MobiLtd | 3-0 |
| Equatorial Coal Equinox Min. | 4-0 7-0 | Goldminex Res. Goodman Fielder | 0-1 1-0 | Incitec Pivot Incremental Pet | 4-0 3-0 | London City Eq. Ludowici Ltd | 2-0 6-0 | Moby Oil & Gas Molopo Aust | 5-0 1-0 |
| Equity Trustees | 7-0 1-0 | GrandGulfEn. | 6-0 | IndMinerals | 3-0 3-0 | Lumacom | 2-0 | Moly Mines Ltd | 0-1 |
| Eromanga H/C | 2-0 | GrangeResource | 5-0 | Independ. Group | 2-1 | Luminus Systems | 0-2 | MonaxMining | 1-0 |
| Esplanade Prop. | 1-3 | GraynicMetals | 1-0 | India Resources | 3-0 | Lycopodium Ltd | 3-1 | Monarch Gold M. | 2-0 |
| Essa Australia | 1-0 | GreatSouthern | 1-0 | Indo Mines Ltd | 0-1 | Lynas Corp Ltd | 1-0 | Monaro Mining | 3-0 |
| Essential Pet. | 1-0 | Greenland Min. | 10-0 | Industrea Ltd | 2-0 | MCM Entertain. | 4-0 | MonadelphousGr | 3-0 |
| European Gas | 1-0 | Green Rock En. | 1-0 | InfomediaLtd | 1-0 | MDS Financial | 1-0 | MooterMedia | 1-0 |
| EurogoldLtd | 2-0 | GreencapLtd | 3-0 | IngenaGroup | 1-0 | MEOAustralia | 6-1 | MorningStar | 0-1 |
| Every Day Mine | 6-1 | GreencrossLtd | 2-0 | Insurance Aust. | 4-0 | Mac Services | 0-1 | Morn. Star Gold | 3-0 |
| ExcaliburMin. | 1-0 | Gryphon Mineral | 3-0 | Intermoco Ltd | 5-0 | Mac. Harbour M. | 1-0 | Mortgage Choice | 1-0 |
| Exco Resources | 2-0 | Gt Bendigo Gold | 1-0 | Intermin Res | 6-0 | MacMahon Hold | 5-0 | Mt Burgess Min. | 2-0 |
| ExomaEnergy | 1-0 | Gt Western Exp. | 2-0 | IntrapowerLtd | 0-2 | Macarthur Cook | 5-0 | Mt Magnet South | 5-0 |
| Eyecare Partner | 2-0 | Gujarat NRE Min | 9-0 | Inventis Ltd | 3-0 | Macarthur Coal | 2-1 | Multiplex Acum. | 3-0 |
| EzenetLimited | 1-0 | Gulf Mines Ltd | 1-0 | Invocare Ltd | 0-3 | Macarthurcook P | 1-0 | Multi Channel S | 1-0 |
| F.F.I. Holdings | 1-0 | GulfResources | 3-0 | Iress Mkt Tech | 4-0 | Macquarie Media | 7-0 | Mutiny Gold Ltd | 1-0 |
| FCPB Invest. | 1-0 | GullewaLtd | 1-0 | Ironbark Cap. | 0-1 | MacquarieGroup | 3-0 | My Net Fone Ltd | 1-0 |
| FKPLimited | 5-0 | GunnsLtd | 4-1 | Iron Road Ltd | 1-0 | Macquarie Air. | 2-0 | NGM Resources | 6-0 |
| Fairfax Media | 2-0 | Gunson Res. | 3-0 | Iron Ore Hold. | 1-0 | Macquarie Radio | 1-0 | NRW Holdings | 8-0 |
| Fairstar Res. | 3-0 | HFAHoldings | 2-0 | Iron Mountain | 2-0 | Macquarie C'Wde | 5-0 | NSL Health Ltd | 1-0 |
| Falcon Minerals | 4-0 | HGLLimited | 4-0 | JB Hi-Fi Ltd | 1-2 | Macquarie DDR | 12-0 | NSXLimited | 3-1 |
| Fantastic Hold. | 3-0 | Halcygen Pharm. | 4-0 | JV Global Ltd | 8-0 | Macquarie Off. | 1-0 | Namoi Cotton | 1-0 |
| Farm Pride Food | 4-0 | Hamilton James | 1-0 | Jackson Mineral | 3-0 | Macquarie Infra | 3-0 | Nanosonics Ltd | 1-0 |
| FatProphets | 2-3 | Hannans Reward | 3-0 | Jackgreen Ltd | 4-0 | Magellan Flag. | 16-0 | Nat'l Aust Bank | 5-1 |
| Ferraus Ltd | 1-0 | HarveyNorman | 3-1 | James Hardie | 2-0 | Magellan Fin Gp | 5-0 | Nat'l Can | 1-0 |

Market Analysis

January 12, 2009.

| January 12, 20 | 09. | | | | | | | | Page 13 |
|-------------------------------|-------------------------------|----------------------------|-------------------------------|----------------------------------|-------------------------------|--------------------------------|-------------------------------|----------------------------------|-------------------------------|
| Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers |
| Natasa Mining | 3-0 | Pike River Coal | 1-0 | Richfield Group | 2-0 | Stirling Prod. | 1-0 | Transfield S In | 9-0 |
| National Hire | 3-0 | PioneerNickel | 1-0 | Ridley Corp. | 13-0 | Stockland | 2-0 | Transurban Grp | 7-1 |
| Natural Fuel | 3-0 | Pipe Networks | 2-0 | Rivercity M'way | 1-0 | Strat. Energy | 1-0 | Transit Hold. | 1-0 |
| Navitas Ltd | 3-0 | PlanBGroup | 3-0 | Riversdale Min. | 0-2 | Strathfield Grp | 7-0 | TransPacific In | 2-0 |
| NeptuneMarine | 3-0 | Planet Gas Ltd | 1-0 | Robust Resource | 4-0 | Straits Res. | 0-2 | TreasuryGroup | 5-0 |
| Netcomm Limited | 1-0 | Platinum Aust | 2-1 | Roc Oil Company | 4-2 | Strategic Min. | 1-0 | Trinity Group | 15-1 |
| New Hope Corp. | 9-0 | Platsearch NL | 1-0 | Rocklands Rich. | 3-0 | Strike Res. | 2-0 | Trojan Equity | 4-0 |
| NewcrestMining | 1-0 | Platinum Cap'l | 2-0 | Rockeby Biomed | 1-0 | Structural Syst | 4-0 | TroyResources | 3-0 |
| Newera Uranium | 5-0 | Pluton Resource | 3-0 | Ross Human Dir. | 1-0 | Style Limited | 16-0 | Truscott Mining | 1-0 |
| Nexus Energy | 4-0 | Po Valley Ener. | 2-1 | Rox Resources | 2-0 | Sub-Sahara Res. | 1-0 | Trust Company | 4-1 |
| Nib Holdings | 7-0 | Polartechnics | 1-0 | Royalco Res. | 2-0 | Sundance Energy | 1-0 | UCMS Group Ltd | 4-0 |
| Nick Scali Ltd | 2-0 | Polaris Metals | 8-0 | Royal Resources | 2-1 | SunlandGroup | 2-0 | Undercoverwear | 2-0 |
| Nomad Building | 6-2 | Portland Ortho. | 1-0 | Rubicon Europe | 1-0 | SunsetEnergy | 3-0 | Unilife Medical | 1-0 |
| Noni B Limited | 2-0 | PortBouvard | 5-0 | Rubicon Res. | 1-0 | SunshineGas | 1-0 | UnitedOverseas | 4-0 |
| NorfolkGroup | 1-0 | Praemium Ltd | 6-0 | Rubicor Group | 2-0 | Sunshine Heart | 2-0 | United Group | 1-2 |
| Northern Energy | 4-0 | Premier Invest | 3-0 | RubiconJapan | 1-0 | Superior Res. | 1-0 | United Orogon | 1-0 |
| North Aust Diam | 4-1 | Primeag Aust. | 5-1 | Rubicon America | 1-0 | Supply Network | 2-0 | United Minerals | 4-2 |
| Northern Iron | 3-0 | Primary Health | 12-1 | RungeLtd | 10-0 | Swick Min Serv | 4-0 | Universal Res. | 0-1 |
| NorthernMining | 3-2 | Prime Media Grp | 13-0 | Ruralco Hold. | 5-1 | SwishGroup | 1-0 | UrametMinerals | 1-0 |
| Novogen Ltd | 2-0 | Pro-Pac Pack. | 4-1 | Ruralaus Invest | 4-0 | Sylvastate Ltd | 2-0 | Uranium Equitie | 5-0 |
| Nth Qld Metals | 1-0 | ProbiotecLtd | 2-0 | RusinaMining | 3-0 | Symex Holdings | 23-0 | UranexNL | 3-0 |
| Nthn Star Res. | 2-0 | Progen Pharm. | 1-0 | S/Tracks Prop. | 0-2 | Syndicated Met. | 2-0 | Uscom Limited | 2-0 |
| NufarmLimited | 2-0 | Prophecy Int'l | 3-0 | S/Tracks ASX 50 | 0-2 | Synergy Metals | 2-0 | VDM Group Ltd | 5-0 |
| Nullarbor Hold | 1-0 | Proto Resources | 13-0 | S/TracksASX200 | 0-2 | Synergy Equity | 2-0 | Valad Property | 9-0 |
| Nusep Ltd | 6-0 | Pryme Oil & Gas | 4-0 | SAI Global Ltd | 2-0 | Syngas Ltd | 1-0 | Ventracor Ltd | 0-1 |
| Nylex Ltd | 3-1 | Public Holdings | 6-2 | SPAusnet | 1-2 | TFSCorporation | 7-3 | Venus Resources | 3-0 |
| OMHoldings | 2-0 | Q Ltd | 1-0 | SPTelemedia | 5-0 | TNGLimited | 5-4 | Verticon Group | 5-0 |
| OZ Minerals Ltd | 4-1 | Q'IdTrustees | 5-0 | STW Comm Group | 1-0 | TSVHoldings | 1-0 | Victoria Petrol | 3-0 |
| Oaks Hotel | 1-0 | Q-MastorLtd | 4-0 | Saferoads Hold. | 1-0 | TTA Holdings | 1-0 | Viento Group | 1-0 |
| Occupational Md | 0-1 | Q.B.E. Insur. | 2-1 | Salinas Energy | 1-0 | TZ Limited | 6-0 | View Resources | 1-0 |
| Ocean Capital | 3-0 | QRSciences Hold | 7-0 | Salmat Ltd | 7-0 | Tabcorp Holding | 1-0 | Village Road. | 10-1 |
| Odin Energy Ltd | 1-0 | QRXPharmaLtd | 3-0 | Sam's Seafood | 1-0 | TakoradiLtd | 1-0 | ViraxHoldings | 3-0 |
| Oil Basins Ltd | 1-0 | Qantas Airways | 3-1 | Samson Oil/Gas | 2-0 | Talent2 Int'l | 2-1 | VirginBlue | 2-0 |
| Oil Search Ltd | 1-0 | Quantum Energy | 3-0 | Sandfire Res. | 2-0 | Talisman Mining | 3-0 | Vita Group Ltd | 4-0 |
| Oldfields Hold | 4-0 | QuayMagnesium | 2-0 | Saunders Int'l | 1-0 | TamawoodLtd | 2-0 | Vmoto Ltd | 1-0 |
| Olympia Res. | 0-1 | Queensland Gas | 3-1 | SavcorGroup | 9-0 | Tamaya Res. | 1-0 | Vulcan Res. | 1-0 |
| OrbitalCorp | 5-0 | QueenslandOres | 4-0 | Scantech | 1-0 | TanamiGoldNL | 5-0 | W'bool Cheese | 3-0 |
| Orchard Indust. | 1-0 | Queste Comm's | 1-0 | Scimitar Res. | 3-0 | Tandou Ltd | 8-0 | WAGLimited | 1-0 |
| Orient Res Hold | 1-0 | Questus Ltd | 3-0 | Sedgman Ltd | 4-1 | TapOil | 0-3 | WAM Active Ltd | 8-0 |
| OrientalTech. | 1-0 | Quest Investm't | 0-1 | Segue Resources | 5-0 | Tasman Resource | 1-0 | WDSLimited | 6-1 |
| Origin Energy | 4-1 | Quickflix Ltd | 3-0 | Selectharvest | 2-0 | Tasmanian Perp | 2-0 | WHLEnergy | 3-0 |
| Orion Petroleum | 3-0 | RCG Corporation | 1-0 | Servcorp Ltd | 4-0 | Tassal Group | 5-0 | Watpac Ltd | 6-0 |
| Orocobre Ltd | 1-0 | RCR Tomlinson | 5-1 | Service Stream | 8-1 | Tatts Group Ltd | 0-4 | Wattyl Ltd | 2-1 |
| Oropa Limited | 6-0 | RIM Capital Ltd | 3-0 | Seven Network | 2-1 | Tawana Resource | 1-0 | Wavenet Int'l | 7-0 |
| Over Fifty Grp | 4-0 | RR Australia | 5-1 | Shaw River Res. | 2-0 | TechnologyOne | 0-1 | Webster Ltd | 1-0 |
| Oz Brewing Ltd PMP Limited | 1-0 | Ramsay Health | 0-1 1-2 | Shield Mining Signature Metal | 2-0 3-0 | Techniche Ltd Tectonic Res. | 1-0 5-0 | Webspy Limited | 1-0 1-0 |
| PacEnvironment | 0-3 1-0 | Rawson Res. Real Brands | 3-0 | U U | 0-3 | Telezon Limited | 5-0 4-0 | Wellcom Group Wentworth Hold. | 3-0 |
| Pac.Environment | 3-0 | Reckson NY Prop | 3-0 2-0 | Silex Systems Silver Lake Res | 0-3 3-0 | Telstra | 4-0 1-0 | Wesfarmers Ltd | 3-0 2-1 |
| Pacific Ore Ltd | 3-0 1-0 | Reclaim Indust. | 2-0 1-0 | Silver Swan Grp | 3-0 4-0 | Templeton Globa | 0-1 | Western Plains | 2-1 1-0 |
| Pacific Brands | 1-0 | Red Fork Energy | 3-0 | Silver Chef Ltd | 4-0 2-0 | Terramin Aust | 2-0 | West Wits Min. | 1-0 |
| Pacific Energy | 1-0 | Red Emperor Res | 3-0 1-0 | Sims Metal Mgmt | 2-0 3-7 | Territory Res. | 2-0 3-0 | Western Desert | 4-0 |
| PacrimEnergy | 2-0 | Red 5 Ltd | 1-0 | SinovusMining | 1-0 | Terrain Mineral | 1-0 | West'n Metals | 4-0 3-0 |
| PaladinEnergy | 2-0 3-0 | Red Hill Iron | 17-0 | Sino Gold Min. | 0-2 | Thakral Holding | 1-0 | WesternAreas | 3-0 9-5 |
| PaladioGroup | 3-0 17-0 | Redflex Holding | 5-2 | Skilled Group | 0-2 1-0 | The Reject Shop | 2-4 | WestfieldGroup | 9-5 1-0 |
| Pan Pacific Pet | 7-0 | Redisland Aust. | 1-0 | Slater & Gordon | 0-3 | Thinksmart Ltd | 6-0 | White Cliff Nkl | 2-0 |
| PanaxGeotherm. | 6-0 | Reece Australia | 1-0 | SnowballGroup | 1-0 | Thomas & Coffey | 3-0 | WhitehavenCoal | 3-0 |
| PanaustLtd | 0-1 | ReedResources | 6-1 | SolagranLtd | 4-0 | ThundelarraExp | 6-2 | White Energy Co | 0-1 |
| Panoramic Res. | 2-0 | Reef Casino Trt | 0-1 | Solco Ltd | 1-0 | Tiaro Coal Ltd | 3-0 | WhitefieldLtd | 1-0 |
| PaperlinXLtd | 5-1 | RegalResources | 1-0 | SomnomedLtd | 3-0 | TigerResources | 1-0 | White Canyon Ur | 1-0 |
| Patties Foods | 10-0 | Regis Resources | 8-0 | SonicHealth | 0-5 | TimbercorpPrim | 1-0 | Wide Bay Aust. | 2-0 |
| Payce Consol. | 1-0 | Regional Exp. | 5-0 | SoulPattinson | 8-0 | Timbercorp | 3-0 | Willmott Forest | 2-0 4-0 |
| Pearlstreet Ltd | 2-1 | Renison Cons | 2-0 | Souls Priv Equ | 1-0 | Tishman Speyer | 5-0 5-0 | Wilson HTM Inv. | 4-0 4-0 |
| Pelorus Prop. | 5-0 | Repcol Ltd | 1-0 | Spark Infrastru | 0-1 | TissueTherapy | 1-0 | Windimurra Van. | 2-0 |
| Penrice Soda | 2-0 | RepublicGold | 0-1 | SpecFashion | 3-0 | TolhurstNoall | 1-0 | Windy Knob Res. | 2-0 |
| PeopleBankAust | 5-0 | Res & Invest NL | 2-0 | Spitfire Res. | 7-0 | TollHoldings | 6-0 | Wolf Minerals | 2-0 |
| PerpetualLtd | 4-0 | Resource Base | 1-0 | Spotless Group | 2-0 | Top End Uranium | 2-0 | Woodside Petrol | 1-2 |
| PerseusMining | 4-0 2-0 | Resonance Hith | 3-0 | St Barbara Ltd | 0-3 | Toro Energy Ltd | 2-0 | WoolworthsLtd | 1-2 |
| PharmaustLtd | 2-0 4-1 | Resources Min. | 1-0 | StarpharmaHold | 9-0 | TorrensEnergy | 2-0 1-0 | WorleyGroup | 2-1 |
| PharmaxisLtd | 1-0 | Resource Gener. | 2-0 | Stem Cell Sci. | 0-1 | Total Staffing | 1-0 | Wotif.com Hold. | 6-0 |
| PhoenixCopper | 4-0 | Retail Food Grp | 2-0 3-0 | Sth Cross Elect | 1-0 | TowerAustralia | 1-0 | XRF Scientific | 3-0 |
| Phoslock Water | 1-0 | RewardMinerals | 5-3 | Sth Boulder Min | 0-1 | Tox Free Sol. | 0-2 | Xstate Res. | 2-0 |
| Phosphagenics | 1-0 | Rey Resources | 0-1 | SthnUranium | 1-0 | TrafalgarCorp. | 1-0 | YTC Resources | 2-0 |
| Photon Group | 11-0 | Rheochemplc | 0-1 | Sthn Cross Gold | 2-0 | Tranzact Fin. | 12-0 | ZicomGroup | 13-0 |
| PhylogicaLtd | 1-0 | RichmondMining | 1-0 | Stirling Min. | 2-0 | Transfield Serv | 8-0 | p | |
| | | | | g | 20 | | 00 | | |

"Insider" Trades in NZ Shares

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

"Insider" Indicators Last 5 wks: 81.8% Buyers Last 13 wks: 78.2% Buyers

| Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers | Company | Insider Buyers- Sellers |
|-----------------|-------------------------------|-----------------------|-------------------------------|------------------------|-------------------------------|-----------------|-------------------------------|----------------|-------------------------------|
| Trust PowerLtd | 0-1 | Contact Energy | 1-0 | Just Water Int. | 6-0 | PlusSMSHold. | 1-3 | Sky City Ltd | 2-0 |
| AMPOnyxMgmt | 3-0 | Cynotech Hold. | 2-0 | KiwiProperty | 3-0 | PumpkinPatch | 3-1 | Sol. Dynamics | 0-1 |
| AMPLimited | 4-0 | Dominion Fin. | 1-0 | LifePharmacy | 0-1 | PyneGouldCorp | 3-0 | TeamTalkLtd | 0-1 |
| AffcoHoldings | 3-1 | Dorchester Pac | 9-0 | Livestock Imp. | 2-0 | RakonLtd | 1-3 | TelecomCorp | 6-9 |
| AirNewZealand | 6-1 | EbosGroupLtd | 1-0 | MainfreightGrp | 0-9 | Renaissance | 9-0 | TowerLimited | 2-0 |
| Akd Int Airport | 2-1 | F&PAppliance | 2-0 | Methven Limited | 1-0 | RestaurantBrds | 1-0 | TurnersAuction | 5-0 |
| AlliedWork. | 1-0 | F&PHealth. | 2-3 | Mowbray Collect | 0-5 | RubiconLimited | 6-0 | VectorLtd | 1-0 |
| Apple Fields | 1-0 | GuocoLeisure | 10-0 | NZFarmingSys. | 15-0 | Ryman Health. | 2-0 | WakefieldHlth | 1-4 |
| CavotecMSL | 1-0 | HallensteinG. | 3-0 | NZ Finance Hold | 1-0 | Salvus Strat. | 0-1 | WarehouseGroup | 0-3 |
| CertOrganics | 0-1 | HellabyHold. | 12-0 | NZ Oil & Gas | 1-0 | Scott Tech. Ltd | 4-0 | WindflowTech. | 1-0 |
| Charlie's Group | 1-0 | INGProperty | 5-0 | NZRefiningCo | 1-0 | SeekaKiwifruit | 1-0 | XeroLtd | 5-0 |
| ColMotorCo | 4-0 | ING Med. Prop. | 3-0 | PGGWrightsons | 13-0 | SkellerupHold. | 8-0 | ZintelComm. | 2-0 |
| Comvita | 2-0 | InfratilNZ | 10-2 | PikeRiverCoal | 3-0 | SkyNetworkTV | 2-0 | | |

Investment Outlook

(Continued from Page 1) the situation. Things are often quicker and more volatile today.

Even back in the 1930's, however, when (we all assume) things happened at a more leisurely rate, over *half* of the 1932-37 recovery occurred within the first 12 months . . . and with extreme volatility! Share prices *doubled* in just two months, then retraced three-quarters of that advance, falling nearly 40% over the next six months. Shares then more than doubled again over the next four months, ending the first year of the recovery up 2½-fold in value.

Accurately predicting such volatile market movements is clearly impossible... and would actually be of little real value owing to the low turnover and wide bid-offer spreads common at a market low. Trying to quickly invest sizeable amounts of cash in that situation is impossible without pushing prices up significantly.

What we do know is that share valuations today are similar to the 1930's. Some shares trade for less than their cash in the bank. Many trade on single digit P/E ratios and double digits Yields. The economic situation - while nowhere near as serious as the 1930's - at least has some similarities. Investors worry whether companies will ever become profitable, or even survive the economic storm. This is probably as close to the conditions experienced during the 1932-37 stockmarket boom that we are ever likely to get. History teaches us that 1932-37 was the *best time ever* to be invested in shares.

Shares valuations are just far too low to ignore. From these low levels, shares should yield far above average future returns *even in a Depression*! Remain fully invested in the recommended shares.

Dividend

| Company | Cents per Share | Ex- Date | Pay- Tax able Credit |
|-------------------------|--------------------|-------------|----------------------|
| Jason Travel Media | 1.50 | 16-01 | 30-01 Full |
| National Property Trust | 1.24 | 19-12 | 08-01 Nil |
| Smiths City Group | 1.00 | 05-02 | 13-02 Nil |
| Au | stralian Share | es | |
| Campbell Brothers | 50.00 | 01-12 | 17-12 |
| M.Y.O.B. | 8.15 | 12-01 | 06-12 |
| Technology One | 2.45 | 01-12 | 19-12 |

| Total Return Index for All Listed Shares | | | |
|--|---------|---------|---------|
| | Dec 8 | 1390.67 | |
| | Dec 9 | 1399.01 | |
| | Dec 10 | 1396.44 | |
| | Dec 11 | 1396.44 | |
| | Dec 12 | 1397.91 | |
| Dec 15 | 1383.22 | Dec 22 | 1369.56 |
| Dec 16 | 1382.94 | Dec 23 | 1361.14 |
| Dec 17 | 1387.76 | Dec 24 | 1364.57 |
| Dec 18 | 1386.88 | Dec 25 | Holiday |
| Dec 19 | 1376.51 | Dec 26 | Holiday |
| Dec 29 | 1377.61 | Jan 5 | 1389.36 |
| Dec 30 | 1373.70 | Jan 6 | 1393.90 |
| Dec 31 | 1384.27 | Jan 7 | 1384.87 |
| Jan 1 | Holiday | Jan 8 | 1383.56 |
| Jan 2 | Holiday | Jan 9 | 1378.60 |

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Next Issue:

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