

# Market Analysis

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## Inside Market Analysis

Circadian Technologies, Ellex Medical lasers report positive research results ..... 4, 5

M2 Telecommunications makes a small acquisition and share placement to reduce debts ..... 5

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## Summary and Recommended Investment Strategy.

Stockmarkets in panic plunges? Sovereign debt crises? Just the same old repetitions of cyclical events! Shares look to offer good value and are the best medium to long term hedge against uncertainty and inflation - so no prizes for guessing where our wealth is still invested!

## Investment Outlook.

The United States stockmarket plunged almost 1000 points - or 9% - on Thursday, before recovering to end the day down 348 points or 3.2%. The sharp plunge is blamed on “a number of erroneous trades”. “Markets are gripped by fear” reads one news headline - our favourite situation as fear and panic usually come pretty close to a market low!

Investors just love to have something to worry about! A year ago, shares plunged (and then recovered) on reports of the new *Swine Flu* pandemic. As we pointed out at the time, the regular seasonal flu kills 250,000 - 500,000 people worldwide each year and the widely remembered 1918 *Spanish Flu* killed 50 million people. A year ago - with the Global Financial Crisis easing - the H1N1 pandemic was the perfect new crisis for the media, the public and health organisations! Internet sites were updating daily with the exponentially growing number of H1N1 cases and deaths. So, how many *millions* of people have actually died from H1N1 over the last year? The answer starts with “17”, but it is not 17 million, just 17,000. That is only about 5% of the expected deaths from the regular seasonal influenza! So we guess its true to say that H1N1 was “nothing to sneeze at”?

So what *can* the media and investors worry about?

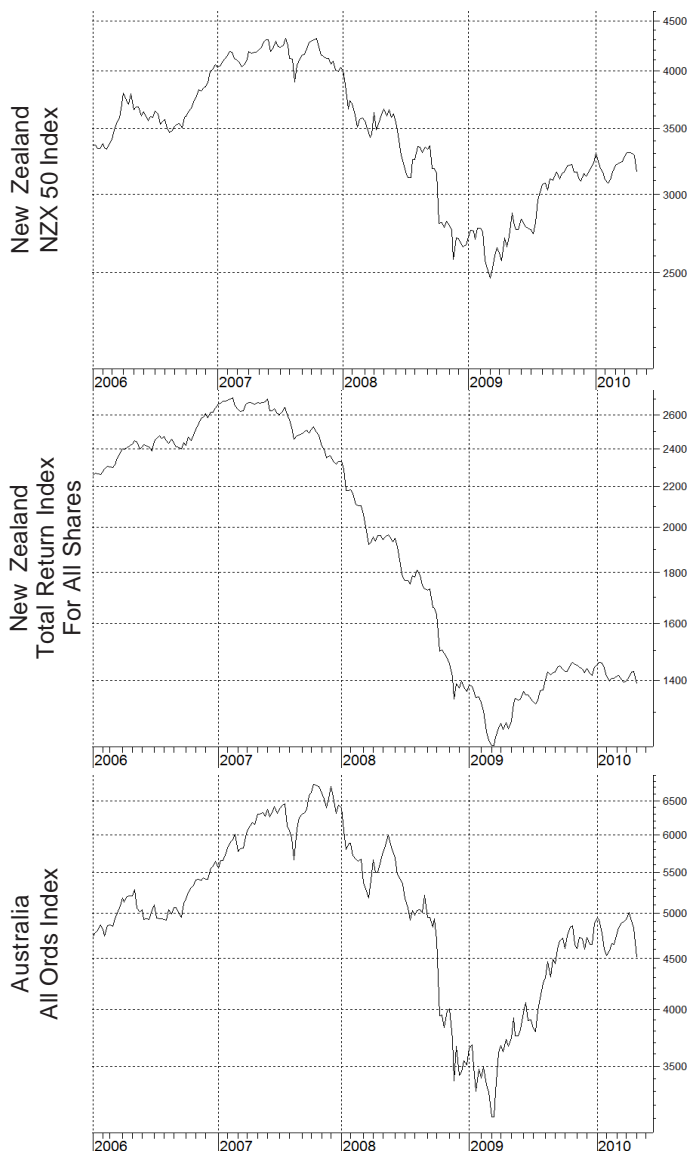
Six months ago investors could still worry about bank write-offs. In October 2009, the **International Monetary Fund** estimated bank debt write-downs would total US\$2.8 *trillion* - at which point at least one doomsayer commented “and probably as much again yet to come to light”. The IMF has since revised its estimate - down to US\$2.3 trillion.

But wait! There is always the “Sovereign debt crisis”. Many Western governments are probably effectively bankrupt (although the media don't seem to have picked this up yet) - after bailing out banks in the Global Financial Crisis, increasing spending to prevent a depression worse than the Great Depression and - more importantly - with their

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### Stockmarket Forecasts

	One-Month	One-Year
Australia:	8% (Bearish)	39% (Bearish)
New Zealand:	47% (Neutral)	40% (Neutral)



# Performance Forecasts

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

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
AMP Limited	B	724	1.16	18	2.8	Jasons Media	D	55	0.80	11	4.1	Pyne Gould Corp	E	46	0.31	NE	Nil
AMP Onyx Mgmt	D	76	5.67	NE	9.1	Just Water Int.	D	26	0.61	12	21.2	Rakon Ltd	C	96	0.88	27	Nil
Abano Health	C	515	0.64	12	6.1	Kathmandu Ltd	C	213	N/A	NE	Nil	Renaissance	C	26	0.06	NE	Nil
Affco Holdings	E	37	0.17	7	Nil	Kermadec Prop.	D	49	2.90	NE	10.2	Restaurant Brds	A	222	0.68	11	8.0
Air New Zealand	B	125	0.29	63	7.4	Kingfish Ltd	B	90	N/A	NE	5.0	Rubicon Limited	D	98	0.52	NE	Nil
Akd Int Airport	C	193	6.46	57	6.1	Kirkcaldie & St	A	285	0.65	28	4.0	Ryman Health	B	206	N/A	16	2.1
Allied Farmers	E	7.0	0.02	NE	Nil	Kiwi Property	D	100	4.28	NE	9.1	Salvus Strat.	C	77	N/A	NE	Nil
Allied Work.	C	70	0.24	9	13.9	Life Pharmacy	C	35	3.26	NE	Nil	Sanford Limited	C	420	0.91	10	7.8
Barramundi Ltd	C	68	N/A	NE	2.6	Lombard Group	E	3.0	0.40	NE	Nil	Satara Co-op	C	58	0.17	10	4.9
Blis Technology	E	11	N/A	NE	Nil	Lytelton Port	B	250	3.03	25	2.8	Savoy Equities	E	1.2	N/A	NE	Nil
Briscoe Group	A	131	0.67	13	7.6	Mainfreight Grp	A	640	0.50	18	4.3	Scott Tech. Ltd	C	120	1.20	NE	1.2
Broadway Ind	D	30	0.39	NE	Nil	Marlin Global	B	88	N/A	15	3.2	Sealegs Corp	E	17	1.15	NE	Nil
Burger Fuel	C	42	4.72	NE	Nil	Media Tech.	D	4.0	0.63	4	Nil	Seeka Kiwifruit	B	300	0.35	9	6.0
CDL Investments	E	29	N/A	56	1.0	Methven Limited	B	147	0.71	10	11.9	Skellerup Hold.	A	64	0.54	11	5.6
CER Group Ltd	D	1.5	0.79	NE	Nil	Metro. LifeCare	E	210	4.39	NE	Nil	Sky Network TV	B	474	2.67	21	4.2
Canty Bldg Soc.	B	270	0.89	16	4.4	Michael Hill	B	72	0.67	16	4.1	Sky City Ltd	B	300	2.06	15	7.4
Cavalier Corp	A	260	0.71	13	8.2	Mid-Cap Index	C	224	N/A	NE	Nil	Smartpay NZ Ltd	C	4.1	0.31	NE	Nil
Cavotec MSL	C	276	0.70	17	1.1	Millennium & C.	C	45	1.45	13	3.8	Smiths City	C	34	0.08	18	5.9
Charlie's Group	E	8.5	0.80	NE	Nil	Mowbray Collect	E	85	2.27	NE	Nil	Sol. Dynamics	C	55	0.54	NE	Nil
Col Motor Co	A	220	0.15	14	9.7	NZ Experience	B	25	1.05	10	12.9	South Port NZ	B	260	3.49	21	5.6
Comvita	B	231	0.91	85	Nil	NZ Exchange Ltd	D	175	4.93	88	5.3	Speirs Group	D	29	0.27	NE	Nil
Connexion	C	10	0.67	NE	Nil	NZ Finance Hold	E	20	0.39	NE	Nil	Steel & Tube	B	257	0.47	9	10.6
Contact Energy	B	607	1.31	30	6.6	NZ Farming Sys.	E	37	3.69	NE	Nil	Sthn Travel	D	15	0.11	NE	Nil
Cynotech Hold.	E	4.5	0.39	NE	Nil	NZ Oil & Gas * N/R	147	4.11	11	4.9	Tag Pacific Ltd	C	22	0.14	10	4.3	
Delegat's Group	C	167	0.73	6	6.8	NZ Refining Co	C	365	4.09	43	Nil	TeamTalk Ltd	C	214	1.42	11	13.4
Dominion Fin.	C	1.0	0.01	0149.3	Nil	NZ Windfarms	E	25	5.10	NE	Nil	Telecom Corp	C	213	0.71	10	11.3
Dorchester Pac	D	15	0.22	NE	Nil	NZ Wine Company	C	180	1.25	12	3.2	Tenon Ltd	C	90	0.12	NE	Nil
Ebos Group Ltd	A	627	0.23	16	5.7	NZ Wool Service	D	28	0.13	NE	Nil	Tourism Hold.	C	91	0.53	NE	Nil
Ecoya Ltd	D	99	N/A	NE	Nil	NZSX 10 Fund	D	84	N/A	NE	Nil	Tower Limited	B	192	0.95	10	6.7
F & P Appliance	E	63	0.19	NE	Nil	NZSX 50 Port.	C	134	N/A	NE	Nil	Training Sol.	E	0.1	5.00	NE	Nil
F & P Health.	B	342	3.80	28	5.4	NZX Aust MidCap	C	540	N/A	NE	Nil	Trust Power Ltd	B	720	2.89	22	6.8
Finzsoft Sol'ns	D	20	0.21	NE	Nil	Nat Property Tr	D	48	2.79	NE	10.4	Turners & Grow.	C	138	0.25	17	7.2
Fletcher Build.	A	795	0.68	14	5.9	New Image Group	C	35	0.83	5	6.1	Turners Auction	A	149	0.58	12	11.5
Freightways Ltd	B	318	1.40	14	7.4	Northland Port	B	165	N/A	25	4.8	VTL Group Ltd	C	1.5	0.01	0	Nil
Genesis Res.	E	3.0	5.26	NE	Nil	Nuplex Indust	A	325	0.41	37	1.5	Vector Ltd	B	213	1.81	12	9.2
Goodman Prop.	D	100	6.52	NE	10.4	Opus Int'l Cons	D	175	N/A	NE	Nil	WN Drive Tech.	D	8.2	2.07	NE	Nil
Guinness Peat	C	88	0.55	NE	2.5	Oyster Bay	C	185	1.41	11	5.4	Wakefield Hlth	B	700	1.15	10	5.3
GuocoLeisure	C	60	1.32	8	2.7	Ozzy (Tortis)	C	360	N/A	NE	Nil	Warehouse Group	B	362	0.65	15	8.3
Hallenstein G.	A	345	1.04	16	8.7	PGG Wrightsons	E	52	0.13	NE	Nil	Widespread Port	N/R	18	N/A	NE	Nil
Hellaby Hold.	B	165	0.17	16	5.2	Pac Edge Bio.	E	20	N/A	NE	Nil	Windflow Tech.	D	98	0.37	NE	Nil
Heritage Gold * N/R	2.8	N/A	NE	Nil	Pike River Coal	E	103	N/A	NE	Nil	Wool Equities	C	17	N/A	NE	Nil	
Horizon Energy	B	360	2.96	17	7.0	Port Tauranga	B	678	6.33	20	5.7	World Index Fd	D	102	N/A	NE	Nil
ING Med. Prop.	C	120	0.00	NE	7.1	Postie Plus Grp	D	35	0.13	23	Nil	Xero Ltd	C	155	N/A	NE	Nil
ING Property	D	75	3.69	NE	10.7	Property F Ind.	D	115	7.85	NE	7.9	Zintel Comm.	D	29	0.37	6	15.4
Infratil NZ	C	166	0.50	NE	5.6	Propertyfinance	D	3.0	0.05	NE	Nil	Ave of 136 Cos	C	158	0.00	6	4.8
Inv Research Gr	D	1.6	0.62	NE	Nil	Pumpkin Patch	B	211	0.85	NE	4.4						
AGL Energy Ltd	A	1469	1.11	9	3.7	DUET Group	C	168	1.38	NE	14.4	OM Holdings	A	182	3.19	33	1.1
AMP Ltd	B	576	1.01	16	2.8	David Jones	C	443	1.12	14	6.3	OZ Minerals Ltd	D	104	5.33	NE	Nil
ANZ Bank	A	2190	3.56	36	4.7	Deutsche Div Tr	B	131	6.10	14	7.1	Oil Search Ltd	B	560	N/A	49	1.6
APA Group	A	354	1.86	22	3.3	Dexus Property	C	78	4.71	NE	9.4	Onesteel Ltd	A	331	0.61	19	3.0
APN News Media	A	238	1.37	15	1.7	Jerriswarrh	C	400	N/A	NE	6.5	Orica Ltd	B	2630	1.28	17	3.7
ASX Limited	A	3160	6.48	17	5.2	Downer EDI Ltd	B	673	0.38	12	4.3	Origin Energy	B	1526	1.66	25	3.3
AWE Limited	B	231	2.04	14	Nil	Energy Resource	B	1398	3.42	10	2.8	Pacific Brands	C	105	0.49	NE	8.1
AXA Asia Pac	A	593	2.01	18	3.1	Equinox Min.	C	393	N/A	NE	Nil	Paladin Energy	D	370	N/A	NE	Nil
Adelaide Bright	B	273	1.75	75	4.9	Extract Res.	D	699	N/A	NE	Nil	Panaust Ltd	C	46	3.42	62	Nil
Alumina Ltd	C	578	N/A	NE	1.3	Fairfax Media	C	161	1.45	NE	1.2	Perpetual Ltd	B	3236	3.67	36	3.1
Amalgamated Hld	A	150	1.08	11	5.6	Flight Centre	B	1847	1.07	48	0.5	Platinum Asset	B	482	N/A	21	4.1
Amcor Ltd	B	648	0.62	28	5.2	Fortescue Metal	C	417	5.68	20	Nil	Premier Invest	B	662	1.14	12	8.3
Andean Res.	C	325	N/A	NE	Nil	Foster's Group	B	531	2.19	23	5.1	Primary Health	B	399	1.29	15	3.5
Aneka Tambang	B	130	N/A	NE	9.3	GPT Group	B	55	9.25	43	8.3	Q.B.E. Insur.	B	2051	1.21	10	6.2
Ansell Ltd	A	1274	1.27	14	2.2	GWA Internat'l	A	307	1.35	19	5.9	Qantas Airways	B	253	0.39	49	2.4
Aquarius Plat.	C	640	7.46	NE	Nil	Gloucester Coal	A	1180	3.15	12	1.1	REA Group Ltd	A	1072	8.13	NE	0.9
Aquila Res.	C	920	N/A	NE	Nil	Goodman Group	B	66	N/A	NE	14.6	Ramsay Health	A	1330	0.72	22	2.9
Argo Investment	C	599	N/A	NE	4.5	Goodman Fielder	B	144	0.79	11	7.3	Reece Australia	A	2350	1.55	24	2.2
Aristocrat Leis	C	411	2.41	NE	5.8	Graincorp	B	555	0.64	17	1.3	Rio Tinto Ltd	A	6498	0.80	7	0.8
Arrow Energy	B	481	N/A	10	Nil	Harvey Norman	B	328	2.42	16	3.4	Riversdale Min.	B	879	N/A	NE	Nil
Asciano Group	D	160	0.65	NE	Nil	Healthscope	B	436	0.68	16	4.9	S/Tracks ASX200B	4240	N/A	NE	4.3	
Austar United	C	113	2.09	24	Nil	Henderson Group	B	228	3.63	72	4.8	SP Ausnet	A	87	1.58	13	13.6
Australand Prop	B	259	2.18	NE	1.9	Hutchison Tel.	D	9.9	1.68	NE	Nil	Santos Ltd	B	1255	4.79	24	3.3
Aust Infra.	A	178	8.79	10	7.3	ING Office Fund	C	60	4.63	NE	16.1	Seek Ltd	A	755	N/A	46	1.2
Aust Foundation	B	480	N/A	45	4.4	IOOF Holdings	B	630	3.92	91	0.6	Seven Network	A	741	N/A	NE	4.6
BHP Billiton	C	3750	2.02	NE	2.7	Iluka Resources	D	424	3.03	NE	Nil	Sims Metal Mgmt	C	2075	0.44	NE	1.8
Bank of Q'land	A	1158	1.06	16	4.5	Incitec Pivot	D	304	1.43	NE	1.4	Sonic Health	B	1302	1.66	29	4.4
Bendigo Bank	A	921	0.84	17	4.7	Insurance Aust.	B	369	0.99	42	2.7	Soul Pattinson	A	1363	4.20	14	2.3
Billabong Int'l	B	1100	1.66	18	4.1	Intoll Group	D	108	N/A	NE	18.6	Spark Infrastru	B	116	4.21	10	11.7
Bluescope Steel	C	247	0.44	NE	2.0	Iress Mkt Tech	A	834	6.03	24	4.1	Stockland	B	384	4.74	5	8.9
Boart Longyear	D	32	1.34	NE	Nil	JB Hi-Fi Ltd	B	1898	0.87	22	2.3	Straits Res.	B	121	1.61	8	7.9
Boral Limited	B	565	0.69	24	2.3	James Hardie	C	751	1.87	17	Nil	Suncorp-Metway	B	819	0.69	29	4.9
Bradken Ltd	A	698	0.72	14	5.3	Kardoon Gas	C	799	N/A	NE	Nil	TPG Telecom Ltd	A	215	3.14	86	0.9
Brambles Ltd	B	688	1.94	18	4.4	Kingsgate Cons.	B	845	7.12	25	1.8	Tabcorp Holding	B	647	0.93	7	10.0
Brickworks Ltd	A	1215	2.72	5	3.2	Leighton Hold	B	3348	0.75	23	3.4	Tatts Group Ltd	B	237	0.93	11	8.9
C'wth Prop Off.	C	90	5.54	NE	9.6	Lend Lease Grp	C	777	0.25	NE	5.3	Telstra	B	300	1.51	10	9.3
C.S.R. Ltd	B	164	0.47	12	4.6	Lihir Gold Ltd	A	390	7.58	46	0.6	Ten Network	C	177	2.05	NE	Nil
CFS Retail Prop	C	186	8.37	NE	6.7	MApp Group	C	304	4.67	NE	6.9	Toll Holdings	B	676	0.84	18	3.7
CSL Limited	A	3319	3.95	17	2.1	Macarthur Coal	A	1369	5.01	21	0.9	Tower Australia	B	245	1.04	19	2.1
Caltex Australia	A	1087	0.17	9	2.3	Macquarie Group	B	4553	2.36	15	4.1	TransPacific In	D	122	0.45	NE	Nil
Campbell Bros	A	2855	1.71	15	3.5	Metcash Ltd	B	392	0.27	14	6.1	Transfield Serv	B	384	0.47	13	3.1
Carsales.com	A	482	N/A	94	2.8	Milton Corp.	A	1705	N/A	30	4.6	Transurban Grp	C	492	5.58	NE	4

# Recommended Investments

**Lyttelton Port Company's** major shareholder has disclosed that it is "in principle supportive" of the (undisclosed) operational merger with **Port of Otago**.

Merger negotiations are continuing and will need **Commerce Commission** approval . . . and support by the public shareholders!

**Nuplex Industries** (and certain current and former directors) are being sued by the **Securities Commission**

over the "continuous disclosure" rules and the failure to disclose breaches of the company's banking covenants.

This case will be about *what* is a significant item and *needs* to be disclosed. So we don't see this as a particularly good test case to establish guidelines for applying disclosure rules.

In a recession - when earnings suddenly dip (albeit only temporarily) - many *(Continued on Page 4)*

## Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<u>NZ Shares</u>													
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	E	243.4	1.4	13.68	56	1.0	29	29.9	+136%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	A	67.1	1.0	0.71	13	8.2	260	249.0	+226%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.15	14	9.7	220	307.3	+312%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.6	3.03	25	2.8	250	74.8	+117%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.5	0.9	0.67	16	4.1	72	29.4	+1928%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	A	189.8	1.1	0.41	37	1.5	325	377.0	+34%
HOLD	Postie Plus Group	PPG	08/05/06	71	D	40.0	1.6	0.13	23	Nil	35	8.5	-39%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	44.2	1.8	0.06	NE	Nil	26	53.9	-6%
HOLD	Smiths City Group	SCY	09/10/06	64	C	53.0	1.6	0.08	18	5.9	34	12.0	-28%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.6	3.49	21	5.6	260	121.8	+218%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	B	88.2	0.7	0.47	9	10.6	257	234.5	+237%
<u>Australian Shares</u> (in Aust cents)													
HOLD+	AJ Lucas Group	AJL	13/05/03	120	B	64.9	0.6	0.31	13	6.7	238	41.0	+133%
BUY	Ammtec Ltd	AEC	11/01/10	257	A	25.5	0.6	1.09	9	6.8	237	6.5	-5%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	D	89.2	2.2	1.42	NE	Nil	11	17.5	-61%
HOLD	Breville Group Ltd	BRG	13/11/06	171	A	129.5	0.6	0.67	18	2.4	225	22.0	+44%
HOLD	Campbell Brothers Ltd	CPB	12/10/99	389*	A	61.9	0.3	1.71	15	3.5	2855	484.0	+758%
BUY	Cardno Ltd	CDD	14/12/09	410	B	84.3	0.5	0.63	9	7.3	383	14.0	-3%
HOLD	Cellnet Group Ltd <sup>1</sup>	CLT	12/02/02	147*	C	76.8	1.3	0.27	NE	Nil	30	32.4	-55%
BUY	Challenger Wine Trust	CWT	12/01/09	30	C	170.3	1.5	1.38	NE	26.3	27	5.7	+9%
HOLD-	Charter Hall Group	CHC	06/04/09	30*	B	977.3	0.9	8.26	NE	7.0	71	2.6	+145%
HOLD+	Circadian Technologies	CIR	10/02/04	188	C	45.2	0.9	10.40	NE	Nil	71	65.0	-28%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	C	79.7	1.0	0.15	24	Nil	67	65.5	+62%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.8	0.9	0.52	11	8.9	62	7.3	-21%
BUY	Devine Ltd	DVN	13/11/06	84*	B	552.1	1.4	0.23	6	10.2	30	16.9	-45%
HOLD+	Ellex Medical Lasers	ELX	14/03/06	49	C	84.9	2.1	0.20	28	Nil	14	Nil	-71%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	B	32.4	0.8	1.97	13	5.0	134	17.0	-42%
BUY	Finbar Group Ltd	FRI	12/04/10	106	A	141.8	0.7	2.99	9	6.1	115	Nil	+8%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	D	418.7	0.5	3.03	NE	Nil	424	64.0	+4%
BUY	Integrated Research	IRI	14/01/08	40	B	166.8	1.1	1.52	8	10.3	39	9.0	+20%
HOLD-	M2 Telecommunications	MTU	09/10/06	33	A	108.5	0.6	0.97	26	3.0	182	18.5	+508%
HOLD	Mnet Group <sup>1</sup>	MNZ			C	208.3	4.2	0.57	NE	Nil	3	Nil	
BUY	Melbourne IT	MLB	10/02/04	53	A	79.0	0.6	0.67	8	8.8	170	59.0	+332%
HOLD+	Photon Group Ltd	PGA	10/11/08	132*	B	154.3	0.8	0.17	4	12.4	101	11.8	-15%
HOLD+	Probiotec Ltd	PBP	11/02/08	116	B	47.1	0.7	0.80	8	2.2	148	7.3	+34%
HOLD+	Prophecy International	PRO	08/09/08	26	B	45.8	1.2	3.00	9	10.1	42	6.3	+86%
HOLD+	Ross Human Directions	RHD	14/08/01	92	A	83.5	1.2	0.08	7	4.9	36	35.8	-22%
HOLD	Skilled Group Ltd	SKE	12/03/02	126	B	123.6	0.8	0.08	6	8.3	127	132.0	+106%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	300.3	0.8	2.06	16	4.5	84	20.1	+137%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	B	191.3	0.8	1.73	5	4.9	86	8.1	+109%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	25.8	0.3	0.98	21	3.5	1561	220.5	+593%
BUY	Village Roadshow PREF	VRLPA	10/08/09	77	B	224.9	0.6	0.35	7	5.8	220	9.0	+197%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +155.5%. This is equal to an average annual rate of +24.1%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 40 current and 147 closed out) is +29.2%, compared with a market gain of +4.5% (by the SRC Total Return Index).

CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues.

\* Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

(1) Cellnet Group includes 1½ shares in Mnet Group distributed to shareholders.

## Recommended Investments

(Continued from Page 3)

companies will be in technical breach of *any* banking covenant that requires a relationship between earnings and interest costs (i.e. temporarily operating at a loss, or low level of earnings, such covenants will automatically be breached). In this situation, the banks would normally provide a temporary waiver of the covenant, or require some other covenant - or foreclose on the business and place it in receivership. Obviously a year ago, faced with their own problems, the banks were slow and reluctant to correct this situation.

So was this breach a significant item that should have been disclosed? The company can probably argue that they had the expectation that this technical breach would be quickly resolved through negotiations with the bank, so was not significant and therefore did not require disclosure. The problem was that negotiations dragged on as the banks failed to agree on a resolution or sought to force Nuplex Industries to raise capital (in a very difficult market) to repay some debts (which the banks were probably unable to refinance by raising capital or borrowing themselves!!).

One can also argue that the eventual disclosure of this breach resulted in the market becoming grossly *misinformed* about Nuplex Industries. The share price plunged to unrealistic low levels. Nuplex Industries may have made some mistakes, but has a good cashflow business. It was able to raise significant amounts of capital from shareholders - at the worst possible time and when many other companies were unable to get new capital. Profits have subsequently bounced back to new highs and the share price has quadrupled.

With the aid of hindsight it is reasonably clear that this is a situation where disclosure was NOT appropriate and led to a misinformed market in Nuplex Industries' shares. If this court case finds in favour of Nuplex Industries it will only *weaken* disclosure rules, but if it finds against the company it will only *weaken* the case for companies to list on the stockmarket and be required to disclose misleading, out of context information. Either way, this is a lose/lose situation for NZ investors and won't advance the Securities Commission's "fundamental purpose" which "is to facilitate capital investment in New Zealand".

### Nuplex Industries



### Australian Shares

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

**Circadian Technologies** has released data showing its monoclonal antibody VGX-100 (VEGF-C) "significantly

inhibited tumour growth and extended life-expectancy in mouse models of human prostate, pancreatic and brain cancers". The results show significant improvements when combining this treatment with *Avastin* (a VEGF-A inhibitor) and chemotherapy.

While continuing with further testing, the company will now begin toxicology studies in humans which will be completed during 2010. It will also begin bulk manufacture of clinical grade VGX-100 to *Good Manufacturing Practise* levels ahead of Phase I human clinical studies in the first half of 2011.

In other developments, Circadian Technologies expects its partner, **Eli Lilly/ImClone** (which has licenced the VEGFR-3 antibody for the treatment of cancers) to commence clinical trials by around the end of 2010.

A joint venture with **Healthscope** is seeking to validate a diagnostic test for *Cancers of Unknown Primaries* and the successful completion of this project would see the test launched internationally later in 2010.

Circadian Technologies has cash of \$34.8 million (77 cents per share), so with the shares trading around 71 cents the market is placing no value on the company's promising development of cancer treatments! Assuming no income from licencing or partnerships, this cash would finance development for at least the next 2½ years.

It is likely that Circadian Technologies will eventually partner its VGX-100 treatment with a large, international drug company - with the new partner financing future development and Circadian Technologies eventually receiving significant royalties on future drug sales. Alternatively, a major drug company *could* launch a full takeover offer for Circadian Technologies. Even at a significant premium to market value this would be a small upfront cash cost to acquire the company's patents and intellectual property and lead to royalty free future drug sales.

### Circadian Technologies



**Clarius Group** reports an improvement in recruitment activity and an increasing demand for labour. It also reports that its Asian businesses are returning to profitability and is focusing upon the Chinese market.

**Ellex Medical Lasers** has entered an agreement granting it a non-exclusive sub-licence under a US patent held by a medical laser research institute. This patent previously prevented Ellex Medical Lasers from marketing its *Ellex 2RT* laser in the United States although it was able to market outside the US and has applied for four international patents relating to these lasers.

Ellex Medical Lasers has released the initial clinical results of two studies which show “major positive clinical results” to the *Association for Research in Vision and Ophthalmology's* Annual Meeting. These clinical studies use the *Ellex 2RT* laser to treat early Age-related Macular Degeneration (AMD) and Diabetic Retinopathy.

The AMD study included 14 patients and seeks to reduce the degenerative process cause by the build up of yellow “drusen” deposits in retinal tissue. Drusen deposits reduced in 70% of treated eyes, with 50% showing an improved central visual function. Drusen deposits reduced in 56% of non-treated eyes, with just 36% showing improved vision.

The Diabetic Retinopathy trials covered 48 patients and “produced very similar reductions in macular oedema as compared with conventional retinal photocoagulation”. The *Ellex 2RT* laser is, however, 500 times more laser energy efficient and “produces no thermal damage to the retina”.

**Ellex Medical Lasers**



**Fiducian Portfolio Services** reports March quarterly receipts of \$6,513,000 (up 19% from the March 2009 quarter) and an operating cash surplus of \$1,559,000 (up 44%).

**Iluca Resources** reports that “demand for high value mineral sands products recovered in the March quarter of 2010”. Compared with the December 2009 quarter, zircon production was up 31.8%, rutile production up 23.4% and synthetic rutile up 1.5%.

**M2 Telecommunications'** contract as the *Mobile Virtual Network Enabler* (MVNE) for **Optus** has been extended for a further three and a half years. This MVNE contract allows M2 Telecommunications to provide wholesale Optus 3G network mobile voice and data services to other telecommunications companies.

M2 Telecommunications has also acquired the off-net fixed, mobile, data and virtual private network businesses of **Clever Communications Australia** (plus associated, property, plant, equipment, customer contracts and dealer network) for around \$5.0 million in cash (i.e. an up-front payment of \$3.75 million plus \$1.25 million payable in six months). These businesses are expected to generate annual revenues of around \$8 million and earnings (before interest, depreciation and tax) of about \$2.3 million. That equals a Price/Sales ratio of 0.63 and a Price/Earnings ratio of around 3½-4.

The company has also raised \$20.0 million from a share placement at 180 cents. At 31 December 2009, the company had \$23.7 million in interest bearing debts and

\$5.7 million owing as deferred consideration on acquisitions. The **Clever** acquisition would lift these total liabilities to around \$34 million (less accumulated operating cash surpluses over the last four months). The share placement has allowed the company to reduce debt to a very low level.

**Mnet Group** and **Telstra** have signed a three year extension to their contract to market personalised *Caller Tones* to mobile phone users.

The company also reports March quarter revenues of \$2,945,000 and a cash operating surplus of \$146,000. Cash on hand is \$662,000 .

**Probiotec** has paid \$3.8 million in cash to lift its ownership of the *Celebrity Slim* brand from 50% to 100% and settle a related legal action. This gives the company sole and exclusive manufacturing and distribution rights for the brand worldwide and removes on-going royalties, which the company estimates will save \$600,000 to \$1.0 million in the June 2011 financial year (and larger amounts in future years if sales grow in domestic and international markets).

**Probiotec**



**Ross Human Directions** reports that the business continued to perform well in the March quarter and now expects the June 2010 net profit to be “at least 22% above” the \$4,073,000 earned in 2009.

**Ross Human Directions**



**Skilled Group** - on the other hand - reports a below expected recovery in its business and downgraded its earnings to \$60-65 million and net profit to \$10-14 million for the year to June 2010.

Skilled Group will undertake a strategic review of its businesses, aiming to “restore value to its shareholders”.

**Technology One** predicts that its pre-tax profit for the six months to 31 March 2010 will be up around 30% on last year's result.

The company reports that its “operating environment remains challenging, with (Continued on Page 6)

## Recommended Investments

(Continued from Page 5)

aggressive tactics from competitors, delayed decisions and contract negotiations taking much longer to complete". The company believes it is "winning a greater share" of contracts "than in the past", with its biggest problem being "contract delays in a more cautious and risk averse market".

### Technology One



**TFS Corporation** is expecting to exceed its plantation sales forecasts this year!

An undisclosed European distributor is expected to contribute over 300 hectares of sales (through the Beyond

Carbon project) and made a commitment to provide similar sales levels over at least the next two years. Sales are being made to institutional investors and ultra high net worth individuals.

For the record, a "high net worth individual" is an individual or family that has over US\$1 million in investments (excluding their primary residence). Approximately 0.15% of the world's population - or about 9,500,000 people fall into this group. An "ultra high net worth individual" is an individual or family with over US\$30 million of investments. This group accounts for around 0.001% of the global population or about 95,000 people.

The **Emirates Investment Group** is launching a forestry fund to raise money to invest in at least 200 hectares of plantations by the end of June.

TFS Corporation also expects to sell around 500 hectares under its *Managed Investment Scheme* in Australia.

The company, however, has experienced some delay in being paid for the 350 hectares it contracted to sell last year to a Middle Eastern investment group with payment due by 30 April 2010. The investor has paid some (undisclosed) amounts and the company says it "is confident that full payment will be made by 30 June".

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

For an explanation of this table see the *Share Selection Methods* report available from our website. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing" and "Income" shares should be considered for purchase, while the "Over-Valued" and "Worst Performing" shares can generally be sold to release money for re-investment in more attractive shares.

Company	Share Price	Cur. rent	4-Wk Chg.	Rank	Buy/Sell	Strength	Rating	Return	Vola	Price	Divi	Price	Company	Share Price	Cur. rent	4-Wk Chg.	Rank	Buy/Sell	Strength	Rating	Return	Vola	Price	Divi	Price		
<b>UNDER-VALUED SHARES: Lowest Price/Sales, Yld&gt;0, RelStrength&gt;0</b>																											
AustLeadersFd	114	+4.1	-0.2	33	3-0	-	0.9	10	0.7	9	4.4	0.06	77	GEOProperty	21	+11.0	+3.0	18	0-0	-	0.6	-	1.5	NE	9.5	0.40	90
RossHumanDir.	36	+4.1	-3.0	33	1-0	-	1.6	22	1.2	7	4.9	0.08	30	KrestaHoldings	34	+45.5	-6.9	3	3-0	-	2.1	16	1.3	13	2.9	0.42	49
GuinnessPeat	71	+1.0	+0.2	41	0-3	-	0.8	-	0.8	NE	2.5	0.09	181	K&S Corporation	270	+1.7	-1.7	39	1-0	-	1.4	14	0.4	10	4.4	0.43	189
ChandlerMcLeod	24	+22.3	-6.9	8	2-0	1	6.0	-	1.6	NE	6.3	0.11	98	RidleyCorp.	114	+6.4	+0.4	26	10-0	3	1.4	5	0.7	27	6.1	0.43	351
Namoi Cotton	40	+0.3	-0.6	44	2-0	-	0.4	5	1.1	8	6.3	0.12	38	WatercoLtd	105	+6.9	-1.3	25	0-0	-	0.8	6	0.8	14	2.9	0.43	31
AdtransGroup	350	+8.7	-2.4	21	4-1	-	1.5	12	0.4	13	4.6	0.13	88	LandmarkWhite	37	+0.3	-2.6	44	0-0	-	4.1	-	1.1	NE	5.4	0.43	10
AsianCentreLD	10	+3.9	-2.3	33	0-0	-	-	-	2.3	1	20.0	0.15	67	Nat'l Can	115	+1.3	-0.9	41	0-0	-	0.6	4	0.7	17	3.5	0.44	77
ScottCorpLtd	33	+21.0	-0.4	9	0-0	-	0.9	8	1.2	12	3.0	0.15	21	RedcapeProp.	31	+7.6	+2.3	23	2-0	-	0.3	-	1.4	NE	12.9	0.45	49
PMP Limited	65	+3.1	-3.3	35	2-0	-	0.9	-	0.9	NE	4.7	0.16	216	SunlandGroup	74	+0.5	-0.3	43	0-0	-	0.6	-	0.9	NE	4.1	0.47	235
RuralcoHold.	265	+7.3	+3.7	24	4-0	-	1.6	17	0.4	9	8.3	0.16	146	TransfieldServ	384	+3.2	-0.3	35	7-0	3	-	-	0.6	13	3.1	0.47	1,587
CaltexAustralia	1087	+7.0	+5.2	25	0-1	3	1.0	11	0.3	9	2.3	0.17	2,935	ColorpakLtd	46	+0.3	-1.9	44	2-0	-	3.5	53	1.0	7	6.6	0.47	37
AutomotiveHold	241	+12.7	+0.3	16	0-0	-	3.5	15	0.7	23	5.8	0.18	544	UGL Limited	1364	+6.6	+1.1	26	0-0	4	-	-	0.4	16	4.7	0.47	2,242
MerchantHouse	16	+6.4	-3.2	26	1-0	-	0.5	10	1.8	5	6.3	0.20	15	PacificBrands	105	+5.2	+0.3	29	1-0	3	-	-	1.0	NE	8.1	0.49	978
KoonHoldings	28	+6.9	-3.4	25	3-0	-	0.8	31	1.2	3	2.8	0.21	23	SchafferCorp	610	+2.7	-2.7	37	0-0	-	1.7	22	0.3	8	7.4	0.51	86
RCRTomlinson	104	+6.5	+1.3	26	1-2	2	1.2	13	0.8	9	2.4	0.22	131	Undercoverwear	27	+5.0	-5.6	30	1-0	-	2.7	34	1.3	8	7.4	0.52	13
Tel.PacificLtd	14	+9.7	+3.4	19	2-0	-	2.3	41	2.1	6	5.7	0.22	14	Pro-PacPack.	32	+25.7	+5.7	7	2-1	-	4.0	24	1.2	17	1.6	0.52	38
A.P. Eagers	1275	+11.7	-4.0	17	2-0	-	1.5	15	0.2	10	4.9	0.23	381	OaksHotel	45	+1.3	-0.9	41	2-3	-	-	-	1.2	7	13.5	0.57	69
Data3Ltd	796	+2.2	-3.6	38	0-2	-	6.9	55	0.4	12	6.3	0.23	123	SaundersInt'l	41	+8.6	+1.7	21	0-0	-	2.1	21	1.2	10	7.3	0.58	32
SpotlessGroup	257	+5.2	-2.0	30	1-0	2	-	-	0.5	13	4.3	0.23	563	BeyondInt'l	74	+7.6	-2.8	24	0-0	-	1.8	17	0.9	10	6.8	0.59	44
AmbertechLtd	58	+12.9	+1.8	16	3-0	-	1.0	10	1.0	10	6.0	0.25	18	LogicammsLtd	83	+14.3	-2.3	14	0-1	-	3.2	49	0.9	7	6.6	0.59	30
MaxiTRANS	36	+0.1	-2.5	45	3-0	3	1.1	7	1.2	15	2.8	0.25	64	RockBuildSoc.	274	+2.9	-2.0	36	0-3	-	1.5	12	0.5	12	6.8	0.59	54
W'boolCheese	353	+32.0	-6.8	5	2-0	-	1.5	-	0.4	NE	0.6	0.32	141	OnesteelLtd	331	+10.8	+0.3	18	1-1	3	2.0	10	0.5	19	3.0	0.61	4,388
DiplomaGroup	39	+23.7	-0.5	8	3-0	-	6.4	28	1.4	23	2.6	0.32	46	TamawoodLtd	220	+4.3	-4.0	32	1-0	-	2.1	23	0.5	9	9.5	0.61	83
MacMahonHold	62	+14.4	+1.8	14	1-1	5	1.7	6	1.0	27	2.4	0.33	451	AmcorLtd	648	+6.1	+0.4	27	1-0	2	4.0	13	0.3	28	5.2	0.62	7,888
ITXGroup	100	+2.8	-10.0	36	0-0	-	4.5	65	0.9	7	6.0	0.34	50	WestfarmersLtd	2795	+7.5	-1.2	24	3-1	5	8.9	42	0.3	21	3.9	0.63	32,340
VillageRoad.	220	+22.4	-2.7	8	0-0	-	-	-	0.6	7	4.4	0.35	494	AusdrillLtd	187	+12.5	-1.7	16	0-0	2	1.1	13	0.7	8	5.9	0.65	360
HGLLimited	115	+4.4	-1.9	32	0-0	-	1.6	-	0.6	NE	10.5	0.35	61	WHKGroupLtd	105	+3.3	-2.1	35	1-0	1	14.9	35	0.7	42	2.9	0.65	274
Chalmers	282	+0.8	-0.2	42	2-2	-	0.7	8	0.5	8	5.0	0.36	16	CreditCorp	231	+8.3	-11.2	22	13-2	-	1.4	16	0.5	9	1.7	0.66	102
GazalCorp	145	+6.5	+3.3	26	1-0	-	2.4	19	0.6	13	5.5	0.36	88	WoolworthsLtd	2694	+0.1	+0.4	45	2-4	5	17.5	97	0.2	18	3.9	0.67	33,151
EmbeltonLtd	475	+8.4	-0.8	22	1-0	-	1.2	12	0.3	10	3.5	0.38	10	WingdwaysAust	260	+1.9	-2.0	39	0-0	-	12.4	99	0.5	12	6.5	0.67	83
WAMActiveLtd	100	+2.3	-2.7	38	6-0	-	0.8	3	0.9	24	2.0	0.38	15	MelbourneIT	170	+0.2	+2.3	44	3-0	-	-	-	0.6	8	8.8	0.67	134
HillsIndust.	227	+16.3	+1.1	12	0-0	1	1.6	3	0.6	49	4.4	0.38	464	BrevilleGroup	225	+14.1	+6.3	15	1-0	1	4.6	25	0.6	18	2.4	0.67	291
NewsCorp.	1861	+9.9	+1.0	19	0-0	1	-	-	0.2	NE	0.8	0.39	14,860	Boral Limited	565	+2.4	+0.6	38	3-0	5	1.4	6	0.4	24	2.3	0.69	3,350
QantasAirways	253	+2.6	-1.7	37	0-0	2	1.1	2	0.5	49	2.8	0.39	5,731	CollectionHse	72	+8.8	-7.3	21	5-1	-	0.9	10	0.8	9	6.8	0.69	70
LudowiciLtd	270	+8.3	-1.7	22	5-0	-	1.1	3	0.5	34	4.4	0.40	64	Suncorp-Metway	819	+2.4	-1.3	38	2-1	3	1.6	5	0.3	29	4.9	0.69	10,298

Company	Share Price	Current Price	4-Wk Chg	Rank 0-99	Insider Buy/Sell	Proxies Following	Price to NTAE	Return on Equity	Vola-ity	Price-Earn Ratio	Dividend Yield	Price-Sales Ratio	Market Cap'n
<b>BEST PERFORMING SHARES: Strongest Shares, P/E &lt; 20, P/S &lt; 1.0</b>													
Kresta Holdings	34	+45.5	-6.9	3	3-0	-	2.1	16	1.0	13	2.9	0.42	49
Konekt Limited	14	+30.1	-0.8	5	1-1	-	-	1.3	8	Nil	0.31	10	
Ascent Pharm.	30	+29.3	+8.3	5	1-0	-	7.5	92	1.1	8	Nil	0.71	75
Firstfolio Ltd	6	+26.6	-0.7	7	1-2	-	-	-	2.1	9	Nil	0.63	42
Pro-PacPack	32	+25.7	+5.7	7	2-1	-	4.0	24	0.8	17	1.6	0.52	38
Vietnam Indust.	43	+23.3	+11.9	8	0-0	-	1.8	74	1.0	2	Nil	0.23	61
Village Road.	220	+22.4	-2.7	8	0-0	-	-	0.5	7	4.4	0.35	494	
Decmil Group	153	+21.7	+2.3	8	1-0	1	8.5	47	0.5	18	Nil	0.62	180
liNet	268	+21.2	+5.5	9	4-1	4	-	0.4	16	3.0	0.97	405	
Scott Corp Ltd	33	+21.0	-0.4	9	0-0	-	0.9	8	0.9	12	3.0	0.15	21
Legend Corp.	17	+20.2	-3.6	10	3-1	-	2.8	35	1.2	8	Nil	0.39	36
Lycopodium Ltd	319	+17.8	+0.2	11	2-1	1	3.5	40	0.3	9	7.8	0.84	123
Corp Express	557	+17.4	+6.5	12	1-2	2	34.8	-	0.3	16	4.0	0.81	936
Macquarie C Tel	485	+16.2	-7.7	12	0-1	-	2.0	15	0.4	13	Nil	0.39	99
Logicanns Ltd	83	+14.3	-2.3	14	0-1	-	3.2	49	0.7	7	6.6	0.59	30
Breville Group	225	+14.1	+6.3	15	1-0	1	4.6	25	0.5	18	2.4	0.67	291
Ambertech Ltd	58	+12.9	+1.8	16	3-0	-	1.0	10	0.7	10	6.0	0.25	18
Ausdrill Ltd	187	+12.5	-1.7	16	0-0	2	1.1	13	0.6	8	5.9	0.65	360
Spec Fashion	115	+12.4	-7.8	17	3-0	2	11.5	-	0.7	10	Nil	0.39	219
Bradken Ltd	698	+12.0	+3.1	17	0-4	6	5.3	39	0.5	14	5.3	0.72	886
A.P. Eagers	1275	+11.7	-4.0	17	2-0	-	1.5	15	0.2	10	4.9	0.23	381
Onesteel Ltd	331	+10.8	+0.3	18	1-1	3	2.0	10	0.4	19	3.0	0.61	4,388
Noni B Limited	125	+10.0	-0.6	19	1-0	-	3.9	22	0.6	17	Nil	0.34	40
Homeloans Ltd	71	+10.0	+3.3	19	2-0	-	1.3	14	0.7	10	9.9	0.70	70
Tel. Pacific Ltd	14	+9.7	+3.4	19	2-0	-	2.3	41	1.5	6	5.7	0.22	14
Autodom Limited	7	+9.4	-4.7	20	0-0	-	0.6	19	2.4	3	Nil	0.04	4
Longreach Group	3	+9.0	-4.5	20	0-0	-	1.5	26	2.8	6	Nil	0.58	8
Collection Hse	72	+8.8	-7.3	21	5-1	-	0.9	10	0.5	9	6.8	0.69	70
Adtrans Group	350	+8.7	-2.4	21	4-1	-	1.5	12	0.3	13	4.6	0.13	88
CTI Logistics	100	+8.7	+5.3	21	2-0	-	1.6	16	0.5	10	6.0	0.81	41
Saunders Int'l	41	+8.6	+1.7	21	0-0	-	2.1	21	0.9	10	7.3	0.58	32
Embelton Ltd	475	+8.4	-0.8	22	1-0	-	1.2	12	0.2	10	3.5	0.38	10
TTA Holdings	7	+8.3	-19.1	22	0-0	-	0.9	19	1.9	5	Nil	0.20	9
Credit Corp	231	+8.3	-11.2	22	13-2	-	1.4	16	0.4	9	1.7	0.66	102
RHGLtd	65	+8.2	+3.3	22	0-3	-	0.9	51	0.9	2	Nil	0.27	211
McPherson's Ltd	283	+7.7	-1.4	23	3-0	1	-	0.3	10	Nil	0.56	199	
Rio Tinto Ltd	6498	+7.7	-1.8	23	0-0	4	-	0.3	7	0.8	0.80	39,432	
Global Con Serv	92	+7.6	-0.7	23	0-1	-	2.0	28	0.7	7	7.1	0.90	77
Beyond Int'l	74	+7.6	-2.8	24	0-0	-	1.8	17	0.7	10	6.8	0.59	44
E-Bet Limited	10	+7.4	+4.8	24	6-1	-	-	1.6	14	Nil	0.82	21	
Ruralco Hold.	265	+7.3	+3.7	24	4-0	-	1.6	17	0.3	9	8.3	0.16	146
Caltex Austria	1087	+7.0	+5.2	25	0-1	3	1.0	11	0.3	9	2.3	0.17	2,935
Selectharvest	439	+7.0	-1.6	25	4-0	3	2.8	27	0.3	10	2.7	0.70	173
Waterco Ltd	105	+6.9	-1.3	25	0-0	-	0.8	6	0.6	14	2.9	0.43	31
Koon Holdings	28	+6.9	-3.4	25	3-0	-	0.8	31	0.9	3	2.8	0.21	23
UGL Limited	1364	+6.6	+1.1	26	0-0	4	-	0.4	16	4.7	0.47	2,242	
Vita Group Ltd	25	+6.5	-4.6	26	5-0	-	-	1.1	7	Nil	0.12	35	
RCR Tomlinson	104	+6.5	+1.3	26	1-2	2	1.2	13	0.6	9	2.4	0.22	131
Gazal Corp	145	+6.5	+3.3	26	1-0	-	2.4	19	0.5	13	5.5	0.36	88
Merchant House	16	+6.4	-3.2	26	1-0	-	0.5	10	1.3	5	6.3	0.20	15
Perilya Mines	49	+5.9	-7.6	28	1-0	1	2.3	52	1.0	4	Nil	0.84	254
Coventry Group	201	+5.7	-7.1	28	3-0	-	0.6	4	0.6	14	Nil	0.19	79
Ideas Intern'l	25	+5.6	-9.1	28	1-0	-	-	1.0	3	Nil	0.47	3	
Bendigo Bank	921	+5.5	-2.4	29	1-1	3	2.3	14	0.3	17	4.7	0.84	3,076
Salmat Ltd	411	+5.3	+1.4	29	0-0	2	-	0.3	19	5.4	0.73	650	
Country Road	365	+5.3	-2.3	29	0-1	-	4.0	25	0.2	16	3.6	0.73	252
Spotless Group	257	+5.2	-2.0	30	1-0	2	-	0.4	13	4.3	0.23	563	
Undercoverwear	27	+5.0	-5.6	30	1-0	-	2.7	34	0.9	8	7.4	0.52	13
TMA Group of Co	26	+4.5	-7.3	31	1-0	-	25.5	-	1.0	9	Nil	0.56	29
Tamawood Ltd	220	+4.3	-4.0	32	1-0	-	2.1	23	0.3	9	9.5	0.61	83
Frigrite Ltd	14	+4.2	+4.6	32	4-0	-	1.8	11	1.4	17	Nil	0.04	7
Aust Leaders Fd	114	+4.1	-0.2	33	3-0	-	0.9	10	0.5	9	4.4	0.66	77
Ross Human Dir.	36	+4.1	-3.0	33	1-0	-	1.6	22	0.9	7	4.9	0.08	30
Patties Foods	109	+4.0	-6.2	33	21-0	1	4.7	35	0.6	13	4.1	0.84	151
Asian Centre LD	10	+3.9	-2.3	33	0-0	-	-	1.6	1	20.0	0.15	67	
Steril Health Ltd	140	+3.4	+0.5	35	0-0	-	-	0.4	7	Nil	0.62	27	
Transfield Serv	384	+3.2	-0.3	35	7-0	3	-	0.5	13	3.1	0.47	1,587	
Super Cheap Auto	565	+2.9	+0.4	36	0-0	3	8.2	44	0.4	19	3.2	0.73	602
Rock Build Soc.	274	+2.9	-2.0	36	0-3	-	1.5	12	0.4	12	6.8	0.59	54
GLG Corporation	30	+2.9	-12.8	36	0-0	-	0.7	8	0.9	8	Nil	0.09	22
<b>INCOMESHARES: Highest Yields, Capitalisation &gt; \$250 million</b>													
Intoll Group	108	-10.8	-1.6	78	0-0	2	0.6	-	0.4	NE	18.6	N/A	2,431
Abacus Property	42	+0.1	+1.0	45	2-0	3	0.7	-	0.6	NE	18.5	4.58	634
New Hope Corp.	467	+3.6	+2.0	34	3-2	4	1.4	10	0.3	15	17.6	5.44	3,813
Aspen Group Ltd	54	+5.9	+2.6	28	0-0	2	0.8	-	0.6	NE	16.8	4.24	298
ING Office Fund	60	+1.8	-0.5	39	0-1	0	0.6	-	0.5	NE	16.1	4.63	1,084
Goodman Group	66	+5.9	+3.3	28	0-2	1	0.8	-	0.6	NE	14.6	N/A	3,417
Ervestra	50	+3.0	+0.3	36	0-0	2	-	-	0.6	2	14.5	1.68	654
DUET Group	168	+1.2	-1.4	41	0-1	-	1.0	-	0.4	NE	14.4	1.38	1,439
Chal Infra Fund	144	-6.8	-1.6	68	0-0	-	-	-	0.4	NE	13.9	0.99	483
Ale Property	217	+0.6	-1.1	43	1-1	-	-	9	0.3	8	13.8	3.86	285
SP Ausnet	87	+2.2	-0.4	38	0-1	2	1.0	8	0.4	13	13.6	1.58	2,715
Chart H Office	28	-1.3	-0.6	53	0-0	-	0.6	-	0.8	NE	13.4	3.68	1,284

Company	Share Price	Current Price	4-Wk Chg	Rank 0-99	Insider Buy/Sell	Proxies Following	Price to NTAE	Return on Equity	Vola-ity	Price-Earn Ratio	Dividend Yield	Price-Sales Ratio	Market Cap'n
<b>BEST PERFORMING SHARES: Strongest Shares, P/E &lt; 20, P/S &lt; 1.0</b>													
Chart H Retail	54	-1.1	-1.5	52	0-0	-	0.7	-	0.6	NE	13.1	3.79	784
Chal Div Prop	53	+7.1	+0.9	24	2-0	-	0.6	8	0.6	8	12.8	3.60	448
ING Indust Trt	43	-2.3	-0.0	56	2-0	1	0.4	-	0.6	NE	12.5	1.64	482
Cronwell Group	74	+2.4	+0.6	38	3-2	1	1.0	-	0.5	NE	12.2	3.71	517
Spark Infrastru	116	+0.1	-2.6	45	0-0	2	0.7	7	0.5	10	11.7	4.21	1,192
Arden Leisure	126	-5.3	-4.5	64	4-0	-	1.1	-	0.5	NE	11.3	0.83	304
Infigen Energy	81	-6.7	-5.2	68	0-1	-	1.4	38	0.7	4	11.1	1.49	704
Tabcorp Holding	647	-1.9	-0.9	55	0-0	2	-	-	0.2	7	10.0	0.93	3,906
C'wth Prop Off.	90	+0.0	-0.3	45	0-0	1	0.8	-	0.5	NE	9.6	5.54	1,675
Dexus Property	78	-0.1	-1.2	48	0-0	2	0.8	-	0.5	NE	9.4	4.71	3,667
Hast Div Util	129	+11.1	+2.7	18	0-0	2	0.6	-	0.6	NE	9.3	4.73	638
Telstra	300	-4.8	-0.7	63	1-0	5	9.4	93	0.3	10	9.3	1.51	37,329
Aneka Tambang	130	+4.7	+										

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

For an explanation of this table see the *Share Selection Methods* report available from our website. These shares are not formal “buy” and “sell” recommendations, but the “Under-Valued”, “Best Performing” and “Income” shares should be considered for purchase, while the “Over-Valued” and “Worst Performing” shares can generally be sold to release money for re-investment in more attractive shares.

STRENGTH_RATING													STRENGTH_RATING														
Company	Share Price	Cur-4-Wk	Rank	Chg.	0-99	Dividend	Yield	Price	Return	Volatility	Price	Dividend	Price	Company	Share Price	Cur-4-Wk	Rank	Chg.	0-99	Dividend	Yield	Price	Return	Volatility	Price	Dividend	Price
		rent				to		on	til-	Earn.dend	Sales	Market			rent					to	til-	Earn.dend	Sales	Market			
						NTA	Equity	ity	Ratio	Yield	Ratio	Cap'n								NTA	Equity	ity	Ratio	Yield	Ratio	Cap'n	
<b>UNDER-VALUED SHARES: Lowest Price/Sales, Yld&gt;0, RelStrength&gt;0</b>													<b>OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength&lt;0</b>														
Tag Pacific Ltd	22	+6.8	-6.7	12	0-0	-	0.5	5	1.9	10	4.3	0.14	15	Goodman Prop.	100	-0.6	-0.6	53	0-2	-	0.9	-	0.4	NE	10.4	6.52	845
Col Motor Co	220	+0.2	+0.5	47	7-0	-	0.5	4	0.5	14	9.7	0.15	72	AMP Onyx Mgmt	76	-2.4	+1.2	62	1-0	-	0.8	-	0.4	NE	9.1	5.67	758
Hellaby Hold.	165	+3.5	-2.1	28	10-0	-	1.0	6	1.3	16	5.2	0.17	84	NZ Windfarms	25	-22.1	-4.9	94	0-0	-	0.2	-	1.2	NE	Nil	5.10	20
Ebos Group Ltd	627	+6.7	+0.3	12	0-3	1	1.9	12	0.4	16	5.7	0.23	307	NZ Exchange Ltd	175	-5.0	-5.6	71	0-2	-	2.2	3	0.6	88	5.3	4.93	211
Air New Zealand	125	+6.5	+0.4	14	0-7	1	0.8	1	0.9	63	7.4	0.29	1,333	Metro LifeCare	210	-3.1	-0.4	68	0-0	-	0.6	-	0.5	NE	Nil	4.39	257
Seeka Kiwifruit	300	+2.5	-0.5	33	3-0	-	0.7	7	0.4	9	6.0	0.35	38	Kiwi Property	100	-1.2	-0.2	60	0-1	-	0.9	-	0.4	NE	9.1	4.28	782
Nuplex Indust	325	+13.5	-3.6	4	4-0	1	1.2	3	1.1	37	1.5	0.41	617	NZOil & Gas	147	-2.5	+0.5	64	1-0	-	1.1	11	0.4	11	4.9	4.11	570
Mainfreight Grp	640	+9.9	+1.4	6	0-5	-	2.2	12	0.5	18	4.3	0.50	630	NZ Refining Co	365	-8.8	+2.0	80	1-0	-	1.9	4	0.3	43	Nil	4.09	1,022
Infratil NZ	166	+1.5	+1.0	41	4-0	-	1.1	-	0.8	NE	5.6	0.50	864	ING Property	75	-0.1	-0.6	49	1-0	-	0.7	-	0.4	NE	10.7	3.69	397
Skellerup Hold.	64	+9.6	+6.7	7	1-0	-	1.2	11	1.1	11	5.6	0.54	121	NZ Farming Sys.	37	-11.1	-0.3	85	0-1	-	0.3	-	0.7	NE	Nil	3.69	90
Guinness Peat	88	+3.3	-0.0	30	0-5	-	0.7	-	1.1	NE	2.5	0.55	1,429	Life Pharmacy	35	-9.3	+8.0	81	0-0	-	0.6	0	0.8	393	Nil	3.26	24
Turners Auction	149	+19.3	+1.4	2	2-0	-	2.0	16	0.6	12	11.5	0.58	41	Lyttelton Port	250	-0.5	+0.0	51	0-0	-	2.0	8	0.3	25	2.8	3.03	256
Kirkcaldie & St	285	+4.8	-2.4	20	0-0	-	1.2	4	0.5	28	4.0	0.65	28	Kermadec Prop.	49	-2.6	-0.9	65	1-0	-	0.6	-	0.6	NE	10.2	2.90	39
Michael Hill	72	+4.0	+0.1	25	4-1	1	1.8	12	0.9	16	4.1	0.67	275	Trust Power Ltd	720	-0.7	+0.5	54	0-3	-	1.6	7	0.3	22	6.8	2.89	2,270
Briscoe Group	131	+6.7	-2.2	13	3-0	-	2.2	16	1.0	13	7.6	0.67	278	Mowbray Collect	85	-5.2	-0.9	73	0-0	-	2.2	-	0.4	NE	Nil	2.27	9
Fletcher Build.	795	+3.7	+0.4	27	2-8	2	1.6	12	0.5	14	5.9	0.68	4,806	W Drive Tech.	8	-11.7	+4.0	86	9-0	-	1.8	-	1.2	NE	Nil	2.07	46
Restaurant Brds	222	+25.7	+1.9	1	8-0	-	4.4	40	0.6	11	8.0	0.68	216	Sky City Ltd	300	-0.8	-0.9	56	2-0	1	2.3	16	0.5	15	7.4	2.06	1,725
Cavalier Corp	260	+5.4	-2.4	19	1-0	1	2.0	16	1.0	13	8.2	0.71	174	<b>WORST PERFORMING SHARES: Weakest Shares, P/S Ratio&gt;0.25, Yield&lt; Twice Average</b>													
Methven Limited	147	+1.0	-3.8	44	1-2	-	1.7	17	0.9	10	11.9	0.71	98	Charlie's Group	9	-58.3	+0.0	97	1-0	-	1.9	-	1.4	NE	Nil	0.80	25
Pumpkin Patch	211	+9.0	+0.7	7	0-2	1	4.0	2	0.7	199	4.4	0.85	352	Cynotech Hold.	5	-33.3	-2.4	95	0-0	-	0.5	-	1.5	NE	Nil	0.39	6
<b>BEST PERFORMING SHARES: Strongest Shares, P/E&lt;20, P/S&lt;1.0</b>													<b>NEW IMAGE GROUP</b>														
Restaurant Brds	222	+25.7	+1.9	1	8-0	-	4.4	40	0.4	11	8.0	0.68	216	NZ Windfarms	25	-22.1	-4.9	94	0-0	-	0.2	-	1.2	NE	Nil	5.10	20
Media Tech.	4	+21.3	-6.7	1	0-0	-	14.3	-	2.5	4	Nil	0.63	3	Pyne Gould Corp	46	-18.4	+3.4	92	10-1	-	0.2	-	0.7	NE	Nil	0.31	317
Turners Auction	149	+19.3	+1.4	2	2-0	-	2.0	16	0.4	12	11.5	0.58	41	Windflow Tech.	98	-16.5	-3.3	90	0-0	-	0.7	-	0.4	NE	Nil	0.37	12
Mainfreight Grp	640	+9.9	+1.4	6	0-5	-	2.2	12	0.5	18	4.3	0.50	630	Delegat's Group	167	-13.1	-7.9	88	0-0	-	1.2	22	0.4	6	6.8	0.73	168
Skellerup Hold.	64	+9.6	+6.7	7	1-0	-	1.2	11	0.9	11	5.6	0.54	121	W Drive Tech.	8	-11.7	+4.0	86	9-0	-	1.8	-	1.1	NE	Nil	2.07	46
Tag Pacific Ltd	22	+6.8	-6.7	12	0-0	-	0.5	5	1.5	10	4.3	0.14	15	NZ Farming Sys.	37	-11.1	-0.3	85	0-1	-	0.3	-	0.6	NE	Nil	3.69	90
Ebos Group Ltd	627	+6.7	+0.3	12	0-3	1	1.9	12	0.3	16	5.7	0.23	307	Rakon Ltd	96	-11.0	+0.8	84	0-1	-	0.9	3	0.7	27	Nil	0.88	123
Briscoe Group	131	+6.7	-2.2	13	3-0	-	2.2	16	0.8	13	7.6	0.67	278	NZ Finance Hold	20	-10.6	+2.5	84	0-0	-	0.9	-	0.6	NE	Nil	0.39	15
Cavalier Corp	260	+5.4	-2.4	19	1-0	1	2.0	16	0.9	13	8.2	0.71	174	Sealegs Corp	17	-10.0	-3.4	82	0-0	-	2.7	-	1.2	NE	Nil	1.15	13
Tower Limited	192	+4.4	-2.1	23	2-0	1	1.2	12	0.8	10	6.7	0.95	489	Life Pharmacy	35	-9.3	+8.0	81	0-0	-	0.6	0	0.7	393	Nil	3.26	24
Michael Hill	72	+4.0	+0.1	25	4-1	1	1.8	12	0.7	16	4.1	0.67	275	NZ Refining Co	365	-8.8	+2.0	80	1-0	-	1.9	4	0.3	43	Nil	4.09	1,022
Fletcher Build.	795	+3.7	+0.4	27	2-8	2	1.6	12	0.4	14	5.9	0.68	4,806	Oyster Bay	185	-8.5	-0.8	79	0-0	-	0.3	3	0.3	11	5.4	1.41	17
Hellaby Hold.	165	+3.5	-2.1	28	10-0	-	1.0	6	1.1	16	5.2	0.17	84	Wakefield Hlth	700	-7.0	+1.8	77	0-1	1	1.1	11	0.2	10	5.3	1.15	99
Seeka Kiwifruit	300	+2.5	-0.5	33	3-0	-	0.7	7	0.3	9	6.0	0.35	38	Abano Health.	515	-5.6	-1.3	76	0-0	-	2.0	17	0.6	12	6.1	0.64	120
Methven Limited	147	+1.0	-3.8	44	1-2	-	1.7	17	0.8	10	11.9	0.71	98	NZ Wine Company	180	-5.3	-1.2	75	0-0	-	0.7	6	0.4	12	3.2	1.25	16
Col Motor Co	220	+0.2	+0.5	47	7-0	-	0.5	4	0.4	14	9.7	0.15	72	Sanford Limited	420	-5.2	-1.2	74	0-1	1	0.7	7	0.2	10	7.8	0.91	393
<b>INCOME SHARES: Highest Yields, Capitalisation&gt;NZ\$100million</b>													<b>MOWBRAY COLLECT</b>														
Telecom Corp	213	-7.5	-0.6	78	1-3	1	1.5	15	0.5	10	11.3	0.71	3,966	Goodman Prop.	100	-0.6	-0.6	53	0-2	-	0.9	-	0.4	NE	10.4	6.52	845
ING Property	75	-0.1	-0.6	49	1-0	-	0.7	-	0.5	NE	10.7	3.69	397	Vector Ltd	213	+2.6	+1.9	33	3-2	1	1.0	9	0.5	12	9.2	1.81	2,036
Goodman Prop.	100	-0.6	-0.6	53	0-2	-	0.9	-	0.5	NE	10.4	6.52	845	Kiwi Property	100	-1.2	-0.2	60	0-1	-	0.9	-	0.5	NE	9.1	4.28	782
Vector Ltd	213	+2.6	+1.9	33	3-2	1	1.0	9	0.5	12	9.2	1.81	2,036	AMP Onyx Mgmt	76	-2.4	+1.2	62	1-0	-	0.8	-	0.5	NE	9.1	5.67	758
Kiwi Property	100	-1.2	-0.2	60	0-1	-	0.9	-	0.5	NE	9.1	4.28	782	Hallenstein G.	345	+7.8	-1.7	9	0-0	-	3.7	23	0.3	16	8.7	1.04	206
AMP Onyx Mgmt	76	-2.4	+1.2	62	1-0	-	0.8	-	0.5	NE	9.1	5.67	758	Warehouse Group	362	-3.4	+0.3	69	4-2	1	3.5	24	0.4	15	8.3	0.65	1,127
Hallenstein G.	345	+7.8	-1.7	9	0-0	-	3.7	23	0.3	16	8.7	1.04	206	Cavalier Corp	260	+5.4	-2.4	19	1-0	1	2.0	16	0.8	13	8.2	0.71	174
Warehouse Group	362	-3.4	+0.3	69	4-2	1	3.5	24	0.4	15	8.3	0.65	1,127	Restaurant Brds	222	+25.7	+1.9	1	8-0	-	4.4	40	0.4	11	8.0	0.68	216
Cavalier Corp	260	+5.4	-2.4	19	1-0	1	2.0	16	0.8	13	8.2	0.71	174	<b>INSIDER BUYING: Most Insider Buying, Relative Strength&gt;0</b>													
Restaurant Brds	222	+25.7	+1.9	1	8-0	-	4.4	40	0.4	11	8.0	0.68	216	Hellaby Hold.	165	+3.5	-2.1	28	10-0	-	1.0	6	1.0	16	5.2	0.17	84
<b>INSIDER BUYING: Most Insider Buying, Relative Strength&gt;0</b>													<b>RESTAURANT BRDS</b>														
Hellaby Hold.	165	+3.5	-2.1	28	10-0	-	1.0	6	1.0	16	5.2	0.17	84	Comvita	231	+28.8	+0.6	0	8-0	-	1.1	1	0.6	85	Nil	0.91	65
Restaurant Brds	222	+25.7	+1.9	1	8-0	-	4.4	40	0.3	11	8.0	0.68	216	Guoco Leisure	60	+6.4	-1.0	15	8-0	-	0.5	7	0.6	8	2.7	1.32	821
Comvita	231	+28.8	+0.6	0	8-0	-	1.1	1	0.6	85	Nil	0.91	65	Col Motor Co	220	+0.2	+0.5	47	7-0	-	0.5	4	0.3	14	9.7	0.15	72
Guoco Leisure	60	+6.4	-1.0	15	8-0	-	0.5	7	0.6	8	2.7	1.32	821	Scott Tech. Ltd	120	+8.1	-2.0	8	7-0	-	1.8	1	0.5	142	1.2	1.20	38
Col Motor Co	220	+0.2	+0.5	47	7-0	-	0.5	4	0.3	14	9.7	0.15	72	Tourism Hold.	91	+15.7	-4.9	3	4-0	-	0.5	-	0.7	NE	Nil	0.53	89
Scott Tech. Ltd	120	+8.1	-2.0	8	7-0	-	1.8	1	0.5	142	1.2	1.20	38	Infratil NZ	166	+1.5	+1.0	41</									



# Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Exercise Price	Yr/Mth Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
ADG Global Supply	6.5	15	0-10	0.8	1.0	-22	1.07	2.35	1.0	+190	CO2 Group	15	12	1-5	3.8	6.7	-43	0.82	1.68	1.0	+6
AXG Mining	2.1	20	0-3	0.1	0.0	+999	1.16	8.34	1.0	+999	Capital Mining	4.4	20	0-5	0.3	0.0	+999	0.95	5.77	1.0	+999
Actinogen Ltd	3.5	50	2-2	0.1	1.2	-92	1.53	1.44	1.0	+242	Capital Mining Ltd	4.4	8.0	1-1	2.0	1.0	+106	0.95	2.15	1.0	+113
Activex Ltd	9.0	8.0	0-2	1.0	1.7	-41	0.78	3.80	1.0	+0	Capitol Health	5.4	5.0	1-11	0.9	2.3	-60	0.69	1.77	1.0	+5
Adultshop.com	1.0	0.8	1-7	0.3	0.6	-46	1.01	1.46	1.0	+6	Carbine Resources	30	15	1-2	14.5	18.9	-23	1.09	1.39	1.0	+0
Agenix Ltd	1.7	30	1-1	1.0	0.0	+999	0.00	9.99	1.0	+999	Cardia Technologies	1.8	10	1-1	0.2	0.0	+999	0.60	5.71	1.0	+396
Alchemy Resources	51	25	0-3	29.0	28.7	+1	1.54	1.61	1.0	+26	Carnavale Resources	32	20	2-9	13.0	22.1	-41	0.95	1.27	1.0	+1
All Brands	9.2	60	0-7	0.1	0.0	+999	0.52	9.39	1.0	+999	Carpentaria Exploration	42	30	0-1	12.5	13.6	-8	1.38	2.63	1.0	+15
Alterra Resources	26	20	1-8	9.5	17.4	-45	1.32	1.27	1.0	+8	Catalpa Resources	150	10	0-1	48.0	140.0	-66	0.49	1.07	1.0	-100
Altura Mining	20	35	0-0	0.3	17.4	-98	0.99	1.27	1.0	+999	Catalpa Resources	150	10	1-5	56.0	140.6	-60	0.49	1.07	1.0	-44
Ampella Mining	150	15	0-2	133.5	134.6	-1	0.57	1.11	1.0	-4	Cazaly Resources	48	20	0-9	28.0	29.8	-6	0.84	1.53	1.0	+0
Anaeco Ltd	18	100	2-0	0.1	0.5	-79	0.64	3.31	1.0	+136	Central Petroleum	6.5	16	1-10	3.1	1.3	+147	0.80	2.14	1.0	+80
Anaeco Ltd	18	50	0-0	0.1	0.5	-79	0.64	3.31	1.0	+999	Central Petroleum	6.5	25	0-1	0.3	0.0	+999	0.80	9.99	1.0	+999
Anteo Diagnostics	4.0	1.2	0-4	3.9	3.1	+28	2.25	1.24	1.0	+107	Charter Pacific	5.5	12	0-8	0.1	0.1	+1	0.59	5.31	1.0	+222
Anteo Diagnostics	4.0	6.5	0-8	1.2	2.2	-46	2.25	1.34	1.0	+167	Chemgenex Pharm.	34	75	1-8	17.5	5.0	+253	0.70	2.46	1.0	+84
Apex Minerals	1.6	6.0	2-5	0.6	0.3	+116	0.79	2.07	1.0	+78	Chrysalis Resources	17	20	3-1	7.6	11.1	-31	1.13	1.24	1.0	+18
Apollo Minerals	17	25	1-6	2.0	4.0	-50	0.74	2.18	1.0	+39	Cluff Resources Pac.	0.4	0.6	0-2	0.1	0.0	+386	1.07	4.74	1.0	+999
Aragon Resources	19	25	0-4	3.0	2.6	+14	1.05	3.06	1.0	+247	Cluff Resources Pac.	0.4	1.0	1-2	0.1	0.1	+18	1.07	2.03	1.0	+138
Arc Exploration	3.8	3.6	0-8	1.0	1.4	-26	1.04	1.96	1.0	+33	Coal Spur Mines	71	8.0	1-1	61.0	63.5	-4	0.93	1.12	1.0	-3
Argent Minerals	16	20	1-1	2.8	4.5	-38	0.89	2.03	1.0	+43	Con Tin Mines	6.0	20	3-7	2.0	4.0	-50	1.32	1.21	1.0	+44
Artemis Resources	5.0	5.0	1-1	1.5	2.3	-33	1.11	1.63	1.0	+27	Continental Coal	4.8	5.0	2-9	2.5	2.0	+27	0.61	1.76	1.0	+18
Astro Diamond Mines	0.7	5.0	2-6	0.7	0.3	+159	1.31	1.44	1.0	+131	Convergent Minerals	8.0	20	1-7	2.5	2.2	+16	1.02	1.84	1.0	+92
Astro Mining	0.7	5.0	2-6	0.2	0.3	-26	1.31	1.44	1.0	+123	Copper Range Ltd	1.8	30	0-4	0.1	0.0	+999	1.13	7.39	1.0	+999
Athena Resources	6.0	8.0	1-11	3.1	3.2	-3	1.16	1.41	1.0	+38	Coppermoly	10	30	0-11	2.0	1.1	+85	1.02	2.54	1.0	+256
Atlantic Gold NL	5.0	8.0	0-8	0.8	0.4	+79	0.70	3.54	1.0	+133	Coppermoly Ltd	10	7.0	1-6	7.0	5.8	+21	1.02	1.44	1.0	+25
Atlantic Ltd	4.7	0.8	1-7	3.8	4.0	-5	0.98	1.15	1.0	-1	Cortona Resources	22	20	1-8	11.0	8.9	+24	0.73	1.79	1.0	+25
Atom Energy	4.5	38	0-5	0.1	0.0	+999	1.03	6.40	1.0	+999	DSF International	0.8	3.0	2-7	0.5	0.4	+15	1.37	1.31	1.0	+77
Atomic Resources	16	25	1-3	3.5	2.5	+42	0.67	2.68	1.0	+63	Dart Mining NL	8.2	20	0-0	0.6	0.4	+38	1.05	1.31	1.0	+999
Atticus Resources	15	20	2-4	3.0	4.3	-29	0.58	2.10	1.0	+20	Datamotion Asia Pac.	0.1	1.0	2-11	0.1	0.1	+96	1.48	1.29	1.0	+126
Augur Resources	20	20	0-1	3.0	3.2	-7	1.53	3.43	1.0	+624	Dourado Resources	24	20	4-6	4.5	12.1	-63	0.47	1.61	1.0	+0
Augustus Minerals	32	25	0-2	5.1	8.5	-40	0.86	3.06	1.0	-31	Eagle Eye Metals	4.5	20	0-1	0.1	0.0	+999	1.07	9.99	1.0	+999
Aurium Resources	2.5	20	0-0	0.1	8.5	-99	1.09	3.06	1.0	+999	Eagle Nickel	3.6	30	2-1	0.8	0.3	+180	0.90	2.31	1.0	+180
Aurium Resources	2.5	3.5	2-4	1.0	1.4	-27	1.09	1.38	1.0	+29	Eastern Iron	13	12	0-7	5.0	3.7	+66	0.93	2.28	1.0	+76
Ausgold Ltd	15	20	2-10	4.4	3.7	+18	0.49	2.23	1.0	+20	Eastland Medical	6.0	20	1-0	1.6	0.4	+267	0.91	2.84	1.0	+260
Aust China Holdings	0.5	2.0	3-7	0.1	0.4	-75	1.70	1.10	1.0	+49	Eastland Medical	6.0	10	1-1	2.0	1.4	+47	0.91	2.18	1.0	+90
Aust Leaders Fund	114	125	0-6	2.7	2.5	+10	0.17	9.99	1.0	+25	Eco Quest Ltd	7.5	20	0-10	4.0	1.5	+160	1.29	2.03	1.0	+304
Aust Mines Ltd	0.1	0.2	3-1	0.1	0.1	+1	3.26	1.00	1.0	+43	Eldore Mining	2.0	30	2-7	0.6	1.4	-56	1.37	1.21	1.0	+26
Austin Exploration	3.6	10	1-6	1.0	0.8	+23	1.01	1.94	1.0	+111	Eleckra Mines Ltd	10	7.0	1-1	5.0	5.4	-7	1.05	1.53	1.0	+18
Austindo Resources	3.8	1.5	2-1	0.3	2.9	-90	1.04	1.23	1.0	-30	Electrometals Tech.	2.5	14	0-11	0.1	0.1	-27	1.14	2.71	1.0	+622
Australasia Gold	6.5	10	2-11	2.0	2.7	-26	0.77	1.61	1.0	+24	Elemental Minerals Ltd	35	20	1-8	19.0	23.2	-18	1.08	1.32	1.0	+7
Australian Oil Coy	10	20	1-7	2.7	1.9	+42	0.76	2.27	1.0	+68	Eneabba Gas	15	15	0-1	2.4	1.5	+58	1.03	4.95	1.0	+791
Authorised Investment	5.5	8.0	2-9	1.6	4.5	-64	1.70	1.11	1.0	+23	Eneabba Gas Ltd	15	20	2-1	4.0	7.1	-44	1.03	1.48	1.0	+27
Automotive Technology	5.0	10	1-1	1.0	1.6	-38	1.25	1.75	1.0	+107	Enerji Ltd	4.3	20	6-7	2.5	4.1	-39	1.73	1.02	1.0	+29
Auzex Resources	16	75	0-4	0.8	0.0	+999	0.88	7.64	1.0	+999	Enterprise Metals Ltd	18	25	2-1	6.1	8.7	-30	1.07	1.45	1.0	+32
Avanco Resources	2.2	1.5	1-11	1.2	1.3	-5	0.86	1.46	1.0	+11	Env. Clean Tech.	3.0	2.0	3-8	1.8	2.7	-33	1.53	1.07	1.0	+7
Avanco Resources	2.2	20	0-1	0.1	0.0	+999	0.86	9.99	1.0	+999	Envirogold Ltd	5.9	15	1-7	0.7	0.8	-10	0.75	2.49	1.0	+86
BPH Corporate	7.7	20	0-0	0.1	0.0	+999	2.58	9.99	1.0	+999	Eromanga Hydro	7.7	20	2-2	4.0	0.8	+411	0.58	2.77	1.0	+69
Barra Resources	6.7	65	0-7	0.8	0.0	+999	0.77	7.99	1.0	+999	Euroz Ltd	138	75	3-9	71.0	80.6	-12	0.39	1.58	1.0	+2
Bass Metals	19	40	1-11	0.7	0.0	+999	0.62	7.99	1.0	-100	Excalibur Mining	0.7	6.0	2-7	0.3	0.1	+240	0.91	2.03	1.0	+134
Batavia Mining	19	15	2-1	10.5	9.1	+16	0.73	1.62	1.0	+17	Exoma Energy	22	20	0-10	5.5	7.8	-29	0.86	2.02	1.0	+19
Bathurst Resources	13	25	0-7	2.5	0.8	+209	0.79	3.71	1.0	+261	Exoma Energy Ltd	22	10	2-4	17.0	15.5	+10	0.86	1.29	1.0	+9
Beach Petroleum	76	200	0-1	0.1	0.0	+999	0.32	9.99	1.0	+999	Eyecare Partners	7.2	20	0-4	0.1	0.0	+999	0.53	9.99	1.0	+999
Beacon Minerals	2.1	1.0	0-3	1.1	1.1	-2	0.86	1.83	1.0	+0	Fairstar Resources	12	10	1-3	4.0	5.7	-30	0.95	1.63	1.0	+13
Beacon Minerals	2.1	20	0-3	0.1	0.0	+999	0.86	1.00	1.0	+999	Ferrowest Ltd	12	25	0-0	2.0	5.7	-65	1.14	1.63	1.0	+999
Benitec Ltd	4.0	15	0-10	0.3	0.1	+368	0.76	4.19	1.0	+400	Ferrum Crescent	17	40	3-7	2.5	9.7	-74	1.10	1.29	1.0	+30
Benitec Ltd	4.0	10	3-10	1.2	1.5	-20	0.76	1.60	1.0	+31	Fission Energy	9.0	20	0-9	1.0	0.9	+16	0.90	2.93	1.0	+209
Berkeley Resources	121	75	2-12	70.0	70.1	-0	0.60	1.50	1.0	+6	Fox Resources Ltd	13	30	0-6	2.0	0.2	+783	0.75	4.97	1.0	+555
Biomd Ltd	3.4	4.0	1-7	1.0	1.8	-45	1.21	1.42	1.0	+28	Frontier Resources	6.4	4.5	0-6	2.3	3.1	-27	1.35	1.65	1.0	+13
Biotron Ltd	8.0	10	1-7	2.0	2.1	-3	0.63	2.26	1.0	+29	GB Energy	3.0	20	1-4	0.2	0.2	+6	1.01	2.54	1.0	+318
Black Fire Energy	9.6	20	0-1	0.5	0.0	+999	1.26	7.91	1.0	+999	GBM Resources	8.6	25	0-1	0.5	0.0	+999	1.14	9.99	1.0	+999
Black Range Minerals	4.2	4.5	0-9	1.5	1.1	+38	0.80	2.39	1.0	+61	Global Geoscience	7.5	25	2-3	1.6	3.9	-59	1.38	1.34	1.0	+76
Black Ridge Mining	1.0	3.0	0-6	0.2	0.1	+137	1.29	2.76	1.0	+924	Global Health Ltd	0.9	1.7	0-7	0.1	0.4	-77	2.22	1.44	1.0	+228
Blackham Resources	24	25	1-5	6.5	11.1	-42	1.02	1.59	1.0	+21	Global Nickel	5.0	10	2-1	0.6	2.2	-72	1.08	1.51	1.0	+43
Blaze International	0.6	5.0	0-3	0.1	0.0	+999	0.88	9.99	1.0	+999	Gold Aura Ltd	2.8	3.0	2-1	1.2	1.6	-27	1.11	1.36	1.0	+21
Boss Energy	4.1	20	0-6	0.1	0.0	+999	0.77	6.84	1.0	+999	Gold Company Ltd	40	20	1-1	20.0	23.7	-15	0.86	1.52	1.0	+0
Boulder Steel Ltd	13	10	1-10	6.3	8.5	-26	1.19	1.30	1.0	+13	Gold One International	26	50	2-4	6.0	2.6	+133	0.43	3.18	1.0	+38
Bounty Industries	2.5	20	1-7	0.3	0.0	+9															

Company	Yr/Mth			Black- Option Share	Option Scholes Over/ Vol-	Option Vol- Lev-	Option Lever- age	Options to Buy 1 Share	Break- Even Rate	Company	Yr/Mth			Black- Option Share	Option Scholes Over/ Vol-	Option Lever- age	Options to Buy 1 Share	Break- Even Rate			
	Share Price	Exercise Price	to Expire								Price	Valuation	Under- Valued						Share Price	Exercise Price	to Expire
GreenvaleMining	7.5	30	1-7	2.0	1.6	+26	1.10	1.88	1.0	+150	OBJ Ltd	2.2	1.0	0-7	1.3	1.5	-11	1.57	1.35	1.0	+8
GrooteResources	63	20	0-1	40.0	43.1	-7	1.26	1.46	1.0	-44	OdinEnergy	1.4	25	2-6	0.2	0.1	+48	1.04	2.01	1.0	+218
Gt Western Explor.	13	30	2-1	4.1	5.9	-30	1.18	1.46	1.0	+59	Oil Basins Ltd	4.0	1.5	2-1	2.7	3.3	-19	1.43	1.12	1.0	+2
GulfResources	2.1	20	1-1	0.5	0.0	+999	0.81	4.32	1.0	+719	Orchid Capital	3.8	5.0	1-9	1.0	1.9	-49	1.16	1.44	1.0	+30
GulfResources	2.1	10	2-10	0.8	0.4	+106	0.81	1.95	1.0	+78	Orion Petroleum	7.4	30	0-4	0.2	0.0	+999	0.82	8.01	1.0	+999
HawthornResources	0.7	10	2-9	0.3	0.0	+999	0.77	2.61	1.0	+166	Oroya Mining	0.4	0.8	1-6	0.1	0.2	-50	1.43	1.41	1.0	+72
HawthornResources	0.7	20	1-11	0.4	0.0	+999	0.77	3.93	1.0	+481	Outback Metals	3.0	30	0-7	0.5	0.0	+999	1.24	3.93	1.0	+999
HawthornResources	0.7	125	0-4	0.1	0.0	+999	0.77	9.99	1.0	+999	Oz Brewing	3.3	20	2-7	1.0	0.0	+999	0.00	9.99	1.0	+105
Health Corporation	3.2	120	1-6	0.1	0.0	+999	0.78	5.00	1.0	+999	Pacific Ore Ltd	4.5	5.0	2-4	2.1	2.4	-14	0.97	1.42	1.0	+22
Healthlinx Ltd	12	10	3-7	8.0	11.4	-30	2.03	1.02	1.0	+12	Padbury Mining Ltd	13	20	1-0	9.2	11.2	-18	1.07	1.15	1.0	-14
Healthlinx Ltd	12	18	0-10	3.0	6.9	-57	2.03	1.33	1.0	+96	Padbury Mining Ltd	1.3	2.0	1-0	0.6	0.5	+27	1.24	1.71	1.0	+100
Helix Resources Ltd	6.8	7.5	1-0	1.8	1.9	-6	0.77	2.22	1.0	+37	Palace Resources	1.8	20	2-1	0.4	0.5	-12	1.33	1.61	1.0	+221
Humanis Group	1.9	20	1-3	0.1	0.2	-54	1.39	2.02	1.0	+604	Panax Geothermal	10	25	1-7	2.5	0.6	+330	0.56	3.42	1.0	+91
Hydromet Corporation	3.4	17	0-1	2.0	0.0	+999	0.47	9.99	1.0	+999	Papillon Resources	13	20	0-7	4.0	5.0	-20	1.71	1.66	1.0	+186
IFS Construction Serv.	5.5	27	2-1	2.0	5.2	-62	3.11	1.02	1.0	+122	Papillon Resources	13	20	2-7	4.4	10.4	-58	1.71	1.12	1.0	+28
IFS Construction Serv.	5.5	40	0-4	0.1	1.4	-93	3.11	1.65	1.0	+999	Paragon Care	3.0	2.0	2-0	1.0	1.6	-39	0.72	1.55	1.0	+0
Impedimed Ltd	65	72	2-5	15.5	24.1	-36	0.62	1.85	1.0	+13	Peel Exploration	9.0	20	0-6	0.4	0.4	-2	0.88	3.86	1.0	+414
Indago Resources	41	35	4-5	15.0	25.0	-40	0.70	1.35	1.0	+5	Peninsula Minerals	3.6	3.0	2-1	2.1	1.5	+39	0.57	1.85	1.0	+18
Iron Mountain Mining	6.5	20	1-8	2.2	1.6	+40	1.03	1.86	1.0	+109	Peninsula Minerals	3.6	10	0-1	0.1	0.0	+999	0.57	9.99	1.0	+999
Iron Ore Holdings	160	100	0-11	110.0	77.8	+41	0.80	1.76	1.0	+35	Phamant Group	1.0	1.5	1-1	0.3	0.4	-18	1.18	1.72	1.0	+72
Iron Road	68	20	0-4	45.0	48.6	-7	1.13	1.38	1.0	-13	Photo-Me Australia	0.7	6.0	1-2	0.1	0.2	-51	1.79	1.56	1.0	+540
Island Sky Australia	5.1	25	1-6	2.4	0.7	+265	1.02	2.17	1.0	+207	Platina Resources	25	35	0-9	5.0	5.3	-7	0.92	2.38	1.0	+87
Jupiter Energy	4.3	8.0	0-1	0.2	0.0	+999	1.08	9.11	1.0	+999	Poseidon Nickel	26	92	1-6	8.0	2.0	+296	0.76	2.75	1.0	+143
Karmel Sonix	2.7	7.0	1-2	0.9	0.2	+436	0.69	3.27	1.0	+151	Power Resources	5.5	20	1-5	1.1	0.6	+90	0.88	2.46	1.0	+158
Kilgore Oil & Gas	1.3	5.0	2-1	0.5	0.3	+55	1.00	1.79	1.0	+100	Prima Biomed	14	2.0	1-7	12.5	12.2	+3	0.83	1.14	1.0	+2
Kingsrose Mining	72	20	2-7	50.0	54.8	-9	0.51	1.29	1.0	-1	Progen Pharm	50	840	0-0	0.1	12.2	-99	0.44	1.14	1.0	+999
Labtech Systems	8.5	20	3-1	8.0	2.3	+251	0.69	1.88	1.0	+47	Proto Res & Inv	2.5	5.0	1-7	0.6	1.4	-58	1.56	1.32	1.0	+66
Labtech Systems	8.5	20	3-1	2.0	2.3	-12	0.69	1.88	1.0	+36	Proto Resources & Inv.	2.5	25	3-7	0.6	1.6	-63	1.56	1.18	1.0	+91
Legacy Iron Ore	14	15	2-7	6.5	10.2	-36	1.35	1.19	1.0	+18	Proto Resources & Inv.	2.5	20	1-3	0.5	0.6	-12	1.56	1.70	1.0	+438
Legacy Iron Ore	14	25	1-7	3.5	7.1	-50	1.35	1.41	1.0	+56	QR Science Holdings	5.0	45	2-1	0.2	0.1	+76	0.73	3.08	1.0	+188
Legacy Iron Ore	14	10	2-7	5.9	10.9	-46	1.35	1.16	1.0	+5	Quantum Resources	1.2	5.0	2-6	0.1	0.5	-80	1.22	1.44	1.0	+78
Lincoln Minerals	25	30	0-1	2.0	1.5	+31	1.09	5.58	1.0	+999	Quantum Resources	1.2	10	0-5	1.0	0.0	+999	1.22	4.68	1.0	+999
Indian Resources	11	15	1-7	5.5	6.7	-18	1.59	1.27	1.0	+53	Quantum Resources	1.2	10	1-11	0.3	0.2	+22	1.22	1.76	1.0	+207
Lion Energy	4.3	35	1-3	0.3	0.0	+877	0.78	3.95	1.0	+439	Queensland Mining	9.4	20	2-0	2.5	4.5	-45	1.23	1.42	1.0	+55
Living Cell Tech.	33	24	0-7	9.0	12.0	-25	0.76	2.19	1.0	+3	Quest Investments	9.2	20	0-1	0.1	0.0	+999	0.69	9.99	1.0	+999
Lonrho Mining	1.5	15	2-1	0.2	0.1	+106	0.91	2.37	1.0	+204	Ram Resources	3.2	15	0-1	0.1	0.0	+999	1.09	9.99	1.0	+999
Lonrho Mining	1.5	1.0	0-6	0.5	0.6	-20	0.91	2.02	1.0	+0	Ram Resources	3.2	3.0	1-10	1.1	1.8	-40	1.09	1.39	1.0	+14
MEC Resources	43	20	3-2	20.5	35.5	-42	1.24	1.12	1.0	-2	Ramelius Resources	46	150	0-1	0.6	0.0	+999	0.46	9.99	1.0	+999
MGM Wireless	1.0	20	0-6	0.1	0.0	+999	1.31	4.62	1.0	+999	Range Resources	6.0	100	0-4	0.1	0.0	+999	1.00	9.99	1.0	+999
Macquarie Harbour	26	20	2-3	12.0	18.1	-34	1.25	1.22	1.0	+11	Range Resources	6.0	5.0	1-7	1.8	3.2	-44	1.00	1.48	1.0	+8
Magellan Financial Grp	97	300	6-1	20.0	5.8	+243	0.29	3.37	1.0	+22	Red Sky Energy	1.6	2.0	1-3	0.7	0.6	+11	1.05	1.70	1.0	+52
Magellan Financial Grp	97	130	1-1	10.0	3.8	+163	0.29	6.40	1.0	+41	Regal Resources	3.3	6.0	1-5	1.2	0.8	+46	0.87	2.04	1.0	+72
Magnesium Int'l	3.3	10	2-0	1.1	0.8	+33	0.94	1.84	1.0	+83	Regis Resources	86	100	2-5	0.7	23.8	-97	0.48	2.27	1.0	+7
Mamba Minerals	2.7	5.0	3-1	0.7	1.7	-59	1.18	1.26	1.0	+27	Regis Resources	86	50	3-8	0.7	50.4	-99	0.48	1.52	1.0	-13
Manas Resources Ltd	8.0	20	1-4	1.5	0.5	+173	0.65	3.21	1.0	+110	Regis Resources	86	200	1-11	0.7	5.1	-86	0.48	3.55	1.0	+56
Mantle Mining	2.6	7.0	0-7	0.6	0.1	+393	0.94	3.51	1.0	+529	Republic Gold	2.1	4.0	1-0	0.4	0.3	+52	0.76	2.79	1.0	+106
Marion Energy	3.1	25	1-6	0.7	0.0	+999	0.70	3.97	1.0	+302	Republic Gold Ltd	2.1	3.0	0-0	0.1	0.0	+999	0.76	9.99	1.0	+999
Matilda Zircon Ltd	2.8	20	0-1	0.1	0.0	+999	1.17	9.99	1.0	+999	Rer Group Ltd	32	20	0-7	12.0	24.9	-52	2.77	1.16	1.0	+0
Medic Vision Ltd	2.2	20	1-8	0.3	0.3	+9	1.18	2.01	1.0	+293	Resolute Mining	115	60	1-7	58.5	64.0	-9	0.60	1.63	1.0	+2
Meridian Minerals	8.0	20	0-9	1.8	0.8	+133	0.98	2.80	1.0	+281	Resource Mining Corp	0.6	0.8	1-10	0.3	0.3	-8	1.21	1.39	1.0	+39
Metminco Ltd	19	25	2-6	8.0	7.2	+11	0.70	1.75	1.0	+25	Resources Base	4.8	5.0	1-6	2.0	2.3	-12	1.01	1.57	1.0	+29
Midas Resources	9.1	10	1-0	5.0	4.2	+18	1.28	1.56	1.0	+65	Rialto Energy Ltd	32	60	1-1	7.5	11.6	-35	1.31	1.66	1.0	+99
Midas Resources	9.1	3.0	2-6	6.7	7.7	-13	1.28	1.12	1.0	+3	Richmond Mining	24	20	0-7	8.0	10.7	-25	1.30	1.70	1.0	+30
Millepede Int'l	0.6	5.0	1-10	0.2	0.0	+311	0.97	2.29	1.0	+225	Riviera Resources	15	10	4-7	6.2	13.0	-52	1.37	1.06	1.0	+2
Mindax Ltd	50	75	1-6	4.0	6.4	-38	0.50	3.14	1.0	+36	Rox Resources	1.7	10	1-1	0.2	0.0	+707	0.81	3.72	1.0	+423
Minemakers Ltd	30	75	0-0	0.1	6.4	-98	0.58	3.14	1.0	+999	Rox Resources Ltd	1.7	1.5	1-2	0.8	0.7	+17	0.81	1.85	1.0	+30
Minerals Commodities	2.7	20	2-7	0.8	0.4	+86	0.93	1.93	1.0	+120	Royal Resources	19	10	1-5	13.0	13.7	-5	1.36	1.24	1.0	+14
Mining Projects Group	0.1	0.2	4-1	0.1	0.1	+4	2.13	1.02	1.0	+31	Safety Medical Prod	3.7	100	0-7	0.1	0.0	+999	0.69	9.99	1.0	+999
Mithril Resources	16	12	1-4	7.5	8.6	-13	1.10	1.46	1.0	+19	Samson Oil & Gas	3.2	1.5	2-7	1.9	2.5	-25	1.18	1.16	1.0	+2
Modena Resources	5.5	20	0-1	0.2	0.0	+999	1.12	9.99	1.0	+999	Saracen Mineral Hold.	38	10	3-1	27.5	29.9	-8	0.59	1.24	1.0	-0
Moko.mobi Ltd	7.0	10	3-2	3.5	3.2	+9	0.78	1.54	1.0	+23	Scandinavian Res.	14	25	1-5	3.0	0.2	+999	0.28	7.45	1.0	+63
Monax Resources	8.3	15	1-6	3.6	1.5	+137	0.71	2.39	1.0	+71	Segue Resources	2.5	33	0-1	0.7	0.0	+999	1.21	9.99	1.0	+999
Monitor Energy	0.4	2.5	1-3	0.1	0.2	-40	1.90	1.41	1.0	+347	Segue Resources	2.5	100	0-1	0.1	0.0	+999	1.21	9.99	1.0	+999
Montezuma Mining	30	20	1-3	12.0	15.5	-23	0.86	1.61	1.0	+5	Sierra Mining	11	20	0-7	2.0	2.1	-7	1.23	2.28	1.0	+228
Mt Magnet South	6.9	25	0-3	0.2	0.0	+999	0.76	9.99	1.0	+999	Sihayo Gold	7.3	20	0-8	2.0	0.4	+466	0.90	3.45	1.0	+423
Murchison Holdings	50	120	0-0	0.1	0.0	+999	0.36	9.99	1.0	+999	Sino Gas										

Company	Yr/Mth	Black-	Option	Share	Option	Options	Break-							
	Share	Option	Scholes	Over/	Volat-	Lever-	to Buy	Even						
	Price	Price	Price	Valued	ility	age	1 Share	Rate						
StonehengeMetals	7.5	10	2-6	4.3	5.4	-20	1.42	1.19	1.0	+29				
Stratatel Ltd	5.2	10	1-4	0.8	0.4	+82	0.57	3.33	1.0	+73				
Structural Monitoring	1.0	1.5	0-7	0.8	0.5	+68	2.02	1.47	1.0	+317				
Strzelecki Metals	4.5	20	0-3	1.4	0.0	+999	0.94	9.89	1.0	+999				
Syndicated Metals	14	20	1-7	2.5	4.8	-48	0.89	1.81	1.0	+35				
Synergy Metals	1.7	3.0	1-3	0.3	0.2	+32	0.66	2.80	1.0	+70				
Talisman Mining	67	20	0-7	42.0	47.4	-11	0.90	1.38	1.0	-11				
Target Energy Ltd	2.1	10	2-5	0.7	0.4	+86	0.88	1.97	1.0	+96				
Tasman Resources	14	10	2-1	9.0	10.3	-13	1.47	1.17	1.0	+18				
Tawana Resources	1.9	10	0-10	1.0	0.4	+149	1.67	1.81	1.0	+722				
Terrain Minerals	3.3	25	0-2	0.1	0.0	+999	0.80	9.99	1.0	+999				
Territory Uranium	7.4	70	0-1	0.2	0.0	+999	0.95	9.99	1.0	+999				
Teys Ltd	0.6	20	1-0	0.5	0.1	+601	1.96	1.81	1.0	+999				
Thundelarra Explo.	52	20	2-10	30.0	38.9	-23	0.82	1.24	1.0	-1				
Transol Corporation	0.6	2.0	1-0	0.2	0.1	+53	1.32	1.91	1.0	+267				
Triton Gold Ltd	16	25	3-7	6.5	2.7	+137	0.36	2.75	1.0	+21				
Union Resources Ltd	0.5	2.0	0-7	0.2	0.0	+999	0.89	4.49	1.0	+999				
United Uranium	11	20	2-1	2.6	5.0	-48	1.14	1.45	1.0	+44				

Company	Yr/Mth	Black-	Option	Share	Option	Options	Break-							
	Share	Option	Scholes	Over/	Volat-	Lever-	to Buy	Even						
	Price	Price	Price	Valued	ility	age	1 Share	Rate						
Uran Ltd	2.0	8.0	2-2	0.5	0.6	-14	1.08	1.68	1.0	+98				
Uranium Oil & Gas	3.1	20	0-2	0.2	0.0	+999	0.80	9.99	1.0	+999				
Vector Resources	8.5	20	2-1	3.0	2.2	+34	0.85	1.88	1.0	+61				
Venus Resources	65	40	1-2	40.0	37.1	+8	1.01	1.49	1.0	+19				
Verus Investments	2.9	10	0-1	0.2	0.0	+999	1.59	7.69	1.0	+999				
Victorian Gold Mines	15	20	3-10	4.0	5.2	-23	0.51	1.88	1.0	+13				
Victory West Moly Ltd	14	20	1-9	4.0	4.8	-17	0.85	1.80	1.0	+37				
Viralytics Ltd	4.4	3.0	0-1	1.3	1.4	-10	0.90	2.89	1.0	-24				
WAM Active	100	115	0-11	1.5	8.3	-82	0.32	5.24	1.0	+18				
WCP Diversified Inv.	6.7	2.0	0-1	3.2	4.7	-32	1.21	1.42	1.0	-95				
WCP Resources	6.7	4.0	0-1	0.7	2.8	-75	1.21	2.30	1.0	-99				
Western Desert Res	42	18	1-6	31.0	31.2	-1	1.32	1.22	1.0	+12				
Westoz Invest.	106	100	2-1	18.0	21.1	-15	0.21	3.76	1.0	+5				
Westralian Gas & Pwr	1.9	5.0	1-4	0.3	0.3	+15	0.85	2.42	1.0	+116				
Whinnen Resources	8.2	20	2-11	2.0	3.8	-48	1.02	1.44	1.0	+40				
White Cliff Nickel	6.4	25	1-1	0.9	0.5	+83	0.95	2.68	1.0	+263				
Yellow Rock Res	2.7	7.0	2-4	0.7	0.7	-4	0.84	1.83	1.0	+57				

## Review of Existing Options

**Living Cell Technologies** (codes LCT and LCTO). Living Cell Technologies has been awarded a NZ\$4,040,000 grant from the NZ government (payable over two years), specifically to upscale the bioprocessing of cells, the commercial manufacture of alginate gel and the commercialisation of encapsulation methods. These technologies will be used in its *DIABECCELL* diabetes treatment but can also be applied to other treatments and products.

The group's 99% owned Russian subsidiary has obtained registration to use the group's encapsulation technologies on human patients to deliver cells, drugs and biologics. The Russian registration is acceptable in Europe, so this is an important step towards commercialisation of the company's *DIABECCELL* treatment.

The company reports "encouraging data" from the first four New Zealand patients in its Phase II diabetes trial which seeks to determine the optimal doses. The first four patients received 10,000 islet equivalents per kilogram of body weight - the same dose given to Phase I/IIa trial patients in Russia - and the next four NZ patients will be given 15,000 IEQ/kg by the end of July. Later patients may be given doses up to 30,000 IEQ/kg.

A global charity, the **Juvenile Diabetes Research Foundation International**, has given Living Cell Technologies US\$500,000 to help fund the Phase II trials in New Zealand.

Living Cell Technologies has also been issued a 10% shareholding in US based **CytoSolv Inc** in return for agreeing to supply choroid plexus cell clusters from its pathogen free pig herd and for granting CytoSolv a non-exclusive, non-transferable licence to use its choroid plexus patents in wound healing. CytoSolv is initially targeting the treatment of diabetic ulcers, but is also

developing a topical gel to accelerate and improve the quality of healing of open skin wounds. This is a non-core business for Living Cell Technologies, but provides a source of revenue and a potential valuable investment from the use its existing Intellectual Property rights.

Living Cell Technologies' stockmarket listed options allow investors to buy ordinary shares at 24 cents until 31 December 2010. That is only 7½ months away, but with the shares trading around 33 cents the options trade at their *intrinsic value* (i.e. the current share price of 33 cents, less the cost of exercising the option of 24 cents).

There are, however, only 10.2 million listed options, so they trade infrequently in relatively small volumes and the bid/offer spread can be very wide. When we first reviewed these options six months ago they traded around 7½ cents. The options have been very inactively traded, but there were trades as low as 2 cents! Investors able to acquire some of the options should continue to hold as the options will participate fully in any re-rating of the share prices over the next 7½ months as the company moves closer to commercialising its technologies.

Living Cell Technologies



## Investment Outlook

(Continued from Page 1)

aging populations and unfunded future superannuation and healthcare liabilities! It is only to be expected that those people who own scarce capital will not want to lend to bankrupt governments at low interest rates!

In fact, sovereign debt default is nothing new. Most were probably not repaid. With any change in political power, the new King/new government/new foreign ruler seldom repaid debts incurred by the previous sovereign state. Even over the last 65 years of strong economic growth and relative political stability, governments have defrauded their creditors through inflation to reduce the real value of their debts. A country like the United States will *always* be able to repay *any* amount of debt, simply by printing new US dollars. That would, of course, depreciate the value of those dollars by forcing down the exchange rate and pushing up inflation. So creditors could lose significant *real* capital, even though the government repaid all of its debts in full.

Countries like Greece don't have that option for depreciating the value of its debts as it is tied to the same currency as its European neighbours. And, understandably, creditors are unwilling to lend further money to the Greek government when its ability to pay interest and repay capital out of future tax revenues is in doubt. One-third of the country's GDP is in the "black" economy, not subject to income taxes and value added taxes! An individual who cannot show assets or income in their accounts or on their tax return cannot borrow from the bank. Why should anyone lend to a government that is ineffective at collecting taxes and therefore likely to be unable to service and repay future debts?

When emerging economies had a debt crises, the IMF would force them to modernise their economic systems (i.e. as a condition of financial support and new loans). Isn't it right that the same modernisation should

now be forced upon Greece? No easy bailouts, please! That just defers dealing with the underlying problems while things go from bad to worse!

Sovereign debt problems will spread - and this represents a major shift in economic power. From Western countries to emerging economies, and within countries from the government to the private sector. In a world of scarce capital, the private capital held by individual's will become more important and earn higher investment returns. Unfortunately, the traditional safe investment - government bonds - will be anything but riskless!

Governments will be forced to pay higher interest rates on their increasing borrowings - and probably unable to fully meet their future superannuation and health care liabilities. As always, inflation is the easiest mechanism to cut the real value of liabilities (i.e. both on debts and pensions, etc).

The current difficult economic environment is not without great potential. Any problem leads to innovation to find a solution. Companies that can come up with low cost ways to produce goods or services will find a ready market in the cash strapped governments!

Medium to long term, shares are the only real hedge against the inflation that will depreciate the value of monetary assets. Companies are also the only *real* investments that can adapt to whatever economic situations occur in the future. So in a period of uncertainty, there really is no other choice!

Finally we would remind investors that the *Golden Age* of prosperity expected during the *Technology* boom a decade ago was one of the worst times to be owning shares. The best time to own shares is when there is "blood in the streets" - and that is currently the situation on the virtual trading floors of most stock exchanges!

## Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
CDL Investments	0.20	20-04	14-05	Full
CDL Investments special	1.00	20-04	14-05	Full
Kirkcaldie & Stains	3.00	10-05	17-05	Full
Millennium & Copthorne	1.20	07-05	14-05	Full
NZX Ltd	6.50	26-03	29-04	Full
Pumpkin Patch	4.50	08-04	22-04	Full
Restaurant Brands	8.00	11-06	25-06	Full
<u>Australian Shares</u>				
TFSCorporation	1.25	31-05	18-06	

### Total Return Index for All Listed Shares

Apr 12	1411.41	Apr 19	1403.71
Apr 13	1412.60	Apr 20	1417.03
Apr 14	1416.39	Apr 21	1421.09
Apr 15	1413.31	Apr 22	1424.15
Apr 16	1411.01	Apr 23	1428.02
Apr 26	1429.21	May 3	1418.21
Apr 27	1432.16	May 4	1421.85
Apr 28	1423.18	May 5	1412.99
Apr 29	1424.96	May 6	1402.28
Apr 30	1429.81	May 7	1387.98

## Next Issue:

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