

Market Analysis

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Inside Market Analysis

| | | | |
|---|---------|---|-----------|
| AJ Lucas drilling results "exceed expectations" | 4 | Probiotec dips, but Insiders keep buying | 7 |
| Campbell Brothers profit recovers strongly | 4, 5 | Ross Human Directions receives new takeover offer at 75 cents | 8 |
| Challenger Wine Trust receives low takeover offer | 5 | Neglect Ratings | 9, 11, 12 |
| Atlas, Finbar, Nomad raise new equity | 4, 6, 7 | | |

Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Remain fully invested in the recommended shares.

Investment Outlook.

Our Forecasts for the Australian stockmarket remain Bullish (i.e. favourable), although Neutral to slightly Bearish (i.e. unfavourable) for New Zealand shares.

Several takeover offers for our portfolio shares (i.e. Ammtec, Ross Human Directions, Challenger Wine Trust) indicates that *other people* see value in our shares . . . and want to buy the whole company!

In *our* personal opinion those takeover offers are a little on the low side - even if at significant premiums to market prices immediately ahead of the offers. We shall leave it to readers to decide whether that opinion is (1) motivated by self interest in a higher offer or (2) a valid assessment of value based upon 39 years of successfully managing our own money in the stockmarket. Perhaps it is a little of both - as our success at judging value over the last four decades means we are now often a "top 20" shareholder in some of these companies!

Company *insiders* often are not investment experts, but they are the most knowledgeable and often the most successful investors in their *own companies*. Over the last five weeks, 77.0% of *insider* trades in Australia and 60.0% in NZ have been "Buys". Over the 13-weeks the figures are 72.6% and 63.6% buyers. That is well above the long term average of about 30-40% buying.

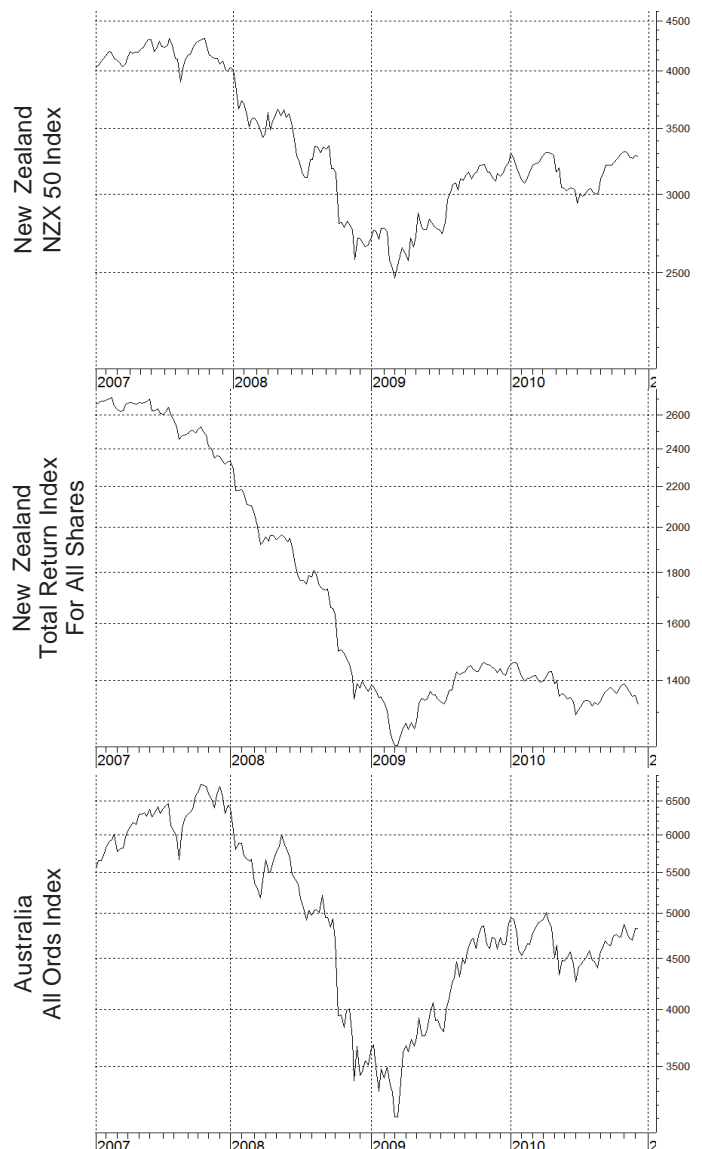
[Editor's Note: *Insiders* often acquire shares off-market - either in a private company *before* floating on the stockmarket, or via the exercise of share options - so on-market trades tend to average about 60-70% sells and only 30-40% buys over the very long term.]

Governments continue to provide liquidity to financial markets and the global economy is growing.

All of the above suggests that investors should be fully invested in shares. What *we* find scary is holding uninvested *cash* at a time when takeover offers or improved profitability could lift share prices sharply in value!

Stockmarket Forecasts

| | <u>One-Month</u> | <u>One-Year</u> |
|--------------|----------------------|----------------------|
| Australia: | 74% (Bullish) | 65% (Bullish) |
| New Zealand: | 49% (Neutral) | 37% (Bearish) |



Performance Forecasts

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

| Company | Forecast | Price | Price/Sales Ratio | P/E Ratio | Gross Yield | Company | Forecast | Price | Price/Sales Ratio | P/E Ratio | Gross Yield | Company | Forecast | Price | Price/Sales Ratio | P/E Ratio | Gross Yield |
|---------------------|----------|-------|-------------------|-----------|-----------------|--------------------|----------|-------|-------------------|-----------|-----------------|-----------------------|----------|------------|-------------------|-----------|-------------|
| AMP Limited | C | 692 | 1.10 | 18 | 2.9 | Just Water Int. | E | 9.0 | 0.23 | NE | Nil | Rakon Ltd | C | 118 | 1.56 | NE | Nil |
| AMP Onyx Mgmt | C | 78 | 5.64 | NE | 9.0 | Kathmandu Ltd | C | 165 | 1.34 | 35 | 6.1 | Renaissance | C | 30 | 0.07 | NE | Nil |
| Amano Health | C | 502 | 0.59 | NE | 6.0 | Kermadec Prop. | C | 50 | 3.40 | NE | 10.0 | Restaurant Brds | B | 261 | 0.80 | 13 | 6.8 |
| Affco Holdings | E | 36 | 0.16 | 7 | Nil | Kingfish Ltd | A | 90 | N/A | 3 | 10.7 | Rubicon Limited | D | 117 | 0.71 | NE | Nil |
| Air New Zealand | B | 140 | 0.37 | 18 | 7.1 | Kirkcaldie & St | B | 245 | 0.59 | 22 | 4.7 | Ryman Health | B | 223 | N/A | 14 | 3.9 |
| Akd Int Airport | B | 207 | 6.93 | 61 | 5.7 | Kiwi Property | C | 99 | 4.24 | NE | 8.6 | Salvus Strat. | C | 70 | N/A | NE | 5.1 |
| Allied Farmers | D | 2.0 | 0.39 | NE | Nil | Life Pharmacy | D | 35 | 3.26 | NE | Nil | Sanford Limited | B | 473 | 1.02 | 11 | 6.9 |
| Allied Work. | A | 127 | 0.47 | 17 | 5.1 | Lombard Group | E | 3.0 | 0.40 | NE | Nil | Satara Co-op | B | 100 | 0.29 | 18 | 2.9 |
| Argosy Property | C | 71 | 4.91 | NE | 10.6 | Lytelton Port | C | 226 | 2.65 | 26 | 2.8 | Savoy Equities | E | 0.5 | N/A | NE | Nil |
| Barramundi Ltd | A | 76 | N/A | 5 | 11.3 | Mainfreight Grp | A | 767 | 0.67 | 21 | 3.4 | Scott Tech. Ltd | A | 121 | 0.81 | 10 | 6.2 |
| Blis Technology | E | 9.5 | 7.25 | NE | Nil | Marlin Global | C | 97 | N/A | 9 | 2.1 | Sealegs Corp | E | 18 | 1.47 | NE | Nil |
| Briscoe Group | A | 140 | 0.71 | 14 | 7.1 | Media Tech. | E | 3.0 | 0.41 | NE | Nil | Seeka Kiwifruit | C | 290 | 0.35 | NE | 9.9 |
| Broadway Ind | D | 30 | 0.39 | NE | Nil | Methven Limited | A | 168 | 0.86 | 14 | 9.4 | Skellerup Hold. | A | 98 | 1.04 | 16 | 6.6 |
| Burger Fuel | C | 45 | 3.11 | NE | Nil | Metro. LifeCare | C | 220 | 4.29 | 4 | Nil | Sky City Ltd | C | 313 | 2.17 | 13 | 7.1 |
| CDL Investments | E | 28 | N/A | 54 | 1.0 | Michael Hill | B | 82 | 0.71 | 12 | 4.9 | Sky Network TV | C | 511 | 2.68 | 19 | 3.9 |
| CER Group Ltd | E | 1.0 | 0.54 | NE | Nil | Mid-Cap Index | C | 213 | N/A | NE | Nil | Smartpay NZ Ltd | D | 2.7 | 0.58 | NE | Nil |
| Canty Bldg Soc. | D | 285 | 1.06 | 29 | Nil | Millennium & C. | C | 44 | 1.42 | 12 | 3.9 | Smiths City | C | 31 | 0.07 | 10 | 6.5 |
| Cavalier Corp | A | 302 | 0.93 | 12 | 8.5 | Mowbray Collect | E | 75 | 2.27 | NE | Nil | Sol. Dynamics | E | 38 | 0.43 | NE | Nil |
| Cavotec MSL | B | 330 | 0.83 | 21 | 0.9 | NZ Experience | B | 33 | 1.16 | 8 | 10.8 | South Port NZ | B | 260 | 2.99 | 13 | 7.1 |
| Charlie's Group | E | 18 | 1.63 | 21 | Nil | NZ Exchange Ltd | C | 146 | 4.11 | 73 | 6.4 | Speirs Group | D | 16 | 0.15 | NE | Nil |
| Col Motor Co | A | 250 | 0.19 | 16 | 8.6 | NZ Finance Hold | E | 15 | 0.34 | NE | Nil | Steel & Tube | C | 209 | 0.49 | 19 | 5.8 |
| Comvita | B | 166 | 0.53 | 9 | 6.9 | NZ Farming Sys. D | 58 | 4.04 | NE | Nil | Sthn Travel | D | 15 | 0.18 | NE | Nil | |
| Connexion | D | 10 | 0.67 | NE | Nil | NZ Oil & Gas * N/R | 89 | 3.52 | NE | 8.0 | Tag Pacific Ltd | E | 14 | 0.17 | NE | Nil | |
| Contact Energy | B | 615 | 1.74 | 24 | 5.8 | NZ Refining Co | B | 385 | 4.31 | 46 | Nil | TeamTalk Ltd | B | 210 | 1.51 | 12 | 13.6 |
| Cynotech Hold. | E | 3.2 | 0.27 | NE | Nil | NZ Windfarms | D | 19 | N/A | NE | Nil | Telecom Corp | C | 208 | 0.76 | 10 | 11.5 |
| Delegat's Group | C | 197 | 0.90 | 47 | 5.8 | NZ Wool Service | C | 45 | 0.21 | NE | Nil | Tenon Ltd | C | 112 | 0.16 | NE | Nil |
| Dominion Fin. | C | 1.0 | 0.01 | 0.149 | 3 | NZ Wine Company | D | 135 | 0.90 | NE | 2.1 | Tourism Hold. | C | 76 | 0.53 | 15 | 7.5 |
| Dorchester Pac | D | 13 | 0.27 | NE | Nil | NZSX 50 Port. | D | 130 | N/A | NE | Nil | Tower Limited | C | 199 | 0.98 | 10 | 6.5 |
| Ebos Group Ltd | A | 732 | 0.27 | 16 | 6.0 | NZSX 10 Fund | D | 85 | N/A | NE | Nil | Training Sol. | E | 0.1 | 5.00 | NE | Nil |
| Ecoya Ltd | D | 75 | 6.33 | NE | Nil | NZX Aust MidCap | C | 540 | N/A | NE | Nil | Trust Power Ltd | B | 725 | 3.01 | 19 | 7.5 |
| F & P Health. | B | 314 | 3.20 | 22 | 5.6 | Nat Property Tr | D | 50 | 3.44 | NE | 9.0 | Turners Auction | B | 132 | 0.51 | 11 | 13.0 |
| F & P Appliance | C | 57 | 0.35 | NE | Nil | New Image Group | C | 26 | 0.75 | 8 | 8.2 | Turners & Grow. | C | 150 | 0.27 | 18 | 6.7 |
| Finzsoft Sol'ns | D | 30 | 0.34 | 9 | Nil | Northland Port | B | 168 | N/A | 22 | 4.7 | VTL Group Ltd | C | 1.5 | 0.01 | 0 | Nil |
| Fletcher Build. | B | 782 | 0.70 | 17 | 4.5 | Nuplex Indust | B | 352 | 0.46 | 9 | 6.0 | Vector Ltd | B | 241 | 2.02 | 12 | 8.3 |
| Freightways Ltd | B | 305 | 1.43 | 16 | 6.6 | Opus Int'l Cons | D | 191 | N/A | NE | Nil | Vital Health PT | C | 108 | 5.45 | 21 | 8.8 |
| Genesis Res. | E | 3.0 | 5.26 | NE | Nil | Oyster Bay | D | 185 | 2.00 | NE | Nil | WN Drive Tech. | D | 1.8 | 0.45 | NE | Nil |
| Goodman Prop. | D | 94 | 6.08 | NE | 9.0 | Ozzy (Tortis) | C | 369 | N/A | NE | Nil | Wakefield Hlth | B | 600 | 1.11 | 14 | 4.3 |
| Guinness Peat | D | 70 | 0.48 | NE | 3.2 | PGG Wrightsons | E | 48 | 0.32 | 15 | Nil | Warehouse Group | B | 375 | 0.70 | 14 | 9.1 |
| GucooLeisure | C | 69 | 1.79 | 13 | 2.2 | Pac Edge Bio. | E | 20 | N/A | NE | Nil | Widespread Port*/N/R | 12 | N/A | 5 | Nil | |
| Hallenstein G. | A | 417 | 1.20 | 13 | 5.8 | Pike River Coal | E | 88 | N/A | NE | Nil | Windflow Tech. | D | 84 | 0.42 | NE | Nil |
| Hellaby Hold. | C | 200 | 0.75 | 33 | 5.7 | Port Tauranga | B | 735 | 6.65 | 22 | 5.6 | Wool Equities | C | 18 | N/A | NE | Nil |
| Heritage Gold * N/R | 2.1 | N/A | NE | Nil | Postie Plus Grp | C | 30 | 0.11 | 21 | Nil | World Index Fd | D | 110 | N/A | NE | Nil | |
| Horizon Energy | B | 360 | 2.96 | 15 | 6.7 | Propertyfinance | D | 3.0 | 0.05 | NE | Nil | Xero Ltd | C | 223 | N/A | NE | Nil |
| Infratil NZ | B | 189 | 0.58 | 37 | 2.8 | Property F Ind. | D | 111 | 7.58 | NE | 8.2 | Zintel Comm. | D | 20 | 0.22 | 40 | 17.9 |
| Inv Research Gr | E | 0.2 | 0.08 | NE | Nil | Pumpkin Patch | B | 165 | 0.72 | 11 | 8.2 | Ave of 136 Cos | C | 161 | 0.25 | 6 | 4.8 |
| Jasons Media | C | 35 | 0.48 | 13 | 10.2 | Pyne Gould Corp | D | 38 | 1.43 | 13 | Nil | | | | | | |
| AGL Energy Ltd | B | 1590 | 1.08 | 20 | 3.7 | Deutsche Div Tr | C | 131 | 6.10 | 14 | 7.1 | Nufarm Limited | B | 480 | 0.58 | 21 | Nil |
| AMP Ltd | B | 528 | 0.93 | 15 | 3.0 | Dexus Property | D | 79 | 5.28 | NE | 6.5 | OZ Minerals Ltd | C | 163 | 8.36 | NE | Nil |
| ANZ Bank | A | 2383 | 1.94 | 14 | 5.3 | Djerriwarrh | B | 411 | N/A | 35 | 6.3 | Oil Search Ltd | B | 701 | N/A | 61 | 1.3 |
| APA Group | A | 404 | 2.21 | 22 | 5.2 | Downer EDI Ltd | C | 463 | 0.27 | NE | 6.3 | Onesteel Ltd | C | 263 | 0.56 | 14 | 4.2 |
| APN News Media | B | 190 | 1.09 | 12 | 2.1 | DuluxGroup Ltd | B | 271 | 1.28 | 16 | 1.1 | Orica Ltd | C | 2531 | 1.58 | 7 | 3.8 |
| ASX Limited | A | 3841 | 9.07 | 20 | 4.5 | East Africa Res | C | 31 | N/A | NE | Nil | Origin Energy | B | 1661 | 1.71 | 24 | 3.0 |
| AWB Limited | C | 150 | N/A | NE | Nil | Energy Resource | B | 1259 | 3.08 | 9 | 3.1 | Pacific Brands | C | 98 | 0.52 | 17 | Nil |
| AWE Limited | C | 180 | 2.64 | NE | Nil | Equinox Min. | D | 595 | 7.91 | NE | Nil | Paladin Energy | C | 500 | N/A | NE | Nil |
| AXA Asia Pac | A | 624 | 2.11 | 19 | 3.0 | Extract Res. | C | 897 | N/A | NE | Nil | Panaust Ltd | C | 76 | 5.71 | NE | Nil |
| Adelaide Bright | C | 320 | 2.06 | 88 | 4.2 | FKP Limited | B | 85 | 2.74 | 18 | 1.8 | Perpetual Ltd | A | 3695 | 3.17 | 18 | 4.5 |
| Alumina Ltd | C | 220 | N/A | NE | 0.9 | Fairfax Media | B | 142 | 1.34 | 12 | 1.8 | Platinum Asset | B | 492 | N/A | 20 | 4.5 |
| Amalgamated Hld | A | 652 | 1.28 | 11 | 5.7 | Flight Centre | B | 2390 | 1.33 | 17 | 2.9 | Premier Invest | B | 618 | 1.06 | 19 | 5.8 |
| Amcor Ltd | B | 651 | 0.81 | 43 | 4.5 | Fortescue Metal | B | 654 | 5.64 | 31 | Nil | Primary Health | B | 349 | 1.32 | 13 | 7.2 |
| Andean Res. | C | 661 | N/A | NE | Nil | Foster's Group | B | 562 | 2.43 | 15 | 2.1 | Prime Infra. | C | 490 | 3.45 | NE | 3.1 |
| Aneka Tambang | C | 136 | N/A | NE | 8.9 | GPT Group | B | 288 | 9.78 | 46 | 1.6 | Q.B.E. Insur. | B | 1842 | 1.09 | 9 | 6.9 |
| Ansell Ltd | B | 1328 | 1.42 | 15 | 2.3 | GWA Group Ltd | B | 297 | 1.36 | 16 | 6.1 | Qantas Airways | C | 268 | 0.44 | 54 | Nil |
| Aquarius Plat. | B | 545 | 4.77 | 72 | 1.1 | Gloucester Coal | C | 1094 | 3.91 | 27 | Nil | REA Group Ltd | A | 1195 | 7.90 | 31 | 1.3 |
| Aquila Res. | D | 1001 | N/A | NE | Nil | Goodman Group | C | 67 | 7.14 | NE | 5.1 | Ramsay Health | B | 1600 | 0.95 | 22 | 2.7 |
| Argo Investment | B | 605 | N/A | 24 | 4.5 | Goodman Fielder | B | 137 | 0.71 | 12 | 7.8 | Reece Australia | B | 2165 | 1.43 | 19 | 2.4 |
| Aristocrat Leis | D | 266 | 1.56 | NE | 9.0 | Graincorp | B | 643 | 0.64 | 16 | 3.9 | Rio Tinto Ltd | A | 8736 | 1.07 | 10 | 0.6 |
| Asciano Limited | C | 164 | 1.68 | 25 | Nil | Harvey Norman | C | 296 | 2.34 | 14 | 4.7 | Riversdale Min. | C | 1620 | N/A | NE | Nil |
| Atlas Iron Ltd | C | 300 | N/A | NE | Nil | Henderson Group | C | 202 | 3.22 | 64 | 5.4 | S/Tracks ASX200A | 4531 | N/A | 15 | 3.0 | |
| Aust Infra. | B | 192 | N/A | 6 | 5.2 | Hutchinson Tel. | C | 11 | 1.78 | NE | Nil | SP Ausnet | A | 87 | 1.75 | 11 | 9.2 |
| Aust Foundation | B | 486 | N/A | 27 | 4.3 | ING Indust Trt | C | 52 | 5.07 | NE | 3.1 | Santos Ltd | C | 1254 | 4.78 | 24 | 3.3 |
| Austar United | C | 98 | 1.82 | 21 | Nil | ING Office Fund | C | 58 | 7.46 | 37 | 6.7 | Seek Ltd | B | 690 | 8.24 | 26 | 1.7 |
| Australand Prop | E | 294 | 2.47 | NE | 1.7 | IOOF Holdings | B | 761 | 2.36 | 26 | 2.4 | Seven Group | B | 836 | 4.75 | NE | 2.2 |
| Avoca Resources | E | 313 | N/A | NE | Nil | Iluka Resources | D | 858 | 6.13 | NE | Nil | Silex Systems | C | 585 | N/A | NE | Nil |
| BHP Billiton | B | 4544 | 2.58 | 11 | 2.1 | Incitec Pivot | B | 376 | 2.09 | 15 | 2.1 | Sims Metal Mgmt | B | 2003 | 0.55 | 32 | 1.6 |
| Bank of Qland | A | 1137 | 1.10 | 15 | 4.6 | Independ. Group | B | 756 | 7.37 | 30 | 0.4 | Sonic Health | B | 1165 | 1.51 | 15 | 5.1 |
| Beach Energy | A | 78 | 1.75 | 25 | 2.2 | Insurance Aust. | B | 382 | N/A | 36 | 3.4 | Soul Pattinson | B | 1233 | 3.57 | 13 | 2.8 |
| Bendigo Bank | A | 1025 | 1.24 | 15 | 4.2 | Intoll Group | C | 151 | N/A | NE | 2.0 | Spark Infrastru | B | 111 | 4.09 | | |

Recommended Investments

Cavalier Corporation reports revenues up 2½% and profits ahead 19% over the first four months of the current financial year . . . but the directors do not expect this to continue and have downgraded the 2011 profit forecast from around \$17.5 million to a range of \$15.8-17.5 million (23-26 cents per share).

New Zealand carpet sales are at “the lowest levels seen in a very long time”, although the company is

“enjoying good market conditions” for both commercial and residential carpet sales in Australia.

The company will pay a steady first interim dividend of 3.0 cents (plus full imputation tax credits) on 17 December.

Colonial Motor Company reports revenues and profits for the September quarter are up on the same period in 2009 and ahead (Continued on Page 4)

Portfolio of Recommended Investments

| CURRENT ADVICE | Company | Code | Initial Recommendation - Date - Price | Performance Forecast | Issued Shares (mil.) | Volatility 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 | 1.5 | 13.21 | 54 | 1.0 | 28 | 29.9 | +132% |
| HOLD+ | Cavalier Corporation | CAV | 05/12/95 156* | A | 67.8 | 1.0 | 0.93 | 12 | 8.5 | 302 | 252.0 | +255% |
| HOLD | Colonial Motor Company | CMO | 10/11/92 128* | A | 32.7 | 0.5 | 0.19 | 16 | 8.6 | 250 | 316.3 | +342% |
| HOLD | Lyttelton Port Company | LPC | 12/12/00 150 | C | 102.3 | 0.6 | 2.65 | 26 | 2.8 | 226 | 77.7 | +102% |
| BUY | Michael Hill Int'l Ltd | MHI | 11/06/91 5* | B | 382.5 | 0.8 | 0.71 | 12 | 4.9 | 82 | 29.4 | +2128% |
| HOLD+ | Nuplex Industries Ltd | NPX | 11/02/97 523* | B | 192.2 | 1.0 | 0.46 | 9 | 6.0 | 352 | 377.0 | +39% |
| HOLD | Postie Plus Group | PPG | 08/05/06 71 | C | 40.0 | 1.7 | 0.11 | 21 | Nil | 30 | 8.5 | -46% |
| HOLD+ | Renaissance Corp | RNS | 13/08/96 85* | C | 44.2 | 1.7 | 0.07 | NE | Nil | 30 | 53.9 | -1% |
| HOLD | Smiths City Group | SCY | 09/10/06 64 | C | 53.0 | 1.6 | 0.07 | 10 | 6.5 | 31 | 13.0 | -31% |
| HOLD | South Port New Zealand | SPN | 13/02/96 120 | B | 26.2 | 0.6 | 2.99 | 13 | 7.1 | 260 | 134.3 | +229% |
| HOLD+ | Steel & Tube Holdings | STU | 08/08/00 146 | C | 88.4 | 0.7 | 0.49 | 19 | 5.8 | 209 | 234.5 | +204% |
| <u>Australian Shares</u> (in Aust cents) | | | | | | | | | | | | |
| BUY | AJ Lucas Group | AJL | 13/05/03 120 | C | 65.3 | 0.6 | 0.41 | NE | 2.5 | 224 | 41.0 | +121% |
| HOLD+ | Atlas South Sea Pearl | ATP | 14/05/96 73 | D | 89.2 | 2.2 | 1.35 | NE | Nil | 11 | 17.5 | -62% |
| HOLD | Breville Group Ltd | BRG | 13/11/06 171 | A | 129.5 | 0.6 | 0.85 | 16 | 4.0 | 275 | 27.0 | +77% |
| HOLD | Campbell Brothers Ltd | CPB | 12/10/99 389* | A | 63.0 | 0.3 | 2.89 | 32 | 2.6 | 3795 | 604.0 | +1031% |
| HOLD+ | Cardno Ltd | CDD | 14/12/09 399* | A | 90.5 | 0.5 | 0.99 | 13 | 5.6 | 520 | 28.6 | +37% |
| HOLD | Cellnet Group Ltd ¹ | CLT | 12/02/02 147* | B | 73.5 | 1.2 | 0.35 | 23 | Nil | 36 | 32.4 | -49% |
| HOLD+ | Challenger Wine Trust | CWT | 12/01/09 30 | C | 190.8 | 1.6 | 1.40 | NE | 18.5 | 23 | 6.7 | -1% |
| HOLD+ | Circadian Technologies | CIR | 10/02/04 188 | D | 45.2 | 0.9 | 12.97 | NE | Nil | 65 | 65.0 | -31% |
| HOLD+ | Clarius Group Ltd | CND | 08/04/03 82* | B | 85.8 | 1.0 | 0.23 | 20 | 2.8 | 72 | 65.5 | +67% |
| HOLD+ | CPT Global Ltd | CGO | 10/03/08 88 | D | 36.9 | 1.0 | 0.44 | NE | Nil | 45 | 7.3 | -41% |
| BUY | CSG Limited | CSV | 11/10/10 175 | B | 242.9 | 0.9 | 1.28 | 11 | 3.8 | 146 | Nil | -17% |
| BUY | Devine Ltd | DVN | 13/11/06 84* | C | 634.9 | 1.4 | 0.32 | 22 | 3.5 | 29 | 17.9 | -45% |
| HOLD+ | Ellex Medical Lasers | ELX | 14/03/06 49 | A | 84.9 | 1.4 | 0.57 | 7 | Nil | 33 | Nil | -33% |
| BUY | Fiducian Portfolio Ser | FPS | 11/02/08 260 | A | 32.2 | 0.8 | 1.94 | 11 | 6.1 | 140 | 21.8 | -38% |
| BUY | Finbar Group Ltd | FRI | 12/04/10 106 | A | 162.5 | 0.7 | 1.22 | 8 | 6.5 | 116 | 5.5 | +15% |
| HOLD+ | Iluka Resources Ltd | ILU | 12/10/04 471 | D | 418.7 | 0.4 | 6.13 | NE | Nil | 858 | 64.0 | +96% |
| BUY | Integrated Research | IRI | 14/01/08 40 | B | 166.8 | 1.2 | 1.59 | 11 | 7.0 | 36 | 10.0 | +14% |
| HOLD | Mnet Group | MNZ | | C | 208.3 | 3.8 | 0.88 | NE | Nil | 4 | Nil | |
| HOLD | M2 Telecommunications | MTU | 09/10/06 33 | A | 121.5 | 0.5 | 0.80 | 20 | 3.7 | 267 | 23.5 | +780% |
| BUY | Melbourne IT | MLB | 10/02/04 53 | B | 79.0 | 0.6 | 0.75 | 9 | 7.9 | 191 | 59.0 | +372% |
| BUY | Nomad Building Solutio | NOD | 16/08/10 13* | C | 241.7 | 2.3 | 0.08 | 1 | Nil | 11 | Nil | -19% |
| HOLD- | Photon Group Ltd | PGA | 10/11/08 132* | C | 187.4 | 2.8 | 0.02 | NE | 43.5 | 7 | 11.8 | -86% |
| BUY | Probiotec Ltd | PBP | 11/02/08 116 | B | 52.8 | 1.0 | 0.45 | 6 | 5.5 | 64 | 9.8 | -37% |
| BUY | Prophecy International | PRO | 08/09/08 26 | B | 47.2 | 1.5 | 2.34 | 35 | 10.0 | 25 | 6.8 | +22% |
| HOLD- | Ross Human Directions | RHD | 14/08/01 92 | A | 83.5 | 0.9 | 0.17 | 9 | 4.7 | 74 | 37.8 | +21% |
| HOLD+ | Skilled Group Ltd | SKE | 12/03/02 126 | B | 190.7 | 0.7 | 0.21 | 28 | Nil | 187 | 132.0 | +153% |
| HOLD | Technology One Ltd | TNE | 11/11/03 44 | A | 300.3 | 0.8 | 2.05 | 16 | 4.5 | 93 | 25.8 | +170% |
| BUY | TFS Corporation Ltd | TFC | 08/01/07 45 | A | 227.4 | 0.8 | 1.94 | 6 | 4.8 | 100 | 9.4 | +142% |
| HOLD+ | The Reject Shop Ltd | TRS | 11/01/05 257 | B | 26.0 | 0.3 | 0.74 | 15 | 5.0% | 1347 | 248.5 | +521% |
| HOLD | Village Roadshow | VRL | 10/08/09 77 | C | 166.5 | 0.6 | 0.31 | 6 | Nil | 237 | 9.0 | +219% |

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +173.6%. This is equal to an average annual rate of +24.8%, 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 149 closed out) is +29.5%, compared with a market gain of +4.2% (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)

of budget. September was a strong month for car sales - possibly boosted by purchases ahead of the GST increase.

Lyttelton Port Company reports revenues and profits for the five months to the end of November "significantly ahead" of the same period last year. As reported last month, however, accounting rules related to timing differences between writing down the value of assets damaged in the earthquake and the receipt of insurance claims, may impact on reported profits.

Christchurch City Holdings may be seeking to buy out **Port of Otago's** shareholding in Lyttelton Port Company. Such a transaction would be good news for the public investors as Port of Otago should be able to negotiate a fair value for its shares - and the public investors would then also need to be offered this price in a full takeover. "Hold".

Postie Plus Group reports first quarter sales up 6.3% on the same period last year, with "increased margins". Same store revenues were up 5.4%.

Renaissance Corporation has reported the nine month financial "year" to its new balance date of 30 September 2010. Revenues were \$154.2 million (up 9.8% on the comparable nine months to September 2009) and the company reported a net profit of \$301,000 (0.7 cents per share, or 0.9 cents annualised). No dividend will be paid.

The net operating cash surplus remained high at \$5.1 million. The company has no interest bearing debt and cash in the bank of \$3,039,000 (6.8 cents per share).

This reporting period, of course, *excludes* the most important December quarter. Changing the balance date doesn't make the business any less volatile, or more predictable, but simply moves this important quarter from the *end* of the company's financial year to the *beginning*.

Renaissance Corporation has signed an agreement and begun distributing the full range of **Fuji Xerox** printers and consumables.

Steel & Tube Holdings is predicting that its half year to December 2010 will "exceed the underlying net profit of \$6.7 million" (7.6 cents per share) achieved in the six months to 30 June 2010. That compares with just \$3.2 million earned in the December 2009 half year but is still a depressed level of profitability.

Australian Shares

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

AJ Lucas Group's 40.9% owned **Cuadrilla Resources Holdings** has completed the *Preese Hall #1* well which is considered "very successful thus far" and "initial indications" from the well "confirms and possibly exceeds the original expectations of management as to the prospectivity of the Bowland shale". The company intends to "fast track its initiatives with the Bowland shale prospect" during 2011.

The *Preese Hall #1* well took longer than expected to drill owing to hard sandstone and extension to a depth of 9100 feet, compared with an initial target depth of 8200 feet, to encounter "all of the prospective shale sections" in excess of 4000 feet. Core samples for 260 feet show "hard, brittle rock - fractured both horizontally

and vertically, and producing substantial gas flows, as well as a large presence of methane and other hydrocarbons".

The drilling rig will move 15km to begin drilling the *Grange Hill #1* well, scheduled to start in January, while a workover rig, fracing and testing equipment will be installed immediately and a pre-frac well test conducted this month to measure gas flows. A full frac test is likely in January. The company is also planning for a third exploration well into the Bowland Shale, *Anna's Road #1*.

A decision on the best way to commercialise Bowland shale gas is expected around the end of the March 2011 quarter - after both the *Preese Hill* and *Grange Hill* drilling and fracing have been completed and analysed. Cuadrilla Resources owns 75% of the Bowland shale prospect, with 25% held directly by AJ Lucas Group.

Cuadrilla Resources designed and built "the most advanced drilling and fracing capability in Europe" and "the equipment and drilling rig have performed well in excess of expectations".

Cuadrilla Resources holds exploration licences over 2.25 million acres across the UK, Holland, Poland, Hungary and Czech Republic, and is applying for a further 650,000 acres in "central/west Europe". After completing *Grange Hill*, drilling will commence in Holland and fracing is scheduled in Hungary at the end of the March quarter.

Atlas South Sea Pearl has placed 10,000,000 shares at 11 cents to raise \$1.1 million in new capital. This is 45-75% of the new capital needed to meet the growth plans announced last month, while increasing the issued capital by about 11%.

The company also has \$1.25 million in an undrawn loan facility but may still consider a cash issue or share purchase plan next year if it requires additional capital.

Breville Group is expecting further growth in earnings this year, although the current pre-Christmas period is the most significant selling period for the company. Breville Group has sought to strengthen its brand internationally, reduce operating costs, while continuing to invest in design and innovation to create new products.

Campbell Brothers has lifted revenues 36.6% to \$548.2 million for the half year to 30 September 2010. Net profits were up 73.2% at \$66,252,000 - with earnings per share 46.6% higher at 104.5 cents. The interim dividend will be raised 44.4% to 65.0 cents.

The net operating cash surplus was 78% higher at \$64.6 million.

The ALS Minerals division lifted revenues 56% to \$152.7 million, with earnings up 116% to \$53.1 million. ALS Environmental revenues were 31% higher at \$115.7 million and earnings 36% higher at \$35.3 million. ALS Coal contributed revenues of \$36.2 million (up 16%) and earnings of \$8.7 million (up 3%). ALS Industrial (the new division formed from the Pearlstreet acquisition) contributed revenues of \$57.5 million and earnings of \$7.0 million. ALS Tribology revenues were 3% higher at \$15.9 million, but earnings slipped 29% to \$2.7 million.

Campbell Chemicals revenues fell 6% to \$74.1 million and earnings improved 9% to \$4.4 million - but half of these revenues came from the Cleantec business which was sold this month. The Reward Distribution revenues

December 13, 2010.

were 4% lower at \$58.6 million and *lost* \$1.8 million (compared with earnings of \$2.1 million a year ago).

Back in October 1999 - when we first recommended Campbell Brothers - the Laboratory business generated 25.9% of revenues and 41.5% of profits but was “a very profitable business with excellent potential for both internal growth and growth through acquisition”. We also noted “As investors, this is the division that is of interest to us” and that “the stockmarket values Campbell Brothers as a *soap business*, but it has a rapidly growing business in laboratory services”. Over the last 11 years the Laboratory division has grown to now generate 76% of group revenues and 98% of earnings! The non-Laboratory businesses have become irrelevant!

Campbell Brothers has completed the sale of *Cleantec*, following approval for the sale from the **Australian Competition and Consumer Commission**. This will realise around \$47 million (including an abnormal gain of \$8 million) which can be re-invested more profitably in the laboratory businesses.

The full year trading profit is forecast at \$120-130 million (up 60-70%), with earnings per share of 180-195 cents (up 50-60%) on the increased capital.

Cardno is to acquire the United States environmental consulting firm, **JF New & Associates**, for US\$12 million, including US\$2 million payable in fifteen months subject to future performance. 75% of the consideration will be in cash and 25% in Cardno shares. The business is expected to generate annual revenues of US\$18 million and earnings of US\$2.7 million, so is being acquired on a Price/Sales ratio of 0.67 and a Price/Earnings ratio (based upon estimated net profits) of about 8.

JF New & Associates is involved in “natural resource management, environmental permitting, habitat restoration, mitigation banking, native plant materials and cultural consulting”. The business is based in Indiana - where it has a 130 acre native plant nursery - with offices in Illinois, Ohio, Michigan and Wisconsin.

This acquisition is “highly complementary” to the recently acquired ENTRIX Holdings and the two companies have worked together on a number of projects.

Challenger Wine Trust has received a takeover proposal from its Manager and Hong Kong based **CK Life Sciences International** to buyout the public investors at 24 cents per unit. That is a 41% discount to net asset backing, based upon the trust's cyclically depressed asset values.

We are not happy about the significant conflict of interest in this proposal. Wholly owned subsidiaries of **Challenger Ltd** (formerly Challenger Financial Services Ltd) act as manager, trustee and hold a 27.7% interest. The Manager has engineered a “debt crisis” by taking no action to raise new equity or sell assets or to refinance debt maturing in early 2011 as well as talking down the trust's prospects - making it difficult to raise new equity from the public. Challenger's wholly owned subsidiary will get to retain its 27.7% interest and in partnership with the Hong Kong interests are seeking to buy out the public at a very large 41% discount to net assets.

We doubt the Hong Kong company is motivated by philanthropy, rushing to the aid of unfortunate Australian and New Zealand private investors! A more likely

motivation is the opportunity to acquire depressed assets at a significant discount to market value . . . and to profit handsomely over the next few years from their strong cashflows and the recovery in asset values! It is a major conflict that Challenger (i.e. its 100% subsidiary acting as Manager) is recommending that the public investors approve this scheme while it (i.e. another 100% owned subsidiary of Challenger) will be able hold onto its units!

How can it be in the “best interests” of some unit holders (i.e. the public) to sell and some (i.e. the “insiders”) to hold? If the difference can be explained by the financial resources and investment horizons of individual investors, then the public should also be given the choice to sell now or hold for the long term.

It would appear that Challenger (as a 27.7% unitholder) and CK Life Sciences *do* have a plan to deal with the upcoming debt maturity by their new partnership, but that Challenger (as Manager of the trust) is not undertaking any discussions with the bank or investigating options for raising equity or selling assets ahead of the May 2011 debt maturity. This is a situation where it certainly appears that the Manager has backed investors into a corner . . . before presenting its own offer to buy them out cheaply or else!

An “independent” report on the takeover scheme is being prepared (hopefully not by yet *another* Challenger 100% owned subsidiary!), which according to the *Implementation Agreement* must first be provided to CK Life Sciences (CKLS) who will “consult on the content of that draft” before the trust must “take into account any comments from CKLS”. After which the not-so-independent report will be distributed to investors!

We shall await this report with interest, but at this stage would favour voting against the takeover scheme. If Challenger (i.e. the subsidiary acting as Fund Manager) cannot come up with a better deal than the public selling out at a 41% discount, then unitholders should reject this scheme and seek to appoint a more capable Manager for this trust!

Challenger Wine Trust



Circadian Technologies has been granted new United States patents covering the use of inhibitors which block VEGF-C, VEGF-D and VEGFR-3 for cancer treatments. This extends the patent protection to the company's intellectual property until September 2023.

A similar patent has been granted in Europe and the company expects to receive a Canadian patent in early 2011.

Circadian Technologies and **Ark Therapeutics** have “amicably” settled their (Continued on Page 6)

Recommended Investments

(Continued from Page 5)

licencing dispute. Both parties will pay their own costs of arbitration. The companies have agreed that Circadian Technologies will receive “an increased annual licence payment and royalties” on income generated by *Trinam* (which is still in development and requires further clinical development), and has also granted an Ark Therapeutics' subsidiary “an exclusive worldwide licence for VEGF-D gene therapy products”.

Healthscope is developing a test for *Cancers of Unknown Primaries* which it will market in Australia from early 2011, with royalties to Circadian Technologies. Circadian Technologies will retain the right to market the test worldwide through licencing deals with third parties.

CPT Global has commenced five new mainframe computer optimisation projects in Europe, for companies in Banking, Insurance and Car Manufacturing. The company has also opened new offices in France and Canada. At present the company is involved with 3% of global mainframe computing, with a “pipeline” of potential new business customers that would more than double that to 7%.

Legal action against **CSG Ltd** has determined that **Fuji Xerox Australia's** termination of CSG Ltd's dealer agreements in Brisbane and Maroochydore was valid. CSG Ltd is appealing this decision that requires it to transfer customers back to Fuji Xerox *if the customers agree* to the transfer. This covers only 10% of CSG Ltd's total copier/printer customers and in “the worst case scenario” would reduce annual pre-tax profits by \$3-4 million if every customer in Brisbane and Maroochydore consented to return to Fuji Xerox. This impact is relatively insignificant, with greater growth coming from the expansion of the Print Division.

CSG Ltd's contracts with **Canon Australia** and **Konica Minolta** have no requirement to transfer customers in the event of a contract dispute with either manufacturer.

CSG Ltd will rebrand its Queensland *Fuji Xerox* dealerships to *Canon* or *Develop*. It will finalise the recent acquisition of the Canon business and seek to increase sales.

The company continues to forecast the current year profit to be up about 45% at \$46½ million, with first half profits of around \$18½ million.

In the year to June 2012 and beyond the group will focus upon organic growth of both its Print Services and Technology Solutions businesses, with “much of this

CSG Limited



growth” in both divisions “locked in” from long term contracts.

The shares are down since our recent initial recommendation, but remain an attractive “Buy”.

Devine has acquired a 52.9 hectare site, adjacent to its *Eden Brook* community (south east of Melbourne), which will add a further 517 lots - and \$100 million in revenues - to the existing 600 lot development. Construction will commence in 2011, with settlements starting in 2012 and continuing through to 2015.

The company has acquired a 123.3 hectare site adjacent to its *Mountview* development in Brisbane's western growth corridor. This will add a further 1069 lots (almost doubling the existing project), 40 hectares of open space and a shopping centre.

Ellex Medical Lasers previewed a prototype of its *Retinal Regeneration Therapy* laser which will be called *Regeneris* at the **Royal Australian and New Zealand College of Ophthalmology** meeting in Adelaide in November. This also begins the company's “educational marketing program” for this product which will undergo “multi-centre, randomised clinical trials” in 2011 before the technology is brought to market. Age-Related Macular Degeneration affects 15% of people over the age of 50, is currently untreatable in 90% of cases and the leading cause of blindness in the developed world - so this new technology has a large potential market! All trials to date show therapeutic benefit.

Finbar Group has raised \$28,670,000 from the placement of 24,961,863 new shares at 115 cents and also plans to raise a further \$13,940,000 from a *Share Purchase Plan* offering existing shareholders up to \$15,000 of shares at the same price (i.e. up to about 13,043 shares at 115 cents). The share purchase plan is not payable until 28 January, so we shall discuss it further next month.

We make that \$42.6 million to be raised (although the company's stock exchange announcement says “\$45.6 million”) which will help “accelerate its *Karratha* development plans”, “bring forward construction of Stage II of the 292 unit *Pelago* project” and “new Perth project opportunities” currently under negotiation.

Finbar Group has announced a joint venture to develop a 3,700m² site at 208 Adelaide Terrace and 311 Hay Street in East Perth into two 10-storey buildings with 190 apartments of one, two and three bedrooms. The total end value will be around \$105 million. This development will be a joint venture between the land owner **Heyspring International** who will receive 25% of the development profits and a joint venture subsidiary 60% owned by Finbar and 40% by **Wembley Lakes Estates Two**. So Finbar will receive 45% of the development profits (and Wembley Estates 30%).

Finbar Group will also benefit as project manager and earn a management fee. Development approval will be sought immediately and construction is planned to commence in mid 2011. These joint ventures enable Finbar Group to maximise its earnings and “leverage off our intellectual property” by bringing in partners to provide the land and equity capital for the project.

Finbar Group has completed the *Edge Apartments* (a 64% owned joint venture development). 65 of the 75 apartments have been sold for \$54 million, with settlement

expected in early December.

Iuka Resources is planning a “debottlenecking programme in 2011, requiring modest capital expenditure”, to increase Zircon production at the Jacinth-Ambrosia operation. Re-optimisation of this ore body - based upon the higher Zircon price and mining experience to date - could also increase the reserve base, allowing higher production and/or a longer mine life. The company believes Zircon prices will continue to rise over the next five years.

Integrated Research has announced that its strategic partnership with **ACI Worldwide** (announced in June) has resulted in *PROGNOSIS* software sales to monitor payment systems and that other new licence revenue for HP-Nonstop has “rebounced in the first five months of the year”. IP Telephony products have “continued historical growth”.

Integrated Research has also launched a new product, *PowerMinder*, a web based solution for controlling PC power usage that does not have to be installed on individual PCs. It is estimated that up to 50% of global businesses will instal PC power management systems over the next two years to control rising energy costs. This is a new source of high margin revenues for Integrated Research which should add to profits.

Nomad Building Solutions (as we announced in an email) has raised \$2.4 million from the placement of 20.4 million shares at 12 cents and is seeking to raise \$11.9 million from a cash issue to existing shareholders. This non-renounceable (i.e. investors can not trade their rights to the new shares) offered shareholders three new shares at 10 cents for every four shares held.

This new equity will enable the business to recover and grow. The cash will be used to “participate in a range of identified core business opportunities” and to “maintain its share of a growing market” for the company's products and services.

As advised, we recommended that investors take up these new shares. Investors unable (or unwilling) to commit further cash should have sold some existing shares on-market to finance taking up the cheaper new shares at 10 cents.

The new Managing Director believes “the company's fundamental strengths remain in place and provide the platform to enable us to significantly improve our financial performance in the future”.

Photon Group announced revenues and earnings for the first four months approximately in line with the previous year. We are not happy with that performance or the lack of focus on shareholders' interests . . . so are continuing to look for a suitable opportunity to sell out of Photon Group.

Probiotec has continued to experience “difficult trading conditions” during the current financial year. The first quarter revenues were only \$15.7 million with a net *loss* of \$1.3 million. The company expects the second quarter to generate revenues of \$20.3 million and a return to profits of \$2.3 million. That would give first half profits (to 31 December 2010) of only \$1.0 million.

Second half profits are expected to recover to \$4.2 million, giving an annual rate of \$5.2 million. That would be down about 4% on the June 2010 result.

Net operating cashflows, however, have remained

strong, with a cash operating surplus of \$3.1 million expected in the first half year and \$9.7 million in the second half year.

Current results are also being depressed by both international expansion setup costs and major product relaunch costs. The company has established - at a cost of around \$500,000 - sales and distribution infrastructure in China, with three regional offices. The first of its products will be sold through pharmacy and supermarket chains. The business has also continued to invest heavily in new product development. The *Celebrity Slim* product is currently distributed through around 450 stores in the United Kingdom, with a further 400 stores to market the product from January.

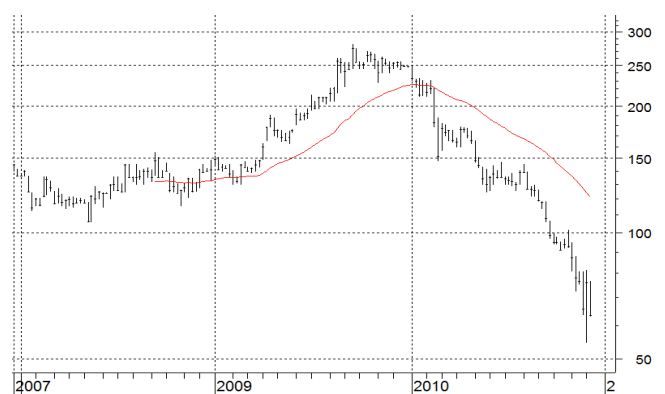
As we discussed in September, the company clearly has some short term *profitability* problems but has significant potential to recover and grow strongly. The shares, however, have fallen another 39% over the last three months!

Two important factors to assess the recovery potential of the business are operating cash surpluses and insider trading. Companies don't fail owing to a lack of *profits* but from a lack of *cash* when they are unable to pay interest on debt or other expenses as they fall due. Probiotec is continuing to generate strong operating cashflows - so the business is not going to fail any time soon! If things got really bad it may have to cut back on its ambitious growth plans and focus on its existing operations.

Insider trading is also one of the most reliable *predictors* of future share price movements. The *insiders* know the company best, so if *insiders* were selling shares then investors would have serious cause for concern! In fact, *insiders* have been strong buyers with 11 buys (and no sells) over the last year. *Insiders* made two on-market purchases in February, one in June, two in September, one in October, three in November and two (so far) in December. Our *Comprehensive Share Selection Criteria* rates shares as a “Buy” when they has significant *insider* buying and a positive Relative Strength. Probiotec shares are currently very weak, with a Relative Strength rating of -25.9%, ranked 97 (on a scale of 0-99). On the other hand, very weak shares *can* often bounce back strongly in value.

So more conservative investors should wait for the Probiotec share price to stabilise and start to recover before considering the share a “Buy”. More aggressive investors may try to “pick the bottom” - but good luck with that one!

Probiotec



(Continued on Page 8)

Recommended Investments

(Continued from Page 7)

Prophecy International Holdings has been selected by the **Arizona Department of Environmental Quality** to provide a *basis2* software solution for its revenue management.

The group also plans to introduce a *Promadis* product into the United States market this year and is seeking “another suitable acquisition target” to add revenues and profits. Prophecy International is also seeking “another large partnership” to take its utility software solutions into new markets.

This is a fixed cost, high profit margin business with significant economies of scale. With low revenues the company struggles to earn reasonable profits, but the company is debt-free with surplus cash in the bank, so at no risk of failure. Increasing sales and revenues - which would require only moderate success from its marketing partnerships - would significantly increase profitability and the value of this investment. This offers a favour risk/return profile, making Prophecy International shares an attractive holding in a diversified share portfolio. “Buy”.

Prophecy International Holdings



Ross Human Directions has received a takeover offer from listed **Chandler Macleod Group**. The offer is 73 cents cash (or 1.759 Chandler Macleod Group shares) subject to receiving 50.1% acceptances, rising to 75 cents (or 1.807 shares) on achieving 90% acceptances.

The offer - recommended by the directors in favour of the **Peoplebank** offer (which has now been terminated) - is conditional on 50.1% acceptances by 24 December. That seems likely as Julia Ross owns 44.6% of the company and will accept the offer. The closing date will be “late January”.

It is likely that Chandler Macleod will achieve a full takeover of Ross Human Directions (in the absence of any new, competitive offers!) but there is no rush to accept before the late January closing date (yet to be announced and possibly extended) when investors can choose between cash or Chandler Macleod Group shares.

Skilled Group was planning to sell its **Swan Contract Personnel** business to reduce debt levels, but has decided to retain the company after offers did not “reflect the full value of the business”.

Technology One lifted revenues 11.0% to \$135.9 million for the year to 30 September 2010. Profits rose 13.6% to \$17,813,000 (5.9 cents per share). The company will pay a final dividend of 2.87 cents - lifting the regular annual dividend 12.0% to 4.2 cents - plus a special

dividend of 1.5 cents (to distribute some of the company's surplus cash).

The net operating cash surplus rose 70% to \$31.6 million. Technology One has cash and deposits of \$36.6 million (12.2 cents per share) and interest bearing debts of only \$2.9 million.

The annual expenditure on Research & Development - which will drive revenue and profit growth in future years - was \$27.2 million.

The company is also establishing a *Cloud Computing Suite*, which it will release in the second half of 2011.

TFS Corporation, which developed and sold 1087 hectares of Sandalwood plantations last year, now reports it has the capacity to develop 1500 hectares annually. Prices per hectare for both *Managed Investment Scheme* and institutional sales will also be increased, improving the company's profit margins and cashflows.

TFS Corporation's undisclosed “AAA rated US investor” has exercised its annual option to acquire a further 182 hectares of Sandalwood plantations this year. This transaction is worth around \$20 million in revenues (excluding performance bonuses) to TFS Corporation over the life of the plantation.

TFS Corporation



The Reject Shop has lowered its profit forecast owing to “disappointing retail conditions” since the Reserve Bank raised interest rates on November 2, resulting in “overall sales significantly below expectations”. The company has lowered its forecast from \$26-26½ million to \$21-22 million (down 6-10% on the 2010 result).

Christmas products, seasonal foods and gifts “have been most impacted” and cool weather has also lowered sales of summer related merchandise. Non seasonal product sales “remain solid”. The Reject Shop intends to continue its long term strategy of new store openings.

The share price fell sharply last week - in response to this profit downgrade - so probably fully reflects the company's poor trading conditions. This appears to be a general drop in spending across the retail sector, not factors unique to The Reject Shop. Therefore, one poor trading period should not impact upon the company's ability to expand and grow through new store expansion. The shares remain a sound long term investment.

Village Roadshow plans to “reduce debt early in the new year” (i.e. 2011) and “potentially pay a slightly delayed dividend” for the June 2010 financial year. This would require some asset sales (and debt repayment from associates), such as the successful float of 40% owned **Village Roadshow Entertainment Group** on an international stockmarket.

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.

| Company | Share Price | Cur. Chg. 0-99 | 4-Wk Rank | Rel Strength | Brokers Following | Price/NTA | Return on Equity | Volatility | Price/Earnings | Dividend Yield | Price/Sales | Market Cap'n |
|---------|-------------|----------------|-----------|--------------|-------------------|-----------|------------------|------------|----------------|----------------|-------------|--------------|
|---------|-------------|----------------|-----------|--------------|-------------------|-----------|------------------|------------|----------------|----------------|-------------|--------------|

UNDER-VALUED SHARES: Lowest Price/Sales, Yld>0, RelStrength>0

| | | | | | | | | | | | | | |
|----------------|-----|-------|------|----|-----|------|-----|-----|-----|------|------|-------|-------|
| SmithsCity | 31 | +0.6 | -1.0 | 48 | 0-0 | -0.4 | 4 | 1.6 | 10 | 6.5 | 0.07 | 16 | |
| Col Motor Co | 250 | +5.8 | +0.6 | 20 | 0-0 | -0.7 | 4 | 0.5 | 16 | 8.6 | 0.19 | 82 | |
| Turners&Grow. | 150 | +0.1 | +0.8 | 55 | 0-0 | -0.5 | 3 | 0.8 | 18 | 6.7 | 0.27 | 158 | |
| EbosGroupLtd | 732 | +8.4 | +0.5 | 12 | 0-1 | 1 | 2.0 | 13 | 0.4 | 16 | 6.0 | 0.27 | 372 |
| SataraCo-op | 100 | +28.0 | +0.1 | 0 | 0-0 | -0.5 | 3 | 0.9 | 18 | 2.9 | 0.29 | 16 | |
| AirNewZealand | 140 | +6.9 | +0.6 | 15 | 0-4 | 1 | 1.0 | 5 | 0.9 | 18 | 7.1 | 0.37 | 1,507 |
| NuplexIndust | 352 | +6.1 | +0.3 | 18 | 6-0 | 1 | 1.3 | 14 | 1.0 | 9 | 6.0 | 0.46 | 677 |
| AlliedWork. | 127 | +21.4 | +8.6 | 1 | 1-0 | -1.8 | 11 | 0.8 | 17 | 5.1 | 0.47 | 33 | |
| GuinnessPeat | 70 | +1.1 | +2.7 | 44 | 1-1 | -0.6 | - | 1.2 | NE | 3.2 | 0.48 | 1,250 | |
| TurnersAuction | 132 | +0.4 | -1.2 | 51 | 2-0 | -1.8 | 16 | 0.6 | 11 | 13.0 | 0.51 | 36 | |
| InfratilNZ | 189 | +6.7 | +1.8 | 17 | 7-4 | -1.2 | 3 | 0.8 | 37 | 2.8 | 0.58 | 1,073 | |
| MainfreightGrp | 767 | +9.0 | +0.3 | 10 | 0-1 | -2.5 | 12 | 0.5 | 21 | 3.4 | 0.67 | 755 | |
| WarehouseGroup | 375 | +2.9 | +0.4 | 35 | 5-1 | 1 | 3.9 | 27 | 0.5 | 14 | 9.1 | 0.70 | 1,167 |
| FletcherBuild. | 782 | +1.9 | +0.2 | 38 | 2-4 | 3 | 1.6 | 9 | 0.5 | 17 | 4.5 | 0.70 | 4,746 |
| MichaelHill | 82 | +6.8 | +4.0 | 15 | 3-0 | 1 | 2.0 | 17 | 0.8 | 12 | 4.9 | 0.71 | 314 |
| BriscoeGroup | 140 | +7.4 | +3.3 | 13 | 7-0 | -2.3 | 16 | 1.0 | 14 | 7.1 | 0.71 | 298 | |
| HellabyHold. | 200 | +17.5 | -0.0 | 3 | 7-0 | -3.1 | 9 | 1.3 | 33 | 5.7 | 0.75 | 146 | |
| TelecomCorp | 208 | +0.4 | +1.3 | 52 | 0-2 | 1 | 1.6 | 16 | 0.6 | 10 | 11.5 | 0.76 | 3,995 |
| RestaurantBrds | 261 | +11.4 | -0.8 | 7 | 2-0 | -5.2 | 40 | 0.5 | 13 | 6.8 | 0.80 | 254 | |
| ScottTech.Ltd | 121 | +6.7 | +2.5 | 17 | 6-0 | -1.8 | 18 | 0.8 | 10 | 6.2 | 0.81 | 38 | |

BEST PERFORMING SHARES: Strongest Shares, P/E<20, P/S<1.0

| | | | | | | | | | | | | | |
|----------------|-----|-------|------|----|-----|------|-----|-----|-----|------|------|------|-------|
| SataraCo-op | 100 | +28.0 | +0.1 | 0 | 0-0 | -0.5 | 3 | 0.7 | 18 | 2.9 | 0.29 | 16 | |
| AlliedWork. | 127 | +21.4 | +8.6 | 1 | 1-0 | -1.8 | 11 | 0.6 | 17 | 5.1 | 0.47 | 33 | |
| CavalierCorp | 302 | +11.6 | +1.2 | 6 | 1-0 | 1 | 2.2 | 18 | 0.9 | 12 | 8.5 | 0.93 | 205 |
| RestaurantBrds | 261 | +11.4 | -0.8 | 7 | 2-0 | -5.2 | 40 | 0.4 | 13 | 6.8 | 0.80 | 254 | |
| FinzsoftSol'ns | 30 | +9.3 | -6.4 | 9 | 0-0 | -1.0 | 11 | 0.9 | 9 | Nil | 0.34 | 2 | |
| EbosGroupLtd | 732 | +8.4 | +0.5 | 12 | 0-1 | 1 | 2.0 | 13 | 0.3 | 16 | 6.0 | 0.27 | 372 |
| BriscoeGroup | 140 | +7.4 | +3.3 | 13 | 7-0 | -2.3 | 16 | 0.8 | 14 | 7.1 | 0.71 | 298 | |
| AirNewZealand | 140 | +6.9 | +0.6 | 15 | 0-4 | 1 | 1.0 | 5 | 0.7 | 18 | 7.1 | 0.37 | 1,507 |
| MichaelHill | 82 | +6.8 | +4.0 | 15 | 3-0 | 1 | 2.0 | 17 | 0.6 | 12 | 4.9 | 0.71 | 314 |
| ScottTech.Ltd | 121 | +6.7 | +2.5 | 17 | 6-0 | -1.8 | 18 | 0.6 | 10 | 6.2 | 0.81 | 38 | |
| NuplexIndust | 352 | +6.1 | +0.3 | 18 | 6-0 | 1 | 1.3 | 14 | 0.9 | 9 | 6.0 | 0.46 | 677 |
| Col Motor Co | 250 | +5.8 | +0.6 | 20 | 0-0 | -0.7 | 4 | 0.3 | 16 | 8.6 | 0.19 | 82 | |
| MethvenLimited | 168 | +4.8 | -0.3 | 26 | 2-1 | -2.1 | 15 | 0.8 | 14 | 9.4 | 0.86 | 112 | |
| WarehouseGroup | 375 | +2.9 | +0.4 | 35 | 5-1 | 1 | 3.9 | 27 | 0.4 | 14 | 9.1 | 0.70 | 1,167 |
| FletcherBuild. | 782 | +1.9 | +0.2 | 38 | 2-4 | 3 | 1.6 | 9 | 0.4 | 17 | 4.5 | 0.70 | 4,746 |
| SmithsCity | 31 | +0.6 | -1.0 | 48 | 0-0 | -0.4 | 4 | 1.3 | 10 | 6.5 | 0.07 | 16 | |
| Turner Limited | 199 | +0.5 | +1.3 | 49 | 0-0 | 1 | 1.3 | 12 | 0.8 | 10 | 6.5 | 0.98 | 507 |
| TurnersAuction | 132 | +0.4 | -1.2 | 51 | 2-0 | -1.8 | 16 | 0.5 | 11 | 13.0 | 0.51 | 36 | |
| TelecomCorp | 208 | +0.4 | +1.3 | 52 | 0-2 | 1 | 1.6 | 16 | 0.5 | 10 | 11.5 | 0.76 | 3,995 |
| Turners&Grow. | 150 | +0.1 | +0.8 | 55 | 0-0 | -0.5 | 3 | 0.6 | 18 | 6.7 | 0.27 | 158 | |

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

| | | | | | | | | | | | | | |
|----------------|-----|-------|------|----|-----|------|-----|-----|-----|------|------|------|-------|
| TelecomCorp | 208 | +0.4 | +1.3 | 52 | 0-2 | 1 | 1.6 | 16 | 0.5 | 10 | 11.5 | 0.76 | 3,995 |
| ArgosyProperty | 71 | +2.8 | +1.2 | 36 | 0-0 | -0.7 | - | 0.5 | NE | 10.6 | 4.91 | 383 | |
| MethvenLimited | 168 | +4.8 | -0.3 | 26 | 2-1 | -2.1 | 15 | 0.7 | 14 | 9.4 | 0.86 | 112 | |
| WarehouseGroup | 375 | +2.9 | +0.4 | 35 | 5-1 | 1 | 3.9 | 27 | 0.4 | 14 | 9.1 | 0.70 | 1,167 |
| AMP Onyx Mgmt | 78 | +3.5 | +0.9 | 32 | 2-1 | -1.0 | - | 0.5 | NE | 9.0 | 5.64 | 778 | |
| GoodmanProp. | 94 | +1.0 | +0.1 | 45 | 0-2 | -1.0 | - | 0.5 | NE | 9.0 | 6.08 | 807 | |
| VitalHealthPT | 108 | -58.3 | +0.0 | 97 | 0-0 | -1.0 | 5 | 0.5 | 21 | 8.8 | 5.45 | 155 | |
| KiwiProperty | 99 | +3.7 | +0.3 | 31 | 0-1 | -0.9 | - | 0.5 | NE | 8.6 | 4.24 | 799 | |
| CavalierCorp | 302 | +11.6 | +1.2 | 6 | 1-0 | 1 | 2.2 | 18 | 0.8 | 12 | 8.5 | 0.93 | 205 |
| VectorLtd | 241 | +8.4 | +2.7 | 11 | 2-2 | 1 | 1.2 | 10 | 0.5 | 12 | 8.3 | 2.02 | 2,400 |

INSIDER BUYING: Most Insider Buying, Relative Strength>0

| | | | | | | | | | | | | | |
|-----------------|-----|-------|------|----|-----|------|-----|-----|-----|-----|------|------|-------|
| Sky City Ltd | 313 | +0.6 | +2.3 | 49 | 7-0 | 1 | 2.4 | 19 | 0.5 | 13 | 7.1 | 2.17 | 1,800 |
| HellabyHold. | 200 | +17.5 | -0.0 | 3 | 7-0 | -3.1 | 9 | 1.0 | 33 | 5.7 | 0.75 | 146 | |
| BriscoeGroup | 140 | +7.4 | +3.3 | 13 | 7-0 | -2.3 | 16 | 0.7 | 14 | 7.1 | 0.71 | 298 | |
| ScottTech.Ltd | 121 | +6.7 | +2.5 | 17 | 6-0 | -1.8 | 18 | 0.5 | 10 | 6.2 | 0.81 | 38 | |
| NuplexIndust | 352 | +6.1 | +0.3 | 18 | 6-0 | 1 | 1.3 | 14 | 0.9 | 9 | 6.0 | 0.46 | 677 |
| GuocoLeisure | 69 | +7.2 | +1.9 | 14 | 6-0 | -0.7 | 5 | 0.6 | 13 | 2.2 | 1.79 | 944 | |
| Port Tauranga | 735 | +3.8 | +1.7 | 31 | 5-0 | -1.5 | 7 | 0.4 | 22 | 5.6 | 6.65 | 985 | |
| WarehouseGroup | 375 | +2.9 | +0.4 | 35 | 5-1 | 1 | 3.9 | 27 | 0.4 | 14 | 9.1 | 0.70 | 1,167 |
| MichaelHill | 82 | +6.8 | +4.0 | 15 | 3-0 | 1 | 2.0 | 17 | 0.5 | 12 | 4.9 | 0.71 | 314 |
| F & P Appliance | 57 | +2.2 | +2.2 | 37 | 3-0 | 1 | 0.7 | - | 1.0 | NE | Nil | 0.35 | 413 |

| Company | Share Price | Cur. Chg. 0-99 | 4-Wk Rank | Rel Strength | Brokers Following | Price/NTA | Return on Equity | Volatility | Price/Earnings | Dividend Yield | Price/Sales | Market Cap'n |
|---------|-------------|----------------|-----------|--------------|-------------------|-----------|------------------|------------|----------------|----------------|-------------|--------------|
|---------|-------------|----------------|-----------|--------------|-------------------|-----------|------------------|------------|----------------|----------------|-------------|--------------|

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength<0

| | | | | | | | | | | | | | |
|----------------|-----|-------|------|----|-----|------|-----|-----|-----|-----|------|------|-------|
| BlisTechnology | 10 | -5.8 | -3.2 | 77 | 0-1 | -9.5 | - | 1.7 | NE | Nil | 7.25 | 14 | |
| VitalHealthPT | 108 | -58.3 | +0.0 | 97 | 0-0 | -1.0 | 5 | 0.4 | 21 | 8.8 | 5.45 | 155 | |
| NZExchangeLtd | 146 | -3.1 | +1.7 | 72 | 0-2 | -1.9 | 3 | 0.7 | 73 | 6.4 | 4.11 | 176 | |
| NZOil&Gas | 89 | -8.5 | -3.2 | 83 | 0-0 | -0.8 | - | 0.4 | NE | 8.0 | 3.52 | 350 | |
| F & P Health. | 314 | -0.4 | +1.6 | 61 | 1-1 | 2 | 5.5 | 24 | 0.3 | 22 | 5.6 | 3.20 | 1,609 |
| HorizonEnergy | 360 | -1.7 | -0.4 | 64 | 0-0 | -1.7 | 11 | 0.2 | 15 | 6.7 | 2.96 | 90 | |
| LytteltonPort | 226 | -1.2 | -1.4 | 63 | 0-0 | -1.7 | 7 | 0.4 | 26 | 2.8 | 2.65 | 231 | |
| MowbrayCollect | 75 | -4.7 | +1.3 | 74 | 0-0 | -2.0 | - | 0.5 | NE | Nil | 2.27 | 8 | |

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio>0.25, Yield<Twice Average

| | | | | | | | | | | | | | |
|-----------------|-----|-------|------|----|-----|-------|-----|-----|-----|-----|------|------|-----|
| Charlie'sGroup | 18 | -58.3 | -0.0 | 98 | 0-3 | -3.2 | 15 | 1.1 | 21 | Nil | 1.63 | 51 | |
| VitalHealthPT | 108 | -58.3 | +0.0 | 97 | 0-0 | -1.0 | 5 | 0.4 | 21 | 8.8 | 5.45 | 155 | |
| AlliedFarmers | 2 | -40.4 | +1.6 | 97 | 0-0 | -0.9 | - | 2.3 | NE | Nil | 0.39 | 41 | |
| CERGroupLtd | 1 | -15.5 | -1.9 | 92 | 0-0 | -1.5 | - | 3.7 | NE | Nil | 0.54 | 25 | |
| NZWindfarms | 19 | -15.1 | -0.1 | 91 | 0-0 | -0.5 | - | 1.2 | NE | Nil | N/A | 55 | |
| NewImageGroup | 26 | -15.1 | -3.1 | 90 | 6-0 | -2.4 | 30 | 1.0 | 8 | 8.2 | 0.75 | 61 | |
| WNDriveTech. | 2 | -12.2 | -9.5 | 89 | 2-0 | -0.4 | - | 2.2 | NE | Nil | 0.45 | 10 | |
| NZFinanceHold | 15 | -11.6 | -4.2 | 87 | 0-0 | -0.8 | - | 0.7 | NE | Nil | 0.34 | 11 | |
| NZOil&Gas | 89 | -8.5 | -3.2 | 83 | 0-0 | -0.8 | - | 0.4 | NE | 8.0 | 3.52 | 350 | |
| NZ Wine Company | 135 | -8.1 | +1.9 | 81 | 0-0 | -0.6 | - | 0.5 | NE | 2.1 | 0.90 | 12 | |
| EcoyaLtd | 75 | -8.0 | +0.5 | 81 | 0-0 | -18.7 | - | 0.8 | NE | Nil | 6.33 | 25 | |
| PyneGouldCorp | 38 | -7.1 | -0.5 | 80 | 5-2 | -0.6 | 5 | 0.8 | 13 | Nil | 1.43 | 294 | |
| KathmanduLtd | 165 | -6.9 | +1.7 | 79 | 1-1 | -1.4 | 4 | 0.5 | 35 | 6.1 | 1.34 | 330 | |
| WindflowTech. | 84 | -5.9 | -6.1 | 78 | 0-0 | -1.5 | - | 0.5 | NE | Nil | 0.42 | 10 | |
| BlisTechnology | 10 | -5.8 | -3.2 | 77 | 0-1 | -9.5 | - | 1.6 | NE | Nil | 7.25 | 14 | |
| WakefieldHlth | 600 | -5.2 | -0.3 | 76 | 0-0 | 1 | 0.9 | 6 | 0.2 | 14 | 4.3 | 1.11 | 85 |
| PacEdgeBio. | 20 | -5.0 | -3.3 | 76 | 0-0 | -26.7 | - | 1.2 | NE | Nil | N/A | 30 | |
| Comvita | 166 | -4.8 | -2.1 | 75 | 8-0 | -0.7 | 8 | 0.6 | 9 | 6.9 | 0.53 | 45 | |
| MowbrayCollect | 75 | -4.7 | +1.3 | 74 | 0-0 | -2.0 | - | 0.4 | NE | Nil | 2.27 | 8 | |
| PGGWrightsons | 48 | -4.7 | -3.3 | 73 | 0-2 | 1 | 0.6 | 4 | 0.5 | 15 | Nil | 0.32 | 364 |

INSIDER SELLING: Most Insider Selling, Relative Strength<0

| | | | | | | | | | | | | | |
|------------------|-----|-------|------|----|-----|-------|-----|-----|-----|------|------|--------|-----|
| Charlie'sGroup | 18 | -58.3 | -0.0 | 98 | 0-3 | -3.2 | 15 | 1.1 | 21 | Nil | 1.63 | 51 | |
| PGGWrightsons | 48 | -4.7 | -3.3 | 73 | 0-2 | 1 | 0.6 | 4 | 0.5 | 15 | Nil | 0.32 | 364 |
| NZExchangeLtd | 146 | -3.1 | +1.7 | 72 | 0-2 | -1.9 | 3 | 0.6 | 73 | 6.4 | 4.11 | 176 | |
| SealegsCorp | 18 | -2.0 | -4.1 | 68 | 0-1 | -3.0 | - | 1.2 | NE | Nil | 1.47 | 17 | |
| BlisTechnology | 10 | -5.8 | -3.2 | 77 | 0-1 | -9.5 | - | 1.5 | NE | Nil | 7.25 | 14 | |
| BroadwayInd | 30 | -0.1 | +0.0 | 57 | 0-0 | -0.7 | - | 0.5 | NE | Nil | 0.39 | 14 | |
| WakefieldFarmers | 2 | -40.4 | +1.6 | 97 | 0-0 | -0.9 | - | 2.1 | NE | Nil | 0.39 | 41 | |
| JasonsMedia | 35 | -11.6 | -0.2 | 86 | 0-0 | -2.0 | 16 | 0.6 | 13 | 10.2 | 0.48 | 7 | |
| EcoyaLtd | 75 | -8.0 | +0.5 | 81 | 0-0 | -18.7 | - | 0.8 | NE | Nil | 6.33 | 25 | |
| AMP Limited | 692 | -1.9 | +1.8 | 67 | 0-0 | -1.6 | 9 | 0.4 | 18 | 2.9 | 1.10 | 14,019 | |

“Neglect” Ratings of NZ Shares

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

| Company | No. of Brokers Following | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following | Market Capitalisation (NZ\$ Mill.) |
|----------------|--------------------------|------------------------------------|----------------|--------------------------|------------------------------------|
| AirNewZealand | 1 | 1,507 | PumpkinPatch | 1 | 275 |
| AkdInt Airport | 1 | 2,695 | RymanHealth. | 1 | 1,110 |
| CavalierCorp | 1 | 205 | SanfordLimited | 1 | 443 |
| ContactEnergy | 1 | 3,720 | Sky City Ltd | 1 | 1,800 |
| EbosGroupLtd | 1 | 372 | SkyNetworkTV | 1 | 1,989 |

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.

| STRENGTH RATING | | | | | | | | | | | | | | STRENGTH RATING | | | | | | | | | | | | | | |
|--|-------------|-----------|-----------|---------|------------------|----------------|-----------|------------------|------------|-------------------|----------------|-------------------|--------------|--|-------------|-----------|-----------|---------|------------------|----------------|-----------|------------------|------------|-------------------|----------------|-------------------|--------------|----------------------|
| Company | Share Price | Cur. rent | 4-Wk Chg. | Rk 0-99 | Insider Buy-Sell | Bkrs Following | Price/NTA | Return on Equity | Volatility | Price/Earn. Ratio | Dividend Yield | Price/Sales Ratio | Market Cap'n | Company | Share Price | Cur. rent | 4-Wk Chg. | Rk 0-99 | Insider Buy-Sell | Bkrs Following | Price/NTA | Return on Equity | Volatility | Price/Earn. Ratio | Dividend Yield | Price/Sales Ratio | Market Cap'n | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | Relative Strength <0 |
| OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength <0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GPT Group | 288 | -1.2 | -1.7 | 62 | 3-0 | 3 | 0.8 | 2 | 0.3 | 46 | 1.6 | 9.78 | 5,344 | Stirling Res. | 4 | -29.3 | +0.7 | 97 | 4-0 | - | - | - | 1.9 | NE | Nil | N/A | 31 | |
| BunningsW/hse | 178 | -1.5 | -1.1 | 63 | 1-0 | 3 | 0.9 | 12 | 0.3 | 8 | 6.8 | 9.53 | 749 | EveryDayMine | 4 | -28.8 | +2.5 | 97 | 0-0 | - | 0.4 | - | - | 1.6 | NE | Nil | 0.34 | 9 |
| QuestMinerals | 4 | -9.0 | +1.3 | 81 | 2-0 | - | - | - | 1.9 | NE | Nil | 9.44 | 6 | GoldenGatePet | 1 | -28.5 | -3.1 | 97 | 0-0 | - | - | - | - | 2.8 | NE | Nil | 2.17 | 13 |
| SomertonEnergy | 16 | -4.5 | +6.7 | 71 | 0-0 | - | - | - | 1.2 | NE | Nil | 9.41 | 7 | Bioprospects | 1 | -27.5 | -1.2 | 97 | 0-0 | - | - | - | - | 3.8 | NE | Nil | N/A | 7 |
| AustraloresFd | 110 | -3.0 | -0.2 | 67 | 3-0 | - | 0.8 | 15 | 0.4 | 6 | 7.3 | 8.98 | 72 | AntisenseT. | 1 | -27.2 | -0.6 | 97 | 0-0 | - | - | - | - | 3.5 | 2 | Nil | N/A | 7 |
| AuroraSandDiv | 100 | -0.8 | +0.6 | 61 | 0-0 | - | 1.0 | - | 0.4 | NE | 9.7 | 8.96 | 44 | AustChinaHold | 0 | -27.0 | -4.4 | 97 | 0-0 | - | 0.1 | 1 | 7.4 | 10 | Nil | 1.05 | 7 | |
| Carsales.com | 475 | -1.9 | -1.9 | 64 | 3-4 | 7 | 12.5 | 49 | 0.4 | 26 | 3.1 | 8.93 | 1,104 | VerusInvestm't | 2 | -26.9 | -4.4 | 97 | 3-0 | - | - | - | - | 2.6 | NE | Nil | N/A | 11 |
| PhoslockWater | 8 | -11.4 | +4.7 | 85 | 0-0 | - | 7.5 | - | 1.3 | NE | Nil | 8.82 | 14 | PanaxGeotherm. | 6 | -24.8 | +3.9 | 97 | 0-0 | - | - | - | - | 1.4 | NE | Nil | N/A | 14 |
| GenesisResLtd | 11 | -8.3 | -0.4 | 80 | 2-0 | - | - | - | 1.2 | NE | Nil | 8.66 | 6 | Enerji Ltd | 2 | -24.3 | +6.4 | 97 | 0-0 | - | - | - | - | 2.1 | NE | Nil | N/A | 13 |
| I-CashPayment | 41 | -7.3 | +3.8 | 77 | 0-0 | - | 20.3 | 26 | 0.6 | 76 | Nil | 8.30 | 346 | A1 MineralsLtd | 11 | -23.6 | +0.2 | 96 | 0-3 | - | - | - | - | 1.1 | NE | Nil | 7.80 | 22 |
| SeekLtd | 690 | -1.8 | -2.7 | 64 | 1-0 | 7 | 10.3 | 40 | 0.3 | 26 | 1.7 | 8.24 | 2,322 | KairikiEnergy | 5 | -22.9 | -0.3 | 96 | 0-0 | - | - | - | - | 1.9 | NE | Nil | N/A | 29 |
| MikohCorp. | 4 | -21.5 | -0.3 | 93 | 0-0 | - | - | - | 1.6 | NE | Nil | 8.24 | 13 | ComOpsLimited | 5 | -22.7 | +1.3 | 96 | 0-0 | - | 1.1 | 44 | 1.4 | 3 | Nil | 0.27 | 5 | |
| BiotechCapital | 14 | -19.1 | -0.1 | 95 | 0-0 | - | 0.6 | - | 0.9 | NE | Nil | 8.23 | 10 | MarionEnergy | 2 | -22.7 | -1.3 | 96 | 1-0 | - | - | - | - | 2.1 | NE | Nil | N/A | 9 |
| IMF(Aust)Ltd | 146 | -2.4 | +1.5 | 65 | 0-0 | 2 | 5.6 | 38 | 0.3 | 15 | 3.4 | 8.19 | 177 | JindaleeRes. | 54 | -22.6 | +6.0 | 96 | 0-2 | - | - | - | - | 0.7 | NE | Nil | N/A | 18 |
| NSX Limited | 21 | -0.3 | +2.5 | 58 | 6-0 | - | 3.0 | - | 0.8 | NE | Nil | 8.14 | 21 | AvexaLimited | 4 | -21.7 | +7.5 | 95 | 4-0 | - | 1.3 | - | - | 1.5 | NE | Nil | N/A | 34 |
| A1 MineralsLtd | 11 | -23.6 | +0.2 | 96 | 0-3 | - | - | - | 1.1 | NE | Nil | 7.80 | 22 | MikohCorp. | 4 | -21.5 | -0.3 | 95 | 0-0 | - | - | - | - | 1.5 | NE | Nil | 8.24 | 13 |
| WoodsidePetrol | 4300 | -0.5 | -0.5 | 60 | 1-2 | 6 | 2.6 | 14 | 0.3 | 18 | 2.6 | 7.68 | 33,422 | StrathfieldGrp | 1 | -21.4 | +0.0 | 95 | 0-0 | - | - | - | - | 4.5 | 6 | Nil | 0.30 | 16 |
| OrionPetroleum | 4 | -17.6 | +1.6 | 92 | 0-0 | - | - | - | 1.7 | NE | Nil | 7.54 | 7 | EneabbaGasLtd | 8 | -21.4 | +1.6 | 95 | 1-0 | - | 1.6 | - | - | 1.4 | NE | Nil | N/A | 6 |
| INGOfficeFund | 58 | -0.2 | -1.8 | 58 | 0-0 | 2 | 0.8 | 2 | 0.5 | 37 | 6.7 | 7.46 | 1,583 | SultanCorpLtd | 1 | -21.3 | +3.7 | 95 | 0-0 | - | - | - | - | 3.8 | NE | Nil | N/A | 5 |
| Wotif.comHold. | 481 | -9.2 | +2.3 | 81 | 0-3 | 7 | - | - | 0.3 | 19 | 4.5 | 7.41 | 1,008 | ADXEnergyLtd | 9 | -20.7 | +1.4 | 95 | 8-1 | - | - | - | - | 1.3 | NE | Nil | N/A | 22 |
| CFSRetailProp | 181 | -2.3 | -1.9 | 65 | 0-0 | 2 | 0.9 | 6 | 0.4 | 14 | 6.9 | 7.30 | 4,544 | SynergyMetals | 1 | -20.5 | -7.3 | 95 | 0-0 | - | - | - | - | 3.7 | NE | Nil | N/A | 5 |
| WestfieldGroup | 1255 | -0.5 | -0.7 | 60 | 0-0 | 3 | 1.2 | - | 0.2 | NE | 7.5 | 7.02 | 28,963 | PapyrusAust. | 15 | -20.2 | -0.7 | 94 | 0-0 | - | 3.8 | - | - | 0.9 | NE | Nil | N/A | 14 |
| AberdeenLeader | 129 | -0.4 | +0.8 | 59 | 1-0 | - | 1.0 | 8 | 0.4 | 13 | 7.4 | 6.76 | 78 | GrandGulfEn. | 1 | -20.2 | -9.6 | 94 | 0-0 | - | - | - | - | 3.4 | NE | Nil | N/A | 8 |
| OrionEquities | 45 | -4.2 | -0.6 | 70 | 1-0 | - | 0.4 | 6 | 0.5 | 7 | Nil | 6.58 | 8 | RefForkEnergy | 41 | -20.2 | -0.1 | 94 | 3-0 | - | - | - | - | 0.7 | NE | Nil | N/A | 29 |
| Digislide Hold. | 14 | -30.0 | +1.1 | 97 | 0-0 | - | 6.8 | - | 1.1 | NE | Nil | 6.55 | 7 | 3QHoldingsLtd | 8 | -19.8 | +1.5 | 94 | 0-0 | - | - | - | - | 1.0 | 9 | Nil | 0.52 | 12 |
| DeutscheIndTr | 196 | +0.0 | +0.0 | 55 | 0-0 | - | 1.2 | 10 | 0.2 | 12 | 8.1 | 6.49 | 663 | PhylogicaLtd | 5 | -19.7 | +0.8 | 94 | 2-0 | - | - | - | - | 1.3 | NE | Nil | N/A | 14 |
| Metal StormLtd | 1 | -16.2 | +4.7 | 91 | 1-0 | - | - | - | 3.5 | NE | Nil | 6.43 | 9 | QldTrustees | 25 | -19.6 | -4.2 | 94 | 0-0 | - | 0.4 | - | - | 0.6 | NE | Nil | 1.36 | 8 |
| AustpacRes | 3 | -4.6 | -1.1 | 71 | 0-0 | - | - | - | 1.8 | 23 | Nil | 6.42 | 32 | ChameleonMin. | 1 | -19.3 | -11.4 | 94 | 1-0 | - | - | - | - | 2.7 | NE | Nil | N/A | 15 |
| C'wth Prop Off. | 85 | -3.5 | -2.7 | 69 | 0-0 | 2 | 0.8 | 5 | 0.4 | 15 | 6.5 | 6.41 | 1,825 | OceaniaCapital | 125 | -19.1 | +1.1 | 93 | 0-0 | - | 1.4 | - | - | 0.5 | NE | Nil | 1.38 | 115 |
| Coal of Africa | 135 | -15.7 | +1.8 | 90 | 0-0 | - | - | - | 0.5 | NE | Nil | 6.29 | 72 | ValadProperty | 110 | -19.1 | -3.6 | 93 | 0-0 | 1 | 8.5 | - | - | 0.4 | NE | Nil | 0.69 | 126 |
| EnergyWorld | 42 | -2.2 | +0.6 | 65 | 0-0 | - | - | - | 0.6 | 29 | Nil | 6.26 | 656 | Biotech Capital | 14 | -19.1 | -0.1 | 93 | 0-0 | - | 0.6 | - | - | 0.8 | NE | Nil | 8.23 | 10 |
| AdelaideEnergy | 9 | -14.9 | +0.7 | 90 | 0-0 | - | - | - | 1.2 | NE | Nil | 6.18 | 29 | AustMinerals | 11 | -18.8 | -1.9 | 93 | 0-0 | - | - | - | - | 1.3 | NE | Nil | N/A | 9 |
| MaverickDrill. | 20 | -7.8 | -1.0 | 78 | 1-0 | - | - | - | 1.1 | NE | Nil | 6.15 | 34 | NeptuneMarine | 21 | -18.6 | +1.4 | 93 | 2-0 | 3 | 1.6 | 1 | 0.8 | 108 | Nil | 0.50 | 90 | |
| DeutscheDivTr | 131 | +0.0 | +0.0 | 55 | 0-0 | - | 1.1 | 8 | 0.3 | 14 | 7.1 | 6.10 | 1,306 | Cbio Limited | 21 | -18.6 | +3.2 | 93 | 0-0 | - | - | - | - | 1.1 | NE | Nil | N/A | 24 |
| SinoSecurities | 28 | -10.9 | +2.6 | 85 | 0-0 | - | - | - | 0.7 | NE | Nil | 6.00 | 19 | IDT Australia | 51 | -18.6 | +1.0 | 93 | 0-0 | - | 0.8 | - | - | 0.5 | NE | 2.0 | 1.80 | 22 |
| InfoChoiceLtd | 45 | -2.1 | +0.6 | 64 | 0-0 | - | 15.0 | - | 0.7 | NE | Nil | 5.84 | 19 | AskFundingLtd | 16 | -18.5 | -1.8 | 93 | 2-0 | - | 0.5 | 4 | 1.0 | 11 | 2.3 | 0.80 | 11 | |
| CellessisLtd | 239 | -8.8 | +2.1 | 81 | 0-1 | - | 8.5 | 31 | 0.4 | 28 | 2.1 | 5.69 | 230 | ConnXionVent. | 3 | -18.3 | +1.6 | 93 | 8-0 | - | - | - | - | 1.7 | NE | Nil | 0.99 | 13 |
| DexusProperty | 79 | -0.3 | -1.8 | 59 | 0-0 | 3 | 0.8 | 1 | 0.4 | 121 | 6.5 | 5.28 | 3,784 | MissionNewEn. | 17 | -18.3 | -0.1 | 93 | 0-0 | - | - | - | - | 0.8 | NE | Nil | 2.90 | 48 |
| AleProperty | 199 | -2.7 | +0.4 | 66 | 1-0 | 1 | 0.9 | - | 0.3 | NE | 12.1 | 5.18 | 305 | INSIDER SELLING: Most Insider Selling, Relative Strength <0 | | | | | | | | | | | | | | |
| OptiscanImage | 5 | -14.3 | +3.5 | 89 | 4-0 | - | 4.9 | - | 1.6 | NE | Nil | 5.10 | 6 | Computershare | 1050 | -3.3 | +2.6 | 68 | 2-9 | 3 | - | - | - | 0.2 | 18 | 2.7 | 3.25 | 5,834 |
| CardiaBioplas. | 2 | -8.2 | +3.5 | 79 | 0-0 | - | 1.5 | - | 2.7 | NE | Nil | 5.00 | 11 | PlatinumAsset | 492 | -2.0 | -0.2 | 64 | 0-4 | 4 | - | - | - | 0.3 | 20 | 4.5 | N/A | 2,762 |
| SantosLtd | 1254 | -3.6 | -1.2 | 69 | 0-0 | 4 | - | - | 0.3 | 24 | 3.3 | 4.78 | 10,431 | NetcommLimited | 22 | -3.4 | -3.7 | 68 | 0-3 | - | 2.0 | 14 | 0.7 | 14 | 4.5 | 0.42 | 23 | |
| RoyalResources | 18 | -6.0 | -8.1 | 75 | 1-1 | - | - | - | 1.0 | NE | Nil | 4.69 | 17 | A1 MineralsLtd | 11 | -23.6 | +0.2 | 96 | 0-3 | - | - | - | - | 1.0 | NE | Nil | 7.80 | 22 |
| HillEndGold | 7 | -17.7 | +0.9 | 92 | 4-0 | - | - | - | 1.4 | NE | Nil | 4.58 | 28 | Wotif.comHold. | 481 | -9.2 | +2.3 | 81 | 0-3 | 7 | - | - | - | 0.3 | 19 | 4.5 | 7.41 | 1,008 |
| StrikeEnergy | 17 | -8.3 | -0.6 | 80 | 0-0 | 1 | - | - | 0.9 | NE | Nil | 4.56 | 46 | I-SOFTGroup | 8 | -41.3 | -0.2 | 99 | 1-4 | 2 | - | - | - | 1.0 | NE | Nil | 0.19 | 83 |
| DiversaLtd | 8 | -7.8 | -2.5 | 78 | 0-0 | - | 4.1 | - | 1.2 | NE | Nil | 4.48 | 9 | RetailFoodGrp | 283 | -0.1 | +1.7 | 58 | 1-4 | 3 | - | - | - | 0.3 | 12 | 4.2 | 4.14 | 300 |
| PPKGroupLtd | 38 | -8.2 | +1.6 | 79 | 5-0 | - | 0.6 | 2 | 0.6 | 40 | 6.7 | 4.47 | 22 | East'nStarGas | 80 | -1.8 | -2.3 | 64 | 0-2 | 2 | - | - | - | 0.6 | NE | Nil | N/A | 693 |
| FolkstoneLtd | 13 | -9.5 | +3.6 | 82 | 0-0 | - | 0.5 | - | 0.8 | NE | Nil | 4.42 | 13 | AdvancedEnergy | 4 | -14.0 | -1.3 | 89 | 0-2 | - | 3.7 | - | - | 1.6 | NE | Nil | N/A | 17 |
| GageRoadBrew. | 8 | -7.9 | +1.8 | 78 | 0-0 | - | 4.1 | 11 | 1.7 | 37 | Nil | 4.29 | 25 | ThomasBryson | 10 | -41.0 | -4.3 | 99 | 0-2 | - | 3.3 | - | - | 1.1 | NE | Nil | 0.11 | 7 |
| Retail Food Grp | 283 | -0.1 | +1.7 | 58 | 1-4 | 3 | - | - | 0.4 | 12 | 4.2 | 4.14 | 300 | Adv. Magnesium | 4 | -7.8 | -1.9 | 78 | 0-2 | - | 1.5 | - | - | 1.3 | NE | Nil | 1.28 | 9 |
| WORST PERFORMING SHARES: Weakest Shares, P/S Ratio >0.25, Yield < Twice Average | | | | | | | | | | | | | | JamesHardie | 652 | -7.3 | +3.6 | 77 | 0-2 | 4 | - | - | 0.3 | NE | Nil | 2.14 | 2,833 | |
| PrimeInfra. | 490 | -54.2 | +1.0 | 99 | 1-0 | 1 | - | - | 0.2 | NE | 3.1 | 3.45 | 1,724 | BarraResources | 5 | -14.2 | -0.3 | 89 | 0-2 | - | - | - | - | 1.5 | NE | Nil | N/A | 16 |
| ImperialCorp. | 9 | -50.0 | +1.3 | 99 | 0-1 | - | - | - | 1.4 | NE | Nil | 1.25 | 14 | ExcaliburMin. | 0 | -30.5 | +5.1 | 98 | 0-2 | - | - | - | - | 4.7 | NE | Nil | N/A | 10 |
| AcuvaxLtd | 0 | -36.0 | +5.9 | 99 | 0-0 | - | - | - | 5.0 | NE | Nil | N/A | 6 | JindaleeRes. | 54 | -22.6 | +6.0 | 96 | 0-2 | - | - | - | - | 0.7 | NE | Nil | N/A | 18 |
| CougarEnergy | 3 | -35.2 | -1.2 | 98 | 0-0 | - | 0.7 | - | 2.3 | NE | Nil | N/A | 27 | HunterHallInt | 556 | -0.7 | +2.3 | 61 | 0-2 | - | 3.1 | 25 | 0.4 | 12 | 8.1 | 4.08 | 1 | |

“Neglect” Ratings of Australian Shares

“Neglected” Shares = 0-1 Brokers, “Moderately Followed” Shares = 2-3 Brokers, “Widely Followed” Shares = 4 or more Brokers.

| Company | No. of Brokers Following | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following | Market Capitalisation (NZ\$ Mill.) |
|-----------------|--------------------------|------------------------------------|-----------------|--------------------------|------------------------------------|-----------------|--------------------------|------------------------------------|-----------------|--------------------------|------------------------------------|
| AGLEnergyLtd | 3 | 7,156 | CFSRetailProp | 2 | 4,544 | G.U.D. Holdings | 4 | 632 | MernaMarine | 6 | 547 |
| AJLucas | 1 | 146 | CGAMiningLtd | 1 | 1,070 | GPTGroup | 3 | 5,344 | MetcashLtd | 6 | 3,063 |
| AMPLtd | 2 | 10,697 | CSGLtd | 2 | 355 | GWAGroupLtd | 4 | 894 | MiclynExpress | 1 | 466 |
| ANZBank | 6 | 61,009 | CSLLimited | 5 | 20,196 | GeodynamicsLtd | 1 | 142 | MinaraResource | 4 | 911 |
| APAGroup | 4 | 2,191 | CabchargeLtd | 3 | 718 | GerardLighting | 1 | 155 | MincorResource | 2 | 360 |
| APNNewsMedia | 2 | 1,128 | CaltexAustria | 3 | 3,877 | GindalbieMet. | 3 | 666 | MineralRes. | 3 | 1,774 |
| ARB Corporation | 1 | 523 | CampbellBros | 5 | 2,389 | Giralia Res. | 1 | 508 | MonadelphousGr | 1 | 297 |
| ASGGroupLtd | 3 | 172 | CarbonEnergy | 1 | 91 | GloucesterCoal | 2 | 897 | MirabelaNickel | 3 | 1,062 |
| ASXLimited | 3 | 6,667 | CardnoLtd | 2 | 471 | GoodmanGroup | 2 | 4,243 | MirvacGroup | 2 | 4,117 |
| AWBLimited | 4 | 1,222 | CarnarvonPet. | 6 | 292 | GoodmanFielder | 1 | 1,891 | MolopoEnergy | 1 | 221 |
| AWE Limited | 4 | 937 | Carsales.com | 7 | 1,104 | Graincorp | 6 | 1,275 | MyerHoldings | 8 | 1,473 |
| AXA Asia Pac | 3 | 12,899 | Cash Converters | 2 | 249 | GrangeResource | 2 | 772 | MortgageChoice | 1 | 163 |
| Abacus Property | 3 | 798 | Catalpa Res. | 2 | 295 | GrowthpointPro | 1 | 415 | MtGibsonIron | 3 | 2,363 |
| AcruxLtd | 2 | 570 | Centrebet Int'l | 1 | 127 | GryphonMineral | 1 | 320 | MurchisonMetal | 2 | 551 |
| AdamusResource | 2 | 112 | Chal Infra Fund | 1 | 355 | Gunns Ltd | 3 | 541 | MyerHoldings | 5 | 2,016 |
| AdelaideBright | 6 | 2,029 | Chal Div Prop | 1 | 466 | HFA Holdings | 1 | 89 | NRWHoldings | 3 | 512 |
| Aditya Birla | 1 | 373 | ChallengerLtd | 3 | 2,343 | Hansen Tech. | 1 | 119 | NanosonicsLtd | 1 | 196 |
| AevumLtd | 1 | 314 | ChaliceGold | 2 | 127 | HarveyNorman | 4 | 3,144 | Nat'l Aust Bank | 5 | 50,530 |
| Ale Property | 1 | 305 | ChandlerMcLeod | 3 | 163 | Hastie Group | 5 | 246 | Navitas Ltd | 3 | 1,349 |
| Alesco Corp Ltd | 3 | 244 | Charter Hall GR | 1 | 712 | Hast Div Util | 4 | 777 | NeptuneMarine | 3 | 90 |
| Allied GoldLtd | 1 | 551 | Chart H Retail | 1 | 1,144 | Heartware Inc. | 1 | 230 | NewHopeCorp. | 4 | 4,014 |
| AluminaLtd | 4 | 5,368 | Chart H Office | 2 | 1,374 | HendersonGroup | 1 | 1,666 | NewcrestMining | 7 | 19,456 |
| AmadeusEnergy | 1 | 68 | Citadel Res Grp | 1 | 1,187 | Hills Holdings | 3 | 523 | NewsCorp. | 2 | 13,088 |
| AmalgamatedHld | 2 | 1,038 | ClariusGroup | 1 | 61 | Horizon Oil Ltd | 2 | 395 | NexbisLtd | 1 | 72 |
| AmcomTelecom. | 5 | 238 | CloughLimited | 3 | 484 | I-SOFT Group | 2 | 83 | NexusEnergy | 3 | 431 |
| AncorLtd | 3 | 7,957 | CoalspurMines | 1 | 616 | IMDGroup | 5 | 318 | NibHoldings | 1 | 622 |
| AndeanRes. | 1 | 3,115 | Coal&Allied | 1 | 9,808 | IMF (Aust) Ltd | 2 | 177 | Nick Scali Ltd | 1 | 149 |
| AnsellLtd | 3 | 1,747 | CocaColaAmatil | 3 | 8,320 | ING Indust Trt | 1 | 1,348 | NidoPetroleum | 1 | 131 |
| AntaresEnergy | 1 | 110 | CochlearLtd | 5 | 4,428 | ING Office Fund | 2 | 1,583 | NobleMineral | 1 | 62 |
| Aquarius Plat. | 2 | 2,524 | Cockatoo Coal | 1 | 328 | IOOF Holdings | 5 | 1,751 | NomadBuilding | 2 | 25 |
| Aquila Res. | 5 | 3,549 | CodanLtd | 2 | 223 | liNet | 6 | 418 | Norfolk Group | 2 | 182 |
| Ardent Leisure | 2 | 338 | Coffey Int'l | 2 | 137 | Iluka Resources | 3 | 3,592 | NorthernEnergy | 3 | 113 |
| AristocratLeis | 2 | 1,419 | Com'wealthBank | 4 | 78,014 | Incitec Pivot | 5 | 6,124 | Nth Qld Metals | 1 | 81 |
| Asciano Limited | 4 | 4,784 | Computershare | 3 | 5,834 | Independ.Group | 4 | 918 | Nufarm Limited | 3 | 1,257 |
| Aspen Group Ltd | 2 | 259 | ConnectEastGrp | 4 | 1,704 | IndustreaLtd | 3 | 408 | OMHoldings | 1 | 712 |
| Atlas Iron Ltd | 3 | 1,028 | Cons Media Hold | 3 | 1,928 | Infigen Energy | 1 | 416 | OZMineralsLtd | 8 | 5,088 |
| Aurora Oil Gas | 1 | 454 | CooperEnergy | 3 | 121 | Insurance Aust. | 2 | 7,942 | Oakton Limited | 3 | 210 |
| Ausdrill Ltd | 2 | 733 | Count Financial | 2 | 326 | Int Research | 1 | 59 | Oil Search Ltd | 7 | 9,110 |
| AusencoLtd | 5 | 351 | CraneGroup | 4 | 593 | Intoll Group | 3 | 3,415 | OnesteelLtd | 3 | 3,502 |
| Aust Infra. | 2 | 1,192 | CromwellGroup | 1 | 586 | Invocare Ltd | 4 | 752 | Orica Ltd | 6 | 9,165 |
| Austin Eng. | 5 | 312 | CrownLtd | 2 | 6,074 | Iress Mkt Tech | 3 | 1,095 | OriginEnergy | 5 | 14,628 |
| Aust Agricult. | 2 | 387 | Cue Energy Res. | 2 | 263 | JB Hi-Fi Ltd | 2 | 1,987 | Oroton Group | 1 | 350 |
| Austar United | 3 | 1,228 | CustomersLtd | 4 | 236 | JabiruMetals | 6 | 329 | PacificBrands | 6 | 904 |
| Aust Education | 1 | 96 | DUET Group | 3 | 1,550 | JamesHardie | 4 | 2,833 | PaladinEnergy | 4 | 3,586 |
| Aust Pharm. Ind | 3 | 181 | DWS Adv Bus Sol | 3 | 169 | Jupiter Mines | 1 | 187 | PanaustLtd | 3 | 2,229 |
| Austal Limited | 3 | 566 | Data 3 Ltd | 1 | 182 | KagaraLtd | 4 | 533 | PanoramicRes. | 3 | 495 |
| AustereoGroup | 2 | 579 | David Jones | 6 | 2,160 | KingroseMining | 1 | 304 | PaperlinXLtd | 2 | 254 |
| Automotive Hold | 1 | 514 | DecmilGroup | 4 | 306 | Kingsgate Cons. | 7 | 1,015 | Patties Foods | 2 | 181 |
| Avoca Resources | 5 | 909 | DexusProperty | 3 | 3,784 | Leighton Hold | 6 | 10,148 | PeetLtd | 2 | 591 |
| BHP Billiton | 4 | 152,500 | Domino's Pizza | 3 | 440 | Lend Lease Grp | 1 | 4,564 | Perilya Mines | 2 | 275 |
| BSALtd | 1 | 65 | Dominion Mining | 4 | 315 | Linc Energy Ltd | 1 | 1,440 | PerpetualLtd | 3 | 1,604 |
| BT Invest Mgmt | 2 | 394 | Downer EDI Ltd | 5 | 1,558 | Liq Natural Gas | 2 | 130 | PharmaxisLtd | 1 | 656 |
| Bandanna Energy | 1 | 584 | DuluxGroupLtd | 5 | 995 | LogicammsLtd | 2 | 72 | Platinum Asset | 4 | 2,762 |
| Bank of Q'land | 3 | 2,452 | Dyesol Ltd | 1 | 97 | LudowiciLtd | 1 | 105 | Premier Invest | 4 | 958 |
| Beach Energy | 1 | 852 | East'n Star Gas | 2 | 693 | Lycopodium Ltd | 1 | 174 | Primary Health | 6 | 1,715 |
| Becton Prop Grp | 4 | 10 | Elders Limited | 3 | 283 | Lynas Corp Ltd | 1 | 2,434 | PrimeMediaGrp | 1 | 223 |
| Bendigo Bank | 3 | 3,704 | Emeco Holdings | 6 | 663 | M2 Telecom. Grp | 3 | 324 | Prime Infra. | 1 | 1,724 |
| Billabong Int'l | 3 | 2,245 | Energy Resource | 4 | 2,401 | MMapGroup | 3 | 5,695 | ProMaintenance | 4 | 180 |
| BlackmoresLtd | 3 | 480 | Envestra | 3 | 707 | MacServices | 6 | 642 | Q.B.E. Insur. | 4 | 18,085 |
| Bluescope Steel | 4 | 3,829 | Equinox Min. | 4 | 4,206 | MacMahon Hold | 5 | 393 | QRXPharmaLtd | 1 | 119 |
| Boart Longyear | 2 | 1,963 | EservGlobalLtd | 1 | 124 | MacarthurCoal | 3 | 3,281 | Qantas Airways | 2 | 6,071 |
| Boom Logistics | 2 | 182 | Extract Res. | 2 | 2,181 | Macquarie C Tel | 1 | 180 | RCG Corporation | 2 | 141 |
| Boral Limited | 5 | 2,905 | FKP Limited | 2 | 985 | Macquarie Group | 1 | 12,675 | RCR Tomlinson | 3 | 200 |
| Bow Energy Ltd | 1 | 342 | Fairfax Media | 2 | 3,328 | Mantra Res. | 1 | 977 | REA Group Ltd | 5 | 1,535 |
| Bradken Ltd | 8 | 1,270 | Fantastic Hold. | 1 | 224 | Marybor'gh Suga | 1 | 185 | RP Data Ltd | 1 | 150 |
| Brambles Ltd | 3 | 9,842 | Fleetwood Corp | 4 | 704 | Matrix Comp. | 2 | 399 | Ramsay Health | 6 | 3,233 |
| Breville Group | 1 | 356 | Flexicorp Ltd | 3 | 364 | MaxiTRANS | 2 | 49 | Reckon Limited | 1 | 317 |
| Brickworks Ltd | 3 | 1,605 | Flight Centre | 3 | 2,385 | Mayne Pharma Gr | 1 | 100 | Redflex Holding | 2 | 266 |
| Brockman Res. | 1 | 703 | Focus Minerals | 1 | 155 | McMillan Shake. | 1 | 528 | Regional Exp. | 1 | 128 |
| Bunnings W/hse | 3 | 749 | Fortescue Metal | 5 | 20,323 | McPherson's Ltd | 1 | 222 | Resource Equip. | 1 | 75 |
| C'wth Prop Off. | 2 | 1,825 | Foster's Group | 3 | 10,849 | Medusa Mining | 1 | 1,210 | Resolute Mining | 3 | 506 |
| C.S.R. Ltd | 5 | 2,568 | | | | Melbourne IT | 1 | 151 | | | |

| | | | | | | | | | Market Analysis | | |
|----------------|----------------------------------|------------------------------------|----------------|----------------------------------|------------------------------------|----------------|----------------------------------|------------------------------------|-----------------|----------------------------------|------------------------------------|
| Company | No. of Brokers Following Company | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following Company | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following Company | Market Capitalisation (NZ\$ Mill.) | Company | No. of Brokers Following Company | Market Capitalisation (NZ\$ Mill.) |
| RetailFoodGrp | 3 | 300 | SimsMetalMgmt | 3 | 4,084 | TabcorpHolding | 2 | 4,894 | VDMGroupLtd | 2 | 67 |
| RexMinerals | 2 | 60 | SirtexMedical | 1 | 339 | Talent2Int'l | 1 | 204 | ValadProperty | 1 | 126 |
| Ridley Corp. | 3 | 389 | SkilledGroup | 3 | 357 | TapOil | 2 | 192 | VirginBlue | 2 | 939 |
| RioTintoLtd | 3 | 53,013 | Slater&Gordon | 2 | 235 | TassalGroup | 3 | 247 | ViridisCleanE | 1 | 2 |
| RiversdaleMin. | 5 | 3,070 | SonicHealth | 6 | 4,525 | TattsGroupLtd | 3 | 3,192 | VisionGroup | 2 | 19 |
| RocOilCompany | 3 | 275 | SoulPattinson | 2 | 2,942 | TechnologyOne | 2 | 279 | WDSLimited | 2 | 96 |
| RockBuildSoc. | 1 | 65 | SparkInfrastru | 3 | 1,466 | Telstra | 6 | 34,094 | WHKGroupLtd | 1 | 278 |
| RungeLtd | 1 | 73 | SpecFashion | 3 | 203 | TenNetwork | 2 | 1,542 | WatpacLtd | 1 | 312 |
| SAIGlobalLtd | 4 | 747 | SpotlessGroup | 2 | 508 | TerraminAust | 1 | 79 | WebfirmGroup | 1 | 93 |
| SDILimited | 1 | 23 | StBarbaraLtd | 4 | 846 | TheRejectShop | 6 | 350 | WebjetNL | 4 | 171 |
| SMSMgmt&Tech | 4 | 446 | StarpharmaHold | 1 | 196 | ThornGroupLtd | 4 | 234 | WellcomGroup | 1 | 88 |
| SPAusnet | 1 | 2,340 | SthCrossElect | 1 | 122 | TollHoldings | 5 | 4,210 | WesfarmersLtd | 6 | 36,610 |
| STWCommGroup | 1 | 411 | SthCrossMedia | 1 | 796 | TowerAustralia | 3 | 1,194 | WestfieldGroup | 3 | 28,963 |
| SalmatLtd | 2 | 668 | Stockland | 3 | 8,773 | ToxFreeSol. | 4 | 210 | WestAustNews | 5 | 1,417 |
| SandfireRes. | 1 | 646 | StraitsRes. | 1 | 579 | TransurbanGrp | 4 | 7,356 | WestpacBanking | 5 | 67,466 |
| SantosLtd | 4 | 10,431 | StrikeEnergy | 1 | 46 | TransfieldServ | 6 | 1,450 | WesternAreas | 7 | 1,113 |
| SedgmanLtd | 4 | 424 | StructuralSyst | 1 | 51 | TransPacificIn | 3 | 1,162 | WhiteEnergyCo | 1 | 205 |
| SeekLtd | 7 | 2,322 | Suncorp-Metway | 4 | 11,366 | TransfieldSIn | 1 | 270 | WhitehavenCoal | 2 | 3,426 |
| Selectharvest | 3 | 178 | SundanceRes. | 1 | 872 | TreasuryGroup | 1 | 113 | WideBayAust. | 1 | 347 |
| ServiceStream | 1 | 159 | SunlandGroup | 1 | 198 | TroyResources | 1 | 305 | WoodsidePetrol | 6 | 33,422 |
| SevenGroup | 1 | 2,553 | SuperCheapAuto | 4 | 759 | TrustCompany | 3 | 192 | WoolworthsLtd | 6 | 32,430 |
| SigmaPharm. | 6 | 460 | SwickMinServ | 3 | 95 | UGLLimited | 6 | 2,430 | WorleyGroup | 5 | 6,693 |
| SilexSystems | 1 | 872 | TFSCorporation | 1 | 226 | UXCLimited | 2 | 138 | Wotif.comHold. | 7 | 1,008 |
| SilverLakeRes | 1 | 404 | TPGTelecomLtd | 3 | 1,115 | UnityMining | 1 | 112 | WrigdwaysAust | 1 | 90 |

Dividend\$

| Company | Cents per Share | Ex-Date | Pay-able | Tax Credit |
|--------------------------|-----------------|---------|----------|------------|
| CavalierCorporation | 3.00 | 03-12 | 17-12 | Full |
| EbosGroup special | 20.00 | 12-11 | 22-12 | Full |
| F&PHealthcare | 5.40 | 03-12 | 17-12 | Full |
| GoodmanPropertyTrust | 1.935 | 02-12 | 16-12 | - |
| HorizonEnergyDist. | 7.00 | 06-12 | 16-12 | Full |
| Infratil | 2.50 | 03-12 | 17-12 | 1.0714 |
| Kingfish | 2.11 | 06-12 | 17-12 | - |
| KiwiIncomeProperties | 3.50 | 29-11 | 15-12 | 0.49 |
| MainfreightGroup | 9.00 | 10-12 | 17-12 | Full |
| MethvenLtd | 5.50 | 17-12 | 31-12 | 1.8333 |
| NationalPropertyTrust | 1.00 | 17-12 | 07-01 | - |
| NewImage | 0.50 | 03-12 | 17-12 | 0.2143 |
| RymanHealthcare | 3.40 | 03-12 | 10-12 | - |
| SanfordLtd | 14.00 | 10-12 | 15-12 | Full |
| TowerLtd | 6.00 | 14-01 | 25-01 | Full |
| WakefieldHealthcare | 7.00 | 26-11 | 03-1 | Full |
| Australian Shares | | | | |
| CampbellBrothers | 65.00 | 03-12 | 21-12 | |
| TechnologyOne | 2.87 | 29-11 | 17-12 | |
| TechnologyOne special | 1.50 | 29-11 | 17-12 | |
| TFSCorporation | 3.50 | 25-11 | 22-12 | |

Total Return Index for All Listed Shares

| | | | |
|--------|---------|--------|---------|
| Nov 8 | 1386.71 | | |
| Nov 9 | 1384.82 | | |
| Nov 10 | 1383.39 | | |
| Nov 11 | 1384.66 | | |
| Nov 12 | 1377.62 | | |
| Nov 15 | 1374.41 | Nov 22 | 1362.98 |
| Nov 16 | 1374.64 | Nov 23 | 1349.34 |
| Nov 17 | 1366.65 | Nov 24 | 1348.13 |
| Nov 18 | 1363.36 | Nov 25 | 1350.04 |
| Nov 19 | 1364.23 | Nov 26 | 1348.89 |
| Nov 29 | 1349.72 | Dec 6 | 1345.97 |
| Nov 30 | 1345.17 | Dec 7 | 1343.86 |
| Dec 1 | 1349.75 | Dec 8 | 1340.58 |
| Dec 2 | 1350.21 | Dec 9 | 1327.63 |
| Dec 3 | 1352.67 | Dec 10 | 1322.43 |

Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday January 10, 2011.

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

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