

Market Analysis

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Inside Market Analysis

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Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

The global economy is growing, monetary policy is favourable for share prices and corporate *insiders* are buying. The major risk may be the higher Australian dollar depressing short term export profitability. Remain fully invested.

Investment Outlook.

Our *Recommended Portfolio* of long term share investments has produced at least small gains over the last year and recovered to new highs. It has outperformed the negative returns from stockmarkets over recent years.

Over the almost 30 years since this newsletter was launched in March 1981, the *Recommended Portfolio* has significantly beaten the market averages - which has compounded to produce significant investment wealth consistently over the last three decades!

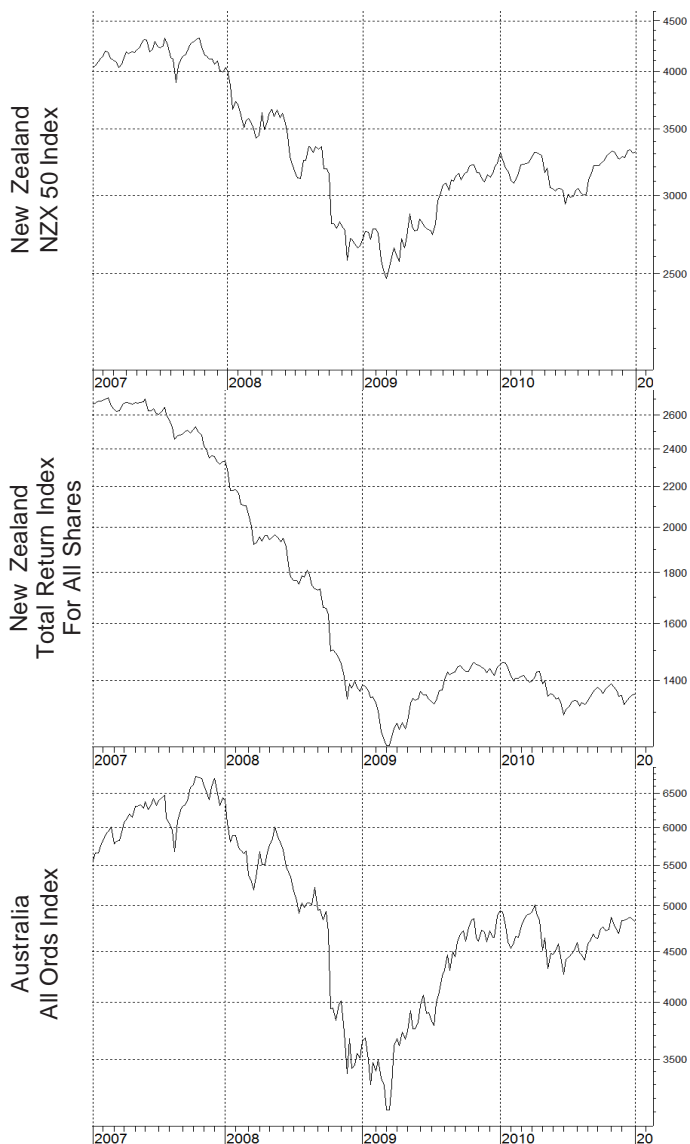
Throughout that period we have sought to refine and improve our investment selection process, while consistently applying the same sound investment principles. Thirty years ago we sought shares with "the potential to rise many-fold in value over many years" by searching for under-valued shares in companies with growth potential. Today we do exactly the same thing - but with the advantage of access to the larger Australian stockmarket (i.e. NZ had foreign exchange controls prior to March 1985 which restricted overseas investment), greater computerisation, immediate internet access to information and important "insider" trading data which wasn't previously available.

In the 1980's, critics said our success was the result of "one lucky investment" and wouldn't last. But over the years we have had a number of 10-bagger, 20-bagger and 30-bagger shares! Perhaps even more important in boosting our returns than these few higher profile, longer term holdings were the numerous shares that rose 3-fold to 9-fold in value over a smaller number of years. For example, Michael Hill International, may be up 24-fold but we have held them for 19½ years - so this investment has actually contributed a slightly *below average* compound rate of return to our *Recommended Portfolio*!

We diversify widely, so the *Recommended Portfolio* return has never been dependant upon the success or failure of any one, or even several, individual holdings. We aim to build investment wealth *over the long term* so don't panic through every (Continued on Page 14)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	60% (Neutral)	61% (Bullish)
New Zealand:	74% (Bullish)	47% (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	695	1.11	18	2.9	Just Water Int.	E	10	0.25	NE	Nil	Rakon Ltd	C	123	1.62	NE	Nil
AMP Onyx Mgmt	C	78	5.64	NE	9.0	Kathmandu Ltd	C	182	1.48	39	5.5	Renaissance	D	26	0.06	NE	Nil
Abano Health	C	500	0.59	NE	6.0	Kermadec Prop.	C	52	3.53	NE	9.6	Restaurant Brds	B	262	0.80	13	6.8
Affco Holdings	D	36	0.16	7	Nil	Kingfish Ltd	A	91	N/A	3	10.5	Rubicon Limited	D	117	0.71	NE	Nil
Air New Zealand	A	152	0.40	20	6.6	Kirkcaldie & St	B	240	0.57	21	4.8	Ryman Health	B	227	N/A	14	3.8
Akd Int Airport	B	224	7.49	66	5.2	Kiwi Property	D	99	4.24	NE	8.6	Salvus Strat.	C	69	N/A	NE	5.2
Allied Farmers	D	1.9	0.37	NE	Nil	Life Pharmacy	D	35	3.26	NE	Nil	Sanford Limited	B	474	1.02	11	6.9
Allied Work.	A	136	0.50	18	4.7	Lombard Group	E	3.0	0.40	NE	Nil	Satara Co-op	B	100	0.29	18	2.9
Argosy Property	D	72	4.98	NE	10.4	Lytelton Port	C	227	2.66	26	2.8	Savoy Equities	E	0.5	N/A	NE	Nil
Barramundi Ltd	A	78	N/A	5	11.0	Mainfreight Grp	A	795	0.69	22	3.3	Scott Tech. Ltd	A	132	0.89	11	5.7
Blis Technology	E	9.5	7.25	NE	Nil	Marlin Global	C	96	N/A	9	2.1	Sealegs Corp	E	16	1.31	NE	Nil
Briscoe Group	B	135	0.69	14	7.4	Media Tech.	E	3.0	0.41	NE	Nil	Seeka Kiwifruit	C	280	0.33	NE	10.2
Broadway Ind	D	30	0.39	NE	Nil	Methven Limited	B	172	0.88	15	9.1	Skellerup Hold.	A	119	1.26	19	5.4
Burger Fuel	C	42	2.90	NE	Nil	Metro. LifeCare	B	230	4.49	4	Nil	Sky City Ltd	B	334	2.31	14	6.6
CDL Investments	E	29	N/A	56	1.0	Michael Hill	B	88	0.76	13	4.5	Sky Network TV	C	520	2.73	20	3.8
CER Group Ltd	E	0.9	0.48	NE	Nil	Mid-Cap Index	C	216	N/A	NE	Nil	Smartpay NZ Ltd	D	2.6	0.56	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	305	0.94	12	8.4	Mowbray Collect	E	75	2.27	NE	Nil	Sol. Dynamics	E	38	0.43	NE	Nil
Cavotec MSL	B	334	0.84	21	0.9	NZ Experience	B	35	1.23	8	10.2	South Port NZ	B	276	3.17	14	6.7
Charlie's Group	E	19	1.77	22	Nil	NZ Exchange Ltd	C	158	4.45	79	5.9	Speirs Group	C	16	0.15	NE	Nil
Col Motor Co	A	244	0.18	16	8.8	NZ Finance Hold	E	15	0.34	NE	Nil	Steel & Tube	C	217	0.50	19	5.6
Comvita	B	155	0.50	8	7.4	NZ Farming Sys. D	58	4.04	NE	Nil	Sthn Travel	C	15	0.18	NE	Nil	
Connexion	D	10	0.67	NE	Nil	NZ Oil & Gas * N/R	87	3.45	NE	8.2	Tag Pacific Ltd	E	14	0.17	NE	Nil	
Contact Energy	B	618	1.74	24	5.8	NZ Refining Co	B	440	4.93	52	Nil	TeamTalk Ltd	C	209	1.50	12	13.7
Cynotech Hold.	E	2.1	0.17	NE	Nil	NZ Windfarms	D	18	N/A	NE	Nil	Telecom Corp	C	218	0.79	10	11.0
Delegat's Group	C	200	0.91	47	5.7	NZ Wool Service	C	43	0.20	NE	Nil	Tenon Ltd	C	120	0.17	NE	Nil
Dominion Fin.	C	1.0	0.01	0149.3	Nil	NZ Wine Company	D	162	1.08	NE	1.8	Tourism Hold.	C	76	0.53	15	7.5
Dorchester Pac	C	13	0.28	NE	Nil	NZSX 50 Port.	E	132	N/A	NE	Nil	Tower Limited	B	205	1.01	11	6.3
Ebos Group Ltd	A	736	0.27	16	6.0	NZSX 10 Fund	D	88	N/A	NE	Nil	Training Sol.	E	0.1	5.00	NE	Nil
Ecoya Ltd	D	76	6.42	NE	Nil	NZX Aust MidCap	C	575	N/A	NE	Nil	Trust Power Ltd	B	730	3.03	19	7.4
F & P Health.	B	310	3.16	22	5.7	Nat Property Tr	D	51	3.51	NE	8.8	Turners Auction	B	137	0.53	11	12.5
F & P Appliance	D	56	0.35	NE	Nil	New Image Group	C	25	0.72	8	8.6	Turners & Grow.	C	144	0.26	18	6.9
Finzsoft Sol'ns	C	30	0.34	9	Nil	Northland Port	B	170	N/A	22	4.6	VTL Group Ltd	C	1.5	0.01	0	Nil
Fletcher Build.	C	778	0.69	17	4.5	Nuplex Indust	B	350	0.46	9	6.0	Vector Ltd	A	231	1.94	12	8.7
Freightways Ltd	B	310	1.45	16	6.5	Opus Intl Cons	C	198	N/A	NE	Nil	Vital Health PT	C	106	5.35	20	8.9
Genesis Res.	E	3.0	5.26	NE	Nil	Oyster Bay	D	185	2.00	NE	Nil	WN Drive Tech.	D	2.8	0.71	NE	Nil
Goodman Prop.	D	94	6.08	NE	9.0	Ozzy (Tortis)	C	375	N/A	NE	Nil	Wakefield Hlth	C	572	1.05	13	4.5
Guinness Peat	D	73	0.50	NE	3.0	PGG Wrightsons	E	54	0.36	17	Nil	Warehouse Group	C	339	0.63	13	10.1
GuocoLeisure	C	74	1.92	14	2.1	Pac Edge Bio.	E	20	N/A	NE	Nil	Widespread Port*/N/R	14	N/A	5	Nil	
Hallenstein G.	B	417	1.20	13	5.8	Pike River Coal	E	88	N/A	NE	Nil	Windflow Tech.	D	85	0.43	NE	Nil
Hellaby Hold.	B	206	0.78	34	5.5	Port Tauranga	A	746	6.75	22	5.6	Wool Equities	C	18	N/A	NE	Nil
Hellaby Gold * N/R	2.3	N/A	NE	Nil	Postie Plus Grp	D	29	0.10	20	Nil	World Index Fd	D	111	N/A	NE	Nil	
Horizon Energy	B	360	2.96	15	6.7	Propertyfinance	D	3.0	0.05	NE	Nil	Xero Ltd	C	296	N/A	NE	Nil
Infratil NZ	B	191	0.59	37	2.8	Property F Ind.	D	113	7.71	NE	8.0	Zintel Comm.	D	26	0.29	52	13.7
Inv Research Gr	E	0.6	0.23	NE	Nil	Pumpkin Patch	C	172	0.75	11	7.9	Ave of 136 Cos	C	164	0.25	6	4.7
Jasons Media	C	40	0.54	14	8.9	Pyne Gould Corp	D	38	1.43	13	Nil						
AGL Energy Ltd	B	1533	1.04	19	3.8	Deutsche Div Tr	C	131	6.10	14	7.1	News Corp.	B	1655	0.43	6	1.0
AMP Ltd	B	523	0.92	15	3.1	Dexus Property	E	81	5.42	NE	6.3	Nufarm Limited	C	544	0.66	24	Nil
ANZ Bank	C	2292	1.87	13	5.5	Djerriwarrh	B	424	N/A	36	6.1	OZ Minerals Ltd	C	170	8.69	NE	Nil
APA Group	B	412	2.26	22	5.1	Downer EDI Ltd	C	464	0.27	NE	6.3	Oil Search Ltd	A	700	N/A	61	1.3
APA News Media	C	186	1.07	12	2.2	DuluxGroup Ltd	B	272	1.29	16	1.1	Onesteel Ltd	B	259	0.56	13	4.2
ASX Limited	B	3785	8.94	20	4.6	East Africa Res	C	34	N/A	NE	Nil	Orica Ltd	C	2513	1.57	7	3.8
ASX Limited	E	177	2.59	NE	Nil	Energy Resource	B	1150	2.81	8	3.4	Origin Energy	B	1654	1.71	24	3.0
AXA Asia Pac	B	632	2.14	19	2.9	Energy World	B	54	8.05	38	Nil	Pacific Brands	C	97	0.52	17	Nil
Abacus Property	B	223	7.40	33	1.4	Equinox Min.	D	608	8.08	NE	Nil	Paladin Energy	C	502	N/A	NE	Nil
Adelaide Bright	C	334	2.15	92	4.0	Extract Res.	C	931	N/A	NE	Nil	Panaust Ltd	A	84	6.28	NE	Nil
Alumina Ltd	B	257	N/A	NE	0.8	FKP Limited	B	81	2.61	18	1.9	Perpetual Ltd	A	3148	2.70	15	5.2
Amalgamated Hld	A	670	1.31	11	5.5	Fairfax Media	B	139	1.31	12	1.8	Platinum Asset	B	485	N/A	20	4.5
Amcor Ltd	B	667	0.83	45	4.4	Flight Centre	C	2456	1.36	18	2.9	Premier Invest	B	597	1.02	18	6.0
Aneka Tambang	C	137	N/A	NE	8.8	Fortescue Metal	B	657	5.66	31	Nil	Primary Health	B	399	1.51	15	6.3
Ansell Ltd	B	1257	1.34	14	2.4	Foster's Group	B	560	2.42	15	2.1	Prime Infra.	C	490	3.45	NE	3.1
Aquarius Plat.	B	514	4.50	68	1.2	GPT Group	B	291	9.88	46	1.5	Q.B.E. Insur.	B	1781	1.05	9	7.2
Aquila Res.	C	952	N/A	NE	Nil	GWA Group Ltd	B	309	1.42	17	5.8	Qantas Airways	C	246	0.40	50	Nil
Argo Investment	B	650	N/A	26	4.2	Gloucester Coal	C	1230	4.40	31	Nil	REA Group Ltd	A	1215	8.03	32	1.3
Aristocrat Leis	C	291	1.71	NE	8.2	Goodman Group	C	62	6.60	NE	5.5	Ramsay Health	A	1812	1.08	25	2.4
Asciano Limited	C	158	1.62	25	Nil	Goodman Fielder	B	132	0.68	11	8.1	Reece Australia	B	2200	1.45	19	2.4
Atlas Iron Ltd	C	303	N/A	NE	Nil	Graincorp	B	709	0.70	18	3.5	Rio Tinto Ltd	A	8448	1.04	9	0.6
Ausdrill Ltd	A	319	1.32	17	3.4	Grange Resource	B	72	3.62	19	Nil	Riversdale Min.	C	1677	N/A	NE	Nil
Aust Infra.	B	190	N/A	6	5.3	Harvey Norman	B	288	2.28	13	4.9	S/Tracks ASX200B	4425	N/A	14	3.1	
Austar United	C	98	1.82	21	Nil	Hast Div Util	B	168	6.18	NE	7.1	SP Ausnet	B	90	1.82	12	8.9
Aust Foundation	B	492	N/A	27	4.3	Henderson Group	B	216	3.44	68	5.1	Santos Ltd	B	1292	4.93	25	3.3
Australand Prop	C	282	2.37	NE	1.8	Hutchison Tel.	E	9.6	1.63	NE	Nil	Seek Ltd	B	665	7.94	25	1.8
Avoca Resources	E	325	N/A	NE	Nil	ING Indust Trt	C	53	5.17	NE	3.0	Seven Group	B	865	4.91	NE	2.1
BHP Billiton	C	4462	2.53	11	2.2	ING Office Fund	B	56	7.21	36	7.0	Silex Systems	C	570	N/A	NE	Nil
Bank of Q'land	C	1011	0.98	13	5.1	IIOF Holdings	C	772	2.40	26	2.3	Sims Metal Mgmt	A	2168	0.59	35	1.5
Beach Energy	B	86	1.93	28	2.0	Iluka Resources	E	863	6.17	NE	Nil	Sonic Health	B	1134	1.47	15	5.2
Bendigo Bank	B	975	1.18	15	4.4	Incitec Pivot	C	424	2.36	17	1.8	Soul Pattinson	B	1255	3.64	14	2.7
Billabong Int'l	C	849	1.44	15	4.2	Independ. Group	B	753	7.35	30	0.4	Spark Infrastru	B	114	4.22	10	11.9
Bluescope Steel	B	220	0.47	32	2.3	Insurance Aust.	B	393	N/A	37	3.3	Steamships Trad	A	2650	4.14	21	2.2
Boart Longyear	C	485	2.03	NE	Nil	Intrepid Mines	C	188	N/A	NE	Nil	Stockland	B	356	3.60	18	6.1
Boral Limited	C	482	0.64	NE	2.8	Iress Mkt Tech	A	871	6.29	25	3.9	Suncorp Group	B	884	0.73	15	4.0
Bougainville Co	B	202	N/A	NE	Nil	JB Hi-Fi Ltd	B	1759	0.70	16	3.8	Sundance Res.	C	60	N/A	NE	Nil
Bradken Ltd	A	909	1.25	18	3.7	James Hardie	D	658	2.16	NE	Nil	TPG Telecom Ltd	B	154	2.13	19	2.6
Brambles Ltd	A	724	2.22	20	3.5	Kardoon Gas	D	733	N/A	NE	Nil	Tabcorp Holding	B	710	1.05	9	7.7
Brickworks Ltd	B	1113	2.50	12	3.6	Kingsgate Cons.	B	1053	5.98	14	3.3	Tatts Group Ltd	B	255	0.99	31	8.2
C'wth Prop Off.	B	83	6.22	15	6.7	Leighton Hold	B	3079	0.64	15	4.9	Telstra	B	277	1.38	9	10.1
C.S.R. Ltd	B	171	0.69	15	5.0	Lend Lease Grp	B	856	0.46	14	3.7	Ten Network	B	142	1.49	15	4.2
CFS Retail Prop	B	176	7.09	14	7.1	Linc Energy Ltd	C	278	N/A	NE	Nil	Toll Holdings	B	572	0.58	14	4.4
CGA Mining Ltd	B</																

Recommended Investments

2010 Portfolio Performance

How did our *Recommended Portfolio* perform in 2010? (Or, actually, from 8 January 2010 to 7 January 2011). As always, individual shares varied significantly: Iluka Resources was up 126.5%, Ross Human Directions up 103.9%, Ammtec rose 73.3% (over 10 months) and M2 Telecommunications was up 78.7%. But Photon Group was down 94.4%, Probiotec dropped 70.2%, CPT Global fell 56.6% and Prophecy International was down 53.8%.

Overall our portfolio was up about +4.2%. Nothing

to get excited about, but at least that was ahead of the market. The NZX50 index rose +0.2%, the broadly based TR Index *fell* 6.8% and the All Ordinaries *declined* 2.6%.

Although our portfolio has produced *positive* returns in 12 of the last 13 years our strategy is not to seek *absolute* returns (i.e. a small *positive* return each year, regardless of the market), but simply to *outperform the market over the long term* to build significant investment wealth. If the stockmarket is weak, (*Cont'd 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	1.5	13.68	56	1.0	29	19.1	+92%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	A	67.8	1.0	0.94	12	8.4	305	263.0	+264%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.18	16	8.8	244	318.3	+339%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	C	102.3	0.7	2.66	26	2.8	227	77.7	+103%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.5	0.9	0.76	13	4.5	88	31.9	+2298%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	B	192.2	1.0	0.46	9	6.0	350	388.0	+41%
HOLD	Postie Plus Group	PPG	08/05/06	71	D	40.0	1.8	0.10	20	Nil	29	8.5	-47%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	D	44.2	2.5	0.06	NE	Nil	26	53.9	-6%
HOLD	Smiths City Group	SCY	09/10/06	64	C	53.0	1.5	0.07	10	6.5	31	13.0	-31%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.6	3.17	14	6.7	276	134.3	+242%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	C	88.4	0.8	0.50	19	5.6	217	239.5	+213%
<u>Australian Shares (in Aust cents)</u>													
BUY	AJ Lucas Group	AJL	13/05/03	120	B	65.3	0.5	0.46	NE	2.2	255	41.0	+147%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	D	89.2	2.2	1.29	NE	Nil	10	17.5	-62%
HOLD	Breville Group Ltd	BRG	13/11/06	171	A	129.5	0.5	0.89	17	3.8	290	27.0	+85%
HOLD	Campbell Brothers Ltd	CPB	12/10/99	389*	A	63.0	0.2	3.01	33	2.5	3950	604.0	+1071%
HOLD+	Cardno Ltd	CDD	14/12/09	399*	A	90.5	0.4	1.06	13	5.2	560	28.6	+48%
HOLD	Cellnet Group Ltd ¹	CLT	12/02/02	147*	B	73.5	1.2	0.33	22	Nil	34	32.4	-51%
HOLD+	Challenger Wine Trust	CWT	12/01/09	30	B	190.8	1.5	1.40	NE	18.5	23	6.7	-1%
HOLD+	Circadian Technologies	CIR	10/02/04	188	D	45.2	0.9	11.78	NE	Nil	59	65.0	-34%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	A	85.8	0.9	0.24	21	2.7	73	65.5	+69%
HOLD+	CPT Global Ltd	CGO	10/03/08	88	D	36.9	1.1	0.40	NE	Nil	41	7.3	-45%
BUY	CSG Limited	CSV	11/10/10	175	B	242.9	0.7	1.23	11	3.9	141	Nil	-19%
BUY	Devine Ltd	DVN	13/11/06	84*	D	634.9	1.3	0.32	22	3.5	29	17.9	-45%
HOLD+	Ellex Medical Lasers	ELX	14/03/06	49	B	84.9	1.6	0.37	5	Nil	21	Nil	-57%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	A	32.2	0.7	1.91	11	6.2	138	21.8	-39%
BUY	Finbar Group Ltd	FRI	12/04/10	106	A	162.5	0.7	1.22	8	6.5	116	5.5	+14%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	E	418.7	0.3	6.17	NE	Nil	863	64.0	+97%
BUY	Integrated Research	IRI	14/01/08	40	B	166.8	1.2	1.52	10	7.4	34	10.0	+10%
HOLD	Mnet Group ¹	MNZ			C	208.3	3.6	0.92	NE	Nil	4.2	Nil	
HOLD	M2 Telecommunications	MTU	09/10/06	33	A	121.5	0.5	0.87	22	3.4	292	23.5	+856%
BUY	Melbourne IT	MLB	10/02/04	53	B	79.0	0.5	0.74	9	8.0	189	59.0	+367%
BUY	Nomad Building Solutio	NOD	16/08/10	13*	B	241.7	2.0	0.09	2	Nil	13	Nil	+0%
HOLD-	Photon Group Ltd	PGA	10/11/08	132*	B	187.4	2.4	0.03	NE	35.3	9	11.8	-85%
BUY	Probiotec Ltd	PBP	11/02/08	116	A	52.8	0.9	0.46	6	5.3	66	9.3	-36%
BUY	Prophecy International	PRO	08/09/08	26	B	47.2	1.4	2.62	39	8.9	28	6.8	+34%
See Text	Ross Human Directions	RHD	14/08/01	92	B	83.5	0.8	0.17	9	4.7	75	37.8	+22%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	190.7	0.6	0.21	28	Nil	186	132.0	+152%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	300.3	0.7	2.19	17	4.2	99	25.8	+184%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	227.4	0.7	1.87	6	4.9	96	12.9	+142%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	B	26.0	0.2	0.71	14	5.2	1286	248.5	+497%
HOLD	Village Roadshow	VRL	10/08/09	77	B	166.5	0.5	0.33	6	Nil	255	9.0	+243%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +182.0%.

This is equal to an average annual rate of +25.7%, 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 +29.8%, compared with a market gain of +4.3% (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)

then perhaps a small positive return is all we can reasonably expect.

Our portfolio dipped 32.0% in 2008 and recovered 49.4% in 2009, which together with the 4.2% gain in 2010 gives a three year return of +5.9%.

Sure, a 5.9% return over three years doesn't do much to help investors build investment wealth, but this has been a bad period for investment and widely described as "the worst financial crisis in 50 years". The NZX50 index is *down* 14.0% over the last three years and the All Ordinaries index is *down* 20.5%. Our portfolio has at least recovered from the downturn and moved ahead slightly to new highs - outperforming the markets in which we invest.

Our *full* annual return record and the full details of *all* share recommendation ever published in *Market Analysis* since March 1981 can be found on our website. 30 years ago we became the first newsletter to publish its *full* track record. No other newsletter dares to provide this complete summary of all of their recommendations to subscribers and potential subscribers!

NZ Shares

Lyttelton Port Company expects its first half net profit from *trading* to be around \$5.5-6.2 million (5.4-6.1 cents per share), up 50-70% on the same period last year.

Container volumes have been around 15% higher than the previous year.

Unfortunately modern *International Financial Reporting Standards* often seem to produce irrational financial reports, so the bottom line *reported* profit may vary significantly owing to asset impairment, expenditure on repairs and the timing of insurance proceeds!

Lyttelton Port Company is planning to invest \$13.7 million in a new purpose built cruise berth - which will be funded through a "passenger development levy" agreed by **Cruise New Zealand** and cruise lines. The company expects 72 cruise ships to visit during the 2011/12 season and this expansion would allow up to 100 visits in future.

The new cruise berth, on the western end of the Lyttelton Container Terminal, would also "add capacity as a container and general cargo berth during the cruise off season". It will also be "particularly useful during the port rebuild following the earthquake".

Michael Hill International's major shareholder has restructured its holding into an Australian company, **Durante Holdings**, and this company is making a partial takeover offer to increase its holding from 47.6% to 50.2%. This will be achieved by a pro-rata tender offer to buy 10,031,009 shares off-market at 90 cents.

Shareholders will be offered the opportunity to sell 5% of their shares to Durante Holdings at 90 cents per share - with the potential to lodge additional acceptances to cover any shortfall from shareholders who do not wish to sell.

To participate in this to the maximum extent, an investor should offer 5% of their holding plus additional acceptances for the remaining 95%. In the unlikely event that few shareholders tendered their shares, Durante Holdings *could* acquire all of these shares! Two institutions, **ACC** and **NZ Super Fund**, have committed to lodge additional acceptances totalling four

million shares and if total acceptances exceed the 10,031,009 shares then all additional acceptances (above 5%) will be scaled back.

While institutional investors appear keen to over-participate in this tender offer, your Editor will probably not tender any shares!

By way of interest, Michael Hill International went public in July 1987, raising \$7.4 million from the sale of around 50% of the company. Over the last 23½ years the company has paid those *public* shareholders around \$40 million in dividends and that \$7.4 million public investment had grown to be worth around \$180 million! Michael Hill's family will now pay \$9 million to buy-back just 5% of the public shares.

Raising \$7.4 million in 1987 has "cost" the Hill family \$220 million in dividends and capital gains accruing to the outside public shareholders. Of course, they probably couldn't have raised the capital any other way and the company probably needed the cash to provide initial financing for its future growth (which has subsequently been financed internally from operating cash surpluses).

Institutional investors and private investors now seeking to raise \$9 million by selling Michael Hill International shares back to the founding family for a short term gain *may* be handing back a similar \$200 million in future dividends and capital gains over the *next* 2½ decades. *If* one has a desperate need for cash, then perhaps the sale of equity in a company with steady growth potential *could* make sense (i.e. if you can't beg, steal or borrow the money). If you don't need the cash, learn from Michael's "mistake" and don't sell shares and reduce your equity in this growing business!

We favour retaining all of our Michael Hill International shares!

Investors may also find it interesting to note that despite our success with Michael Hill International shares, these have been a below average investment in our portfolio! Dividends of 31.9 cents over the last 19½ years have repaid our cost of 4.628 cents (adjusted for a bonus issue and a share split) *almost* 5-fold and the market value of our shareholding is up 19-fold. But if we had never invested in Michael Hill International shares then our long term track record would actually be slightly better! Yes, that is really true!

The shares are up 19-fold, but over 19½ years that is a compound rate of return of about 17¾% per annum. The annual dividend (based upon the appreciating share price) has added about another 3% (after tax) to our total return each year. So our compound rate of return from investing in Michael Hill International is around 21% per annum. That is slightly less than the average return on all of our other shares - so Michael Hill International has actually been a bit of a drag on the long term growth of our investment wealth.

Nevertheless, Michael Hill International has been a fairly consistent performer and continues to hold the potential for steady long term growth as it rolls out new stores around the world. We would be quite happy to find some similar "under-performing" 20-year (40-year?) "buy and forget" investments for our portfolio! This long term shareholding highlights the significant wealth that can be generated from 20% per annum returns compounding over 20 years!

Michael Hill International



Smiths City Group's revenues fell 2.7% to \$109.5 million over the six months to 31 October 2010, with profits down 22.4% to \$790,000 (1.5 cents per share). A steady 1.0 cent, unimputed, interim dividend will be paid.

The net operating cash surplus was 28% lower at \$2.8 million.

The company experienced some improvement in trading during the first quarter but “second quarter retail conditions worsened quite considerably” with revenues down 11.5%.

December trading has been similar to the previous year and remains “competitive with heavy discounting”.

South Port NZ has experienced stronger than expected trading during the first five months of the current financial year and now expects “to exceed the upper limit” of its previous forecast of \$3.5-3.9 million for the year to June 2010.

Cargo volumes of 1.09 million tonnes for the five months were 33% higher than the same period the previous year.

Australian Shares

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

AJ Lucas Group expects net operating cashflows for the first half to 31 December to be around \$3 million. Unseasonal rain and flooding in Queensland has depressed activity.

The company now expects “more favourable trading conditions in calendar 2011”. The Drilling division “has a full order book for at least the next 12 months” and this is expected to continue beyond this year owing to “the heavy demand for thermal and coking coal”. The BCI division “is experiencing record tendering activity” for Coal Seam Methane projects in Queensland and water projects in Western Australia.

The full year earnings (before depreciation, interest and tax) is expected to be around \$32-36 million - but mainly earned in the current half year.

AJ Lucas Group



Campbell Brothers has acquired **Analytical Laboratory Services Inc** for US\$11 million. The company is a mid-sized environmental analytical laboratory providing “industrial hygiene, environmental, drinking water and field sampling services”, with laboratories in New York and Pennsylvania.

Campbell Brothers



Ellex Medical Lasers' shares fell 31% on Friday after the company reported weak second quarter revenues. First quarter revenues were in line with budget, but the company now expects first half revenues to be 10-15% lower than last year. That suggests second quarter revenues fell around 20-30%. Together with the strong Australian dollar (which reduces export profit margins), this has had a significant impact upon current profitability, with the company expecting to report half year profits down 60% from the same period last year.

For the half year to December 2010, Ellex Medical Lasers reported revenues of \$25.5 million and profits of \$1,229,000 (1.4 cents per share). For the full year to June 2010 revenues were \$48.7 million and profits \$3,820,000 (4.5 cents per share). Ellex Medical Lasers is in a development phase, so has the potential to generate new, high margin revenues and strong profit growth as it brings new products to market over the next few years. The lower current profitability, however, may make it more difficult to internally finance this new product development and marketing.

Ellex Medical Lasers' share price had recovered very strongly over the last six months in response to its return to profitability. We continue to view this as an emerging growth company - so the fall back in the share price should offer a buying opportunity for investors who do not already have a position in this company or who wish to add to an existing position.

Ellex Medical Laser



(Continued on Page 6)

Recommended Investments

(Continued from Page 5)

Iluka Resources has sold three mining leases and one retention lease in Western Australia to **Sheffield Resources** for \$100,000 in cash and a 1.5% royalty on any future mineral sands production revenues. The leases are adjacent to Sheffield Resources' existing mineral sands leases and the two companies are discussing the marketing of synthetic rutile ilmenite production by Iluka Resources.

Photon Group is to sell five companies to **Salmat** for \$75.3 million in cash, plus up to a further \$15.7 million subject to future performance. The proceeds will be used to reduce debt. These businesses contributed revenues of \$29.7 million and earnings of \$8.2 million last year, so are being sold on a Price/Sales ratio of 3.1 and a Price/Earnings ratio of about 22. Despite this relatively high valuation, Photon Group will record a *loss* on the sale of \$11.5 million!

Ross Human Directions: We recommend accepting the *scrip* alternative under the takeover to receive shares in Chandler Macleod Group. See our recommendation starting below.

TFS Corporation has announced the sale of 376 hectares of sandalwood plantation - about 25-30% of its annual development - to a foreign institutional investor for \$26 million (including GST), plus \$13 million in annual management fees over the life of the investment and potential performance fees if the return exceeds certain levels. This investor will also spend \$9.6 million buying existing *MIS* Indian sandalwood grower woodlots in the secondary market.

The company has deferred the payment of its final dividend (due 22 December) until it receives settlement for this large sale. The dividend should be paid before the end of January.

TFS Corporation has also appointed **Clarkson Investment Services**, a Dubai based investment bank to raise \$75 million from a private debt placement. This is expected to be completed in the March 2011 quarter, with the proceeds used to repay existing bank debt of \$30 million and to finance "potential land acquisitions and other expansion opportunities".

TFS Corporation



Village Roadshow is to "recommence dividend payments for the six months ended 31 December 2010" after entering an agreement to sell businesses for a net cash sum of \$115 million. The company is to sell its **Sydney Attractions Group** - which includes the *Sydney Aquarium, Sydney Wildlife World, Oceanworld Manly, Sydney Tower Observation Deck and Sky Walk, Hamilton Island Wildlife Park and Kelly Tarlton's Antarctic Encounter and Underwater World* - to European based **Merlin Entertainments Group**.

These businesses generate earnings (before interest and depreciation) of around \$24 million annually but the "net profit impact" will "be immaterial" after the interest savings from both repaying debt within those businesses and from the \$115 million net proceeds. This sale will result in a small \$5 million loss on book value.

The two parties will also "consider developing brands such as *LEGOLAND Discovery Centres* in partnership in Australia".

Village Roadshow



Share Recommendation:

Accept the scrip takeover offer for Ross Human Directions and become a shareholder in Chandler Macleod Group

We recommend accepting the scrip takeover offer for Ross Human Directions which will give us 1.759 shares (or 1.807 shares) in Chandler Macleod Group.

Chandler Macleod Group is offering 73 cents cash per Ross Human Directions share, with that rising to 75 cents if the takeover reaches 90% acceptance. Alternatively, shareholders can accept the takeover and receive 1.759 Chandler Macleod Group shares, increasing to 1.807 shares at 90% acceptance.

There are at least two reasons for electing to take Chandler Macleod Group shares rather than cash: Firstly, the Chandler Macleod Group shares have risen over the last two months and the value of the scrip alternative now exceeds the cash alternative. With Chandler Macleod Group shares currently trading around 46-48 cents, the scrip offer is worth around 80.9-84.4 cents, potentially rising to 83.1-86.7 cents. Investors wanting cash would now do better to take Chandler Macleod Group shares

and sell on-market, realising gains around 10-16% higher.

Secondly, Chandler Macleod Group is a similar business in the recruitment/labour hire industry and should be a suitable investment to continue our investment in this sector which we believe has attractive long term prospects. This industry is cyclical - so suffered in the 2007-2009 downturn but should perform well in the current recovery. It is also attractive longer term owing to growth as businesses outsource their labour needs. The industry is also very fragmented, so offers potential for economy-of-scale gains as competitors merge.

Current Business

Chandler Macleod Group currently earns over 64% of revenues (i.e. \$527 million) and 62% of earnings (i.e. \$14.8 million) from blue collar temporary labour. White collar temporary labour generates 31% of revenues and Permanent Recruitment just 2%. Another 2% of revenues comes from Consulting.

Recent Acquisitions

The recruitment/labour hire business is very fragmented - so there is significant potential for consolidation in this sector through mergers and acquisitions which should yield cost savings and economies of scale.

In July 2007 the group acquired **Staff & Exec** - a white collar recruitment business based in Sydney, Melbourne and Brisbane - for \$1,415,000 (i.e. \$915,000 in cash plus 502,528 shares at 98 cents) plus earnout payments over two years.

In October 2007 **Mettle Group** - "an Australian leader in leadership, culture and organisation design consulting" - was acquired for \$5,070,000 (i.e. an initial cash payment of \$1,848,000 plus 1,664,632 shares at 90 cents and deferred payments of \$700,000 in September 2008 and \$1,023,000 in September 2009). This looks to have been an expensive acquisition, purchased on a Price/Sales ratio of around 0.80 and a Price/Earnings ratio of about 30-35.

In November 2007 the group acquired 54% of the New Zealand based white collar and IT recruitment company **OGC Consulting** for \$5.1 million (i.e. \$3,443,000 in cash and 1,920,997 shares at 88 cents). Ownership was increased to 67.2% in April 2008 on payment of a further \$1.8 million (i.e. about \$1.2 million in cash and the balance in shares). The remainder of the company has been acquired through put/call options.

In January 2008, **CompAssess** was acquired for \$179,477 (i.e. \$125,000 in cash plus 64,884 shares at 84 cents) plus earnouts over two years.

Willis Management Consultants, an executive search and recruitment firm, was bought in April 2008 for \$425,000 in cash plus two earnout payments in cash and shares.

Takeover of Ross Human Directions

The successful 100% takeover of Ross Human Directions would lift group revenues around 45% and earnings around 70%. Ross Human Directions earned a net profit of \$6.9 million in the year to June 2010 and Chandler Macleod Group earned \$9.66 million, the combined operations would lift Chandler Macleod Group profits around 70% over a full year to around \$16.5 million. Those figures are before the additional interest

costs of about \$4.9 million annually before tax (or lower if RHD shareholders take CMG shares instead of cash). Of course, Chandler Macleod Group will only consolidate around five months of Ross Human Directions profits in its June 2011 reported profits.

In fact, Ross Human Directions will likely earn a net profit of \$8-10 million this current year and Chandler Macleod Group around \$10-12 million. Over a full year - less the additional interest costs - group net profits should be around \$14½-18½ million or about 3.3-4.2 cents per share. Ross Human Directions is being acquired at an attractive Price/Earnings ratio of 6½-8.

Chandler Macleod Group will finance the cost of acquiring Ross Human Directions through new banking facilities with the National Australia Bank - effectively using its debtors of \$83 million and Ross Human Directions' debtors of \$53 million as security for a "receivables purchase" facility and bridging loans totalling up to an additional \$61 million. This will result in the group having on balance sheet debt of around \$59 million and off balance sheet financing of \$40 million from the transfer of debtor receivables to the bank. The group would still have on balance sheet debtors of \$136 million, significantly in excess of its creditors of \$61 million. (This is as the company is required to pay contractors *before* collecting from client companies.)

To date Chandler Macleod Group has received acceptances for 52,634,643 Ross Human Directions shares (63.04% of the company), with 97.8% choosing the cash consideration and just 2.2% electing to receive Chandler Macleod Group shares. We would expect this takeover to reach 90% (i.e. and therefore compulsory acquisition to 100%), probably with 80-90% taking cash and 10-15% Chandler Macleod Group shares. That would cost around \$50-56 million in cash and the issue of about 15-30 million new Chandler Macleod Group shares.

Recent Results

In the year to June 2008, Chandler Macleod Group lifted revenues 9.2% to \$849.4 million but net profits fell 62.4% to \$2,744,000 (1.7 cents per share). The annual dividend rate was cut 62.5% to 1.5 cents.

The business operated at a small \$99,000 cash *deficit*, compared with a cash operating surplus of \$15.5 million in 2007.

For the year to June 2009, revenues rose 1.8% to \$864.5 million, but the company operated at a *trading* profit of only \$947,000 (0.2 cents per share). No dividend was paid. There was, however, a net operating cash surplus of \$21.6 million.

This result *included* restructuring costs of \$2.7 million, losses from *CMYPeople* of \$2.2 million and losses of \$3.8 million on a new contract to provide recruitment for the Australian Defence Forces (ADF). In addition, the company wrote-off \$8.4 million as a provision against future losses on the "onerous" ADF contract. During the year - in December 2008 - the company raised \$25.7 million from a 1 for 1 cash issue to shareholders at 12½ cents per share.

For the year to June 2010, revenues were 5.4% lower at \$817.9 million, but trading profits recovered to \$9,662,000 (2.4 cents per share). The company re-

instated dividends, paying an interim of 0.35 cents and final of 1.0 cent, to make 1.35 cents for the year. The net operating cash surplus was \$12.9 million.

In addition, the company recovered \$4.0 million (after tax) from its ADF contract provision - reflecting better performance under this contract and its successful early termination by the end of April 2010.

Investment Criteria

At 48 cents, Chandler Macleod Group shares trade on a Price/Sales ratio of 0.32, a Price/Earnings ratio of 27 and offer a Dividend Yield of 2.8%. The P/S ratio shows good value while the high P/E and low Yield reflect the depressed profitability in this business.

The acquisition of Ross Human Directions - plus some cyclical improvement in profits - should boost revenues around 45% (i.e. lowering the P/S ratio to about 0.22) and boost earnings per share 35-75% to 3.3-4.2 cents over a full year. That would improve the P/E ratio to about 11½-14½. The Yield may improve slightly, but the company would need to use operating cash surpluses to reduce debt levels over the next few years.

The greatest investment potential would come from further cyclical profit recovery and growth as the economy continues to recover. The mainly debt financed acquisition of Ross Human Directions on a low P/E valuation significantly leverages the upside recovery potential.

With an issued capital currently of 422,031,685 shares the market capitalisation is \$203 million. The takeover could increase the issued capital by just 6-12% to 437-452 million shares.

Management and Directors have significant investments in Chandler Macleod Group, so should be motivated to grow the company and increase shareholder wealth. The Deputy Chairman, JC Plummer, owns 72,813,232 shares or 17.3% of the company, while a relative, VJ Plummer, owns a further 76,000,000 shares (18.0%). A private equity fund managed by **Lazard Carnegie Wylie** owns 177,517,491 shares (42.1%), so these three shareholders own 77.4% of the company!

Chandler Macleod Group shares are therefore tightly held and do not trade in large volumes, but as Ross Human Direction shareholders we can acquire Chandler Macleod Group without having to compete to buy internally traded shares on-market.

The Managing Director owns (directly and through

the Senior Executive Share Plan) a total of 6,294,553 shares (1.5%). The Chairman owns 900,000 shares.

Chief Financial Officer, O Wilson, has 4,259,693 shares, with other senior executives each owning 2,768,794 shares, 2,100,000 shares, 950,000 shares and 504,806 shares.

There have been no *insider* trades on-market over the last year.

Chandler Macleod Group shares are virtually *neglected* by institutional investors (i.e. two institutions own only about 3% of the company) but - very unusually - three brokers publish profit forecasts. While we are dubious of broker forecasts, these brokers predict around 8% growth in earnings per share this year and 26% growth to June 2011.

Technically, Chandler Macleod Group shares are in a strong uptrend, with a Relative Strength Rating of +27.0%, ranked 15 (on a scale of 0-99).

Summary and Recommendation

We recommend that investors accept the takeover offer for Ross Human Directions, but choose the "**Scrip Consideration**" to receive Chandler Macleod Group shares. At 48 cents this values Ross Human Directions at 84.4 cents in a partial takeover (compared to 73 cents cash) or 86.7 cents in a full takeover (compared to 75 cents cash).

Chandler Macleod Group shares trade at a reasonable valuation - given the depressed profitability in this sector - with strong potential for cyclical profit growth over the next few years.

With one family and one cornerstone investor controlling three quarters of the company, Chandler Macleod Group is also likely to act similar to a private equity company and remain active in rationalising the fragmented recruitment/labour hire business. Properly executed this strategy could create significant shareholder wealth through acquiring smaller competitors at attractive valuations, cost savings and economies of scale, plus the building of major brands.

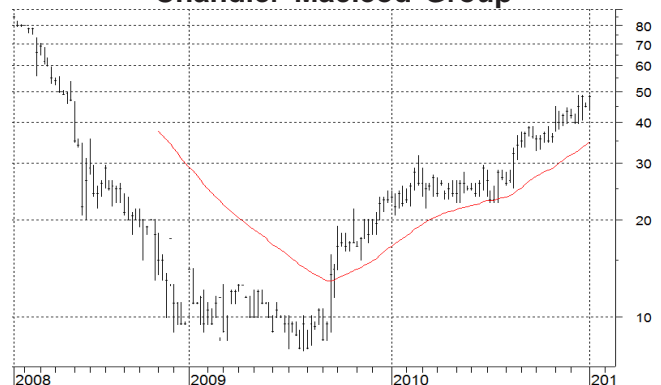
This sector should also grow at an above average rate as the trend to outsourcing labour resources continues in the future.

The cheapest way to acquire Chandler Macleod Group shares at present is to buy Ross Human Directions shares and accept the scrip takeover.

Ross Human Directions



Chandler Macleod Group



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- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price-Earn. Ratio	Dividend Yield	Price-Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola-til-ity	Price-Earn. Ratio	Dividend Yield	Price-Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld>0, RelStrength>0													INSIDER BUYING: Most Insider Buying, Relative Strength>0														
Col Motor Co	244	+5.4	-0.4	22	0-0	-	0.7	4	0.5	16	8.8	0.18	80	Guoco Leisure	74	+9.7	+2.5	7	7-0	-	0.7	5	0.8	14	2.1	1.92	1,012
Turners & Grow.	144	+0.6	+0.5	48	0-0	-	0.5	3	0.8	18	6.9	0.26	152	Sky City Ltd	334	+3.8	+3.2	31	7-0	1	2.5	19	0.5	14	6.6	2.31	1,921
Ebos Group Ltd	736	+7.6	-0.9	15	0-1	1	2.0	13	0.5	16	6.0	0.27	374	Hellaby Hold.	206	+14.6	-2.9	4	7-0	-	3.2	9	1.1	34	5.5	0.78	150
Satara Co-op	100	+21.8	-6.2	2	0-0	-	0.5	3	1.0	18	2.9	0.29	16	Briscoe Group	135	+6.5	-0.9	18	7-0	-	2.2	16	0.6	14	7.4	0.69	287
Air New Zealand	152	+9.3	+2.3	9	0-4	1	1.0	5	0.9	20	6.6	0.40	1,637	Scott Tech. Ltd	132	+8.4	+1.7	12	5-0	-	1.9	18	0.6	11	5.7	0.89	41
Nuplex Indust	350	+5.7	-0.3	21	5-0	1	1.3	14	1.0	9	6.0	0.46	673	Nuplex Indust	350	+5.7	-0.3	21	5-0	1	1.3	14	0.8	9	6.0	0.46	673
Guinness Peat	73	+2.0	+0.9	41	2-0	-	0.6	-	1.2	NE	3.0	0.50	1,304	Port Tauranga	746	+4.8	+1.0	25	5-0	-	1.5	7	0.4	22	5.6	6.75	1,000
Allied Work.	136	+26.9	+5.5	1	1-0	-	1.9	11	0.9	18	4.7	0.50	36	Warehouse Group	339	+0.1	-2.8	52	5-1	1	3.5	27	0.4	13	10.1	0.63	1,055
Infratil NZ	191	+7.0	+0.3	16	7-4	-	1.2	3	0.8	37	2.8	0.59	1,084	Michael Hill	88	+11.1	+4.3	6	3-0	1	2.1	17	0.6	13	4.5	0.76	337
Telecom Corp	339	+0.1	+1.7	52	5-1	1	3.5	27	0.6	13	10.1	0.63	1,055	F & P Appliance	56	+0.3	-1.9	49	3-0	1	0.7	-	1.1	NE	Nil	0.35	406
Briscoe Group	135	+6.5	-0.9	18	7-0	-	2.2	16	0.9	14	7.4	0.69	287	OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength<0													
Mainfreight Grp	795	+9.5	+0.6	8	0-1	-	2.6	12	0.6	22	3.3	0.69	783	Property F Ind.	113	-0.8	-1.2	60	0-0	-	1.0	-	0.4	NE	8.0	7.71	242
Michael Hill	88	+11.1	+4.3	6	3-0	1	2.1	17	0.9	13	4.5	0.76	337	Blis Technology	10	-5.4	+0.4	74	0-1	-	9.5	-	1.5	NE	Nil	7.25	14
Hellaby Hold.	206	+14.6	-2.9	4	7-0	-	3.2	9	1.3	34	5.5	0.78	150	Vital Health PT	106	-58.3	+0.0	97	0-0	-	1.0	5	0.5	20	8.9	5.35	152
Telecom Corp	218	+2.0	+1.7	42	0-1	1	1.6	16	0.7	10	11.0	0.79	4,187	NZ Exchange Ltd	158	-3.4	-0.4	68	0-2	-	2.0	3	0.7	79	5.9	4.45	191
Restaurant Brds	262	+9.5	-1.9	7	2-0	-	5.2	40	0.6	13	6.8	0.80	255	Nat Property Tr	51	-0.0	-1.1	52	0-0	-	0.8	-	0.6	NE	8.8	3.51	99
Cavotec MSL	334	+13.2	+2.8	5	1-0	-	0.8	4	0.8	21	0.9	0.84	223	NZOil & Gas	87	-14.3	-5.8	88	0-0	-	0.8	-	0.7	NE	8.2	3.45	342
Methven Limited	172	+3.5	-1.3	32	3-1	-	2.1	15	1.0	15	9.1	0.88	115	Horizon Energy	360	-1.4	+0.2	62	0-0	-	1.7	11	0.3	15	6.7	2.96	90
Scott Tech. Ltd	132	+8.4	+1.7	12	5-0	-	1.9	18	0.9	11	5.7	0.89	41	Lyttelton Port	227	-2.7	-1.5	68	0-0	-	1.7	7	0.4	26	2.8	2.66	232
Delegat's Group	200	+3.2	+2.4	33	0-0	-	1.5	3	0.7	47	5.7	0.91	201	Mowbray Collect	75	-3.7	+1.0	70	0-0	-	2.0	-	0.4	NE	Nil	2.27	8
BEST PERFORMING SHARES: Strongest Shares, P/E<20, P/S<1.0													WORST PERFORMING SHARES: Weakest Shares, P/S Ratio>0.25, Yield<Twice Average														
Allied Work.	136	+26.9	+5.5	1	1-0	-	1.9	11	0.7	18	4.7	0.50	36	Charlie's Group	19	-58.3	+0.0	98	0-3	-	3.4	15	1.2	22	Nil	1.77	56
Satara Co-op	100	+21.8	-6.2	2	0-0	-	0.5	3	0.8	18	2.9	0.29	16	Vital Health PT	106	-58.3	+0.0	97	0-0	-	1.0	5	0.4	20	8.9	5.35	152
Michael Hill	88	+11.1	+4.3	6	3-0	1	2.1	17	0.7	13	4.5	0.76	337	Allied Farmers	2	-38.6	+1.8	97	0-0	-	0.9	-	3.2	NE	Nil	0.37	39
Restaurant Brds	262	+9.5	-1.9	7	2-0	-	5.2	40	0.5	13	6.8	0.80	255	Just Water Int.	10	-27.5	-3.8	95	2-0	-	3.3	-	1.7	NE	Nil	0.25	9
Air New Zealand	152	+9.3	+2.3	9	0-4	1	1.0	5	0.8	20	6.6	0.40	1,637	WNDrive Tech.	3	-26.0	-13.7	94	2-0	-	0.6	-	2.2	NE	Nil	0.71	16
Cavalier Corp	305	+8.6	-3.0	10	1-0	1	2.3	18	0.9	12	8.4	0.94	207	New Windfarms	18	-16.8	-1.6	91	0-0	-	0.5	-	1.2	NE	Nil	N/A	52
Scott Tech. Ltd	132	+8.4	+1.7	12	5-0	-	1.9	18	0.7	11	5.7	0.89	41	New Image Group	25	-16.0	-0.8	90	6-0	-	2.3	30	1.3	8	8.6	0.72	59
Ebos Group Ltd	736	+7.6	-0.9	15	0-1	1	2.0	13	0.4	16	6.0	0.27	374	NZ Finance Hold	15	-15.0	-3.4	89	0-0	-	0.8	-	0.7	NE	Nil	0.34	11
Briscoe Group	135	+6.5	-0.9	18	7-0	-	2.2	16	0.7	14	7.4	0.69	287	NZOil & Gas	87	-14.3	-5.8	88	0-0	-	0.8	-	0.7	NE	8.2	3.45	342
Finzsoft Sol'ns	30	+6.4	-2.9	19	0-0	-	1.0	11	1.0	9	Nil	0.34	2	CER Group Ltd	1	-12.9	+2.7	87	0-0	-	1.3	-	4.1	NE	Nil	0.48	22
Nuplex Indust	350	+5.7	-0.3	21	5-0	1	1.3	14	0.9	9	6.0	0.46	673	Jasons Media	40	-10.7	+0.9	86	0-0	-	2.3	16	0.7	14	8.9	0.54	8
Col Motor Co	244	+5.4	-0.4	22	0-0	-	0.7	4	0.3	16	8.8	0.18	80	Comvita	155	-9.1	-4.3	86	5-0	-	0.6	8	0.6	8	7.4	0.50	42
Methven Limited	172	+3.5	-1.3	32	3-1	-	2.1	15	0.8	15	9.1	0.88	115	Ecocya Ltd	76	-8.9	-1.0	85	0-0	-	18.9	-	0.6	NE	Nil	6.42	25
Telecom Corp	218	+2.0	+1.7	42	0-1	1	1.6	16	0.6	10	11.0	0.79	4,187	Pac Edge Bio.	20	-8.9	-3.9	84	0-0	-	26.7	-	1.2	NE	Nil	N/A	30
Turners & Grow.	144	+0.6	+0.5	48	0-0	-	0.5	3	0.7	18	6.9	0.26	152	Sealegs Corp	16	-8.9	-6.9	84	0-1	-	2.7	-	1.4	NE	Nil	1.31	15
Warehouse Group	339	+0.1	-2.8	52	5-1	1	3.5	27	0.5	13	10.1	0.63	1,055	Smartpay NZ Ltd	3	-8.8	-4.4	83	0-0	-	2.3	-	1.8	NE	Nil	0.56	22
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													INSIDER SELLING: Most Insider Selling, Relative Strength<0														
Telecom Corp	218	+2.0	+1.7	42	0-1	1	1.6	16	0.6	10	11.0	0.79	4,187	Charlie's Group	19	-58.3	+0.0	98	0-3	-	3.4	15	1.1	22	Nil	1.77	56
Argosy Property	72	+2.1	-0.7	39	0-0	-	0.8	-	0.6	NE	10.4	4.98	388	TEAM Talk Ltd	209	-0.6	-2.5	60	0-2	-	1.9	16	0.4	12	13.7	1.50	46
Warehouse Group	339	+0.1	-2.8	52	5-1	1	3.5	27	0.4	13	10.1	0.63	1,055	NZ Exchange Ltd	158	-3.4	-0.4	68	0-2	-	2.0	3	0.7	79	5.9	4.45	191
Methven Limited	172	+3.5	-1.3	32	3-1	-	2.1	15	0.8	15	9.1	0.88	115	Fletcher Build.	778	-0.2	-2.1	55	2-4	3	1.6	9	0.5	17	4.5	0.69	4,722
AMP Onyx Mgmt	78	+2.9	-0.6	36	2-1	-	1.0	-	0.6	NE	9.0	5.64	778	PGGWrightsons	54	-5.6	-0.9	76	0-1	1	0.6	4	0.8	17	Nil	0.36	410
Goodman Prop.	94	+0.2	-0.8	50	0-1	-	1.0	-	0.5	NE	9.0	6.08	807	Sealegs Corp	16	-8.9	-6.9	84	0-1	-	2.7	-	1.3	NE	Nil	1.31	15
Vital Health PT	106	-58.3	+0.0	97	0-0	-	1.0	5	0.5	20	8.9	5.35	152	Blis Technology	10	-5.4	+0.4	74	0-1	-	9.5	-	1.3	NE	Nil	7.25	14
Vector Ltd	231	+7.4	-1.0	15	2-2	1	1.1	10	0.5	12	8.7	1.94	2,300														
Kiwi Property	99	+2.0	-1.7	43	0-0	-	0.9	-	0.6	NE	8.6	4.24	799														
Cavalier Corp	305	+8.6	-3.0	10	1-0	1	2.3	18	0.9	12	8.4	0.94	207														

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-4-Wk	Rank	Chg. 0-99	Dividend Yield	Rel Strength	Return on Equity	Volatility	Price/Earnings	Dividend Yield	Price/Sales	Market Cap'n	Company	Share Price	Cur-4-Wk	Rank	Chg. 0-99	Dividend Yield	Rel Strength	Return on Equity	Volatility	Price/Earnings	Dividend Yield	Price/Sales	Market Cap'n		
UNDER-VALUED SHARES: Lowest Price/Sales, Yld>0, RelStrength>0												BEST PERFORMING SHARES: Strongest Shares, P/E<20, P/S<1.0															
Sirius Res.NL	31	+36.8	+2.3	10	4-0	-	-	1.3	NE	3.2	0.05	6	MaxTrust	14	+83.6	+10.4	3	0-0	-	0.4	42	1.5	1	Nil	0.81	24	
GuinnessPeat	55	+0.2	+0.8	56	2-0	-	0.8	-	0.9	NE	3.3	0.07	154	GrandbridgeLtd	18	+61.1	-12.4	5	0-0	-	0.8	43	1.3	2	Nil	0.98	5
Namoi Cotton	53	+16.2	+1.7	24	0-2	-	0.4	4	1.0	11	4.7	0.16	51	AMA Group Ltd	13	+54.1	+39.7	6	9-0	-	1.6	16	1.4	10	Nil	0.66	34
Ross Human Dir.	75	+21.0	-8.8	20	0-0	-	2.6	29	0.8	9	4.7	0.17	62	Newland Res.	4	+46.9	+5.4	8	0-0	-	-	-	2.4	2	Nil	0.37	14
Ruralco Hold.	275	+1.5	+1.5	52	1-1	-	1.5	12	0.4	13	5.8	0.17	151	Ellex Medical	21	+31.9	-13.4	12	1-0	-	0.9	20	1.2	5	Nil	0.37	18
Koon Holdings	23	+14.1	-7.7	26	0-0	-	0.5	24	1.4	2	3.5	0.17	18	Seymour Whyte	227	+31.1	+7.5	13	0-0	-	-	-	0.6	15	3.3	0.96	177
Mesbon China N.	17	+10.7	+3.8	32	3-0	-	0.5	6	1.8	8	3.0	0.17	22	Macquarie C Tel	888	+30.2	+2.5	13	0-2	1	2.7	26	0.3	10	2.3	0.78	185
BSA Ltd	30	+14.8	+2.1	25	2-0	1	10.0	-	1.3	7	6.7	0.19	63	Legend Corp.	33	+29.7	+1.4	13	2-1	-	3.7	34	0.9	11	3.0	0.82	71
Jumbo Interact.	34	+8.7	-2.2	35	0-0	-	34.0	-	1.3	15	1.5	0.20	15	Provet Holdings	213	+26.0	+0.6	16	1-0	-	-	-	0.6	14	3.8	0.33	93
Marbletend Grp	12	+12.8	+3.6	28	0-0	-	3.0	51	2.2	6	12.5	0.20	7	NRW Holdings	220	+25.0	+1.6	16	0-0	3	3.8	24	0.5	16	2.7	0.91	553
Scott Corp Ltd	47	+13.3	-3.8	28	0-0	-	1.2	17	1.0	7	6.4	0.20	33	Vietnam Indust.	60	+23.8	-4.7	17	0-0	-	1.6	48	0.8	3	Nil	0.33	85
PMP Limited	87	+15.6	+5.0	24	2-0	-	1.1	-	0.8	NE	3.4	0.22	292	RCR Tomlinson	145	+22.9	-2.9	18	1-1	3	1.5	13	0.5	11	2.1	0.35	191
Caltex Australia	1491	+14.1	+2.5	26	1-0	3	1.4	11	0.2	13	1.7	0.23	4,026	RHGLtd	98	+21.5	+6.2	19	1-5	-	1.0	30	0.7	3	Nil	0.64	298
Merchant House	19	+3.9	-1.2	44	1-0	-	0.7	17	1.7	4	8.1	0.23	17	NewSat Ltd	1	+21.3	+13.6	19	0-0	-	-	-	6.8	2	Nil	0.00	0
A.P. Eagers	1285	+1.0	-0.8	53	11-0	-	1.5	14	0.2	10	4.8	0.23	384	Ross Human Dir.	75	+21.0	-8.8	20	0-0	-	2.6	29	0.6	9	4.7	0.17	62
Structural Syst	92	+17.6	-2.4	23	1-0	1	1.2	6	0.8	18	2.7	0.23	59	Structural Syst	92	+17.6	-2.4	23	1-0	1	1.2	6	0.6	18	2.7	0.23	59
Clarius Group	73	+4.2	+2.4	43	3-0	1	1.8	9	0.9	21	2.7	0.24	63	Data 3 Ltd	1201	+16.8	+1.1	23	0-2	1	8.8	52	0.2	17	4.7	0.31	185
Watpac Ltd	174	+13.3	+1.6	27	1-0	1	1.1	10	0.7	12	6.3	0.27	315	Namoi Cotton	53	+16.2	+1.7	24	0-2	-	0.4	4	0.7	11	4.7	0.16	51
Calliden Group	27	+1.4	+0.9	52	1-0	-	1.2	-	1.3	NE	8.5	0.28	61	Colorpak Ltd	62	+16.2	+2.0	24	0-0	-	3.4	44	0.6	8	3.6	0.62	50
Globe Int'l Ltd	63	+1.9	-6.2	50	0-0	-	0.9	4	0.9	20	7.9	0.28	26	Skywest Airline	43	+15.9	-1.2	24	0-2	-	2.4	22	0.9	11	2.2	0.47	86
Brierty Ltd	37	+2.6	+1.8	48	3-0	-	1.1	13	1.2	8	4.1	0.30	41	Gazal Corp	200	+15.1	-2.9	25	0-0	-	2.5	20	0.4	12	5.5	0.49	121
Supply Network	45	+7.1	+0.6	37	0-0	-	1.1	13	1.0	8	6.7	0.31	13	BSA Ltd	30	+14.8	+2.1	25	2-0	1	10.0	-	0.9	7	6.7	0.19	63
Data 3 Ltd	1201	+16.8	+1.1	23	0-2	1	8.8	52	0.3	17	4.7	0.31	185	Laserbond Ltd	10	+14.6	+10.4	26	0-0	-	2.4	20	1.6	12	Nil	0.65	7
Empired Ltd	19	+46.3	+21.8	8	0-0	-	4.8	3	1.7	190	1.3	0.31	9	Koon Holdings	23	+14.1	-7.7	26	0-0	-	0.5	24	1.0	2	3.5	0.17	18
Devine	29	+1.2	-1.1	53	0-0	-	0.5	2	1.3	22	3.5	0.32	181	Caltex Australia	1491	+14.1	+2.5	26	1-0	3	1.4	11	0.2	13	1.7	0.23	4,026
Chandler McLeod	48	+27.0	+0.5	15	0-0	3	8.0	29	1.1	27	2.8	0.32	196	Waterco Ltd	142	+14.0	+0.7	26	0-0	-	1.0	8	0.5	12	5.6	0.64	46
Provet Holdings	213	+26.0	+0.6	16	1-0	-	-	-	0.7	14	3.8	0.33	93	EL Corporation	0	+13.7	-5.6	27	0-0	-	-	-	14.6	0	Nil	0.28	0
RCR Tomlinson	145	+22.9	-2.9	18	1-1	3	1.5	13	0.6	11	2.1	0.35	191	Breville Group	290	+13.6	-1.2	27	0-0	1	4.6	28	0.4	17	3.8	0.89	376
Chalmers	300	+4.0	+0.7	44	0-0	-	0.7	8	0.4	8	5.0	0.35	17	Aust Vintage	35	+13.6	-5.7	27	2-0	-	0.4	7	1.0	6	Nil	0.19	45
W'bool Cheese	352	+2.2	+5.8	49	0-0	-	1.4	8	0.4	17	2.8	0.36	164	Gale Pacific	23	+13.5	-5.0	27	0-0	-	0.9	8	1.0	11	4.3	0.65	64
Embelton Ltd	550	+3.1	-0.4	47	2-0	-	1.3	14	0.3	9	4.5	0.39	12	Watpac Ltd	174	+13.3	+1.6	27	1-0	1	1.1	10	0.5	12	6.3	0.27	315
Pro-Pac Pack.	31	+1.9	-1.4	50	0-1	-	0.0	1	1.2	7	6.5	0.41	37	Scott Corp Ltd	47	+13.3	-3.8	28	0-0	-	1.2	17	0.8	7	6.4	0.20	33
Int. Legal	12	+3.4	-2.3	46	0-0	-	1.6	14	2.1	12	6.5	0.42	10	Marbletend Grp	12	+12.8	+3.6	28	0-0	-	3.0	51	1.6	6	12.5	0.20	7
Symtex Holdings	54	+2.0	-1.7	50	2-0	-	1.7	24	0.9	7	7.4	0.43	69	HGL Limited	147	+12.5	+2.1	29	4-0	-	1.7	19	0.4	9	5.4	0.45	74
Hire Intell.	12	+3.7	+12.2	45	0-0	-	-	-	2.0	4	3.3	0.43	5	Norfolk Group	120	+12.5	-2.8	29	1-0	2	8.0	73	0.6	11	Nil	0.24	191
HGL Limited	147	+12.5	+2.1	29	4-0	-	1.7	19	0.6	9	5.4	0.45	74	Solco Ltd	12	+12.4	-6.6	29	0-0	-	2.0	4	0.6	5	2.1	0.69	24
Lend Lease Grp	856	+2.0	+3.4	50	0-2	1	1.8	13	0.3	14	3.7	0.46	4,842	Healthzone Ltd	46	+11.7	+11.3	30	0-0	-	3.5	43	0.7	8	Nil	0.32	36
Skywest Airline	43	+15.9	-1.2	24	0-2	-	2.4	22	1.2	11	2.2	0.47	86	Astivita Renew.	117	+11.6	-3.9	30	2-1	-	2.5	37	0.6	7	Nil	0.70	27
Nat'l Can	125	+0.8	-2.8	54	0-0	-	0.7	4	0.7	17	4.0	0.47	83	Mesbon China N.	17	+10.7	+3.8	32	3-0	-	0.5	6	1.3	8	3.0	0.17	22
Gazal Corp	200	+15.1	-2.9	25	0-0	-	2.5	20	0.5	12	5.5	0.49	121	Nusep Holdings	24	+10.3	-3.9	32	2-0	-	24.0	-	1.1	4	Nil	0.01	14
AV Jennings	48	+6.4	-3.7	39	1-0	-	0.4	3	1.1	14	3.1	0.51	132	Pearl Healthcare	9	+10.1	+7.3	33	2-0	-	4.4	47	2.0	9	Nil	0.08	1
Zicom Group	23	+8.8	-0.7	35	5-0	-	0.9	17	1.6	6	3.8	0.52	48	Over Fifty Grp	70	+8.9	+1.1	34	9-0	-	1.3	15	0.6	9	7.1	0.57	54
Ridley Corp.	125	+2.7	-2.4	48	1-0	3	1.5	11	0.6	13	5.8	0.53	385	Zicom Group	23	+8.8	-0.7	35	5-0	-	0.9	17	1.2	6	3.8	0.52	48
Regional Exp.	111	+1.2	-1.1	53	0-0	1	0.9	17	0.7	5	5.9	0.55	125	Qubinteract.	34	+8.7	-2.2	35	0-0	-	34.0	-	0.9	15	1.5	0.20	15
Berklee Ltd	55	+7.1	+0.9	37	1-0	-	0.5	5	0.9	10	3.6	0.55	6	Q Technology	5	+8.3	-4.7	35	0-0	-	0.6	35	2.2	2	Nil	0.40	8
UGL Limited	1438	+1.2	-1.4	53	1-0	6	-	-	0.3	16	4.5	0.57	2,375	CTI Logistics	120	+8.3	-0.6	35	2-0	-	1.7	17	0.4	10	5.0	0.81	49
Beyond Int'l	73	+1.2	-1.0	53	0-0	-	1.7	18	0.9	9	6.8	0.57	45	Mortgage Choice	135	+7.9	+2.8	36	0-1	1	2.2	32	0.5	7	8.1	0.94	160
Over Fifty Grp	70	+8.9	+1.1	34	9-0	-	1.3	15	0.8	9	7.1	0.57	54	Ascent Pharm.	38	+7.5	+4.1	37	0-0	-	4.7	46	0.9	10	Nil	0.89	94
Stratetel Ltd	5	+6.1	+4.2	39	2-0	-	5.2	29	3.3	18	6.3	0.59	7	E-pay Asia Ltd	15	+7.5	+6.2	37	0-0	-	0.3	6	1.4	5	Nil	0.45	9
Myer Holdings	338	+1.1	-3.5	53	1-1	5	-	-	0.5	12	6.5	0.59	1,964	Scantech	41	+7.5	+11.7	37	0-0	-	1.1	6	0.8	16	Nil	0.55	7
Tassal Group	168	+2.4	+4.3	48	1-0	3	1.2	14	0.6	9	3.6	0.59	242	Berklee Ltd	55	+7.1	+0.9	37	1-0	-	0.5	5	0.7	10	3.6	0.55	6
Sims Metal Mgmt	2168	+2.2	+6.1	49	7-3	3	2.3	7	0.2	35	1.5	0.59	4,420	Supply Network	45	+7.1	+0.6	37	0-0	-	1.1	13	0.7	8	6.7	0.31	13
Colorpak Ltd	62	+16.2	+2.0	24	0-0	-	3.4	44	0.9	8	3.6	0.62	50	AV Jennings	48	+6.4	-3.7	39	1-0	-	0.4	3	0.8	14	3.1	0.51	132
McPherson's Ltd	313	+6.4	+0.6	39	0-0	1	26.1	-	0.4	9	6.4	0.63	224	McPherson													

STRENGTH RATING													STRENGTH RATING														
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Problems Following	Price to NTA	Return on Equity	Vola- ity	Price-Price Ratio	Divi- Yield	Price Sales Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Problems Following	Price to NTA	Return on Equity	Vola- ity	Price-Price Ratio	Divi- Yield	Price Sales Market Cap'n		
INCOMESHARES: Highest Yields, Capitalisation > A\$250 million																											
Transfield SIn	61	-5.9	+0.2	77	0-0	1	0.6	-	0.6	NE	16.4	1.63	264	MystateLtd	370	+9.6	+1.6	34	7-0	-	1.7	12	0.3	14	6.1	2.06	249
Cape LambertR.	50	+11.3	+5.3	30	7-0	-	-	-	0.7	NE	14.0	N/A	313	TransurbanGrp	522	+4.5	-0.9	43	6-0	4	1.9	2	0.2	124	4.6	9.04	7,385
Ale Property	186	-4.1	-1.4	73	1-0	1	0.9	-	0.3	NE	12.9	4.84	285	CatalystMetals	23	+34.5	+10.6	11	6-0	-	-	-	0.9	NE	Nil	N/A	7
Chal Infra Fund	111	-9.5	+1.3	83	0-0	1	-	-	0.4	NE	12.6	0.91	354	ANZBank	2292	+1.1	-0.9	53	6-0	6	2.3	18	0.1	13	5.5	1.87	58,679
DJET Group	166	+0.7	-0.5	54	0-0	3	1.0	9	0.3	10	12.0	1.25	1,445	EnrgioLtd	1	+13.2	+2.7	28	6-0	-	-	-	3.1	140	Nil	N/A	10
Spark Infrastru	114	-2.3	+1.6	68	2-0	3	0.6	6	0.5	10	11.9	4.22	1,512	AustFoundation	492	+0.4	+1.0	55	6-0	-	1.1	4	0.2	27	4.3	N/A	4,955
Ardent Leisure	98	-4.1	+0.5	73	5-0	2	1.1	7	0.5	16	11.0	0.85	303	Gold One Int'l	33	+11.8	-0.1	30	6-0	-	3.7	-	0.7	NE	Nil	0.23	4
Cromwell Group	75	+1.9	+1.0	50	1-2	1	1.1	3	0.5	32	10.7	4.79	606	Uranium Equitie	17	+17.9	+8.4	22	6-0	-	-	-	1.2	NE	Nil	N/A	31
Envestra	52	+1.1	+0.1	53	0-0	3	-	-	0.6	19	10.6	1.88	721	Pacrim Energy	1	+15.3	+2.0	25	6-0	-	-	-	3.5	NE	Nil	N/A	12
Telstra	277	-5.0	+2.3	75	8-0	6	7.3	82	0.3	9	10.1	1.38	34,467	PlatsearchNL	14	+4.0	-2.4	44	6-0	-	-	-	1.2	NE	Nil	N/A	20
AMP Cap China	84	+2.1	-1.2	50	0-0	-	0.8	10	0.5	8	10.1	6.69	266	Condor Nickel	20	+14.2	-8.1	26	6-0	-	-	-	1.0	NE	Nil	N/A	13
Westfield Group	975	-4.3	-3.7	73	0-0	3	0.9	-	0.2	NE	9.6	5.46	22,501	Amalgamated Hld	670	+7.5	+1.1	37	6-0	2	1.5	14	0.2	11	5.5	1.31	1,067
SP Ausnet	90	+3.4	-0.6	46	1-1	1	1.0	8	0.4	12	8.9	1.82	2,421	Wasabi Energy	4	+45.5	+15.7	8	6-0	-	-	-	1.9	NE	Nil	N/A	54
Aspen Group Ltd	48	-0.0	+0.9	59	0-0	2	0.7	3	0.6	21	8.8	3.68	265	Ind Minerals	16	+16.0	-4.7	24	6-0	-	-	-	1.0	NE	Nil	N/A	73
Aneka Tambang	137	+6.2	+1.3	39	0-0	-	-	-	0.6	NE	8.8	N/A	1,302	Meteoric Res.	16	+7.2	+2.4	37	6-0	-	-	-	1.2	NE	Nil	N/A	14
Aristocrat Leis	291	-11.0	-1.6	86	2-0	2	19.4	-	0.4	NE	8.2	1.71	1,552	Hodges Res.	20	+21.1	-6.1	19	6-0	-	-	-	1.0	NE	Nil	N/A	9
Tatts Group Ltd	255	+3.2	+1.4	46	3-0	3	-	-	0.3	31	8.2	0.99	3,269	Admiralty Res.	3	+19.6	+32.3	21	7-1	-	-	-	2.4	NE	Nil	9.00	7
Chal Div Prop	51	+1.1	-0.2	53	1-0	1	0.8	3	0.6	30	8.2	5.27	466	Zicom Group	23	+8.8	-0.7	35	5-0	-	0.9	17	0.9	6	3.8	0.52	48
Goodman Fielder	132	+0.6	-0.9	55	0-0	1	-	-	0.4	11	8.1	0.68	1,822	Augustus Min.	36	+13.9	+17.4	26	5-0	-	-	-	0.8	NE	Nil	N/A	14
Deutsche Ind Tr	196	+0.0	+0.0	57	0-0	-	1.2	10	0.3	12	8.1	6.49	663	Archer Explor.	17	+19.1	+7.5	21	5-0	-	-	-	0.9	NE	Nil	N/A	11
Tabcorp Holding	710	+5.1	-0.3	41	0-0	2	-	-	0.2	9	7.7	1.05	4,833	MacarthurcookP	11	+9.5	-0.6	34	5-0	-	0.3	-	1.2	NE	Nil	4.43	21
Growthpoint Pro	191	+2.6	-0.5	48	2-0	1	0.9	14	0.4	7	7.3	4.56	406	Mungana Gold.	93	+5.9	-0.4	40	5-0	-	-	-	0.6	NE	Nil	N/A	146
Sigma Pharm.	42	-11.5	-0.7	87	0-0	6	2.4	18	0.6	14	7.2	0.15	489	Seven Group	865	+13.9	+3.9	26	5-0	1	-	-	0.4	NE	2.1	4.91	2,642
Q.B.E. Insur.	1781	-3.4	+2.2	71	8-1	4	36.3	-	0.2	9	7.2	1.05	17,486	Eurogold Ltd	24	+9.6	-3.8	34	5-0	-	0.9	-	0.8	NE	Nil	N/A	15
Hast Div Util	168	+12.0	+3.0	29	1-0	4	-	-	0.5	NE	7.1	6.18	835	Jervois Mining	1	+15.7	+7.7	24	5-0	-	-	-	5.5	NE	Nil	N/A	16
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																											
Medical Dev Int	42	+38.6	+5.3	10	12-0	-	6.0	24	0.6	25	Nil	2.60	22	MacarthurCoal	1322	+2.3	+0.9	49	7-2	3	3.0	11	0.2	27	1.9	5.01	3,362
Credit Corp	400	+17.4	+4.4	23	13-1	-	2.0	15	0.2	13	2.0	1.91	178	Pilbara Mineral	8	+12.9	-11.6	28	4-0	-	-	-	1.3	NE	Nil	N/A	2
A.P. Eagers	1285	+1.0	-0.8	53	11-0	-	1.5	14	0.1	10	4.8	0.23	384	Runge Ltd	56	+2.5	+5.2	48	4-0	1	5.6	18	0.6	30	1.8	0.87	69
Patties Foods	130	+4.0	-2.1	44	11-0	2	4.3	38	0.4	11	5.0	0.92	181	New Hope Corp.	501	+1.7	-1.5	51	4-0	4	1.8	8	0.2	23	1.9	5.57	4,147
Bell Financial	100	+1.6	+4.1	51	11-0	-	4.5	51	0.5	9	8.0	1.17	242	Sirius Res. NL	31	+36.8	+2.3	10	4-0	-	-	-	0.7	NE	3.2	0.05	6
AMA Group Ltd	13	+54.1	+39.7	6	9-0	-	1.6	16	1.0	10	Nil	0.66	34	Eureka Energy	34	+25.4	-4.5	16	4-0	-	-	-	0.8	NE	Nil	N/A	52
Conquest Mining	57	+29.1	-3.2	14	9-0	-	-	-	0.5	NE	Nil	N/A	7	Tranzact Fin.	20	+18.8	+5.2	22	4-0	-	2.9	19	0.9	15	3.0	2.84	22
Over Fity Grp	70	+8.9	+1.1	34	9-0	-	1.3	15	0.4	9	7.1	0.57	54	NSX Limited	23	+6.3	+6.5	39	4-0	-	3.2	-	0.8	NE	8.72	23	
MEO Australia	21	+2.2	-22.5	49	8-0	-	-	-	1.0	NE	Nil	N/A	98	Neon Energy Ltd	13	+11.2	-3.8	31	4-0	-	1.0	-	1.1	NE	Nil	5.34	40
Chesser Res.	94	+86.9	-21.1	2	8-0	-	-	-	0.5	NE	Nil	N/A	88	Nyoto Minerals	44	+22.7	+10.1	18	4-0	-	-	-	0.7	NE	Nil	N/A	83
Sietel Ltd	425	+1.6	-0.9	51	8-0	-	0.7	0	0.3	180	Nil	5.60	34	Sth Boulder Min	395	+121.6	+65.6	1	4-0	-	-	-	0.3	NE	Nil	N/A	242
Global Petrol.	15	+3.5	+0.4	45	9-1	-	-	-	1.1	NE	Nil	N/A	25	OZ Minerals Ltd	170	+20.5	-1.9	20	4-0	8	1.8	-	0.4	NE	Nil	8.69	5,291
Emerson Stewart	9	+1.3	+4.7	52	7-0	-	1.5	-	1.3	NE	Nil	1.08	14	India Resources	2	+8.6	+4.4	35	4-0	-	-	-	2.4	NE	0.72	8	
CuDeco Ltd	416	+3.6	+16.9	45	7-0	-	-	-	0.4	NE	Nil	N/A	566	Pryme Oil & Gas	18	+70.1	+27.9	4	4-0	-	-	-	0.9	NE	Nil	N/A	36
Rimfire Pacific	5%	+126.4	+58.9	1	7-0	-	-	-	1.7	NE	Nil	N/A	20	Liontown Res.	11	+32.1	-16.4	12	4-0	-	-	-	1.1	70	Nil	N/A	22
Gujarat NRE	89	+8.3	+7.7	35	7-0	-	1.7	-	0.5	NE	Nil	5.66	789	Skilled Group	186	+14.0	+4.9	26	4-0	3	-	-	0.4	28	Nil	0.21	355
Cape LambertR.	50	+11.3	+5.3	30	7-0	-	-	-	0.6	NE	14.0	N/A	313	Finbar Group	116	+10.4	-3.6	32	4-0	-	1.7	21	0.4	8	6.5	1.22	188
Wavenet Int'l	28	+78.9	+59.8	3	7-0	-	2.3	-	1.1	NE	Nil	N/A	17	Mineral Commod.	9	+37.8	+15.3	10	4-0	-	-	-	1.3	NE	Nil	N/A	13
Aust United In	678	+0.5	+1.1	55	7-0	-	1.0	4	0.2	25	3.8	N/A	692	Rum Jungle Res.	23	+78.2	+24.3	3	4-0	-	-	-	0.8	NE	Nil	N/A	N/A
Miclyn Express	165	+4.6	-0.4	42	7-0	1	-	-	0.6	15	Nil	3.43	447	Manhattan Corp	139	+18.4	+16.7	22	4-0	-	-	-	0.5	NE	Nil	N/A	125
Nib Holdings	129	+0.3	+1.0	56	7-0	1	1.7	16	0.4	10	5.4	0.71	637	Trinity Group	12	+10.3	+15.1	33	4-0	-	0.6	-	1.1	NE	Nil	0.73	27
													Iress Mkt Tech	871	+2.8	+0.1	47	4-0	3	11.5	46	0.2	25	3.9	6.29	1,078	
													Iron Mountain	20	+32.6	+25.2	12	4-0	-	-	-	0.9	57	Nil	N/A	24	

“Insider” Trades in NZ Shares

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

“Insider” Indicators

Last 5 wks: 55.0% Buyers
Last 13 wks: 60.4% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Onyx Mgmt	2-1	Comvita	5-0	Hellaby Hold.	7-0	Nuplex Indust	5-0	Sealegs Corp	0-1
Affco Holdings	1-0	Dorchester Pac	1-0	Infratil NZ	7-4	PGGWrightsons	0-1	Sky City Ltd	7-0
Air New Zealand	0-4	Ebos Group Ltd	0-1	Just Water Int.	2-0	Pike River Coal	2-0	Sky Network TV	1-0
Akd Int Airport	0-1	F & P Health.	1-0	Mainfreight Grp	0-1	Port Tauranga	5-0	TeamTalk Ltd	0-2
Allied Work.	1-0	F & P Appliance	3-0	Methven Limited	3-1	Pyne Gould Corp	5-2	Telecom Corp	0-1
Blis Technology	0-1	Fletcher Build.	2-4	Michael Hill	3-0	Rakon Ltd	1-0	Tourism Hold.	2-0
Briscoe Group	7-0	Freightways Ltd	4-1	NZ Exchange Ltd	0-2	Restaurant Brds	2-0	Turners Auction	2-0
Cavalier Corp	1-0	Goodman Prop.	0-1	NZ Farming Sys.	0-1	Ryman Health.	4-2	WN Drive Tech.	2-0
Cavotec MSL	1-0	Guinness Peat	2-0	NZ Refining Co	1-0	Salvus Strat.	1-0	Warehouse Group	5-1
Charlie's Group	0-3	Guoco Leisure	7-0	New Image Group	6-0	Scott Tech. Ltd	5-0	Zintel Comm.	1-0

“Insider” Trades in Australian Shares

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

“Insider” Indicators

Last 5 wks: 71.8% Buyers

Last 13 wks: 74.8% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
1300 Smiles Ltd	0-1	Aspire Mining	1-0	Black Ridge Min	2-1	Clough Limited	0-1	Elementos Ltd	2-0
A.P. Eagers	11-0	Astivita Renew.	2-1	Blackthorn Res.	6-0	Clover Corp.	3-0	Elixir Petrol.	2-0
A1 Minerals Ltd	0-3	Aston Resources	1-0	Bluescope Steel	1-0	Cluff Resource	1-0	Ellex Medical	1-0
AACL Holdings	4-0	Astra Capital	1-0	Blue Energy Ltd	5-0	Cobar Cons Res.	2-0	Embelton Ltd	2-0
ADX Energy Ltd	8-1	Astro Japan Pro	1-0	Bluglass Ltd	1-0	Coca Cola Amatil	1-3	Emeco Holdings	1-0
AED Oil Ltd	2-0	Astro Resources	0-1	Boart Longyear	1-0	Cochlear Ltd	1-0	Emerson Stewart	7-0
AGL Energy Ltd	2-0	Athena Res.	1-0	Boom Logistics	1-0	Cockatoo Coal	1-0	Emerald Oil & G	4-0
AJ Lucas	2-0	Atlas SS Pearl	7-0	Boral Limited	5-0	Collection Hse	3-0	Emmerson Res.	2-0
AMA Group Ltd	9-0	Atlantic Ltd	2-0	Boss Energy Ltd	1-0	Com'wealth Bank	2-1	Empire Sec.	1-0
AMCIL Limited	1-0	Atticus Res.	2-0	Botswana Metals	2-0	Commstrat Ltd	1-0	Empire Beer Grp	3-0
ANZ Bank	6-0	Augustus Min.	5-0	Bow Energy Ltd	4-0	Computershare	2-9	Emu Nickel NL	2-0
APA Group	3-0	Aurora Oil Gas	1-2	Bowen Energy	3-0	Condor Nickel	6-0	Energio Ltd	6-0
APN Property	4-0	Ausdrill Ltd	2-0	Bradken Ltd	0-1	Connect East Grp	2-0	Energia Mineral	1-0
APN News Media	2-0	Ausenco Ltd	2-0	Bravura Sol.	1-0	ConnXion Vent.	8-0	Energy One Ltd	1-0
ARBC Corporation	1-0	Ausgold Ltd	1-2	Braziron Ltd	1-0	Conquest Mining	9-0	Enterprise Met.	1-0
ASX Limited	0-1	Ausnico Limited	1-0	Brickworks Ltd	4-0	Convergent Min.	1-0	Entek Energy	5-0
AV Jennings	1-0	Aussie Q Res.	0-2	Brierty Ltd	3-0	Copper Moly Ltd	0-1	Envirogold Ltd	3-0
Abacus Property	0-1	Aust Ethical In	1-0	Brighton Mining	2-0	Copper Range	2-0	Equity Trustees	4-0
Acclaim Explor	2-0	Aust Infra.	2-0	Brockman Res.	0-7	Copper Strike	1-0	Equities & Free	3-0
Acrux Ltd	0-2	Austex Oil Ltd	2-0	Brumby Resource	0-1	Corazon Mining	2-0	Eserv Global Ltd	0-2
Ad Braking Tech	1-0	Aust Oil Coy	3-0	Bunnings W/hse	1-0	Coretrack Ltd	10-2	Ethane Pipeline	2-0
Adamus Resource	1-0	Aust Foundation	6-0	Burleson Energy	2-0	Corum Group Ltd	2-0	Eureka Energy	4-0
Adavale Res.	1-0	Austock Group	2-0	C.S.R. Ltd	1-0	Cougar Metals	1-0	Eurogold Ltd	5-0
Adcorp Aust.	3-0	Austin Eng.	0-5	CSG Ltd	0-1	Count Financial	2-0	Everest Fin Grp	1-0
Adelaide Res.	2-0	Aust Bauxite	3-0	CTI Limited	0-3	Coventry Group	4-0	Excalibur Min.	0-2
Admiralty Res.	7-1	Aust Vintage	2-0	CTI Logistics	2-0	Coventry Res.	2-0	Excela Limited	1-0
Adv Share Reg.	0-1	Aust Agricult.	9-0	Cadence Capital	2-0	Credit Corp	13-1	F.F.I. Holdings	0-1
Adv. Magnesium	0-2	Aust United In	7-0	Calliden Group	1-0	Crescent Gold	3-0	FKP Limited	1-0
Advanced Energy	0-2	Aust Mines Ltd	0-1	Calix Australia	1-0	Crown Ltd	2-0	Fairfax Media	0-1
Advance Energy	3-0	Aust Enh Income	2-0	Calzada Ltd	1-0	Crusader Res.	3-1	Fairstar Res.	2-0
African Energy	2-0	Aust Pharm. Ind	3-0	Campbell Bros	2-0	Cryosite Ltd	3-0	Falcon Minerals	1-0
Ainsworth Game	3-0	Aust Power Gas	1-0	Canada Land	5-0	CuDeco Ltd	7-0	Ferrum Crescent	3-0
Alara Resources	0-1	Aust Gold Inv.	0-1	Canad Lambert R.	7-0	Customers Ltd	2-0	Fiducian P Serv	3-2
Alchemy Res.	0-2	Aust Leaders Fd	3-0	Capital Mining	0-1	Cyclopharm Ltd	0-1	Finbar Group	4-0
Alchemia Ltd	2-1	Aust Amer Min.	1-0	Capral Limited	2-0	Dart Energy Ltd	3-0	Flat Glass Ind.	1-0
Ale Property	1-0	Aust Pac Coal	1-0	Cardno Ltd	1-2	Datadot Tech.	1-0	Flight Centre	1-0
Alesco Corp Ltd	3-0	Auto Technology	11-0	Carex Multi.	1-0	Data 3 Ltd	0-2	Flinders Mines	1-0
Alexium Int'l	5-0	Auzex Resources	0-3	Camaron Pet.	2-1	Datamotion A/P	1-0	Forge Group Ltd	0-3
Allied Gold Ltd	2-0	Avalon Minerals	3-0	Carpentaria Exp	1-4	Decmil Group	2-1	Fortescue Metal	2-0
Allied Brands	1-0	Avanco Res.	0-1	Carrick Gold	4-0	Diatreme Res.	2-0	Fortis Mining	1-0
Altium Limited	7-0	Avexa Limited	4-0	Cash Converters	2-0	Discovery Metal	0-7	Foster's Group	1-0
Altura Mining	5-0	Avita Medical	2-0	Caspian Oil & G	2-0	Div. United Inv	2-0	Fox Resources	1-0
Amalgamated Hld	6-0	Avoca Resources	0-1	Catalyst Metals	6-0	Dragon Mining	2-0	Funtastic Ltd	5-0
Ambertech Ltd	1-0	Avonlea Mineral	2-0	Cedaryl Res Ltd	8-0	Djeriwarrah	1-0	Future Corp	3-0
Ancor Ltd	4-2	BC Iron Ltd	0-3	Celamin Hold.	1-0	Dolomatrix Intl	2-0	G8 Education	1-0
Amex Resources	2-0	BCD Resources	0-1	Cellnet Group	0-2	Dominion Mining	0-1	GB Energy Ltd	1-0
Ampella Mining	0-7	BHP Billiton	5-4	Centrex Metals	3-0	Domino's Pizza	0-1	GBST Holdings	8-6
Anaeco Limited	2-0	BKI Invest Coy	3-0	Centrex Metals	3-0	Downer EDI Ltd	3-0	GME Resources	1-0
Antares Energy	4-0	BSA Ltd	2-0	Centaurus Netal	1-0	Dragon Mining	2-1	GPT Group	3-0
Antaria Ltd	1-0	BT Invest Mgmt	0-1	Centro Retail	1-0	Drillsearch	2-0	GWA Group Ltd	3-0
Anteo Diagnost.	2-5	Bailey Minerals	1-0	Century Aust In	3-0	Drummond Gold	2-4	Galaxy Res.	2-3
Anvil Mining	5-1	Bannerman Res.	1-0	Ceramic Fuel C.	2-0	Dulhunty Power	2-0	Galilee Energy	1-0
Apex Minerals	1-0	Baraka Petrol.	0-3	Cervantes Corp.	1-0	Dulux Group Ltd	4-0	Genetic Tech.	1-0
Aphrodite Gold	1-0	Barra Resources	0-2	Challenger Ltd	0-2	Dynasty Metals	0-1	Genesis Res Ltd	2-0
Arafura Res.	1-0	Base Resources	1-0	Chal Div Prop	1-0	E & A Limited	4-0	Geodynamics Ltd	2-0
Arafura Pearls	1-0	Bass St Oil Coy	1-0	Chalice Gold	1-0	E-Bet Limited	6-1	Geopacific Res.	3-0
Aragon Res.	2-0	Bassari Res.	2-0	Chameleon Min.	1-0	E-Com Multi Ltd	1-0	Gerard Lighting	2-0
Archer Explor.	5-0	Beach Energy	2-0	Chart H Retail	1-0	EVZ Ltd	3-0	Gindalbie Met.	0-1
Ardent Leisure	5-0	Beadell Res.	2-0	Chesser Res.	8-0	Eagle Eye Metal	3-0	Gippsland Ltd	0-2
Argent Minerals	3-1	Bell Financial	11-0	China Y Copper	1-0	Eagle Nickel	1-0	Giralia Res.	0-1
Argonaut Res.	1-0	Bendigo Bank	2-0	China Century	4-0	Earth Heat Res.	2-0	Globe Metals	1-0
Aristocrat Leis	2-0	Berkeley Res.	0-2	Circadian Tech	5-0	East Energy Res	1-0	Global Nickel	7-1
Artimis Res.	1-0	Berklee Ltd	1-0	Cleaverview W/ith	2-0	East'n Star Gas	0-2	Global Mining I	2-0
Arturus Capital	3-0	Bigair Group	2-0	Clever Com Aust	2-0	Echo Resources	3-0	Global Master F	0-1
Aruma Resources	1-0	Billabong Int'l	1-2	Clime Inv Mgmt	2-1	Eco Quest Ltd	1-0	Global Con Serv	0-1
Asciano Limited	3-0	Biotron Limited	1-0			Elders Limited	4-0	Global Petrol.	9-1
Ashburton Min.	1-0	Biota Holdings	3-0			Eldore Mining	2-0	Gloucester Coal	1-0
Ask Funding Ltd	2-0					Electro Optic	1-0	Golden West Res	0-1
						Electrometals	1-0	Goldsearch Ltd	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Gold One Int'l	6-0	K2 Energy Ltd	5-1	Mindax Limited	1-0	Patties Foods	11-0	Rocklands Rich.	15-0
Gowing Brothers	1-0	Kardoon Gas	0-1	Mineral Deposit	0-2	Pearl Healthcare	2-0	Royalco Res.	2-0
Graincorp	1-0	Karmelsonix Ltd	2-1	Mineral Res.	0-2	Peel Explor.	3-0	Rubicon Group	2-0
Grange Resource	1-0	Kasbah Resource	0-1	Mineral Commod.	4-0	Pelorus Prop.	6-0	Rum Jungle Res.	4-0
Greencap Ltd	3-0	Kentor Gold Ltd	0-1	Minemakers Ltd	0-1	Penrice Soda	4-0	Runge Ltd	4-0
Groote Res.	1-0	Kilgore Oil Gas	1-0	Mining Projects	1-0	Peppinini Min.	0-1	Ruralaus Invest	1-0
Growthpoint Pro	2-0	Kimberley Metal	3-0	Mintails Ltd	1-0	Perilya Mines	1-0	S/Tracks ASX200	2-0
Gryphon Mineral	0-1	King Island Sc.	2-0	Mirabela Nickel	1-0	Perpetual Ltd	2-0	S/Tracks ASX50	1-0
Gt Western Exp.	1-0	Kingsgate Cons.	0-1	Mirvac Group	2-0	Perseus Mining	1-5	SMS Mgmt & Tech	0-1
Guinness Peat	2-0	Kingrose Mining	1-0	Mnet Group Ltd	0-1	Photon Group	2-0	STW Comm Group	2-1
Gujarat NRE	7-0	Kip McGrath EC	4-0	Modena Res. Ltd	3-0	Phylogica Ltd	2-0	Salmat Ltd	1-0
Gulf Industrial	0-1	Konekt Limited	2-1	Monadelphous Gr	2-0	Pie Networks	1-0	Sandfire Res.	2-1
Gunns Ltd	2-0	Kresta Holdings	1-0	Montec Int'l	1-2	Pilbara Mineral	4-0	Santos Ltd	3-0
HFA Holdings	1-0	Krucible Metals	4-0	Mortgage Choice	0-1	Pioneer Res.	0-1	Saracen Mineral	1-0
HGL Limited	4-0	Kula Gold Ltd	2-0	Motopia Ltd	1-0	Planet Platinum	2-0	Savcor Group	1-0
Hampton Hill	1-0	Kuth Energy Ltd	3-0	Mt Gibson Iron	0-3	Platinum Aust	0-1	Seek Ltd	1-0
Hansen Tech.	0-2	LBT Innovations	3-2	Mt Magnet South	1-0	Platinum Asset	0-4	Select Harvest	1-0
Hast Div Util	1-0	Lachlan Star	3-0	Mungana Gold.	5-0	Platsearch NL	6-0	Senetas Corp	2-0
Hastie Group	5-0	Lakes Oil NL	1-0	Murchison Hold.	1-0	Pluton Resource	3-0	Servcorp Ltd	2-0
Havilah Res.	1-0	Legacy Iron Ore	0-1	Mystate Ltd	7-0	Po Valley Ener.	2-1	Service Stream	1-0
Hawkley Oil Gas	1-0	Legend Mining	1-0	NSL Cons. Ltd	5-0	Powerlan Ltd	1-0	Seven Group	5-0
Heartware Inc.	0-3	Legend Corp.	2-1	NSX Limited	4-0	Praemium Ltd	2-0	Sherwin Iron	1-0
Hemisphere Res.	1-0	Leighton Hold	1-12	Namoi Cotton	0-2	Prairie Downs	2-0	Shree Minerals	1-0
Henderson Group	0-1	Lend Lease Grp	0-2	Nanosonics Ltd	1-0	Premier Invest	2-0	Sietel Ltd	8-0
Hexima Ltd	1-0	Leyshon Res.	3-0	Nat'l Aust Bank	1-0	Primary Health	6-1	Signature Cap't	2-0
Hills Holdings	1-0	Liberty Res.	3-0	National Hire	1-0	Prima Biomed	2-0	Sihayo Gold Ltd	1-0
Hillcrest Litig	6-0	Linc Energy Ltd	1-0	Navigator Res	2-0	Prime Media Grp	1-0	Silver Mines	2-0
Hill End Gold	5-0	Lindsay Aust	1-0	Neon Energy Ltd	4-0	Prime Infra.	1-0	Sims Metal Mgmt	7-3
Hillgrove Res.	1-0	Lindian Res.	3-0	Neptune Marine	2-0	Pro Medicus Ltd	3-0	Sirius Res. NL	4-0
Hodges Res.	6-0	Liontown Res.	4-0	Netcomm Limited	0-3	Pro Maintenance	2-0	Sirius Corp.	1-0
Hot Rock Ltd	1-0	Liq Natural Gas	0-1	Neurodiscovery	2-0	Pro-Pac Pack.	0-1	Skilled Group	4-0
Hunter Hall Int	0-2	Little World B.	1-3	New Guinea En.	3-0	Probiotec Ltd	11-0	Skywest Airline	0-2
Hutchison Tel.	2-0	Lodestar Min.	1-0	New Hope Corp.	4-0	Promesa Ltd	1-0	Slater & Gordon	0-5
Hydromet Corp.	1-0	Lodestone En.	0-1	Newhaven Hotels	1-0	Prophecy Int'l	2-0	Smart Trans	0-1
Hyperion Flag.	8-3	Logicams Ltd	0-1	Nexbis Ltd	5-0	Prosperity Res.	0-2	Snowball Group	1-0
Hyro Limited	4-0	Lonhro Mining	1-0	Nexus Energy	4-0	Proto Resources	6-5	Somnosed Ltd	0-6
I-SOFT Group	2-3	Ludowici Ltd	2-0	Nib Holdings	7-0	Provet Holdings	1-0	Sonic Health	1-0
ICS Global Ltd	1-0	Lynas Corp Ltd	1-0	Nido Petroleum	8-1	Pryme Oil & Gas	4-0	Souls Priv Equ	2-0
IMD Group	2-0	M2 Telecom. Grp	2-3	Noble Mineral	1-0	Public Holdings	1-0	Soul Pattinson	9-0
ING Priv Equity	2-0	MApp Group	2-1	Nomad Building	3-0	Pulse Health	1-0	Southern Gold	5-0
IOOF Holdings	0-1	MCM Entertain.	2-0	Norfolk Group	1-0	Q Ltd	1-0	Spark Infrastru	2-0
ITL Limited	2-0	MEO Australia	8-0	Norton Gold	0-1	Q-Mastor Ltd	1-0	Spitfire Res.	2-0
Icon Energy	2-0	MOKO.mobi Ltd	1-0	Northern Mining	1-0	Q.B.E. Insur.	8-1	Spotless Group	3-0
liNet	2-0	Macarthur Coal	7-2	Northern Iron	1-0	Qantas Airways	1-0	St Barbara Ltd	2-0
Iluka Resources	1-0	Macarthurcook P	5-0	Nthn Uranium	0-2	Qld Mining Corp	1-0	St George Min.	3-0
Image Resources	4-0	Macquarie C Tel	0-2	Nthn Star Res.	2-0	Quest Investm't	1-0	Stanfield Funds	0-3
Imperial Corp.	0-1	Macquarie Atlas	1-0	Nufarm Limited	8-0	Quest Minerals	2-0	SteriHealth Ltd	1-0
Impress Energy	4-5	Magellan Flag.	3-0	Nusep Holdings	2-0	Quickstep Hold.	0-2	Sth Boulder Min	4-0
Incitec Pivot	1-0	Magnetic Res.	5-0	Nyoto Minerals	4-0	REA Group Ltd	2-0	Sth Amer Iron	0-1
Ind Minerals	6-0	Malagasy Min.	3-0	OM Holdings	0-1	RHG Ltd	1-5	Sth Cross Media	0-2
Indago Res.	1-0	Manas Resources	2-0	ORH Limited	8-3	Raffles Capital	0-1	Sthn Cross Gold	3-0
Independ. Group	1-3	Manhattan Corp	4-0	OZ Minerals Ltd	4-0	Ramelius Res.	1-2	Stirling Res.	4-0
India Resources	4-0	Mantle Mining	4-0	Oakajee Corp.	3-0	Range River Glid	1-0	Stirling Prod.	1-0
Indo Mines Ltd	1-0	Marenica Energy	3-2	Oakton Limited	0-1	Rarn Resources	2-0	Stockland	0-1
Industrea Ltd	0-1	Marion Energy	1-0	Oil Basins Ltd	1-0	Razor Risk Tech	1-0	Stonehenge Met.	1-0
Infomedia Ltd	4-0	Marybor'gh Suga	1-0	Oil Search Ltd	0-1	Red Fork Energy	3-0	Strategic Min.	1-0
Insurance Aust.	2-0	Mastermyne Grp	2-0	Oncard Int'l	1-0	Red Metal Ltd	2-0	Strat. Energy	1-0
Int Research	2-0	Matrix Comp.	0-4	Onesteel Ltd	3-0	Redcape Prop.	2-0	Stratetel Ltd	2-0
Integra Mining	1-0	Matsa Resources	1-0	Optiscan Image	4-0	Reece Australia	3-0	Strategic Poole	2-0
Intec Ltd	1-0	Maverick Drill.	1-0	Orbital Corp	3-0	Reedy Lagoon	1-0	Strike Res.	4-0
Intermoco Ltd	1-0	Maximus Res	2-0	Orica Ltd	3-0	Refresh Group	3-0	Structural Syst	1-0
Intermin Res	8-0	Mayne Pharma Gr	1-0	Origin Energy	2-4	Regis Resources	1-0	Style Limited	2-0
Intrepid Mines	0-1	Mec Resources	0-1	Orion Equities	1-0	Renaissance Min	1-0	Suncorp Group	4-0
Intrapower Ltd	1-0	Media Group Int	3-0	Orion Metals	1-2	Renaissance Ur.	1-0	Sundance Energy	0-3
Investorfirst	2-0	Medical Dev Int	12-0	Orocobre Ltd	1-0	Renison Cons	0-2	Sunland Group	2-0
Ipermica Ltd	6-0	Merchant House	1-0	Oroton Group	1-2	Republic Gold	1-0	Sunshine Heart	2-0
Iress Mkt Tech	4-0	Mermaid Marine	1-6	Orrex Resources	2-0	Res & Invest NL	2-0	Super Retail Gr	1-0
Iron Mountain	4-0	Mesa Minerals	1-0	Ottoman Energy	3-0	Resource Star	3-0	Sylvastate Ltd	2-0
Ironbark Gold	2-0	Mesbon China N.	3-0	Over Fifty Grp	9-0	Resources Min.	1-0	Symex Holdings	2-0
Iron Ore Hold.	0-3	Mesoblast Ltd	0-1	P MacGregor Inv	3-0	Retail Food Grp	1-4	Syndicated Met.	2-0
Ironclad Mining	4-0	Metals Finance	3-0	PMP Limited	2-0	Reward Minerals	0-2	Syngas Ltd	1-0
Iron Road Ltd	0-1	Metal Storm Ltd	1-0	PPK Group Ltd	5-0	Rey Resources	1-0	TFSCorporation	2-0
JB Hi-Fi Ltd	1-2	Metals X Ltd	2-0	Pac Environment	0-1	Rialto Energy	1-0	TMA Group of Co	3-0
Jacka Resources	1-0	Metallica Min.	1-0	Pacrim Energy	6-0	Richmond Mining	0-4	TPG Telecom Ltd	1-2
James Hardie	0-2	Metcash Ltd	1-2	Padbury Mining	1-0	Ridley Corp.	1-0	TSV Holdings	1-0
Jatoil Limited	1-0	Meteoric Res.	6-0	Paladin Energy	2-0	Rimfire Pacific	7-0	TZ Limited	1-0
Jervois Mining	5-0	Metgasco Ltd	3-1	Pan Pacific Pet	1-0	Riversdale Min.	0-2	Tag Pacific	0-1
Jindalee Res.	0-2	Miclyn Express	7-0	Panaust Ltd	1-2	Rivercity M'way	0-1	Talent2 Int'l	2-0
Jumbuck Enter.	14-1	Midas Resources	1-0	Panoramic Res.	0-3	Robust Resource	2-3	Tamawood Ltd	0-6
Jupiter Mines	8-7	Minara Resource	1-0	Papillon Res.	1-0	Roc Oil Company	4-0	Tango Petroleum	1-0
Jupiter Energy	3-0	Minbos Res.	2-0	Paragon Care	3-0	Rock Build Soc.	2-0	Tangiers Petrol	0-3

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Tap Oil	5-1	Venture Min.	0-1
Target Energy	3-0	Venturex Res.	3-1
Tassal Group	1-0	Venus Metals	1-2
Tatts Group Ltd	3-0	Verus Investm't	3-0
Techniche Ltd	3-0	Vesture Limited	0-1
Tel. Pacific Ltd	4-0	Victory West M.	1-0
Telezon Limited	2-0	Victoria Petrol	3-0
Telstra	8-0	Village Road.	0-1
Ten Network	2-0	Virgin Blue	2-0
Teranga Gold	1-0	Vision Group	1-2
Terramin Aust	1-0	Vita Life Sci.	1-0
Territory Res.	1-0	Vita Group Ltd	3-0
Thinksmart Ltd	0-1	Vmoto Ltd	6-0
Thomas & Coffey	1-0	Voyager Res Ltd	1-0
Thorn Group Ltd	3-0	WAM Active Ltd	1-0
Tidewater Inv	1-0	WAM Research	1-0
Tissue Therapy	1-0	WAM Capital Ltd	1-0
Toll Holdings	3-0	WCP Resources	0-2
Toro Energy Ltd	1-0	WDSLimited	2-0
Torrens Energy	1-0	WHL Energy	0-1
Tox Free Sol.	0-4	WPG Resources	1-0
Traffic Tech.	1-0	Wasabi Energy	6-0
Trafford Res.	2-0	Watpac Ltd	1-0
Trafalgar Corp.	3-0	Wavenet Int'l	7-0
Traka Resources	0-1	Webfirm Group	0-1
Tranzact Fin.	4-0	Webjet NL	2-5
Transurban Grp	6-0	Wentworth Hold.	0-1
Transfield Serv	2-0	Westpac Banking	2-0
Treasury Group	4-0	Western Desert	0-2
Triangle Energy	1-0	Westside Corp.	2-0
Trinity Group	4-0	West Aust News	2-0
Triton Gold Ltd	1-0	Westgold Res.	2-0
Troy Resources	3-10	Whitefield Ltd	5-0
Trust Company	1-0	White Energy Co	1-0
Two Way Limited	1-0	White Canyon Ur	2-0
UGL Limited	1-0	White Cliff Nkl	1-0
US Nickel Ltd	5-0	Wide Bay Aust.	1-0
UXA Resources	1-0	Wild Acre Metal	1-0
UXC Limited	1-0	Wilson HTM Inv.	2-0
Un. Biosensors	0-1	Woodside Petrol	1-2
Union Resources	1-0	Woolworths Ltd	5-3
Universal Coal	1-0	Worley Group	3-0
Uramet Minerals	2-0	Wotif.com Hold.	0-2
Uranex NL	3-0	Xceed Capital	1-0
Uranium Equitie	6-0	Xtek Ltd	3-0
VDM Group Ltd	2-1	YTC Resources	1-0
		Zicom Group	5-0

Total Return Index for All Listed Shares

Dec 13	1330.26	Dec 20	1336.94
Dec 14	1331.05	Dec 21	1345.34
Dec 15	1332.90	Dec 22	1341.80
Dec 16	1333.41	Dec 23	1340.10
Dec 17	1337.41	Dec 24	1348.47
Dec 27	Holiday	Jan 3	Holiday
Dec 28	Holiday	Jan 4	Holiday
Dec 29	1349.21	Jan 5	1359.17
Dec 30	1350.10	Jan 6	1361.08
Dec 31	1354.06	Jan 7	1356.38

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday February 14, 2011.

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

Investment Outlook

(Continued from Page 1)

stockmarket dip, or dump good quality shares that fail to perform immediately but which can ultimately become very successful investments.

As we follow a consistent, long term investment strategy and apply a consistent share selection criteria, our investment results should have been fairly consistent in the past . . . and should be fairly consistently repeatable in the future. This is probably the case. Obviously individual annual returns have varied - in line with major fluctuations in the stockmarket (and actual investments in the portfolio) - but our overall returns over the decades of the 1980's, 1990's and 2000's have been surprisingly consistent! That being the case - and with fluctuations from year to year - we aim to build further investment wealth for ourselves and subscribers over the current decade from 2010 to 2019.

The most common stockmarket outlook is uncertainty, probably as shares are sensitive to economic changes and changing *expectations* of future economic changes. But companies are also the best entities at adapting to change and evolving to prosper in whatever the future may bring. So shares in companies are the best long term investments.

In fact, when the stockmarket outlook appears rosy and you are *sure* that share prices are going higher - then there is a good chance we are actually near a market peak. When people are convinced that the stockmarket will never recover and sell out before their shares become absolutely worthless - then we are invariably at the very bottom of a decline.

Today our stockmarket Forecasts are Neutral to slightly Bullish. Share valuations are reasonable, but obviously depend upon economic factors that will impact *future* profitability. The most knowledgeable investors, company *insiders*, however, are Bullish and buying shares (see Pages 11-15). *Insider* trading is one of the most reliable *forecasters* of share price movements.

So, can we build investment wealth in this environment? Well, now is probably as good as any time in the last 30 years to seek to build investment wealth in the stockmarket. In fact, it is probably a better time than most, as share valuations (and future expectations) fell sharply in 2007/8. We therefore recommend remaining fully invested in the *Recommended Portfolio* shares.

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Abano Healthcare	7.30	13-01	20-01	3.1286
Smiths City Group	1.00	04-02	11-02	Nil
Tower Ltd	6.00	14-01	25-01	Full
<u>Australian Shares</u>				
TFSCorporation	3.50	25-11	Jan	

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