

Market Analysis

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Summary and Recommended Investment Strategy.

Other investors can happily find plenty to worry about, but (1) we live in a period of technology change that offers the potential for significant wealth creation, (2) our Forecasting models are favourable and (3) knowledgeable *insiders* are heavily buying shares!

Investment Outlook.

The high Australian dollar is not favourable for Australian shares - especially as many of our companies have export and international businesses - but we are not too concerned as we live in an age of much greater rapid and destructive change in other areas.

Australian/US Dollar Exchange Rate



The *drop* in the Australian dollar in 2008, and recovery in 2009, is really the appreciation of the US dollar in 2008 as a "safe haven" in the Global Financial Crisis and its fall in 2009 when the world didn't come to an end. The "high Australian dollar" may be annoying to businesses, but if they can't handle that, then they probably aren't going to survive even greater change and uncertainty.

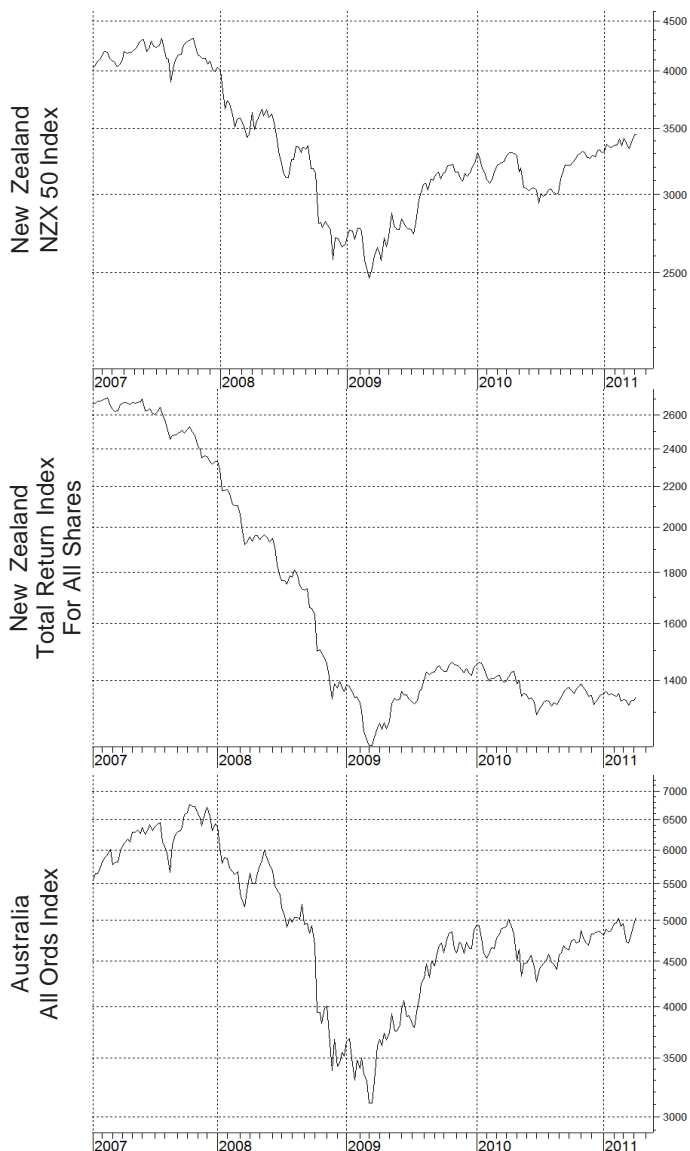
We are talking, of course, about the impact of technology and the falling cost of information. Companies that adapt will be able to create and exploit niche markets, significantly raising their revenues and profits, while established "Blue Chip" companies shrink and then fail. An example is the growth of M2 Telecommunications which positioned itself to benefit from the falling price of telecommunications services and Telstra which is suffering as a result of those falling prices.

This will impact virtually all industries. The Reject Shop has been successful and grown as it uses technology to manage stock - reducing its investment in inventories, moving them where needed and avoiding obsolete products.

Clarius Group, Chandler Macleod Group and Skilled
 (Continued on Page 12)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	86% (Bullish)	77% (Bullish)
New Zealand:	77% (Bullish)	52% (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/Sales Ratio					P/E Ratio					Gross Yield				
Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield	Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
AMP Limited	B	760	1.72	17	5.2	Jasons Media	D	30	0.41	11	11.9	Pyne Gould Corp	D	26	0.98	9	Nil		
AMP Onyx Mgmt	D	78	5.64	NE	9.0	Just Water Int.	D	14	0.35	NE	Nil	Rakon Ltd	E	106	1.40	NE	Nil		
Abano Health	C	454	0.53	91	6.6	Kathamandu Ltd	B	238	1.94	51	4.2	Renaissance	D	25	0.06	28	Nil		
Affco Holdings	E	36	0.16	7	Nil	Kermadec Prop.	C	58	3.94	NE	8.6	Restaurant Brds	C	244	0.75	12	7.3		
Air New Zealand	C	111	0.29	15	9.0	Kingfish Ltd	A	95	N/A	3	10.1	Rubicon Limited	D	119	0.72	NE	Nil		
Akd Int Airport	B	219	7.31	65	5.4	Kirkcaldie & St	B	260	0.62	23	4.4	Ryman Health	B	248	N/A	16	3.5		
Allied Farmers	E	1.4	0.27	NE	Nil	Kiwi Property	D	100	4.28	NE	8.5	Salvus Strat	C	77	N/A	NE	4.6		
Allied Work	B	155	0.58	20	4.1	Life Pharmacy	D	35	3.26	NE	Nil	Sanford Limited	B	564	1.25	21	5.8		
Argosy Property	D	75	5.19	NE	10.0	Lombard Group	E	3.0	0.40	NE	Nil	Satara Co-op	C	100	0.29	18	2.9		
Barramundi Ltd	B	80	N/A	5	10.7	Lytelton Port	B	225	2.63	26	2.8	Savoy Equities	E	0.4	N/A	NE	Nil		
Bliis Technology	E	5.5	4.20	NE	Nil	Mainfreight Grp	A	933	0.81	25	2.8	Scott Tech. Ltd	B	142	0.95	12	5.3		
Briscoe Group	B	140	0.71	14	9.2	Marlin Global	C	97	N/A	9	2.1	Sealegs Corp	E	18	1.47	NE	Nil		
Broadway Ind	D	30	0.39	NE	Nil	Media Tech.	E	3.0	0.41	NE	Nil	Seeka Kiwifruit	C	265	0.31	4	10.8		
Building Soc.	E	71	N/A	NE	Nil	Methven Limited	C	164	0.84	14	9.6	Skellerup Hold.	B	133	1.41	21	4.8		
Burger Fuel	E	35	2.42	NE	Nil	Metro. LifeCare	C	220	4.29	4	Nil	Sky City Ltd	B	341	2.36	14	6.5		
CDL Investments	E	27	7.36	23	6.3	Michael Hill	B	88	0.76	13	4.5	Sky Network TV	C	570	2.99	22	3.5		
CER Group Ltd	E	0.9	0.48	NE	Nil	Mid-Cap Index	C	219	N/A	NE	Nil	Smartpay NZ Ltd	D	2.2	0.47	NE	Nil		
Canty Bldg Soc.	C	285	1.06	29	Nil	Millennium & C.	B	46	1.39	13	3.7	Smiths City	C	34	0.08	11	5.9		
Cavalier Corp	A	360	1.11	15	7.1	Mowbray Collect	C	100	3.02	NE	Nil	Sol. Dynamics	E	30	0.34	NE	Nil		
Cavotec MSL	C	295	1.29	24	1.4	NZ Exchange Ltd	A	217	5.18	28	6.6	South Port NZ	A	315	3.62	16	5.9		
Charlie's Group	D	27	2.51	32	Nil	NZ Experience	A	35	1.23	8	10.2	Speirs Group	C	10	0.09	NE	Nil		
Col Motor Co	B	245	0.18	16	8.7	NZ Farming Sys.	E	54	3.76	NE	Nil	Steel & Tube	A	274	0.64	24	4.4		
Comvita	B	150	0.48	8	7.6	NZ Finance Hold	D	2.5	0.06	NE	Nil	Sthn Travel	C	10	0.12	NE	Nil		
Connexion	D	10	0.67	NE	Nil	NZ Oil & Gas * N/R	94	3.72	NE	7.6	Tag Pacific Ltd	E	16	0.20	NE	Nil			
Contact Energy	B	576	1.63	23	6.2	NZ Refining Co	B	475	5.32	56	Nil	TeamTalk Ltd	C	203	1.46	12	14.1		
Cynotech Hold.	E	1.8	0.15	NE	Nil	NZ Wool Service	C	43	0.20	NE	Nil	Telecom Corp	C	199	0.72	9	12.1		
Delegat's Group	B	218	1.00	52	5.2	NZ Wine Company	C	160	1.06	NE	1.8	Tenon Ltd	C	110	0.16	NE	Nil		
Dominion Fin.	C	1.0	0.01	0	149.3	NZ Windfarms	D	16	9.64	NE	Nil	Tourism Hold.	C	59	0.41	12	9.7		
Dorchester Pac	C	13	0.29	NE	Nil	NZSX 50 Fund	D	134	N/A	NE	Nil	Tower Limited	C	181	0.78	8	7.9		
Ebos Group Ltd	B	744	0.28	16	6.0	NZSX 10 Fund	D	90	N/A	NE	Nil	Training Sol.	E	0.1	5.00	NE	Nil		
Ecoca Ltd	D	80	6.76	NE	Nil	NZX Aust MidCapC	C	600	N/A	NE	Nil	Trust Power Ltd	B	728	3.03	19	7.5		
F & P Appliance	F	61	0.38	NE	Nil	Nat Property Tr	D	51	3.51	NE	8.8	Turners Auction	B	142	0.55	13	11.1		
F & P Health	C	306	3.11	22	5.8	New Image Group	C	27	0.78	8	7.9	Turners & Grow.	B	161	0.21	15	3.7		
Finzsoft Sol'ns	C	30	0.34	9	Nil	Northland Port	B	160	N/A	21	4.9	VTL Group Ltd	C	1.5	0.01	0	Nil		
Fletcher Build.	A	937	0.84	21	3.8	Nuplex Indust	C	300	0.40	8	7.0	Vector Ltd	A	257	2.16	13	7.8		
Freightways Ltd	B	327	1.53	17	6.1	Opus Int'l Cons	A	220	0.84	14	5.0	Vital Health PT	C	110	5.56	21	8.6		
Genesis Res.	D	2.3	0.26	NE	Nil	Oyster Bay	D	185	2.00	NE	Nil	WN Drive Tech.	D	1.5	0.72	NE	Nil		
Goodman Prop.	D	93	6.02	NE	9.1	Ozzy (Tortis)	C	401	N/A	NE	Nil	Wakefield Hlth	B	514	0.95	12	5.0		
Guinness Peat	C	81	0.12	3	1.9	PGG Wrightsons	E	53	0.35	17	Nil	Warehouse GroupC	345	0.64	13	9.9			
GuocoLeisure	C	77	1.99	15	2.0	Pac Edge Bio.	E	28	N/A	NE	Nil	Widespread Part*N/R	16	N/A	6	Nil			
Hallenstein G.	C	370	1.07	11	6.6	Pike River Coal	E	88	N/A	NE	Nil	Windflow Tech.	D	87	0.44	NE	Nil		
Hellaby Hold.	B	242	0.91	40	4.7	Port Tauranga	A	834	7.55	25	5.0	Wool Equities	C	18	N/A	NE	Nil		
Heritage Gold * N/R	2.1	N/A	NE	Nil	Postie Plus Grp	D	24	0.08	17	Nil	World Index Fd	D	115	N/A	NE	Nil			
Horizon Energy	A	375	3.08	16	6.5	Propertyfinance	A	3.0	0.05	NE	Nil	Xero Ltd	C	250	N/A	NE	Nil		
Infratil NZ	B	185	0.57	36	2.9	Property F Ind.	C	118	7.86	26	6.9	Zintel Comm.	D	24	0.26	48	14.9		
Inv Research Gr	E	1.2	0.46	NE	Nil	Pumpkin Patch	C	129	0.56	8	10.5	Ave of 137 Cos	C	168	0.24	6	4.8		
AGL Energy Ltd	B	1438	0.98	18	4.1	David Jones	C	464	1.14	14	6.5	New Hope Corp.	B	501	5.57	23	1.9		
AMP Ltd	B	569	1.54	16	5.3	Deutsche Div Tr	C	131	6.10	14	7.1	Newcrest Mining	B	4208	7.26	37	0.6		
ANZ Bank	B	2415	1.97	14	5.2	Dexus Property	D	87	5.82	NE	5.9	News Corp.	A	1765	0.46	6	1.0		
APA Group	B	428	2.35	23	4.9	Djerriwarrh	B	407	N/A	35	6.4	Nufarm Limited	B	520	0.63	23	Nil		
APN News Media	C	160	0.92	10	2.5	Downer EDI Ltd	B	365	0.22	NE	8.0	OZ Minerals Ltd	B	165	4.74	10	4.2		
ASX Limited	B	3333	7.87	18	5.2	DuluxGroup Ltd	B	274	1.30	16	1.1	Oil Search Ltd	B	739	N/A	51	1.1		
ASX Limited	E	172	2.53	NE	Nil	East Africa Res	D	22	N/A	NE	Nil	Onesteel Ltd	B	244	0.52	13	4.5		
Abacus Property	B	233	7.73	35	1.4	Energy Resource	B	797	2.59	32	1.0	Orica Ltd	C	2729	1.70	7	3.5		
Adelaide Bright	C	324	1.92	14	5.1	Energy World	C	52	7.68	36	Nil	Origin Energy	B	1688	1.79	25	3.0		
Alacer Gold	E	983	N/A	NE	Nil	Envestra	A	59	2.13	22	9.3	Paladin Energy	E	374	N/A	NE	Nil		
Alumina Ltd	B	270	N/A	NE	2.3	Equinox Min.	D	744	9.89	NE	Nil	Panaust Ltd	C	84	4.22	17	Nil		
Amalgamated Hld	B	603	1.18	10	6.1	Extract Res.	D	855	N/A	NE	Nil	Perpetual Ltd	B	2951	2.53	14	5.6		
Amcor Ltd	B	738	0.92	49	4.0	FKP Limited	B	85	2.76	19	1.8	Platinum Asset	B	485	N/A	20	4.5		
Aneka Tambang	B	125	N/A	NE	Nil	Fairfax Media	B	134	1.27	11	1.9	Premier Invest	B	661	1.13	20	5.4		
Ansell Ltd	A	1427	1.53	16	2.1	Flight Centre	C	2300	1.28	16	3.0	Prime Infra.	B	490	3.45	NE	3.1		
Aquarius Plat.	A	560	4.90	74	1.1	Fortescue Metal	B	672	5.79	32	Nil	Primary Health	B	364	1.38	14	6.9		
Aquila Res.	D	971	N/A	NE	Nil	Foster's Group	B	572	2.48	16	2.1	Q.B.E. Insur.	B	1918	1.30	15	6.7		
Argo Investment	B	615	N/A	24	4.4	GPT Group	B	313	7.02	13	5.2	Qantas Airways	C	219	0.36	44	Nil		
Aristocrat Leis	B	321	2.52	22	1.6	GWA Group Ltd	A	330	1.51	18	5.5	REA Group Ltd	A	1391	9.19	36	1.2		
Ascianno Limited	B	172	1.77	27	Nil	Gloucester Coal	B	1093	3.91	27	Nil	Ramsay Health	B	1894	1.13	26	2.3		
Atlas Iron Ltd	C	384	N/A	NE	Nil	Goodman Fielder	B	123	0.64	11	8.7	Reece Australia	A	2289	1.51	20	2.3		
Ausdrill Ltd	A	366	1.51	20	3.0	Goodman Group	B	74	7.88	NE	4.6	Rio Tinto Ltd	B	8625	0.61	3	1.3		
Australand Prop	B	304	2.34	11	6.7	Graincorp	A	780	0.78	19	3.2	Riversdale Min.	D	1652	N/A	NE	Nil		
Aust Foundation	B	480	N/A	26	4.4	Grange Resource	B	78	3.90	21	Nil	S/Tracks ASX200B	4695	N/A	15	2.9			
Austar United	B	133	2.37	17	Nil	Harvey Norman	B	298	2.35	14	4.7	SAI Global Ltd	B	503	2.04	24	2.5		
Aust Infra.	B	196	N/A	6	5.1	Hast Div Util	C	160	5.40	NE	7.5	SP Ausnet	B	88	1.78	11	9.1		
BHP Billiton	C	4776	2.71	11	2.0	Henderson Group	A	269	7.04	44	3.7	Santos Ltd	A	1628	6.39	28	2.3		
Bank of Q'land	B	999	0.97	13	5.2	Hutchison Tel.	E	9.0	1.53	NE	Nil	Seek Ltd	B	669	7.99	25	1.8		
Beach Energy	B	107	2.40	35	1.6	IOOF Holdings	C	722	2.24	24	2.5	Seven Group	B	922	5.24	NE	2.0		
Bendigo Bank	B	964	1.16	14	4.5	Iluka Resources	B	1350	5.81	NE	0.6	Sims Metal Mgmt	B	1775	0.49	29	1.9		
Billabong Int'l	C	752	1.28	13	4.8	Incitec Pivot	C	443	2.46	18	1.8	Sonic Health	B	1251	1.62	17	4.7		
Bluescope Steel	B	198	0.42	29	2.5	Independ. Group	C	684	6.67	27	0.4	Soul Pattinson	B	1314	3.81	14	2.6		
Boart Longyear	D	478	2.00	NE	Nil	Insurance Aust.	B	357	N/A	34	3.6	Spark Infrastru	B	116	5.32	19	11.7		
Boral Limited	B	520	0.69	NE	2.6	Investa Office	B	63	8.04	40	6.2	Steamships Trad	A	3000	3.00	17	1.3		
Bradken Ltd	B	789	1.09	16	4.3	Iress Mkt Tech	A	948	6.53	24	3.7	Stockland	B	387	3.92	19	5.6		
Brambles Ltd	B	735	2.25	21	3.4	JB Hi-Fi Ltd	A	2005	0.80	18	3.3	Suncorp Group	B	842	0.69	14	4.2		
Brickworks Ltd	B	1098	2.46	12	3.6	James Hardie	D	617	2.03	NE	Nil	Sundance Res.	D	48	N/A	NE	Nil		
Brockman Res.	C	604	N/A	NE	Nil	Kardoon Gas	D	724	N/A	NE	Nil	Super Retail Gr	A	718	0.98	24	3.0		
Bunnings W/hse	B	178	9.61	8	6.8	Kingsgate Cons.	B	894	5.08	12	3.9	TPG Telecom Ltd	B	166	2.30	21	2.4		
C'with Prop Off.	B	88	6.63	15	6.3	Leighton Hold	B	2894	0.60	14	5.2	Tabcorp Holding	B	735	1.08	10	7.5		
C.S.R. Ltd	B	329	0.60	13	2.6	Lend Lease Grp	A	900	0.48	15	3.6	Tatts Group Ltd	B	232	0.90	28	9.1		
CFS Retail Prop	B	189																	

Recommended Investments

New Zealand's "Fair Dividend" Rate Tax

Every year we write about the "fair dividend" rate (FDR) tax and indicate which shares in our *Recommended Portfolio* are subject to that tax and their valuation for the 5% assumed income.

The tax is relatively simple in theory, but can get complex in the detail, especially for active investors who have bought and sold shares during the year. Long term investors will avoid most of the complexity.

The tax is based upon an assumed income equal to

5% of the starting value of the shares (subject to the FDR tax) or the actual total return of those shares over the tax year (i.e. the "Comparative Value" method). Each year investors get to choose whichever method can give them the lowest tax. *If the stockmarket falls in value, then investors can choose the Comparative Value method and will likely have no tax liability for that year.* Over the long run, the stockmarket has produced a positive return over about 65-70% of one year periods - so the other one-third of years when markets decline the *Comparative Value* (Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Initial Recommendation	Performance	Issued	Vola-	Price/	Price/	Gross	Recent	Cash	Total		
		- Date -	Forecast	Shares	tility	Sales	Earnings	Dividend	Share	Dividends	Return		
	NZ Shares	Code	Price	(mil.)	Ratio	Ratio	Ratio	Yield	Price	Rec'd	%		
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	E	252.8	1.5	7.36	23	6.3	27	19.1	+84%
HOLD+	Cavalier Corporation	CAV	05/12/95	156*	A	67.8	1.0	1.11	15	7.1	360	267.0	+302%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	B	32.7	0.5	0.18	16	8.7	245	325.3	+346%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	B	102.3	0.7	2.63	26	2.8	225	77.7	+102%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.5	0.9	0.76	13	4.5	88	33.4	+2328%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	C	192.2	1.0	0.40	8	7.0	300	398.0	+33%
HOLD	Postie Plus Group	PPG	08/05/06	71	D	40.0	2.0	0.08	17	Nil	24	8.5	-54%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	D	45.7	2.5	0.06	28	Nil	25	53.9	-7%
HOLD	Smiths City Group	SCY	09/10/06	64	C	53.0	1.4	0.08	11	5.9	34	14.0	-25%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.6	3.62	16	5.9	315	139.8	+279%
HOLD+	Steel & Tube Holdings	STU	08/08/00	146	A	88.4	0.8	0.64	24	4.4	274	245.6	+256%
	<u>Australian Shares</u> (in Aust cents)												
BUY	AJ Lucas Group	AJL	13/05/03	120	C	65.3	0.6	0.30	NE	3.3	166	41.0	+72%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	B	136.4	2.1	1.16	7	Nil	12	17.5	-60%
HOLD	Breville Group Ltd	BRG	13/11/06	171	A	129.5	0.4	1.11	21	3.1	360	36.5	+132%
HOLD	Campbell Brothers Ltd	CPB	12/10/99	389*	A	63.0	0.2	3.62	40	2.1	4750	604.0	+1276%
HOLD+	Cardno Ltd	CDD	14/12/09	399*	A	90.5	0.4	1.13	14	4.9	595	45.6	+61%
HOLD	Cellnet Group Ltd ¹	CLT	12/02/02	147*	B	73.5	1.2	0.33	22	Nil	34	33.4	-48%
HOLD+	Chandler Macleod Group	CMG	14/08/01	51*	A	407.4	1.1	0.38	32	2.4	57	21.7	+54%
HOLD+	Circadian Technologies	CIR	10/02/04	188	C	45.2	0.8	14.47	NE	Nil	73	65.0	-27%
BUY	Clarius Group Ltd	CND	08/04/03	82*	A	85.8	0.9	0.22	20	2.9	69	67.5	+66%
BUY	CPT Global Ltd	CGO	10/03/08	88	C	36.9	0.9	0.58	NE	Nil	60	8.8	-22%
BUY	CSG Limited	CSV	11/10/10	175	B	242.9	0.8	1.20	11	4.0	137	2.5	-20%
HOLD+	Devine Ltd	DVN	13/11/06	84*	C	634.9	1.4	0.31	21	3.6	28	18.9	-45%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	84.9	1.6	0.39	5	Nil	23	Nil	-54%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	A	32.2	0.7	1.97	11	6.0	142	26.8	-35%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	162.5	0.7	1.08	7	7.3	103	5.5	+2%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	B	415.5	0.3	5.81	0	0.6	1350	72.0	+202%
BUY	Integrated Research	IRI	14/01/08	40	B	166.8	1.2	1.39	10	8.1	31	11.5	+6%
HOLD	Mnet Group ¹	MNZ			C	208.3	3.0	1.32	NE	Nil	6	Nil	
HOLD	M2 Telecommunications	MTU	09/10/06	33	A	121.5	0.4	1.06	27	2.8	355	30.5	+1068%
BUY	Melbourne IT	MLB	10/02/04	53	A	80.0	0.6	0.77	9	8.2	184	67.0	+373%
BUY	Nomad Building Solutio	NOD	16/08/10	13*	B	241.7	1.9	0.10	2	Nil	15	Nil	+12%
BUY	Novarise Renewable Res	NOE	14/03/11	24½	A	399.3	1.6	1.44	7	3.7	27	Nil	+8%
HOLD-	Photon Group Ltd	PGA	10/11/08	132*	B	187.4	2.8	0.02	NE	44.1	7	11.8	-86%
BUY	Probiotec Ltd	PBP	11/02/08	116	A	52.8	1.0	0.37	5	6.6	53	9.3	-46%
HOLD+	Prophecy International	PRO	08/09/08	26	B	47.2	1.5	2.34	35	10.0	25	7.3	+24%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	222.5	0.6	0.25	33	Nil	216	132.0	+176%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	300.3	0.7	2.15	16	4.3	98	25.8	+180%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	B	238.9	0.8	1.62	5	5.7	83	12.9	+113%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	26.0	0.2	0.66	13	5.6	1197	271.5	+471%
HOLD	Village Roadshow	VRL	10/08/09	77	B	166.5	0.4	0.57	11	Nil	440	29.0	+509%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +205.5%.

This is equal to an average annual rate of +28.3%, 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 150 closed out) is +30.6%, 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)

method should show a loss and there will be no tax payable!

That is probably not the case for most NZ investors for the tax year that ended 31 March 2011. Stockmarkets have moved ahead slightly - and the NZ dollar has fallen - so most NZ investors should be showing positive returns (in NZ dollar terms) on their FDR shares.

The most complicated part of the FDR tax is the "Quick Sales adjustment" which seeks to tax gains on shares bought and sold within the same tax year. Long term investors may not have *any* "quick sales adjustments" to calculate, but investors following an "active investment style" could have dozens or hundreds of "quick sales adjustment" gains and losses to calculate!

Calculating Your FDR Tax

Given that the FDR tax can be complicated - and the Inland Revenue has a nasty habit of imposing penalties on your mistakes (and not even apologising for *their* mistakes) - we suggest you subscribe to a portfolio management service like Sharesight (www.sharesight.co.nz) which will track your share portfolio *and* calculate your FDR and other income tax reports! Subscribers to this newsletter can receive a 20% on-going discount by writing "Market Analysis" in the *Invitation Code* box.

Alternatively, you can calculate the FDR tax yourself. Each year we indicate which shares in our portfolio will be subject to the tax for the coming tax year. If you own other Australian shares, then you can determine which are subject to the FDR tax (and which are subject to regular income tax on the actual dividends) by downloading the Inland Revenue's exempt list. Unfortunately the Inland Revenue probably won't have IR871-2011 (for the year ended 31 March 2011) available until some time in May! Any Non-New Zealand investments not on this exempt list (which is mainly shares in the All Ordinaries Index) will be subject to the FDR tax.

"Fair Dividend Rate" Tax Portfolio

On the 18 March 2011 there were two changes to the Australian All Ordinaries Index which affect our portfolio: **Chandler Macleod Group** shares were added to the index - so are now "exempt" from the FDR tax (and investors will be taxed on actual dividends paid). **Probiotec** was deleted from the index, so these shares will be subject to the FDR tax for the new tax year going through to 31 March 2012.

The following shares will be subject to the 5% tax for the current tax year (to March 2012), based upon their starting market value as at 1st April 2011:

Company	Market Value As at 1/4/11
Atlas South Sea Pearl	A\$0.11
Cellnet Group	A\$0.33
Circadian Technologies	A\$0.70
Clarius Group	A\$0.72
CPT Global	A\$0.63
Ellex Medical Lasers	A\$0.20
Fiducian Portfolio Services	A\$1.45
Integrated Research	A\$0.32
Mnet Group	A\$0.06

Nomad Building Solutions A\$0.12½

Novarise Renewable Resources A\$0.28

Probiotec A\$0.25

These values need to be converted to NZ dollars at the exchange rate of 0.7371.

New Zealand Shares

Cavalier Corporation has completed the acquisition of a 75% interest in **Radford Yarn Technologies**, as discussed last month.

Lyttelton Port Company - which was "significantly damaged" in the 22 February earthquake - has resumed normal operations and is planning for the long-term rehabilitation of damaged facilities and port development.

Last month we noted that the partial takeover of **Michael Hill International** by **Durante Holdings** would have failed but for a Michael Hill International director tendering 5,508,000 shares owned by clients of his Funds Management business. In fact, a second Michael Hill International director who has a NZ based Fund Management company also tendered 11,116,401 of clients shares.

So the public shareholders provided only 12.5% of the shares tendered, 33.0% came from two government institutions, and 54.6% came from two directors offering other people's shares.

Michael Hill International



Postie Plus Group lifted revenues 4.6% to \$56.5 million for the six months to the end of January 2011. The *loss* for the period was \$749,000 (*minus* 1.9 cents per share), an improvement on last year's first half loss of \$1,114,000.

There was a net operating cash *deficit* of \$5.1 million, compared with a *deficit* of \$1.7 million last year.

Australian Shares

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

AJ Lucas Group has sold its *Underground In-Seam Business* (UIS Business) to **Industrea** for \$25.5 million in cash. This will help AJ Lucas Group's tight financial situation, but the company also appears to be receiving good value from the sale of this "non-core" mining service business.

The UIS Business is expected to generate revenues of \$16.4 million and (normalised) earnings of \$5.3 million in the year to June 2012 - so is being sold at a Price/Sales Ratio of 1.56 and a Price/Earnings ratio of about 10. That is almost 4¾-times the P/S ratio of 0.35 at which the stockmarket values AJ Lucas Group shares. The \$25.5

April 11, 2011.

million from the sale of UIS Business equals about 24% of AJ Lucas Group's total market capitalisation, while UIS Business generates only about 5-8% of the group's drilling revenues and about 10-12% of normalised earnings.

A company *could* generate significant shareholder wealth selling off divisions at a high valuation and repurchasing its own shares at a low valuation!

AJ Lucas Group isn't in a financial position to repurchase its own shares at present, but the UIS Business disposal was not a "fire-sale" and the company has received good cash consideration.

AJ Lucas Group had \$100.4 million in total debts before this asset sale, so \$25.5 million significantly reduces this. *If* the company can complete a sale of its \$87.8 million *Monument Prospect*, then it would have surplus cash. Certainly the company's financial situation does not appear to justify the continued decline in the share price over the last month!

Any positive announcement regarding the *Monument Prospect*, or favourable news from **Cuadrilla Resources** exploration, *could* see AJ Lucas Group shares rapidly re-rated significantly higher.

AJ Lucas Group



Atlas South Sea Pearl has raised a further \$768,000 from the placement of 6,400,000 shares at 12 cents to three new investors with "strategic interests in the company's operations and will assist the company in achieving its future objectives". These new investors have complimentary interests in jewellery design and manufacturing and in by-product extraction for perfumes and cosmetics, with the funds raised used for working capital related to "maximising Atlas's key strategic goals" in these areas.

Atlas South Sea Pearl



Campbell Brothers is our largest investment. This

share moved sideways for several years after our initial "Buy" recommendation in October 1999 - but, like Warren Buffet, we do not allow the stockmarket's short term opinion determine whether or not we have chosen a sound, long term company in which to invest. So, unlike so many other investors (who have failed to build wealth in the stockmarket) we stuck with Campbell Brothers.

"Mr Market" got it badly wrong again in late 2008 and early 2009 when Campbell Brothers shares dipped sharply owing to a short term downturn in its Mineral testing business.

Now the question is has the stockmarket over-priced Campbell Brothers shares by bidding them up to \$47.50?

In November - when we received more Campbell Brothers shares from the takeover of Ammtec, we wrote that for investors "over-weighted in Campbell Brothers it would be appropriate to sell off some or all of the new shares received from the takeover, to maintain a well diversified share portfolio".

Over the 11½ years we have owned Campbell Brothers the shares have increased over 12-fold in value. Dividends have more than repaid our initial investment (and now yield 26% on our original cost!). This is a quality growth company, with what Buffett calls "favourable business economics", with a sound balance sheet and potential for further long term growth - so we are reluctant to sell simply because the shares *may* have become a little over-valued!

The company is predicting earnings per share (on the increased capital) up 50-60% at 180-195 cents to March 2011. At \$47.50, that would put the shares on a Price/Earnings ratio of 24-26. Not cheap, but certainly not expensive if the company can keep growing. Brokers are predicting earnings per share for the year to March 2011 at 194-203 cents, growing 14-24% to 221-251 cents for 2012.

The company will be reporting its 2010 profit in late May (and paying a dividend) so at this stage we favour waiting to assess the current year's profit result and future growth potential before taking any action. "Hold".

Campbell Brothers



Circadian Technologies reports that **ImClone Systems** (a subsidiary of **Ely Lilly & Company**) has commenced Phase I clinical studies on cancer patients with advanced solid tumours (that are not responding to standard treatment or where there is no standard treatment) to examine "the safety and tolerability of escalating doses" of its IMC-3C5 monoclonal antibody. These studies should (Continued on Page 6)

Recommended Investments

(Continued from Page 5)

take 15-18 months. Circadian Technologies receives “significant six-figure annual payments” from ImClone Systems and would receive “mid-single digit” percentage royalties on potential future sales.

Circadian Technologies has also released further studies showing the ability of VGX-100 to inhibit blood vessel control and tumour growth. Subject to successfully completing animal safety/toxicology studies, the company intends to file an *Investigational New Drug* application in the September 2011 quarter and begin its own Phase I human clinical trials. These should take 15-18 months and cost \$1-2 million.

Circadian Technologies



CPT Global reports that “spending constraints are being lifted in North America and parts of Europe” and expects to lift international revenues 50-100% over the next 2-3 years.

International work earns higher gross margins (around 45%) than in Australia (about 30%) owing to “predominantly success fee” based work and larger client cost savings and larger fees from larger customers (i.e. “US banks can be 20 times larger than Australian banks”). Revenue growth would also improve net profit margins owing to a “relatively fixed cost base” for the business.

This growth potential is the reason that we originally invested in CPT Global shares. The global financial crises caused a “glitch” and delay to that growth which could now be back on track . . . while the shares trade at a discount to our original recommendation price. “Buy”.

CPT Global



CSG Ltd is forecasting a net profit 18-31% higher at \$38-42 million (15.6-17.2 cents per share) for the year to

30 June 2011. That is down on the 45-50% growth expected when we initially recommended these shares in October last year owing to a number of factors impacting upon short term profits. The company is describing the current year as a “period of consolidation” for its new businesses, with “strong organic growth” in the year to June 2012 and beyond.

CSG Limited



Ellex Medical Lasers is to introduce a new diagnostic mode for its *Eye Cubed* ultrasound. The new 40MHz *Ultrasound Biological Microscope* will provide a much higher resolution and be able to detect small anomalies in the eye.

Ellex Medical Lasers



Finbar Group's Times Two apartments are being issued individual strata titles and settlement of pre-sold apartments is expected in April and May. This 50% owned joint venture development comprises 200 apartments worth \$94.4 million, with 82% pre-sold.

Finbar Group



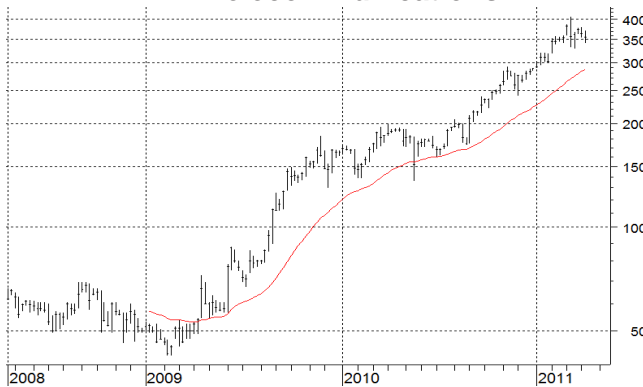
M2 Telecommunications has acquired the 50,000 post-paid mobile phone customers (plus the operating assets and systems) of bankrupt **Edirect Pty**, trading as

VIP Tel. The company will pay \$5 million in cash for this business which, after it has been restructured, is expected to contribute earnings (before interest, depreciation and tax) of around \$2 million in the year to June 2012.

Edirect was an existing wholesale customer of M2 Telecommunications and owes money to M2 Telecommunications under a debenture charge over its assets. After paying to acquire the business and assets, M2 Telecommunications appointed receivers and managers to Edirect to recover the outstanding debt - effectively taking over the business of a wholesale customer in settlement of its outstanding debts.

This acquisition follows legal action by the **Australian Competition and Consumer Commission** against Edirect Pty (not against M2 Telecommunications) for accepting payments from customers who were *outside* the mobile network coverage area and providing mobile services materially different to the services sold to customers.

M2 Telecommunications



In last month's recommendation for **Novarise Renewable Resources** we incorrectly omitted three zeros (or the word "thousand") in some places when discussing production volumes. The company's production volume before the IPO were 25,000 tonnes annually, with some of the cash raised used to increase production volumes 40% to 35,000 tonnes. We incorrectly wrote "25 tonnes" and "35 tonnes". We correctly noted that the new production facility will add a further 75,000 tonnes, lifting capacity 200% to 110,000 tonnes (with Stage II and III developments able to add a further 65,000 tonnes).

Novarise Renewable Resources



Village Roadshow has sold its **Austereo Group** shares to **Southern Cross Media Group**, who have

reached 90% acceptances and increased the takeover consideration to \$2.10 per share. This will realise \$380 million in cash for Village Roadshow. This cash will be spent in three ways:

Firstly, Village Roadshow intends to distribute \$1.00 per share to shareholders in July 2011. This will consist of a return of capital (subject to confirmation with the Australian Taxation Office and approval by shareholders) and the balance as a fully franked dividend. This will distribute \$166.5 million - or about half of the after tax proceeds.

Secondly, the company may invest a further \$20-30 million in **Village Roadshow Entertainment Group** (VREG). VREG has been holding investor briefings in Hong Kong, seeking to generate interest for an Initial Public Offering on the HK Stock Exchange. The company is believed to be planning to raise US\$50-75 million in *new* equity, with Village Roadshow investing \$20-30 million of this to maintain its 40.4% interest (and other original investors diluted from 59.6% to 51.6-53.6%). This would mean raising \$30-45 million from new public shareholders for a 6-8% interest in the company. Other reports suggest an IPO of US\$300 million - or \$270-280 million from the public - which would give the new shareholders a 45-55% interest, with the other original investors selling down their interests to just 5-15%.

Either option would value Village Roadshow's 40.4% shareholding (after the new equity investment) at around \$200-240 million (or 120-145 cents per Village Roadshow share) and "crystallize" the value of this investment. VREG's strategy is to expand in China, seeking to co-produce with Chinese film-makers and to build up a library of Chinese language films and earn royalties from television screenings.

Thirdly, Village Roadshow Theme Parks - in addition to its Sydney theme park development - is "actively pursuing a number of exciting opportunities in China", exploring potential theme park developments in Guangzhou and Hainan Island.

Village Roadshow has also commissioned an independent review of its corporate cost structure which will reduce corporate overheads by \$10 million annually - including "in excess of \$3 million reduction in the total remuneration of the executive directors". That will reduce the three major shareholders/executives combined salaries from over \$11½ million to a still very high \$8½ million per year!

Village Roadshow



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

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

STRENGTH RATING											STRENGTH RATING																														
Company	Share Price	Cur. rent	4-Wk Chg.	Rank	Buyers Following	Sellers 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	Buyers Following	Sellers 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														OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength<0																											
GuinnessPeat	81	+4.9	+1.9	22	2-0	-0.2	5	1.1	3	1.9	0.12	242	F & P Appliance	61	+1.2	+2.0	42	3-0	1	0.7	-1.1	NE	Nil	0.38	438	NZ Windfarms	16	-15.8	+0.5	91	0-0	-0.4	-	1.3	NE	Nil	9.64	46			
Col Motor Co	245	+0.7	-1.5	44	0-0	-0.7	4	0.5	16	8.7	0.18	80	Freightways Ltd	327	+3.8	-0.4	30	4-1	-3.2	18	0.5	17	6.1	1.53	502	CDLI Investments	27	-0.7	-2.1	56	0-0	-0.7	3	0.8	23	6.3	7.36	68			
Turners & Grow.	161	+7.2	+0.9	14	1-0	-0.6	4	0.8	15	3.7	0.21	182	Infratil NZ	185	+4.3	-1.8	27	7-4	-1.2	3	0.6	36	2.9	0.57	1,050	Goodman Prop.	93	-1.6	+0.2	62	0-0	-0.9	-	0.4	NE	9.1	6.02	799			
Ebos Group Ltd	744	+4.3	-0.8	27	0-1	1	2.1	13	0.5	16	6.0	0.28	378	Vital Health PT	110	-58.3	+0.0	97	0-0	-1.0	5	0.5	21	8.6	5.56	158	Argosy Property	75	-0.9	+0.6	59	0-0	-0.8	-	0.5	NE	10.0	5.19	404		
Satara Co-op	100	+8.1	-3.0	13	0-0	-0.5	3	1.0	18	2.9	0.29	16	Blis Technology	6	-12.1	-5.0	86	0-1	-5.5	-	1.8	NE	Nil	4.20	8	NZ Farming Sys.	54	-2.1	-2.0	66	0-1	-0.6	-	1.0	NE	Nil	3.76	132			
Nuplex Indust	300	+0.5	-4.3	45	4-0	1	1.1	14	0.9	8	7.0	0.40	577	NZ Oil & Gas	94	-13.7	+4.4	87	0-0	-0.8	-	0.7	NE	7.6	3.72	370	F & P Health.	306	-0.2	-0.3	54	2-1	2	5.3	24	0.4	22	5.8	3.11	1,568	
Turners Auction	142	+2.3	+1.0	37	2-0	-2.0	15	0.8	13	11.1	0.55	39	Horizon Energy	375	-0.1	+1.3	52	0-0	-1.8	11	0.3	16	6.5	3.08	94	TrustPower Ltd	728	-1.0	-0.1	60	0-0	-1.6	8	0.3	19	7.5	3.03	2,297			
Infratil NZ	185	+4.3	-1.8	27	7-4	-1.2	3	0.8	36	2.9	0.57	1,050	Lytelton Port	225	-1.9	+0.4	64	0-0	-1.7	7	0.4	26	2.8	2.63	230	Charlie's Group	27	-58.3	+0.0	98	0-3	-4.9	15	1.1	32	Nil	2.51	79			
Allied Work.	155	+19.8	-3.7	2	1-0	-2.2	11	0.9	20	4.1	0.58	40	BurgerFuel	35	-8.2	-3.6	81	0-0	-5.7	-	1.3	NE	Nil	2.42	19	Worst Performing Shares: Weakest Shares, P/S Ratio>0.25, Yield<Twice Average															
Steel & Tube	274	+4.9	+5.4	23	1-0	-1.7	7	0.8	24	4.4	0.64	242	Vital Health PT	110	-58.3	+0.0	97	0-0	-1.0	5	0.4	21	8.6	5.56	158	Charlie's Group	27	-58.3	+0.0	98	0-3	-4.9	15	1.1	32	Nil	2.51	79			
Briscoe Group	140	+2.0	-1.0	38	6-0	-2.3	16	0.9	14	9.2	0.71	297	WINDrive Tech.	2	-42.1	+1.1	97	0-0	-1.1	-	2.9	NE	Nil	0.72	20	WINDrive Tech.	2	-42.1	+1.1	97	0-0	-1.1	-	2.9	NE	Nil	0.72	20			
Michael Hill	88	+9.7	-2.4	9	3-2	1	2.1	17	0.9	13	4.5	0.76	337	Allied Farmers	1	-35.9	-0.7	96	0-0	-0.6	-	3.6	NE	Nil	0.27	29	Allied Farmers	1	-35.9	-0.7	96	0-0	-0.6	-	3.6	NE	Nil	0.27	29		
Mainfreight Grp	933	+12.1	+0.9	6	0-3	-3.1	12	0.6	25	2.8	0.81	919	Smartpay NZ Ltd	2	-15.9	+0.2	92	0-0	-2.0	-	2.0	NE	Nil	0.47	19	Smartpay NZ Ltd	2	-15.9	+0.2	92	0-0	-2.0	-	2.0	NE	Nil	0.47	19			
Fletcher Build.	937	+5.3	+3.9	19	3-5	3	1.9	9	0.6	21	3.8	0.84	5,687	NZ Windfarms	16	-15.8	+0.5	91	0-0	-0.4	-	1.3	NE	Nil	9.64	46	NZ Windfarms	16	-15.8	+0.5	91	0-0	-0.4	-	1.3	NE	Nil	9.64	46		
Opus Int'l Cons	220	+11.7	+0.7	7	0-0	-3.2	23	0.8	14	5.0	0.84	312	Pyne Gould Corp	26	-14.8	-3.1	90	2-2	-0.4	5	1.1	9	Nil	0.98	201	Pyne Gould Corp	26	-14.8	-3.1	90	2-2	-0.4	5	1.1	9	Nil	0.98	201			
Hellaby Hold.	242	+12.2	+0.4	6	5-0	-3.7	9	1.2	40	4.7	0.91	176	New Image Group	27	-14.2	+1.1	89	5-0	-2.5	30	1.3	8	7.9	0.78	63	New Image Group	27	-14.2	+1.1	89	5-0	-2.5	30	1.3	8	7.9	0.78	63			
Scott Tech. Ltd	142	+4.4	+0.0	26	2-0	-2.1	18	0.8	12	5.3	0.95	44	Just Water Int.	14	-13.9	+7.9	88	2-0	-4.7	-	1.5	NE	Nil	0.35	13	Just Water Int.	14	-13.9	+7.9	88	2-0	-4.7	-	1.5	NE	Nil	0.35	13			
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																											
Opus Int'l Cons	220	+11.7	+0.7	7	0-0	-3.2	23	0.7	14	5.0	0.84	312	Vital Health PT	110	-58.3	+0.0	97	0-0	-1.0	5	0.4	21	8.6	5.56	158	Charlie's Group	27	-58.3	+0.0	98	0-3	-4.9	15	1.1	32	Nil	2.51	79			
Michael Hill	88	+9.7	-2.4	9	3-2	1	2.1	17	0.7	13	4.5	0.76	337	WINDrive Tech.	2	-42.1	+1.1	97	0-0	-1.1	-	2.9	NE	Nil	0.72	20	WINDrive Tech.	2	-42.1	+1.1	97	0-0	-1.1	-	2.9	NE	Nil	0.72	20		
Satara Co-op	100	+8.1	-3.0	13	0-0	-0.5	3	0.8	18	2.9	0.29	16	Allied Farmers	1	-35.9	-0.7	96	0-0	-0.6	-	3.6	NE	Nil	0.27	29	Allied Farmers	1	-35.9	-0.7	96	0-0	-0.6	-	3.6	NE	Nil	0.27	29			
Turners & Grow.	161	+7.2	+0.9	14	1-0	-0.6	4	0.7	15	3.7	0.21	182	Smartpay NZ Ltd	2	-15.9	+0.2	92	0-0	-2.0	-	2.0	NE	Nil	0.47	19	Smartpay NZ Ltd	2	-15.9	+0.2	92	0-0	-2.0	-	2.0	NE	Nil	0.47	19			
Guinness Peat	81	+4.9	+1.9	22	2-0	-0.2	5	0.9	3	1.9	0.12	242	NZ Windfarms	16	-15.8	+0.5	91	0-0	-0.4	-	1.3	NE	Nil	9.64	46	NZ Windfarms	16	-15.8	+0.5	91	0-0	-0.4	-	1.3	NE	Nil	9.64	46			
Scott Tech. Ltd	142	+4.4	+0.0	26	2-0	-2.1	18	0.7	12	5.3	0.95	44	Abano Health.	454	-5.8	-0.9	78	0-0	-0.9	1	0.6	91	6.6	0.53	95	Abano Health.	454	-5.8	-0.9	78	0-0	-0.9	1	0.6	91	6.6	0.53	95			
Ebos Group Ltd	744	+4.3	-0.8	27	0-1	1	2.1	13	0.4	16	6.0	0.28	378	Building Soc.	71	-5.6	-3.0	77	0-0	-	-	0.8	NE	Nil	N/A	213	Building Soc.	71	-5.6	-3.0	77	0-0	-	-	0.8	NE	Nil	N/A	213		
Finzsoft Solns	300	+2.7	-0.9	35	0-0	-1.0	11	1.0	9	Nil	0.34	2	Pike River Coal	88	-5.5	+1.5	76	2-0	-1.4	-	0.9	NE	Nil	N/A	357	Pike River Coal	88	-5.5	+1.5	76	2-0	-1.4	-	0.9	NE	Nil	N/A	357			
Turners Auction	142	+2.3	+1.0	37	2-0	-2.0	15	0.7	13	11.1	0.55	39	NZCOY Ltd	80	-5.3	+2.9	76	0-0	-19.9	-	0.6	NE	Nil	6.76	26	NZCOY Ltd	80	-5.3	+2.9	76	0-0	-19.9	-	0.6	NE	Nil	6.76	26			
Briscoe Group	140	+2.0	-1.0	38	6-0	-2.3	16	0.7	14	9.2	0.71	297	Windflow Tech.	87	-5.3	+2.1	75	0-0	-1.5	-	0.4	NE	Nil	0.44	10	Windflow Tech.	87	-5.3	+2.1	75	0-0	-1.5	-	0.4	NE	Nil	0.44	10			
Col Motor Co	245	+0.7	-1.5	44	0-0	-0.7	4	0.4	16	8.7	0.18	80	INSIDER SELLING: Most Insider Selling, Relative Strength<0																												
Nuplex Indust	300	+0.5	-4.3	45	4-0	1	1.1	14	0.9	8	7.0	0.40	577	Air New Zealand	111	-3.0	-7.8	70	1-5	1	0.8	5	0.7	15	9.0	0.29	1,195	Air New Zealand	111	-3.0	-7.8	70	1-5	1	0.8	5	0.7	15	9.0	0.29	1,195
INCOME SHARES: Highest Yields, Capitalisation>NZ\$100million														INSIDER BUYING: Most Insider Buying, Relative Strength>0																											
Telecom Corp	199	-0.2	-2.6	53	0-1	2	1.5	16	0.6	9	12.1	0.72	3,813	Guoco Leisure	77	+9.2	-0.8	10	13-0	-0.8	5	0.7	15	2.0	1.99	1,053	Guoco Leisure	77	+9.2	-0.8	10	13-0	-0.8	5	0.7	15	2.0	1.99	1,053		
Pumpkin Patch	129	-14.4	-1.8	89	2-0	1	2.7	32	0.8	8	10.5	0.56	215	Sky City Ltd	341	+4.9	-0.5	22	6-0	-1	2.6	19	0.5	14	6.5	2.36	1,967	Sky City Ltd	341	+4.9	-0.5	22	6-0	-1	2.6	19	0.5	14	6.5	2.36	1,967
Argosy Property	75	-0.9	+0.6	59	0-0	-0.8	-	0.6	NE	10.0	5.19	404	Briscoe Group	140	+2.0	-1.0	38	6-0	-2.3	16	0.6	14	9.2	0.71	297	Briscoe Group	140	+2.0	-1.0	38	6-0	-2.3	16	0.6	14	9.2	0.71	297			
Warehouse Group	345	-3.5	-0.0	71	5-0	2	3.5	27	0.4	13	9.9	0.64	1,074	Port Tauranga	834	+5.9	+1.2	17	5-0	-1.7	7	0.4	25	5.0	7.55	1,118	Port Tauranga	834	+5.9	+1.2	17	5-0	-1.7	7	0.4	25	5.0	7.55	1,118		
Methven Limited	164	-1.1	-1.8	61	4-1	-2.0	15	0.8	14	9.6	0.84	109	Hellaby Hold.	242	+12.2	+0.4	6	5-0	-3.7	9	1.0	40	4.7	0.91	176	Hellaby Hold.	242	+12.2	+0.4	6	5-0	-3.7	9	1.0	40	4.7	0.91	176			
Briscoe Group	140	+2.0	-1.0	38	6-0	-2.3	16	0.6	14	9.2	0.71	297	Nuplex Indust	300	+0.5	-4.3	45	4-0	1	1.1	14	0.8	8	7.0	0.40	577	Nuplex Indust	300	+0.5	-4.3	45	4-0	1	1.1	14	0.8	8	7.0	0.40	577	
Goodman Prop.	93	-1.6	+0.2	62	0-0	-0.9	-	0.5	NE	9.1	6.02	799	Cavotec MSL	295	+2.7	-4.5	35	3-0	-2.4	10	0.7	24	1.4	1.29	188	Cavotec MSL	295	+2.7	-4.5	35	3-0	-2.4	10	0.7	24	1.4	1.29	188			
AMP Onyx Mgmt	78	+1.3	-0.4	40	2-1	-1.0	-	0.6	NE	9.0	5.64	778	INSIDER BUYING: Most Insider Buying, Relative Strength>0																												
Air New Zealand	111	-3.0	-7.8	70	1-5	1	0.8	5	0.8	15	9.0	0.29	1,195	Air New Zealand	111	-3.0	-7.8	70	1-5	1	0.8	5	0.7	15	9.0	0.29	1,195	Air New Zealand	111	-3.0	-7.8	70	1-5	1	0.8	5	0.7	15	9.0	0.29	1,195
Vital Health PT	110	-58.3	+0.0	97	0-0	-1.0	5	0.5	21	8.6	5.56	158	Charlie's Group																												

“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: 81.6% Buyers

Last 13 wks: 78.9% 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	Aura Energy Ltd	1-0	CL Asset Hold.	1-0	Credit Corp	5-2	Flat Glass Ind.	1-0
A.P. Eagers	13-0	Ausdrill Ltd	2-0	CPI Group	2-0	Crescent Gold	2-0	Flight Centre	1-0
AACL Holdings	4-0	Ausgold Ltd	1-3	CSG Ltd	2-1	Crown Ltd	2-0	Flinders Mines	4-0
AAQ Holdings	1-0	Ausnico Limited	1-0	CSL Limited	0-3	Crusader Res.	3-1	Forge Group Ltd	0-3
ABM Resources	1-0	Aussie Q Res.	0-1	CTI Logistics	1-0	Cryosite Ltd	1-0	Fortescue Metal	3-0
ADX Energy Ltd	8-1	Aust Pac Coal	2-0	Cabral Resource	3-0	CuDeco Ltd	9-0	Fortis Mining	1-0
AED Oil Ltd	2-0	Aust Ethical In	1-0	Cadence Capital	3-0	Customers Ltd	5-0	Fox Resources	1-0
AGL Energy Ltd	2-0	Aust Oil Coy	4-0	Calliden Group	2-0	Cyclopharm Ltd	0-1	Freedom Foods	1-0
AJ Lucas	2-0	Aust Vintage	3-0	Callabonna Uran	1-0	Dampier Gold	1-0	Frontier Res.	1-2
AMA Group Ltd	9-0	Austock Group	2-0	Caltex Australia	1-0	Dart Energy Ltd	5-0	Funtastic Ltd	9-0
AMCIL Limited	1-0	Austin Eng.	0-7	Canada Land	6-0	Datamotion A/P	1-0	Future Corp	2-0
ANZ Bank	6-0	Aust Bauxite	2-0	Campbell Bros	2-0	Datadot Tech.	1-0	G.U.D. Holdings	1-0
APA Group	2-0	Aust Leaders Fd	3-0	Canada Land	6-0	Data 3 Ltd	0-1	G8 Education	1-0
APN Property	3-0	Aust Agricult.	8-0	Cape Lambert R.	7-0	Decmil Group	3-1	GEO Property	1-0
APN News Media	1-0	Aust United In	5-0	Capital Mining	0-1	Deep Yellow Ltd	0-1	GPT Group	2-0
ASG Group Ltd	4-0	Aust Enh Income	1-0	Capral Limited	2-0	Diatreme Res.	2-0	GWA Group Ltd	3-0
Abacus Property	0-1	Aust Foundation	5-0	Carbine Res.	0-1	Digital Perform	4-0	Galaxy Res.	2-3
Aberdeen Leader	1-0	Aust Mines Ltd	0-1	Carbon Energy	2-1	Diploma Group	1-0	Galilee Energy	1-0
Acclaim Explor	2-0	Aust Pharm. Ind	3-0	Cardno Ltd	0-1	Discovery Metal	0-6	Genetic Tech.	2-0
AcruX Ltd	0-1	Aust Power Gas	1-0	Carnegie Wave E	1-0	Div. United Inv	3-0	Geodynamics Ltd	2-0
Ad Braking Tech	1-0	Aust-Amer Min.	1-0	Carpentaria Exp	1-4	Djerriwarh	1-0	Geopacific Res.	3-0
Adamus Resource	1-0	Aust Education	1-0	Carrick Gold	3-0	Dolomatrix Intl	1-0	Gerard Lighting	3-0
Adavale Res.	2-0	Austex Oil Ltd	3-0	Carsales.com	7-5	Domino's Pizza	0-2	Gindalbie Met.	0-1
Adcorp Aust.	2-0	Aust Infra.	1-0	Cash Converters	2-0	Doray Minerals	3-1	Gippsland Ltd	0-1
Adelaide Res.	3-0	Auto Technology	11-0	Caspian Oil & G	1-0	Downer EDI Ltd	4-0	Globe Metals	1-0
Adelaide Bright	4-1	Auzex Resources	0-4	Catalyst Metals	5-0	Dragon Mining	2-1	Global Petrol.	8-0
Admiralty Res.	4-0	Avalon Minerals	3-0	Cathrx Ltd	1-0	Drake Resources	1-0	Global Master F	0-1
Adv Share Reg.	0-1	Avanco Res.	0-1	Cauldron Energy	1-0	Drillsearch	2-0	Global Mining I	2-0
Adv. Magnesium	0-2	Avexa Limited	5-0	Cazaly Res Ltd	13-0	Drummond Gold	2-4	Global Nickel	5-1
Advanced Energy	0-2	Avita Medical	1-0	Cbio Limited	0-1	Dulux Group Ltd	6-0	Gloucester Coal	1-0
Advance Energy	3-0	Avonlea Mineral	1-0	Cedar Woods Prp	1-0	Dyesol Ltd	1-0	Golden Cross	1-0
African Iron	4-1	BC Iron Ltd	0-1	Celamin Hold.	1-0	E & A Limited	4-0	Gold One Int'l	7-0
African Energy	3-0	BCD Resources	0-1	Cellmid Ltd	2-0	E-Bet Limited	5-0	Golden West Res	2-1
Ainsworth Game	7-0	BHP Billiton	4-5	Cellnet Group	0-1	ERM Power Ltd	2-0	Golden Gate Pet	1-0
Alacer Gold	0-1	BKI Invest Coy	4-0	Centaurus Netal	1-0	EVZ Ltd	2-0	Gold Road Res.	0-2
Alara Resources	0-1	BSA Ltd	3-0	Centrex Metals	3-0	Eagle Eye Metal	2-0	Goldsearch Ltd	1-0
Alchemy Res.	0-2	BT Invest Mgmt	0-1	Centrepnt All	2-0	Eagle Nickel	1-0	Goodman Fielder	5-0
Alcyone Res Ltd	0-3	Bailey Minerals	1-0	Century Aust In	2-0	Earth Heat Res.	2-0	Goodman Group	1-0
Ale Property	1-0	Bannerman Res.	1-0	Ceramic Fuel C.	6-0	East Energy Res	1-0	Graincorp	1-0
Alesco Corp Ltd	3-0	Baraka Energy	0-4	Chal Div Prop	1-0	East'n Star Gas	0-2	Grange Resource	1-0
Alexium Int'l	5-0	Barra Resources	0-4	Challenger Ltd	0-2	East Coast Min.	1-0	Greencap Ltd	3-0
Algae Tec Ltd	3-0	Base Resources	1-0	Chalice Gold	2-0	East'l d Medical	1-0	Greenland Min.	1-0
Allied Gold Ltd	2-0	Bassari Res.	2-0	Chameleon Min.	2-0	Echo Resources	2-0	Groote Res.	1-0
Allied Brands	1-0	Bass St Oil Coy	1-0	Chart H Retail	1-0	Eden Energy Ltd	1-0	Growthpoint Pro	1-0
Alligator En.	4-0	Bathurst Res.	2-0	Charter Hall GR	1-0	Elders Limited	4-0	Gryphon Mineral	0-1
Altium Limited	6-0	Bauxite Res.	2-0	Chesser Res.	5-0	Eldorado Gold	2-1	Gt Western Exp.	0-1
Altura Mining	3-0	Beach Energy	1-0	China Century	4-0	Eldore Mining	3-0	Guinness Peat	2-0
Alumina Ltd	2-0	Beadell Res.	2-0	Chrysalis Res.	3-0	Electro Optic	1-0	Gujarat NRE	3-0
Amalgamated Hld	3-0	Bell Financial	9-1	Circadian Tech	5-0	Electrometals	1-0	Gulf Industrial	0-1
Ambertech Ltd	1-0	Bendigo Bank	3-0	Clarius Group	1-0	Elementos Ltd	2-1	HGL Limited	4-0
Ambition Group	1-0	Berkeley Res.	0-2	Clearnview W/th	3-0	Elixir Petrol.	2-0	Hansen Tech.	0-2
Amcom Telecom.	4-1	Bigair Group	1-0	Clime Inv Mgmt	2-4	Elk Petroleum	2-0	Hast Div Util	1-0
Ancor Ltd	8-2	Biota Holdings	3-0	Clough Limited	0-1	Embelton Ltd	1-0	Hastie Group	5-0
Ampella Mining	0-4	Biotron Limited	1-0	Clover Corp.	3-0	Emerald Oil & G	5-0	Hawley Oil Gas	1-0
Antaria Ltd	1-0	Blackgold Int'l	2-0	Cobar Cons Res.	2-0	Emerson Stewart	4-0	HealthLinx Ltd	1-0
Antares Energy	7-0	Black Ridge Min	0-2	Coca Cola Amatil	1-3	Emmerson Res.	1-0	Healthzone Ltd	2-0
Anteo Diagnost.	1-7	Blackthorn Res.	3-0	Cochlear Ltd	2-0	Empire Sec.	1-0	Heartware Inc.	0-3
Anvil Mining	5-1	Bluescope Steel	3-0	Cockatoo Coal	1-0	Empire Oil, Gas	0-1	Heemskirk Cons.	2-0
Aphrodite Gold	3-0	Blue Energy Ltd	5-0	Codan Ltd	1-0	Emu Nickel NL	1-0	Hemisphere Res.	1-0
Apollo Cons.	1-0	Bluglass Ltd	2-0	Collection Hse	8-0	Energia Mineral	3-0	Henderson Group	0-3
Aquila Res.	1-0	Boart Longyear	1-0	Colorpak Ltd	0-2	Energio Ltd	7-0	Hexima Ltd	1-0
Arafura Pearls	1-0	Boom Logistics	2-1	Com'wealth Bank	2-1	Energy World	1-0	Hillcrest Litig	4-0
Aragon Res.	1-0	Boral Limited	3-0	Commsrat Ltd	1-0	Engenco Ltd	1-0	Hillgrove Res.	1-0
Archer Explor.	6-0	Boss Energy Ltd	1-0	Computershare	2-6	Entek Energy	4-0	Hills Holdings	1-0
Ardent Leisure	4-0	Botswana Metals	2-0	Condor Nickel	3-0	Envirogold Ltd	4-0	Hill End Gold	5-0
Argent Minerals	6-3	Bow Energy Ltd	1-0	Connect East Grp	2-0	Epic Resources	1-0	Hodges Res.	9-0
Argonaut Res.	1-0	Bowen Energy	3-0	ConnXion Vent.	7-0	Equity Trustees	3-0	Hot Rock Ltd	1-0
Aristocrat Leis	3-0	Bradken Ltd	0-1	Conquest Mining	15-0	Equities & Free	4-0	Humanis Group	1-0
Artimis Res.	1-0	Bravura Sol.	1-0	Cont'l Coal	1-0	Erongo Energy	1-0	Hunter Hall Int	0-2
Arturus Capital	1-0	Braziron Ltd	1-0	Convergent Min.	1-0	Eserv Global Ltd	0-2	Hutchison Tel.	1-0
Aruma Resources	1-0	Brickworks Ltd	4-0	Copper Strike	1-0	Ethane Pipeline	2-0	Hydromet Corp.	1-0
Asciano Limited	2-0	Bright Star Res	2-0	Copper Range	2-0	Eureka Energy	4-0	Hyperion Flag.	11-3
Ashburton Min.	1-0	Brighton Mining	3-0	Corazon Mining	2-0	Euroz Limited	1-0	Hyro Limited	4-0
Ask Funding Ltd	2-0	Brockman Res.	0-4	Coretrack Ltd	10-0	Eurogold Ltd	5-0	I-SOFT Group	1-3
Astivita Renew.	6-1	Broken Hill Pro	2-0	Cougar Metals	2-0	Excalibur Min.	0-1	ICS Global Ltd	2-0
Aston Resources	4-0	Brumby Resource	0-1	Count Financial	3-0	F.F.I. Holdings	0-1	IMD Group	2-1
Astron Ltd	0-1	Bunnings W/hse	1-0	Countplus Ltd	1-0	FKP Limited	1-0	ING Priv Equity	2-0
Athena Res.	3-0	Burey Gold Ltd	3-0	Coventry Group	3-0	Fairstar Res.	1-0	IPGA Ltd	2-1
Atlantic Ltd	2-0	Burleson Energy	3-0	Coventry Res.	3-0	Ferrum Crescent	3-0	ITL Limited	2-0
Atlas SS Pearl	4-0	C.S.R. Ltd	1-0	Crane Group	0-1	Finbar Group	7-0	liNet	3-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Imperial Pac.	1-0	Mastermyne Grp	2-0	Ottoman Energy	4-0	Rheochem plc	1-0	Techniche Ltd	3-0
Impress Energy	1-5	Matrix Comp.	0-4	Ozgrowth Ltd	1-0	Rialto Energy	1-0	Tel. Pacific Ltd	2-0
Incitec Pivot	1-0	Matsa Resources	2-0	P MacGregor Inv	3-0	Richmond Mining	0-4	Teleton Limited	1-0
Incremental Oil	1-0	Maverick Drill.	1-0	PMI Gold Corp.	1-0	Ridley Corp.	2-0	Telstra	10-0
Ind Minerals	2-0	Maximus Res	1-0	PMP Limited	4-0	Riedel Resource	2-0	Ten Network	2-0
Indago Res.	1-0	Mayne Pharma Gr	1-0	PPK Group Ltd	2-0	Rimfire Pacific	7-0	Teranga Gold	1-0
Independ. Group	0-3	McMillan Shake.	1-2	PacEnvironment	0-1	Rivercity M'way	0-1	Terramin Aust	1-0
India Resources	2-0	McPherson's Ltd	1-0	Pacific Mining	1-0	Roc Oil Company	4-0	Territory Res.	1-0
Indo Mines Ltd	1-0	Mec Resources	0-1	Pacific Niugini	0-1	Rock Build Soc.	2-0	The Reject Shop	1-0
Infomedia Ltd	2-0	Medical Dev Int	13-0	Pacrim Energy	2-0	Rocklands Rich.	12-0	Thinksmart Ltd	0-1
Innaminka Pet.	1-0	Medivac Ltd	2-0	Padbury Mining	1-0	Royalco Res.	1-0	Thomas & Coffey	1-0
Insurance Aust.	2-0	Mermaid Marine	1-6	Paladin Energy	3-0	Rubik Financial	1-0	Thorn Group Ltd	4-0
Int Research	2-0	Mesbon China N.	3-0	Pan Pacific Pet	1-0	Rubicon Group	1-0	Tidewater Inv	1-0
Int. Resources	1-0	Mesoblast Ltd	0-1	Panaust Ltd	1-2	Rum Jungle Res.	4-1	Tiger Resources	0-1
Intec Ltd	1-0	Metals Finance	2-0	Panoramic Res.	0-3	Runge Ltd	4-0	Tissue Therapy	1-0
Intermoco Ltd	1-0	Metals X Ltd	1-0	Paperlin X Ltd	1-0	Ruralaus Invest	1-0	Toll Holdings	4-0
Intermin Res	5-1	Metal Bank Ltd	1-0	Papillon Res.	1-0	S/Tracks ASX 50	1-0	Toro Energy Ltd	1-0
Integral Mining	3-0	Metcash Ltd	1-2	Paragon Care	4-0	S/Tracks ASX200	2-0	Torrens Energy	1-0
Intrepid Mines	0-2	Meteoric Res.	3-0	Patrys Ltd	0-1	SAI Global Ltd	1-0	Tox Free Sol.	0-4
Intrapower Ltd	3-0	Metgasco Ltd	2-0	Patties Foods	7-2	SMS Mgmt & Tech	0-1	Trafalgar Corp.	2-0
Investorfirst	3-0	Miclyn Express	7-0	Paynes Find Gld	1-0	STW Comm Group	0-1	Trafford Res.	3-0
Ipernica Ltd	6-0	Mikoh Corp.	5-0	Peak Resources	2-1	Saferoads Hold.	1-0	Traffic Tech.	5-0
Iress Mkt Tech	3-0	Milton Corp.	1-0	Pearl Healthcare	2-0	Salmat Ltd	3-0	Traka Resources	0-2
Iron Mountain	3-0	Minbos Res.	2-0	Peel Mining Ltd	2-0	Sandfire Res.	2-0	Transurban Grp	4-0
Ironclad Mining	4-0	Mineral Commod.	3-0	Penrice Soda	7-0	Santos Ltd	3-0	Tranzact Fin.	4-0
Iron Road Ltd	0-1	Mineral Res.	0-2	Pepinini Min.	0-1	Savcor Group	1-0	Transerv Energy	2-0
Ironbark Gold	2-0	Mineral Deposit	0-2	Perilya Mines	1-0	Scantech	3-0	Transfield Serv	1-0
Iron Ore Hold.	0-1	Mintails Ltd	2-0	Perpetual Ltd	2-0	Seek Ltd	1-0	TransPacific In	1-0
JB Hi-Fi Ltd	0-1	Mirabela Nickel	2-0	Perseus Mining	1-5	Select Harvest	2-0	Treasury Group	4-0
Jacka Resources	1-0	Mirrabooka Inv.	1-0	Pharmabook Ltd	2-1	Senetas Corp	4-0	Trinity Group	4-0
James Hardie	0-2	Mirvac Group	1-0	Phoslock Water	2-0	Senex Energy	2-0	Triton Gold Ltd	1-0
Jatoil Limited	1-0	Mnet Group Ltd	0-1	Photon Group	1-0	Servcorp Ltd	3-0	Troy Resources	3-6
Jervois Mining	4-0	Modena Res. Ltd	4-0	Phylogica Ltd	1-0	Service Stream	3-1	Trust Company	1-0
Jindalee Res.	3-2	Montezuma Min.	0-1	Pie Networks	1-0	Seven Group	6-0	UGL Limited	3-0
Jumbuck Enter.	17-1	Monteray Group	1-0	Pilbara Mineral	1-0	Seymour Whyte	1-2	US Nickel Ltd	9-0
Jupiter Energy	3-0	Montec Int'l	1-3	Pioneer Res.	4-0	Sierra Mining	0-1	UXA Resources	3-0
Jupiter Mines	7-6	Mom. Star Gold	4-1	Planet Platinum	0-3	Sietel Ltd	8-0	UXC Limited	1-0
K2 Asset Mgmt	0-2	Mortgage Choice	1-0	Platsearch NL	2-0	Signature Cap't	2-0	Un. Biosensors	0-1
K2 Energy Ltd	2-0	Motopia Ltd	1-0	Platinum Cap'l	2-0	Sihayo Gold Ltd	1-0	Unilife Corp.	1-0
Kardoon Gas	0-3	Mt Gibson Iron	0-3	Platinum Asset	0-1	Silex Systems	1-0	Union Resources	1-0
Kentor Gold Ltd	0-1	Mt Magneta South	1-0	Pluton Resource	3-0	Silver Swan Grp	1-0	Universal Coal	1-0
Kibaran Nickel	1-0	Mungana Gold.	6-1	Po Valley Ener.	2-1	Silver Chef Ltd	1-0	Uramet Minerals	2-0
Kimberley Metal	2-0	Murchison Hold.	1-0	Port Bouvard	0-1	Sims Metal Mgmt	3-2	Uranium Equitie	8-0
King Island Sc.	2-0	Myer Holdings	3-1	Praerium Ltd	2-1	Sjpa Resources	1-0	Uranex NL	6-0
Kingsgate Cons.	0-1	Mystate Ltd	3-0	Prairie Downs	1-0	Sirius Res. NL	4-0	VDM Group Ltd	2-1
Kingrose Mining	1-0	NKWE Platinum	1-0	Premier Invest	1-0	Sirius Corp.	1-0	Venture Min.	0-1
Kip McGrath EC	4-0	NSL Cons. Ltd	5-0	Prime Media Grp	1-0	Skilled Group	4-1	Venturex Res.	2-1
Kresta Holdings	1-0	NSX Limited	5-0	Primary Health	5-0	Skywest Airline	0-2	Venus Metals	1-2
Krucible Metals	5-0	Namoi Cotton	0-2	Prima Biomed	2-0	Slater & Gordon	0-3	Verus Investm't	3-0
Kula Gold Ltd	2-0	Nanosonics Ltd	1-0	Pro Maintenance	2-0	Sonnomed Ltd	0-5	Village Road.	0-4
Kuth Energy Ltd	4-0	Nat'l Aust Bank	1-0	Pro Medicus Ltd	1-0	Sonic Health	2-0	Virgin Blue	4-0
LBT Innovations	2-3	Navigator Res	3-0	Probiotec Ltd	11-0	Soul Pattinson	9-0	Vita Group Ltd	2-0
Lachlan Star	2-0	Neon Energy Ltd	4-0	Prosperity Res.	0-2	Souls Priv Equ	1-0	Vita Life Sci.	1-0
Lakes Oil NL	1-0	Neptune Marine	1-0	Proto Resources	6-5	Southern Gold	5-0	Vmoto Ltd	6-0
Legacy Iron Ore	0-1	Netcomm Limited	0-3	Pryme Oil & Gas	5-0	Spark Infrastru	3-0	Vocus Comm.	2-3
Legend Mining	1-0	Neurodiscovery	2-0	Public Holdings	1-0	Spitfire Res.	2-0	Voyager Res Ltd	1-0
Legend Corp.	0-1	New Guinea En.	3-0	Pulse Health	2-0	Spotless Group	3-0	WAM Active Ltd	1-0
Leighton Hold	0-8	New Hope Corp.	3-0	Q Ltd	1-0	St Barbara Ltd	2-0	WAM Research	2-0
Lend Lease Grp	0-2	New Standard En	2-0	Q'ld Trustees	1-0	St George Min.	3-0	WAM Capital Ltd	2-0
Liberty Res.	2-0	Newhaven Hotels	2-0	Q-Mastor Ltd	2-0	Stanmore Coal	1-0	WCP Resources	0-2
Linc Energy Ltd	2-0	News Corp.	1-0	Q.B.E. Insur.	8-1	SteriHealth Ltd	1-0	WDS Limited	3-0
Lindian Res.	1-0	Nexbis Ltd	2-0	Qantas Airways	1-0	Sth Hemi Mining	0-2	WHK Group Ltd	0-1
Lindsay Aust	0-1	Nexus Energy	1-0	Qld Mining Corp	1-0	Sthn Cross Gold	3-0	WHL Energy	2-0
Linq Resources	1-0	Nib Holdings	2-0	Quest Minerals	2-0	Stirling Res.	1-0	WPG Resources	1-0
Liontown Res.	3-0	Nido Petroleum	8-1	Quest Investm't	1-0	Stonehenge Met.	1-0	Wasabi Energy	6-0
Little World B.	1-3	Noble Mineral	1-0	Quickstep Hold.	0-2	Strategic Poole	4-0	Water Resources	1-0
Living Cell T.	1-0	Norton Gold	0-1	RCR Tomlinson	0-1	Strat. Energy	2-0	Watpac Ltd	2-0
Lodestone En.	0-1	Northern Iron	1-0	REA Group Ltd	2-0	Stratetel Ltd	2-0	Wavenet Int'l	5-0
Lodestar Min.	3-0	Nthn Minerals	0-2	RHG Ltd	1-3	Strategic Min.	1-0	Webfirm Group	0-1
Logicams Ltd	0-2	Nthn Star Res.	2-1	Raffles Capital	0-1	Strike Res.	2-0	Wentworth Hold.	0-2
Lonhro Mining	1-0	Nufarm Limited	9-0	Ramellus Res.	1-2	Structural Syst	2-0	Wesfarmers Ltd	2-0
Ludowici Ltd	2-0	Nusep Holdings	2-0	Ramsay Health	1-0	Style Limited	4-0	Westpac Banking	2-0
Lycopodium Ltd	0-1	Nyoto Minerals	4-0	Range River Gld	1-0	Suncorp Group	3-0	Western Desert	0-2
Lynas Corp Ltd	0-1	ORHLimited	4-0	Ram Resources	1-0	Sundance Energy	1-4	Westgold Res.	1-0
M2 Telecom. Grp	2-4	Oakajee Corp.	6-0	Rawson Res.	0-1	Sunland Group	2-0	Westfield Group	1-0
MAp Group	2-1	Oaks Hotel	2-1	Razor Risk Tech	2-0	Sunshine Heart	2-0	West Aust News	2-0
MCM Entertain.	2-0	Oakton Limited	0-1	Red Fork Energy	3-0	Super Retail Gr	1-0	Western Areas	2-1
MEO Australia	8-1	Ocean Capital	2-0	Red River Res.	1-0	Sylvastate Ltd	2-0	Whitefield Ltd	4-0
MUI Corporation	3-1	Octagonal Res.	1-0	Red Metal Ltd	2-0	Symex Holdings	2-0	White Canyon Ur	1-0
MacMahon Hold	1-0	Odin Energy Ltd	1-0	Redhill Educat.	1-0	Syndicated Met.	2-0	White Cliff Nkl	1-0
Macarthurcook P	7-0	Oil Basins Ltd	1-0	Reece Australia	1-0	TFS Corporation	2-0	Wide Bay Aust.	1-0
Macarthur Coal	7-1	Oil Search Ltd	0-2	Reedy Lagoon	3-0	TMA Group of Co	3-0	Wilson HTM Inv.	2-0
Macquarie C Tel	0-1	Oilex Ltd	0-1	Refresh Group	1-0	TZ Limited	1-0	Winmar Res Ltd	2-0
Macquarie Atlas	2-0	Oncard Int'l	1-0	Regis Resources	1-0	Tag Pacific	2-3	Woodside Petrol	0-2
Magellan Flag.	2-0	Onesteel Ltd	3-0	Renaissance Min	2-0	Talent2 Int'l	3-0	Woolworths Ltd	5-2
Magnetic Res.	3-0	Optiscan Image	2-0	Renaissance Ur.	1-0	Tamawood Ltd	0-7	Worley Group	4-2
Malagasy Min.	2-0	Orbital Corp	5-0	Renison Cons	0-1	Tango Petroleum	1-0	XRF Scientific	1-0
Manas Resources	1-0	Orica Ltd	3-0	Republic Gold	1-0	Tangiers Petrol	0-3	Xceed Resources	2-1
Manhattan Corp	7-0	Origin Energy	1-2	Res & Invest NL	2-0	Tap Oil	4-0	Xstate Res.	1-0
Mantle Mining	5-0	Orion Metals	1-3	Resource Star	2-0	Target Energy	2-0	Xtek Ltd	3-0
Marbletend Grp	1-0	Orion Equities	1-0	Retail Food Grp	0-4	Tasman Resource	1-0	YTC Resources	1-0
Marenica Energy	3-0	Oroton Group	1-2	Reverse Corp	1-0	Tassal Group	1-0	Zicom Group	1-0
Marybor'gh Suga	1-0	Orrex Resources	3-0	Reward Minerals	0-6	Tatts Group Ltd	1-0		

Investment Outlook *(Continued from Page 1)*

Group *could* build profitable businesses managing labour resources as other companies outsource this part of their business to lower overheads and focus upon their core competencies (or fail to adapt and die).

Smaller Australian companies like CPT Global, seeking to grow international businesses, may look vulnerable to the high Australian dollar - but if success depends upon "low Australian labour costs" (owing to a low exchange rate) then it would soon fail to (potential) competitors with "low Indian labour costs". CPT Global's potential growth may require some proprietary Intellectual Property and experience, but more important will be *customer service*, building relationships with customers and *using technology to minimise its cost and maximise its service*. Companies that fail to use technology to *continuously reduce* their costs will fail owing to either "low Indian labour costs" or "the high Australian dollar".

Technology is leading to "dematerialisation" and lowering the commodity component of products. Fibre optic cable (i.e. cheap, plentiful glass) replaced (expensive) copper wire. Music is downloaded from the internet, eliminating the need for plastics to produce records or CDs - and the oil previously used to transport the product, and consumers, to physical retail shops. If we made cars from stronger, lighter materials there would be a reduction in the demand for iron ore, the coal to turn it into steel and greenhouse gas emissions - and, more importantly, an on-going reduction in petrol consumption. Most of the energy moves the heavy vehicle, with less than 5% needed to move the passengers.

In fact, with modern communications and concerns over oil usage, perhaps we should bring back that WWII poster: "Is your trip necessary?" (although it *has* been used as an anti-drug slogan!)

Dividend \$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
CDL Investments	1.20	29-04	13-05	Full
Ebos Group	13.50	08-04	21-04	Full
Hallenstein Glasson	14.00	08-04	15-04	Full
Hellaby Holdings	4.00	29-04	06-05	Full
Kathmandu	3.00	28-03	07-04	Full
NZX Ltd	6.25	21-04	29-04	2.6786
Pumpkin Patch	3.00	07-04	21-04	Full
Restaurant Brands	10.00	10-06	24-06	4.2857
Scott Technology	2.00	04-04	08-04	0.8571
TeamTalk	10.00	08-04	15-04	Full
Turners & Growers	6.00	18-04	27-04	Nil
Vector Energy	6.75	31-03	14-04	2.8929
Warehouse Group	15.50	08-04	20-04	Full
<u>Australian Shares</u>				
Chandler Macleod Group	0.80	23-03	14-04	
CPT Global	1.50	24-03	15-04	
CSG Ltd	2.50	07-03	13-04	
M2 Telecommunications	7.00	16-03	14-04	
Melbourne IT	8.00	16-03	14-04	
TFS Corporation	1.25	30-05	17-06	
The Reject Shop	23.00	24-03	18-04	
Village Roadshow capital	100.00	-	July	

The accelerating growth in technology and the fall in information costs will create a chaotic, changing environment in which individual companies can adapt and grow rapidly or fall behind and fail. Smaller, soundly financed, focussed companies have a significant advantage over larger, established conglomerates. Currency exchange rates are likely to be the *least* of the challenges facing companies. This is an environment that will both rapidly *destroy* and rapidly *create* wealth for investors. As we have pointed out previously, an investor's loss is limited to 100% on any individual holding, while there is no limit on potential gains. So even if our portfolio includes a range of winners and losers, the gains on the winners will likely far exceed the losses! Investors portfolios need to be widely diversified, with little or no "margin" debt!

Rapid change and development could well lead to above average returns in the stockmarket.

Population growth and physical infrastructure development in large emerging economies has created a commodity boom, but demand growth will slow (and prices will fall in "real" terms) as those economies develop and as the global population stabilises. The real wealth from this development comes not from mining and selling iron ore and coal, but in building *sustainable* consumer businesses in these emerging economies.

Yes, Gold may retain its "real" value, as it has done for thousands of years - but that is hardly a good investment compared with shares which rose 100-fold in "real" value over both the 18th and 19th centuries (i.e. up 10,000-fold in "real" value over the last 200 years).

Given the historical long term average "real" returns from the stockmarket (i.e. 100-fold per century in "real" terms) plus the potential for significantly greater wealth creation during this current period of technology growth and development in emerging economies - it becomes rather irrelevant to worry about whether the stockmarket might go up or down a couple of percentage points next week! Investors should focus upon companies positioning their businesses to surf the wave of change. Remain fully invested in the recommended shares.

Total Return Index for All Listed Shares

Mar 14	1335.18	Mar 21	1328.50
Mar 15	1326.24	Mar 22	1331.88
Mar 16	1322.46	Mar 23	1332.04
Mar 17	1315.64	Mar 24	1335.75
Mar 18	1321.26	Mar 25	1337.46
Mar 28	1338.81	Apr 4	1343.81
Mar 29	1339.36	Apr 5	1352.43
Mar 30	1342.76	Apr 6	1348.72
Mar 31	1341.38	Apr 7	1340.80
Apr 1	1337.24	Apr 8	1346.58

Next Issue:

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