Market Analysis

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Found	er: James I	R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Shares offer good value... so will eventually yield above average returns as valuations recover from these lows. Market weakness offers an attractive opportunity to re-invest dividends and new savings at attractive prices. Remain fully invested in the recommended shares.

Investment Outlook.

It has certainly been an interesting month! Some investment advisers sent out "Updates" virtually every day, giving investors their insights to every up and down of the markets. We looked at what we wrote last month about investors protecting themselves from the market's emotional whirlwind and avoiding the media... so what more was there to add?

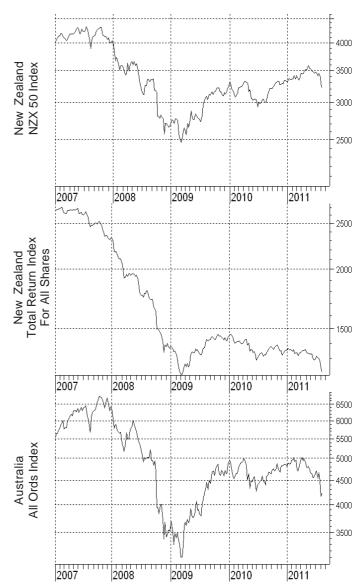
The current volatility and sell-off is interesting...and largely illogical. Standard & Poors downgraded US Treasuries from AAA to AA+, so investors sold off shares and commodities . . . to invest in US Treasuries (pushing up the US dollar, raising Treasury prices and lowering yields).

Warren Buffet believes US Treasuries should be rated AAAA (if there was such a rating). He believes the US government will always pay (or, at least, refinance and rollover) these debts . . . but his investment strategy avoids bonds and favours *equities* as he also knows the government will allow inflation to steadily erode the real value of this debt. Only *real* assets, like equities, provide protection from inflation over the longer term. Governments will do anything to avoid openly defaulting upon their debt . . . and just as certainly will "default by stealth", using inflation and devaluation to reduce its real value.

In fact, the problems in Europe could be easily "solved" if there wasn't a common currency. If Greece can't service its debts, then a significant currency devaluation "solves" the problem - lowering the real value of the debt and - just as importantly - the real incomes of the population (and the real value of the government's obligations to pay welfare benefits). Historically, devaluations were blamed on foreign investors who "didn't understand the strength of the economy" who were "speculating in government bonds" and "manipulating the exchange rate". With a common currency, there is not this option to devalue, so the more financially strong northern countries will probably need to subsidise the more (Continued on Page 12)

Stockmarket Forecasts

Australia: One-Month 47% (Neutral) 50% (Neutral)
New Zealand: 36% (Bearish) 39% (Bearish)



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 worth of further study and analysis.

•	Price/Sales P/E G		Price/Sales P/E Gross	Performance Price/Sales P/E Gross
Forecast Price	Ratio Ratio Y	eld Forecast Price	Ratio Ratio Yield	Forecast Price Ratio Ratio Yield
AMP Limited C 497 AMP Office Trt C 84 Abano Health. B 423 Air New Zealand C 112 Akd Int Airport B 218 Allied Farmers E 0.9 Allied Work. A 185 Argosy Property B 78 Barramundi Ltd C 68 Blis Technology D 6.0 Briscoe Group B 139 Burger Fuel D 35 CDL Investments C 29 Cavalier Corp A 350 Cavotec MSL C 266 Charlie's Group D 43 Claridge Cap'l E 0.5 Col Motor Co B 231 Comvita A 169 Contact Energy C 495 Cynotech Hold. D 0.9 DNZ Property D 122 Delegat's Group C 200 Diligent Board D 120 Dorchester Pac E 9.6 Ebos Group Ltd C 665 Ecoya Ltd C 94 F & P Appliance C 56 F & P Health. C 224 Finzsoft Sol'ns C 33 Fletcher Build. C 762 Freightways Ltd G 33 Fletcher Build. C 762 Freightways Ltd G 665 Genesis Res. C 6.0 Goodman Prop. B 96 Guinness Peat C 60 Hallenstein G. C 350 Heartland BS E 58 Hellaby Hold. B 220 Heritage Gold * N/R 2.2 Insured Group In 72 Insured Group In 74	6.07 NE	7.9 Just Water Int. E 7. 3.4 Kathmandu Ltd B 2. 7.1 Kermadec Prop. B 6. 3.9 Kingfish Ltd A 9. 6.4 Kirkcaldie & St A 24 Nil Kiwi Property C 9. 7.9 L&M Energy E 1 2.2 Lyttelton Port B 21 2.2. Marcer Group E 7. 2.0 Meroc. LifeCare C 7. Nil Metro. LifeCare C 14 6.9 Michael Hill B 9 7.3 Michael Hill B 9 8.1 Mild-Cap Index C 20 Nil Mowbray Collect E 5 8.3 NPT Limited C 4 8.2 NZ Experience A 3 8.1 NZ Exchange Ltd B 22 8.2 NZ Experience	1 1.64 43 5.0 6.13 10 4.8 9.5 11 N/A 8 9.5 12 N/A NE Nill 9.0 0.78 13 4.4 10 10 1.2 4.3	Renaissance
AGL Energy Ltd B 398 AMP Ltd B 398 ANZ Bank C 1992 APA Group B 380 ASX Limited C 2890 Adelaide Bright B 252 Alacer Gold D 945 Alumina Ltd B 182 Amalgamated Hld A 544 Amcor Ltd A 647 Aneka Tambang C 125 Ansell Ltd A 1314 Aquarius Plat. B 367 Aquila Res. E 573 Argo Investment B 538 Aristocrat Leis B 219 Asciano Limited B 156 Atlas Iron Ltd C 373 Austar United B 102 Australand Prop B 228 Australand Prop B 248 BHP Billiton B 3821 BWP Trust A 167 Bank of Q'land B 382 Billabong Int'l B 367 Bluescope Steel B 91 Boart Longyear D 342 Boral Limited C 375 Bradken Ltd A 790 Brambles Ltd A 640 Brickworks Ltd B 911 Brookfield P P A 300 C'wth Prop Off. A 85 C.S.R. Ltd CFS Retail Prop B 158 CGA Mining Ltd B 254 CSL Limited B 2917 Caltex Austrlia B 1010 Campbell Bros A 4426 Carsales.com B 441 Challenger Ltd A 443 Chart H Retail A 289 Coal & Allied B 961 CocaCola Amatil B 1105 Cochlear Ltd A 443 Chart H Retail A 289 Coal & Allied B 961 Cochlear Ltd A 7118 Com'wealth Bank C 4856 Computershare C 705 ConnectEast Grp D 52	1.07 11 1.62 11 1 1.62 11 1 1.62 11 1 1 1.62 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	4.3 Crown Ltd A 82 7.5 DUET Group A 15 6.3 David Jones C 26 6.5 Deutsche Div Tr B 13 6.0 Dexus Property C 7 6.5 Downer EDI Ltd B 36 6.1 Energy World B 6 6.8 Envestra A 6 6.8 Envestra A 6 6.8 Envestra A 6 6.8 Envestra B 7 6.9 Flight Centre B 184 6.1 Fortescue Metal B 59 6.1 Fortescue Metal B 59 6.1 Fortescue Metal B 59 6.1 Goodman Group B 6 6.1 Goodman Group B 7 6.2 Goodman Fielder B 8 6.3 Gloucester Coal C 86 6.4 IOOF Holdings B 7 6.5 Incitec Pivot B 36 6.6 Iluka Resources B 15 6.7 Incitec Pivot B 36 6.7 Incitec Pivot B 36 6.8 Investa Office B 55 6.7 Iress Mkt Tech A 80 6.7 Insurance Aust. B 29 6.8 Investa Office B 55 6.7 Iress Mkt Tech A 80 6.7 Insurance Aust. B 25 6.8 Incitec Pivot B 36 6.9 Hill Kingsgate Cons. B 85 6.1 Hongsgate Cons. B 85 6.1 Hongsgate Cons. B 85 6.2 Iress Mkt Tech A 80 6.3 Hardie D 51 6.4 Lynas Corp Ltd C 19 6.5 James Hardie D 51 6.5 James Hardie D 51 6.6 Macquarie Group B 21 6.7 Macquarie Group B 21 6.8 Macquarie Group B 23 6.9 Milton Corp. A 149 6.9 Milton Corp. A 149 6.1 Martabela Nickel D 17 6.1 Martabela Nickel D 17 6.2 Mirabela Nickel D 17 6.3 Mirabela Nickel D 17 6.4 Narti Aust Bank C 229 6.5 New Hope Corp. A 50 6.5 New Hope Corp. A 50 6.5 New Fopc. B 156	8 1.20 10 12.7 6.8 11.4 7.1 6.6 6.8 1.20 NE 8.0 NE	OZ Minerals Ltd B 1186 3.40 7 0.6 Oil Search Ltd B 627 N/A 43 1.3 Onesteel Ltd B 138 0.30 7 8.0 Orica Ltd B 2444 1.52 7 3.9 Origin Energy B 1388 1.47 21 3.6 Paladin Energy D 222 6.96 NE Nil Panaust Ltd B 363 3.66 15 Nil Perpetual Ltd B 2199 1.89 11 7.5 Platinum Asset B 365 8.25 15 6.0 Premier Invest B 538 0.92 16 6.7 Primary Health B 288 1.09 11 8.7 Q.B.E. Insur. B 1319 0.89 11 9.7 Qantas Airways C 152 0.25 31 Nil REA Group Ltd A 1074 7.10 28 1.5 Regis Resources C 277 N/A NE Nil Rio Tinto Ltd B 7152 0.51 2 1.5 S/Tracks ASX200B 3906 N/A 13 3.5 SP Ausnet B 88 1.61 9 9.1 Seek Ltd B 1170 4.59 20 3.2 Seek Ltd B 1170 4.59 20 3.2 Seek Ltd B 589 7.04 22 2.0 Seven Group B 746 4.24 NE 2.4 Seven Group B 746 4.24 NE 2.4 Seven West Med. B 277 1.56 7 16.2 Sims Metal Mgmt B 1440 0.39 23 2.3 Sonic Health A 1129 1.46 15 5.2 Soul Pattinson A 1210 3.51 13 2.8 Spark Infrastru A 126 5.76 21 10.8 Syark Infrastru A 126 5.76 21 10.8 Sundance Res. C 47 N/A NE Nil Tatts Group Ltd A 141 1.95 18 2.8 Sundance Res. C 47 N/A NE Nil Tatts Group Ltd A 1074 1.9 24 8.2 Tatts Group Ltd A 1074 1.9 1.46 15 5.2 Sundance Res. C 47 N/A NE Nil Tatts Group Ltd A 118 1.19 24 8.2 Tatts Group Ltd A 118 1.19 24 8.2 Tatts Group Ltd A 118 1.19 24 8.2 Tatts Group Ltd A 141 1.95 18 2.8 Tatts Group Ltd B 223 0.87 27 9.4 Telstra A 305 0.40 17 4.6 Tatts Group Ltd B 223 0.87 27 9.4 Telstra A 305 0.40 17 4.6 Tansireld Serv A 305 0.40 17 4.6 Transireld Serv A 305 0.40 17 4.6 Westfarmers Ltd B 2875 0.64 21 4.3 Western Areas B 537 5.67 68 1.1 Westpac Banking C 2047 1.56 10 6.8 Westfield Group C 755 4.81 16 8.4 Westgar Banking C 2047 1.56 10 6.8 Woodside Petrol C 3705 6.77 18 2.9 Woodside Petrol C 3705 6.77 18 2.9 Woodwirks Ltd C 2576 0.61 16 4.5 Worley Group B 2524 1.22 21 3.0 Wotif.com Hold. B 1250 2.97 10 Nil

Recommended Investments

CDL Investments reports revenues down 32.3% to \$3.7 million for the half year to 30 June 2011, with profits down 28.4% at \$1,206,000 (0.5 cent per share). The company does not pay interim dividends.

There was a small operating cash *deficit* of \$179,000 - compared with a surplus of \$1.6 million for the same period last year.

The full year result is expected to be ahead of 2010

- owing to a "notable" increase in sales at the Ashmore (Hamilton) and Millgate (Rolleston) subdivisions during the second quarter which will be settled (i.e. recognised as revenue and profits) in the second half of the year. In addition, the new Brookfield Estate (Hawkes Bay) and CrestView (Auckland) subdivisions have "just been released and both have already attracted positive interest". (Continued on Page 4)

	Portfolio	$\overline{\Omega f}$	Rec	om	me	nd	ed	¹	nve	str	nei	115	
CURRENT	1 origono	o_j	1100	OIII	Perform-		Vola-	Price/	Price/	Gross		Cash	Total
ADVICE	Company	Code	Initial Recomm - Date -	mendation Price	mance Forecast	Shares (mil.)	tility Ratio	Sales Ratio	Earnings Ratio	Dividend Yield		Dividends Rec'd	
l .	NZ Shares												
BUY	CDL Investments Ltd	CDI	12/01/99	25	С	252.8	1.5	7.90	25	5.9	29	20.3	+97%
BUY	Cavalier Corporation	CAV	05/12/95	156*	Α	67.8	1.0	1.08	14	7.3	350	267.0	+296%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	В	32.7	0.5	0.17	15	9.3	231	325.3	+335%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	В	102.3	0.7	2.46	24	3.0	210	77.7	+92%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	В	382.5	0.9	0.78	13	4.4	90	33.4+	2368%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	С	192.2	1.1	0.32	6	8.8	240	398.0	+22%
HOLD	Postie Plus Group	PPG	08/05/06	71	D	40.0	2.0	0.08	15	Nil	22	8.5	-57%
HOLD	Renaissance Corp	RNS	13/08/96	85*	С	45.7	3.1	0.03	15	Nil	13	53.9	-21%
HOLD	Smiths City Group	SCY	09/10/06	64	В	53.0	1.5	0.08	9	6.3	32	15.0	-27%
HOLD	South Port New Zealand	SPN	13/02/96	120	Α	26.2	0.5	3.90	17	5.5	340	139.8	+300%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	В	88.4	8.0	0.57	13	8.6	248	245.6	+238%
l .	Australian Shares (in Aust	cents)											
HOLD	AJ Lucas Group	AJL	13/05/03	120	С	65.3	0.7	0.25	NE	4.1	135	41.0	+47%
		ATP	14/05/96	_	В		2.4	0.89	5		9	_	-63%
	Campbell Brothers Ltd	CPB	12/10/99		Α	67.5	0.2	2.70	23	3.2	4426	679.0+	·1212%
		CDD	14/12/09		Α	90.5	0.4	0.99	13	5.6	520	45.6	+42%
HOLD	•	_	12/02/02		В		1.3	0.29	19	Nil	30	33.4	-54%
HOLD+		CMG	14/08/01	51*	В	467.9	1.3	0.15	15	5.3	38	21.7	+17%
		CIR	10/02/04	188	С	45.2	1.0	10.38	NE	Nil	52	65.0	-38%
BUY	Clarius Group Ltd	CND	08/04/03	82*	В	85.8	1.0	0.17	15	3.7	54	67.5	+48%
BUY	CPT Global Ltd	CGO	10/03/08	88	В	36.9	0.9	0.52	NE	Nil	53	8.8	-30%
BUY	CSG Limited	CSV	11/10/10	175	В	269.9	0.9	0.86	8	5.6	98	2.5	-43%
BUY	Customers Ltd	CUS	11/07/11	83	В	135.5	1.0	0.90	6	10.3	78	Nil	-6%
HOLD+	Devine Ltd	DVN	13/11/06	84*	С	634.9	1.6	0.23	16	4.8	21	18.9	-53%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	В	84.9	1.9	0.25	3	Nil	15	Nil	-70%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	Α	32.2	0.7	1.76	10	6.7	128	26.8	-41%
BUY	Finbar Group Ltd	FRI	12/04/10	106	В	162.5	0.8	0.92	6	8.6	87	11.0	-8%
HOLD	Iluka Resources Ltd	ILU	12/10/04	471	В	415.5	0.3	6.66	0	0.5	1546	72.0	+244%
BUY	Integrated Research	IRI	14/01/08	40	Α	166.8	1.2	1.50	10	7.5	34	11.5	+13%
HOLD	Mnet Group 1	MNZ			С	208.3	4.1	0.64	NE	Nil	2.9	Nil	
	M2 Telecommunications	MTU	09/10/06	33	Α	121.5	0.5	0.88	22	3.4		30.5	+886%
	Melbourne IT	MLB	10/02/04		Α	80.0	0.6	0.70	8	9.0			+342%
	Nomad Building Solutio	NOD	16/08/10	_	С	241.7	-	0.08	1	Nil		Nil	-19%
BUY	Novarise Renewable Res	NOE	14/03/11	25	В	399.3	1.7	1.18	6	4.5	22	Nil	-12%
BUY	Penrice Soda Holdings	PSH	11/07/11	17	В	91.4	1.7	0.10	3	Nil	18	Nil	+6%
BUY	Probiotec Ltd		11/02/08	116	Α	52.8	1.2	0.27	4	9.1	39	9.3	-59%
HOLD+	Prophecy International	PRO	08/09/08	26	В	47.2	1.7	1.68	25	13.9	18	7.3	-3%
HOLD+	Skilled Group Ltd		12/03/02	126	В	222.5	0.6	0.22	30	Nil	197	132.0	+161%
HOLD	Technology One Ltd	TNE	11/11/03	44	Α	300.3	0.7	2.29	17	4.1	104	27.3	+197%
HOLD+	TFS Corporation Ltd	TFC		45	В	238.9	0.8	1.53	5	6.1	78		+105%
BUY	The Reject Shop Ltd		11/01/05	257	В	26.0	0.3	0.53	11	7.0	961	271.5	+380%
	Village Roadshow			77	В	166.5	0.5	0.30	6	Nil	304		+462%
HOLD HOLD BUY HOLD BUY HOLD+ HOLD+ BUY BUY BUY BUY BUY BUY HOLD+ BUY BUY HOLD BUY HOLD BUY HOLD HOLD HOLD HOLD HOLD HOLD HOLD HOLD	South Port New Zealand Steel & Tube Holdings Australian Shares (in Aust AJ Lucas Group Atlas South Sea Pearl Campbell Brothers Ltd Cardno Ltd Cellnet Group Ltd Chandler Macleod Group Circadian Technologies Clarius Group Ltd CPT Global Ltd CSG Limited Customers Ltd Devine Ltd Ellex Medical Lasers Fiducian Portfolio Ser Finbar Group Ltd Iluka Resources Ltd Integrated Research Mnet Group M2 Telecommunications Melbourne IT Nomad Building Solutio Novarise Renewable Res Penrice Soda Holdings Probiotec Ltd Prophecy International Skilled Group Ltd Technology One Ltd TFS Corporation Ltd The Reject Shop Ltd	SPN STU Cents) AJP CPB CDD CLT CMG CND CGO CSV CUS DVN ELX FPS FRI ILU IN MLB NODE PSH PRO SKE TFC TRS VRL	13/02/96 08/08/00 13/05/03 14/05/96 12/10/99 14/12/09 12/02/02 14/08/01 10/02/04 08/04/03 10/03/08 11/10/10 11/07/11 13/11/06 14/03/06 11/02/08 12/04/10 12/10/04 14/01/08 09/10/06 10/02/04 16/08/10 14/03/11 11/07/11 11/02/08 08/09/08 12/03/02 11/11/03 08/01/07 11/01/05 10/08/09	120 146 120 73 389* 399* 147* 51* 188 82* 88 175 83 84* 49 260 106 471 40 33 53 13* 25 17 116 26 126 44 45 257 77	АВ СВААВВСВВВВСВАВВАСВАВВАВВВВВВВВВВВВВ	26.2 88.4 65.3 136.4 67.5 90.5 73.5 467.9 45.2 85.8 36.9 269.9 135.5 634.9 84.9 32.2 162.5 415.5 166.8 208.3 121.5 80.0 241.7 399.3 91.4 52.8 47.2 222.5 300.3 238.9 26.0 166.5	0.5 0.8 0.7 2.4 0.2 0.4 1.3 1.0 0.9 0.9 1.6 1.9 0.7 0.8 0.3 1.2 4.1 0.5 0.6 2.3 1.7 1.7 0.6 0.7 0.8 0.9 0.9 0.9 0.0 0.0 0.0 0.0 0.0	3.90 0.57 0.25 0.89 2.70 0.99 0.15 10.38 0.17 0.52 0.86 0.90 0.23 0.25 1.76 0.92 6.66 1.50 0.08 1.18 0.10 0.27 1.68 0.22 2.29 1.53 0.30	17 13 NE 53 13 19 15 NE 15 NE 8 6 6 10 10 NE 22 8 1 6 3 4 25 30 17 5 17 5 17 5 17 5 17 5 17 5 17 5 17	5.5 8.6 4.1 Nil 3.2 5.6 Nil 5.3 Nil 5.6 10.3 4.8 Nil 6.7 8.6 0.5 7.5 Nil 3.4 9.0 Nil 4.5 Nil 13.9 Nil 4.1 6.1 7.0 Nil 6.1	340 248 135 9 4426 520 30 38 52 54 53 98 78 21 15 128 87 1546 34 2.9 295 167 11 22 18 39 18 197 104 78 961 304	139.8 245.6 41.0 17.5 679.04 45.6 33.4 21.7 65.0 67.5 8.8 2.5 Nil 18.9 Nil 26.8 11.0 72.0 11.5 Nil 30.5 67.0 Nil Nil Nil 9.3 7.3 132.0 27.3 14.2 271.5 129.0	+; +; -122

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +188.0%. This is equal to an average annual rate of +25.3%, 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 152 closed out) is +29.3%, compared with a market gain of +3.8% (by the SRC Total Return Index).

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

^{*} Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

⁽¹⁾ Cellnet Group includes 11/2 shares in Mnet Group distributed to shareholders.

Page 4 Market Analysis

Recommended Investments

(Continued from Page 3)



<u>Cavalier Corporation</u>'s 50% owned Cavalier Wool Holdings received approval from the <u>Commerce Commission</u> to seek to acquire the wool scouring business of <u>Wool Services International</u> but this has been challenged by carpet maker, <u>Godfrey Hirst</u>, and the appeal will be heard in the High Court on 22 August. The Wool Services International directors also oppose selling the company's wool scouring business - but its two biggest shareholders (owning a controlling 64%) are in receivership - so control of the company (i.e. the ability to replace the directors and approve the sale of assets) is in the hands of receivers or any new party who buys those shares from the receivers.





Renaissance Corporation is to repurchase 604,470 shares from its former Managing Director P Johnston in exchange for cancelling a \$355,000 loan. In April 2004 the company issued Johnston with 500,000 options to acquire shares at 67 cents, but these were not exercised as the share price was 55 cents. In May 2008, shareholders approved issuing the 500,000 shares (then worth \$275,000) in return for the non-interest bearing loan (of \$355,000), repayable on 31 May 2011.

Apparently Johnston is "unable to repay the loan" and has "no other assets" other than the 500,000 shares subject to the loan and a further 104,470 shares. In this circumstance, repurchasing of the shares (worth about \$97,000) by cancelling the loan is the best outcome for the company.

Has the company suffered any loss on this? Yes and No. In May 2008 the company issued 500,000 shares

and will now repurchase 604,470 shares - with no cash changing hands. So perhaps the company has *gained* by repurchasing a net 104,470 shares at no cost. A better way to view this is the company *could* have placed those 500,000 shares with investors in May 2008 and received around \$275,000 in cash. Repurchasing 604,470 shares on-market now would cost about \$97,000 - so there is an economic cost of about \$178,000.

The only thing that confuses us is: Why was a person who is unable to manage his own financial affairs (i.e. who has had little or no net wealth and now has a *negative* net worth) appointed to manage the financial affairs of the company? Probably for the same reason that many investors trust their life savings to financial advisers who have had the same lack of success managing their own finances!

Steel & Tube Holdings lifted revenues 1.5% to \$385.8 million over the year to 30 June 2011, but profits recovered 72.1% to \$17,041,000 (19.3 cents per share). A final dividend of 9.0 cents (plus full imputation tax credits) lifts the annual dividend 76.5% to 15.0 cents.

The net operating cash surplus was 48% lower at \$13.9 million.

The company has a strong balance sheet and strong cashflows.

Steel & Tube Holdings



Australian Shares

(This section is in Australian currency, unless stated.) AJ Lucas Group (in voluntary suspension, pending refinancing initiatives) has provided an update of operations for its 40.9% owned Cuadrilla Resources. Fraccing in the Bowland Basin remains suspended pending a seismic report expected by early September. Fraccing of the first three (of 12) stages at the Preese Hall 1 well produced "satisfactory amounts of gas" before being plugged to test gas flows from stages 4 and 5. Drilling of the Grange Hill 1 well has been completed, with preliminary core analysis indicating "similar gas content to Preese Hall 1 over a thicker series of possible pay zones". The drilling rig will begin the Becconsall 1 well this month.

In Hungary, Cuadrilla Resources completed the *BA-E-1* well, earning it a 29.33% interest in **DHH** (an exploration subsidiary of **Delta Hydrocarbon BV**) which owns a 75% interest in the 33,000 acre *Ba-IX Mining Block*. Initial well testing shows "satisfactory flow rates of gas and small amounts of condensate" with "an extended production test into a sales pipeline, beginning

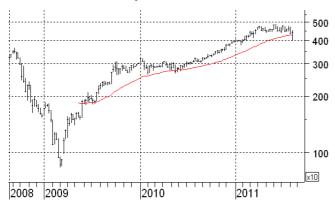
almost immediately". Gas and condensate production is expected before the end of 2011. Cuadrilla Resources has an option to increase its interest in DHH to 58.67% by completing a second well.

<u>Campbell Brothers</u> predicts its first half profit (to September 2011) will be 36-43% higher at \$90-95 million. Earnings for the half year would be 27-34% higher at 133-140 cents per share. For the first 15 weeks of the new financial year the company reports mineral samples up 40% and environmental samples up 9%.

Campbell Brothers has released more information about recently acquired **Stewart Group**. The business generates annual revenues of \$60 million, so was acquired on a Price/Sales ratio of 3.7. That is not cheap, but in line with Campbell Brothers' own P/S ratio of 2.7. This acquisition was financed through the US Private Placement of US\$235 million of 8 and 11 years bonds at a fixed interest rate of 4.72%. That increases interest bearing debts to around \$420 million (although net debt is around \$325 million) with undrawn bank facilities of \$100 million.

The acquisition gives Campbell Brothers entry into the *Inspection and Analysis* of traded commodities, with existing operations in Rotterdam (the "shipping gateway to Europe") and the United Kingdom. Campbell Brothers sees the potential to expand in this business in South America, Australia and China. Stewart Group also owns **G & T**, a small metallurgical business in British Colombia, Canada. This will be used to "accelerate the globalisation" of the group's ALS Ammtec metallurgical business.

Campbell Brothers



<u>Cellnet Group</u> has made an undisclosed, but "not material", cash investment to acquire a "strategic interest" (plus options to increase that shareholding) in **Off Your Trolley**, an online discount grocery retailer launched in March this year. Off Your Trolley will use the new cash to "broaden its product range, upgrade its online platform and expand its marketing strategy". The business offers a wide range of products at 10-80% discounts from *Recommended Retail Prices* with a flat Australia-wide delivery fee (currently \$12) per order.

Cellnet Group has also been "contracted to provide warehousing, distribution and logistics services" to Off Your Trolley. Cellnet Group has issued a total of 1,500,000 options to two Off Your Trolley founders who will be able to buy Cellnet shares at 60 cents in July 2014, subject to Off Your Trolley achieving certain

performance targets which would be "materially value accretive to Cellnet".

Chandler Macleod Group reports revenues 43.0% higher at \$1,168.5 million for the year to 30 June 2011, with *trading* profits up 24.7% at \$12,051,000 (2.6 cents per share). This includes six months' contribution from the acquisition of **Ross Human Directions** and a full year's revenue from that business will add a further \$200 million to future annual revenues. A final dividend of 1.20 cents will lift the annual dividend rate 48.1% to 2.0 cents

The net operating cash surplus increased 3½ fold to \$47.2 million.

The company has "made a good start to the current year", has a "strong pipeline of recent tender wins" which begin this quarter and believes it is winning market share from smaller competitors. It expects "efficiency gains from the new operating system" in the second half of the year and is "projecting continued strong cashflows".

Interest bearing debts are \$62.1 million (i.e. up \$38.0 million), mainly as a result of the \$42.7 million cash (and \$17.9 million in shares) paid to acquire Ross Human Directions and the re-purchase of 20,350,000 shares for \$10.3 million (which will eventually be re-issued under the Senior Executive Share Plan). Strong cashflows should help to further reduce debt levels. The company also has \$68.0 million in undrawn borrowing facilities.

Chandler Macleod Group has "led a consortium" which has acquired an 86% interest in Indonesian based **Advance Career International** (ACI) for \$850,000. The remaining 14% is owned by ACI's Managing Director. ACI has almost 4000 white collar contractors working mainly in banking and telecommunications, plus 47 staff. Earnings for the 2012 financial year are forecast at \$0.5-1.0 million, valuing this acquisition on a low Price/ Earnings ratio of about 2-4.

Chandler Macleod Group



<u>CSG Limited</u> has been awarded the contract to manage nearly 4,000 print devices and annual volumes of 88 million pages for the **University of Sydney**. The five year contract will be rolled out across all campuses with development of a standard cost recovery system integrated with the university's student card.

<u>Customers Ltd</u> has acquired *merchant contracts* to operate ATMs at 124 sites previously serviced by **Aussie ATM**, part of **MyATM Holdings** which listed on the Australian stockmarket in January this year. The vendor is restructuring and (*Continued on Page 6*)

Page 6 Market Analysis

Recommended Investments

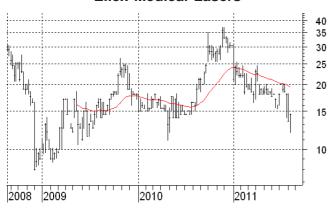
(Continued from Page 5)

rationalising its business and will relocate its existing ATMs (which are owned by third party investors) to new sites, with Customers supplying and installing its own ATMs at each location.

This acquisition - probably at a relatively nominal cost - will be debt funded and will add slightly to group earnings.

Ellex Medical Lasers predicts a 10% fall in revenues for the year to June 2011. 8% of this reflects the strength of the Australian dollar, with a 2% drop in actual sales volumes. This is forecast to result in a "break-even or small loss" for the year.

Ellex Medical Lasers



<u>Finbar Group</u> plans to retain the office and commercial real estate of four projects as long term property investments:

The completed \$70 million *Gateway* office building (64% owned) is expected to generate annual rentals of \$5.2 million and is currently 93% leased with the head tenant taking occupancy in July.

The company will retain 100% ownership of the *Fairlanes Offices* (i.e. the 5 and 6 levels of offices below the two *Fairlanes Residences* towers), due to be completed this financial year. These are valued at \$52 million and expected to generate rental income of \$4.1 million annually.

The ground floor retail and office lots in the *Pelago West* (due to be completed in 2013) and *Pelago East* (completion expected in 2014) in Karratha will be retained. These properties (value \$25 million, rental \$2 million annually) will be 100% owned.

Finbar Group will also retain full ownership of the St

Marks Heritage - which will be refurbished in 2012 and 2013. This \$5 million property is expected to produce \$350,000 in annual rentals.

Overall these projects will give the company \$127 million (61 cents per share) in long term property investments and annual rental income of \$9.8 million (4.7 cents) and change the company from a property developer to a property developer and investor.

<u>Iluka Resources</u> has upgraded its forecast production volumes for the current year ending 31 December 2011. <u>Total forecast volumes have been upgraded 10%</u> from 1,400 thousand tonnes (predicted in February 2011) to 1,545 thousand tonnes.

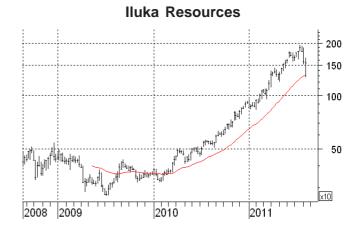
Production costs will be higher - reflecting the higher volumes - but unit production costs will be steady at around \$560/tonne. Capital expenditure will be 70% higher at \$170 million as the company expands production to take advantage of a supply shortage and higher mineral sands prices.

For the six months to 30 June 2011, mineral sands production rose 16.7% to 795.3 thousand tonnes. Cash production costs *fell* 5.8% to \$549/tonne, while revenues increased 48.8% to \$1,164/tonne. Gross margins (i.e. before interest, depreciation and overheads) would therefore have increased 3-4 times. That should lift the first half result from a small *loss* last year to a net profit of around \$200 million (50 cents per share).

With sales prices rising a further 50-70% in the second half of the year, higher production volumes *and* lower costs, the annual net profit *could be around* \$750 million (180 cents per share). That is up on the \$470 million we estimated last month and we shall update this estimate as additional information is released by the company.

Iulka Resources is to re-start mining at the *Eneabba* mining area (which was closed in mid-2010) and upgrade and re-start its third synthetic rutile kiln for at least three years. This will "create significant value from modest capital expenditure". Mining will restart at the end of 2011 and processing in the first quarter of 2012. Capital expenditure of \$35 million will be made to recommence mining, upgrade the *Narngulu* mineral processing plant (by 300 thousand tonnes annually) and on major maintenance of the number 3 synthetic rutile kiln. This will raise the groups' total synthetic rutile production over 50%, Zircon production 5% and Rutile production about 10% from early 2012.





Iluka Resources has signed a farm-in agreement with **ERO Mining** under which Iluka Resources will earn a 51% interest in eight mineral sands tenements on incurring \$150,000 in exploration over the next year, increasing to an 80% interest on spending a further \$150,000 in the second year. ERO Mining will retain the rights to other minerals, plus additional payments and royalties if Iluka Resources decides to mine.

Nomad Building Solutions has won two additional contracts for **Rio Tinto**'s Pilbara iron ore expansion projects. Under a \$6.3 million contract the company will design and manufacture 120 accommodation rooms and four laundries for the **Western Turner Brockman Project**, with delivery due by 30 September this year. Nomad Building Solutions has entered a joint venture with **Austal** to manufacture and assemble some of these buildings using Austal's "skilled workforce and high-tech manufacturing facility" at the *Australian Marine Complex*.

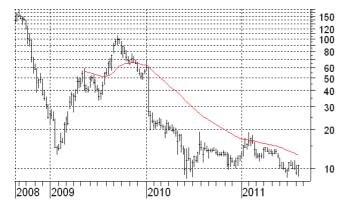
The second \$2.5 million contract is to design and manufacture administration, communication and recreational facilities for the **Cape Lambert Port "B" Project**, with delivery by the end of October.

The company states that its restructuring, new management and improved internal processes have "strengthened the design, estimating, scheduling and project management capabilities of the business" and that it is "well positioned to win a significant ongoing share of this type of work in the future".

Nomad Building Solutions has formally completed the extension of its bank credit facilities through to 31 August 2012.

To become a successful "recovery" investment, Nomad Building Solutions needs simply to survive, win a reasonable volume of new business and improve its operations to return to profitability. The company appears to be achieving those goals, although the share price remains depressed. "Buy".

Nomad Building Solutions



<u>Novarise Renewable Resources</u> reports June quarter receipts of \$21.9 million. That is up 29% on the June 2010 quarter and up 45% on the March 2011 quarter.

Penrice Soda expects to announce a *loss* of around \$1.5 million for the year to June 2011. This *excludes* a further loss of \$3.0 million which will be covered by an insurance payout in the new financial year. This is in line with forecasts made in May. In addition, the company

will write-down asset values by \$20-25 million (after tax), but this is a non-cash accounting entry.

The company has announced a "strategic review" to "reduce debt" and "improve operating performance". This will initially involve (1) reducing staff numbers by 10% (mainly at its corporate centre and Chemical business), saving \$2 million annually, (2) reviewing pricing policies, with price increases for its export business, improving margins from October and adding about \$2 million to revenues and (3) a major drilling programme (to be completed by April 2012) at its mine to "better understand and value the mine to JORC compliance" and a then develop a new mine plan. Of course, raising export prices to match higher market prices should be considered regular day to day management rather than a strategic review!

The company has concluded "in-principle" its banking agreements through to March 2013, with an additional \$10 million working capital facility to September 2012.

Penrice Soda completed a kiln reline at the soda ash plant in July, increasing output and reliability, with a second kiln reline planned this half year. It has begun supplying a new Japanese customer with premium grade sodium bicarbonate and started supplying the *Urban Superway Joint Venture* with "large quantities of civil products for the construction of the *South Road Superway* project". A pilot plant to extract salts and purify water from coal seam gas extraction projects is expected to be constructed and operational in the current financial year.

The company also plans to improve margins with a new sodium bicarbonate packaging line, lower electricity costs (following a competitive tender) and "new briquetting technology" to reduce the cost of kiln fuels.

Penrice Soda estimates the new carbon tax, effective from 1 July 2012, would cost it around \$6 million (after tax), without any assistance. The company, however, is an "emission intensive trade exposed (EITE) entity" which should entitle it to the government's maximum 94.5% "assistance". That will reducing the net carbon tax cost to about \$500,000.

London City Equities has been successful in gaining access to Penrice Soda's documents relating to hedging losses, superannuation benefits shortfall, total debt, accounting treatment of aggregates and landfill, profit and dividend forecasts for 2008-2010. London City Equities is seeking to take action against the directors and has also sold 1,503,016 shares, reducing its holding from 8.29% to 6.65%.

Prophecy International Holdings has announced the acquisition of the business of **Intersect Alliance** for about \$2.4 million (i.e. 3,000,000 Prophecy International shares plus almost \$2 million in cash). The company's *Snare Server* security software provides "event monitoring, log collection, analysis, reporting and archiving for future audit" for large commercial and government organisations. The software is already used by "thousands of organisations worldwide", "recognised as leaders in their field" and Prophecy International sees "a very large potential for expansion through news sales and marketing activities". This new business (*Continued on Page 8*)

Page 8 Market Analysis

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.

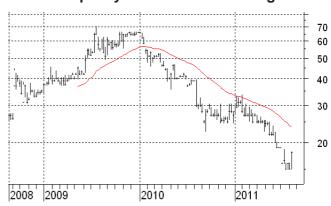
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Company	Share	Cur-	4-Wk	Rank	Pisco No.	<u> </u>	to	on t	til- Earı	. dend	Sales	Market	Company	Share	Cur-	4-Wk	Rank	nsid US-Si	<u>88</u>	o or	til-	Earn.	dend	Sales	Market
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SmithsCity	32			21	8-0	- (4 1		6.3	0.08	17	Smiths City	32		+0.2	21	8-0	- 0		4 0.8	9	6.3	0.08	17
ColMotorCo	231			35	0-0	- (0.6	4 0			0.17	76	Sky City Ltd	340	+4.3	-2.0	15	7-0	1 2	.6 1		14	6.5	2.35	1,955
Turners&Grow.	173	+5.5	-2.0	14	1-0	- (0.7	4 0	.8 16	3.5	0.23	195	Comvita	169	+3.2	+0.1	19	8-1	- 0	.7	5 0.6	13	2.5	0.58	48
AlliedWork.	185	+19.5	+1.4	1	0-0	- :	2.5	16 0	.8 15	7.9	0.50	48	PortTauranga	910	+8.7	-1.1	7	5-0	- 1	.8	7 0.4	27	4.6	8.24	1,220
Steel & Tube	248	+2.0	-2.5	27	3-0		1.4	11 0	.8 13	8.6	0.57	219	Briscoe Group	139	+2.0	-1.9	26	4-0	- 2	.2 1	0.6	14	9.2	0.70	295
Comvita	169	+3.2	+0.1	19	8-1	- (0.7	5 0			0.58	48	Steel & Tube	248	+2.0	-2.5	27	3-0	- 1			13	8.6	0.57	219
Briscoe Group	139	+2.0	-1.9	26	4-0				.8 14		0.70	295	FreightwaysLtd	326	+2.3	-1.8	24	4-1		.2 1		17	6.1	1.52	501
RestaurantBrds	235	+0.1	-1.7	38	0-0	- :		41 0	.6 10	10.3	0.71	230	AMP Office Trt	84	+2.2	+1.3	25	2-0	- 1		- 0.5	NE	8.4	6.07	838
MainfreightGrp	1005		-0.8	3	0-6				.5 23		0.74	990	Hellaby Hold.	220	+4.3	-2.6	16	1-0		.4 2		12	5.2	0.83	160
Opus Int'l Cons	200		-4.1	29	0-0				.8 13		0.76	284	SkyNetworkTV	575	+2.8	-1.1	20	1-0	2 22		- 0.4	22	3.5	3.02	2,238
Michael Hill	90	+4.2		16	1-2			17 0			0.78	344													_,
Hellaby Hold.	220	+4.3		16	1-0			27 1			0.83	160	OVER-VALUEDSH	ARES.	Highes	Price/9	Sales	Ratins	Relati	∕e Stren	ath∠0				
Telecom Corp	245	+9.8		4	0-1				.7 1		0.89	4.706	NZWindfarms	15		+0.5	73	0-0	- 0		- 1.3	NE	Nil	9.22	44
Delegat's Group	200	+0.3		37	0-0		1.5	3 0			0.91	201	Vital Health PT	109	-58.3		97	0-0	- 1		5 0.4	21	8.7	5.51	156
Scott Tech. Ltd	137	+6.2		13	0-0				.8 12		0.99	54	BlisTechnology	6	-13.1		84	0-0			- 1.7		Nil	4.72	9
													Charlie's Group	43	-58.3	+0.0	98	0-3	- 7	.7 1		51	Nil	4.00	126
BESTPERFORMIN	IGSH/	RFS:S	tronge	stShar	res P/F	-20	P/S < 1	0					Metro. LifeCare	195	-3.3	-1.6	59	0-0	- 0			4	Nil	3.80	239
Allied Work.		+19.5		1	0-0			16 0	.7 15	7.9	0.50	48	NZRefiningCo	325	-9.9	-4.6	77	0-0	- 1		4 0.5	39	Nil	3.64	910
Telecom Corp	245		+2.1	4	0-1	3			.6 1		0.89	4,706	NPT Limited	49	-1.2	+0.2	45	0-0	- 0		- 0.6		9.2	3.37	95
Finzsoft Sol'ns	33		+1.0	10	0-0	- (19 0			0.40	3	TrustPowerLtd	715	-0.8	-1.4	44	0-0	- 1		3 0.3	20	7.3	2.94	2,250
Scott Tech. Ltd	137	+6.2	-0.9	13	0-0				.7 12		0.99	54	NZ Oil & Gas	63	-11.5	-4.9	81	0-0	- 0		- 0.7	NE	11.3	2.50	248
Turners&Grow.	173			14	1-0		0.7		.6 16		0.23	195	Lyttelton Port	210	-1.2	-1.1	49	0-0	- 1		7 0.4	24	3.0	2.46	215
Hellaby Hold.	220	+4.3		16	1-0			27 1			0.83	160	F&PHealth.	224	-7.9	-3.9	72	2-1	2 3			18	7.8	2.30	1,164
Michael Hill	90	+4.2	-1.6	16	1-2			17 0			0.78	344	. ar riodini			0.0							0	2.00	.,
Comvita	169	+3.2		19	8-1	- (5 0			0.58	48	WORSTPERFORM	IING SL	IADES	Maaka	et Sh	arae E	/C Pati	o > 0 25	Viold	Twice	Δνατα	no.	
Smiths City	32		+0.2	21	8-0		0.4	4 1			0.08	17	Charlie's Group	43	-58.3	+0.0	98	0-3	75 - 7			51	Nil	4.00	126
Briscoe Group	139			26	4-0	- :		16 0			0.70	295	WNDriveTech.	20	-34.3		96	0-0	- 14		- 1.1		Nil	0.48	13
Steel & Tube	248	+2.0	-2.5	27	3-0				.7 13		0.57	219	Rubicon Limited	50	-27.0	-6.6	94	2-0	- 0		- 0.4		Nil	0.30	142
Opus Int'l Cons	200	+1.8	-4.1	29	0-0			23 0			0.76	284	WindflowTech.	50	-22.4	-2.8	91	0-0	- 0		- 0.5		Nil	0.25	6
F&PAppliance	56	+1.4		32	1-1	1 (.3 12		0.36	406	Mowbray Collect	50	-13.8	-5.0	86	0-0	- 1		- 0.4		Nil	1.66	6
ColMotorCo	231	+1.0	-1.8	35	0-0		0.6		.4 15		0.17	76	SmartpayNZLtd	15	-13.2	-1.2	85	0-0			- 0.8		Nil	0.38	18
RestaurantBrds	235		-1.7	38	0-0			41 0		10.3	0.71	230	BlisTechnology	6	-13.1	+7.3	84	0-0			- 1.6	NE	Nil	4.72	9
. toolaala na na				00	0 0		0.0	0			0	200	Sealegs Corp	13	-11.8	-2.6	82	0-0	- 2	1	- 1.5		Nil	1.02	12
INCOMESHARES													Ocalogo Corp		11.0	2.0					- 0.8		Nil	N/A	174
	 Higha 	oblaiV to	Canit	alicatio	n ~ N/2	'¢1∩∩	million						Heartland BS	58	-102	-3.0	79	()-()							8
									8 6	13.8	0.43	164	Heartland BS Heritage Gold	58 2	-10.2 -10.2	-3.0 -1.0	79 79	0-0				NF	Nil	N/A	
Pumpkin Patch	98	-16.2	-0.4	88	4-0	1	2.0	32 0		13.8	0.43	164 248	Heritage Gold	2	-10.2	-1.0	79	0-0	- 0	.7	- 2.7	NE 39	Nil Nil	N/A 3.64	910
Pumpkin Patch NZ Oil & Gas	98 63	-16.2 -11.5	-0.4 -4.9	88 81	4-0 0-0	1 :	2.0 0.6	32 0	.8 NE	11.3	2.50	248	Heritage Gold NZ Refining Co	2 325	-10.2 -9.9	-1.0 -4.6	79 77	0-0 0-0	- 0 - 1	.7 .7	- 2.7 4 0.4	39	Nil	3.64	910 10
Pumpkin Patch NZ Oil & Gas Restaurant Brds	98 63 235	-16.2 -11.5 +0.1	-0.4 -4.9 -1.7	88 81 38	4-0 0-0 0-0	1 :	2.0 0.6 3.9	32 0 - 0 41 0	.8 NE	11.3	2.50 0.71	248 230	Heritage Gold NZ Refining Co NZ Wine Company	2 325 119	-10.2 -9.9 -9.1	-1.0 -4.6 -2.5	79 77 75	0-0 0-0 0-0	- 0 - 1 - 0	.7 .7 .6	- 2.7 4 0.4 - 0.5	39 NE	Nil 2.4	3.64 0.79	10
Pumpkin Patch NZ Oil & Gas Restaurant Brds Warehouse Group	98 63 235 336	-16.2 -11.5 +0.1 -1.2	-0.4 -4.9 -1.7 -1.4	88 81 38 46	4-0 0-0 0-0 5-3	1 :	2.0 0.6 3.9 3.5	32 0 - 0 41 0 27 0	.8 NE .5 10	11.3 10.3 10.2	2.50 0.71 0.63	248 230 1,046	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac	2 325 119 10	-10.2 -9.9 -9.1 -8.9	-1.0 -4.6 -2.5 -3.5	79 77 75 74	0-0 0-0 0-0 1-0	- 0 - 1 - 0	.7 .7 .6 .4	- 2.7 4 0.4 - 0.5 - 1.7	39 NE NE	Nil 2.4 Nil	3.64 0.79 0.99	10 10
Pumpkin Patch NZOil & Gas Restaurant Brds Warehouse Group Tower Limited	98 63 235 336 143	-16.2 -11.5 +0.1 -1.2 -10.2	-0.4 -4.9 -1.7 -1.4 -3.2	88 81 38 46 78	4-0 0-0 0-0 5-3 0-1	1 :	2.0 0.6 3.9 3.5 0.9	32 0 - 0 41 0 27 0 13 0	.8 NE .5 10 .4 13	11.3 10.3 10.2 10.0	2.50 0.71 0.63 0.62	248 230 1,046 373	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd	2 325 119 10 86	-10.2 -9.9 -9.1 -8.9 -8.7	-1.0 -4.6 -2.5 -3.5 -5.5	79 77 75 74 74	0-0 0-0 0-0 1-0 0-0	- 0 - 1 - 0 - 0	.7 .7 .6 .4	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9	39 NE NE 19	Nil 2.4 Nil Nil	3.64 0.79 0.99 0.86	10 10 164
Pumpkin Patch NZ Oil & Gas Restaurant Brds Warehouse Group Tower Limited Telecom Corp	98 63 235 336 143 245	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1	88 81 38 46 78 4	4-0 0-0 0-0 5-3 0-1 0-1	1 : 2 : 2 : 3	2.0 0.6 3.9 3.5 0.9 1.9	32 0 - 0 41 0 27 0 13 0 16 0	1.8 NE 1.5 10 1.4 13 1.7 6 1.5 11	11.3 10.3 10.2 10.0 9.8	2.50 0.71 0.63 0.62 0.89	248 230 1,046 373 4,706	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac	2 325 119 10	-10.2 -9.9 -9.1 -8.9 -8.7	-1.0 -4.6 -2.5 -3.5	79 77 75 74	0-0 0-0 0-0 1-0	- 0 - 1 - 0	.7 .7 .6 .4	- 2.7 4 0.4 - 0.5 - 1.7	39 NE NE 19	Nil 2.4 Nil	3.64 0.79 0.99	10 10
Pumpkin Patch NZ Oil & Gas Restaurant Brds Warehouse Group Tower Limited Telecom Corp Briscoe Group	98 63 235 336 143 245 139	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9	88 81 38 46 78 4 26	4-0 0-0 0-0 5-3 0-1 0-1 4-0	1 : 2 : 2 : 3 : - : :	2.0 0.6 3.9 3.5 0.9 1.9 2.2	32 0 - 0 41 0 27 0 13 0 16 0 16 0	.8 NE .5 10 .4 13 .7 6 .5 14	11.3 10.3 10.2 10.0 9.8 9.2	2.50 0.71 0.63 0.62 0.89 0.70	248 230 1,046 373 4,706 295	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd NZ Windfarms	2 325 119 10 86 15	-10.2 -9.9 -9.1 -8.9 -8.7 -8.3	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5	79 77 75 74 74 73	0-0 0-0 0-0 1-0 0-0 0-0	- 0 - 1 - 0 - 0 - 0	.7 .7 .6 .4 .8	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9	39 NE NE 19	Nil 2.4 Nil Nil	3.64 0.79 0.99 0.86	10 10 164
Pumpkin Patch NZ Oil & Gas RestaurantBrds WarehouseGroup Tower Limited TelecomCorp BriscoeGroup Air New Zealand	98 63 235 336 143 245 139	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9	88 81 38 46 78 4 26 66	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : 1 : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	1.8 NE 1.5 10 1.4 13 1.7 6 1.5 11 1.6 14 1.8 15	11.3 10.3 10.2 10.0 9.8 9.2 8.9	2.50 0.71 0.63 0.62 0.89 0.70 0.29	248 230 1,046 373 4,706 295 1,206	Heritage Gold NZ Refining Co NZWine Company Dorchester Pac Rakon Ltd NZWindfarms	2 325 119 10 86 15	-10.2 -9.9 -9.1 -8.9 -8.7 -8.3	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5	79 77 75 74 74 73	0-0 0-0 0-0 1-0 0-0 0-0	- 0 - 1 - 0 - 0 - 0	.7 .7 .6 .4 .8 .4	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2	39 NE NE 19 NE	Nil 2.4 Nil Nil Nil	3.64 0.79 0.99 0.86 9.22	10 10 164 44
Pumpkin Patch NZ Oil & Gas RestaurantBrds Warehouse Group Tower Limited Telecom Corp Briscoe Group Air New Zealand Vital Health PT	98 63 235 336 143 245 139 112	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3 -58.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9 +0.0	88 81 38 46 78 4 26 66 97	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : - : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8 1.0	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	.8 NE .5 10 .4 13 .7 (.5 11 .6 14 .8 15 .5 2	11.3 10.3 10.2 10.0 9.8 9.2 8.9 8.7	2.50 0.71 0.63 0.62 0.89 0.70 0.29 5.51	248 230 1,046 373 4,706 295 1,206 156	Heritage Gold NZ Refining Co NZWine Company Dorchester Pac Rakon Ltd NZWindfarms INSIDER SELLING Air New Zealand	2 325 119 10 86 15 :MostIrr	-10.2 -9.9 -9.1 -8.9 -8.7 -8.3	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5 elling, F +1.9	79 77 75 74 74 73 Relativ 66	0-0 0-0 0-0 1-0 0-0 0-0 ve Stree	- 0 - 1 - 0 - 0 - 0 - 0	.7 .7 .6 .4 .8 .4	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2	39 NE NE 19 NE	Nil 2.4 Nil Nil Nil 8.9	3.64 0.79 0.99 0.86 9.22	10 10 164 44 1,206
Pumpkin Patch NZ Oil & Gas RestaurantBrds WarehouseGroup Tower Limited TelecomCorp BriscoeGroup Air New Zealand	98 63 235 336 143 245 139	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9 +0.0	88 81 38 46 78 4 26 66	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : 1 : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8 1.0	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	.8 NE .5 10 .4 13 .7 (.5 11 .6 14 .8 15 .5 2	11.3 10.3 10.2 10.0 9.8 9.2 8.9 8.7	2.50 0.71 0.63 0.62 0.89 0.70 0.29	248 230 1,046 373 4,706 295 1,206	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd NZ Windfarms INSIDER SELLING Air New Zealand Charlie's Group	2 325 119 10 86 15 :Mostlr 112 43	-10.2 -9.9 -9.1 -8.9 -8.7 -8.3 -5.3 -58.3	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5 elling,F +1.9 +0.0	79 77 75 74 74 73 Relativ 66 98	0-0 0-0 1-0 0-0 0-0 0-0 /e Stree 1-11 0-3	- 0 - 1 - 0 - 0 - 0 - 0 ngth< 1 0 - 7	.7 .7 .6 .4 .8 .4 .9 .8 .7	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2 5 0.6 5 0.9	39 NE NE 19 NE	Nil 2.4 Nil Nil Nil 8.9	3.64 0.79 0.99 0.86 9.22 0.29 4.00	10 10 164 44 1,206 126
Pumpkin Patch NZ Oil & Gas RestaurantBrds Warehouse Group Tower Limited Telecom Corp Briscoe Group Air New Zealand Vital Health PT	98 63 235 336 143 245 139 112	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3 -58.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9 +0.0	88 81 38 46 78 4 26 66 97	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : - : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8 1.0	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	.8 NE .5 10 .4 13 .7 (.5 11 .6 14 .8 15 .5 2	11.3 10.3 10.2 10.0 9.8 9.2 8.9 8.7	2.50 0.71 0.63 0.62 0.89 0.70 0.29 5.51	248 230 1,046 373 4,706 295 1,206 156	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd NZ Windfarms INSIDER SELLING Air New Zealand Charlie's Group Infratil NZ	2 325 119 10 86 15 :MostIr 112 43 172	-10.2 -9.9 -9.1 -8.9 -8.7 -8.3 -5.3 -58.3 -2.0	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5 elling, F +1.9 +0.0 -1.4	79 77 75 74 74 73 Relativ 66 98 52	0-0 0-0 0-0 1-0 0-0 0-0 ve Stree 1-11 0-3 1-4	- 0 - 1 - 0 - 0 - 0 - 0 ngth< 1 0 - 7 - 1	.7 .7 .6 .4 .8 .4 .4 .7 .8 .7	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2 5 0.6 5 0.9 6 0.5	39 NE NE 19 NE 15 51	Nil 2.4 Nil Nil Nil Nil 8.9 Nil 5.6	3.64 0.79 0.99 0.86 9.22 0.29 4.00 0.48	10 10 164 44 1,206 126 1,037
Pumpkin Patch NZ Oil & Gas RestaurantBrds Warehouse Group Tower Limited Telecom Corp Briscoe Group Air New Zealand Vital Health PT	98 63 235 336 143 245 139 112	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3 -58.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9 +0.0	88 81 38 46 78 4 26 66 97	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : - : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8 1.0	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	.8 NE .5 10 .4 13 .7 (.5 11 .6 14 .8 15 .5 2	11.3 10.3 10.2 10.0 9.8 9.2 8.9 8.7	2.50 0.71 0.63 0.62 0.89 0.70 0.29 5.51	248 230 1,046 373 4,706 295 1,206 156	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd NZ Windfarms INSIDER SELLING Air New Zealand Charlie's Group Infratil NZ Fletcher Build.	2 325 119 10 86 15 :Mostlri 112 43 172 762	-10.2 -9.9 -9.1 -8.9 -8.3 -5.3 -58.3 -2.0 -1.6	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5 elling, F +1.9 +0.0 -1.4 -3.7	79 77 75 74 74 73 Relativ 66 98 52 50	0-0 0-0 0-0 1-0 0-0 0-0 ve Stree 1-11 0-3 1-4 2-4	- 0 - 1 - 0 - 0 - 0 - 0 ngth< 1 0 - 7 - 1 3 1	.7 .7 .6 .4 .8 .4 .4 .0 .8 .7	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2 5 0.6 5 0.9 6 0.5 9 0.5	39 NE NE 19 NE 15 51 16 17	Nil 2.4 Nil Nil Nil Nil 8.9 Nil 5.6 4.6	3.64 0.79 0.99 0.86 9.22 0.29 4.00 0.48 0.68	10 10 164 44 1,206 126 1,037 4,625
Pumpkin Patch NZ Oil & Gas RestaurantBrds Warehouse Group Tower Limited Telecom Corp Briscoe Group Air New Zealand Vital Health PT	98 63 235 336 143 245 139 112	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3 -58.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9 +0.0	88 81 38 46 78 4 26 66 97	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : - : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8 1.0	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	.8 NE .5 10 .4 13 .7 (.5 11 .6 14 .8 15 .5 2	11.3 10.3 10.2 10.0 9.8 9.2 8.9 8.7	2.50 0.71 0.63 0.62 0.89 0.70 0.29 5.51	248 230 1,046 373 4,706 295 1,206 156	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd NZ Windfarms INSIDER SELLING Air New Zealand Charlie's Group Infratil NZ Fletcher Build. PGG Wrightsons	2 325 119 10 86 15 :MostIr 112 43 172	-10.2 -9.9 -9.1 -8.9 -8.7 -8.3 -5.3 -58.3 -2.0 -1.6 -4.5	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5 elling, F +1.9 +0.0 -1.4 -3.7 -0.2	79 77 75 74 74 73 Relativ 66 98 52	0-0 0-0 0-0 1-0 0-0 0-0 ve Stree 1-11 0-3 1-4	- 0 - 1 - 0 - 0 - 0 - 0 ngth < 1 0 - 7 - 1 3 1	.7 .7 .6 .4 .8 .4 .0 .8 .7 .1 .0	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2 5 0.6 5 0.9 6 0.5 9 0.5 4 0.8	39 NE NE 19 NE 15 51	Nil 2.4 Nil Nil Nil 8.9 Nil 5.6 4.6 Nil	3.64 0.79 0.99 0.86 9.22 0.29 4.00 0.48	10 10 164 44 1,206 126 1,037
Pumpkin Patch NZ Oil & Gas RestaurantBrds Warehouse Group Tower Limited Telecom Corp Briscoe Group Air New Zealand Vital Health PT	98 63 235 336 143 245 139 112	-16.2 -11.5 +0.1 -1.2 -10.2 +9.8 +2.0 -5.3 -58.3	-0.4 -4.9 -1.7 -1.4 -3.2 +2.1 -1.9 +0.0	88 81 38 46 78 4 26 66 97	4-0 0-0 0-0 5-3 0-1 0-1 4-0 1-11	1 : 2 : 2 : 3 : - : 1	2.0 0.6 3.9 3.5 0.9 1.9 2.2 0.8 1.0	32 0 - 0 41 0 27 0 13 0 16 0 16 0 5 0	.8 NE .5 10 .4 13 .7 (.5 11 .6 14 .8 15 .5 2	11.3 10.3 10.2 10.0 9.8 9.2 8.9 8.7	2.50 0.71 0.63 0.62 0.89 0.70 0.29 5.51	248 230 1,046 373 4,706 295 1,206 156	Heritage Gold NZ Refining Co NZ Wine Company Dorchester Pac Rakon Ltd NZ Windfarms INSIDER SELLING Air New Zealand Charlie's Group Infratil NZ Fletcher Build.	2 325 119 10 86 15 :Mostlr 112 43 172 762 46	-10.2 -9.9 -9.1 -8.9 -8.3 -5.3 -58.3 -2.0 -1.6	-1.0 -4.6 -2.5 -3.5 -5.5 +0.5 elling, F +1.9 +0.0 -1.4 -3.7	79 77 75 74 74 73 Relativ 66 98 52 50 64	0-0 0-0 1-0 0-0 0-0 ve Stree 1-11 0-3 1-4 2-4 0-1	- 0 - 1 - 0 - 0 - 0 - 0 ngth < - 7 - 1 3 1 1 0 2 0	.7 .7 .6 .4 .8 .4 .4 .8 .4 .7 .1 .0 .5 .6 .9	- 2.7 4 0.4 - 0.5 - 1.7 4 0.9 - 1.2 5 0.6 5 0.9 6 0.5 9 0.5 4 0.8	39 NE NE 19 NE 15 51 16 17 14 6	Nil 2.4 Nil Nil Nil 8.9 Nil 5.6 4.6 Nil 10.0	3.64 0.79 0.99 0.86 9.22 0.29 4.00 0.48 0.68 0.30	10 10 164 44 1,206 126 1,037 4,625 349

Recommended Investments

(Continued from Page 7) will generate a "larger number of smaller sales transactions", diversifying Prophecy International's existing business which produces a small number of large transactions.

The Intersect Alliance business is expected to generate profits of \$750,000 to \$1,000,000 this financial year (i.e. to June 2012), so is being acquired on a very low Price/Earnings ratio of $2\frac{1}{2}-3$.

Prophecy International Holdings



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.

Control Cont	Company	Share Price	STREM Cur- rent	NGTH R 4-Wk Chg.	ATING Rank 0-99	Insider Buy-Sell	Following 4	rice R to NTA E	teturn Vola on til- equity ity	e- Price Earn. Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	STREM Cur- rent	NGTH R 4-Wk Chg.	ATING Rank 0-99	Insider Buy-Sell	Brokers Following	Price F to NTA	Return Vola on til- Equity ity	a- Price Earn. Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n
Countingfield Counting Coun	OVER-VALUEDSH	HARES:	Highes	tPrice/	Sales I	Ratios.	Relati	ve Str	rength<0					Quest Petroleum	0	-33.8	+2.4	97	0-0	-	-	- 4.5	NE	Nil	N/A	16
Nonemarkenger			-						-	17	4.5	9.92	110	AED Oil Ltd	15	-33.6	-1.1	97	2-0	-	-	- 0.8	NE	Nil	N/A	29
European Separate	Aurora Prop B-W	477	-1.1	-1.3	30	0-0	- 0).9	18 0.2	5	10.9	9.78	17	Eromanga H/C	3	-33.2	-2.2	97	0-0	-	-	- 1.6	NE	Nil	N/A	6
Particular Par	•	4					-	-							26					-	-					
Payment Paym																										
More Marching 5 104 90 91 90 91 91 92 93 94 94 94 94 95 94 94 95 95																										
Maniformine																										
Description 1	•													•												
SMPTHORN 167	•																									
Authorithy																										
No. Principally 22																				-	-					
Description	•	28	-4.4	-1.7	42	1-0	- 0	0.6	8 0.6	7	Nil	8.86	38	Raisama Ltd	10	-29.5	+2.9	95	0-0	-	-	- 1.0	NE	Nil	1.18	
MAMARCHELT 105	Antisense T.	1	-15.6	-6.5	74	0-0	-	-	- 4.1	1	Nil	8.75	5	Quantum Energy	3	-29.3	-2.7	95	0-0	- (8.0	28 1.8	3	Nil	0.31	25
Pursimum	De Grey Mining	3	-16.8	-2.0	77	0-0	-	-	- 1.7	NE	Nil	8.72	8	WaterResources	6	-29.3	+1.4	95	2-0	-	-	- 1.3	NE	Nil	N/A	12
Path-rums Sant 285 92 1.6 57 0.0 4 - 0.0 3 56 0.8 222 2.9 98 Path-rums Sant 44 287 7.1 40 66 -0.5 50 0.0 - 1.0 1 1 1 1 1 1 1 1 1	WAMActiveLtd	105	-0.8		29		- 0).9			7.6			Carbine Res.	15	-29.1		95	0-0	-	-	- 0.9		Nil		
Auroland Pine 192 29 18 80 00 0.0 0.0 0.0 0.0 18 106 0.0 106 0.0 0.0 18 106								1.6					,	•												
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MeFicial Misson 147 27 28 20 20 2 5 5 30 28 5 5 5 5 5 5 5 5 5														,												
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Bauche Rescord 17 1/76 27 79 20 20 20 20 20 20 20 2		91	-14.6			0-0	- 2	2.9			Nil	7.91		Cumamona En.				93	0-0					Nil	N/A	
Excelaimined	Jindalee Res.	31	-17.4	-0.5	78	8-0	-	-	- 0.7	NE	Nil	7.89	10	CarnarvonPet.	17	-27.5	-0.1	93	2-0	6 4	4.1	52 0.7	8	Nil	1.74	113
No.	Bauxite Res.	17	-17.6	-2.7	79	2-0	-	-	- 0.8	NE	Nil	7.86	39	Marenica Energy	4	-27.1	+4.2	93	3-0	-	-	- 1.6	NE	Nil	N/A	16
Mishelawen Coal Mishelawen	Excela Limited	21	-14.2	-1.6	71	0-0	- ().7	- 0.7	NE	9.5	7.78	6	Silver Swan Grp	10	-27.1	-0.2	93	1-0	-	-	- 1.0	NE	Nil	N/A	5
Semisficial Color Mine General Color Mine Gen	٠,														4											
Pelican Res. Peli													,	•												
Camindale Prop A 22 4.0 4.0 4.0 5 6.0 5 6.0 5 6.0 2 4.0 5 7.0 4.0 5 7.0 4.0 7.														0 0,												
Refuncion Refu																										
MikohCorp. Mik																										
SeekLtd Seek													,													
New Content								3.8																		
Makesearch Fig. Makesearch Fig. Makesearch Fig. Fig													,	٠,						- (0.8					
Paladin Energy 22 21.6 3.6 3.7 3.0 5 1.5 3.0 4 1.5 5 1.5 5 3.0 5 1.5 5 5 5 5 5 5 5 5 5	Wotif.com Hold.	456	-3.8	-4.3	40	0-0	8	-	- 0.2	18	4.7	7.03	956	·												
Transurbanding 49 9. 0.2 1.8 27 40 5 1.8 3 0.2 64 54 6.95 7.20 HeartwareInc. 165 9.8 0.1 50 0.6 1 0.1 0.0 0.	WAMResearch	69	-2.2	-0.9	34	2-0	- (8.0	9 0.4	9	8.7	7.03	82	INSIDER SELLIN	G:MostIr	nsider S	elling, F	Relati	ve Stre	ength <	:0					
CamavaleRes. 7 2.55 2.6 92 0.0 2 0.0 1.0 2 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	Paladin Energy	222						1.5			Nil	6.96	1,592	TamawoodLtd	214	-7.0	-3.1	51	0-6			31 0.2		9.8	0.80	
Modicial Perior ASA Limited 289 -7.2 -7.4 -7.5																										
Modeside Petrol 3705 5.5 5.4 46 6.2 6.2 2.0 2.0 2.0 2.0 5.0																										
Pelican Res. 5 266 2.7 23 2.0														•												
Abacus Property 196 1.9													29,025	•												
DeutscheindTr 196													711													
AustRen. Fuels																										
CFS Retail Prop 158 3-2. 3-1.																										
MORSTPERFORMING SHARES: West-Street Street S	CFS Retail Prop	158	-2.3	-1.5	34	0-0	3 (8.0	6 0.3	13	7.9	6.35	3,954		2917	-5.5	-2.2	46	0-3	6 4	4.9	29 0.1		2.7	4.05	
WORSTPERFORMING SHARES: Washes in Function of Marking Strates and Production of Marking Strates in Function of Marking Strates in Funcion of Marking Strategies in Funcion of Marking Strates in Funcion of Marking Strategies in Func	MotopiaLtd	3	-24.1	-5.6	90	3-0	-	-	- 1.8	NE	Nil	6.31	8	Kardoon Gas	377	-17.1	-6.0	78	0-3	-	-	- 0.3	NE	Nil	N/A	669
NavigatorRes														Tangiers Petrol	24	-6.2	-2.6	48	0-3	-	-	- 0.7	NE	Nil	N/A	17
ViewResources 1 -40.1 -14.8 99 0-0 - - 2.3 NE Nii 2.92 5 ForgeGroupLid 483 -2.4 -5.6 34 0-3 -5.0 39 0.3 1.3 1.4 1.54 380 WaratahRes. 29 -39.5 -5.5 99 0-0 - - 0.6 NE Nii NVA 7 CocaColaAmatil 1105 -1.6 -1.7 32 0-3 4 7.5 64 0.1 12 4.1 1.86 8,354 BureyGoldLtd 10 -39.5 -2.6 98 1-0 - - 0 NE Nii N/A 17 ClimeInvMgmt 39 -3.6 -2.7 39 4-7 -0.8 14 0.5 6 5.8 2.0 2 -0.0 1.0 4.34 4.0 2 -0.1 4.9 4.0 0 2 0 3.5 -0.0 9							/SRat	io>0.	25, Yield	<twice< td=""><td>Avera</td><td>ge</td><td></td><td>RGMMediaLtd</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></twice<>	Avera	ge		RGMMediaLtd												
WaratahRes. 29 39.5 5.5 99 0.0 - - 0.0 NE NII NVA 7 CocaCola Amatil 1105 -1.6 -1.7 32 0.3 4 7.5 64 0.1 12 4.1 1.86 8,385 BureyGoldLtd 10 -39.5 -2.6 98 1.0 - - 1.0 NE NII NVA 17 ClimeInvMgmt 39 -3.6 -2.7 39 4.7 - 0.8 14 0.5 5.8 3.26 20 BerkeleyRes. 38 -38.7 -2.7 98 0.1 - - 0.0 NE NII NVA 52 Domino'sPizza 635 -0.1 -1.3 26 0.2 4 9.1 45 0.2 3.5 4.7 4.0 4.0 0.2 - 0.0 3.2 - 0.0 0.2 - 0.0 0.2 0.0 3.5 1.0 0.0	· ·																									
Burey Gold Ltd 10 - 39.5 - 2.6 - 9.8 - 1.0 - 2 - 1.0 -																										
BerkeleyRes. 38 -38.7 -2.7 98 0.1 - 0.7 NE NII NVA 52 Domino's Pizza 635 -0.1 -1.3 26 0.2 4 9.1 45 0.2 3.5 1.76 434 NthnManganese 15 -37.1 +0.8 98 0.0 - - - 0.8 NE NII NVA 11 NamoiCotton 39 -1.0 60 0.2 - 0.3 2 0.4 19 NiI 0.09 37 A1 Minerals Ltd 3 -8.6 +0.4 98 0.0 - - - 1.6 NE NII V/A 1.3 6 HunterHGlobal 76 -3.2 -2.2 38 0.2 - 0.7 9 0.3 8 7.9 N/A 20 GoConnect Ltd 1 -36.3 -5.4 98 0.0 - 0.8 1.1 NE NII <																										
Nth Manganese 15 37.1 +0.8 98 0.0 0.8 NE NE NI NA 11 NamoiCotton 39 -10.0 -1.0 60 0.2 - 0.3 2 0.4 19 NI NI NA 209 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	•													•												
A1 Mineral SLtd 3 3 -36.7 +0.4 + 98 + 0.0 + 0.7	•																									
GoConnectLtd 1 -36.3 -5.4 98 0.0 2.9 NE NI NI NA 7 BrockmanRes. 320 -18.7 -4.5 81 0.2 1 0.4 NE NI NI NA 436 MecResources 13 -34.7 +0.2 97 0.1 - 0.8 -1.1 NE NI NI NA 15 GalaxyRes. 65 -25.2 -3.3 91 0.2 0.4 NE NI	•																									
MecResources 13 -34.7 +0.2 97 0.1 - 0.8 - 1.1 NE NII N/A 15 GalaxyRes. 65 -25.2 -3.3 91 0.2 - 0.4 NE NII N/A 97 PharmaxisLtd 110 -34.2 -10.1 97 1.1 1 2.5 - 0.4 NE NII N/A 247 James Hardie 518 -4.9 +0.1 44 0.2 4 - - 0.2 NE NII N/A 2,65 Vmoto Ltd 2 -34.0 +3.2 97 5.0 - 1.0 1.0 1.0 NIE NII N/A 247 James Hardie 518 -4.9 +0.1 44 0.2 4 - - 0.2 NIE NII 1.00 2,265 Vmoto Ltd 2 -34.0 +3.2 97 5.0 1.0 1.0 0.55 10 K2 AssetMgmt 72																										
PharmaxisLtd 110 -34.2 -10.1 97 1-1 1 2.5 - 0.4 NE NiI N/A 247 JamesHardie 518 -4.9 +0.1 44 0.2 4 0.2 NE NiI 1.90 2,265 VmotoLtd 2 -34.0 +3.2 97 5-0 - 1.0 - 1.9 NE NiI 0.55 10 K2AssetMgmt 72 -7.6 -3.8 53 0.2 -10.3 96 0.4 11 10.1 4.02 167																										
VmotoLtd 2 -34.0 +3.2 97 5-0 - 1.0 - 1.9 NE Nil 0.55 10 K2AssetMgmt 72 -7.6 -3.8 53 0-2 -10.3 96 0.4 11 10.1 4.02 167														•							-					
ManhattanCorp 31 -33.9 -2.2 97 9-0 0.7 NE Nil N/A 28 MineralDeposit 453 -11.4 -3.1 63 0-2 1 6.8 - 0.3 NE Nil 1.55 343	Vmoto Ltd	2				5-0					Nil	0.55	10	K2AssetMgmt	72	-7.6		53			0.3				4.02	
	Manhattan Corp	31	-33.9	-2.2	97	9-0	-	-	- 0.7	NE	Nil	N/A	28	Mineral Deposit	453	-11.4	-3.1	63	0-2	1 (8.6	- 0.3	NE	Nil	1.55	343

Australian Warrant / Option Analysis

1 1000			Yr/Mth		Disale	0-6	01	0.00	0-6	Durch			Yr/Mth	_	Disale	Outon	Share Option	0	Decel
Company	Share	Exercise		Option	Black- Scholes	Option Over/	Vola-	Option Lever-	Options to Buy	Break- Even	Company	Share	Exercise to	Option	Black- Scholes	Over/	Vola- Lever-	Options to Buy	Break- Even
	Price	Price	Expiry	Price	Valuation		tility	age	1 Share	Rate		Price	Price Expiry	Price	Valuation		tility age	1 Share	Rate
						Valued										Valued			
Actinogen	3.0	20	4-1	0.5	1.3	-61	1.05	1.40	1.0	+60	Convergent Minerals	3.7	8.0 0-1	1.0	0.0	+999	1.01 9.99	1.0	+999
Actinogen Ltd	3.0	50 (0-11	0.1	0.0	+948	1.05	3.85	1.0	+999	Convergent Minerals	3.7	20 0-4	0.1	0.0		1.01 6.42	1.0	+999
Activex Ltd	3.5	8.0 ()-11	0.4	0.3	+39	0.79	3.09	1.0	+160	Copper Range Ltd	3.4	1.5 1-4	1.9	2.3		0.97 1.36		+0
Advance Energy	1.0	3.0	1-0	0.2	0.2	-4	1.24	1.98	1.0	+220	CoppermolyLtd	8.5	7.0 0-3	1.2	1.9		0.57 3.63		-13
Africa Iron	30	20	2-3	12.5	19.8	-37	1.00	1.31	1.0	+4	Corazon Mining Ltd	13	20 1-8	4.0	6.1		1.23 1.45		+48
Alcyone Resources	9.6	160	0-1	2.4	0.0	+999	0.80	9.99	1.0	+999	Coretrack Ltd	9.0	25 1-3	2.1	0.6		0.70 3.17	1.0	+142
Allied Healthcare	5.8	4.0	0-4	2.0	2.5	-21	1.28	1.88	1.0 1.0	+11 -100	Cortona Resources	15 19	20 0-5 25 2-5	4.3 3.8	0.8		0.54 5.48		+218 +19
Altura Mining Anaeco Ltd	16 6.0	15 100	0-0 0-9	0.9	2.5	-64 +999	0.72	1.88 6.88	1.0	+999	Cove Resources Curnamona Energy	8.0	25 2-5 35 2-3	3.0	4.6 0.8		0.49 2.36 0.72 2.45		+100
Antipa Minerals	15	20	1-7	4.2	0.0	+890	0.02	8.00	1.0	+35	Dart Mining	6.0	10 0-4	0.7	0.0		0.72 2.43		+467
Antisense Therapeutics			0-11	0.3	0.1	+250	0.83	2.66	1.0	+152	Datamotion Asia Pac.	0.1	1.0 1-8	0.1	0.0		1.63 1.47		+316
ApexMinerals	0.9	6.0	1-2	0.2	0.0	+999	0.84	3.47	1.0	+402	Datamotion Asia Pac.	0.1	0.5 1-7	0.1	0.0		1.63 1.41	1.0	+210
Aphrodite Gold	11	20	2-4	2.6	2.3	+13	0.64	2.17	1.0	+39	DelectaLtd	1.7	0.8 0-4	0.7	0.9	-25	0.99 1.72	1.0	-31
Apollo Minerals	6.5	25	0-3	0.1	0.0	+999	0.74	9.99	1.0	+999	Diatreme Resources	8.8	15 2-1	2.7	2.3	+17	0.70 2.03	1.0	+40
Arafura Pearls	1.0	5.0	0-9	0.1	0.0	+999	0.78	4.89	1.0	+778	Dourado Resources	19	20 3-3	5.0	8.8		0.64 1.61	1.0	+9
ArgentinaMining	15	20	3-6	4.9	6.2	-21	0.63	1.67	1.0	+15	Dragon Energy	13	35 1-3	1.1	1.2		0.79 2.78		+132
Astro Diamond Mines	0.4	5.0	1-3	0.2	0.0	+986	1.18	2.47	1.0	+678	Eagle Nickel	2.4	20 4-4	0.4	0.8		0.96 1.49		+64
Astro Mining	0.4 7.6	5.0 8.0	1-3 0-8	0.1 3.5	0.0 1.7	+443	1.18 0.73	2.47 2.68	1.0 1.0	+666 +86	Eagle Nickel	2.4 7.7	30 0-10 20 2-10	0.1 2.5	0.0 2.0		0.96 4.43 0.75 1.87		+999 +46
Athena Resources Atlantic Ltd	157	0.8	0-6		156.2	-104	0.73	1.01	1.0	+00 -28	Eden Energy Eldore Mining	0.3	3.0 1-4	0.1	0.0		0.75 1.87		+46 +476
Atticus Resources	18	20	1-1	2.5	1.7	+50	0.73	5.22	1.0	+23	Elemental Minerals	137	20 0-5		116.9		0.82 1.17		-3
Attila Resources	32		2-10	8.1	20.1	-60	0.75	1.38	1.0	-4	Emerald Oil & Gas	4.2	5.0 1-0	1.0	1.0		0.70 2.47	1.0	+43
Audalia Resources	20	20	2-8	3.0	2.7	+13	0.08	6.40	1.0	+5	Eneabba Gas	2.0	15 1-10	0.2	0.1		0.90 2.46		+202
Aurium Resources	3.3	3.5	1-1	2.2	1.1	+95	0.85	1.96	1.0	+66	Eneabba Gas Ltd	2.0	20 0-10	0.8	0.0	+999	0.90 4.63		+999
AusgoldLtd	145	20	1-7	121.0	127.4	-5	0.95	1.13	1.0	-2	EnergioLtd	2.2	100 1-7	0.2	0.0	+315	1.24 2.46	1.0	+999
Aust China Holdings	0.3	2.0	2-4	0.1	0.2	-43	1.68	1.24	1.0	+130	EnerjiLtd	1.8	20 5-4	0.3	1.0		1.16 1.24		+58
Aust Minerals & Mining		20	0-2	0.1	0.0			9.30	1.0	+999	Enterprise Metals Ltd	16	25 0-10	4.0	2.0		0.72 3.05		+108
Aust Mines Ltd	1.8		1-10	0.6	1.7	-64	1.44	1.06	1.0	-36	Env. Clean Tech.	0.9	2.0 2-5	0.5	0.2		0.66 2.17		+54
Aust Renewable Fuels		1.0	0-4 1-4	1.0 0.6	0.8 0.2	+22 +228	0.60	2.14 2.83	1.0 1.0	+42 +179	Envirogold Ltd	17 14	15 0-4 20 1-10	4.4 3.2	3.9 3.9		0.71 3.12 0.70 2.05		+49 +32
Aust-American Mining Austex Oil Ltd	2.7 8.3	10 25	0-3	0.6	0.2	+999	0.51	9.99	1.0	+999	Equator Resources Eromanga H/carbons	2.8	20 1-10	0.1	0.0		0.70 2.05 0.78 4.75		+32 +759
Austin Exploration	2.9		1-10	0.6	0.4	+66	0.54	2.85	1.0	+49	Erongo Energy Ltd	19	10 1-10	9.5	13.0		1.13 1.27	1.0	+3
Austin Exploration	2.9		0-10	0.3	0.1	+173	0.54	4.58	1.0	+126	Euroz Ltd	150	75 2-6	80.0	87.7		0.46 1.59		+1
Austin Exploration	2.9	10	0-3	0.1	0.0	+999	0.54	9.99	1.0	+999	ExaltResources	19	20 4-4	4.0	5.8		0.30 2.34	1.0	+6
Austindo Resources	1.9	1.5 (0-10	0.2	0.7	-73	0.79	2.00	1.0	-12	ExaltResources	19	20 4-4	4.0	5.8	-31	0.30 2.34	1.0	+6
Australasia Gold	57	10	1-8	6.6	52.4	-87	1.84	1.06	1.0	-53	ExcaliburMining	0.2	6.0 1-4	0.1	0.0	+345	1.64 1.85	1.0	+999
Australian Oil Company	,	20	0-4	1.8	0.5	+248	0.81	4.70	1.0	+499	Exoma Energy Ltd	15	10 1-1	6.0	6.0		0.57 2.05		+10
Authorised Investment		8.0	1-6	1.0	1.2	-20	1.80	1.31	1.0	+155	FYI Resources	6.5	15 0-10	1.0	0.3		0.67 3.98		+195
AutoTechnologyGrp	2.4		0-10	1.0	0.1	+749	0.90	3.21	1.0	+388	Fairstar Resources	5.9	10 0-0	0.3	0.3		0.69 3.98		+999
Auzex Resources Avanco Resources	46 7.2	20 1.5	0-6 0-8	26.0 5.6	26.9 5.9	-3 -5	0.83	1.65 1.20	1.0 1.0	+0 -2	Ferrowest Ltd Ferrum Crescent	8.9 17	25 0-10 40 2-4	5.6 2.8	0.4 3.1		0.78 3.58 0.68 2.19		+340 +50
BPHEnergy	3.5	20	0-3	0.2	0.0	+999	0.99	8.17	1.0	+999	Firestone Energy	1.5	4.0 2-4	0.4	0.4	+14			+48
Bassari Resources	5.6		0-10	0.2	0.0	+6	0.86	3.51	1.0	+366	Forge Resources	43	20 2-11	25.0	34.5		1.14 1.15		+2
Benitec Ltd	2.6	10	2-7	0.4	0.5	-24	0.81	1.95	1.0	+70	Forte Consolidated	20	20 2-8	6.5	6.8		0.46 2.08		+11
BenitecLtd	2.6	4.0	2-4	1.1	1.0	+11	0.81	1.68	1.0	+33	GBEnergy	1.4	20 0-1	0.1	0.0		1.39 9.99		+999
Berkeley Resources	38	75	1-9	8.5	9.8	-13	0.85	1.97	1.0	+59	GBMResources	7.5	20 1-10	2.5	2.1	+20	0.98 1.80	1.0	+82
Biodiem Ltd	9.0	23	0-9	1.2	0.4	+212	0.78	3.71	1.0	+274	GRG International	12	20 1-10	3.3	2.4	+40			+44
Bioprospect	0.7	3.0	2-4	0.2	0.2	-16	1.13		1.0	+92	Geodynanics Ltd	29	55 0-7	2.2	2.1		0.84 3.48		+230
Biotron Ltd	10	10	0-4	2.2	2.0		0.86	3.03	1.0	+82	Global Geoscience	3.8	25 1-0	0.7	0.1		0.97 3.20		+576
Black Ridge Mining Blackham Resources	0.7 20	1.5 25	1-4 0-2	0.2 1.0	0.2 0.9		1.17 0.72	1.72	1.0 1.0	+95 +382	Global Nickel Gold Aura Ltd	2.0 3.4	10 0-10 3.0 0-10	0.5 1.6	0.0 1.1	+999 +50	0.87 3.86 0.70 2.29		+631 +44
Botswana Metals	7.7		1-10	3.5	3.0		0.72	1.71	1.0	+36	Gold One International		50 1-1	11.5	12.6		0.70 2.29		+16
Boulder Steel Ltd	7.5	10	0-7	1.8	1.3		0.86	2.80	1.0	+117	Golden Gate Petrol.	0.9	8.0 1-0	0.2	0.0		0.72 5.50		+811
Bounty Industries	2.5	20	0-4	0.3	0.0		0.00	9.99	1.0	+999	Golden State Res	1.3	2.0 3-5	0.5	0.7		0.94 1.35		+21
Brazilian Metals	10	20	2-7	3.0	5.3	-44	1.14	1.36	1.0	+38	Gondwana Resources	0.4	1.0 1-10	0.2	0.1	+63	1.01 1.74	1.0	+82
Bright Star Resources	13	10	1-1	4.0	4.9	-19	0.72	1.95	1.0	+11	Grand Gulf Energy	0.4	1.5 1-10	0.1	0.1	-32	1.28 1.54	1.0	+113
Broken Hill Prospecting		20	2-6	2.5	2.1		0.48	2.60	1.0	+29	Greater Bendigo GM	2.0	5.0 0-7	0.6	0.0		0.62 6.03		+484
Brumby Resources	15	8.0	0-1	4.0	6.5		0.60		1.0	-90	Green Rock Energy	1.4	3.6 1-7	0.3	0.1		0.61 3.15		+91
Buccaneer Energy Ltd	8.3	10	1-3	4.7	2.4		0.77	2.09	1.0	+58	Greenvale Mining	9.0	30 0-4	1.5	0.0		0.93 5.90		+999
Burleson Energy Buxton Resources	4.3 24	10 30	2-1 4-5	0.9 9.0	0.8 15.1		0.69	2.27 1.29	1.0 1.0	+56 +12	Gt Western Explor. Gulf Mines Ltd	40 1.5	30 0-10 15 1-5	17.5 0.2	16.1 0.2		0.78 1.97 1.36 1.89		+23 +413
C @ Ltd	8.5	1.0	0-8	7.8	7.6		0.85	1.12	1.0	+12	Gulf Resources	3.5	10 1-7	0.2	0.2		0.99 1.95		+104
CO2Group	18	12	0-2	6.0	5.9		0.73	2.71	1.0	+15	Havilah Resources	55	50 2-2	22.0	22.9		0.63 1.78		+14
Cape Range Ltd	0.5	0.8	1-5	0.0	0.0		0.26	7.35	1.0	+51	Hawthorn Resources	1.6	10 1-6	0.4	0.1		1.01 2.31	1.0	+248
Capitol Health	3.5	5.0	0-8	1.0		+384		4.76	1.0	+124	Hawthorn Resources	1.6	20 0-8	0.2	0.0		1.01 4.86		+999
Cardia Bioplastics	0.8	1.5 (0-10	0.2	0.0		0.58	4.22	1.0	+147	Health Corporation	1.3	120 0-3	0.1	0.0	+999	0.58 9.99		+999
Carnavale Resources	7.0	20	1-6	1.0	0.6		0.71	2.80	1.0	+108	HealthlinxLtd	2.3	10 2-4	8.0	0.2		0.67 2.62		+94
Catalpa Resources	146	10	0-2		135.6		0.47	1.07	1.0	-100	Hill End Gold	4.5	10 2-9	1.1	0.8		0.59 2.28		+40
Cauldron Energy	13	45	1-2	1.0	1.1		0.93		1.0	+205	Hill End Gold	4.5	15 0-6	0.8	0.0	+999		1.0	+999
Celamin Holdings	39	20	2-7	19.0	29.1		1.05	1.21	1.0	+0	Horseshoe Metals	17	20 0-10	5.5	7.3		1.35 1.63		+63
Central Petroleum	6.6	16 16	2-7 0-7	0.2	2.5		0.95	1.58	1.0	+42	IFS Construction Serv		27 0-10	0.1	0.0		0.86 5.42		+999
Central Petroleum Challenger Energy	6.6 13	16 20 (2.3 4.4	0.4 3.4	+465 +29	0.95 1.14	3.33 1.99	1.0 1.0	+474 +123	Impedimed Ltd Ind Minerals Corp	59 24	72 1-2 35 1-9	15.0 6.0	6.9 4.3	+119 +39	0.41 3.84 0.55 2.59		+41 +37
Chrysalis Resources	10		1-10	1.8	2.6		0.83	1.96	1.0	+53	IndagoResources	390	35 3-2		386.0	-87		1.0	-38
Clancy Exploration	5.2		1-11	1.5	0.2	+551		3.57	1.0	+83	Intermin Resources	13	18 0-9	2.4	0.8	+194			+82
Cokal Ltd	68	20	0-5	46.0	48.5		0.90	1.39	1.0	-7	Intra Energy Corp	28	25 0-0	2.0	0.8	+145			-100
Con Tin Mines	6.5	20	2-4	1.3	2.8		1.18	1.45	1.0	+66	Invictus Gold	13	25 4-3	1.8	5.4		0.73 1.53		+20
Continental Coal	2.9	5.0	1-6	1.3	0.2	+461	0.47	3.65	1.0	+70	Invictus Gold	13	20 0-5	0.4	0.6	-38	0.73 4.51	1.0	+224

Company	Share Exercise Price Price E		Black- on Scholes e Valuation	Over/	Vola- tility	Option Lever- age	Options to Buy 1 Share	Break- Even Rate	Company		Yr/Mth Exercise to Price Expiry		Black- Scholes /aluatior	Over/		_ever-	Options to Buy 1 Share	Even
Iron Mountain Mining		0-5 0.8		+412	0.91	4.55	1.0	+999	Peninsula Minerals Ltd	5.9	3.0 0-10	3.3	3.2	+3	0.72	1.70	1.0	+8
Ironclad Mining		0-7 8.6		+386	0.38	6.93	1.0	+99	Pharmaust Ltd	2.7	10 1-7	0.2	0.3			2.53	1.0	+132
Island Sky Australia Jacka Resources		0-3 0.4 0-2 0.5		+999 +158	1.46 0.87	2.89 6.46	1.0 1.0	+999 +999	Phoenix Gold Phoenix Gold	23 23	25 3-3 20 0-6	9.5 6.8	6.7 4.4			2.30 4.05	1.0 1.0	+13 +36
Jacka Resources		1-4 2.		+37	0.87	2.21	1.0	+92	PhylogicaLtd	6.8	15 0-0	0.1	4.4			4.05	1.0	+999
Jatenergy Ltd		2-6 4.4		-31	1.38	1.26	1.0	+51	PhylogicaLtd	6.8	9.0 4-10	3.6	2.9			1.67	1.0	+14
Kairiki Energy		0-0 0.° 2-9 1.2		-98 -45	1.59 0.71	1.26 1.97	1.0 1.0	+999 +45	Poseidon Nickel	17 3.0	92 0-3 20 0-2	2.5 0.1	0.0			9.99 9.99	1.0 1.0	+999 +999
Kalgoorlie Mining Co Key Petroleum		2-9 1.2 0-3 0.1		+999	0.71	9.99	1.0	+999	Power Resources Prima Biomed	18	2.0 0-2	16.0	16.0			9.99 1.12	1.0	+999
Kidman Resources		2-3 13.0		-32	0.85	1.39	1.0	+3	PromesaLtd	60	20 1-3	35.0	46.8			1.20	1.0	-7
Kilgore Oil & Gas		-10 0.1		+599	1.84	2.07	1.0	+999	Proto Res & Inv	4.2	5.0 0-4	0.2	0.6			3.47	1.0	+90
Kingsrose Mining Labtech Systems		1-4 120.0 -10 0.5		-1 +119	0.45	1.16 2.67	1.0 1.0	+0 +154	Proto Res & Inv Proto Res & Inv	4.2 4.2	25 2-4 20 0-0	0.5 0.1	0.5 0.5			2.16 2.16	1.0 1.0	+117 +999
Labtech Systems		-10 8.0		+999	0.78	2.67	1.0	+202	Quantum Resources	0.6	10 0-8	0.1	0.0			6.72	1.0	+999
Latin Resources		1-7 5.			0.61	2.39	1.0	+35	Quantum Resources	0.6	5.0 1-3	0.1	0.0			3.33	1.0	+454
Legacy Iron Ore		1-4 11.5 0-4 5.0		-14 +70	0.80	1.47 3.52	1.0 1.0	+0 +156	Queensland Mining	5.7 23	20 0-9 45 0-8	1.0 3.4	0.0 1.8			5.04 3.34	1.0 1.0	+469
Legacy Iron Ore Legacy Iron Ore		0-4 5.0 1-4 8.0		+70 -25	0.80	1.66	1.0	+100	Radar Iron Radar Iron	23 0.5	45 0-8	0.1	0.0			3.34 1.00	1.0	+205 +999
Liberty Resources		-10 2.2			0.96	1.61	1.0	+35	Ram Resources	1.4	3.0 0-7	0.3	0.1			2.88	1.0	+335
Lindian Resources		0-4 2.0		-24	0.91	3.01	1.0	+79	Range Resources	23	5.0 0-4	19.0	18.1			1.27	1.0	+14
Lion Energy Lonrho Mining		0-0 0.′ -10 0.'		-96 +999	0.84	3.01 6.65	1.0 1.0	+999 +793	Red Sky Energy Regal Resources	0.8 1.4	2.0 0-0 6.0 0-2	0.1 0.1	18.1			1.27 5.78	1.0 1.0	+999 +999
MEC Resources		-10 0.\ -11 4.(-54	1.58	1.22	1.0	+38	Regalpoint Resources		20 2-7	5.0				2.34	1.0	+33
Macqarie Harbour	83 20	1-0 63.0	0 65.3	-4	1.05	1.24	1.0	+0	Regis Resources	277	100 1-2	180.0	183.2	-2	0.50	1.49	1.0	+1
Magellan Financial Gr		-10 25.0		+124	0.32	3.17	1.0	+22	Regis Resources		200 0-8	72.0	92.9			2.57	1.0	-3
Magnesium Int'l Mamba Minerals		0-9 0.9 -10 1.2			0.63	6.74 1.63	1.0 1.0	+755 +49	Regis Resources Resolute Mining	277 135	50 2-5 60 0-4	231.0 <i>2</i> 75.5	232.8 75.5			1.19 1.78	1.0 1.0	+1 +2
Manas Resources Ltd		0-1 0.6			0.88	6.68	1.0	+607	Resource Mining Corp		0.8 0-7	0.1	0.1			2.75	1.0	+174
Marion Energy		1-3 0.3		+60	0.87	2.29	1.0	+108	Resource Star Ltd	4.2	20 1-1	0.8	0.2			3.17	1.0	+338
Marion Energy Matilda Zircon		0-3 0. ⁻ 2-4 1.0		+999 +7	0.87	9.99	1.0 1.0	+999 +24	Resources Base Riedel Resources	3.5 9.5	5.0 0-3 20 1-3	2.0 1.5	0.0 0.4			9.52 4.32	1.0 1.0	+999 +92
Metal Storm Ltd		2-4 1.0 0-0 0.1		-89	0.83	1.60	1.0	+999	Rimfire Pacific Mining	3.9	4.0 0-0	0.1	0.4			4.32 4.32	1.0	+999
Metminco Ltd		1-3 9.9		+45	0.73	2.11	1.0	+41	Royal Resources	16	10 0-2	5.1	5.6			2.76	1.0	-15
Midas Resources		1-3 1.0			0.76	2.19	1.0	+56	Royal Resources Ltd	16	12 2-2	8.0	6.2			2.03	1.0	+12
Millennium Minerals Millepede Int'l		1-6 0.4 0-7 0.1		+132 +524	0.76 1.54	2.77 2.76	1.0 1.0	+134 +999	Samson Oil & Gas Saracen Mineral Hold.	11 68	1.5 1-4 10 1-10	9.3 46.0	9.6 58.4			1.15 1.16	1.0 1.0	-1 -10
MindaxLtd		0-7 0. 0-3 1.0		+999	0.43	9.99	1.0	+999	Scandinavian Res	41	25 0-2	23.0	16.4	+40		2.41	1.0	+157
Minerals Commodities		1-4 2.0		-69	1.27	1.50	1.0	+40	Scotgold Resources	6.5	8.0 0-8	0.9	1.2			2.74	1.0	+60
Mining Projects Group Mithril Resources		-10 1.6 0-1 0.4		-31 +999	0.68	1.07 9.99	1.0 1.0	-11 +999	Select Vaccines Sherwin Iron	0.5 10	0.2 1-11 14 0-10	0.3 1.9	0.4 1.5			1.19 2.99	1.0 1.0	+0 +73
Modena Resources		0-1 0.2 2-4 0.3		-83	1.35	1.28	1.0	+39	Siburan Resources	18	20 1-1	1.1	3.7			2.99 2.80	1.0	+16
Moko.mobi Ltd		-11 2.0		-27	0.90	1.67	1.0	+33	SierraMining	19	10 3-4	12.5	13.4			1.28	1.0	+5
Monax Resources		0.9		+999	0.60	9.99	1.0	+999	Sino Gas & Energy	6.3	13 1-4	0.8	1.2			2.24	1.0	+75
Monitor Energy Montezuma Mining		0-0 0.′ 0-0 7.′		+999 +999	2.15 0.98	9.99	1.0 1.0	+999 -100	Sino Gas & Energy Souls Private Equity	6.3 6.5	50 0-4 20 3-5	0.4 0.8	0.0			9.99 6.91	1.0 1.0	+999 +41
MotopiaLtd		0-5 0.2		+999	1.00	6.43	1.0	+999	Sth Amer Ferro Metals		20 3-4	4.5	9.3			1.45	1.0	+11
Mundo Minerals		2-8 2.		-33	0.86	1.64	1.0	+38	Sthn Crown Res	22	35 1-4	8.2				2.86	1.0	+66
Mutiny Gold NKWE Platinum Ltd		-11 6.5 0-0 1.4		+5 -77	1.00	1.31	1.0 1.0	+12 +999	Stirling Resources Stirling Resources	2.0 2.0	4.0 0-10 15 0-10	0.8 0.1	0.1			3.61 6.50	1.0 1.0	+186 +999
Navigator Resources		0-3 0.1			1.39	5.35	1.0	+999	Stonehenge Metals	7.5	10 1-3	4.5	2.5			1.89	1.0	+68
NemexResources	23 20	2-7 8.	1 8.3	-3	0.45	2.04	1.0	+9	Stratatel Ltd	3.3	10 0-1	0.1	0.0	+999	0.58	9.99	1.0	+999
Neurodiscovery		0-5 0.7		+221	0.95	3.61	1.0	+489	Structural Monitoring	0.7	0.9 1-10	0.2	0.4	-44		1.45	1.0	+25
New Age Exploration New Horizon Minerals		0-7 3.5 3-4 3.5			1.00	2.03	1.0 1.0	+32 +5	Structural Monitoring Syndicated Metals	0.7 12	0.9 1-7 20 0-4	0.1 1.9	0.3	-70 +702		1.52 6.33	1.0 1.0	+21 +508
Nex Metals Explor.		0-3 0.9		+659		6.16	1.0	+999	Synergy Metals	15	1.0 4-3	4.0	14.3	-72		1.04	1.0	-23
Noble Mineral Res	66 35 1				0.51	1.66	1.0	+6	Synergy Metals	15	3.0 0-0	0.1	14.3			1.04	1.0	-100
Norwest Energy NL Nthn Mining	3.7 10 0 4.5 6.0	-10 1.0 2-4 1.9			0.67 1.20		1.0 1.0	+270 +27	Tangiers Petroleum Target Energy Ltd	24 8.2	16 2-2 10 1-2	12.5 2.0	15.5 3.5	-19 -43		1.33 1.62	1.0 1.0	+8 +39
Nthn Mining		0-4 1.8					1.0	+114	Tasman Resources	6.0	10 0-10	1.3		+145		3.49	1.0	+114
Nthn Uranium		0-7 43.			0.89	1.31	1.0	-1	Terrain Minerals Ltd	2.0	8.0 1-4	0.4				3.54	1.0	+193
Nthn Uranium Ltd Nusep Ltd		1-1 40.0 1-0 0.1			0.89	1.36 3.71	1.0 1.0	+2 +205	Thundelarra Explo. Trafford Resources	30 33	20 1-7 70 0-11	21.0 5.0	15.3 0.4	+37 +999	0.72	1.64 6.18	1.0 1.0	+22 +149
OBJ Ltd		0-4 1.0				2.44	1.0	+63	Tranzact Financial	18	25 1-2	0.2	2.5			3.15	1.0	+33
Odin Energy		1-3 0.			0.90	4.40	1.0	+999	Triton Gold Ltd	4.8	25 2-4	1.0	0.6	+79		2.24	1.0	+106
Odyssey Energy Oil Basins	3.8 5.0 3.0 4.0 2	3-4 1.7 -10 1.5			0.88		1.0 1.0	+19 +24	Tyrian Diagnostics United Uranium	0.4 9.0	1.2 2-4 20 0-10	0.1 1.5	0.1 0.4	-20 +267		1.68 3.89	1.0 1.0	+66 +184
Oil Basins Ltd	3.0 4.0 2				0.52		1.0	+24	UranLtd	2.0	8.0 0-10	0.2				3.68	1.0	+402
Orchid Capital	4.3 5.0	0.6	5 1.2	-52	1.21	2.11	1.0	+70	Vector Resources	9.5	20 0-10	1.5	1.0	+43	0.87	2.83	1.0	+166
Oroya Mining		0-3 0.1		+999	1.68		1.0	+999	Verus Investments	0.8	2.0 0-7	0.3				4.33	1.0	+511
Otis Energy Oz Brewing		4-4 0.0 1-4 1.0			3.02		1.0 1.0	+36 +301	Victory West Moly Ltd Voyager Resources	7.0 7.0	20 0-6 2.0 0-1	0.5 4.7	0.1 5.0	+549 -6		5.16 1.40	1.0 1.0	+841 -41
Pacific Ore Ltd		1-1 4.9			1.06		1.0	+4	WHL Energy ltd	3.5	7.5 0-10	1.0	0.5		1.01		1.0	+190
Pacrim Energy		0-4 0.1			0.67		1.0	+999	Wah Nam Int'l	10	20 3-1	1.9	3.8	-50		1.62	1.0	+29
Palace Resources Palace Resources	2.6 6.0 0 2.6 20 0			+108 +1			1.0 1.0	+257 +999	Western Desert Res Westoz Invest.	30 93	18 0-3 100 0-10	10.0 4.0	12.3 8.8	-18 -54		2.41 5.38	1.0 1.0	-24 +14
PanaxGeothermal	2.2 4.0 2				0.91		1.0	+33	Westralian Gas & P	1.2	5.0 0-10	0.1	0.0	+999		9.99	1.0	+999
Papillon Resources		1-4 31.5			1.00		1.0	-1 50	Whinnen Resources	9.2	20 1-8	2.5	3.0		1.04		1.0	+71
Paragon Care Paynes Find Gold		0-9 18.0 1-2 3.0					1.0 1.0	-56 +123	Wolf Minerals Xstate Resources Ltd	26 9.4	24 1-1 24 1-10	10.0 3.2	10.3	-3 +64		1.85 2.06	1.0 1.0	+26 +79
Peninsula Energy		4-4 3.9			0.00		1.0	+4	Yellow Rock Res	2.1	7.0 1-1	0.2	0.2		0.87		1.0	+212
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Page 12 Market Analysis

Investment Outlook

(Continued from Page 1) highly indebted southern countries through a long series of rescue and refinancing packages.

The current panic relates to fears that Italy will default on government debt. Italy has one of the highest per capita incomes in Europe and one of the lowest tax rates . . . in part owing to 20-30% of economic activity being untaxed in the "black economy" (compared with around 5-10% in other developed countries). So Italy can afford to service its debt and the government has announced spending cuts and increased taxes, aimed at balancing the budget by 2013.

Then there was the *rumour* (denied by the bank and discounted by bank analysts) that the French based **Societe Generale** was in danger owing to excessive holdings of bonds from Greece, Spain, Portugal and Italy!

Obviously wild volatility, driven by fear and rumours are impossible to predict, but a repeat of the 2007-2009 decline is very unlikely. Banks are in a much stronger financial position today and operating profitably. Developed economies are growing (albeit slowly), while the developing economies are growing strongly and becoming an ever larger market for companies in developed countries. Stockmarkets have risen over the last two years, but remain well below their peaks of 2007. So shares already offer good value, while company balance sheets have generally improved over the last four years.

Knowledgeable *insiders* are Bullish. Of the 69 *insider* trades in Australia last week, 98.6% were "buys". Over the last five weeks the figure is 91.7% "buys". There were no *insider* trades in New Zealand last week and over the last five weeks the figure is a neutral 40% "buys" (although on a very small sample size: 2 "buys" and 3 "sells").

Over the last few years we have pointed out that shares offer the best value since the 1970's and early 1980's. Market weakness has simply further improved those valuations. We shall continue to accumulate shares at these low prices and remain fully invested in the recommended shares. As one subscriber wrote, its time to "start taking money from under the mattress and raiding the children's piggy banks to buy a few more shares".

Dividend\$

Company	Cents per Share	Ex- Date	Pay- Tax able Credit
Abano Healthcare	13.70	10-08	24-08 0.58714
Argosy Property Trust	1.50	19-08	02-09 -
Goodman Property Trus	st 1.60	08-09	22-09 Full
Opus International	3.80	18-08	30-09 Full
Property For Industry	1.60	22-08	31-08 Full
Steel & Tube Holdings	9.00	16-09	30-09 Full
<u>Aus</u>	stralian Share	<u>es</u>	
Chandler Macleod Grou	p 1.20	05-09	23-09
Finbar Group	5.50	14-07	05-09

Total Return Index for All Listed Shares										
	Jul 11	1310.44								
	Jul 12	1306.62								
	Jul 13	1301.65								
	Jul 14	1298.89								
	Jul 15	1302.19								
Jul 18	1296.16	Jul 25	1298.46							
Jul 19	1295.35	Jul 26	1292.06							
Jul 20	1297.30	Jul 27	1288.05							
Jul 21	1299.12	Jul 28	1281.86							
Jul 22	1298.28	Jul 29	1286.39							
Aug 1	1272.18	Aug 8	1216.80							
Aug 2	1277.20	Aug 9	1194.99							
Aug 3	1269.80	Aug 10	1216.57							
Aug 4	1271.13	Aug 11	1209.43							
Aug 5	1244.70	Aug 12	1217.97							

Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on <u>Monday September 12, 2011</u>.

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

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