

# Market Analysis

## Inside Market Analysis

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## Summary and Recommended Investment Strategy.

Our Forecasting models are Bullish (i.e. favourable), the market's most knowledgeable investors (i.e. company insiders) are net buyers and shares are undervalued. Need we say more?

## Investment Outlook.

The collapse of **JBL** (which offered the first investment property syndicates) in 1972 and **Securitibank** (a finance company) in 1976 frightened New Zealand investors away from *risky* investments for over a decade . . . until just about everyone leapt into the stockmarket's debt-fuelled Property and Investment boom in 1986 and 1987.

The October 1987 crash frightened another generation of New Zealanders away from *risky* investments, but a decade later the internet changed perceptions and people with no previous investment knowledge or experience started buying internet and technology shares at ever increasing prices in 1999-2000. The internet has changed the global economy forever . . . but internet and technology companies failed to live up to investors high expectations (or their sky high, boom market valuations).

Just when it perhaps appeared safe to venture back into risky investments the Global Financial Crisis hit in 2008 - sweeping away NZ Finance Companies (and investors' "safe" deposits) and creating a difficult time for stockmarket investors.

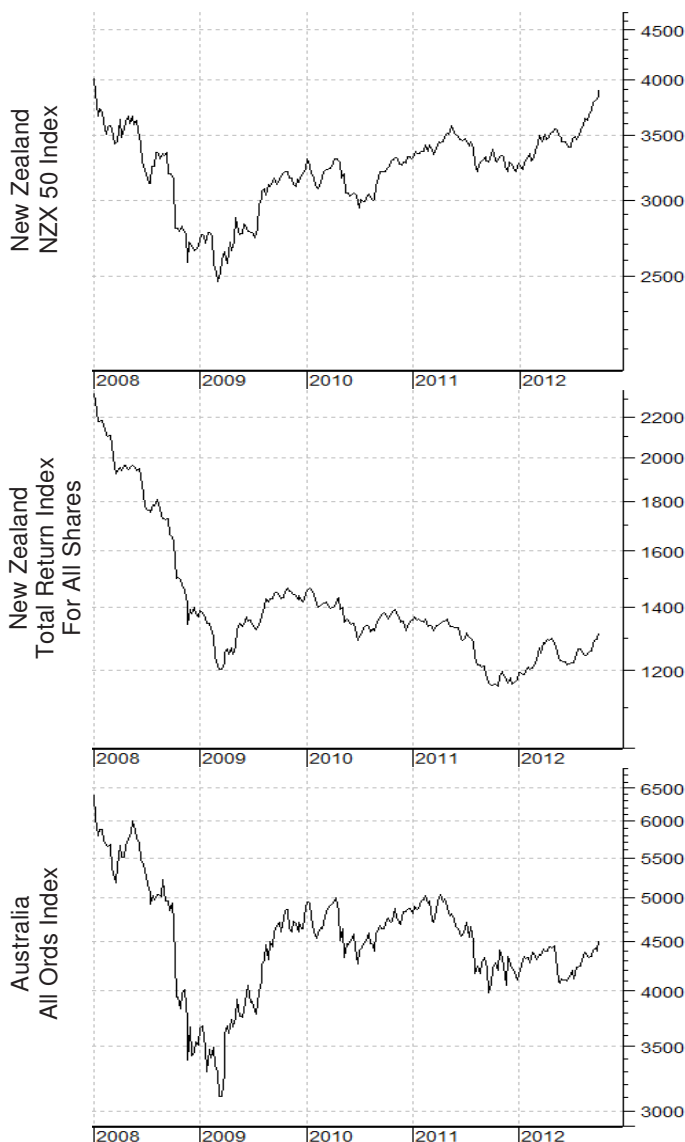
Most people - who will never own a share in their life (and who will probably always have little or no net worth) - are probably congratulating themselves on their good sense not to buy shares since the start of 2008.

In reality, if you want to build investment wealth over the medium to long term, then the only intelligent decision is to buy and hold shares! Each boom/bust or market fluctuation offers intelligent, *long term* investors the opportunity to steadily build wealth - helped by the stockmarket's efficiency at transferring wealth away from *weak* (i.e. inexperienced, unknowledgeable) investors who buy or sell at exactly the wrong times!

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### Stockmarket Forecasts

	One-Month	One-Year
Australia:	76% (Bullish)	76% (Bullish)
New Zealand:	69% (Bullish)	64% (Bullish)



# Performance Forecasts

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

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
AMP Limited	B	558	1.26	13	7.1	Jasons Media	D	13	0.21	6	Nil	Rakon Ltd	D	46	0.49	NE	Nil
AMP Office Trt	C	99	7.75	22	5.7	Just Water Int.	C	14	0.42	7	Nil	Renaissance	C	14	0.04	NE	Nil
Abano Health.	A	548	0.43	55	5.5	Kathmandu Ltd	B	179	1.03	10	8.0	Restaurant Brds	B	228	0.72	13	10.0
Air New Zealand	A	127	0.31	20	4.3	Kermadec Prop.	C	67	6.58	11	4.5	Rubicon Limited	E	28	0.25	NE	Nil
Akd Int Airport	B	261	8.09	24	5.7	Kingfish Ltd	B	107	N/A	14	8.3	Ryman Health.	B	413	N/A	17	1.1
Allied Farmers	E	2.9	0.12	NE	Nil	Kirkcaldie & St	C	260	0.64	NE	3.0	Veritas Invest.	D	3.9	4.11	NE	Nil
Allied Work.	C	220	0.48	12	8.4	Kiwi Property	C	114	5.36	12	7.1	Sanford Limited	C	435	0.88	18	7.6
Argosy Property	C	90	7.02	NE	6.7	L&M Energy	E	5.3	N/A	NE	Nil	Satara Co-op	E	45	0.14	NE	Nil
Barramundi Ltd	D	65	N/A	NE	9.6	Lytelton Port	C	220	2.15	13	Nil	Savoy Equities	D	1.6	N/A	NE	Nil
Blis Technology	E	0.8	0.93	NE	Nil	Mainfreight Grp	B	1040	0.57	16	3.6	Scott Tech. Ltd	B	220	1.63	17	4.5
Briscoe Group	A	203	0.98	16	7.0	Marlin Global	D	69	N/A	NE	10.8	Sealegs Corp	E	12	1.10	NE	Nil
Burger Fuel	C	116	6.04	88	Nil	Mercer Group	C	19	1.35	NE	Nil	Seeka Kiwifruit	E	93	0.10	NE	Nil
CDL Investments	D	42	9.63	29	4.8	Methven Limited	B	134	0.84	14	9.2	Skellerup Hold.	B	175	1.63	14	6.3
Cavalier Corp	D	195	0.61	31	Nil	Metro. LifeCare	C	300	6.74	NE	Nil	Sky City Ltd	B	380	2.57	16	5.5
Cavotec MSL	C	245	1.08	20	1.6	Michael Hill	A	123	0.92	13	4.5	Sky Network TV	C	503	2.32	16	6.2
Charlie's Group	D	43	4.00	51	Nil	Mid-Cap Index	D	238	N/A	NE	Nil	Smartpay NZ Ltd	C	16	0.40	NE	Nil
Chorus Ltd	C	331	1.21	7	10.8	Millennium & C.	C	47	1.65	8	3.6	Smiths City	B	51	0.12	6	6.9
Claridge Cap'l	D	1.7	N/A	NE	Nil	Mowbray Collect	E	44	1.74	NE	Nil	Sol. Dynamics	D	30	0.35	NE	Nil
Col Motor Co	A	390	0.23	11	9.2	NPT Limited	D	58	3.61	NE	6.9	South Port NZ	C	320	3.17	14	8.9
Comvita	A	410	1.22	14	4.9	NZ Experience	C	38	1.21	10	10.9	Speirs Group	D	10	0.08	NE	Nil
Contact Energy	C	534	1.43	20	6.2	NZ Exchange Ltd	C	114	5.86	22	6.6	Steel & Tube	B	246	0.54	17	7.0
Cynotech Hold.	E	0.2	0.08	NE	Nil	NZ Finance Hold	D	0.3	0.05	NE	Nil	Sthn Travel	D	5.0	0.05	12	Nil
DNZ Property	B	158	N/A	19	5.4	NZ Farming Sys.	E	74	1.74	NE	Nil	Tag Pacific Ltd	E	12	0.15	NE	Nil
Delegat's Group	A	310	1.41	12	4.1	NZ Oil & Gas	N/R	84	2.89	17	10.3	TeamTalk Ltd	B	267	1.92	12	10.7
Diligent Board	C	380	N/A	NE	Nil	NZ Refining Co	C	286	2.75	23	6.0	Telecom Corp	C	238	0.97	4	11.2
Dorchester Pac	C	19	3.41	NE	Nil	NZ Windfarms	E	13	3.75	NE	Nil	Tenon Ltd	E	70	0.11	NE	Nil
Ebos Group Ltd	B	825	0.30	15	5.9	NZ Wine Company	C	110	0.71	NE	Nil	Tourism Hold.	B	73	0.36	16	7.8
Ecovia Ltd	C	120	3.11	NE	Nil	NZ Wool Service	D	46	0.21	NE	Nil	Tower Limited	B	178	0.87	14	4.8
F & P Appliance	C	124	0.87	49	Nil	NZSX 50 Port.	C	139	N/A	NE	Nil	Trade-Me Ltd	B	408	N/A	21	2.7
F & P Health.	C	226	2.27	18	7.8	NZSX 10 Fund	D	97	N/A	NE	Nil	Training Sol.	E	0.1	N/A	NE	Nil
Finzsoft Sol'ns	E	30	0.32	NE	Nil	NZX Aust MidCap	E	462	N/A	NE	Nil	Trust Power Ltd	C	812	3.16	19	7.0
Fletcher Build.	B	747	0.57	28	6.5	New Image Group	D	17	0.52	NE	Nil	Turners & Grow.	C	159	0.21	15	3.8
Freightways Ltd	B	428	1.72	18	6.0	Northland Port	A	209	N/A	11	5.8	Turners Auction	A	185	0.67	14	13.1
Genesis Res.	E	1.7	N/A	NE	Nil	Nuplex Indust	A	317	0.39	10	6.6	Vector Ltd	C	284	2.26	14	7.3
Goodman Prop.	C	103	9.20	25	6.1	Opus Int'l Cons	C	200	0.73	12	6.1	Velo Capital	C	7.0	N/A	NE	Nil
Guinness Peat	C	64	0.08	2	2.8	Ozzy (Tortis)	D	343	N/A	NE	Nil	Vital Health PT	C	126	6.56	41	6.2
GuocoLeisure	D	62	1.54	9	3.2	PGG Wrightsons	D	36	0.20	11	Nil	WN Drive Tech.	D	16	0.31	NE	Nil
Hallenstein G.	A	490	1.36	14	9.2	Pac Edge Bio.	D	37	N/A	NE	Nil	Wakefield Hlth	A	565	1.22	16	4.3
Heartland BS	B	70	1.20	11	Nil	Pharmacybrands	B	120	1.37	15	Nil	Warehouse Group	B	300	0.54	10	9.5
Hellaby Hold.	B	336	0.51	13	5.5	Pike River Coal	D	88	N/A	NE	Nil	Widespread Port*	N/R	1.0	0.02	NE	Nil
Heritage Gold *	N/R	1.8	N/A	NE	Nil	Port Tauranga	B	1261	7.44	23	4.4	Windflow Tech.	D	19	1.02	NE	Nil
Horizon Energy	C	340	2.33	13	7.1	Postie Plus Grp	C	24	0.10	42	6.0	Wool Equities	D	10	9.52	NE	Nil
Infratil NZ	B	217	0.57	25	5.3	Property F Ind.	C	117	7.79	25	7.0	World Index Fd	E	100	N/A	NE	Nil
Insured Group	E	1.5	0.20	NE	Nil	Pumpkin Patch	B	116	0.65	19	Nil	Xero Ltd	D	535	N/A	NE	Nil
Inv Research Gr	E	0.1	0.25	NE	Nil	Pyne Gould Corp	D	31	2.23	NE	Nil	Zintel Ltd	C	46	0.56	NE	Nil
												<b>Ave of 135 Cos</b>	C	183	0.33	23	3.4
AGL Energy Ltd	B	1524	1.12	72	4.0	Djerriwarrh	B	380	N/A	19	6.8	Perseus Mining	C	298	N/A	NE	Nil
ALS Limited	B	926	2.22	14	4.9	Downer EDI Ltd	B	364	0.20	15	Nil	Platinum Asset	B	362	8.96	16	5.8
AMP Ltd	B	451	2.23	19	6.7	DuluxGroup Ltd	B	352	1.30	14	4.3	Premier Invest	A	564	0.97	22	6.4
ANZ Bank	A	2550	1.43	13	5.5	Echo Ent Group	C	398	2.03	78	Nil	Primary Health	A	380	1.37	16	2.9
APA Group	A	486	2.95	24	12.0	Envestra	B	89	2.97	19	6.6	Q.B.E. Insur.	B	1357	0.80	21	6.4
ASX Limited	A	2986	6.67	15	6.0	Evolution Min.	B	194	2.92	37	Nil	QR National Ltd	B	347	2.42	19	2.4
Abacus Property	A	202	3.72	NE	8.2	Fairfax Media	C	41	0.41	7	7.4	Qantas Airways	D	125	0.18	NE	Nil
Adelaide Bright	A	313	1.81	13	5.3	Flexicorp Ltd	A	334	3.88	16	3.7	Qube Logistics	B	149	1.75	36	2.8
Alacer Gold	C	710	N/A	NE	Nil	Flight Centre	A	2552	1.26	13	4.4	REA Group Ltd	A	1720	8.16	26	1.9
Alumina Ltd	B	91	N/A	18	6.5	Fortescue Metal	C	361	1.72	7	2.2	Ramsay Health	A	2434	1.24	20	2.5
Amalgamated Hld	B	694	1.37	14	5.6	GPT Group	C	352	N/A	NE	Nil	Reece Australia	A	2114	1.38	19	2.9
Amcor Ltd	B	803	0.79	23	4.6	Goodman Fielder	C	52	0.46	NE	Nil	Regis Resources	B	577	N/A	69	Nil
Aneka Tambang	C	125	N/A	60	0.0	Goodman Group	A	430	N/A	44	4.2	Resolute Mining	B	203	1.65	9	2.5
Ansell Ltd	A	1651	1.76	17	2.2	Graincorp	A	885	0.63	10	3.4	Rio Tinto Ltd	B	5490	0.40	2	2.6
Aquila Res.	D	268	5.60	NE	Nil	Growthpoint Pro	A	218	6.67	17	8.1	S/Tracks ASX200	B	4272	N/A	NE	4.0
Argo Investment	B	555	N/A	21	4.7	Harvey Norman	B	197	1.48	12	4.6	SAI Global Ltd	B	4221	1.90	20	3.6
Aristocrat Leis	B	277	2.14	23	2.3	Hast Div Util	C	268	9.06	NE	3.7	SP Ausnet	B	107	2.04	12	7.5
Arrium Limited	C	80	0.14	5	7.5	Henderson Group	B	177	1.85	19	6.1	Sandfire Res.	C	858	N/A	NE	Nil
Asciano Limited	B	446	1.28	18	1.3	IOOF Holdings	A	589	2.19	69	6.3	Santos Ltd	B	1161	4.33	15	2.6
Atlas Iron Ltd	B	143	2.09	18	2.1	IRESS Limited	A	769	4.77	24	4.9	Seek Ltd	B	682	5.16	17	2.5
Aurora Oil Gas	C	370	N/A	NE	Nil	Iluka Resources	B	961	2.45	7	7.8	Seven Group	B	720	0.50	13	5.3
Austrdrill Ltd	B	280	0.80	8	5.2	Incitec Pivot	A	315	1.31	11	3.7	Seven West Med.	B	123	0.42	4	20.4
Aust Foundation	B	459	N/A	21	4.6	Independ. Group	B	423	4.55	NE	0.7	Silver Lake Res	B	387	6.30	27	Nil
Aust Infra.	A	300	N/A	10	3.5	Insurance Aust.	A	446	1.08	45	3.8	Sims Metal Mgmt	B	1030	0.23	58	1.9
Australand Prop	B	311	2.59	13	6.9	Investa Office	B	297	9.62	18	5.3	Sonic Health	B	1383	1.62	17	4.3
BHP Billiton	A	3332	1.52	7	3.3	Invocare Ltd	B	850	2.84	34	3.5	Soul Pattinson	B	1345	4.23	20	3.0
BWP Trust	A	206	N/A	15	7.1	JB Hi-Fi Ltd	B	998	0.32	9	6.5	Spark Infrastru	B	169	7.70	27	5.9
Bank of Q'land	A	755	0.61	11	7.2	James Hardie	B	914	3.39	7	4.4	Steamships Trad	A	2650	2.03	12	3.2
Beach Energy	A	135	2.74	10	1.7	Jupiter Energy	C	58	N/A	NE	Nil	Stockland	B	349	3.79	16	6.9
Bendigo Bank	A	793	0.86	16	7.6	Kardoon Gas	C	538	N/A	NE	Nil	Suncorp Group	B	938	0.75	17	4.3
Bluescope Steel	C	48	0.19	NE	Nil	Kingsgate Cons.	B	605	2.56	12	3.3	Sundance Res.	E	34	N/A	NE	Nil
Boral Limited	B	397	0.64	14	2.8	Leighton Hold	B	1724	0.57	17	7.0	Super Retail Gr	B	825	0.98	19	3.9
Bracken Ltd	B	571	0.66	10	7.2	Lend Lease Grp	B	803	0.40	9	4.7	Sydney Airport	B	325	5.81	74	6.5
Brambles Ltd	B	703	1.96	19	3.7	Lynas Corp Ltd	E	86	N/A	NE	Nil	TPG Telecom Ltd	A	228	2.67	20	2.4
Brickworks Ltd	B	1125	2.61	12	3.6	Macquarie Group	B	2965	0.95	14	4.7	Tabcorp Holding	B	286	0.69	6	8.4
C'with Prop Off.	B	106	5.54	10	5.7	McMillan Shake.	A	1263	3.12	17	3.7	Tatts Group Ltd	B	285	1.00	12	7.7
C.S.R. Ltd	B	169	0.47	11	7.7	Medusa Mining	B	609	N/A	24	1.1	Telstra	B	395	1.93	14	7.1
CFS Retail Prop	B	198	6.16	14	6.6	Mesoblast Ltd	C	676	N/A	NE	Nil	Toll Holdings	B	444	0.37	11	5.6
CGA Mining Ltd	B	290	5.34	NE	Nil	Metcash Ltd	B	367	0.23	11	7.6	Transfield Serv	B	170	0.28	10	8.2
CSL Limited	B	4585	5.24	24	1.8	Milton Corp.	B	1613	N/A	19	4.8	Transurban Grp	B	623	7.87	NE	4.7
Caltex Australia	B	1692	0.21	NE	2.7	Mineral Res.	B	806	1.61	6	5.7	TransPacific Inc	C	90	0.62	NE	Nil
Cardno Ltd	B	760	1.09	14	4.7	Mirvac Group	B	151	2.93	12	5.						

# Recommended Investments

**Lyttelton Port Company** is expecting a 17% reduction in export coal volumes over the year to June 2013, which will reduce net profits by around \$700,000.

**Michael Hill International** reports strong sales growth for the September 2012 quarter. In local currencies, Australian same store revenues were up 6.4%, with total revenues up 12.3%. NZ same store revenues were up 7.1%, with total revenues up 8.0%. Existing Canadian stores generated 11.8% higher sales,

while additional stores lifted total Canadian revenues 27.9%. United States revenues were ahead 7.1%. Total group revenues were 14.3% higher at NZ\$116.4 million.

Professional Care Plan sales were up 20.2%.

The company also reports "sales growth during the quarter was achieved without the need to reduce margins", so higher revenues *and* improved margins should produce a substantially higher growth in net profits.

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## Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<b>NZ Shares</b>													
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	258.2	1.4	9.63	29	4.8	42	21.7	+155%
BUY	Cavalier Corporation	CAV	05/12/95	156*	D	68.3	0.9	0.61	31	Nil	195	278.0	+203%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.23	11	9.2	390	346.3	+475%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	C	102.3	0.8	2.15	13	Nil	220	77.7	+98%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	A	382.8	0.8	0.92	13	4.5	123	41.9	+3198%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	A	196.7	1.0	0.39	10	6.6	317	430.0	+43%
HOLD	Postie Plus Group	PPG	08/05/06	71	C	40.0	2.0	0.10	42	6.0	24	8.5	-54%
HOLD	Renaissance Corp	RNS	13/08/96	85*	C	45.7	3.6	0.04	NE	Nil	14	53.9	-20%
HOLD	Smiths City Group	SCY	09/10/06	64	B	53.0	1.2	0.12	6	6.9	51	18.5	+9%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.5	3.17	14	8.9	320	174.3	+312%
HOLD+	Steel & Tube Holdings	STU	08/08/00	146	B	88.4	0.8	0.54	17	7.0	246	266.6	+251%
<b>Australian Shares (in Aust cents)</b>													
HOLD+	AJ Lucas Group	AJL	13/05/03	120	E	103.0	0.8	0.16	NE	Nil	79	41.0	-0%
BUY	ALS Limited	ALQ	12/10/99	78*	B	337.5	0.5	2.22	14	4.9	926	180.8	+1319%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	C	141.0	3.5	0.58	13	Nil	5	17.5	-69%
HOLD+	Cardno Ltd	CDD	14/12/09	391*	B	138.2	0.5	1.09	14	4.7	760	97.3	+119%
HOLD	Cellnet Group Ltd <sup>1</sup>	CLT	12/02/02	147*	B	55.7	2.0	0.12	6	7.1	14	55.9	-51%
HOLD+	Chandler Macleod Group	CMG	14/08/01	51*	B	444.5	1.3	0.13	12	6.4	44	25.7	+37%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	48.5	1.3	12.25	NE	Nil	38	65.0	-45%
BUY	Clarius Group Ltd	CND	08/04/03	82*	B	89.4	1.3	0.13	18	2.4	41	70.5	+36%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.7	1.3	0.37	27	3.8	40	11.3	-42%
BUY	CSG Limited	CSV	11/10/10	175	C	282.6	1.3	0.65	NE	5.3	47	28.0	-57%
HOLD	Devine Ltd	DVN	13/11/06	334*	B	158.7	1.1	0.29	8	6.9	58	79.6	-59%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	B	84.9	2.0	0.34	15	Nil	19	Nil	-61%
HOLD+	Fiducian Portfolio Ser	FPS	11/02/08	260	B	31.8	0.9	1.12	12	6.3	80	36.8	-55%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	214.2	0.8	1.94	8	8.7	104	21.0	+18%
BUY	Iluka Resources Ltd	ILU	12/10/04	471	B	416.4	0.6	2.45	7	7.8	961	172.0	+141%
HOLD	Integrated Research	IRI	14/01/08	40	A	167.5	0.7	3.67	20	4.7	107	16.0	+206%
HOLD	Mnet Group <sup>1</sup>	MNZ			C	208.3	7.4	0.24	NE	Nil	1.1	Nil	
HOLD	M2 Telecommunications	MTU	09/10/06	33	B	156.6	0.6	1.44	17	5.0	362	57.5	+1171%
BUY	Melbourne IT	MLB	10/02/04	53	A	81.4	0.6	0.82	11	8.2	182	89.0	+411%
BUY	Nomad Building Solutio	NOD	16/08/10	13*	C	277.5	2.9	0.19	3	Nil	8	Nil	-38%
HOLD+	Novarise Renewable Res	NOE	14/03/11	25	C	415.1	2.0	0.81	4	Nil	16	Nil	-36%
HOLD+	Penrice Soda Holdings	PSH	11/07/11	17	E	91.4	3.2	0.04	NE	Nil	6	Nil	-64%
HOLD+	Probiotec Ltd	PBP	11/02/08	116	B	52.9	1.3	0.27	8	Nil	34	9.3	-63%
BUY	Prophecy International	PRO	08/09/08	26	B	50.2	1.5	1.87	16	9.0	25	9.5	+33%
HOLD	Skilled Group Ltd	SKE	12/03/02	126	B	233.5	0.7	0.31	13	5.2	248	148.0	+214%
HOLD	Technology One Ltd	TNE	11/11/03	44	A	303.4	0.6	2.72	21	3.3	141	33.5	+296%
HOLD+	TFS Corporation Ltd	TFC	08/01/07	45	C	279.6	1.2	0.86	4	Nil	39	14.2	+18%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	26.1	0.4	0.58	15	2.7	1245	321.5	+510%
HOLD	Village Roadshow	VRL	10/08/09	77	A	153.2	0.5	0.58	16	6.3	351	159.0	+562%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +241.3%. This is equal to an average annual rate of +27.5%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 39 current and 153 closed out) is +30.0%, 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 1½ shares in Mnet Group distributed to shareholders.

**Recommended Investments**

*(Continued from Page 3)*

The December quarter - and especially the few weeks before Christmas - is the important trading period for the company, generating around 35-40% of annual revenues and (we estimate) about 60-65% of annual profits.

**Michael Hill International**



**Nuplex Industries** has announced changes to its manufacturing operations in Australia and New Zealand. The company will consolidate operations at four upgraded sites, Penrose (Auckland), Botany (NSW), Wacol (QLD) and Springvale (VIC), while closing its operations at Canning Vale (WA), Wangaratta (VIC) and Onehunga (Auckland) as well as the high temperature plant at Penrose. The sites will be closed over the next two years, incurring redundancy costs of \$3.95 million and site clean up and remediation costs of \$4.35 million - plus the write-down of obsolete equipment by \$8.05 million. \$13.0 million of capital expenditure will be required to upgrade the Botany and Wacol operations.

The company will also write-down the value of its *RPC Pipe Systems* (formerly *Fibrelogic*) joint venture by \$5.6 million.

These restructuring costs and asset write-downs will reduce the current year's earnings by around \$22 million (before tax), but add \$2.8 million to pre-tax profits for the year to June 2014 and with recurring savings of \$5.6

**Nuplex Industries**



million (pre-tax) in 2015 and subsequent years.

The Australian and New Zealand markets are static or slightly declining for Nuplex Industries - which expects future growth from expanding Asian markets - but the current restructuring will match local production with expected future demand and ensure local operations remain efficient and cost-competitive.

**Postie Plus Group** has announced revenues from continuing operations (i.e. excluding the business recently sold) up 0.3% at \$94.1 million but net profit down 66.6% at \$228,000 (0.6 cent per share). The discontinued business lost \$411,000 to give a total loss of \$183,000. A steady final dividend of 1.0 cent (plus imputation tax credits) will be paid.

There was a net operating cash deficit of \$952,000 - compared with a \$2.0 million surplus in 2011.

**Postie Plus Group**



**Australian Shares**

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

**AJ Lucas Group** has completed its \$40.0 million capital raising, issuing 29,629,629 shares to **Kerogen Investments** at 135 cents per share.

**AJ Lucas Group**



**Finbar Group** has received development approval for its 50% owned *Springs* project. The company plans to build two residential apartment buildings, of eight and 16 storeys, which will contain 188 apartments (worth around \$92.5 million), plus a separate six storey office building of 6,250m<sup>2</sup> (worth \$37.6 million). The 7,441m<sup>2</sup> corner site has been acquired from **LandCorp**,

marketing and pre-selling will begin in early 2013 and the project is expected to be completed in 2015.

Finbar Group has updated its development forecasts and now expects to complete \$321.2 million of projects this financial year, \$375.4 million in the year to June 2014, \$464.9 million to June 2015 and at this stage has two projects planned for completion in the June 2016 year worth \$310 million.

Rental income on the group's retained investment properties is forecast to grow from about \$3.3 million last year to \$7.1 million this year and \$9.4 million in 2015 as commercial tenants take up occupancy in the *Fairlanes*.



**Penrice Soda Holdings** reports the pilot plant to commercialise its *Selective Salt Recovery* from coal seam gas waste water “operated smoothly, confirming the efficacy of the technology”. The Penrice consortium is short-listed for the construction of a commercial plant in Queensland, although it will be “some months” before the preferred tenderer is selected and then “several more months” before the final contract negotiations are finalised. Construction would begin in early 2013, with operations commencing in 2015. If the consortium wins this contract then it would “generate significant earnings” for Penrice Soda Holdings, during construction and from ongoing operations. Most importantly, this potentially “company transforming” new venture will require little or no capital investment from Penrice Soda Holdings but contribute new, growing, high margin revenues to the group.



**The Reject Shop** has finalised its insurance claims relating to the January 2011 flooding. A final payout of \$7.6 million has been received, taking its total insurance receipts to \$27.4 million. That is \$2.9 million above the amount recorded in its 2011 and 2012 financial accounts, so this will show as a pre-tax gain in the current year's results.



**Village Roadshow** has finalised negotiations for a new *Wet'n'Wild* water park in the United States. The park will occupy 41 acres in southwest Las Vegas, will contain over 25 “innovative” slides and attractions and expects to attract 650,000 visitors annually. The park is currently under construction and expected to open in late May 2013. Village Roadshow will contribute US\$12 million in cash (i.e. just 37.5% of the construction costs) plus the use of its *Wet'n'Wild* brand name to acquire a 51% interest in this new theme park. Village Roadshow Theme Parks will also manage the park - so the group will earn management fees *plus* 51% of the profits from this venture.

This type of new venture, creating “organic growth” is what builds Shareholder Wealth - especially when financed on favourable terms that realise value from existing brands and theme park management experience.



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

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

STRENGTH RATING												STRENGTH RATING																																																																																																																																																																																																																																																																																																																				
Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Buyer to Seller Ratio	Price to NTA	Return on Equity	Volatility	Price to Earn.	Dividend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Buyer to Seller Ratio	Price to NTA	Return on Equity	Volatility	Price to Earn.	Dividend Yield	Price Sales Ratio	Market Cap'n																																																																																																																																																																																																																																																																																																							
<b>UNDER-VALUED SHARES:</b> Lowest Price/Sales, Yld > 0, Rel Strength > 0												<b>INSIDER BUYING:</b> Most Insider Buying, Relative Strength > 0																																																																																																																																																																																																																																																																																																																				
Guinness Peat	54	+0.1	+4.8	59	1-0	-0.1	5	1.5	2	2.8	0.08	162	Hallenstein G.	490	+8.3	+2.2	21	0-0	-4.4	32	0.5	14	9.2	1.36	292	Nuplex Indust	317	+7.3	+4.6	23	7-0	1	1.1	12	0.8	10	6.6	0.39	624	Methven Limited	134	+6.3	+1.2	29	5-0	-1.9	13	0.7	14	9.2	0.84	89	Smiths City	51	+6.7	+1.4	28	0-1	-0.6	10	1.2	6	6.9	0.12	27	Col Motor Co	390	+10.7	+3.1	15	1-0	-1.0	10	0.5	11	9.2	0.23	128	Fletcher Build.	747	+2.4	+4.0	48	5-0	4	1.4	5	0.4	28	6.5	5.7	5,101	Ebos Group Ltd	825	+6.2	+0.8	30	0-0	1	2.1	13	0.5	15	5.9	0.30	430	Comvita	410	+19.4	+2.6	4	4-0	-1.5	11	0.5	14	4.9	1.22	117	Air New Zealand	127	+9.0	+7.4	19	1-0	1	0.9	4	1.0	20	4.3	0.31	1,397	NZ Oil & Gas	84	+5.0	-0.5	33	3-0	1	0.9	6	1.0	17	10.3	2.89	336	Tourism Hold.	73	+4.1	+6.6	35	0-0	-0.5	3	1.3	16	7.8	0.36	72	Contact Energy	534	+1.3	+2.3	51	4-1	2	1.1	6	0.3	20	6.2	1.43	3,843	Nuplex Indust	317	+7.3	+4.6	23	7-0	1	1.1	12	0.8	10	6.6	0.39	624	Chorus Ltd	331	+0.5	+1.9	56	4-1	2	2.4	33	0.4	7	10.8	1.21	1,275	Methven Limited	134	+6.3	+1.2	29	5-0	-1.9	13	0.7	14	9.2	0.84	89	F & P Health.	226	-3.1	+3.7	75	1-0	1	3.4	18	0.4	18	7.8	2.27	1,174	Merger Group	19	+28.6	+10.5	3	2-0	-2.7	3	1.0	49	Nil	1.85	45	Allied Work.	220	+0.7	-4.8	55	1-1	-2.8	22	1.0	12	8.4	0.48	57	F & P Appliance	124	+42.0	+26.9	1	2-0	1	1.5	3	1.0	49	Nil	0.87	894	Hellaby Hold.	336	+8.3	+3.0	20	1-0	-1.7	13	1.1	13	5.5	0.51	252	Mercer Group	19	+28.6	+10.5	3	2-0	-2.7	3	1.0	49	Nil	1.35	45	Steel & Tube	246	+0.5	+3.0	57	1-1	-1.4	9	0.7	17	7.0	0.54	217	<b>OVER-VALUED SHARES:</b> Highest Price/Sales Ratios, Relative Strength < 0											
Warehouse Group	300	+1.8	+4.4	50	1-2	2	2.9	28	0.7	10	9.5	0.54	934	Vital Health PT	126	-58.3	-0.0	98	0-0	-1.3	3	0.5	41	6.2	6.56	368	Mainfreight Grp	1040	+1.3	+2.1	52	1-3	1	2.9	19	0.5	16	3.6	0.57	1,030	NZ Exchange Ltd	114	-1.7	-4.4	68	0-1	-3.7	17	0.7	22	6.6	5.86	294	Infracell NZ	217	+5.2	+0.5	32	0-2	-1.2	5	0.7	25	5.3	0.57	1,274	Charlie's Group	43	-58.3	+0.0	97	0-0	-7.7	15	1.2	51	Nil	4.00	126	Fletcher Build.	747	+2.4	+4.0	48	5-0	4	1.4	5	0.4	28	6.5	5.7	5,101	NZ Windfarms	13	-8.8	-3.8	83	0-0	-0.5	-1.5	NE	Nil	3.75	37	Turners Auction	185	+12.3	+4.6	13	1-1	-2.9	21	0.6	14	13.1	0.67	51	South Port NZ	320	-2.9	+1.8	75	0-0	-2.8	20	0.3	14	8.9	3.17	84	Restaurant Brds	228	+4.3	+1.2	34	0-0	-3.7	28	0.8	13	10.0	0.72	223	NZ Refining Co	286	-3.9	+4.9	78	3-0	-1.4	6	0.5	23	6.0	2.75	801	Methven Limited	134	+6.3	+1.2	29	5-0	-1.9	13	1.0	14	9.2	0.84	89	Sky Network TV	503	-1.3	+1.3	66	0-0	-1.6	1.0	1.6	10	16	6.2	2.32	1,957	Turners Auction	185	+12.3	+4.6	13	1-1	-2.9	21	0.7	14	13.1	0.67	51	F & P Health.	226	-3.1	+3.7	75	1-0	1	3.4	18	0.4	18	7.8	2.27	1,174	Restaurant Brds	228	+4.3	+1.2	34	0-0	-3.7	28	0.8	13	10.0	0.72	223	Pyne Gould Corp	31	-4.7	+4.1	79	0-0	-0.7	-1.1	NE	Nil	2.23	67	Methven Limited	134	+6.3	+1.2	29	5-0	-1.9	13	1.0	14	9.2	0.84	89	<b>WORST PERFORMING SHARES:</b> Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average																																																																						
Tower Limited	178	+5.9	+1.8	31	2-1	2	1.0	7	1.1	14	4.8	0.87	472	Vital Health PT	126	-58.3	-0.0	98	0-0	-1.3	3	0.4	41	6.2	6.56	368	Just Water Int.	14	+5.3	+4.0	31	1-0	-2.3	32	2.8	7	Nil	0.42	13	Charlie's Group	43	-58.3	+0.0	97	0-0	-7.7	15	1.2	51	Nil	4.00	126	Restaurant Brds	228	+4.3	+1.2	34	0-0	-3.7	28	0.7	13	10.0	0.72	223	L&M Energy	5	-17.2	-1.4	90	0-0	-1.4	-1.9	NE	Nil	N/A	40	Tourism Hold.	73	+4.1	+6.6	35	0-0	-0.5	3	1.0	16	7.8	0.36	72	WN Drive Tech.	16	-16.4	+0.4	89	2-0	-0.9	-1.7	NE	Nil	0.31	11	Telecom Corp	238	+3.9	-1.9	39	5-6	3	2.7	71	0.6	4	11.2	0.97	4,419	Rubicon Limited	28	-14.7	+4.3	88	1-0	-0.6	-0.7	NE	Nil	0.25	106	Warehouse Group	300	+1.8	+4.4	50	1-2	2	2.9	28	0.6	10	9.5	0.54	934	NZ Windfarms	13	-8.8	-3.8	83	0-0	-0.5	-1.4	NE	Nil	3.75	37	Mainfreight Grp	1040	+1.3	+2.1	52	1-3	1	2.9	19	0.4	16	3.6	0.57	1,030	Rakon Ltd	46	-8.7	+3.5	82	1-0	-0.5	-0.9	NE	Nil	0.49	88	Allied Work.	220	+0.7	-4.8	55	1-1	-2.8	22	0.9	12	8.4	0.48	57	Cavalier Corp	195	-5.0	+7.1	80	0-0	1	1.5	5	0.6	31	Nil	0.61	133	Steel & Tube	246	+0.5	+3.0	57	1-1	-1.4	9	0.7	17	7.0	0.54	217	Pyne Gould Corp	31	-4.7	+4.1	79	0-0	-0.7	-1.0	NE	Nil	2.23	67	<b>INCOME SHARES:</b> Highest Yields, Capitalisation > NZ\$100 million																																																																																							
Telecom Corp	238	+3.9	-1.9	39	5-6	3	2.7	71	0.5	4	11.2	0.97	4,419	Heritage Gold	2	-3.3	+0.9	76	0-0	-0.6	-3.1	NE	Nil	N/A	6	Chorus Ltd	331	+0.5	+1.9	56	4-1	2	2.4	33	0.4	7	10.8	1.21	1,275	Kirkcaldie & St	260	-2.9	-0.9	74	0-0	-1.3	-0.3	NE	3.0	0.64	27	NZ Oil & Gas	84	+5.0	-0.5	33	3-0	1	0.9	6	1.0	17	10.3	2.89	336	<b>INSIDER SELLING:</b> Most Insider Selling, Relative Strength < 0																																																																																																																																																																																																																																																														
Restaurant Brds	228	+4.3	+1.2	34	0-0	-3.7	28	0.6	13	10.0	0.72	223	Seeka Kiwifruit	93	-12.6	-9.6	85	1-8	-0.3	-0.3	NE	Nil	0.10	13	Warehouse Group	300	+1.8	+4.4	50	1-2	2	2.9	28	0.6	10	9.5	0.54	934	Barramundi Ltd	65	-0.4	+1.5	64	0-2	-0.9	-0.8	NE	9.6	N/A	76	Marlin Global	69	-4.0	+0.3	78	0-1	-0.8	-0.7	NE	10.8	N/A	73																																																																																																																																																																																																																																																																		

## "Insider" Trades in NZ Shares

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

### "Insider" Indicators

Last 5 wks: 44.0% Buyers

Last 13 wks: 42.5% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
AMP Office Trt	2-0	Dorchester Pac	1-0	Just Water Int.	1-0	Nuplex Indust	7-0	Skellerup Hold.	2-1
Air New Zealand	1-0	F & P Appliance	2-0	Kingfish Ltd	0-1	Pharmacybrands	1-0	Smartpay NZ Ltd	1-0
Akd Int Airport	1-0	F & P Health.	1-0	Mainfreight Grp	1-3	Port Tauranga	0-1	Smiths City	0-1
Barramundi Ltd	0-2	Fletcher Build.	5-0	Marlin Global	0-1	Rakon Ltd	1-0	Telecom Corp	5-6
Briscoe Group	1-0	Freightways Ltd	2-3	Merger Group	2-0	Rubicon Limited	2-0	Tower Limited	2-1
Chorus Ltd	4-1	Guinness Peat	1-0	Methven Limited	5-0	Ryman Health.	1-5	Trade-Me Ltd	2-0
Col Motor Co	1-0	GuocoLeisure	3-0	Michael Hill	4-2	Veritas Invest.	3-1	Turners & Grow.	1-0
Comvita	4-0	Heartland BS	0-3	NZ Exchange Ltd	0-1	Sanford Limited	13-0	WN Drive Tech.	2-0
Contact Energy	4-1	Hellaby Hold.	1-0	NZ Oil & Gas	3-0	Satara Co-op	0-1	Warehouse Group	1-2
DNZ Property	3-1	Infracell NZ	0-2	NZ Refining Co	3-0	Seeka Kiwifruit	1-8	Xero Ltd	2-4
								Zintel Comm.	2-3

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

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

Company	STRENGTH RATING											Market Cap'n	Company	STRENGTH RATING											Market Cap'n																
	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Buyer's Choice	Below Average	Price to NTA	Return on Equity	Vola- ity	Price Earm.	Divi- dend			Price Sales Ratio	Eden Energy Ltd	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Buyer's Choice	Below Average	Price to NTA	Return on Equity	Vola- ity		Price Earm.	Divi- dend	Price Sales Ratio	Market Cap'n												
<b>OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength &lt; 0</b>																																									
Bluglass Ltd	10	-1.6	+2.0	36	0-0	-	5.0	-	1.1	NE	Nil	9.90	24	Shaw River Mang	2	-37.0	+1.2	97	2-0	-	-	-	2.4	NE	Nil	6.96	7														
White Energy Co	37	-24.8	+5.1	85	3-0	2	-	-	0.9	NE	Nil	9.81	117	Noble Mineral	16	-36.9	-1.0	96	2-0	1	-	-	1.0	NE	Nil	N/A	63														
Heron Resources	14	-4.1	+3.6	43	2-0	-	-	-	0.9	NE	Nil	9.79	35	Carbon Polymers	5	-36.7	+4.3	96	0-0	-	2.5	-	1.3	NE	Nil	6.41	9														
Grand Gulf En.	0	-13.3	+1.0	63	1-0	-	-	-	7.8	NE	Nil	9.52	6	Promesa Ltd	8	-36.7	+4.8	96	1-0	-	-	-	1.2	4	Nil	2.21	8														
Acacia Coal Ltd	2	-30.0	-0.7	91	0-0	-	-	-	2.5	NE	Nil	9.42	13	Adept Solutions	6	-36.7	+0.1	96	5-0	-	1.5	-	2.1	NE	Nil	1.51	6														
Gbl Geoscience	6	-3.5	-5.8	41	0-0	-	-	-	1.4	NE	Nil	9.35	7	Investorfirst	1	-36.3	-1.3	96	3-2	-	0.7	-	2.5	NE	Nil	1.23	9														
Jindalee Res.	18	-11.2	-0.5	59	2-0	-	-	-	1.0	NE	Nil	9.23	6	WPG Resources	8	-35.4	+2.7	96	2-1	-	-	-	1.3	NE	Nil	6.70	19														
Platinum Asset	362	-4.5	-1.2	44	0-0	-	-	-	0.4	16	5.8	8.96	2,032	Ausgold Ltd	27	-35.1	+0.2	96	0-0	-	-	-	0.7	NE	Nil	N/A	28														
Genetic Tech.	12	-4.6	-1.6	45	2-0	-	4.0	-	0.9	NE	Nil	8.96	78	Water Resources	3	-35.0	-2.2	95	0-0	-	-	-	1.7	NE	Nil	N/A	14														
Impedmed Ltd.	16	-32.3	-1.7	94	6-0	-	1.7	-	0.9	NE	Nil	8.81	28	Oilcx Ltd	7	-35.0	-1.1	95	0-0	-	-	-	1.3	NE	Nil	N/A	24														
Mariner Corp.	35	-2.8	-3.4	40	1-0	-	-	-	0.9	3	2.9	8.79	6	Aspire Mining	9	-34.9	+0.2	95	9-0	2	-	-	1.5	NE	Nil	N/A	49														
Unilife Corp.	47	-14.5	-4.3	66	4-0	-	6.7	-	0.7	NE	Nil	8.72	119	Namibian Copper	9	-34.7	-5.1	95	1-0	-	-	-	0.9	NE	Nil	N/A	7														
Un. Biosensors	79	-2.7	+9.2	39	1-0	-	3.9	-	0.5	NE	Nil	8.49	125	Ikwezi Mining	6	-34.4	-2.7	95	0-0	-	-	-	1.4	NE	Nil	N/A	20														
Aurora Minerals	9	-15.4	+3.2	68	0-0	-	-	-	1.1	NE	Nil	8.42	9	Murchison Metal	4	-34.2	-17.4	95	0-0	-	-	-	1.4	NE	Nil	2.61	19														
Neon Energy Ltd	30	-6.2	-1.4	48	0-0	1	1.8	-	1.0	NE	Nil	8.38	131	Coal of Africa	25	-34.1	-5.1	95	0-0	-	-	-	0.7	NE	Nil	0.51	133														
Truscott Mining	9	-18.8	-1.0	75	1-0	-	8.5	41	1.1	21	Nil	8.25	6	Hillgrove Res.	10	-34.1	+1.5	95	3-0	-	-	-	1.3	NE	Nil	5.38	79														
Mesa Minerals	3	-12.4	+2.5	62	0-0	-	-	-	1.7	140	Nil	8.24	17	Elementos Ltd	4	-34.1	-1.5	95	0-0	-	-	-	1.5	NE	Nil	N/A	6														
Phoslock Water	4	-14.5	-0.7	66	4-0	-	4.0	-	1.6	NE	Nil	8.16	9	Strat. Energy	2	-34.0	+3.1	95	0-0	-	-	-	2.3	NE	Nil	N/A	7														
Wasabi Energy	2	-13.6	+2.2	64	0-0	-	-	-	2.4	NE	Nil	8.00	39	Oro Verde Ltd	6	-33.7	+3.7	94	0-0	-	-	-	1.2	26	Nil	N/A	11														
Altura Mining	17	-7.2	-4.0	50	0-0	-	-	-	1.1	NE	Nil	7.93	75	Carbine Res.	4	-33.5	+4.6	94	0-0	-	-	-	1.6	NE	Nil	N/A	6														
Webfirm Group	5	-15.1	+10.4	67	4-0	1	2.7	-	1.4	NE	Nil	7.79	36	Gladiator Res.	3	-33.4	+0.2	94	1-0	-	-	-	1.8	NE	Nil	N/A	9														
Forge Resources	22	-17.9	-0.7	73	1-0	-	2.2	-	0.7	NE	Nil	7.69	6	TZ Limited	10	-33.2	+5.0	94	0-0	-	-	-	0.9	NE	Nil	N/A	18														
Bauxite Res.	11	-10.5	+2.0	57	0-0	-	-	-	1.1	NE	Nil	7.64	26	Platina Res.	6	-33.1	+4.7	94	0-0	-	-	-	1.5	NE	Nil	N/A	7														
Sprintex Ltd	2	-19.5	-0.9	76	4-0	-	1.5	-	2.4	NE	Nil	7.32	10	County Coal Ltd	15	-32.9	-4.2	94	0-0	-	0.9	-	0.9	NE	Nil	N/A	14														
Macquarie Atlas	144	-3.0	+2.0	40	1-0	2	-	-	0.6	NE	Nil	7.28	669	Ivanhoe Aust.	64	-32.4	+5.0	94	0-4	-	-	-	0.8	NE	Nil	N/A	351														
Hastings Hi-Yld	86	-1.3	-4.6	35	0-0	-	0.6	3	0.4	18	17.4	6.96	89	Impedmed Ltd	16	-32.3	-1.7	94	6-0	-	1.7	-	0.9	NE	Nil	8.81	28														
Shaw River Mang	2	-37.0	+1.2	97	2-0	-	-	-	2.6	NE	Nil	6.96	7	QRXPharma Ltd	67	-32.1	-1.9	94	0-0	2	5.1	-	0.4	NE	Nil	N/A	96														
Gindalbie Met.	30	-19.8	-1.8	77	2-1	5	-	-	0.9	20	Nil	6.91	276	Agua Resources	15	-32.1	+3.3	94	1-0	-	-	-	1.0	NE	Nil	N/A	12														
Avita Medical	13	-13.8	-6.4	65	0-0	-	2.6	-	0.9	NE	Nil	6.74	31	Intrepid Mines	47	-31.9	+2.7	93	0-2	-	-	-	0.8	NE	Nil	N/A	194														
Oceania Capital	156	-6.7	+1.5	49	1-0	-	0.6	-	0.4	NE	Nil	6.72	40	Dourado Res.	5	-31.8	+0.3	93	2-0	-	-	-	1.3	NE	Nil	N/A	8														
WPG Resources	8	-35.4	+2.7	96	2-1	-	-	-	1.4	NE	Nil	6.70	19	Diatreme Res.	3	-31.8	-1.3	93	0-0	-	-	-	1.8	NE	Nil	N/A	9														
Phylogica Ltd	3	-22.9	-3.8	82	3-0	-	2.7	-	1.9	NE	Nil	6.59	13	Carabella Res.	41	-31.5	-0.5	93	0-0	-	-	-	0.8	NE	Nil	N/A	51														
Deutsche Ind Tr	196	+0.0	+0.0	30	0-0	-	1.2	10	0.2	12	8.1	6.49	663	Altius Mining	2	-31.5	-0.7	93	1-0	-	0.2	-	2.3	NE	Nil	5.95	5														
Austpac Res	3	-8.2	+3.2	52	0-0	-	-	-	1.8	16	Nil	6.47	36	Gippsland Ltd	1	-31.3	+0.2	93	0-0	-	-	-	3.4	NE	Nil	N/A	8														
Carbon Polymers	5	-36.7	+4.3	96	0-0	-	2.5	-	1.4	NE	Nil	6.41	9	MHM Metals Ltd	26	-31.2	-1.5	93	1-3	-	-	-	1.0	NE	Nil	5.60	26														
Computronics	2	-26.6	-1.5	88	0-0	-	-	-	2.0	77	Nil	6.25	9	Earth Heat Res.	1	-31.0	-5.2	93	1-0	-	-	-	2.8	NE	Nil	N/A	5														
Fox Resources	6	-11.1	+4.5	58	0-0	-	-	-	1.6	NE	Nil	6.18	19	Voyager Res Ltd	2	-30.9	+4.5	92	0-0	-	-	-	2.1	NE	Nil	N/A	32														
GBM Gold Ltd	2	-13.6	+0.2	64	0-0	-	-	-	2.3	NE	Nil	6.15	5	<b>INSIDER SELLING: Most Insider Selling, Relative Strength &lt; 0</b>																											
Deutsche Div Tr	131	+0.0	+0.0	29	0-0	-	1.1	8	0.2	14	7.1	6.10	1,306	Bionomics Ltd	35	-12.5	+6.4	62	0-6	1	7.0	-	0.7	NE	Nil	N/A	121														
Tiger Resources	37	-4.6	+7.5	45	1-0	1	-	-	1.0	NE	Nil	6.09	248	Alacer Gold	710	-10.9	+7.2	58	0-5	5	-	-	0.5	NE	Nil	N/A	989														
Sino Securities	28	-0.0	+0.0	31	0-0	-	-	-	0.5	NE	Nil	6.00	19	Ivanhoe Aust.	64	-32.4	+5.0	94	0-4	-	-	-	0.8	NE	Nil	N/A	351														
Charter Pacific	7	-5.2	-4.1	46	1-0	-	2.3	-	1.1	NE	Nil	5.98	7	Origin Energy	1166	-6.0	-0.5	47	0-4	4	1.8	14	0.3	13	4.3	0.98	12,704														
Biota Holdings	73	-8.9	+2.2	54	4-0	-	2.4	-	0.6	NE	Nil	5.96	133	Mastermyne Grp	167	-4.8	-4.2	45	0-4	1	-	-	0.4	9	4.7	0.46	126														
Altius Mining	2	-31.5	-0.7	93	1-0	-	0.2	-	2.5	NE	Nil	5.95	5	Lycopodium Ltd	637	-0.1	-1.9	32	0-3	1	4.6	41	0.2	11	5.2	1.06	246														
Eastern Iron	4	-23.5	+3.6	83	2-0	-	-	-	1.5	NE	Nil	5.87	7	GR Engineering	93	-19.2	+3.8	76	0-3	-	3.3	31	0.6	11	8.6	0.91	140														
Wotif.com Hold.	395	-0.2	-0.2	32	2-1	8	98.8	-	0.3	14	6.3	5.76	836	Pro-Pac Pack.	49	-3.4	-1.2	41	0-3	-	2.7	15	0.5	18	4.1	0.78	103														
Adv Share Reg.	69	-0.4	+0.4	33	0-0	-	4.9	27	0.5	18	5.4	5.70	29	Austral Gold	22	-7.0	+11.4	50	0-3	-	-	-	0.6	6	Nil	4.50	37														
MHM Metals Ltd	26	-31.2	-1.5	93	1-3	-	-	-	1.0	NE	Nil	5.60	26	Dart Mining NL	9	-8.2	+1.1	52	0-3	-	-	-	1.2	NE	Nil	N/A	11														
Aquila Res.	268	-26.6	+2.9	88	0-0	6	-	-	0.8	NE	Nil	5.60	1,104	Kingrose Mining	118	-5.6	+1.6	46	0-3	1	-	-	0.6	19	3.4	4.64	340														
K2 Asset Mgmt	34	-14.6	+5.2	66	0-2	-	8.5	-	0.8	NE	Nil	5.58	79	Mineral Res.	806	-15.4	+0.8	68	1-4	2	1.8	29	0.4	6	5.7	1.61	1,490														
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# “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: 75.5% Buyers

Last 13 wks: 79.8% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
3D Resources	1-0	Ariadne Aust	2-0	Bionomics Ltd	0-6	Centro Retail	7-0	Dart Mining NL	0-3
A.P. Eagers	15-1	Aristocrat Leis	3-0	Biotron Limited	5-0	Central Petrol.	2-0	Datadot Tech.	1-0
A1 Consolidated	1-0	Ark Mines Ltd	3-0	Biota Holdings	4-0	Ceramic Fuel C.	3-0	Data 3 Ltd	1-2
A1 Investments	1-0	Armidale Invest	1-0	Bioxyne Ltd	1-0	Chal Div Prop	2-0	De Grey Mining	4-0
ABM Resources	1-0	Armour Energy	6-0	Bisalloy Steel	0-3	Chalice Gold	4-0	Decmil Group	1-0
ADG Gbl Supply	1-0	Arrium Limited	2-0	Bisan Ltd	4-0	Chal Energy	1-0	Delta SBD Ltd	2-0
ADX Energy Ltd	5-0	Asciano Limited	2-0	Black Range Min	2-0	Chandler McLeod	1-0	Dempsey Min.	1-0
AGL Energy Ltd	0-1	Asian Masters	0-1	Blackgold Int'l	1-0	Charter Hall GR	0-1	Devine	1-0
AJ Lucas	1-0	Ask Funding Ltd	0-1	Blackthorn Res.	2-1	Charter Pacific	1-0	Dexus Property	6-0
AMA Group Ltd	0-1	Aspen Group Ltd	0-1	Blackwood Corp	2-0	Chesser Res.	3-0	Dicker Data Ltd	1-0
AMCIL Limited	1-0	Aspire Mining	9-0	Blackmores Ltd	0-3	China Magnesium	2-0	Discovery Metal	1-2
ANZ Bank	1-2	Athena Res.	2-0	Black Fire Min.	4-0	Chrysalis Res.	1-0	Dolomatrix Intl	0-1
APN News Media	2-0	Atrum Coal NL	2-0	Blackham Res.	3-0	Circadian Tech	4-0	Domino's Pizza	0-4
ARB Corporation	0-3	Augur Resources	2-0	Blackwall Prop.	1-0	Clancy Expor.	2-0	Doray Minerals	2-1
ASX Limited	1-0	Aurora Oil Gas	4-1	Bligh Resources	2-0	Clean Seas Tuna	2-0	Dourado Res.	2-0
AWE Limited	1-0	Ausdrill Ltd	1-0	Bluescope Steel	3-0	Clime Inv Mgmt	1-0	Downer EDI Ltd	1-0
AXG Mining Ltd	4-0	Ausenco Ltd	1-0	Bluechip Ltd	0-1	Clinuvel Pharm.	1-0	Dragon Mining	1-0
Aberdeen Leader	0-1	Aust-Amer Min.	1-0	Boart Longyear	10-0	Clover Corp.	1-0	Dragon Mountain	1-0
Academies Aust.	4-0	Aust Foundation	1-0	Boom Logistics	4-0	Coalspur Mines	3-0	Drake Resources	1-0
Acrux Ltd	2-3	Aust Bauxite	2-0	Boulder Steel	1-0	Coalbank Ltd	1-2	Drillsearch	1-0
Actinogen Ltd	0-1	Austal Limited	0-1	Bradken Ltd	6-0	CocaCola Amatil	1-2	Drill Torque	3-0
Activex Ltd	1-0	Aust Power Gas	5-0	Brambles Ltd	2-1	Cocklear Ltd	1-0	Dulux Group Ltd	4-0
Adcorp Aust.	4-0	Aust Agricult.	6-0	Brazilian Metal	1-0	Cockatoo Coal	2-0	Dyesol Ltd	2-1
Adelaide Res.	2-0	Austin Eng.	2-0	Brierty Ltd	5-0	Coffey Int'l	3-0	E & A Limited	2-0
Adelaide Bright	3-0	Aust Oil Coy	1-0	Brighton Mining	4-0	Cogstate Ltd	1-0	E-Bet Limited	4-0
Adept Solutions	5-0	Aust Pharm. Ind	3-0	Brumby Resource	1-0	Cokal Limited	2-1	ECSI Limited	2-0
Admiralty Res.	2-0	Aust Minerals	3-0	Bulletin Res.	3-0	Collection Hse	4-0	ERM Power Ltd	2-0
Aeon Metals Ltd	1-0	Aust Pac Coal	5-0	Bullabulling G.	2-0	Collins Foods	1-0	EVZ Ltd	3-0
African Energy	7-1	Austex Oil Ltd	2-1	Burleson Energy	10-0	Colorpak Ltd	3-0	Earth Heat Res.	1-0
Aguia Resources	1-0	Austin Explor.	1-0	C.S.R. Ltd	1-0	Com'wealth Bank	1-0	Eastern Iron	2-0
Ainsworth Game	2-1	Austbrokers	1-0	CGA Mining Ltd	1-0	ComOps Limited	3-0	Echo Resources	2-0
Alacer Gold	0-5	Aust United In	2-0	CI Resources	1-0	Comet Ridge Ltd	2-0	Eftel Ltd	1-0
Alchemia Ltd	1-0	Aust Ren. Fuels	3-1	CMI Limited	0-1	Comet Resources	1-0	Elders Limited	7-0
Alchemy Res.	4-0	Austral Gold	0-3	CO2 Group Ltd	2-1	Commstrat Ltd	3-0	Elemental Min.	1-0
Alcyone Res Ltd	0-1	Avalon Minerals	1-0	CVC Prop Fund	1-0	Commissioners G	1-0	Elixir Petrol.	1-0
Ale Property	0-2	Avanco Res.	6-0	Cabcharge Ltd	1-5	Computershare	2-7	Emeco Holdings	3-0
Algae.Tec Ltd	2-0	Aviva Corp Ltd	2-0	Cabral Resource	1-0	Consegna Group	1-0	Emerald Oil & G	2-0
Allegiance Coal	1-0	Avonlea Mineral	2-0	Cadence Capital	2-1	Cont'l Coal	7-0	Emmerson Res.	1-0
Alliance Aviat.	2-0	Axiom Mining	1-0	Cape Lambert R.	4-1	Cooper Energy	2-0	Empired Ltd	1-0
Allmine Group	1-0	Axiom Property	2-0	Cape Alumina	3-0	CopperMoly Ltd	5-0	Empire Energy	0-1
Alloy Resources	1-0	Azumah Res.	1-0	Capilano Honey	0-1	Copper Strike	2-0	Empire Oil, Gas	1-0
Altium Limited	3-0	Azure Minerals	2-0	Car Parking Tec	2-0	Copper Range	7-0	Emu Nickel NL	2-0
Altius Mining	1-0	BBX Minerals	1-0	Carbon Energy	1-0	Corazon Mining	5-0	Energy Ventures	1-0
Amalgamated Hld	1-0	BHP Billiton	1-2	Carbon Con	2-0	Core Explor.	1-0	Energy & Min.	1-0
Ambassador Oil	1-0	BKI Invest Coy	2-0	Cardia Bioplas.	1-0	Coretrack Ltd	1-0	Energia Mineral	4-1
Ambertech Ltd	1-0	BT Invest Mgmt	1-0	Careers Multi.	1-0	Cortona Res Ltd	1-0	Energy Tech.	2-0
Amcom Telecom.	2-3	BWP Trust	1-0	Carnegie Wave E	1-0	Country Road	0-1	Energy Action	0-1
Amcor Ltd	3-2	Balamara Res.	1-0	Carnarvon Pet.	4-0	Coventry Group	1-0	Engenco Ltd	2-0
Anittel Group	1-0	Bank of Q'land	6-0	Carrick Gold	6-0	Coventry Res.	3-0	Enterprise Met.	2-0
Antaria Ltd	2-0	Bannerman Res.	1-0	Carsales.com	1-2	Credit Corp	1-4	Environm't Grp	1-0
Antares Energy	2-0	Bass Metals Ltd	1-0	Cash Converters	2-0	Crest Minerals	1-0	Epic Resources	4-0
Antisense T.	5-0	Beacon Minerals	2-0	Caspian Oil & G	2-0	Cromwell Prop.	6-1	Equaminal	2-0
Antipa Minerals	4-0	Beach Energy	2-0	Cassini Res Ltd	1-0	Crown Ltd	2-0	Equator Res Ltd	1-0
Aphrodite Gold	1-0	Beadell Res.	1-0	Castle Minerals	2-0	Crusader Res.	2-1	Equity Trustees	5-0
Apollo Minerals	1-0	Bega Cheese Ltd	0-2	Cazaly Res Ltd	8-1	Cryosite Ltd	3-0	Esperance Min.	2-0
Aquarius Plat.	1-0	Bell Financial	13-0	Cedar Woods Prp	0-3	CuDeco Ltd	10-0	Estrella Res.	1-0
Arc Exploration	1-0	Benitec Bio.	1-0	Cellmid Ltd	1-0	Cuesta Coal Ltd	2-0	Ethane Pipeline	1-0
Archer Explor.	1-0	Berklee Ltd	1-0	Centrepoint All	8-0	Cullen Resource	1-0	Eumeralla Res.	1-0
Ardent Leisure	3-0	Berkeley Res.	1-0	Centius Gold	8-0	DSQ Holdings	0-1	European Gas	1-0
Argent Minerals	4-0	Beyond Int'l	2-0	Cent West Gold	1-0	DUET Group	0-3	Evolution Min.	4-0
Argonaut Res.	3-0	Billabong Int'l	1-0	Centrex Metals	5-0	Dart Energy Ltd	2-0	Exalt Resources	1-0



Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Excalibur Min.	3-0	Hills Holdings	9-0	Kinetiko Energy	1-0	Mineral Res.	1-4	Panaust Ltd	4-2
Exco Resources	2-0	Hill End Gold	2-0	Kingsgate Cons.	0-2	Minemakers Ltd	1-0	Pancontinental	1-0
Exterra Res.	1-0	Hillgrove Res.	3-0	Kingrose Mining	0-3	Mining Group	1-0	Paperlin X Ltd	5-0
FKP Limited	1-0	Hodges Res.	4-0	Kip McGrath EC	1-0	Mining Projects	1-0	Patties Foods	8-2
FSA Group Ltd	2-0	Holista Coll.	1-0	Konekt Limited	6-0	Mirabela Nickel	3-0	Peak Resources	2-1
Fairfax Media	3-0	Horizon Oil Ltd	1-0	Korvest Ltd	1-0	Moby Oil & Gas	1-0	Peel Mining Ltd	3-0
Falcon Minerals	3-0	Humanis Group	2-0	Kresta Holdings	1-0	Molopo Energy	5-0	Peet Ltd	8-0
Farm Pride Food	1-0	Hunter Hall Int	0-2	Kula Gold Ltd	2-0	Moly Mines Ltd	1-0	Peninsula En.	4-0
Ferrum Crescent	2-0	Hyro Limited	1-0	Kupang Res Ltd	1-0	Money3 Corp Ltd	1-0	Perpetual Ltd	1-0
Fiducian P Serv	4-0	I-Cash Payment	2-0	Kuth Energy Ltd	1-0	Monteray Group	3-0	Perseus Mining	0-2
Finbar Group	3-0	I-Property Grp	0-1	LBT Innovations	5-0	Morn. Star Gold	2-0	Petrel Energy	1-0
Firstfolio Ltd	1-0	I-Sonea Limited	4-0	Lakes Oil NL	1-0	Mortgage Choice	1-0	Pharmaust Ltd	3-0
Flexicorp Ltd	0-5	ICS Global Ltd	5-0	Landmark White	0-3	Mt Gibson Iron	6-0	PharmNet Online	1-0
Flight Centre	1-2	IDM Inter'l	1-0	Laserbond Ltd	1-0	My Net Fone Ltd	0-2	Pharmaxis Ltd	1-2
Flinders Mines	2-0	IDT Australia	1-0	Latin Gold Ltd	1-0	Mystate Ltd	4-0	Phileo Aust.	4-0
Focus Minerals	2-0	IEF Real Estate	3-0	Latin Resources	0-1	NRW Holdings	1-0	Phillips River	1-0
Forge Resources	1-0	IFS Construct.	1-0	Leighton Hold	4-0	NSL Cons. Ltd	4-0	Phoenix Copper	2-0
Forge Group Ltd	1-0	IMF (Aust) Ltd	1-2	Lemur Resources	5-0	Namibian Copper	1-0	Phoenix Gold	0-1
Fortescue Metal	8-1	IRESS Limited	5-0	Liberty Res.	3-0	Nanosonics Ltd	1-0	Phoslock Water	4-0
Forte Cons. Ltd	2-1	ITL Limited	1-5	Lincoln Min.	1-0	Nat'l Aust Bank	0-1	Phylogica Ltd	3-0
Foyson Res Ltd	1-0	INet	3-1	Linq Resources	1-0	NetComm Wire.	1-0	Pie Networks	1-0
Freedom Foods	1-0	Image Resources	1-0	Liontown Res.	4-0	Neurodiscovery	3-0	Pilbara Mineral	1-0
Frontier Res.	0-1	Imdex Limited	1-2	Liq Natural Gas	0-2	Nevada Iron Ltd	1-0	Pioneer Res.	1-0
Funtastic Ltd	3-0	Immuron Ltd	5-0	Living Cell T.	1-0	New Horizon C.	9-2	Planet Metals	4-0
G8 Education	1-0	Impedimed Ltd	6-0	Lodestar Min.	4-0	Newhaven Hotels	1-0	Platsearch NL	6-0
GBM Resources	1-0	Imperial Pac.	1-0	Logicamms Ltd	7-1	Nexus Energy	10-2	Platinum Cap'l	1-0
GPT Group	1-0	Inca Minerals	2-0	Longreach Group	1-0	Nib Holdings	4-2	Pluton Resource	2-0
GR Engineering	0-3	India Resources	2-0	Lonhro Mining	1-0	Nido Petroleum	1-0	Plymouth Min.	1-0
GRG Intern'l	1-0	Industrea Ltd	1-0	Lycopodium Ltd	0-3	Nimrodel Res.	1-0	Po Valley Ener.	8-0
Galaxy Res.	1-2	Infigen Energy	1-0	M2 Telecom. Grp	0-3	Noble Mineral	2-0	Polymetals Min.	1-0
Galilee Energy	1-0	Ingenia Com Grp	4-0	MEO Australia	2-0	Noni B Limited	3-0	Poseidon Nickel	2-0
Genetic Tech.	2-0	Insurance Aust.	1-0	MHM Metals Ltd	1-3	North Aust Diam	1-0	Potash Minerals	2-0
Geopacific Res.	3-0	Int Research	0-2	MacPhersons R G	1-0	Northern Mining	2-0	Premium Ltd	1-0
Gerard Lighting	2-0	Int'l Coal Ltd	2-0	Macarthurcook P	3-0	Northwest Res.	1-0	Prana Biotech.	2-0
Gindalbie Met.	2-1	Int. Legal	1-0	Maca Limited	0-1	Norton Gold	1-0	Primary Health	12-2
Gladiator Res.	1-0	Intermin Res	3-0	Macquarie Radio	1-0	Novarise Renew.	2-0	Pro Maintenance	2-0
Global Resource	0-2	Integra Mining	2-0	Macquarie Group	2-0	Nithn Star Res.	0-1	Pro Medicus Ltd	4-0
Global Metals	1-0	Intra Energy	18-2	Macquarie Atlas	1-0	Nithn Manganese	1-0	Pro-Pac Pack.	0-3
Global Mining I	1-0	Intrepid Mines	0-2	Magellan Flag.	1-0	NuEnergy Cap'l	3-0	Probiotec Ltd	9-0
Globe Int'l Ltd	5-0	Investigator R.	3-0	Magellan Fin Gp	2-0	Nucoal Res.	1-0	Progen Pharm.	2-0
Global Petrol.	3-0	Investorfirst	3-2	Magnetic Res.	4-0	Nupower Res.	2-1	Promesa Ltd	1-0
Globe Metals	0-1	Investa Office	3-0	Magontec Ltd	1-0	Nyoto Minerals	2-0	Prophecy Int'l	2-0
Glory Resources	1-0	Invision Limited	5-1	Mako H/carbons	2-0	OM Holdings	1-0	Proto Resources	4-0
Goldsearch Ltd	1-0	Invictus Gold	1-0	Malagasy Min.	2-0	OZ Minerals Ltd	7-0	Pryme Energy	1-0
Goldminex Res.	1-0	Invocare Ltd	0-2	Mantle Mining	1-0	Oceania Capital	1-0	Pulse Health	2-0
Golden Gate Pet	5-0	Ipernica Ltd	4-0	Marengo Mining	0-1	Octagonal Res.	1-0	Pura Vida En.	1-0
Gold Road Res.	0-2	Iron Road Ltd	0-1	Mariner Corp.	1-0	Oil Search Ltd	4-0	Q.B.E. Insur.	0-1
Golden Cross	0-1	Iron Ore Hold.	1-0	Marmota Energy	0-1	Oil Basins Ltd	1-0	QR National Ltd	5-0
Goldfields Mon.	1-0	Ironbark Cap'l	1-0	Mastermyne Grp	0-4	OnTheHouse Hold	1-0	Qantas Airways	7-0
Gold One Int'l	4-1	Ivanhoe Aust.	0-4	Matrix Comp.	3-1	Optiscan Image	1-0	Qld Mining Corp	3-0
Goodman Fielder	2-0	JB Hi-Fi Ltd	1-2	Matsa Resources	1-0	Opus Group Ltd	7-0	Qube Logistics	1-0
Gowing Brothers	1-0	Jaguar Minerals	1-0	Maxi TRANS	1-0	Orica Ltd	3-2	Quest Minerals	1-0
Grand Gulf En.	1-0	James Hardie	0-1	McMillan Shake.	0-5	Origin Energy	0-4	Quest Investm't	1-0
Grange Resource	2-1	Jervois Mining	2-0	Medical Dev Int	3-0	Orion Metals	0-1	Queste Comm's	0-1
Greencross Ltd	0-3	Jetset Travel	1-0	Medivac Ltd	3-0	Ormil Energy	1-0	Quickstep Hold.	2-0
Growthpoint Pro	5-0	Jindalee Res.	2-0	Medical Aust.	1-0	Orocobre Ltd	3-0	RCR Tomlinson	1-0
Gryphon Mineral	0-2	Jumbuck Enter.	1-0	Medtech Global	2-0	Oroton Group	0-1	REA Group Ltd	0-1
Gt Western Exp.	6-0	Jumbo Interact.	0-6	Medusa Mining	3-1	Orpheus Energy	12-0	RXP Services	1-0
Guinness Peat	1-0	Jupiter Mines	0-1	Melbourne IT	1-0	Otis Energy Ltd	2-0	Radar Iron Ltd	2-0
Gujarat NRE	9-0	K&S Corporation	3-0	Mermaid Marine	1-2	Ottoman Energy	1-0	Raisama Energy	1-0
Gulf Mines Ltd	1-0	K2 Asset Mgmt	0-2	Merricks CSO Fd	5-0	Oz Brewing Ltd	2-0	Ramelius Res.	0-1
Gullewa Ltd	0-2	K2 Energy Ltd	1-0	Metals X Ltd	1-0	P-REIT	4-1	Range Resources	1-0
HFA Holdings	2-0	KBL Mining Ltd	3-0	Metalliko Res.	1-0	PLD Corporation	1-0	Realm Resources	1-0
HGL Limited	5-0	Kaboko Mining	5-0	Metcash Ltd	2-1	PMI Gold Corp.	0-1	Red Metal Ltd	1-0
Hannans Reward	2-0	Kagara Ltd	0-2	Meteorite Res.	3-0	PMP Limited	4-0	Red Sky Energy	1-0
Haranga Res Ltd	3-0	Kalgoorlie Min.	2-0	Metminco Ltd	2-0	PPK Group Ltd	6-0	Red Hill Iron	10-0
Hawkley Oil Gas	1-0	Key Petroleum	2-0	Metrocoal Ltd	1-0	PTB Group Ltd	1-0	Red Mountain	3-0
Heartware Inc.	0-23	KeyBridge Cap'l	3-0	Middle Island	1-0	PTO Consol. Ltd	3-0	Red Gum Res.	2-0
Heemskirk Cons.	4-0	Kibaran Res.	1-0	Milton Corp.	3-0	Padbury Mining	1-0	Redstone Res.	2-0
Henderson Group	0-1	Kidman Res Ltd	2-0	Minbos Res.	2-0	Pan Pacific Pet	3-0	Reedy Lagoon	1-0
Heron Resources	2-0	Killara Res.	1-0	Mincor Resource	3-1	Pan Asia Corp	3-0	Reef Casino Trt	2-0
Highland Pac.	0-1	Kimberley Rare	1-0	Mindax Limited	1-0	Panax Geotherm.	3-0	Regal Resources	1-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Regis Resources	0-1	Seven West Med.	4-0	Suncorp Group	4-1	Toll Holdings	4-1	Vortex Pipes	1-0
Resource Equip.	4-0	Shaw River Mang	2-0	Sundance Energy	7-0	Toro Energy Ltd	1-0	W'bool Cheese	1-0
Resource Gener.	2-0	Sheffield Res.	6-0	Sunland Group	0-1	Torrens Energy	1-0	WDS Limited	3-0
Resource Star	3-0	Sigma Pharm.	2-0	Sunshine Heart	2-0	Tox Free Sol.	1-4	WHK Group Ltd	3-0
Retail Food Grp	0-1	Signature Cap't	3-0	Superior Res.	1-0	Trafford Res.	1-0	WHL Energy	1-0
Reva Medical	5-0	Sihayo Gold Ltd	3-1	Swick Min Serv	2-0	Trafalgar Corp.	1-0	WPG Resources	2-1
Reward Minerals	5-0	Silver Swan Grp	3-0	Symex Holdings	2-0	Transfield Serv	3-0	Watpac Ltd	3-0
Rialto Energy	4-0	Silver Chef Ltd	2-0	TFS Corporation	3-0	Transol Corp	1-0	Wavenet Int'l	1-0
Ridge Resources	3-0	Sims Metal Mgmt	7-1	TPG Telecom Ltd	0-1	Transurban Grp	2-0	Webfirm Group	4-0
Ridley Corp.	1-0	Sino Gas & En.	1-0	TPL Corporation	1-0	TransPacific In	1-0	Webjet NL	1-13
Riedel Resource	3-0	Sirius Res. NL	1-0	Tabcorp Holding	1-0	Treasury Wine	2-0	Webster Ltd	1-0
Robust Resource	1-0	Site Group Int.	1-0	Tag Pacific	2-3	Triton Gold Ltd	0-1	Westfarmers Ltd	1-0
Roc Oil Company	3-0	Slater & Gordon	2-0	Tamawood Ltd	0-1	Troy Resources	1-18	West Peak Iron	1-0
Rox Resources	3-0	Sonic Health	1-2	Tanami Gold NL	2-1	Truscott Mining	1-0	Westfield Group	2-0
Royal Wolf Hold	1-0	Soul Pattinson	11-0	Tap Oil	2-0	Trustees Aust.	2-0	Western Desert	1-3
Royalco Res.	1-0	Southern Gold	1-0	Target Energy	1-0	Two Way Limited	2-0	West. Manganese	3-1
Royal Resources	1-0	Speewah Metals	3-0	Tasmania Mines	1-0	UGL Limited	4-0	Westpac Banking	1-2
Rubianna Res.	3-0	Sprintex Ltd	4-0	Tassal Group	2-0	UXA Resources	3-0	Westside Corp.	0-1
Rubik Financial	2-0	Sprint Energy	2-0	Tatts Group Ltd	0-1	UXC Limited	2-0	Westgold Res.	2-0
Rumble Resource	1-0	St Barbara Ltd	6-0	Techniche Ltd	1-0	Un. Biosensors	1-0	White Cliff Min	1-0
Runge Ltd	1-0	Stanfield Funds	3-1	Tellus Res.	1-0	Unilife Corp.	4-0	Whitehaven Coal	7-0
SAI Global Ltd	3-0	Starpharma Hold	5-1	Telstra	5-0	Unity Mining	1-0	White Energy Co	3-0
SDI Limited	1-0	Stellar Res.	1-0	Templeton Globa	1-0	United Overseas	1-0	Whitestar Res.	2-0
Salmat Ltd	3-0	Sth Boulder Min	1-0	Tempo Australia	0-1	Uranium Equitie	1-0	Whitefield Ltd	0-1
Samson Oil/Gas	2-0	Sth Hemi Mining	5-0	Ten Network	3-0	Uraniumsa Ltd	1-0	Wilson HTM Inv.	4-0
Sandfire Res.	0-2	Sth Cross Media	1-0	Teranga Gold	2-0	Uranex Ltd	7-0	Winmar Res Ltd	8-0
Santos Ltd	2-0	Sth Cross Elect	2-0	Thakral Holding	0-1	VDM Group Ltd	1-0	Woolworths Ltd	3-1
Saracen Mineral	0-2	Sthn Crown Res.	1-0	Thinksmart Ltd	6-0	Vector Res.	2-0	Worley Group	4-1
Savcor Group	1-0	Stonehenge Met.	2-0	Thomas & Coffey	6-0	Venus Metals	1-0	World Titanium	2-0
Scott Corp Ltd	3-0	Straits Resourc	1-0	Thorn Group Ltd	2-0	Victory West M.	1-0	Wotif.com Hold.	2-1
Seek Ltd	2-0	Strategic Min.	1-0	Thundelarra Exp	3-0	Viking Ashanti	8-0	XRF Scientific	1-0
Segue Resources	1-0	Strat. Elements	1-0	Tidewater Inv	1-0	Villa World Ltd	5-1	Xanadu Mines	2-0
Select harvest	7-0	Strickland Res.	4-0	Tigers Realm	5-0	Viralytics Ltd	2-0	Xtek Ltd	2-1
Senetas Corp	1-0	Strike Energy	3-0	Tiger Resources	1-0	Vita Group Ltd	2-0	Yellow Rock Res	12-0
Senex Energy	8-0	Structural Mon.	2-0	Timpetra Res.	1-0	Vital Metals	1-0	Zamanco Min Ltd	1-0
Servcorp Ltd	1-0	Structural Syst	1-0	Tissue Therapy	1-0	Vmoto Ltd	5-0	Zambezi Res.	3-0
Service Stream	1-0	Strzelecki Met.	2-0	Titan Energy	2-0	Vocus Comm.	0-1	Zenith Minerals	1-0
Seven Group	1-0	Sun Resources	1-0	Titan Energy	1-0	Volta Mining	4-0	Zeta Petroleum	2-0
								Zicom Group	4-0

## Review of Shares with Insider Buying

### Primary Health Care (code PRY).

There have been 12 on-market *insider* buys and 2 sells in Primary Health Care's shares over the last year. The company operates four divisions which have strong competitive positions in the healthcare sector.

The company believes it has a significant competitive advantage with its large-scale Medical Centres. It currently operates 57 large scale centres - based around 15-20 GPs each - which seek to provide all "out-of-hospital" primary health care including related services such as pharmacy, X-ray, pathology, dental and day surgery. It also has 21 smaller centres with a total of 127 GPs. This division contributes around 45% of group earnings from 21% of group revenues.

The large scale Medical Centres offer many competitive advantages over the traditional GP practice: For patients the large scale centres offer convenience,

open 365 days per year from 7.00am to 10.00pm, with no appointment required. That also better utilises the company's capital investment in property, facilities and equipment (i.e. which are used 105 hours per week). The centres also provide related services (e.g. pharmacy) on-site. For GPs, the centres provide (1) a strong flow of patients, (2) administration allowing GPs to maximise face-to-face patient care (and income from patient billings!), (3) a wide range of equipment and facilities and (4) flexible working hours and no need to find locums when taking time off.

The centres work on a revenue sharing scheme with GPs. Each party receives around 50% of patient billings, but this allows GPs to maximise their income by avoiding administrative tasks and focusing upon patient care. This is also a profitable arrangement for the centres, which generate high profit margins (before interest,

October 8, 2012.

depreciation and tax) of around 55% of revenues.

Overall around 36% of revenues are generated from non-GP services, rising to about 45% for centres that have been operating longer than ten years.

Primary Health Care opened five large scale centres in the year to June 2009, seven to June 2010 and three in 2011, but opened only one new large scale centre in the 2012 financial year and plans only one new centre in the current year.

Acquiring existing GP businesses to be consolidated into a new large scale centre can cost \$8-20 million per centre, plus a further \$6-12 million to build a new large scale centre. Those are high *establishment* capital costs, but ongoing capital and operating costs are low.

The group's next largest division is Pathology, generating 35% of earnings. This is the second largest pathology business in Australia with around a 30-35% market share.

The Diagnostic Imaging division generates 15% of group earnings and has one of Australia's major diagnostic imaging networks with 143 sites at hospitals, community sites and the group's large scale medical centres.

The Health Technology division was formed in 2005 when Primary Health Care acquired listed **Health Communications Network** (a *Market Analysis* recommended company on which we realised a 75% gain over 15 months from the takeover). This division generates only 5% of group earnings from providing practice management software to GPs and specialists, plus the provision of online knowledge resources.

For the year to 30 June 2012, group revenues were up 5.3% to \$1,392.1 million, with trading profits up 3.2% to \$116,615,000 (23.2 cents per share). The business provides strong net operating cash flows, up 43% to \$228.7 million over the last year.

The annual dividend was raised 37.5% to 11.0 cents.

With the shares trading at 380 cents, the Price/Earnings ratio is 16 and the Dividend Yield 2.9%.

The company has an issued capital of 501,717,314 shares, giving it a market capitalisation of \$1,907 million.

In the balance sheet, the major asset is Goodwill (i.e. mainly from the acquisition of GP businesses and the Pathology businesses) of \$3,138.7 million out of total assets of \$3,861.9 million. The company owes \$1,071.8 million of interest bearing debts, with a \$770 million term loan and a \$100 million revolving facility maturing in February 2015 plus a \$150 million loan maturing in October 2016. During the year to June 2012 it hedged the majority of the interest on these loans at 4.03% (plus bank margin) for 2013, 3.65% for 2014 and 3.30% for 2015.

The company is predicting net profits 20-25% higher at \$140-146 million (28-29 cents per share) for the year to June 2013.

The Founder and Managing Director, Dr EGT Bateman owns 36,210,967 shares or 7.2% of the

company. Over the last year he bought 15,000 shares on-market at 323 cents in November, 45,000 shares at 315 cents in December, 30,000 shares at 306 cents in January, 40,000 shares at 300 cents in February and 50,000 shares at 268 cents in May. He also sold 6,063 shares at 328 cents in December and 250,000 shares at 310-312 in January.

The Finance Director, AK Duff, bought 8000 shares at 311-315 in December, 3600 shares at 294 cents in February, 7500 shares at 287 cents in April, 6800 shares in May at 280 cents and 10,000 shares at 275 cents in June to increase his investment in the company to 47,720 shares.

Non-Executive Director, Dr PF Jones, bought 2000 shares at 300 cents in March and 2200 shares at 275 cents in May to lift his holding to 14,200 shares.

Executive Director and General Manager of Pathology, J Bateman, owns 63,936 shares while Executive Director and General Manager Medical Centres, H Bateman, has 129,810 shares. Two other non-executive directors own 82,488 and 87,000 shares.

The shares appear to be in the early stages of a recovery and new uptrend. The Relative Strength Rating is +10.8%, ranked 8 (on a scale of 0-99).

### **Summary and Recommendation**

We are not formally recommending Primary Health Care, but these shares would be attractive for conservative investors looking for a large-cap company with steady long term growth potential.

Acquiring and building its healthcare businesses has been expensive - mainly in the cost of goodwill on acquisitions - but Primary Health Care now has some attractive healthcare businesses with competitive advantages, high margins and strong operating cashflows. Those high cashflows should enable the company to reduce interest bearing debts (and interest costs) over future years.

Future *organic* growth, driven by the increasing demand for health services could also add substantially to profits and dividends and the share price.

Primary Health Care has the potential to be a steady, but above average, investment over the medium to long term, providing shareholders with a growing annual dividend income and growth in the share value.

### **Primary Health Care**



**Investment Outlook***(Continued from Page 1)*

So how bad have things really been over the last five years? This newsletter has made 17 new formal buy recommendations since January 2008: 8 are down and 9 are up. But that doesn't tell the whole story because, as you know, stockmarket returns have a "positive skew" or are "skewed to the right". In plain English that simply means that losses are limited (i.e. to 100%) but there is no limit to potential returns!

Photon Group was sold for an 88% loss, but Village Roadshow is up 562%. Penrice Soda is down 64%, but Integrated Research up 206%. Probiotec is down 63% but Cardno is up 119%. CSG is down 57%, but Charter Hall Group was sold for a 107% gain. Fiducian Portfolio fell 55%, but Ammtec was up 72% (or up 130% if you have kept the Campbell Brothers/ALS shares received). Overall the average gain on the 17 new recommendations over the last five years is +43%. Stockmarkets remain depressed, so most of the potential gains from these recent investments still lie ahead!

Even many of our older investments - Cavalier, Michael Hill, ALS, Iluka Resources, Melbourne IT - remain attractive investments to buy and hold.

# Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Colonial Motor Company	16.00	12-10	23-10	Full
Delegat's Group	9.00	28-09	12-10	Full
Fletcher Building	17.00	28-09	17-10	Full
GuocoLeisure	S\$0.02	24-10	08-11	Nil
Hallenstein Glasson	19.00	30-11	07-12	Full
Hellaby Holdings	8.00	12-10	19-10	Full
Kathmandu	7.00	12-11	22-11	Full
Nuplex Industries	11.00	28-09	12-10	Nil
NZX 10 Index	1.64131	28-09	23-10	Full
NZX 50 Portfolio	2.187017	28-09	23-10	Full
NZX Australian 20	4.42447	28-09	23-10	Full
NZX Aust Mid-Cap	9.670585	28-09	23-10	Full
NZX Mid-Cap	3.255308	28-09	23-10	Full
Postie Plus Group	1.00	07-12	14-12	Full
Skellerup Holdings	5.00	12-10	25-10	1.9444
SkyCity	8.00	28-09	05-10	1.8667
South Port NZ	14.50	21-09	09-11	Full
TeamTalk	10.00	05-10	12-10	Full
Tourism Holdings	2.00	19-10	26-10	Full
Warehouse Group	6.50	02-11	14-11	Full
<u>Australian Shares</u>				
Cardno	18.00	10-09	12-10	
M2 Telecommunications	9.00	28-09	26-10	
Melbourne IT	7.00	24-09	26-10	
Skilled Group	8.00	20-09	18-10	
The Reject Shop	9.50	24-09	15-10	
The Reject Shop (spec)	8.50	24-09	15-10	

**Total Return Index for All Listed Shares**

Sep 10	1261.25	Sep 17	1287.72
Sep 11	1261.39	Sep 18	1284.87
Sep 12	1270.87	Sep 19	1288.37
Sep 13	1272.51	Sep 20	1292.80
Sep 14	1280.89	Sep 21	1293.06
Sep 24	1292.47	Oct 1	1286.64
Sep 25	1295.06	Oct 2	1294.74
Sep 26	1294.18	Oct 3	1304.35
Sep 27	1296.71	Oct 4	1305.55
Sep 28	1293.34	Oct 5	1315.26

## Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday November 12, 2012.

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

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