

Market Analysis

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Inside Market Analysis

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Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

The public and media remain pessimistic (which we regard as favourable) and we continue to find share investments that offer excellent value - so we recommend buying and holdings the recommended shares!

Investment Outlook.

This newsletter has long argued that while the media is full of “doom and gloom” then share prices will *already* be depressed, under-valued and a “Buy”.

Over the last few days financial internet sites have run the story that Marc Faber predicts the re-election of Obama will send the US stockmarket down 50%! (Or 20%, depending which reports you read.)

“Mr Obama is a disaster for the US” says Faber, “not that Mr Romney would be much better.” What else would you expect from someone nicknamed “Doctor Doom”?

Faber is (perpetually) bearish on stocks, real estate and commodities - except precious metals - and expects “devastation” leading to “riots, starvation and bloodshed”, adding “you’ll wish you had a machine gun”.

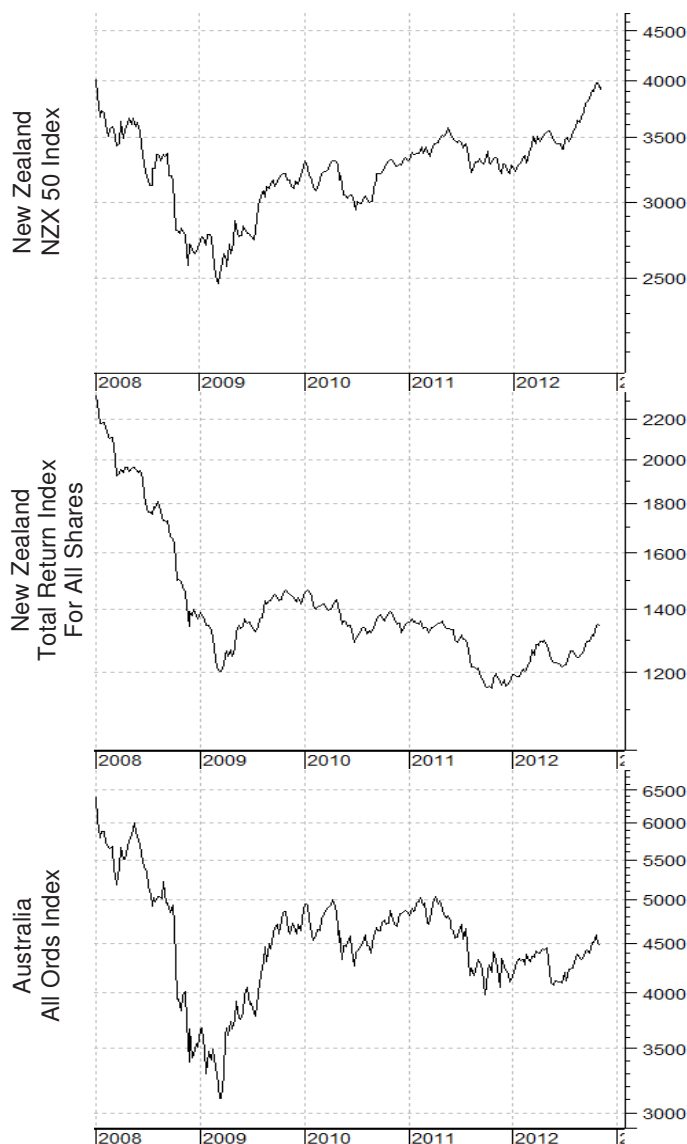
We have also long argued that stockmarket investment is often counter-intuitive. For example, “bad” economic news usually indicates a good time to buy and hold shares - as stockmarkets *anticipate* the future and are probably *already* depressed and near their lows. Similarly, “good” economic news probably indicates one should be looking to reduce exposure to shares which have probably *already* risen in value to near their cyclical highs!

While this newsletter does not intend to start offering “survivalist” investment advice, it strikes us that this is also rather counter-intuitive. All of these survivalists advocate “guns and gold” - which, in our opinion, are probably the worst things to stockpile in preparation for “riots, starvation and bloodshed”! When the social order breaks down, the possession of gold is viewed as highly anti-social. To reveal that possession (i.e. to try to spend it) usually results in execution and confiscation by the state or a visit from that desperate, starving mob. The open display of firearms - indicating a valuable hoard (gold? food? medicine? soap?) worth protecting - would likely bring the same result!

We have been well rewarded over the last 31 years applying a scientific and intelligent approach to stockmarket investment. We continue to find shares that offer good value - so will continue to invest 100% of our portfolio in shares (and nothing in gold and guns).

Stockmarket Forecasts

	One-Month	One-Year
Australia:	76% (Bullish)	66% (Bullish)
New Zealand:	69% (Bullish)	66% (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	589	1.33	14	6.7	Jasons Media	D	13	0.21	6	Nil	Rakon Ltd	D	44	0.47	NE	Nil
AMP Office Trt	C	99	7.75	22	5.7	Just Water Int.	C	13	0.37	6	Nil	Renaissance	D	15	0.04	NE	Nil
Abano Health.	A	580	0.46	58	5.2	Kathmandu Ltd	B	170	0.98	10	8.4	Restaurant Brds	B	268	0.85	15	8.5
Air New Zealand	A	125	0.30	19	4.4	Kermadec Prop.	C	67	6.58	11	4.5	Rubicon Limited	E	25	0.23	NE	Nil
Akd Int Airport	B	266	8.22	25	5.6	Kingfish Ltd	B	107	N/A	14	8.3	Ryman Health.	B	401	N/A	17	1.1
Allied Farmers	D	2.4	0.10	NE	Nil	Kirkcaldie & St	C	311	0.77	NE	2.5	Veritas Invest.	D	6.0	6.32	NE	Nil
Allied Work.	C	250	0.55	14	7.4	Kiwi Property	C	119	5.60	13	6.8	Sanford Limited	C	435	0.88	18	7.6
Argosy Property	D	92	7.18	NE	6.6	L&M Energy	E	7.2	N/A	NE	Nil	Satara Co-op	E	45	0.14	NE	Nil
Barramundi Ltd	D	66	N/A	NE	9.4	Lytelton Port	C	205	2.01	12	Nil	Savoy Equities	E	1.0	N/A	NE	Nil
Blis Technology	E	1.0	1.16	NE	Nil	Mainfreight Grp	B	1046	0.57	16	3.6	Scott Tech. Ltd	A	226	1.67	17	4.4
Briscoe Group	B	206	1.00	16	6.9	Marlin Global	D	66	N/A	NE	11.3	Sealegs Corp	E	13	1.17	NE	Nil
Burger Fuel	C	112	5.84	85	Nil	Mercer Group	C	14	1.00	NE	Nil	Seeka Kiwifruit	E	88	0.09	NE	Nil
CDL Investments	D	43	9.75	29	4.7	Methven Limited	A	134	0.84	14	9.2	Skellerup Hold.	A	167	1.55	13	6.7
Cavalier Corp	C	185	0.58	30	Nil	Metro. LifeCare	C	308	6.92	NE	Nil	Sky City Ltd	B	391	2.65	16	5.4
Cavotec MSL	C	245	1.08	20	1.6	Michael Hill	B	120	0.90	13	4.6	Sky Network TV	C	508	2.34	16	6.2
Charlie's Group	E	43	4.00	51	Nil	Mid-Cap Index	D	247	N/A	NE	Nil	Smartpay NZ Ltd	B	17	0.43	NE	Nil
Chorus Ltd	C	324	1.19	7	11.0	Millennium & C.	C	45	1.58	8	3.8	Smiths City	B	55	0.13	7	6.4
Claridge Cap'l	E	1.5	N/A	NE	Nil	Mowbray Collect	E	43	1.70	NE	Nil	Sol. Dynamics	D	30	0.35	NE	Nil
Col Motor Co	A	360	0.22	10	9.9	NPT Limited	D	61	3.80	NE	6.6	South Port NZ	C	335	3.32	15	8.5
Comvita	A	372	1.10	13	5.4	NZ Experience	C	40	1.27	10	10.4	Speirs Group	D	11	0.09	NE	Nil
Contact Energy	C	535	1.43	20	6.1	NZ Exchange Ltd	C	126	6.47	25	5.9	Steel & Tube	B	218	0.48	15	7.9
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	C	159	N/A	19	5.4	NZ Farming Sys.	D	73	1.72	NE	Nil	Tag Pacific Ltd	E	12	0.15	NE	Nil
Delegat's Group	A	315	1.44	13	4.1	NZ Oil & Gas *	N/R	89	3.08	18	9.6	TeamTalk Ltd	C	250	1.80	11	11.4
Diligent Board	C	377	N/A	NE	Nil	NZ Refining Co	B	282	2.71	23	6.1	Telecom Corp	C	241	0.98	4	11.1
Dorchester Pac	C	18	3.23	NE	Nil	NZ Windfarms	E	11	3.27	NE	Nil	Tenon Ltd	E	69	0.11	NE	Nil
Ebos Group Ltd	A	825	0.30	15	5.9	NZ Wine Company	C	110	0.71	NE	Nil	Tourism Hold.	B	72	0.35	16	7.9
Ecoya Ltd	D	110	2.85	NE	Nil	NZ Wool Service	D	44	0.20	NE	Nil	Tower Limited	B	192	0.94	15	4.5
F & P Appliance	B	128	0.90	50	Nil	NZSX 50 Port.	C	142	N/A	NE	Nil	Trade-Me Ltd	B	407	N/A	21	2.7
F & P Health.	B	243	2.44	20	7.3	NZSX 10 Fund	D	96	N/A	NE	Nil	Training Sol.	E	0.1	N/A	NE	Nil
Finzsoft Sol'ns	E	34	0.36	NE	Nil	NZX Aust MidCap	D	474	N/A	NE	Nil	Trust Power Ltd	C	853	3.32	20	6.7
Fletcher Build.	B	724	0.56	27	6.7	New Image Group	C	26	0.82	NE	Nil	Turners & Grow.	C	150	0.20	14	4.0
Freightways Ltd	B	439	1.77	18	5.9	Northland Port	A	230	N/A	12	5.3	Turners Auction	A	187	0.68	14	13.0
Genesis Res.	E	1.8	N/A	NE	Nil	Nuplex Indust	B	297	0.36	9	7.1	Vector Ltd	C	277	2.20	14	7.5
Goodman Prop.	C	106	9.47	26	5.9	Opus Int'l Cons	C	203	0.74	12	6.0	Velo Capital	C	7.0	N/A	NE	Nil
Guinness Peat	C	59	0.09	2	2.6	Ozzy (Tortis)	D	350	N/A	NE	Nil	Vital Health PT	C	127	6.61	41	6.2
GuocoLeisure	C	58	1.44	8	3.4	PGG Wrightsons	D	33	0.19	10	Nil	WN Drive Tech.	C	15	0.29	NE	Nil
Hallenstein G.	A	498	1.38	14	9.0	Pac Edge Bio.	D	42	N/A	NE	Nil	Wakefield Hlth	B	565	1.22	16	4.3
Heartland BS	B	67	1.15	11	Nil	Pharmacybrands	C	118	1.34	14	Nil	Warehouse Group	B	318	0.57	11	9.0
Hellaby Hold.	C	301	0.45	12	6.2	Pike River Coal	D	88	N/A	NE	Nil	Widespread Prop*	N/R	1.1	0.03	NE	Nil
Heritage Gold *	N/R	1.8	N/A	NE	Nil	Port Tauranga	B	1295	7.64	24	4.3	Windflow Tech.	D	15	0.81	NE	Nil
Horizon Energy	C	350	2.39	14	6.9	Postie Plus Grp	C	23	0.10	40	6.2	Wool Equities	D	10	9.52	NE	Nil
Infratil NZ	B	218	0.58	25	5.2	Property F Ind.	C	122	8.13	26	6.7	World Index Fd	E	100	N/A	NE	Nil
Insured Group	E	1.5	0.20	NE	Nil	Pumpkin Patch	B	126	0.71	20	Nil	Xero Ltd	D	580	N/A	NE	Nil
Inv Research Gr	E	0.6	1.50	NE	Nil	Pyne Gould Corp	D	30	2.15	NE	Nil	Zintel Comm.	D	44	0.54	NE	Nil
												Ave of 135 Cos	C	184	0.34	23	3.4
AGL Energy Ltd	B	1372	1.00	65	4.4	Dexus Property	D	99	N/A	NE	Nil	Paladin Energy	C	99	2.29	4	Nil
ALS Limited	B	872	2.09	13	5.2	Djerriwarrh	B	392	N/A	19	6.6	Panaust Ltd	B	330	3.44	15	Nil
AMP Ltd	B	460	2.28	19	6.5	Downer EDI Ltd	B	360	0.20	14	Nil	Perpetual Ltd	A	2937	3.09	59	3.1
ANZ Bank	A	2456	1.85	12	5.9	DuluxGroup Ltd	B	342	1.26	13	4.4	Perseus Mining	C	249	N/A	NE	Nil
APA Group	A	524	3.18	26	11.2	Echo Ent Group	C	355	1.81	69	Nil	Platinum Asset	B	378	9.36	17	5.6
ASX Limited	A	2932	6.55	15	6.1	Evnestra	B	87	2.90	18	6.7	Premier Invest	A	622	1.11	14	5.8
Abacus Property	A	204	3.76	NE	8.1	Evolution Min.	B	200	3.01	38	Nil	Primary Health	A	379	1.37	16	2.9
Adelaide Bright	B	308	1.78	13	5.4	Fairfax Media	C	38	0.38	6	7.9	Q.B.E. Insur.	B	1287	0.76	20	6.8
Alumina Ltd	B	86	N/A	17	6.8	Flexicorp Ltd	A	401	4.66	19	3.1	QR National Ltd	B	368	2.56	20	2.3
Amalgamated Hld	B	665	1.32	13	5.9	Flight Centre	A	2710	1.34	14	4.1	Qantas Airways	D	127	0.18	NE	Nil
Amcor Ltd	B	790	0.78	23	4.7	Fortescue Metal	B	393	1.87	8	2.0	Qube Logistics	B	156	1.83	38	2.6
Aneka Tambang	C	125	N/A	60	0.0	GPT Group	C	348	N/A	NE	Nil	REA Group Ltd	A	1800	8.54	27	1.8
Ansell Ltd	A	1551	1.65	16	2.3	Goodman Group	A	442	N/A	45	4.1	Ramsay Health	A	2414	1.23	20	2.5
Aquila Res.	E	232	4.85	NE	Nil	Goodman Fielder	B	57	0.50	NE	Nil	Reece Australia	A	2125	1.39	19	2.9
Argo Investment	B	569	N/A	21	4.6	Graincorp	A	1217	0.87	14	2.5	Regis Resources	B	561	N/A	67	Nil
Aristocrat Leis	B	274	2.11	22	2.4	Growthpoint Pro	A	215	6.58	16	8.2	Resolute Mining	A	199	1.61	9	2.5
Arrium Limited	B	72	0.13	4	8.3	Harvey Norman	B	182	1.37	11	5.0	Rio Tinto Ltd	B	5869	0.43	2	2.4
Asciano Limited	B	436	1.25	18	1.4	Hast Div Util	C	281	9.50	NE	3.6	S/Tracks ASX200	B	4265	N/A	NE	4.0
Atlas Iron Ltd	B	154	2.26	19	1.9	Henderson Group	B	175	1.82	18	6.1	SAI Global Ltd	B	407	1.84	20	3.7
Aurora Oil Gas	C	387	N/A	NE	Nil	IOOF Holdings	A	640	2.38	75	5.8	SP Ausnet	B	106	2.03	12	7.5
Ausdrill Ltd	B	267	0.77	7	5.4	IRESS Limited	A	790	4.90	24	4.8	Sandfire Res.	C	804	N/A	NE	Nil
Aust Foundation	B	475	N/A	22	4.4	Iluka Resources	B	867	2.21	7	8.7	Santos Ltd	B	1127	4.21	14	2.7
Aust Infra.	B	298	N/A	9	3.5	Incitec Pivot	A	307	1.28	11	3.7	Seek Ltd	B	642	4.86	16	2.7
Australand Prop	B	294	2.45	12	7.3	Interpend. Group	B	431	4.63	NE	0.7	Seven Group	B	660	0.46	12	5.8
Automotive Hold	A	321	0.21	15	5.6	Insurance Aust.	B	457	1.11	46	3.7	Sims Metal Mgmt	B	952	0.22	54	2.1
BHP Billiton	A	3446	1.57	7	3.2	Investa Office	B	289	9.36	17	5.4	Sonic Health	B	1282	1.50	16	4.6
BWP Trust	A	207	N/A	16	7.1	Invocare Ltd	B	875	2.92	35	3.4	Soul Pattinson	B	1358	3.56	23	3.2
Bank of Q'land	B	750	0.83	NE	6.9	JB Hi-Fi Ltd	B	1000	0.32	9	6.5	Spark Infrastru	B	166	7.58	27	6.0
Beach Energy	A	143	2.90	11	1.6	James Hardie	B	939	3.48	7	4.3	Steamships Trad	B	2601	1.99	12	3.2
Bendigo Bank	A	794	0.86	16	7.6	Jupiter Energy	C	51	N/A	NE	Nil	Stockland	B	343	3.72	16	7.0
Bluescope Steel	B	48	0.19	NE	Nil	Kardoos Gas	C	539	N/A	NE	Nil	Suncorp Group	B	931	0.75	16	4.3
Boral Limited	B	377	0.61	14	2.9	Kingsgate Cons.	B	552	2.34	11	3.6	Sundance Res.	D	36	N/A	NE	Nil
Brambles Ltd	B	710	1.98	19	3.7	Leighton Hold	B	1727	0.57	17	6.9	Super Retail Gr	A	885	1.05	21	3.6
Brickworks Ltd	B	1115	2.95	38	3.6	Lend Lease Grp	B	851	0.42	10	4.5	Sydney Airport	B	343	6.13	78	6.1
C'wth Prop Off.	B	105	5.46	10	5.8	Lynas Corp Ltd	E	81	N/A	NE	Nil	TPG Telecom Ltd	B	235	2.75	21	2.3
C.S.R. Ltd	B	168	0.47	11	7.7	Macquarie Group	A	3116	1.00	14	4.5	Tabcorp Holding	B	270	0.65	6	8.9
CFS Retail Prop	B	193	6.02	13	6.8	McMillan Shake.	A	1238	3.05	17	3.8	Tatts Group Ltd	B	275	0.96	12	8.0
CGA Mining Ltd	B	271	4.99	NE	Nil	Medusa Mining	A	639	N/A	25	1.1	Telstra	B	411	2.01	15	6.8
CSL Limited	B	4840	5.53	25	1.7	Mesoblast Ltd	D	567	N/A	NE	Nil	Toll Holdings	B	434	0.36	10	5.8
Caltex Australia	B	1767	0.22	NE	2.5	Metcash Ltd	B	354	0.22	10	7.9	Transfield Serv	B	160	0.27	10	8.8
Cardno Ltd	B	777	1.11	14	4.6	Milton Corp.	B	1693	N/A	20	4.6	TransPacific In	C	70	0.48	89	Nil
Carsales.com	A	784	9.88	26	3.1	Mineral Res.	B	809	1.62	6	5.7	Transurban Grp	B	608</			

Recommended Investments

Lyttelton Port Company reports its first quarter revenues up 3%, but profits down about 15% to \$3.5 million. The annual profit is forecast to be 12-24% lower at \$13-15 million. This relates to three factors (1) the expiry of business interruption insurance cover for its cruise business, (2) lower coal export volumes and (3) an accounting change where earthquake related repairs and maintenance expenditure below \$250,000 per item will be expensed.

The port will also not earn cruise revenues in the

2013/2014 cruise season as the proposed new cruise berth facility is being further deferred and reassessed. The development would also require roads and coach parking which is not available with the current port rebuilding.

Steel & Tube Holdings' major shareholder, **Arrium** (previously named **OneSteel** and prior to 2000 a subsidiary of **BHP**), has sold its 50.3% shareholding at 205 cents per share.

(Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company		Initial Recommendation		Performance	Issued	Vola-	Price/ Sales	Price/ Earnings	Gross	Recent	Cash	Total
		Code	- Date -	Price	Forecast	Shares (mil.)	tility Ratio	Ratio	Ratio	Dividend Yield	Share Price	Dividends Rec'd	Return %
	NZ Shares												
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	258.2	1.4	9.75	29	4.7	43	21.7	+157%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	68.3	0.9	0.58	30	Nil	185	278.0	+197%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.22	10	9.9	360	362.3	+464%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	C	102.3	0.8	2.01	12	Nil	205	77.7	+88%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.8	0.8	0.90	13	4.6	120	41.9	+3138%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	B	196.7	1.0	0.36	9	7.1	297	430.0	+39%
HOLD	Postie Plus Group	PPG	08/05/06	71	C	40.0	2.1	0.10	40	6.2	23	8.5	-56%
HOLD	Renaissance Corp	RNS	13/08/96	85*	D	45.7	3.6	0.04	NE	Nil	15	53.9	-19%
HOLD	Smiths City Group	SCY	09/10/06	64	B	53.0	1.2	0.13	7	6.4	55	18.5	+15%
HOLD	South Port New Zealand	SPN	13/02/96	120	C	26.2	0.5	3.32	15	8.5	335	174.3	+324%
HOLD+	Steel & Tube Holdings	STU	08/08/00	146	B	88.4	0.8	0.48	15	7.9	218	266.6	+232%
	Australian Shares (in Aust cents)												
HOLD+	AJ Lucas Group	AJL	13/05/03	120	E	103.0	0.9	0.16	NE	Nil	78	41.0	-1%
BUY	ALS Limited	ALQ	12/10/99	78*	B	337.5	0.5	2.09	13	5.2	872	180.8	+1250%
BUY	Atlas South Sea Pearl	ATP	14/05/96	73	D	141.0	3.6	0.56	13	Nil	5	17.5	-69%
BUY	Brickworks Ltd	BKW	12/11/12	1115	B	147.6	0.3	2.95	38	3.6	1115	Nil	+0%
HOLD+	Cardno Ltd	CDD	14/12/09	391*	B	138.2	0.5	1.11	14	4.6	777	97.3	+124%
HOLD	Cellnet Group Ltd ¹	CLT	12/02/02	147*	B	55.7	1.7	0.16	9	5.3	19	55.9	-49%
HOLD+	Chandler Macleod Group	CMG	14/08/01	51*	B	444.5	1.3	0.12	11	6.7	42	25.7	+33%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	48.5	1.4	12.09	NE	Nil	37	65.0	-46%
BUY	Clarius Group Ltd	CND	08/04/03	82*	B	89.4	1.3	0.13	17	2.5	40	70.5	+35%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.7	1.3	0.37	27	3.8	40	11.3	-42%
HOLD+	CSG Limited	CSV	11/10/10	175	D	282.6	1.3	0.66	NE	5.3	48	28.0	-57%
HOLD	Devine Ltd	DVN	13/11/06	334*	B	158.7	1.1	0.31	8	6.6	61	79.6	-58%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	84.9	2.0	0.38	17	Nil	21	Nil	-57%
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	A	214.2	0.8	2.20	9	7.6	118	21.0	+31%
BUY	Iluca Resources Ltd	ILU	12/10/04	471	B	416.4	0.6	2.21	7	8.7	867	172.0	+121%
HOLD	Integrated Research	IRI	14/01/08	40	A	167.5	0.7	4.14	22	4.2	120	16.0	+240%
HOLD	Mnet Group ¹	MNZ			C	208.3	5.1	0.47	NE	Nil	0.5	Nil	
HOLD	M2 Telecommunications	MTU	09/10/06	33	A	156.6	0.6	1.52	18	4.7	383	57.5	+1235%
BUY	Melbourne IT	MLB	10/02/04	53	B	81.4	0.6	0.78	10	8.7	173	89.0	+394%
BUY	Nomad Building Solutio	NOD	16/08/10	13*	C	277.5	2.8	0.22	4	Nil	9	Nil	-31%
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	D	91.4	3.0	0.04	NE	Nil	7	Nil	-57%
HOLD+	Probiotec Ltd	PBP	11/02/08	116	B	52.9	1.2	0.30	9	Nil	38	9.3	-60%
BUY	Prophecy International	PRO	08/09/08	26	B	50.2	1.6	1.72	14	9.8	23	9.5	+25%
HOLD	Skilled Group Ltd	SKE	12/03/02	126	B	233.5	0.6	0.33	14	4.9	265	148.0	+228%
HOLD	Technology One Ltd	TNE	11/11/03	44	B	303.4	0.6	2.66	21	3.4	138	33.5	+289%
HOLD+	TFS Corporation Ltd	TFC	08/01/07	45	C	279.6	1.2	0.91	5	Nil	42	14.2	+24%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	26.1	0.4	0.66	17	2.4	1415	321.5	+576%
HOLD	Village Roadshow	VRL	10/08/09	77	A	153.2	0.5	0.63	17	5.8	380	159.0	+600%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +242.4%. This is equal to an average annual rate of +27.4%, 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 153 closed out) is +29.9%, compared with a market gain of +3.9% (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)

Australian Shares

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

A.J Lucas Group's 43% owned associate, **Cuadrilla Resources Holdings**, has begun drilling its fourth well in the *Bowland Basin* at *Anna's Road*.

Atlas South Sea Pearl is to acquire **Essential Oils of Tasmania** for \$650,000 (i.e. from the issue of 10,000,000 shares at 6½ cents), a company involved in plant processing, extraction, fractionation and aging of perfume ingredients. This technology will be used to extract perfume ingredients from pearl by-products.

Atlas South Sea Pearl has also finalised its 50:50 joint venture with **Nomad Two Worlds** with the incorporation of **World Senses Pty Ltd**. Both parties will invest \$1,175,000 to this joint venture company. Nomad New World will contribute \$300,000 in cash and \$250,000 in fragrance inventories and brands initially plus provide \$625,000 worth of staffing, travel, design and brand development over the next 12-18 months. Atlas South Sea Pearl will contribute \$200,000 in cash, \$600,000 of inventory and Research & Development IP plus \$375,000 worth of future staffing, travel and research and development.

World Senses launched its first own brand perfume, *Raw Spirit*, based on Fire Tree and Australian Sandalwood (sourced from TFS Corporation) in Sydney and will launch it in New York this month. World Senses will also purchase 140 tonnes of micronised powder, perfume extract and cosmetic extract from Atlas South Sea Pearl, with the pearl by-product processing and extraction to be carried out by Atlas' new subsidiary, Essential Oils of Tasmania. World Senses is negotiating to licence these pearl by-product extracts to multi-national luxury brands.

Atlas South Sea has announced three capital raising issues: \$250,000 was raised from the placement of 4,166,667 shares at 6 cents to the former shareholders and existing management of Essential Oils of Tasmania. Another \$850,000 was raised from two year, 6% convertible notes. These convert to ordinary shares at the lower of 5 cents (i.e. 17.0 million shares) or a 10% discount to the market value of the shares (i.e. which would be a greater number of shares if the market price declines). The company will also seek to raise up to \$2.37 million from existing shareholders through a non-renounceable cash issue, offering one new share at 5 cents (plus one "free" option to buy a share at 5 cents over the next year) for every five shares held. Details of the timing of this issue have not yet been announced.

Why is Atlas South Sea Pearl - a pearl farming company - moving into perfume? There is actually some logic in this: Until recently the pearl by-products were waste with no value - and in recent years have realised only small revenues. The volume of these by-products will grow significantly in the years ahead as the annual pearl harvest increases. Processing this waste to produce valuable extracts could generate significant new revenues and profits.

Over recent years the company has added value to its pearl production by processing some into jewellery for

retailing under its own brand in its own stores. This diversifies revenues as well as adding additional value (i.e. profit margins). Similarly if the company now plans to produce pearl extracts for the perfume industry, why not enter the perfume business where potential profit margins are high? Perfumes could easily be marketed along side jewellery in its own stores - and require little shelf space. This could significantly lift store revenues and profits.

The only downside is the need to raise additional capital to finance expansion and acquisitions to obtain the skills and processing capacity to enter these value-added businesses. So *some* of the benefits from expansion will be diluted owing to the expanded number of shares on issue.

Overall, however, these developments have the potential to significantly reduce risks (by diversifying products and revenues) and improve profitability.

We would recommend that investors take up their entitlements to the new shares.

Atlas South Sea Pearl



Cardno has acquired the Sydney based survey firm of **Hard & Forester** for around \$7.8 million (i.e. \$5.87 million in cash plus 250,000 shares). This business currently generates annual revenues of around \$9 million.

CSG Ltd has deferred its proposed \$40 million capital return from December until February 2013. This is to receive an **Australian Tax Office** review.

Ellex Medical Laser has won a contract to manufacture a "critical sub-assembly" for *Signos RT*, a hand-held medical ultra-sound device developed by **Signostics Ltd**. This contract manufacturing will "ensure the optimal utilisation" of the company's "highly skilled manufacturing team" and its "state-of-the-art manufacturing facility in Adelaide" - as well as additional revenues and profits.

The Adelaide facility currently builds the company's own brand lasers and its *Eye Cubed* ultrasound product.

This is expected to be a long term manufacturing contract, with initial production of 800 units over the next six months as Signostics launches the *Signos RT* device on global markets.

Ellex Medical Laser will launch some new and updated products at the **American Academy of Ophthalmology** congress in Chicago from 10-13 November, where 16,000 medical professionals are expected to attend. The company will launch (1) an upgrade to its *Eye Cubed* ultrasound, to provide an interface for images with electronic record systems, (2)

a new multi-wavelength photocoagulator for specialised treatment of retinal disease, (3) a new pattern scanning photocoagulator for high-speed treatment of retinal disease and (4) a new premium laser for treatment of vitreous “floaters”, a common ailment which has previously been difficult to treat.

Ellex Medical Laser



Fiducian Portfolio Services experienced a 19.2% increase in employee costs last year - which helped to significantly depress profits. This increase was “largely required” to make “major improvements to the administration system” plus additional employee costs at an accounting practice and two financial planning businesses where income can lag expenses in the early stages after purchase.

The company now reports “operating expenses below the past year” and that “net profits are expected to be higher than the past year” - but with no specific numbers for that profit recovery.

Receipts for the first quarter were \$6.9 million, producing a net operating cash surplus of \$771,000.

Iluka Resources' September quarter production was 306.3 thousand tonnes. That was 28.6% lower than the September 2011 quarter and down 3.6% on the June 2012 quarter.

Revenues were \$224.5 million - down 57.8% on the September 2011 quarter and down 51.9% on the June 2012 quarter.

Iluka Resources cut its Zircon price (but sold larger volumes) in an auction in August to match prices from a major competitor. The company believes that “market conditions generally appear to have bottomed” with improved “housing sales and prices in China and a

Iluka Resources



progressive recovery in the US housing market”. “Customer confidence levels remain weak” with most replenishing in smaller quantities from Iluka Resources' warehouses rather than taking their usual bulk shipments.

At the *Jacinth-Ambrosia* site the company is mining a low grade area and stockpiling all production. This lower production and stockpiling is “sustainable until at least 2014”.

Nomad Building Solutions has won a \$28.8 million contract from **Rio Tinto** to design, manufacture and install 60 modular residential homes as part of the *Wickham Accommodation Expansion Project* to expand Cape Lambert port and rail facilities.

Manufacturing will begin immediately, with the houses delivered from April to November 2013.

Novarise Renewable Resources reports September quarter Receipts of \$19.7 million and a net operating cash surplus of \$4,380,000.

Penrice Soda Holdings reports that a second “major company” in the Coal Seam Gas industry has commissioned a trial of its *Selective Salt Recovery* technology. The first trial plant contributed earnings (before interest and tax) of \$2.1 million to the 2012 result.

The company is also focusing upon high return investments in its sodium bicarbonate business. \$8 million of capital expenditure over the next two years (i.e. \$3 million to upgrade the packaging line, \$2 million to upgrade the fine milling plant and \$3 million to expand production capacity from 100,000 tonnes to 125,000 tonnes per annum) will contribute additional earnings (before interest and tax) of \$4 million annually (i.e. a 50% pre-tax return on capital).

Village Roadshow is forecasting a June 2013 net profit 60-75% higher at \$55-59 million (36-38½ cents per share).

Village Roadshow has announced its involvement in a new theme park on Hainan Island, China. Village Roadshow will invest no capital in the RMB 3.5 billion (A\$550 million) *Hainan R&F Ocean Paradise* (modelled after Village Roadshow's *Sea World* on the Gold Coast) or the *Hainan Wet'n'Wild* but will earn initial revenues from design and development and then on-going management fees and performance based incentive fees from operating the park for the next 20 years.

The financial impact of the development fees is “not expected to be material” (i.e. around \$1 million profit in 2014 and 2015), but the ongoing earnings are “anticipated to be significant”. The initial management income will be “low single digit millions with incremental incentive fees if the park outperforms”.

This type of transaction has the potential to create Shareholder Wealth: It requires no capital investment (i.e. no need to raise dilutive new equity or interest bearing debt) but utilises existing skills in theme park design and management to earn ongoing, high profit margin, management fee income.

The Hainan Island park is scheduled to open in mid-2015.

Village Roadshow is also involved in a Beijing theme park - which is subject to Government funding and approval.

Buy Australian Listed Brickworks

BUY Brickworks (code BKW).

We are recommending the purchase of shares in Brickworks. You may think Brickworks is a Building Products company - and you would be right except that it indirectly holds significant investments that exceed the market value of its own shares. So if you were to invest \$10,000 in Brickworks shares then you obtain an indirect economic interest in \$14,560 worth of investments. Plus you would own an interest in its Building Products businesses and assets - which might be worth another \$3,320.

So Brickworks is an under-valued asset situation.

Group Structure and Investments

Brickworks owns 102,257,830 shares (42.72%) of investment company **Washington H Soul Pattinson & Company** (code SOL), which in turn owns 65,637,948 shares (44.48%) of Brickworks. This Brickworks/Washington H Soul Pattinson cross-shareholding effectively further increases the minority shareholders economic ownership of both the Brickworks and Washington H Soul Pattinson investments. This cross-shareholding dates back to 1969 when the companies made a share swap.

Washington H Soul Pattinson is a debt-free investment company whose main investment is 495,824,509 shares (59.7%) of coal miner **New Hope Corporation** (code NHC, market value \$2,151 million) - which it floated on the stockmarket in 2003. Its other investments are **Brickworks** (\$732 million), **TPG Telecom** (\$502 million), **Milton Corporation** (\$114 million), **BKI Investment Company** (\$74 million), **Australian Pharmaceuticals** (\$58 million), **BHP** (\$47 million), **Commonwealth Bank** (\$45 million), **Ruralco** (\$41 million), **National Australian Bank** (\$20 million), Malaysian listed **Apex Healthcare** (\$25 million), **Clover Corporation** (\$25 million) plus other listed shares (\$222 million), net cash (\$216 million) and unlisted investments/businesses (\$266 million). That is a total of \$4,538 million at market value.

Both Brickworks and New Hope Corporation have sustainable business models. Brick factories were generally built at large sites outside major cities with 50+ years of clay and sand resources on-site. Decades later these original large land holdings have now become valuable prime commercial/industry/residential redevelopment sites! New Hope Corporation has significant land holdings (used for wheat and cattle rearing) above 150 years of coal resources at its major coal mine.

Over the years - as part of its continuous modernisation, Brickworks has closed down many old sites, realising substantial cashflows from selling surplus land that has become valuable for industrial or residential use. Its most valuable industrial redevelopment sites are sold to a **Goodman Group** joint venture property trust which develops the land and constructs buildings (pre-leased to tenants). These are retained as income earning investment properties.

Brickworks' property trusts currently hold \$655.4

million of property (i.e. \$137.0 million in undeveloped land and \$517.4 million of leased properties producing gross annual rentals of \$42.3 million). The property trusts have interest bearing debts of \$286.4 million, giving a net value of \$369.0 million. Brickworks' 50% interest in these trusts is therefore worth \$184.5 million (125 cents per share).

Brickworks holds other Development Properties with a book value of \$63 million, but a market value of \$137 million (93 cents per share). The *potential* value (i.e. after re-zoning) of these properties would be about \$340 million (230 cents per share).

Properties used in its *Building Products* business have a book value of \$135 million but a market value of \$348 million.

Brickworks' Washington H Soul Pattinson shares have a market value of \$1,389 million (941 cents per share).

So Brickworks property trusts (125 cents per share), development properties (93 cents per share) and its Washington H Soul Pattinson shares (941 cents per share) are worth around \$11.59. That exceeds the market value of its own shares (i.e. \$11.15) so a \$10,000 investment in Brickworks shares gives investors a \$10,395 investment in shares, property trusts and property development assets - plus investors are getting its *Building Products* businesses and assets for nothing!

“Look Through” Investments

The situation, however, is actually better for two reasons.

Firstly, we estimate the market value of Washington H Soul Pattinson's investments at about \$4,538 million (\$18.95 per share) which also exceeds its share price of \$13.58. So if Brickworks shareholders “look through” to the Washington H Soul Pattinson investments these are worth significantly more than just the market value of the Washington H Soul Pattinson shares.

On this “look through” basis, \$10,000 invested in 897 Brickworks shares (at \$11.15) gives the following investments:

<u>Investment:</u>	<u>Value (\$)</u>
Brickworks Property Trusts	1,122
Brickworks Development Properties	834
New Hope Corporation	5,581
Brickworks shares	1,907
TPG Telecom	1,302
Milton	296
BKI Investment Company	192
Aust Pharmaceutical	151
BHP	119
Com Bank of Aust	114
Ruralco	109
Apex Healthcare (Malaysia)	63
Clover Corporation	66
Nat Aust Bank	51
Telstra	38
Other listed shares	526
Cash	549
Unlisted Investments	675
Total	<u>\$13,695</u>

That is direct and indirect investments worth \$13,695 (plus the Building Products business) for our investment of just \$10,000.

Secondly, the value of these “look through” investments is even higher if we take into account the Brickworks/Washington H Soul Pattinson cross-shareholding. The indirectly owned Brickworks shares are, of course, simply a further holding in all of these other assets. If we eliminate that cross-shareholding, then a \$10,000 investment in Brickworks' shares gives us an economic interest in the following investments:

<u>Investment:</u>	<u>Value (\$)</u>
Brickworks Property Trusts	1,386
Brickworks Development Properties	1,030
New Hope Corporation	6,893
TPG Telecom	1,608
Milton	365
BKI Investment Company	237
Aust Pharmaceutical	186
BHP	147
Com Bank of Aust	141
Ruralco	135
Apex Healthcare (Malaysia)	78
Clover Corporation	82
Nat Aust Bank	63
Telstra	47
Other listed shares	650
Cash	678
Unlisted Investments	834
Total	<u>\$14,560</u>

So a \$10,000 investment in Brickworks shares gives us an indirect holding in \$14,560 worth of investments. These are **New Hope Corporation** shares (\$6,893), other listed shares (\$3,739), Property investments (\$2,416), unlisted investments (\$834) and cash (\$678). Plus Brickwork's *Building Products* businesses!

Brickwork's Building Products

What are Brickworks' *Building Products* businesses worth?

These businesses have been depressed over recent years, with static revenues and declining earnings. Nevertheless, Brickworks has invested \$25-35 million annually in capital expenditure, seeking to continuously improve efficiency and reduce operating costs through plant modernisation. It has increased automation and experimented with alternative fuels (e.g. sawdust to replace more expensive gas).

It has also spent around \$600 million on acquisitions to diversify and expand its product range.

Brickworks has a about a 40% share of the Australian brick market which has suffered from low demand and over-capacity at all producers. Australian brickmaking capacity was relatively steady at around 2,000-2,200 million bricks annually, but this has been reduced 25-30% to 1,500 million bricks annually over the last two years. This industry wide reduction in capacity - in line with demand - should lead to better utilisation and an improvement in profit margins in the years ahead.

The main product lines are Austral Clay Bricks (51% of revenues), Bristile Roofing tiles (19%), Austral Precast concrete (12%), Austral Masonry (11%) and Auswest

Timbers (7%).

The company acquired a 19.6% shareholding in **Bristile** for \$71.3 million in August 2001, making a full takeover offer in March 2003, valuing that business at \$473 million.

The company entered the high growth, precast concrete business with the acquisition of **Sasso Precast Concrete** in March 2010 and the acquisition of the precast concrete businesses of **Boral** in August 2010 for \$13.8 million.

In 2006 the company entered the Masonry products business by acquiring **GB Masonry** (Gympie), **Caloundra Blocks** (Caloundra), **Whitsunday Concrete & Block** (Proserpine) and **Ayr Masonry** (Ayr) for a total cost of \$41 million. In July 2008 it acquired Queensland based **Smart State Blocks** for \$11.0 million.

The group entered the Timber business in June 2005 with the acquisition of **Auswest Timber Pty** for \$14.7 million. In December 2011 it acquired the **Gunns Ltd Jarrah** sawmill, processing plant and retail business in Western Australia for \$6 million.

The *Building Products* business remains depressed. Over the last 5-10 years this division has held back the company's performance, but a recovery in demand and an improvement in profit margins could add to the company's performance over the next 5-10 years!

In the year to June 2012, this division experienced a 9.5% decline in revenues to \$547.6 million, with earnings (before interest and tax) down 32.1% to \$28.5 million.

With earnings around \$30-60 million over recent years, this division could be worth \$240-360 million (160-240 cents per share) based upon potential profits.

Alternatively, the company has spent \$600 million on acquisitions that now contribute almost 50% of revenues - and invested heavily to modernise its original brickmaking business - so perhaps it is worth around \$1,200 million, less interest bearing debts of \$299 million, to give a value of \$900 million (600 cents per share).

The third alternative is to add the value of its assets: Land & Buildings (at market value) of \$348 million, Plant & Equipment of \$167 million and Inventories of \$163 million for a total value of \$678 million. Deduct interest bearing debt and the *Building Products* businesses are worth around \$380 million (255 cents per share).

So the *Building Products* division is probably worth as little as \$240 million or as much as \$900 million. A mid-value estimate might be \$450 million or about 300 cents per share.

With the Brickworks/Washington H Soul Pattinson cross-shareholding (i.e. as Brickworks indirectly owns shares in itself) that would actually give a value of around 370 cents. On our example of a \$10,000 investment in 897 Brickworks shares, that would be a value of \$3,319.

New Hope Corporation

A \$10,000 investment in Brickworks shares gives (via Washington H Soul Pattinson) an indirect investment in **New Hope Corporation**. After allowing for the cross-shareholding this New Hope Corporation investment is worth around \$6,893.

(Continued on Page 8)

BUY Brickworks

(Continued from Page 9)

That is approximately *double* the value of the investment in *Building Products* - so it would be more accurate to describe our investment in Brickworks as a “coal miner” than as a “building products company”.

This is a significant part of an investment in Brickworks (or in Washington H Soul Pattinson) so it only becomes attractive if New Hope Corporation is also an attractive company in which to own shares. We believe that is the case.

New Hope Corporation has an issued capital of 830,526,815 shares which, trading at 434 cents, gives it a market capitalisation of \$3,604 million.

The company is debt-free with \$1,518.0 million (183 cents per share) of cash in short term deposits. This can be used to finance expansion projects and/or acquire other energy companies or investments.

Its main coal mine is **New Acland** - a low cost, very long life, open cast mine producing high quality (i.e. high hydrogen, low sulphur, low nitrogen) coal. Production was 5.09 million tonnes of coal in the year to 2012 - 81% of New Hope Corporation's current coal production. Over 90% of coal is exported. New Acland has coal reserves of 494 million tonnes (i.e. 97 years at current production) and total resources of 857 million tonnes (i.e. 168 years at current production). The company is seeking to double production to 10.0 million tonnes annually.

The New Acland coal mine is run in conjunction with New Hope Corporation's 100% owned **Acland Pastoral Company** which holds 9582 hectares of land in South East Queensland and produces annual revenues of around \$2.6 million. At any time around 350 hectares is used for the coal mine, with 174 hectares having been rehabilitated for agriculture. In the year to June 2012 the company sold 2,129 tonnes of grain, grown on 586 hectares, with a further 900 hectares in pasture. It has around 2000 head of cattle grazing on 3750 hectares. New Hope Corporation combines farming and mining into a long term sustainable operation.

New Hope Corporation is evaluating several other coal exploration projects with coal reserves of 258 million tonnes and resources of 1,654 million tonnes. Over the next five years it will focus on four projects: **NEC Colton** (with resources of 76 million tonnes of coking coal), **Lenton** (693 million tonnes of coking and thermal coal), **NEC Elimatta** (259 million tonnes of thermal coal) and **NEC Yamala** (223 million tonnes of thermal coal).

10% of the Lenton project was sold to **Mai-Liao Power Corporation** (a subsidiary of Taiwanese **Formosa Plastics Group**) in May 2011 for \$58.0 million - which values its remaining 90% interest at \$522 million.

New Hope gained full ownership of several of these projects by making a takeover offer for **Northern Energy** in October 2010 at 150 cents (gaining an 80.8% interest) and in August 2011 offered 200 cents for the remaining 19.2% (i.e. a total cost of about \$205 million).

New Hope Corporation also owns 100% of the **Queensland Bulk Handling** coal export terminal at the

Port of Brisbane. During the year to June 2012 the terminal exported 8.67 million tonnes on 120 vessels, up from 6.52 million on 88 vessels in 2011. Annual capacity is currently around 12 million tonnes and New Hope is holding discussions with the port company to further expand capacity.

New Hope Corporation is also involved in researching Coal to Liquid (CTL) technologies. The company has produced at 50kg/hour indirect CTL plant to produce high quality diesel fuel and jet fuel which is currently being upgraded to a 1000kg/hour “proof of concept” plant which should be commissioned at its Jeebropilly site in February/March 2013. This will be run for three months to collect data to determine the path to commercialisation.

It also has a direct CTL plant in West Virginia, US. This 1000kg/day “proof of concept” plant should be fully operational by February/March 2013. This process will produce diesel, as well as products suitable for high strength plastics and pharmaceuticals, plus high grade metallurgical coke.

At present Australia exports coal and imports transport fuels, so a successful CTL technology would save on transportation costs and avoid infrastructure investments and bottlenecks.

New Hope Corporation has expanded into oil production with the recent takeover of unlisted **Bridgeport Energy** for \$76 million. This company produces between 6000 and 7600 barrels of oil annually, with recoverable resources of around 7.6 million barrels. New Hope plans to approximately *triple* oil production over the next three years.

New Hope's 122.6 million share (16.7%) investment in **Arrow Energy** was taken over in July 2010, realising \$576 million in cash (or \$326 million after tax) plus **Dart Energy** shares. It currently holds 109,367,037 Dart Energy shares (worth \$17.0 million). New Hope also owns 69,722,800 shares (19.6%) of the listed Coal Seam Gas company, **Westside Corporation** (market value \$28.2 million) and 107,000,000 shares (19.9%) in **Planet Gas** (worth \$2.4 million).

Investment Criteria

At 434 cents, New Hope Corporation shares trade on a Price/Earnings ratio of 22 and offer a regular Dividend Yield of just 2.5%. That looks a high valuation, but 42% of its value is in cash deposits (i.e. earning little current income) and it has many valuable development projects (which currently earn no income but incur development expenses). Doubling production at *New Acland* and developing four new mines over the next five years would significantly increase revenues and profitability. Coal to Liquid technologies could produce new, value added revenue streams. Its large cash reserves - plus lower coal prices and the high exchange rate - offer the opportunity to acquire existing energy businesses while the industry is depressed.

At \$13.58, Washington H Soul Pattinson shares trade on a Price/Earnings ratio of 23 and offer a regular Dividend Yield of 3.2%. These *could* be a more attractive way for investors to gain an interest in New Hope Corporation, as a \$10,000 investment in Washington H Soul Pattinson gives a \$5,581 investment in New Hope

Corporation *plus* \$8,114 of other share investments.

At \$11.15, Brickworks shares trade on a Price/Earnings ratio of 38 and offer a regular Dividend Yield of 3.6%. We believe that an investment in Brickworks offers the best alternative investment. A \$10,000 investment in Brickworks ultimately gives investors a \$6,893 investment in New Hope Corporation, \$7,667 in other share and property investments *plus* an interest worth around \$3,319 in its *Building Products* businesses.

This means that Brickworks shareholders have \$17,879 of investments and businesses (and no net debt) working to produce income and capital gains for every \$10,000 they invest in the company.

This discount between the market value of Brickworks' shares and the underlying value of its investments and businesses should close slightly over the next few years and help boost investment returns.

Firstly, at present the market appears to place little or no value on Brickworks' efficient (but currently not very profitable) *Building Product* businesses. This could improve significantly if profit margins improve over future years.

Secondly, Washington H Soul Pattinson shares trade at a large 27% discount to net assets. Investment companies typically trade at a discount, but this company has performed well and a smaller discount (i.e. an increase in the share price relative to net assets) could be expected at some stage in the future.

Thirdly, the Brickworks/Washington H Soul Pattinson cross-shareholding further compounds the discount to "see through" investments! Brickworks owns Washington H Soul Pattinson shares which trade at a discount to net assets, while Washington H Soul Pattinson owns Brickworks shares at a discount to net assets - and through this both indirectly own discounted shares in themselves! The companies could eliminate and realise the value in this cross-shareholding discount only by restructuring: either a full takeover of Brickworks or a share exchange and cancellation. As this cross-shareholding has existed for 43 years, we do not anticipate any changes in the near future! However, if the market re-rates Brickworks shares and/or Washington H Soul Pattinson shares then this cross-shareholding discount would reduce and *compound* the impact on both share prices.

All three companies are in the All Ordinaries Index.

Summary and Recommendation

We see Brickworks as an under-valued asset situation. It owns some depressed businesses, but has property investments and 42.72% of Washington H Soul Pattinson. These shares and property investments exceed the market price of Brickworks shares.

The market value of the Washington H Soul Pattinson shares is significantly below the value of its net assets - and this discount is compounded as one investment is a 44.48% shareholding in (undervalued) Brickworks shares!

Overall we estimate that every \$10,000 invested in Brickworks shares gives investors about \$17,879 in investments and businesses. This is approximately \$6,893 in New Hope Corporation shares, \$7,667 in shares and property investments, plus \$3,391 in Building

Products businesses.

This is a conservative, virtually debt-free, investment in coal mining, building products and a diversified investment portfolio. We are primarily looking for capital appreciation from the re-rating in Brickworks and Washington H Soul Pattinson shares, but there is also strong growth potential from the New Hope business and cyclical recovery potential from the Brickworks *Building Products* businesses. Brickworks has only low debt levels, Washington H Soul Pattinson has never had any bank debt and New Hope has significant cash reserves, which reduces risk. The diversified share and property investments provide financial stability, current income plus capital and income growth.

The shares would also be attractive to conservative investors seeking income. Brickworks offers a 3.6% current income (and NZ shareholders will be taxed on this actual income as the shares are exempt from the 5% "Fair Dividend Rate" tax), with steady income growth.

Brickworks



Washington H Soul Pattinson



New Hope Corporation



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

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

Company	Share Price	Cur- rent	4-Wk Chg.	Rank	STRENGTH RATING	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0														
Guinness Peat	59	+4.5	+3.4	42	1-1	-	0.1	5	1.4	2	2.6	0.09	177	
Postie Plus Grp	23	+3.7	+5.0	49	0-0	-	0.5	1	2.1	40	6.2	0.10	9	
Smiths City	55	+7.6	+0.6	29	0-1	-	0.7	10	1.2	7	6.4	0.13	29	
Col Motor Co	360	+12.8	+0.9	15	0-0	-	1.0	10	0.5	10	9.9	0.22	118	
Ebos Group Ltd	825	+6.6	+0.4	34	0-0	1	2.1	13	0.5	15	5.9	0.30	430	
Air New Zealand	125	+17.3	+6.2	7	1-0	1	0.8	4	1.0	19	4.4	0.30	1,369	
Tourism Hold.	72	+11.8	+5.8	18	0-0	-	0.5	3	1.3	16	7.9	0.35	71	
Nuplex Indust	297	+10.9	+2.6	20	5-0	1	1.1	12	1.0	9	7.1	0.36	584	
Hellaby Hold.	301	+7.6	-1.1	28	1-0	-	1.5	13	1.2	12	6.2	0.45	226	
Abano Health.	580	+16.5	+2.9	8	0-0	1	1.1	2	0.7	58	5.2	0.46	94	
Steel & Tube	218	+1.2	+0.6	62	1-1	-	1.3	9	0.8	15	7.9	0.48	193	
Fletcher Build.	724	+6.7	+3.2	31	3-4	4	1.4	5	0.5	27	6.7	0.56	4,944	
Warehouse Group	318	+6.8	+3.9	31	1-2	2	3.1	28	0.7	11	9.0	0.57	990	
Mainfreight Grp	1046	+4.5	+2.6	44	1-3	1	3.0	19	0.5	16	3.6	0.57	1,036	
Infratil NZ	218	+5.9	+0.8	37	0-2	-	1.2	5	0.7	25	5.2	0.58	1,280	
Turners Auction	187	+14.1	+1.9	10	1-2	-	3.0	21	0.7	14	13.0	0.68	51	
Methven Limited	134	+6.3	+0.2	34	5-0	-	1.9	13	1.0	14	9.2	0.84	89	
Restaurant Brds	268	+8.2	+3.5	27	0-0	-	4.4	28	0.8	15	8.5	0.85	262	
Sanford Limited	435	+2.0	+2.7	59	13-0	-	0.7	4	0.4	18	7.6	0.88	407	
Michael Hill	120	+10.0	+2.1	21	2-2	1	2.4	19	0.8	13	4.6	0.90	459	
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0														
Air New Zealand	125	+17.3	+6.2	7	1-0	1	0.8	4	0.8	19	4.4	0.30	1,369	
Briscoe Group	206	+14.3	+0.6	9	0-0	1	3.1	20	0.6	16	6.9	1.00	437	
Turners Auction	187	+14.1	+1.9	10	1-2	-	3.0	21	0.6	14	13.0	0.68	51	
Col Motor Co	360	+12.8	+0.9	15	0-0	-	1.0	10	0.4	10	9.9	0.22	118	
Tourism Hold.	72	+11.8	+5.8	18	0-0	-	0.5	3	1.0	16	7.9	0.35	71	
Nuplex Indust	297	+10.9	+2.6	20	5-0	1	1.1	12	0.9	9	7.1	0.36	584	
Michael Hill	120	+10.0	+2.1	21	2-2	1	2.4	19	0.6	13	4.6	0.90	459	
Just Water Int.	13	+9.7	+4.1	22	1-0	-	2.1	32	2.9	6	Nil	0.37	11	
Restaurant Brds	268	+8.2	+3.5	27	0-0	-	4.4	28	0.7	15	8.5	0.85	262	
Hellaby Hold.	301	+7.6	-1.1	28	1-0	-	1.5	13	1.1	12	6.2	0.45	226	
Smiths City	55	+7.6	+0.6	29	0-1	-	0.7	10	0.9	7	6.4	0.13	29	
Tower Limited	192	+7.5	+1.4	29	2-1	2	1.1	7	0.9	15	4.5	0.94	509	
Warehouse Group	318	+6.8	+3.9	31	1-2	2	3.1	28	0.6	11	9.0	0.57	990	
Ebos Group Ltd	825	+6.6	+0.4	34	0-0	1	2.1	13	0.5	15	5.9	0.30	430	
Methven Limited	134	+6.3	+0.2	34	5-0	-	1.9	13	0.8	14	9.2	0.84	89	
Kathmandu Ltd	170	+4.6	+2.5	42	3-1	4	1.2	12	0.8	10	8.4	0.98	340	
Guinness Peat	59	+4.5	+3.4	42	1-1	-	0.1	5	1.2	2	2.6	0.09	177	
Mainfreight Grp	1046	+4.5	+2.6	44	1-3	1	3.0	19	0.4	16	3.6	0.57	1,036	
Sanford Limited	435	+2.0	+2.7	59	13-0	-	0.7	4	0.3	18	7.6	0.88	407	
Steel & Tube	218	+1.2	+0.6	62	1-1	-	1.3	9	0.7	15	7.9	0.48	193	
INSIDER BUYING: Most Insider Buying, Relative Strength > 0														
Sanford Limited	435	+2.0	+2.7	59	13-0	-	0.7	4	0.2	18	7.6	0.88	407	
Methven Limited	134	+6.3	+0.2	34	5-0	-	1.9	13	0.7	14	9.2	0.84	89	
Nuplex Indust	297	+10.9	+2.6	20	5-0	1	1.1	12	0.8	9	7.1	0.36	584	
NZ Oil & Gas	89	+5.9	+0.9	36	4-0	1	1.0	6	1.0	18	9.6	3.08	358	
Comvita	372	+17.6	-2.1	7	4-0	-	1.4	11	0.5	13	5.4	1.10	106	
NZ Refining Co	282	+2.2	+4.6	57	3-0	-	1.4	6	0.5	23	6.1	2.71	790	
Chorus Ltd	324	+2.3	+1.6	56	4-1	2	2.4	33	0.4	7	11.0	1.19	1,248	
Trade-Me Ltd	407	+8.7	+1.5	26	2-0	2	2.5	12	0.5	21	2.7	N/A	1,612	
F & P Appliance	128	+66.9	+19.5	1	2-0	1	1.5	3	1.0	50	Nil	0.90	923	
GuocoLeisure	58	+1.2	+1.6	61	2-0	-	0.6	7	0.9	8	3.4	1.44	793	
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														
Vital Health PT	127	-58.3	+0.0	98	1-0	-	1.3	3	0.5	41	6.2	6.61	371	
NZ Exchange Ltd	126	-1.8	+0.8	77	0-1	-	4.1	17	0.7	25	5.9	6.47	324	
Charlie's Group	43	-58.3	+0.0	97	0-0	-	7.7	15	1.2	51	Nil	4.00	126	
South Port NZ	335	-0.9	+1.8	73	0-0	-	3.0	20	0.3	15	8.5	3.32	88	
NZ Windfarms	11	-13.3	-3.9	87	0-0	-	0.4	-	1.5	NE	Nil	3.27	32	
Sky Network TV	508	-0.4	+0.8	71	0-0	-	1.6	10	0.4	16	6.2	2.34	1,977	
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Vital Health PT	127	-58.3	+0.0	98	1-0	-	1.3	3	0.4	41	6.2	6.61	371	
Charlie's Group	43	-58.3	+0.0	97	0-0	-	7.7	15	1.2	51	Nil	4.00	126	
L&M Energy	7	-13.5	+3.4	88	0-0	-	1.9	-	1.7	NE	Nil	N/A	54	
NZ Windfarms	11	-13.3	-3.9	87	0-0	-	0.4	-	1.4	NE	Nil	3.27	32	
WN Drive Tech.	15	-10.1	+5.7	83	1-0	-	0.8	-	1.8	NE	Nil	0.29	10	
Rakon Ltd	44	-6.6	+1.7	81	1-0	-	0.4	-	0.9	NE	Nil	0.47	84	
Heritage Gold	2	-2.4	+0.7	78	0-0	-	0.6	-	3.3	NE	Nil	N/A	6	
Opus Int'l Cons	203	-2.1	-0.9	78	0-0	-	2.6	22	0.4	12	6.0	0.74	294	
NZ Exchange Ltd	126	-1.8	+0.8	77	0-1	-	4.1	17	0.7	25	5.9	6.47	324	
World Index Fd	100	-1.2	+0.2	75	0-0	-	-	-	0.5	NE	Nil	N/A	407	
Kirkcaldie & St	311	-1.0	+2.1	74	0-0	-	1.6	-	0.2	NE	2.5	0.77	32	
NZX Aust MidCap	474	-0.7	+1.6	72	0-0	-	-	-	0.6	NE	Nil	N/A	40	
Sky Network TV	508	-0.4	+0.8	71	0-0	-	1.6	10	0.4	16	6.2	2.34	1,977	
Cavotec MSL	245	-0.4	+0.1	70	0-0	-	2.0	10	0.6	20	1.6	1.08	156	
INSIDER SELLING: Most Insider Selling, Relative Strength < 0														
Seeka Kiwifruit	88	-20.6	-6.2	91	1-11	-	0.2	-	0.3	NE	Nil	0.09	13	
NZ Exchange Ltd	126	-1.8	+0.8	77	0-1	-	4.1	17	0.6	25	5.9	6.47	324	
Marlin Global	66	-3.4	+0.4	79	0-1	-	0.8	-	0.7	NE	11.3	N/A	70	
Satara Co-op	45	-1.7	+0.5	76	0-1	-	0.3	-	0.7	NE	Nil	0.14	7	
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million														
Telecom Corp	241	+0.5	-2.5	65	5-7	3	2.8	71	0.5	4	11.1	0.98	4,475	
Chorus Ltd	324	+2.3	+1.6	56	4-1	2	2.4	33	0.4	7	11.0	1.19	1,248	
Col Motor Co	360	+12.8	+0.9	15	0-0	-	1.0	10	0.3	10	9.9	0.22	118	
NZ Oil & Gas	89	+5.9	+0.9	36	4-0	1	1.0	6	1.0	18	9.6	3.08	358	
Hallenstein G.	498	+11.4	+2.3	19	0-0	-	4.5	32	0.5	14	9.0	1.38	297	
Warehouse Group	318	+6.8	+3.9	31	1-2	2	3.1	28	0.5	11	9.0	0.57	990	
Restaurant Brds	268	+8.2	+3.5	27	0-0	-	4.4	28	0.6	15	8.5	0.85	262	
Kathmandu Ltd	170	+4.6	+2.5	42	3-1	4	1.2	12	0.7	10	8.4	0.98	340	
Kingfish Ltd	107	+5.4	+1.5	39	0-1	-	1.0	7	0.7	14	8.3	N/A	103	
Sanford Limited	435	+2.0	+2.7	59	13-0	-	0.7	4	0.3	18	7.6	0.88	407	

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

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

STRENGTH RATING													STRENGTH RATING																
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Buyer's Choice	Price to P/E	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Buyer's Choice	Price to P/E	Return on Equity	Volatility	Price Earnings Ratio	Dividend Yield	Price Sales Ratio	Market Cap'n				
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0																
Aust Pharm. Ind	49	+19.7	+5.9	6	4-0	2	0.6	8	1.0	8	6.2	0.07	237	SDI Limited	23	+42.1	+13.0	2	1-0	-	1.2	8	1.0	14	1.3	0.48	27		
CFT Energy	6	+0.0	+0.0	34	0-0	-	-	-	2.6	0	33.3	0.11	3	UXC Limited	89	+35.1	+4.3	3	2-0	3	8.9	60	0.7	15	3.9	0.48	272		
Chandler McLeod	42	+4.7	-0.1	21	1-0	4	-	-	1.2	11	6.7	0.12	187	Maxi TRANS	99	+34.7	+7.1	3	1-0	1	3.3	23	0.6	14	4.3	0.65	181		
Dicker Data Ltd	51	+11.8	+2.0	10	1-0	-	-	-	3.9	50	1.3	8	6.7	0.14	64	E-Bet Limited	7	+28.2	+6.3	3	3-0	-	-	-	1.8	12	Nil	0.39	16
Scott Corp Ltd	34	+5.8	+2.7	19	3-0	-	0.8	11	1.3	7	7.4	0.15	25	Vision Eye Inst	37	+28.0	-16.0	4	0-0	-	-	-	1.0	4	Nil	0.29	32		
Brierty Ltd	34	+4.7	-4.7	21	5-0	-	0.8	21	1.3	4	8.2	0.15	37	Capital Health	9	+27.2	+2.3	4	0-0	-	-	-	1.7	15	4.7	0.60	31		
Ruralco Hold.	316	+2.0	-2.4	28	0-0	2	1.8	21	0.4	8	5.7	0.17	174	Traffic Tech.	5	+26.6	+3.5	4	0-0	-	-	-	2.2	5	Nil	0.15	8		
E & A Limited	28	+24.4	+10.0	5	2-0	-	28.0	-	1.4	10	14.3	0.18	29	Brand New Vint.	1	+24.5	+19.6	5	0-0	-	1.0	11	4.8	9	Nil	0.65	4		
Merchant House	14	+1.8	-0.6	28	0-0	-	0.5	14	1.7	4	7.1	0.18	13	E & A Limited	28	+24.4	+10.0	5	2-0	-	28.0	-	1.0	10	14.3	0.18	29		
Service Stream	38	+3.9	-1.7	23	1-0	1	1.8	31	1.2	6	5.3	0.18	108	Rectifier Tech.	0	+24.1	+10.0	5	0-0	-	-	-	12.8	4	Nil	0.24	2		
Globe Int'l Ltd	40	+2.7	+2.1	27	5-0	-	0.6	0	1.0	267	6.3	0.20	17	Aust Vintage	49	+23.7	+5.0	5	0-0	-	0.5	5	0.7	9	5.3	0.28	65		
Spec Fashion	61	+1.4	+4.3	29	0-0	2	2.9	-	1.0	NE	6.6	0.20	117	Beyond Int'l	120	+23.1	+11.2	5	1-0	-	2.5	29	0.4	9	5.0	0.81	74		
Automotive Hold	321	+15.9	+1.6	8	0-1	1	3.4	22	0.6	15	5.6	0.21	834	Aust Pharm. Ind	49	+19.7	+5.9	6	4-0	2	0.6	8	0.8	8	6.2	0.07	237		
Caltex Australia	1767	+13.4	+2.2	9	0-0	2	2.2	-	0.5	NE	2.5	0.22	4,771	GLG Corporation	32	+17.5	+7.5	7	0-0	-	0.6	18	0.8	3	Nil	0.10	24		
TransMetro Corp	60	+2.8	-0.9	26	0-0	-	0.4	-	0.8	NE	8.3	0.22	8	Supply Network	130	+17.3	-2.2	7	0-0	-	2.8	25	0.4	11	5.4	0.73	44		
Data 3 Ltd	115	+0.6	-1.4	31	1-2	1	6.4	49	0.7	13	6.1	0.22	177	Boom Logistics	29	+17.1	+2.3	7	2-0	2	0.6	8	1.1	7	Nil	0.39	136		
Noni B Limited	85	+12.1	+0.9	10	2-0	-	2.0	19	0.8	10	7.1	0.23	27	Freedom Foods	72	+17.0	+3.7	7	0-0	-	2.4	13	0.7	19	Nil	0.97	56		
A.P. Eagers	391	+14.3	-2.9	9	17-1	-	2.2	15	0.3	15	4.1	0.26	613	Korvest Ltd	655	+16.1	+1.5	8	1-0	-	1.6	17	0.3	9	7.3	0.80	58		
WDS Limited	62	+7.7	+4.9	15	2-0	3	1.0	11	1.0	8	4.4	0.26	90	Automotive Hold	416	+15.9	+1.6	8	0-1	1	3.4	22	0.5	15	5.6	0.21	834		
Greencap Ltd	7	+4.8	-1.8	21	0-0	-	-	-	2.5	6	3.7	0.27	18	liNet	416	+15.5	+3.2	8	3-1	7	-	-	0.4	18	3.4	0.81	670		
Sigma Pharm.	66	+4.7	+0.9	21	2-0	4	1.2	7	0.8	16	5.3	0.27	778	A.P. Eagers	391	+14.3	-2.9	9	17-1	-	2.2	15	0.2	15	4.1	0.26	613		
Tag Pacific	30	+3.9	-4.5	23	2-3	-	0.8	17	1.2	5	4.2	0.28	21	K&S Corporation	175	+13.6	+1.7	9	3-0	-	1.0	11	0.4	10	6.3	0.28	156		
K&S Corporation	175	+13.6	+1.7	9	3-0	-	1.0	11	0.5	10	6.3	0.28	156	The Reject Shop	1415	+13.5	+8.2	9	0-0	8	5.4	32	0.3	17	2.4	0.66	369		
Aust Vintage	49	+23.7	+5.0	5	0-0	-	0.5	5	1.0	9	5.3	0.28	65	Funtastic Ltd	22	+13.2	+6.9	9	3-0	-	-	-	1.0	11	Nil	0.68	116		
Capilano Honey	235	+3.0	+2.4	26	0-2	-	-	-	0.9	8	6.4	0.30	20	Probiotec Ltd	38	+13.1	+6.3	9	12-0	-	0.6	7	0.8	9	Nil	0.30	20		
RCR Tomlinson	190	+0.8	+3.7	31	1-0	4	1.7	19	0.6	9	3.3	0.31	249	Noni B Limited	85	+12.1	+0.9	10	2-0	-	2.0	19	0.6	10	7.1	0.23	27		
Bega Cheese Ltd	195	+5.0	+3.6	21	0-2	3	1.2	8	0.7	14	3.3	0.32	295	Dicker Data Ltd	51	+11.8	+2.0	10	1-0	-	3.9	50	1.1	8	6.7	0.14	64		
Skilled Group	265	+9.4	+1.8	13	0-0	3	10.6	77	0.6	14	4.9	0.33	619	Fantastic Hold.	286	+11.2	+2.7	11	0-0	2	2.9	21	0.4	14	4.5	0.66	294		
Schaffer Corp	376	+4.4	+0.3	22	0-0	-	1.0	16	0.4	6	5.6	0.35	53	Landmark White	29	+10.9	-2.9	11	0-2	-	4.1	26	0.8	16	10.5	0.38	8		
Zicom Group	22	+1.2	+0.8	30	4-0	-	0.8	14	1.7	6	4.7	0.35	46	FSA Group Ltd	46	+10.5	+2.5	11	2-0	-	1.2	17	0.8	7	4.8	0.78	60		
ERM Power Ltd	198	+2.7	+1.9	26	2-0	-	1.9	19	0.7	10	4.3	0.35	330	Sunland Group	100	+9.9	+3.3	12	0-1	-	0.6	4	0.6	13	Nil	0.92	193		
Landmark White	29	+10.9	-2.9	11	0-2	-	4.1	26	1.1	16	10.5	0.38	8	Gazal Corp	210	+9.7	-0.6	12	0-0	-	2.2	21	0.3	10	8.6	0.44	119		
Alesco Corp Ltd	191	+3.3	-3.4	25	0-0	4	2.5	10	0.6	26	4.2	0.39	180	Skilled Group	265	+9.4	+1.8	13	0-0	3	10.6	77	0.5	14	4.9	0.33	619		
Woolco Cheese	364	+0.1	+3.2	33	1-0	-	1.3	10	0.4	13	4.1	0.40	199	PTB Group Ltd	30	+9.1	+8.7	13	1-0	-	0.2	3	0.9	7	Nil	0.30	10		
Pacific Brands	60	+2.3	+1.9	27	0-0	6	5.0	-	1.1	NE	7.6	0.41	543	Nib Holdings	193	+8.7	+2.4	13	3-2	2	3.2	26	0.4	12	4.8	0.75	845		
Lend Lease Grp	851	+5.5	+0.2	19	0-0	4	1.9	20	0.4	10	4.5	0.42	4,875	ITL Limited	19	+8.6	-6.8	14	1-5	-	1.9	26	1.0	7	Nil	0.72	20		
Gazal Corp	210	+9.7	-0.6	12	0-0	-	2.2	21	0.5	10	8.6	0.44	119	Redbank Energy	644	+8.4	+10.8	14	0-0	-	9.2	-	0.3	1	Nil	0.06	5		
Coventry Group	285	+6.2	+0.2	18	0-0	-	0.8	12	0.5	6	7.7	0.44	108	Graincorp	1217	+8.4	+5.2	14	0-0	5	2.2	16	0.3	14	2.5	0.87	2,629		
Tamawood Ltd	232	+7.0	+3.9	16	0-1	-	6.6	94	0.5	7	9.1	0.45	59	Hi Tech Group	5	+8.3	-3.5	14	0-0	-	0.5	18	1.9	3	Nil	0.16	2		
Ridley Corp.	112	+2.2	+1.3	27	1-0	4	1.4	8	0.6	17	6.7	0.47	343	Suncorp Group	931	+8.0	+0.8	14	4-1	4	1.5	9	0.4	16	4.3	0.75	11,978		
Regional Exp.	119	+5.7	-1.0	19	0-0	1	0.8	15	0.7	5	7.6	0.48	131	Shenhua Int'l	38	+7.8	+3.4	15	0-0	-	0.9	20	0.8	4	Nil	0.48	48		
RHG Ltd	44	+1.5	-2.0	29	0-1	-	-	-	1.1	3	33.3	0.48	134	WDS Limited	62	+7.7	+4.9	15	2-0	3	1.0	11	0.8	8	4.4	0.26	90		
SDI Limited	23	+42.1	+13.0	2	1-0	-	1.2	8	1.4	14	1.3	0.48	27	Kip McGrath EC	5	+7.7	+2.1	15	1-0	-	-	-	2.0	7	Nil	0.16	1		
UXC Limited	89	+35.1	+4.3	3	2-0	3	8.9	60	0.9	15	3.9	0.48	272	Vesfarmers Ltd	3430	+7.7	-0.3	15	1-0	4	7.7	47	0.3	16	4.8	0.59	34,523		
Salmat Ltd	256	+3.7	+3.1	24	2-0	3	-	-	0.5	13	7.4	0.50	409	Village Road.	380	+7.6	+2.3	15	0-0	1	2.5	15	0.4	17	5.8	0.63	582		
Runge Ltd	44	+6.0	+3.5	18	2-0	-	2.7	31	1.0	9	4.6	0.50	54	Ellex Medical	21	+7.5	-2.8	15	0-0	-	1.1	6	1.3	17	Nil	0.38	18		
SteriHealth Ltd	140	+4.3	+2.6	23	0-0	-	10.0	-	0.5	7	5.0	0.52	27	Titan Energy	89	+7.1	+13.7	16	2-0	-	1.3	12	0.7	11	2.3	0.75	25		
Country Road	327	+0.5	-0.4	32	0-1	-	2.7	19	0.3	14	2.3	0.53	226	Tamawood Ltd	232	+7.0	+3.9	16	0-1	-	6.6	94	0.4	7	9.1	0.45	59		
Legend Corp.	27	+1.6	-0.3	29	0-0	-	3.9	62	1.3	6	7.8	0.57	59	Macquarie Group	3116	+6.9	+4.8	17	1-0	5	1.1	8	0.5	14	4.5	1.00	10,862		
Logicams Ltd	104	+1.8	-1.6	28	7-1	1	2.2	33	0.8	7	8.2	0.57	70	GBST Holdings	96	+6.3	+4.7	18	4-4	-	-	-	0.5	20	5.2	0.83	64		
Waterco Ltd	115	+2.4	+5.2	27	0-0	-	0.9	5	0.6	19	6.1	0.59	39	Coventry Group	285	+6.2	+0.2	18	0-0	-	0.8	12	0.4	6	7.7	0.44	108		
Vesfarmers Ltd	3430	+7.7	-0.3	15	1-0	4	7.7	47	0.3	16	4.8	0.59	34,523	Runge Ltd	44	+6.0	+3.5	18	2-0	-	2.7	31	0.8	9	4.6	0.50	54		
Capital Health	9	+27.2	+2.3	4	0-0	-	-	-	2.4	15	4.7	0.60	31	Macquarie C Tel	985	+5.9	+3.0	18	0-2	2	2.5	24	0.3	11	2.4	0.93	207		
Boral Limited	377	+2.1	+2.5	17	1-1	4	1.1	8	0.6	14	2.9	0.61																	

STRENGTH RATING											STRENGTH RATING																														
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Proxies Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Proxies Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n														
INCOME SHARES: Highest Yields, Capitalisation > A\$250 million																																									
Seven West Med.	111	-27.7	+0.6	91	4-0	6	-	-0.6	3	22.5	0.38	738	Growthpoint Pro	215	+1.8	-0.1	28	5-0	1	1.1	7	0.3	16	8.2	6.58	816	Vmoto Ltd	3	+39.3	+15.4	2	5-0	-	3.0	-	2.1	NE	Nil	2.63	22	
Grange Resource	26	-25.1	-1.7	89	2-1	3	0.5	25	1.2	2	19.6	0.72	294	ICS Global Ltd	2	+28.5	+7.8	3	5-0	-	1.5	16	2.6	9	6.7	1.47	3	Reward Minerals	84	+6.8	+6.7	17	5-0	-	-	-	0.6	NE	Nil	N/A	61
Emeco Holdings	52	-14.0	-2.2	71	3-0	4	0.7	15	0.7	5	11.7	0.58	325	Brbri Ltd	34	+4.7	-4.7	21	5-0	-	0.8	21	0.8	4	8.2	0.15	37	LB T Innovations	6	+2.7	+5.7	26	5-0	-	5.5	-	1.4	NE	Nil	5.34	5
DUET Group	208	+6.5	-0.8	17	0-3	3	1.5	3	0.3	49	11.5	1.89	2,308	Aust Power Gas	52	+1.3	+2.1	29	5-0	1	26.0	-	0.5	NE	Nil	0.27	98	Globe Int'l Ltd	40	+2.7	+2.1	27	5-0	-	0.6	0	0.5	267	6.3	0.20	17
APA Group	524	+0.5	+1.3	32	0-0	4	3.3	13	0.3	26	11.2	3.18	3,377	Molopo Energy	53	+1.1	+5.0	30	5-0	1	-	-	0.7	NE	Nil	N/A	129	QR National Ltd	368	+2.6	+3.4	27	5-0	2	1.2	6	0.5	20	2.3	2.56	8,979
GWA Group Ltd	171	-8.2	-1.6	57	0-1	4	11.4	-	0.5	11	10.6	0.86	515	IRESS Limited	790	+7.0	+1.9	16	5-0	4	13.2	54	0.3	24	4.8	4.90	1,004	Finbar Group	118	+5.6	+2.5	19	4-0	-	1.4	14	0.4	9	7.6	2.20	253
Myer Holdings	199	-2.7	+3.8	44	3-2	7	-	-	0.5	8	9.6	0.37	1,158	Onea Limited	5	+99.5	+42.0	0	4-0	-	0.1	-	1.4	NE	Nil	N/A	187	Treasury Wine	506	+10.9	+1.8	11	4-0	4	1.6	4	0.5	38	2.6	1.95	3,275
NRW Holdings	190	-17.7	-2.6	77	2-0	8	1.7	32	0.6	5	9.5	0.39	528	Bank of Q'land	750	+3.9	-1.1	24	4-0	4	1.0	-	0.4	NE	6.9	0.83	2,316	Ingénia Com Grp	26	+16.9	-2.7	7	4-0	1	0.8	1	0.8	77	2.0	4.29	112
Sth Cross Media	107	-7.0	-0.9	55	2-0	3	-	-	0.6	8	9.4	1.09	750	Evolution Min.	200	+10.3	+5.0	12	4-0	4	1.4	4	0.6	38	Nil	3.01	1,414	Oil Search Ltd	736	+6.4	+0.2	17	4-0	5	-	-	0.4	49	0.5	N/A	9,753
Bradken Ltd	459	-10.1	+0.3	63	6-0	8	2.2	29	0.5	8	8.9	0.53	774	DuluxGroup Ltd	342	+7.3	+0.2	16	4-0	5	18.0	-	0.5	13	4.4	1.26	1,257	Zicom Group	22	+1.2	+0.8	30	4-0	-	0.8	14	1.1	6	4.7	0.35	46
Tabcorp Holding	270	-3.1	-2.6	45	1-0	4	-	-	0.4	6	8.9	0.65	1,971	Aust Pharm. Ind	49	+19.7	+5.9	6	4-0	2	0.6	8	0.6	8	6.2	0.07	237	Heemskirk Cons.	12	+2.2	+3.2	27	4-0	-	0.7	-	0.9	NE	Nil	1.27	19
Transfield Serv	160	-9.1	-0.5	60	2-0	6	3.4	34	0.6	10	8.8	0.27	837	Coventry Res.	14	+9.9	+21.5	12	4-0	-	-	-	1.3	NE	Nil	N/A	6	Mystate Ltd	366	+3.9	+2.1	23	4-0	-	1.6	12	0.3	14	7.7	1.57	318
Iluka Resources	867	-14.2	+4.4	71	2-1	3	2.3	35	0.5	7	8.7	2.21	3,610	Telstra	411	+6.3	-0.7	18	4-0	5	12.5	83	0.2	15	6.8	2.01	51,141	NuEnergy Cap'l	10	+4.6	+9.1	22	4-0	-	-	-	1.2	NE	Nil	N/A	20
Prime Media Grp	77	+8.2	+1.8	14	0-0	2	-	-	0.6	10	8.6	1.02	280	Pro Medicus Ltd	44	+24.7	-0.5	4	4-0	-	8.8	15	0.6	59	3.4	3.88	44	Chalice Gold	34	+7.8	+8.0	15	4-0	2	-	-	0.8	NE	Nil	N/A	84
Ardent Leisure	137	+5.3	+0.2	20	1-0	3	1.7	5	0.5	36	8.5	1.17	458	IEF Real Estate	6	+8.8	+3.6	13	4-0	-	0.4	-	1.4	NE	Nil	2.78	58	Webfirm Group	5	+0.4	+11.6	32	4-0	1	2.5	-	1.6	NE	Nil	7.21	34
Cromwell Prop.	83	+7.0	+2.6	16	4-1	3	1.2	3	0.4	42	8.4	5.19	971	Starpharma Hold	168	+3.5	+2.0	24	5-1	2	12.0	-	0.7	NE	Nil	N/A	472	Strike Energy	19	+16.5	+7.0	8	3-0	2	-	-	0.9	NE	Nil	7.33	65
Arrium Limited	72	-16.5	+2.6	75	2-0	4	0.6	13	0.8	4	8.3	0.13	969	K&S Corporation	175	+13.6	+1.7	9	3-0	-	1.0	11	0.3	10	6.3	0.28	156	Signature Cap't	28	+0.2	+0.9	33	3-0	-	0.8	-	0.6	NE	Nil	N/A	19
Growthpoint Pro	215	+1.8	-0.1	28	5-0	1	1.1	7	0.3	16	8.2	6.58	816	Signature Cap't	7	+28.2	+6.3	3	3-0	-	-	-	1.3	12	Nil	0.39	16	E-Bet Limited	7	+28.2	+6.3	3	3-0	-	-	-	1.3	12	Nil	0.39	16
FKP Limited	21	-18.8	-2.3	79	1-0	4	0.2	-	1.0	NE	8.1	1.19	463	Scott Corp Ltd	34	+5.8	+2.7	19	3-0	-	0.8	11	0.8	7	7.4	0.15	25	Funtastic Ltd	22	+13.2	+6.9	9	3-0	-	-	-	0.7	11	Nil	0.68	116
Abacus Property	204	+2.0	+0.3	28	0-0	4	0.9	1	0.4	110	8.1	3.76	887	Cryosite Ltd	33	+44.5	+5.1	2	3-0	-	2.8	18	0.5	15	1.5	1.92	15	Volyta Mining	22	+6.9	-2.1	17	3-0	-	-	-	0.9	NE	Nil	N/A	4
Deutsche Ind Tr	196	+0.0	+0.0	35	0-0	-	1.2	10	0.2	12	8.1	6.49	663	Argonaut Res.	7	+18.5	+10.9	6	3-0	-	-	-	1.4	NE	Nil	N/A	4	Roc Oil Company	46	+10.8	+10.1	11	3-0	2	1.7	15	0.7	11	Nil	1.11	311
G.U.D. Holdings	810	+0.7	-2.0	31	0-0	4	5.7	43	0.3	13	8.0	0.94	574	Roc Oil Company	46	+10.8	+10.1	11	3-0	2	1.7	15	0.7	11	Nil	1.11	311	Milton Corp.	1693	+3.8	+0.6	24	3-0	-	1.0	5	0.2	20	4.6	N/A	2,059
Tatts Group Ltd	275	+3.9	-1.9	23	0-1	4	-	-	0.4	12	8.0	0.96	3,748	Medusa Mining	639	+7.2	+5.0	16	3-0	-	3.9	16	0.4	25	1.1	N/A	1,207	KBL Mining Ltd	17	+3.8	+9.6	24	3-0	-	-	-	1.2	NE	Nil	N/A	32
Chal Infra Fund	126	+5.4	-3.3	20	0-0	1	-	-	0.4	263	7.9	N/A	398	Qld Mining Corp	5	+10.4	+17.3	12	3-0	-	-	-	1.8	NE	Nil	N/A	21	Bluescope Steel	48	+10.5	+15.1	11	3-0	4	0.5	-	0.9	NE	Nil	0.19	1,608
STW Comm Group	101	+4.2	-0.6	23	0-0	2	-	-	0.5	9	7.9	1.12	366	Medical Dev Int	175	+50.1	+10.2	1	3-0	-	21.9	61	0.4	36	3.4	8.62	97	Aristocrat Leis	274	+1.5	+3.6	29	3-0	5	8.3	37	0.4	22	2.4	2.11	1,488
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																																									
A.P. Eagers	391	+14.3	-2.9	9	17-1	-	2.2	15	0.2	15	4.1	0.26	613	Peel Mining Ltd	40%	+144.7	+56.1	0	3-0	-	-	-	0.9	NE	Nil	N/A	35	Probiotec Ltd	38	+13.1	+6.3	9	12-0	-	0.6	7	0.6	9	Nil	0.30	20
Probiotec Ltd	38	+13.1	+6.3	9	12-0	-	0.6	7	0.6	9	Nil	0.30	20	Webfirm Group	5	+0.4	+11.6	32	4-0	1	2.5	-	1.6	NE	Nil	7.21	34	Burleson Energy	3	+13.3	+3.9	9	10-0	-	-	-	1.9	NE	Nil	9.41	13
Burleson Energy	3	+13.3	+3.9	9	10-0	-	-	-	1.9	NE	Nil	9.41	13	Starpharma Hold	168	+3.5	+2.0	24	5-1	2	12.0	-	0.7	NE	Nil	N/A	472	CuDeco Ltd	467	+21.0	+5.9	6	10-0	-	-	-	0.4	NE	Nil	N/A	772
CuDeco Ltd	467	+21.0	+5.9	6	10-0	-	-	-	0.4	NE	Nil	N/A	772	Strike Energy	19	+16.5	+7.0	8	3-0	2	-	-	0.9	NE	Nil	7.33	65	Centrepoint All	39	+4.7	+17.6	21	10-0	-	1.1	-	0.5	NE	Nil	0.23	39
Centrepoint All	39	+4.7	+17.6	21	10-0	-	1.1	-	0.5	NE	Nil	0.23	39	K&S Corporation	175	+13.6	+1.7	9	3-0	-	1.0	11	0.3	10	6.3	0.28	156	Primary Health	379	+14.9	+3.3	8	13-3	4	-	-	0.4	16	2.9	1.37	1,902
Primary Health	379	+14.9	+3.3	8	13-3	4	-	-	0.4	16	2.9	1.37	1,902	Signature Cap't	28	+0.2	+0.9	33	3-0	-	0.8	-	0.6	NE	Nil	N/A	19	Po Valley Ener.	13	+4.9	-1.6	21	9-0	-	-	-	1.0	NE	Nil	1.23	14
Po Valley Ener.	13	+4.9	-1.6	21	9-0	-	-	-	1.0	NE	Nil	1.23	14	E-Bet Limited	7	+28.2	+6.3	3	3-0	-	-	-	1.3	12	Nil	0.39	16	PPK Group Ltd	40	+1.6	+0.9	29	8-0	-	0.7	6	0.5	13	2.5	1.82	21
PPK Group Ltd	40	+1.6	+0.9	29	8-0	-	0.7	6	0.5	13	2.5	1.82	21	Scott Corp Ltd	34	+5.8	+2.7	19	3-0	-	0.8	11	0.8	7	7.4	0.15	25	Peet Ltd	95	+1.4	+8.8	29	8-0	2	0.8	1	0.6	58	Nil	2.07	304
Peet Ltd	95	+1																																							

Company	Share Price	Yr/Mth Exercise Price	to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Yr/Mth Exercise Price	to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Botswana Metals	2.5	10	0-7	0.3	0.1	+355	1.04	3.59	1.0	+999	Hawthorn Resources	0.7	10	0-3	0.1	0.0	+999	0.88	9.99	1.0	+999
Boulder Steel	2.6	10	2-7	0.6	0.4	+34	0.78	2.05	1.0	+72	Healthinx Ltd	0.2	10	1-1	0.1	0.0	+999	1.60	2.31	1.0	+999
Brazilian Metals	1.0	20	1-4	0.1	0.0	+490	1.11	2.82	1.0	+849	Hill End Gold	1.9	10	1-6	1.2	0.0	+999	0.52	5.52	1.0	+238
Breaker Resources	35	25	2-1	14.0	16.3	-14	0.57	1.76	1.0	+5	IM Medical	0.2	1.0	3-10	0.1	0.1	+34	0.96	1.50	1.0	+56
Broken Hill Prospect	9.2	20	1-3	1.8	0.4	+331	0.55	3.94	1.0	+104	Immuron Ltd	1.8	4.0	2-5	0.4	0.5	-13	0.76	1.92	1.0	+45
Buccaneer Energy	5.2	10	0-0	0.1	0.4	-76	0.54	3.94	1.0	+999	Ind Minerals Corp	3.9	35	0-6	0.1	0.0	+999	0.74	8.99	1.0	+999
Burleson Energy	3.2	10	0-10	0.4	0.1	+181	0.85	3.37	1.0	+311	Invictus Gold	3.8	25	3-0	0.1	1.6	-94	1.25	1.39	1.0	+88
Buxton Resources	51	30	3-2	25.0	39.4	-37	1.11	1.17	1.0	+2	Isona Ltd	5.0	0.7	1-7	1.5	4.8	-69	2.40	1.03	1.0	-40
Cape Range Ltd	0.5	0.8	0-2	0.1	0.0	+999	0.00	9.99	1.0	+999	Jacka Resources	20	20	0-1	2.5	1.4	+75	0.61	7.59	1.0	+311
Carbon Polymers	5.0	30	1-4	1.0	0.1	+999	0.72	3.79	1.0	+284	Jatenergy Ltd	5.0	25	1-3	0.4	0.0	+935	0.64	4.46	1.0	+267
Cardia Bioplastics	0.2	1.5	2-7	0.1	0.0	+146	1.02	1.78	1.0	+124	Kaboko Mining	1.0	3.0	0-7	0.1	0.0	+438	0.83	4.39	1.0	+595
Carnavale Resources	3.3	20	0-3	0.1	0.0	+999	0.53	9.99	1.0	+999	Kairiki Energy	0.2	0.4	0-7	0.1	0.1	+8	2.22	1.45	1.0	+381
Celamin Holdings	17	20	1-4	2.7	5.4	-50	0.80	1.98	1.0	+24	Kalgoorlie Mining Co	0.6	25	1-6	0.1	0.2	-39	2.02	1.47	1.0	+999
Cellmid Ltd	1.6	3.4	3-11	0.3	0.5	-37	0.62	1.82	1.0	+24	Kidman Resources	22	20	1-0	6.1	9.6	-36	1.03	1.70	1.0	+19
Central Petroleum	17	16	1-4	0.2	6.1	-97	0.76	1.91	1.0	-1	Kina Petroleum	36	20	0-0	14.5	9.6	+52	0.43	1.70	1.0	-100
Central Petroleum	17	16	1-4	6.7	6.1	+11	0.76	1.91	1.0	+27	Kingsrose Mining	96	20	0-1	75.5	76.1	-1	0.40	1.26	1.0	-6
Chrysalis Resources	9.0	20	0-7	2.9	1.1	+168	1.13	2.65	1.0	+396	Korab Resources	7.0	25	1-9	1.1	0.2	+380	0.58	3.56	1.0	+112
Citation Resources	3.6	7.0	0-8	0.8	0.5	+47	1.06	2.51	1.0	+219	Labtech Systems	5.5	20	0-7	8.0	0.0	+999	0.73	5.78	1.0	+999
Citation Resources	3.6	4.0	3-1	2.2	2.3	-5	1.06	1.28	1.0	+20	Labtech Systems	5.5	20	0-7	0.5	0.0	+999	0.73	5.78	1.0	+854
Clancy Exploration	2.7	15	0-8	0.2	0.0	+918	0.93	4.34	1.0	+999	Latin Resources	16	30	0-4	0.8	0.3	+167	0.74	5.78	1.0	+613
Con Tin Mines	5.7	20	1-1	0.8	0.2	+340	0.74	3.58	1.0	+230	Legacy Iron Ore	8.1	10	0-1	0.6	0.1	+523	0.62	9.99	1.0	+999
Condor Blanco Mines	5.0	20	1-4	1.1	0.4	+182	0.88	2.64	1.0	+194	Legacy Iron Ore	8.1	15	0-1	0.2	0.0	+999	0.62	9.99	1.0	+999
Continental Coal	5.0	50	0-3	0.2	0.0	+999	0.87	9.99	1.0	+999	Liberty Resources	7.0	10	0-7	4.0	0.5	+656	0.61	4.16	1.0	+228
Copper Range	1.6	3.5	1-1	0.4	0.2	+99	0.82	2.63	1.0	+128	Lindian Resources	11	8.0	2-1	6.8	6.6	+3	0.94	1.39	1.0	+15
Copper Range Ltd	1.6	1.5	0-1	0.2	0.2	-2	0.82	5.13	1.0	+107	Lion Energy	2.5	3.0	1-1	1.0	0.6	+57	0.75	2.28	1.0	+54
Corazon Mining Ltd	3.3	20	0-5	0.5	0.0	+999	0.96	6.08	1.0	+999	Liontown Resources	3.8	5.0	2-10	2.0	1.9	+4	0.89	1.45	1.0	+24
Coretrack Ltd	0.5	25	0-0	0.1	0.0	+999	1.50	6.08	1.0	+999	Lonrho Mining	1.0	2.0	1-0	0.3	0.2	+54	0.99	2.22	1.0	+130
Cove Resources	14	25	1-2	1.8	3.0	-40	0.89	2.20	1.0	+74	MEC Resources	7.7	20	0-8	0.9	0.0	+999	0.56	6.56	1.0	+365
Cradle Resources	13	20	2-2	3.1	2.8	+11	0.61	2.24	1.0	+33	MRG Metals	15	25	3-10	5.0	9.9	-49	1.09	1.24	1.0	+20
Diatreme Resources	2.6	15	0-10	0.2	0.0	+999	0.74	5.21	1.0	+732	Magellan Financial	448	300	3-7	150.0	205.8	-27	0.33	1.91	1.0	+0
Dourado Resources	7.6	20	2-0	1.2	0.9	+41	0.64	2.63	1.0	+67	Magellan Flagship	92	105	4-11	15.0	11.4	+31	0.12	4.92	1.0	+6
Drill Torque	6.0	30	3-8	0.6	1.7	-64	0.85	1.68	1.0	+56	Mamba Minerals	5.6	5.0	0-7	2.5	1.3	+88	0.59	2.95	1.0	+65
Eagle Nickel	0.8	20	3-1	0.2	0.1	+277	0.93	2.11	1.0	+185	Mantle Mining	8.5	7.5	1-0	4.0	3.7	+7	1.02	1.71	1.0	+35
Eastland Medical	3.3	5.0	0-1	0.3	0.0	+999	0.79	9.99	1.0	+999	Marion Energy	0.6	2.5	0-0	0.2	0.0	+999	0.00	9.99	1.0	+999
Eco Quest Ltd	1.6	1.0	2-1	1.3	1.5	-12	2.27	1.04	1.0	+19	Matilda Zircon	2.9	2.5	1-1	1.1	0.9	+19	0.60	2.29	1.0	+22
Eden Energy	1.1	20	1-7	0.1	0.0	+999	0.90	3.29	1.0	+526	Mayan Iron Corp	2.9	20	1-0	0.1	0.0	+999	0.53	8.50	1.0	+593
Elementos Ltd	4.3	6.0	1-4	1.0	1.4	-27	0.91	1.88	1.0	+43	Metals Australia	1.7	2.0	0-10	0.4	0.4	-4	0.82	2.35	1.0	+51
Eneabba Gas	3.5	15	0-7	0.3	0.0	+999	0.63	7.83	1.0	+999	Metminco Ltd	7.6	25	0-0	0.1	0.0	+999	0.65	9.99	1.0	+999
Energio Ltd	33	100	0-4	0.1	9.0	-99	2.48	1.76	1.0	+999	Midas Resources	0.9	3.0	0-0	0.1	0.0	+999	0.92	9.99	1.0	+999
Enjeri Ltd	0.6	3.0	2-7	0.1	0.2	-50	1.11	1.56	1.0	+89	Millennium Minerals	3.1	3.0	0-1	0.2	0.3	-32	0.61	6.46	1.0	+37
Enjeri Ltd	0.6	20	4-1	0.1	0.1	-27	1.11	1.56	1.0	+136	Millennium Minerals	3.1	7.5	0-3	0.1	0.0	+999	0.61	9.99	1.0	+999
Env. Clean Tech.	1.3	2.0	1-2	0.7	0.4	+92	0.97	1.98	1.0	+91	Minera Gold	5.4	18	1-5	1.0	0.2	+510	0.61	3.71	1.0	+142
Equator Resources	5.3	20	0-7	3.0	0.0	+999	0.78	5.30	1.0	+999	Minerals Commodities	9.0	20	0-1	0.3	0.0	+999	0.77	9.99	1.0	+999
Erongo Energy Ltd	3.0	10	0-7	0.2	0.0	+999	0.64	6.80	1.0	+715	Mining Group	14	20	1-7	5.0	7.0	-28	1.31	1.41	1.0	+48
Euroz Ltd	101	75	1-3	25.0	32.2	-22	0.33	2.71	1.0	-1	Mining Projects	0.9	1.5	2-0	0.2	0.3	-40	0.92	1.68	1.0	+37
Exalt Resources	20	20	3-1	3.1	11.8	-74	0.89	1.36	1.0	+5	Mining Projects Group	0.9	10	1-7	0.1	0.0	+330	0.92	2.86	1.0	+351
Exalt Resources	20	20	3-1	3.1	11.8	-74	0.89	1.36	1.0	+5	Moko.mobi Ltd	4.2	10	0-8	0.4	0.1	+379	0.67	4.85	1.0	+307
Excalibur Mining	0.1	6.0	0-1	0.1	0.0	+999	2.71	1.00	1.0	+999	Mongolian Resources	8.0	20	0-4	0.2	0.1	+215	0.82	6.01	1.0	+999
Fairstar Resources	0.8	10	1-9	0.2	0.0	+999	0.74	3.76	1.0	+328	Mooter Media	0.1	0.5	0-10	0.2	0.0	+999	1.35	2.25	1.0	+933
Ferrum Crescent	3.5	40	1-1	0.9	0.2	+464	1.24	2.50	1.0	+867	Mt Magnet South	4.7	7.0	1-9	0.4	1.4	-72	0.79	1.92	1.0	+30
Firestone Energy	0.8	4.0	1-6	0.1	0.0	+124	0.83	2.77	1.0	+197	Mutiny Gold	9.8	14	0-12	2.2	0.9	+146	0.51	3.81	1.0	+67
Forge Resources	27	20	1-8	10.5	12.2	-14	0.66	1.77	1.0	+8	Mutiny Gold	9.8	5.0	0-8	5.6	5.0	+13	0.51	1.92	1.0	+13
Forté Consolidated	10	20	1-5	1.8	1.4	+25	0.71	2.57	1.0	+73	Naracoota Resources	4.0	9.0	2-10	1.0	1.9	-47	1.03	1.43	1.0	+38
GBM Resources	4.6	20	0-7	0.1	0.0	+999	0.57	9.60	1.0	+999	Navigator Resources	0.2	4.0	1-8	0.1	0.1	+71	1.76	1.49	1.0	+512
GRG International	9.9	20	0-7	2.0	1.2	+60	1.08	2.69	1.0	+293	Nemex Resources	4.5	20	1-4	1.0	0.2	+389	0.80	3.02	1.0	+217
General Mining	4.5	7.5	0-9	0.5	1.3	-60	1.25	1.94	1.0	+114	New Horizon Minerals	11	20	2-1	2.1	1.6	+34	0.54	2.70	1.0	+40
General Mining	4.5	10	1-9	0.5	2.0	-75	1.25	1.48	1.0	+62	Newera Resources	3.6	3.0	0-7	1.2	1.4	-16	1.10	1.88	1.0	+30
General Mining	4.5	13	2-9	0.5	2.5	-80	1.25	1.31	1.0	+47	Noble Minerals Res	13	35	0-8	1.0	0.3	+210	0.78	4.26	1.0	+399
Gladiator Resources	2.5	10	2-7	0.5	0.4	+31	0.76	2.13	1.0	+74	Noble Minerals Res	13	48	2-5	1.5	2.1	-29	0.78	2.11	1.0	+74
Gleneagle Gold	0.5	1.0	2-7	0.2	0.3	-29	1.21	1.33	1.0	+40	Nithn Mining	2.0	6.0	1-1	1.2	0.3	+378	0.99	2.40	1.0	+226
Global Metal Exp	0.5	2.0	2-11	0.1	0.2	-58	1.20	1.38	1.0	+64	OBJ Ltd	1.4	1.0	0-7	0.5	0.4	+14	0.37	2.94	1.0	+13
Global Resources	8.0	3.0	0-9	0.1	5.1	-98	0.75	1.51	1.0	-73	Odin Energy	0.4	25	0-0	0.1	0.4	-77	1.64	2.94	1.0	+999
Global Strategic Mtl	8.5	20	0-8	0.9	1.4	-35	1.27	2.30	1.0	+322	Odyssey Energy	2.7	5.0	2-1	1.1	0.6	+90	0.67	2.19	1.0	+48
Gondwana Res	0.1	1.0	0-7	0.1	0.0	+999	1.10	4.48	1.0	+999	Oil Basins	2.5	4.0	1-7	1.3	0.9	+44	1.00	1.71	1.0	+61
Grand Gulf Energy	0.3	1.5	0-7	0.1	0.0	+216	1.59	2.29	1.0	+999	Oilex Ltd	5.9	15	2-9	1.9	1.3	+46	0.70	2.01	1.0	+47
Great Western Expl.	18	30	0-3	4.0	0.1	+999	0.63	8.24	1.0	+999	Oroya Mining	0.3	0.3	2-7	0.1	0.3	-63	2.02	1.06	1.0	+12
Green Rock Energy	0.2	3.6	0-4	0.1	0.0																

Company	Yr/Mth			Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Yr/Mth			Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
	Share Price	Exercise Price	to Expiry									Share Price	Exercise Price	to Expiry							
Pelican Resources	1.4	4.0	1-7	0.3	0.2	+95	0.75	2.57	1.0	+103	Sth Amer Ferro Metals	16	20	2-1	3.8	5.2	-26	0.67	1.94	1.0	+21
Peninsula Energy	5.0	3.0	3-1	3.0	3.1	-5	0.72	1.38	1.0	+6	Sthn Crown Res	6.8	35	0-1	0.1	0.0	+999	0.59	9.99	1.0	+999
Pharmanet Group	0.3	1.3	0-7	0.1	0.1	+15	2.13	1.66	1.0	+999	Stonehenge Metals	1.4	10	0-0	0.1	0.0	+999	0.78	9.99	1.0	+999
Pharmaust Ltd	1.0	1.0	0-4	0.2	0.0	+999	1.14	6.63	1.0	+999	Structural Monitoring	5.0	0.9	0-7	0.1	4.2	-98	0.70	1.20	1.0	-94
Phoenix Gold	31	25	2-0	12.5	12.3	+2	0.56	1.91	1.0	+11	Structural Monitoring	5.0	0.9	0-4	0.1	4.2	-98	0.70	1.20	1.0	-99
Phylogica Ltd	2.3	9.0	3-7	0.6	0.4	+44	0.67	2.02	1.0	+49	Style Ltd	0.2	0.5	1-8	0.2	0.0	+467	0.82	2.21	1.0	+112
Proto Res & Inv.	0.6	25	1-1	0.1	0.0	+999	0.86	5.76	1.0	+999	Synergy Metals	8.6	20	2-12	0.9	4.5	-80	1.10	1.36	1.0	+35
Proto Res & Inv.	0.6	5.0	1-9	0.1	0.0	+318	0.86	2.73	1.0	+240	TZ Limited	10	14	0-11	2.9	3.1	-7	1.10	1.90	1.0	+77
Quantum Resources	0.4	5.0	0-0	0.1	0.0	+318	1.57	2.73	1.0	+999	Tamaska Oil & Gas	0.1	0.5	2-9	0.1	0.1	+20	2.10	1.08	1.0	+94
Quest Petroleum	0.8	1.5	3-7	0.4	0.5	-21	1.12	1.25	1.0	+27	Tangiers Petroleum	45	16	0-11	35.0	29.4	+19	0.69	1.47	1.0	+16
RMG Ltd	0.4	2.0	1-5	0.1	0.1	+56	1.15	2.01	1.0	+222	Target Energy Ltd	9.9	10	-1-11	0.2	29.4	-99	0.82	1.47	1.0	-30
Ram Resources	0.4	3.0	0-10	0.1	0.1	-11	2.04	1.60	1.0	+999	Terrain Minerals Ltd	0.8	8.0	0-1	0.2	0.0	+999	1.02	9.99	1.0	+999
Regalpoint Resources	2.3	20	1-4	0.2	0.1	+280	0.91	3.06	1.0	+410	Thundelarra Expl.	5.3	20	0-4	3.0	0.0	+999	0.89	6.74	1.0	+999
Regis Resources	561	50	1-2	516.0	513.0	+1	0.35	1.09	1.0	+1	Titan Energy	1.9	1.5	0-1	0.3	0.4	-31	0.78	3.87	1.0	-48
Resource & Invest	19	60	0-6	10.0	0.0	+999	0.63	7.74	1.0	+999	Transol Corporation	1.6	2.0	2-1	0.5	0.7	-33	0.95	1.53	1.0	+24
Ridge Resources	18	20	1-7	2.5	6.0	-59	0.72	1.96	1.0	+15	Triton Gold Ltd	7.0	25	1-1	1.8	0.6	+192	0.96	2.61	1.0	+245
Riedel Resources	8.4	20	0-0	0.1	6.0	-98	0.93	1.96	1.0	+999	Tuc Resources	8.0	20	1-9	1.7	1.6	+7	0.85	2.09	1.0	+79
Robe Australia	0.4	1.0	2-1	0.1	0.2	-52	1.34	1.36	1.0	+63	Tyrian Diagnostics	0.1	1.2	1-1	0.1	0.0	+798	1.52	2.00	1.0	+967
Royal Resources Ltd	7.7	12	0-11	3.0	0.7	+313	0.60	3.51	1.0	+107	United Orogen	0.8	20	3-4	0.1	0.0	+182	0.84	2.30	1.0	+163
Rumble Resources	24	25	1-8	8.5	8.6	-1	0.71	1.90	1.0	+22	VDM Group	1.2	5.0	1-0	0.2	0.1	+141	1.00	2.71	1.0	+333
Samson Oil & Gas	3.1	1.5	0-1	1.7	1.6	+6	0.71	1.93	1.0	+46	Vector Resources	6.9	25	2-2	1.3	0.4	+259	0.58	3.10	1.0	+85
Saracen Mineral Hold.	50	10	0-7	34.0	39.7	-14	0.64	1.25	1.0	-18	Vmoto Ltd	3.0	4.0	2-1	1.0	1.4	-29	0.98	1.51	1.0	+28
Sentosa Mining	5.0	25	1-1	0.4	0.2	+74	0.96	2.92	1.0	+376	Volta Mining	22	20	1-7	4.0	7.8	-49	0.65	1.97	1.0	+7
Sierra Mining	28	10	2-1	24.0	19.8	+21	0.71	1.33	1.0	+10	Voyager Resources	2.0	3.0	2-1	0.6	0.6	+7	0.69	2.01	1.0	+33
Silver City Minerals	6.4	25	2-1	1.1	0.3	+311	0.59	3.24	1.0	+99	Voyager Resources	2.0	6.0	2-7	0.6	0.3	+84	0.69	2.20	1.0	+59
Silver Mines	5.1	35	-1-11	0.2	0.3	-25	0.73	3.24	1.0	-100	WAM Active	106	108	1-0	2.8	7.1	-60	0.14	8.62	1.0	+4
Silver Stone Res	12	20	2-5	2.1	3.3	-36	0.66	2.00	1.0	+29	WAM Capital	162	160	0-8	3.9	9.6	-59	0.12	9.99	1.0	+2
Silver Swan Group	3.5	7.0	2-7	1.4	1.2	+20	0.82	1.72	1.0	+41	WHL Energy	3.5	4.0	2-0	1.6	1.0	+53	0.58	2.12	1.0	+26
Sino Gas & Energy	11	13	0-1	0.2	0.3	-21	0.70	9.39	1.0	+879	West Wits Mining	1.7	8.0	1-8	0.5	0.0	+999	0.64	3.55	1.0	+163
Sinovus Mining	0.5	5.0	1-0	1.0	0.0	+999	1.16	2.82	1.0	+999	Western Manganese	31	20	0-7	15.0	11.8	+27	0.46	2.45	1.0	+23
Sprint Energy	2.0	30	1-1	0.1	0.0	+999	0.89	4.26	1.0	+999	Whitestar Resources	4.0	20	0-5	0.2	0.0	+999	0.67	9.99	1.0	+999
Sprintex Ltd	2.3	2.0	0-7	0.2	1.0	-80	1.30	1.73	1.0	-7	Wild Acre Metals	12	20	1-2	5.0	1.7	+202	0.67	2.81	1.0	+88
St George Mining	35	20	2-0	14.5	26.9	-46	1.39	1.18	1.0	-1	Xstate Resources Ltd	1.8	24	0-7	0.1	0.0	+531	1.39	3.38	1.0	+999
											Zeta Petroleum plc	6.0	20	0-7	0.2	0.0	+999	0.64	7.18	1.0	+840

Total Return Index for All Listed Shares

	Oct 8	1324.08		
	Oct 9	1331.60		
	Oct 10	1321.92		
	Oct 11	1314.78		
	Oct 12	1313.75		
Oct 15	1312.58	Oct 22	Holiday	
Oct 16	1329.45	Oct 23	1351.61	
Oct 17	1340.78	Oct 24	1347.89	
Oct 18	1345.93	Oct 25	1350.25	
Oct 19	1345.24	Oct 26	1347.41	
Oct 29	1346.21	Nov 5	1337.06	
Oct 30	1340.64	Nov 6	1338.56	
Oct 31	1342.73	Nov 7	1343.97	
Nov 1	1340.60	Nov 8	1341.01	
Nov 2	1341.51	Nov 9	1340.88	

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Hallenstein Glasson	19.00	30-11	07-12	Full
Kathmandu	7.00	12-11	22-11	Full
NZX Ltd	1.25	16-11	30-11	Full
Postie Plus Group	1.00	07-12	14-12	Full
Scott Technology	5.50	23-11	04-12	Full
TrustPower	20.00	30-11	14-12	Full
Warehouse Group	6.50	02-11	14-11	Full

Australian Shares

None

Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday December 10, 2012.

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

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