

Market Analysis

Issue No. 499

www.stockmarket.co.nz

January 13, 2014

Inside Market Analysis

Recommended Portfolio up 400-500 fold! 1, 3
 Lyttelton Port Company to receive
 \$438 million insurance payout 4
 EXERCISE Atlas Pearl & Perfumes
 unlisted options to buy shares at 5 cents 6

Insider Trades in New Zealand Shares 11
 Insider Trades in Australian Shares 12, 13, 14
 Company Analysis: XRF Scientific 15, 16

Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

We see good potential for many of our *recommended investments* over the next year - and, of course, the stockmarket is the best place to build significant wealth over the long term! So remain fully invested in these shares.

Investment Outlook.

This newsletter was started 33 years ago, in March 1981, for two reasons. Firstly, your Editor believed the stockmarket offered the best opportunity to build investment wealth over the long term. Secondly, unable to find a source of independent information and unbiased advice to help manage his share portfolio, Securities Research was established.

How did things work out? Well, no-one ever got rich selling newsletter subscriptions in New Zealand. A lot of people think publishing a stockmarket newsletter is an easy way to make money - and a couple of dozen have tried over the last 33 years. Not many lasted very long. We never expected to get rich from this *business*, only that by identifying shares with the potential to increase several fold in value over several years it would help us get rich from our own *share investments*.

Of course, as one would expect, not every investment was successful. But potential losses are limited to 100%, while there is no limit on potential gains. So as *investors* we needed only find a few very big winners to help *lift our overall portfolio returns* and stick at it for a *few decades* while the *magic of compounding returns* grew our portfolio . . . about 400-500 fold in value!

A number of long term subscribers report similar rates of return and have built seven-figure portfolios.

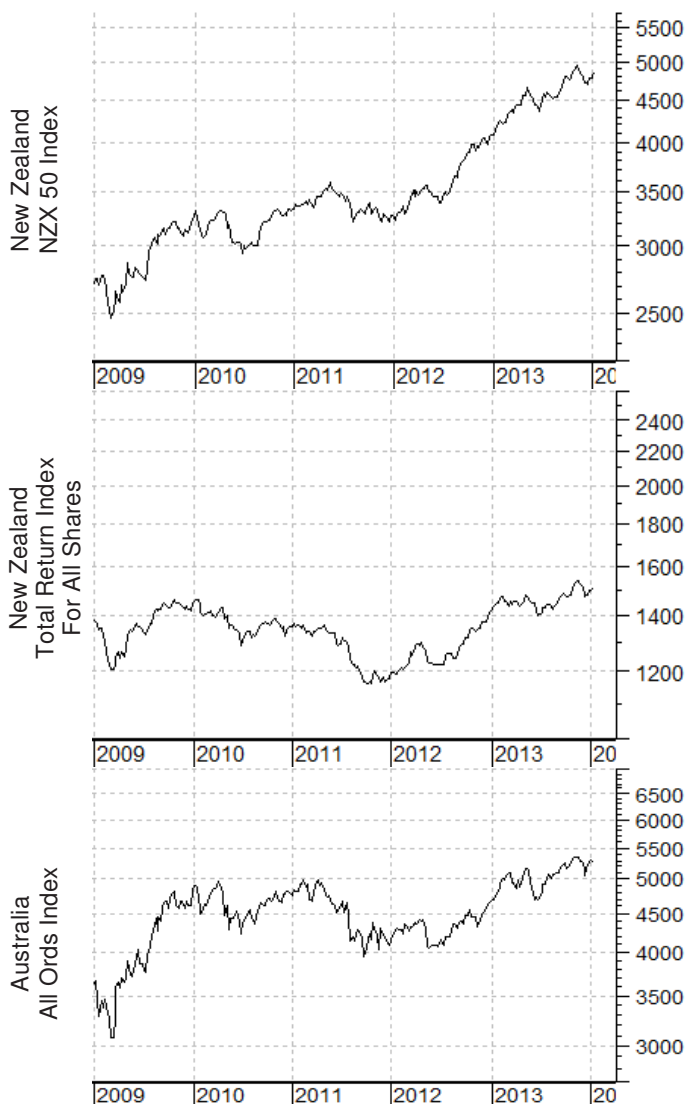
The last 33 years has been a very *uncertain* time to invest. In fact, periods of *confidence* (e.g. 1986/87, 1999) have proved to be the worst times to invest, while periods of *maximum pessimism* (e.g. late 1987 and 1988, the CFG in 2009) have been some of the best times to own shares.

In fact, all stockmarket situations can offer attractive investment opportunities - if investors follow sound investment principles (i.e. realistic valuations, growth

(Continued on Page 8)

Stockmarket Forecasts

	One-Month	One-Year
Australia:	68% (Bullish)	49% (Neutral)
New Zealand:	65% (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	473	1.07	11	8.3	Jasons Media	E	10	0.19	NE	Nil	Renaissance	D	15	0.15	NE	Nil
AMP Office Trt	A	99	7.75	22	5.7	Just Water Int.	E	9.2	0.30	5	4.8	Restaurant Brds	C	289	0.90	NE	7.9
Abano Health.	B	645	0.53	39	4.7	Kathmandu Ltd	E	347	1.81	16	4.8	Rubicon Limited	C	37	0.30	NE	Nil
Air New Zealand	A	164	0.39	10	7.0	Kermadec Prop.	C	67	6.58	11	4.5	Ryman Health.	A	812	N/A	30	0.7
Akd Int Airport	B	356	N/A	26	4.8	Kingfish Ltd	C	126	N/A	5	7.2	SLI Systems Ltd	D	195	N/A	NE	Nil
Allied Farmers	B	5.3	0.13	NE	Nil	Kirkcaldie & St	C	195	0.52	NE	Nil	Santford Limited	D	475	0.97	21	6.9
Allied Work.	B	290	0.57	14	7.7	Kiwi Property	C	109	5.44	10	7.4	Satara Co-op	D	58	0.19	NE	Nil
Aorere Res. *	N/R	1.0	N/A	NE	Nil	L&M Energy	E	7.3	N/A	NE	Nil	Savoy Equities	C	5.5	N/A	NE	Nil
Argosy Property	D	93	7.14	16	6.5	Lytelton Port	E	300	2.77	18	Nil	Scott Tech. Ltd	C	210	1.44	16	5.3
Barramundi Ltd	C	68	N/A	5	10.5	Mainfreight Grp	A	1256	0.66	18	3.1	Sealegs Corp	D	16	1.17	93	Nil
Bathurst Res.	D	18	N/A	NE	Nil	Marlin Global	A	83	N/A	9	8.4	Seeka Kiwifruit	C	210	0.22	NE	Nil
Blis Technology	C	2.0	N/A	NE	Nil	Merger Group	D	18	1.11	56	Nil	Skellerup Hold.	A	175	1.78	18	6.5
Briscoe Group	C	237	1.15	18	6.0	Meridian Energy	D	102	N/A	NE	7.4	Sky Network TV	B	597	2.62	17	5.7
Burger Fuel	F	151	6.94	76	Nil	Methven Limited	B	140	0.95	18	7.4	Sky City Ltd	D	380	2.32	17	7.5
CDL Investments	F	58	N/A	39	3.4	Metro. LifeCare	B	432	9.71	16	0.5	Smartpay NZ Ltd	C	35	7.06	NE	Nil
Cavalier Corp	B	172	0.58	18	3.3	Michael Hill	B	150	1.05	14	4.3	Smiths City	C	62	0.15	16	5.6
Cavotec MSL	F	245	1.08	20	1.6	Mid-Cap Index	D	288	N/A	NE	Nil	Snakk Media Ltd	C	13	9.21	NE	Nil
Charlie's Group	D	43	4.00	51	Nil	Mighty River	C	209	1.70	27	8.2	Sol. Dynamics	C	40	0.50	NE	Nil
Chorus Ltd	D	148	0.55	3	24.6	Millennium & C.	C	68	2.39	12	2.5	South Port NZ	C	340	3.02	14	9.2
Claridge Cap'l	D	1.5	N/A	NE	Nil	Moa Group Ltd	C	66	8.11	10	Nil	Speirs Group	D	5.0	0.04	NE	Nil
Col Motor Co	D	460	0.24	11	9.3	Mowbray Collect	C	42	1.74	44	3	Steel & Tube	D	315	0.71	18	6.8
Comvita	C	343	0.96	13	5.4	NPT Limited	C	59	5.86	3	4.5	Summerset Group	C	361	N/A	NE	Nil
Contact Energy	C	51.2	1.50	19	7.0	NZ Exchange Ltd	C	125	6.42	25	6.0	Synlait Milk	B	395	1.38	50	7.0
Cynotech Hold.	C	0.2	0.09	NE	Nil	NZ Experience	D	35	1.11	11.8	TeamTalk Ltd	C	220	1.35	17	13.0	
DNZ Property	C	154	N/A	18	5.5	NZ Finance Hold	D	1.0	0.13	NE	Nil	Telecom Corp	C	230	1.00	18	9.9
Delegat's Group	C	375	1.65	19	3.8	NZ Farming Sys.	C	65	1.58	NE	Nil	Tenon Ltd	D	109	0.21	NE	Nil
Diligent Board	C	456	N/A	NE	Nil	NZ Oil & Gas	N/R	84	3.48	13	10.3	Tourism Hold.	B	140	0.49	29	5.7
Dorchester Ptd	C	23	2.50	30	Nil	NZ Refining Co	C	215	2.07	17	8.0	Tower Limited	C	180	1.00	11	6.1
Ebos Group Ltd	D	960	0.35	22	4.4	NZ Wool Service	C	42	0.19	NE	Nil	Trade-Me Ltd	C	416	N/A	21	5.4
Ecoya Ltd	F	92	2.11	NE	Nil	NZ Windfarms	C	6.9	2.46	13	Nil	Training Sol.	C	0.1	N/A	NE	Nil
F & P Health.	B	383	3.64	26	4.6	NZSX 50 Port.	D	163	N/A	NE	Nil	Trust Power Ltd	D	660	2.57	17	8.7
Finsoft Sol'ns	B	885	4.39	19	Nil	NZSX 10 Fund	D	114	N/A	NE	Nil	Turners & Grow.	A	180	0.24	17	3.3
Fletcher Build.	B	425	0.71	19	4.5	NZX Aust MidCap	D	444	N/A	NE	Nil	Turners Auction	A	245	0.89	18	9.9
Foley Fam Wines	B	165	2.32	41	Nil	New Image Group	B	255	0.79	NE	Nil	Vector Ltd	D	258	2.01	13	8.3
Fonterra S/H Fd	C	566	0.19	18	5.7	Northland Port	A	296	N/A	18	4.9	Velo Capital	D	7.0	N/A	NE	Nil
Freightways Ltd	C	463	1.76	18	5.8	Opus Indust	A	346	0.73	12	6.1	Veritas Invest.	C	141	1.74	NE	Nil
Genesis Res.	D	1.8	N/A	NE	Nil	Opus Intl Cons	D	200	0.73	15	6.1	Vetiot Limited	C	0.2	1.33	NE	Nil
GeoOP Ltd	D	219	N/A	NE	Nil	Ozzy (Tortis)	D	300	N/A	NE	Nil	Vital Health PT	C	130	7.59	13	6.1
Goodman Prop.	C	99	7.88	15	6.3	PGG Wrightsons	C	42	0.28	22	7.5	WN Drive Tech.	B	26	0.50	NE	Nil
Guinness Peat	C	61	0.09	2	2.5	Pac Edge Bio.	C	150	N/A	NE	Nil	Wakefield Hlth	B	565	1.23	17	3.5
GuocoLeisure	C	80	1.83	18	Nil	Pharmacybrands	C	127	1.51	3.9	Warehouse Group	C	366	0.51	8	8.0	
Hallenstein G.	C	405	1.10	18	11.5	Pike River Coal	C	127	1.51	NE	Nil	Windflow Tech.	C	10	0.54	NE	Nil
Heartland BS	A	86	1.47	16	7.5	Port Tauranga	C	88	N/A	NE	Nil	Wool Equities	E	2.0	0.30	NE	Nil
Hellaby Hold.	A	317	0.54	16	5.9	Postie Plus Grp	C	1373	7.54	16	4.8	Wool Index Fd	E	10	N/A	NE	Nil
Heritage Gold *	N/R	1.8	N/A	NE	Nil	Property F Ind.	D	128	8.53	28	6.4	Wynyard Group	D	190	N/A	NE	Nil
Horizon Energy	D	338	1.26	45	4.2	Pumpkin Patch	D	80	0.47	24	Nil	Xero Ltd	D	395	N/A	NE	Nil
Infratil NZ	D	230	0.56	NE	5.7	Pyne Gould Corp	B	45	3.22	4	Nil	Z Energy Ltd	D	390	N/A	NE	Nil
Insured Group	D	1.5	0.20	NE	Nil	Rakon Ltd	D	21	0.23	NE	Nil	Zintel Comm.	D	44	0.54	NE	Nil
21st Century F.	A	3631	2.81	11	0.6	David Jones	A	309	0.89	17	5.5	Ave of 144 Cos	C	231	0.46	21	3.4
360 Capital Ind	A	205	N/A	56	2.2	Deutsche Div Tr	B	131	6.10	14	7.1	Origin Energy	B	1399	1.18	16	3.6
A.P. Eagers	A	510	0.33	16	3.9	Dexus Property	B	103	7.80	9	5.8	Panaust Ltd	B	177	1.47	7	4.0
AGL Energy Ltd	B	1509	0.86	22	4.2	Djerriwarrh	B	479	N/A	30	5.4	Perpetual Ltd	A	4913	5.19	36	1.8
ALS Limited	B	860	2.06	13	5.6	Domino's Pizza	A	1720	4.20	43	1.7	Platinum Asset	A	684	N/A	31	3.2
AMP Ltd	B	443	2.71	19	5.6	Downer EDI Ltd	B	496	0.26	11	4.2	Premier Invest	B	821	1.25	7	4.6
ANZ Bank	A	3156	2.37	15	4.6	DuluxGroup Ltd	B	542	1.38	27	3.2	Primary Health	B	499	1.73	17	3.5
APA Group	A	610	4.01	17	5.8	Echo Ent Group	B	252	1.20	25	2.4	Q.B.E. Insur.	B	1206	0.76	20	4.1
ARB Corporation	A	1237	3.08	21	2.3	Energy Develop.	A	600	2.50	18	1.8	Qantas Airways	B	111	0.16	NE	Nil
ASX Limited	A	3676	9.04	20	4.6	Envestra	A	117	4.14	20	5.0	Qube Holdings	B	210	1.80	24	2.1
AVEO Group	A	225	2.50	NE	0.4	Fairfax Media	A	67	0.77	11	3.0	REA Group Ltd	B	4035	N/A	48	1.0
Abacus Property	A	235	3.79	17	7.0	Federation Cent	B	238	6.22	16	5.9	Ramsay Health	A	4412	2.13	33	1.6
Adelaide Bright	A	376	2.04	16	4.4	Flexicorp Ltd	A	430	4.56	20	3.4	Reece Australia	A	3250	2.11	27	1.9
Ainsworth Game	A	442	7.18	27	1.8	Flight Centre	B	4629	2.34	19	3.0	Regis Resources	C	289	N/A	34	Nil
Alumina Ltd	D	112	N/A	NE	Nil	Fortescue Metal	A	520	1.82	8	1.9	Rio Tinto Ltd	C	6365	0.57	3	2.5
Amalgamated Hld	B	816	1.62	16	5.1	G8 Education	A	314	4.29	40	2.2	S/Tracks ASX200	A	4946	N/A	6	3.9
Ancor Ltd	D	1038	1.01	21	3.6	GPT Group	B	359	6.39	11	5.3	SAI Global Ltd	A	380	1.71	18	3.9
Aneka Tambang	D	110	N/A	NE	0.0	GWA Group Ltd	B	293	1.59	28	4.9	SP Ausnet	B	124	2.19	13	6.6
Ansell Ltd	D	2030	1.98	19	1.9	Goodman Fielder	A	67	0.67	13	4.5	Sandfire Res.	C	629	1.93	11	Nil
Aquila Res.	D	236	4.93	NE	Nil	Goodman Group	A	477	9.47	51	4.1	Santos Ltd	A	1437	4.29	27	2.1
Ardent Leisure	B	206	2.30	29	5.8	Graincorp	A	824	0.42	13	4.9	Seek Ltd	B	1328	7.16	32	1.7
Argo Investment	B	740	N/A	27	3.5	Growthpoint Pro	A	245	6.32	12	7.5	Senex Energy	C	72	5.52	13	Nil
Aristocrat Leis	B	454	3.23	41	1.8	Harvey Norman	A	326	2.62	24	2.8	Seven Group	C	785	0.51	5	5.1
Arrium Limited	B	159	0.35	NE	1.9	Henderson Group	A	434	4.71	31	2.6	Seven West Med.	B	222	1.18	40	11.3
Asciano Limited	B	562	1.49	16	2.0	Hutchinson Tel.	A	7.9	N/A	NE	Nil	Sigma Pharm.	B	65	0.26	40	14.6
Atlas Iron Ltd	B	97	1.27	NE	3.1	IOOF Holdings	A	904	3.06	26	4.6	Sims Metal Mgmt	C	1035	0.29	NE	Nil
Aurizon Hold.	B	490	2.78	23	2.5	IOOF Holdings	A	904	3.06	26	4.6	Sirtex Medical	C	1411	8.18	42	0.7
Aurora Oil Gas	C	287	4.45	23	Nil	IRESS Limited	A	942	5.99	32	4.0	Skilled Group	B	318	0.39	13	5.0
Aust United In	A	800	N/A	24	3.7	liNet											

Recommended Investments

Our *Recommended Portfolio* recorded a solid +21.5% gain last year (i.e. for the twelve months to 10 January 2014). The ASX 300 index rose +12.1%, the NZX50 Index was up +18.1% and the TR Index up 5.0%.

Over the last three years our portfolio has gained +41.1%, compared with the Australian index rise of just +10.3%, the NZX50 Index up +45.6% and the TR Index up +11.3%.

As always there was a wide range of performances by individual shares: TFS Corporation was up 198.8%, Prophecy International up 126.8%, Ellex Medical Lasers up 90.5% and Village Roadshow up 90.4%. Postie Plus fell 64.6%, Penrice Soda was down 63.6%, Ausenco declined 62.1% and Circadian Technology lost 41.2%. This is why we have a well diversified share portfolio!

(Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Vola- tility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
<u>NZ Shares</u>													
BUY	CDL Investments Ltd	CDI	12/01/99	25	E	258.2	1.2	13.30	39	3.4	58	23.4	+226%
BUY	Cavalier Corporation	CAV	05/12/95	156*	B	68.3	1.1	0.58	18	3.3	172	282.0	+191%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	B	32.7	0.5	0.24	11	9.3	460	392.3	+566%
HOLD	Lytelton Port Company	LPC	12/12/00	150	B	102.2	0.8	2.77	18	Nil	300	77.7	+152%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	B	382.8	0.9	1.05	14	4.3	150	48.4	+3868%
BUY	Nuplex Industries Ltd	NPX	11/02/97	523*	B	198.1	1.1	0.41	12	6.1	346	451.0	+52%
HOLD	Renaissance Corp	RNS	13/08/96	85*	D	43.6	4.0	0.15	NE	Nil	15	53.9	-19%
HOLD	Smiths City Group	SCY	09/10/06	64	C	52.7	1.1	0.15	16	5.6	62	22.0	+31%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.6	3.02	14	9.2	340	196.3	+347%
HOLD+	Steel & Tube Holdings	STU	08/08/00	146	B	88.4	0.9	0.71	18	6.8	315	281.6	+309%
<u>Australian Shares (in Aust cents)</u>													
HOLD+	AJ Lucas Group	AJL	13/05/03	107*	E	211.5	0.8	0.75	NE	Nil	105	36.4	+32%
HOLD+	ALS Limited	ALQ	12/10/99	77*	B	374.8	0.4	2.06	13	5.6	860	244.5	+1334%
BUY	AtCor Medical Ltd	ACG	11/11/13	15	B	150.8	2.2	2.75	9	Nil	17	Nil	+10%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	C	281.7	3.4	2.57	NE	Nil	6	17.5	-67%
BUY	Ausenco Ltd	AAX	10/06/13	191*	B	168.4	1.2	0.16	2	28.5	71	1.8	-62%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	B	147.8	0.3	3.46	21	2.9	1420	40.5	+31%
HOLD	Cardno Ltd	CDD	14/12/09	391*	A	143.7	0.5	0.77	12	5.6	640	115.3	+93%
HOLD	Cellnet Group Ltd	CLT	12/02/02	147*	B	55.7	2.0	0.13	9	Nil	18	55.9	-50%
BUY	Chandler Macleod Group	CMG	14/08/01	51*	B	450.9	1.3	0.13	11	7.2	45	28.9	+44%
HOLD	Circadian Technologies	CIR	10/02/04	188	E	48.6	1.9	8.44	NE	Nil	20	65.0	-55%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	D	89.6	2.0	0.08	NE	Nil	20	70.5	+10%
BUY	CPT Global Ltd	CGO	10/03/08	88	B	36.7	1.2	0.68	74	Nil	65	11.3	-13%
HOLD	CSG Limited	CSV	11/10/10	175	C	278.2	1.1	1.36	29	Nil	91	41.0	-25%
HOLD	Devine Ltd	DVN	13/11/06	334*	D	158.7	0.9	0.47	NE	Nil	93	79.6	-48%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	84.9	1.6	0.79	NE	Nil	40	Nil	-18%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	A	31.5	0.8	2.09	14	4.9	144	43.8	-28%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	218.0	0.8	2.43	11	5.9	160	30.5	+80%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	417.1	0.6	3.02	10	4.2	840	187.0	+118%
BUY	Integrated Research	IRI	14/01/08	40	B	168.4	0.7	4.01	22	4.3	117	24.0	+251%
HOLD	M2 Telecommunications	MTU	09/10/06	33	B	178.3	0.4	1.68	26	3.1	641	67.5	+2047%
BUY	Melbourne IT	MLB	10/02/04	53	B	82.5	0.6	0.93	14	7.3	193	121.0	+492%
HOLD	Nomad Building Solutio	NOD	16/08/10	13*	C	277.5	3.6	0.22	4	Nil	6	Nil	-51%
HOLD	Novarise Renewable Res	NOE	14/03/11	25	C	415.1	2.2	0.88	4	Nil	18	Nil	-30%
HOLD	Penrice Soda Holdings	PSH	11/07/11	17	D	91.4	4.4	0.03	NE	Nil	4	Nil	-76%
HOLD+	Probiotec Ltd	PBP	11/02/08	116	B	52.9	1.3	0.33	21	Nil	42	9.3	-56%
HOLD+	Prophecy International	PRO	08/09/08	26	A	55.4	1.2	4.38	24	5.8	60	13.0	+181%
HOLD	Skilled Group Ltd	SKE	12/03/02	126	B	233.5	0.7	0.39	13	5.0	318	164.0	+283%
HOLD	Technology One Ltd	TNE	11/11/03	44	A	307.2	0.5	3.91	26	2.4	230	42.7	+520%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	279.6	0.8	2.72	6	2.5	120	17.2	+204%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	B	28.8	0.3	0.80	26	2.1	1723	345.5	+705%
HOLD	Village Roadshow	VRL	10/08/09	77	A	159.5	0.4	1.29	24	3.4	757	211.0	+1157%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +319.4%. This is equal to an average annual rate of +34.0%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 41 current and 154 closed out) is +32.3%, compared with a market gain of +4.1% (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.

Long Term Returns

Based upon these annual returns (full data for the last 33 years is published on our website) an initial investment of \$10,000 in 1981 and rebalanced annually will have since grown 70-fold in value to over \$714,000 - an annual compound growth rate of just under 14%. Over the medium to long term, however, these annual returns *significantly understate* the actual returns investors should be able to earn from our *Recommended Portfolio*.

Our investment strategy seeks to find 5-bagger, 10-bagger and 20 bagger investments - but annual rebalancing would start selling these successful shares far too soon and re-investing that money in the less successful and unsuccessful shares.

The published annual returns assume equal dollar values in each share at the start of the year - but we do NOT recommend this implied annual portfolio rebalancing. Our strategy is for *long term* investment - so our successful share investments will be allowed to grow significantly in value over the years, while our unsuccessful share investments will diminish in value. This automatically limits our loss on any investment to 100% (i.e. at worst it can become worthless, losing 100% of our initial investment) while there is no limit on the potential gains (i.e. many of which have risen 500%, some 1,000%, 2,000% or 3,000% in value).

For example, over the last year our *Recommended Portfolio* made a 90.4% gain on Village Roadshow and a 63.6% loss on Penrice Soda. Based on a rebalanced \$1000 investment (as at January 2013) in each share, that is a \$904 gain and a \$636 loss, respectively, for a net gain of just \$268 on these two holdings.

On the other hand, an investor who bought (and held)

a \$1000 *initial* investment in both companies - and has not rebalanced - will have done significantly better. The 1299 shares of Village Roadshow will have increased a further \$4988, while the 5882 shares of Penrice Soda will have fallen only \$412. That's a very significantly higher net gain of \$4576.

So, if a \$10,000 "rebalanced" portfolio (i.e. which is inconsistent with, and works *against*, our investment strategy) has grown over 70-fold over 33 years then how well would it have done if the investor had let profits run and made intelligent decisions about partial rebalancing to maintain good diversification (i.e. when an individual holding became too large) and where to invest cash dividends? That is more difficult to calculate theoretically (i.e. different assumptions could give different results) but we have always invested our own money in all of the shares recommended. Sometimes we sold successful shares too early. Sometimes we invested more in shares that had declined - only to see them fall further.

Our real time, real money experience (and that of other long term subscribers) would suggest that a 400-500 fold increase in value over the last 33 years was achievable. So a \$10,000 portfolio in 1981 could now be worth around \$4-5 million. That is an annual compound rate of return of 20-21%.

Of course, stockmarket returns do not accrue steadily each year. Some years our portfolio has increased in value by 90-100%. Other years it has fallen 30-40%! But at 20-21%, a portfolio should approximately double in value in 4 years (subject to the volatility in annual returns), or increase around 6-7 fold per decade, or about 40 fold in two decades.

Recommended Investments

Lyttelton Port Company has settled its insurance claims and for the first time disclosed the amount of its insurance cover. The insurance companies will payout a total of \$438.3 million (plus GST). The company has already received several progress payments, totalling only \$55.6 million, so will receive \$382.7 million (374 cents per share) plus GST on 28 February.

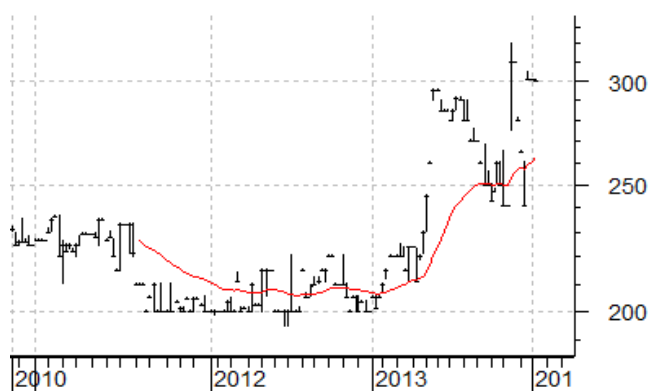
The company has flexibility over how and when this cash is reinvested in rebuilding and re-instating the port facilities.

To date, Lyttelton Port Company has spend \$66 million on re-building - partially funded from operating cash surpluses and the non-payment of dividends.

Interest bearing debt is just \$30.6 million. This insurance payout will leave the company debt-free, with over \$350 million (350 cents per share) of cash to finance future investment and expansion.

That should also enable the company to pay dividends missed over recent years as well as distribute virtually all of future operating cash surpluses to shareholders as dividends.

Lyttelton Port Company



Smith City Group's revenues were 1.1% lower for the six months to 31 October 2013, but net profits rose 12.8% to \$1,903,000 (3.6 cents per share). A steady 1.0 cent interim dividend (with no imputation tax credits) will be paid.

There was a net operating cash *deficit* of \$620,000 - compared with a *deficit* of \$1.6 million a year earlier.

Retail revenues were down just 0.7% to \$103.4 million, with earnings down 70% to \$306,000. Finance revenues were down 7% at \$5.1 million, but earnings more than doubled (i.e. up 109%) to \$1.8 million.

The company is reviewing its plans for retail sale growth, focusing upon its profitable lines (i.e. furniture, kitchen appliances, bedding) and “an acquisition strategy in the furniture industry in Auckland”.

Smiths City Group



Australian Shares

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

Ausenco Ltd's cash issue raised \$17.5 million from institutional investors (as we reported last month). Public shareholders took up only 10% of their entitlements (at 70 cents per share), raising a further \$1.26 million. The remaining 18.1 million shares were placed with the underwriters (at 70 cents) for \$12.7 million.

The company has secured an *Optimise* contract to provide engineering and project support services for **Karara Mining's** iron ore operation.

Ausenco Ltd



AtCor Medical's device is supported by the release of a meta-analysis published in the *Journal of The American College of Cardiology* that has found “measuring stiffness using aortic pulse wave velocity (aPWV) was a better predictor of cardiovascular disease and related events than conventional methods”.

The data covered 17,635 patients from 16 studies, the majority of which used *SphygmoCor* to measure aPWV.

AtCor Medical reports that “a significant number” of

Pharmaceutical trials “not only measure central aortic pressures but also aortic pulse wave velocity using *SphygmoCor*”.

Delays in finalising pharmaceutical contracts during the December 2013 quarter will result in AtCor Medical's first half revenues being down 50% at \$2.6-2.7 million - but the company has not lost any pharmaceutical trial contracts to competitors. This will result in a first half *loss* of about \$1.0 million (*minus* 0.7 cents per share), compared with a profit of \$2,268,000 in the same period to December 2012.

The business, however, generated a steady \$1.1 million net cash operating surplus, lifting its cash on hand 92% over the last year to \$4.1 million (2.7 cents per share).

AtCor Medical has a pipeline of US\$16 million in potential new pharmaceutical sales this year (out of a potential annual market worth US\$100 million) and “is confident that both pharmaceutical business and overall sales will improve in the second half”. Sales to US Clinical Specialists rose 65% in the first half - but this is still only a small percentage of group revenues and only 1½% of this sector's potential market.

Field trials with an undisclosed Fortune 500 global medical device manufacturer using the *SphygmoCor* to optimise cardiac pacemaker settings have commenced.

To achieve its long term potential, AtCor Medical obviously needs to significantly grow its revenues - but one slow quarter does not make it less attractive as a long term, emerging growth company. In the short to medium term it is important that AtCor Medical has remained cashflow *positive* and has accumulated a large cash holding. This will finance operations - without the need to issue additional shares that would dilute future earnings per share growth. It is also important that the company is not losing pharmaceutical sales, with lower revenues in the December quarter just reflecting the later start of drug trials. Medium to longer term the Clinical Specialist market offers the potential for strong growth and while this contributes annual revenues of only \$1.5 million annually, this should grow to become a significant source of revenues (and profits) over the next few years.

AtCor Medical shares remain a “Buy” for long term growth.

AtCor Medical



(Continued on Page 6)

Recommended Investments

(Continued from Page 5)

Atlas Pearls and Perfumes' unlisted options - issued to shareholders in last year's cash issue - have a final expiry date of 29 January 2014. The exercise price is 5 cents, so with the shares trading at 6.4 cents on-market these options have some value and should be exercised (i.e. with the payment of 5 cents to the company to subscribe for the new shares).

If an investor did not want to increase their investment in Atlas Pearls & Perfumes then the value in these options can be realised by (1) exercising the options to buy new shares at 5 cents and (2) selling an equal number of existing shares on-market at the higher price.

The company has received a \$430,517 cash rebate for Research & Development into pearl oyster breeding and extracting pearl proteins for use in perfumes and cosmetics for the 2012 financial year. Further claims will be lodged for 2013 and future years.

The company has also applied for a **Commercialisation Australia** grant and, if successful, it should receive \$1,134,208 in funding over the next two years to expand its export capacity of perfume extracts and consumer products.

A new Perfume extraction factory and tourism facility is to be developed in Tasmania. This will be a "co-operative" development with the land owner who will also contribute \$1.5 million to "fast track the scale up of production".

Atlas Pearls & Perfumes



Brickworks' associate, **Washington H Soul Pattinson**, has again applied to the court and again been allowed to defer the General Meeting requisitioned by **MH Carnegie** and **Perpetual** from 28 February until no later than 5 May 2014.

Brickworks



Cardno Ltd has restructured its debt into five-year, multi-currency, revolving credit facilities totalling US\$300 million with a group of five banks. This should also reduce interest costs by at least \$600,000 annually.

Cardno



Chandler Macleod Group has raised \$24.7 million from the placement of 54.9 million shares at 45 cents. This will provide "increased flexibility to continue to pursue our growth strategy".

Chandler Macleod Group



Devine and its joint venture partner **Leighton Properties** have sold the **KSD1** and **Central Retail Buildings** of their **Hamilton Harbour** development to **360 Capital Office Fund** for \$62 million. The sale is conditional on a successful Initial Public Offering by the fund.

Devine has also made an unconditional sale of its last Brisbane CBD development site, a 2,007m² property at 30 Albert Street - at a price above its written down book value.

Devine



Ellex Medical Lasers has acquired **iScience Interventional Inc**, a US based glaucoma consumable device business for US\$1.5 million, plus earn out payments “over several years based on a percentage of revenues”. Annual revenues are around US\$4 million. This business is expected to offer significant synergies with the company's existing SLT glaucoma laser business.

This acquisition is being funded from the proceeds of a 10,000,000 share placement at 30 cents, which raised \$3.0 million.

iScience Interventional Inc produces an *iTRACK 250* disposable microcatheter (selling for around US\$800 per unit) and associated instrumentation for the treatment of later stage glaucoma. The product has patent protection for around 10 years in most major countries.

Ellex Medical Lasers



Integrated Research is predicting its first half profit will be up 60-75% at \$4.4-4.8 million (2.6-2.9 cents per share) - compared with a low profit in the six months to December 2012. The company's net profit was \$9.1 million for the full year to 30 June 2013.

The company stated that it “benefited from a lower Australian dollar together with higher revenues”.

Integrated Research



Melbourne IT will hold a General Meeting on 28 January to approve its 54 cents capital repayment. The shares will trade ex-entitlement to this payment on 30 January and the payment will be made on 19 February.

Melbourne IT



Nomad Building Solutions has fully settled its dispute with **Thiess Decmil Kentz Joint Venture** relating to projects started in September 2009. The company will pay \$2,070,748 to the joint venture - an amount that has previously been fully provided for in its accounts and held in trust pending this settlement.

Nomad Buildings Solutions

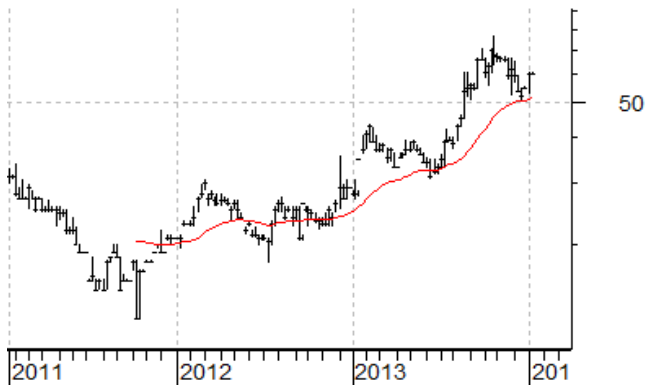


Prophecy International Holdings has successfully implemented its Births, Deaths and Marriages registry for the Solomon Islands.

The company has also reached an agreement with **Solutionary** (a US based company acquired by **Nippon Telegraph & Telephone** in August 2013) to allow it to integrate *Snare Enterprise Agents* into its *ActiveGuard* managed security platform.

Prophecy International also expects “a number of planned agreements” allowing the *Snare* products to be incorporated with other leading security software, “providing accelerated growth of sales”.

Prophecy International Holdings



(Continued on Page 8)

Recommended Investments

(Continued from Page 7)

Penrice Soda Holdings has secured \$3.0 million of funding from a private investor. \$2 million will be through convertible notes for three years (but which can be extended to six years with the agreement of both parties), at an interest rate of 10% (payable in cash or capitalised every three months, at Penrice Soda's option). The investor can elect to convert part or all into ordinary shares at 10 cents, while Penrice Soda has the right to redeem part or all in cash prior to conversion.

The remaining \$1 million is a five year term loan at 10% interest (payable in cash or capitalised monthly).

TFS Corporation has signed a contract to purchase the **Bonalbo Station** from **Bonalbo Cattle Company Pty** for \$8.5 million.

The contract is conditional upon TFS Corporation's due diligence and on obtaining a transferable water extraction licence for the property.

TFS Corporation expects that around 2,700 hectares will be suitable for establishing Indian Sandalwood plantations.

TFS Corporation



Village Roadshow's Sydney *Wet'n'Wild* park opened on 12 December with "an amazing" 65,000 visitors in its first week. The company has also now sold "a staggering 155,000 season passes" at \$100 or \$125 each. That is somewhere between \$16-20 million in revenues.

Village Roadshow



Investment Outlook

(Continued from Page 1)

potential, insider buying, etc.).

Stockmarket booms offered our portfolio high rates of return (e.g. 1983 up 109%, 1986 up 92% and 1999 up +44%) - but can be a bit scary as shares start to look expensive (and just keep going higher!). Recoveries (e.g. 1991 up 102% 1992 up 77% and 2009 up 49%) can also be extremely profitable. Periods of steady growth (e.g. 2003 up 38%, 2004 up 37% and 2006 up 33%) can also compound to significant gains.

At any time, careful share selection can yield significant wealth. NZ Refining was bought at the worst possible time - just one year *ahead* of the October 1987 crash - but rose 34 fold in value over 10 years. Michael Hill and ALS have been held through more stockmarket crises and fluctuations than we can remember. M2 Telecommunications, Technology One and TFS Corporation were all bought long *before* the recent *Global Financial Crisis*.

We continue to see risks in the global economy - just as we have over the last 33 years! There will also be opportunities as companies adapt to future changes and create wealth for their shareholders.

The year immediately ahead could prove very successful for a number of our current *Recommended Portfolio* shares. Since the GFC, many companies - especially those that provide services to other companies - have experienced low revenue growth and tough market conditions, so have focused upon cost reduction and efficiency. With an improvement in the economy, corporate spending may improve. This could have a major impact on companies like Ausenco, Clarius Group, CPT Global, Integrated Research, Prophecy International, Skilled Group and Technology One.

Companies with specialist niche markets - AtCor Medical, Atlas Pearls & Perfumes, Ellex Medical Lasers and TFS Corporation - have the potential to become very profitable investments, based upon their individual success at developing their product/service/market, independently of what may happen in the general economy or the stockmarket.

No-one cannot predict the specific outcome for any individual investment, but we can be sure that a diversified portfolio of these shares could help create future returns similar to those achieved in the past.

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Abano Healthcare	7.30	10-01	24-01	Full
Smith City Group	1.00	07-02	14-02	Nil
Tower Ltd	6.00	22-01	03-02	Nil
Australian Shares				
Melbourne IT (capital)	54.00	30-01	19-02	

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's Choice	Rel. Strength	Price to NTA	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	Insider Buying	Rel. Strength	Price to NTA	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													OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														
Guinness Peat	61	+4.9	-0.1	22	8-2	3	0.1	5	1.5	2	2.5	0.09	182	Property F Ind.	128	-1.8	-0.5	65	0-1	9	1.2	4	0.4	28	6.4	8.53	277
Turners & Grow.	180	+4.1	+0.5	27	0-0	-	0.7	4	0.7	17	3.3	0.24	203	Moa Group Ltd	66	-19.0	-0.2	93	1-0	1	1.4	13	0.8	10	Nil	8.11	20
Col Motor Co	460	+4.4	-2.6	25	1-0	-	1.1	11	0.5	11	9.3	0.24	150	Goodman Prop.	99	-2.6	-0.5	71	0-1	7	1.0	7	0.5	15	6.3	7.88	1,184
PGG Wrightsons	42	+9.0	-1.0	12	1-0	4	1.3	6	1.7	22	7.5	0.28	317	Vital Health PT	130	-58.3	+0.0	97	9-0	4	1.4	11	0.5	13	6.1	7.59	439
Air New Zealand	164	+8.6	+0.8	12	0-7	6	1.0	10	1.0	10	7.0	0.39	1,810	Port Tauranga	1373	-2.7	+0.0	71	1-4	7	2.3	14	0.3	16	4.8	7.54	1,841
Nuplex Indust	346	+3.9	-2.0	27	0-0	6	1.2	10	1.1	12	6.1	0.41	686	Argosy Property	93	-2.4	+0.1	69	1-0	5	1.2	7	0.5	16	6.5	7.14	723
Tourism Hold.	100	+19.5	+2.1	6	2-0	1	0.6	2	1.1	29	5.7	0.49	110	Burger Fuel	151	-2.4	-0.0	69	0-1	-	11.6	15	0.9	76	Nil	6.94	83
Warehouse Group	366	+0.2	-0.4	45	2-1	8	2.8	37	0.9	8	8.0	0.51	1,139	NZ Exchange Ltd	125	-2.7	-0.1	72	1-0	3	4.1	17	0.7	25	6.0	6.42	322
Abano Health.	645	+2.9	-2.7	30	0-0	2	1.5	4	0.7	39	4.7	0.53	110	NPT Limited	59	-2.4	-0.4	68	0-0	2	0.8	29	0.5	3	4.5	5.86	96
Hellaby Hold.	317	+2.6	+2.8	32	0-0	3	1.5	9	1.2	16	5.9	0.54	295	Kiwi Property	109	-2.0	-0.0	67	1-0	7	1.0	10	0.6	10	7.4	5.44	1,081
Allied Work.	290	+0.5	-1.1	43	0-1	-	3.5	25	0.9	14	7.7	0.57	75	Charlie's Group	43	-58.3	+0.0	98	0-0	-	7.7	15	1.0	51	Nil	4.00	126
Cavalier Corp	172	+1.2	-1.8	40	0-0	3	1.3	7	1.1	18	3.3	0.58	117	NZ Oil & Gas	84	-1.0	+0.6	63	0-0	6	1.0	7	0.9	13	10.3	3.48	346
Mainfreight Grp	1256	+4.9	-0.1	23	4-5	5	3.2	17	0.6	18	3.1	0.66	1,244	South Port NZ	340	-0.8	-2.4	60	0-0	-	2.9	21	0.4	14	9.2	3.02	89
Steel & Tube	315	+7.9	-2.1	15	1-0	4	1.8	10	0.9	18	6.8	0.71	279	Trust Power Ltd	660	-5.6	-0.4	82	1-0	6	1.3	8	0.4	17	8.7	2.57	2,072
Fletcher Build.	885	+1.8	-4.0	36	6-13	-	1.7	9	0.7	19	4.5	0.71	6,072	Dorchester Pac	23	-5.4	+1.6	80	0-0	-	1.4	5	1.4	30	Nil	2.50	48
Opus Int'l Cons	200	+7.0	+0.9	18	1-0	4	2.6	22	0.9	12	6.1	0.73	290	NZ Windfarms	7	-5.9	+3.6	82	0-0	-	0.3	2	1.7	13	Nil	2.46	20
Turners Auction	245	+14.6	+2.8	9	2-0	-	3.9	21	0.9	18	9.9	0.89	67	Sky City Ltd	380	-3.9	-0.4	78	5-3	12	2.7	16	0.4	17	7.5	2.32	2,192
Restaurant Brds	289	+1.4	-0.4	38	0-0	3	4.7	27	0.9	18	7.9	0.90	283	NZ Refining Co	215	-4.0	-1.8	78	3-0	4	1.1	6	0.7	17	8.0	2.07	602
Methven Limited	140	+6.3	-0.9	19	0-0	5	2.1	11	1.0	18	7.4	0.95	93	Vector Ltd	258	-2.8	+0.1	73	6-0	6	1.1	9	0.5	13	8.3	2.01	2,569
Sanford Limited	475	+1.1	+1.4	41	0-0	3	0.8	4	0.5	21	6.9	0.97	445														
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Turners Auction	245	+14.6	+2.8	9	2-0	-	3.9	21	0.8	18	9.9	0.89	67	Charlie's Group	43	-58.3	+0.0	98	0-0	-	7.7	15	0.9	51	Nil	4.00	126
Air New Zealand	164	+8.6	+0.8	12	0-7	6	1.0	10	0.8	10	7.0	0.39	1,810	Vital Health PT	130	-58.3	+0.0	97	9-0	4	1.4	11	0.4	13	6.1	7.59	439
Steel & Tube	315	+7.9	-2.1	15	1-0	4	1.8	10	0.7	18	6.8	0.71	279	Diligent Board	456	-19.1	-3.2	93	0-1	4	-	32	0.7	319	Nil	N/A	373
Opus Int'l Cons	200	+7.0	+0.9	18	1-0	4	2.6	22	0.8	12	6.1	0.73	290	Moa Group Ltd	66	-19.0	-0.2	93	1-0	1	1.4	13	0.8	10	Nil	8.11	20
Methven Limited	140	+6.3	-0.9	19	0-0	5	2.1	11	0.8	18	7.4	0.95	93	Pumpkin Patch	80	-9.2	-3.1	89	0-2	4	2.5	10	1.2	24	Nil	0.47	135
Guinness Peat	61	+4.9	-0.1	22	8-2	3	0.1	5	1.2	2	2.5	0.09	182	Bathurst Res.	18	-7.6	+2.0	86	1-0	-	-	-	1.3	NE	Nil	N/A	128
Mainfreight Grp	1256	+4.9	-0.1	23	4-5	5	3.2	17	0.5	18	3.1	0.66	1,244	Veritas Invest.	141	-7.3	+2.0	86	4-0	-	21.0	-	0.6	NE	Nil	1.74	52
Col Motor Co	460	+4.4	-2.6	25	1-0	-	1.1	11	0.4	11	9.3	0.24	150	GeoOP Ltd	219	-7.1	-3.9	85	0-0	-	-	-	0.9	NE	Nil	N/A	60
Turners & Grow.	180	+4.1	+0.5	27	0-0	-	0.7	4	0.5	17	3.3	0.24	203	Kirkcaldie & St	195	-6.3	+0.6	84	0-0	-	1.0	-	0.3	NE	Nil	0.52	20
Nuplex Indust	346	+3.9	-2.0	27	0-0	6	1.2	10	0.9	12	6.1	0.41	686	NZ Windfarms	7	-5.9	+3.6	82	0-0	-	0.3	2	1.6	13	Nil	2.46	20
Hellaby Hold.	317	+2.6	+2.8	32	0-0	3	1.5	9	1.0	16	5.9	0.54	295	Just Water Int.	9	-5.6	-3.6	81	1-0	-	1.2	26	2.6	5	Nil	0.30	8
Fletcher Build.	885	+1.8	-4.0	36	6-13	-	1.7	9	0.6	19	4.5	0.71	6,072	Dorchester Pac	23	-5.4	+1.6	80	0-0	-	1.4	5	1.4	30	Nil	2.50	48
Finzsoft Sol'ns	42	+1.7	-0.6	37	0-0	-	1.3	15	0.9	9	Nil	0.39	3	Scott Tech. Ltd	210	-5.3	-1.5	80	0-0	-	2.0	13	0.5	16	5.3	1.44	86
Restaurant Brds	289	+1.4	-0.4	38	0-0	3	4.7	27	0.8	18	7.9	0.90	283	Trade-Me Ltd	416	-4.8	-2.1	79	2-1	10	2.5	12	0.5	21	5.4	N/A	1,649
Cavalier Corp	172	+1.2	-1.8	40	0-0	3	1.3	7	0.9	18	3.3	0.58	117	Comvita	341	-3.8	-3.0	77	1-0	1	1.2	9	0.5	13	5.4	0.96	99
Allied Work.	290	+0.5	-1.1	43	0-1	-	3.5	25	0.8	14	7.7	0.57	75	DNZ Property	154	-3.5	-0.3	75	0-3	5	1.0	5	0.5	18	5.5	N/A	381
Warehouse Group	366	+0.2	-0.4	45	2-1	8	2.8	37	0.8	8	8.0	0.51	1,139	Meridian Energy	102	-3.1	-0.5	75	0-0	3	-	-	0.7	NE	Nil	N/A	1,275
Telecom Corp	230	+0.0	+0.2	48	0-2	11	3.0	17	0.6	18	9.9	1.00	4,179	Tower Limited	180	-2.9	-0.2	74	1-1	4	1.0	9	0.8	11	6.1	1.00	484
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													INSIDER SELLING: Most Insider Selling, Relative Strength < 0														
Chorus Ltd	148	-22.3	-7.5	96	1-0	10	0.9	27	0.8	3	24.6	0.55	576	DNZ Property	154	-3.5	-0.3	75	0-3	5	1.0	5	0.5	18	5.5	N/A	381
Hallenstein G.	405	-9.4	-3.7	91	0-0	5	3.6	28	0.7	13	11.5	1.10	242	Port Tauranga	1373	-2.7	+0.0	71	1-4	7	2.3	14	0.3	16	4.8	7.54	1,841
NZ Oil & Gas	84	-1.0	+0.6	63	0-0	6	1.0	7	1.0	13	10.3	3.48	346	SLI Systems Ltd	195	-2.5	-0.6	70	0-2	-	7.2	-	0.8	NE	Nil	N/A	113
Telecom Corp	230	+0.0	+0.2	48	0-2	11	3.0	17	0.6	18	9.9	1.00	4,179	Pumpkin Patch	80	-9.2	-3.1	89	0-2	4	2.5	10	1.1	24	Nil	0.47	135
Col Motor Co	460	+4.4	-2.6	25	1-0	-	1.1	11	0.3	11	9.3	0.24	150	Fonterra S/H Fd	566	-7.6	-3.4	87	5-7	-	0.8	4	0.7	18	5.7	0.19	611
Trust Power Ltd	660	-5.6	-0.4	82	1-0	6	1.3	8	0.4	17	8.7	2.57	2,072	Goodman Prop.	99	-2.6	-0.5	71	0-1	7	1.0	7	0.5	15	6.3	7.88	1,184
AMP Limited	473	-6.4	-0.8	84	0-0	-	2.8	26	0.9	11	8.3	1.07	9,782	Diligent Board	456	-19.1	-3.2	93	0-1	4	-	32	0.7	319	Nil	N/A	373
Vector Ltd	258	-2.8	+0.1	73	6-0	6	1.1	9	0.5	13	8.3	2.01	2,569	Burger Fuel	151	-2.4	-0.0	69	0-1	-	11.6	15	0.9	76	Nil	6.94	83
Mighty River	209	-6.1	-0.1	83	5-2	8	1.0	4	0.8	27	8.2	1.70	2,926	Mercer Group	18	-0.9	-8.3	62	0-1	-	2.5	4	1.6	56	Nil	1.11	43
NZ Refining Co	215	-4.0	-1.8	78	3-0	4	1.1	6	0.8	17	8.0	2.07	602	Property F Ind.	128	-1.8	-0.5	65	0-1	9	1.2	4	0.4	28	6.4	8.53	277
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																											
Guinness Peat	61	+4.9	-0.1	22	8-2	3	0.1	5	1.0	2	2.5	0.09	182														
Metro. LifeCare	432	+16.3	+3.6	8	3-0	4	1.2	8	0.7	16	0.5	9.71	895														
Seeka Kiwifruit	210	+4.9	+2.1	23	3-0	-	0.6	-	0.3	NE	Nil	0.22	30														
Tourism Hold.	100	+19.5	+2.1	6	2-0	1	0.6	2	0.7	29	5.7	0.49	110														
Turners Auction	245	+14.6	+2.8	9	2-0	-	3.9	21	0.7	18	9.9	0.89	67		</												

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	Leader	Books Following	Price to NTA	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	Leader	Books Following	Price to NTA	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														Treyo Leisure 20 +39.5+13.4 3 0-0 - 1.1 9 1.1 13 Nil 0.89 61													
Aust Pharm. Ind	59	+15.8	-0.0	12	0-0	7	0.7	8	1.0	9	5.1	0.09	286	Careers Multi.	18	+37.8	+4.0	4	0-5	-	-	-	1.4	15	5.6	0.11	11
MBD Corporation	5	+2.5	-5.4	33	0-0	-	1.4	-	3.3	NE	9.3	0.09	3	Capilano Honey	418	+33.1	-1.3	5	0-0	-	1.4	13	0.5	10	3.6	0.49	36
Raptis Group	40	+0.0	+0.0	42	0-0	-	-	-	1.0	NE	12.5	0.11	28	E-Bet Limited	285	+32.4	-15.0	5	2-0	2	-	-	0.6	9	Nil	0.96	44
Service Stream	20	+1.1	+2.7	37	4-0	1	1.7	-	1.6	NE	5.0	0.11	57	Kip McGrath EC	19	+30.5	-21.5	5	0-0	-	-	-	1.3	13	Nil	0.53	5
CFT Energy	6	+0.0	+0.0	41	0-0	-	-	-	2.8	0	33.3	0.11	3	Farm Pride Food	16	+29.6	+4.3	6	0-0	-	0.4	3	1.2	15	Nil	0.09	9
Careers Multi.	18	+37.8	+4.0	4	0-5	-	-	-	1.9	15	5.6	0.11	11	WDS Limited	86	+28.4	-7.4	6	2-0	4	1.3	8	0.7	15	5.5	0.35	124
Structural Syst	51	+7.9	+2.8	21	1-0	-	0.6	6	1.0	10	7.8	0.12	33	Pulse Health	41	+27.6	-1.0	6	3-0	-	-	-	0.7	16	Nil	0.96	46
Brierty Ltd	41	+6.3	-1.4	23	1-0	1	0.9	19	1.2	4	7.3	0.15	45	Hi Tech Group	7	+25.7	-11.1	7	0-0	-	0.6	5	1.8	13	7.1	0.30	2
Ruralco Hold.	335	+0.5	-0.9	38	0-0	4	2.2	7	0.4	32	6.0	0.16	184	Scott Corp Ltd	67	+21.6	-0.4	9	0-0	-	1.4	12	0.8	11	4.5	0.26	49
Vita Group Ltd	67	+4.3	-4.6	28	1-0	2	-	-	0.9	15	2.8	0.22	95	Lindsay Aust	29	+21.0	-8.3	9	0-2	1	1.4	16	1.3	9	6.6	0.23	64
Lindsay Aust	29	+21.0	-8.3	9	0-2	1	1.4	16	1.3	9	6.6	0.23	64	APN News Media	46	+20.7	-1.2	9	0-0	10	-	-	0.8	2	3.3	0.35	301
Pro Maintenance	321	+14.2	+1.6	14	0-0	11	2.9	24	0.4	12	4.7	0.25	379	Oldfields Hold	12	+19.7	+9.3	10	1-0	-	1.5	68	1.4	2	Nil	0.37	10
Kresta Holdings	17	+7.3	+2.5	22	3-1	-	1.3	1	1.7	100	1.5	0.25	25	Shenhua Int'l	42	+19.7	+6.7	10	0-0	-	0.7	10	0.9	7	6.0	0.60	52
Downer EDI Ltd	496	+8.0	-1.7	21	5-0	16	1.7	16	0.5	11	4.2	0.26	2,150	Environ'mt Grp	6	+17.6	-2.4	11	0-0	-	-	-	2.2	10	Nil	0.30	4
Scott Corp Ltd	67	+21.6	-0.4	9	0-0	-	1.4	12	1.0	11	4.5	0.26	49	Firstfolio Ltd	2	+16.8	-5.9	11	0-0	-	-	-	3.5	13	Nil	0.21	17
Koon Holdings	17	+11.1	+2.5	17	0-0	-	1.1	6	1.6	19	4.6	0.26	45	Aust Pharm. Ind	59	+15.8	-0.0	12	0-0	7	0.7	8	0.8	9	5.1	0.09	286
Traffic Tech.	7	+10.9	-6.9	17	0-0	-	-	-	2.7	4	5.7	0.28	13	CI Resources	85	+15.7	+0.9	12	0-0	-	0.6	23	0.8	3	Nil	0.40	62
Dicker Data Ltd	100	+7.9	-0.2	21	0-0	1	6.3	45	1.1	14	6.3	0.28	128	Rand Mining	40	+15.5	-2.3	12	0-0	-	-	-	1.0	3	Nil	0.80	24
Merchant House	25	+9.9	+2.7	18	0-0	-	0.9	11	1.5	8	6.0	0.29	24	Cellnet Group	18	+14.6	+3.3	13	0-0	-	0.8	9	1.2	9	Nil	0.13	10
Hi Tech Group	7	+25.7	-11.1	7	0-0	-	0.6	5	2.6	13	7.1	0.30	2	Pro Maintenance	321	+14.2	+1.6	14	0-0	11	2.9	24	0.3	12	4.7	0.25	379
A.P. Eagers	510	+4.3	+0.7	28	5-0	3	2.4	15	0.3	16	3.9	0.33	871	RCR Tomlinson	343	+14.1	-7.7	14	2-0	8	2.6	21	0.4	12	2.4	0.52	453
APN News Media	46	+20.7	-1.2	9	0-0	10	-	-	1.1	2	3.3	0.35	301	Oriental Tech.	8	+13.9	-12.3	14	0-0	-	0.4	4	1.8	12	Nil	0.14	9
Arium Limited	159	+29.7	+1.6	6	0-0	14	1.3	0	0.9	361	1.9	0.35	2,155	Joyce Corp.	43	+13.2	+2.8	14	0-0	-	1.0	6	0.9	18	3.8	0.81	12
WDS Limited	86	+28.4	-7.4	6	2-0	4	1.3	8	0.9	15	5.5	0.35	124	Legend Corp.	36	+13.2	-0.2	14	2-1	3	4.4	38	0.8	12	4.8	0.74	78
E & A Limited	64	+7.5	-3.8	22	1-0	-	9.1	97	1.0	9	7.8	0.36	72	Scantech	85	+13.2	-28.4	14	2-0	-	1.5	32	0.7	5	Nil	0.84	15
Chalmers	290	+3.0	+0.8	32	0-0	-	0.7	5	0.4	13	3.4	0.37	22	TransMetro Corp	110	+13.0	+5.0	14	0-0	-	0.7	10	0.5	7	4.5	0.43	15
Skilled Group	318	+5.1	-4.8	26	0-0	9	8.6	65	0.6	13	5.0	0.39	743	Otoc Limited	10	+12.9	-7.4	15	1-1	-	0.9	25	2.2	4	Nil	0.17	19
Colorpak Ltd	85	+6.3	-0.8	24	0-0	3	2.6	29	0.9	9	4.1	0.40	69	JB Hi-Fi Ltd	2228	+12.1	-3.1	15	0-1	16	15.2	80	0.3	19	3.2	0.67	2,205
TransMetro Corp	110	+13.0	+5.0	14	0-0	-	0.7	10	0.7	7	4.5	0.43	15	Oakton Limited	162	+11.7	-5.1	16	1-0	11	6.8	43	0.5	16	5.9	0.90	145
Collins Foods	195	+2.6	+2.2	33	0-0	5	3.7	33	0.7	11	4.9	0.44	181	Landmark White	38	+11.5	-7.0	16	0-2	-	6.3	44	0.8	15	8.6	0.53	10
Coventry Group	285	+0.2	+0.8	39	3-0	1	0.8	4	0.5	18	7.7	0.46	108	Koon Holdings	17	+11.1	+2.5	17	0-0	-	1.1	6	1.1	19	4.6	0.26	45
Toll Holdings	575	+2.8	-1.4	32	2-0	15	4.0	9	0.5	45	4.7	0.47	4,124	Traffic Tech.	7	+10.9	-6.9	17	0-0	-	-	-	1.9	4	5.7	0.28	13
Capilano Honey	418	+33.1	-1.3	5	0-0	-	1.4	13	0.6	10	3.6	0.49	36	Merchant House	25	+9.9	+2.7	18	0-0	-	0.9	11	1.1	8	6.0	0.29	24
Myer Holdings	276	+2.3	+0.6	34	0-0	16	-	-	0.6	13	6.5	0.51	1,611	Pental Limited	3	+9.7	-3.6	18	2-0	-	2.9	15	2.9	20	Nil	0.40	44
RCR Tomlinson	343	+14.1	-7.7	14	2-0	8	2.6	21	0.5	12	2.4	0.52	453	Country Road	430	+9.7	+3.7	18	0-0	-	2.8	26	0.2	11	6.2	0.63	445
Landmark White	38	+11.5	-7.0	16	0-2	-	6.3	44	1.2	15	8.6	0.53	10	Schaffer Corp	570	+9.4	-1.6	18	0-0	-	1.3	14	0.3	9	4.0	0.58	80
Rio Tinto Ltd	6365	+6.3	+0.3	24	0-0	18	3.0	98	0.3	3	2.5	0.57	27,736	News Corp.	1946	+9.3	+0.8	18	0-0	-	-	-	0.4	4	Nil	0.21	2,059
Schaffer Corp	570	+9.4	-1.6	18	0-0	-	1.3	14	0.4	9	4.0	0.58	80	Nib Holdings	268	+9.2	+3.5	19	1-1	8	5.0	28	0.4	18	3.7	0.91	1,177
Waterco Ltd	116	+3.9	-0.3	29	0-0	-	0.9	4	0.7	24	3.4	0.59	40	Grange Resource	23	+9.1	+5.4	19	4-0	3	0.4	5	1.3	7	4.4	0.78	260
Shenhua Int'l	42	+19.7	+6.7	10	0-0	-	0.7	10	1.2	7	6.0	0.60	52	Maxsec Group	2	+8.7	-2.7	19	0-0	-	0.0	0	4.7	11	Nil	0.80	3
Zicom Group	30	+8.1	+6.2	20	2-0	-	1.0	9	1.6	11	3.3	0.62	64	Fairfax Media	67	+8.1	+3.5	20	0-0	14	4.2	39	0.7	11	3.0	0.77	1,584
Country Road	430	+9.7	+3.7	18	0-0	-	2.8	26	0.3	11	6.2	0.63	445	Zicom Group	30	+8.1	+6.2	20	2-0	-	1.0	9	1.2	11	3.3	0.62	64
Gazal Corp	305	+5.8	+1.7	25	0-0	-	2.9	17	0.4	17	5.9	0.63	177	Downer EDI Ltd	496	+8.0	-1.7	21	5-0	16	1.7	16	0.4	11	4.2	0.26	2,150
JB Hi-Fi Ltd	2228	+12.1	-3.1	15	0-1	16	15.2	80	0.4	19	3.2	0.67	2,205	Dicker Data Ltd	100	+7.9	-0.2	21	0-0	1	6.3	45	0.9	14	6.3	0.28	128
Bega Cheese Ltd	458	+31.6	-2.9	5	0-0	6	2.7	10	0.6	27	1.6	0.69	696	Structural Syst	51	+7.9	+2.8	21	1-0	-	0.6	6	0.7	10	7.8	0.12	33
Decmil Group	219	+0.5	+0.1	39	0-0	8	1.8	32	0.7	6	5.5	0.70	368	E & A Limited	64	+7.5	-3.8	22	1-0	-	9.1	97	0.8	9	7.8	0.36	72
Boral Limited	476	+3.7	-1.6	30	0-0	14	1.5	4	0.5	35	2.3	0.70	3,684	Qanda Tech. Ltd	0	+6.6	-10.0	23	0-0	-	-	-	11.9	4	Nil	0.76	2
Bradken Ltd	557	+2.6	-2.1	33	0-2	16	2.5	18	0.6	14	6.8	0.72	943	Brierty Ltd	41	+6.3	-1.4	23									

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Price to Buy	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Price to Buy	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n		
		Cur-rent	4-Wk Chg.	Rank											Cur-rent	4-Wk Chg.	Rank										
Metcash Ltd	311	-6.0	+1.0	59	1-0	15	-	0.4	13	9.0	0.21	2,739	Reward Minerals	52	+22.6	+25.3	8	5-0	-	-	0.6	NE	Nil	N/A	51		
Resolute Mining	58	-20.4	+3.1	84	0-0	6	0.6	13	0.7	4	8.6	0.60	372	A.P. Eagers	510	+4.3	+0.7	28	5-0	3	2.4	15	0.2	16	3.9	0.33	871
Ridley Corp.	90	-0.6	+1.5	46	8-1	7	2.1	9	0.5	23	8.3	0.39	277	Nearmap Ltd	57	+52.5	-2.3	2	5-0	3	28.5	-	1.0	NE	Nil	N/A	184
Wotif.com Hold.	276	-14.0	-8.2	74	1-1	20	-	0.3	11	8.3	3.98	584	360 Capital Ind	205	+0.4	-1.5	39	5-0	3	-	-	0.5	56	2.2	N/A	764	
Pacific Brands	62	-8.0	-3.1	64	4-0	13	3.6	48	0.7	8	8.1	0.44	566	Antaria Ltd	1	+1.9	+3.7	35	5-0	-	1.4	-	3.1	NE	Nil	1.87	8
Deutsche Ind Tr	196	+0.0	+0.0	42	0-0	-	1.2	10	0.3	12	8.1	6.49	663	Downer EDI Ltd	496	+8.0	-1.7	21	5-0	16	1.7	16	0.4	11	4.2	0.26	2,150
Monadelphous Gr	1730	-4.8	+0.5	57	0-1	16	5.2	52	0.3	10	7.9	0.60	1,573	Soul Pattinson	1476	+3.9	+0.9	29	5-0	1	1.2	6	0.2	22	3.1	4.47	3,533
Cabcharge Ltd	391	-4.7	+2.0	57	0-0	9	-	0.4	8	7.7	2.40	471	African Energy	10	+10.9	-0.5	17	5-0	-	-	-	1.3	NE	Nil	N/A	39	
Growthpoint Pro	245	+7.7	-0.5	21	4-0	3	1.2	11	0.4	12	7.5	6.32	1,084	Milton Corp.	423	+4.7	+0.2	27	5-0	-	0.2	1	0.3	23	3.9	N/A	2,583
BC Iron Ltd	471	+18.2	-2.6	11	1-2	11	-	0.4	12	7.4	1.78	581	Cokal Limited	21	+1.0	-0.9	37	5-0	3	-	-	0.9	NE	Nil	N/A	84	
Cromwell Prop.	100	+0.2	-0.1	39	2-5	4	1.4	4	0.5	37	7.3	7.40	1,705	PPK Group Ltd	79	+35.2	+7.7	4	5-0	-	1.4	8	0.5	17	4.4	3.90	40
Chart H Retail	369	-1.2	-0.9	48	0-0	11	1.1	5	0.4	24	7.3	7.22	1,246	Treasury Group	855	+9.4	-5.2	18	4-0	3	3.2	17	0.3	19	4.7	N/A	197
Aust Leaders Fd	167	+3.7	-2.3	30	0-6	-	1.1	10	0.4	12	7.2	N/A	274	Hillgrove Res.	9	+5.4	+3.0	26	4-0	5	0.4	-	1.4	NE	Nil	0.77	89
Spooning Centre	157	-1.1	+0.4	48	2-0	7	-	0.8	NE	7.1	N/A	1,009	Vital Metals	4	+47.5	-18.3	3	4-0	-	-	-	1.8	NE	Nil	N/A	10	
Prime Media Grp	103	-0.2	-1.2	45	0-0	10	-	0.5	11	7.1	1.46	375	Orica Ltd	2381	+4.8	+3.9	27	4-0	16	7.1	49	0.2	15	3.9	1.27	8,767	
Deutsche Div Tr	131	+0.0	+0.0	42	0-0	-	1.1	8	0.3	14	7.1	6.10	1,306	Finbar Group	160	+8.1	+0.1	20	4-0	1	1.7	15	0.5	11	5.9	2.43	349
Abacus Property	235	+1.4	+0.5	36	0-0	5	1.0	6	0.4	17	7.0	3.79	1,065	SDI Limited	74	+7.2	+3.3	22	4-0	-	3.1	16	0.7	19	0.7	1.55	88
Chal Div Prop	254	-0.1	+0.3	44	3-1	4	0.9	7	0.3	14	7.0	5.76	544	Atlas Iron Ltd	97	+9.1	+4.4	19	4-0	22	0.6	-	0.6	NE	3.1	1.27	882
Aust Education	153	+2.3	-1.6	34	0-0	3	1.2	17	0.4	7	7.0	4.35	294	Senex Energy	72	+4.5	-3.1	28	4-0	11	1.9	14	0.6	13	Nil	5.52	816

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Coffey Int'l	26	+7.7	+2.4	21	17-0	4	2.6	-	0.8	NE	Nil	0.10	67	Select harvest	534	+19.4	-1.0	10	4-0	7	2.5	2	0.3	107	2.2	1.61	307
Ark Mines Ltd	10	+5.1	+2.0	26	11-0	-	-	-	1.3	NE	Nil	N/A	5	Mineral Commod.	18	+39.3	+16.2	4	4-0	-	-	-	0.8	NE	Nil	N/A	28
Minemakers Ltd	14	+6.2	-2.9	24	11-0	1	-	-	1.1	NE	Nil	N/A	35	TFS Corporation	120	+35.1	-1.0	4	4-0	2	1.5	25	0.4	6	2.5	2.72	334
Red Hill Iron	102	+4.5	+6.4	28	10-0	-	-	-	0.5	NE	Nil	N/A	50	Equity Trustees	2060	+12.5	+0.4	15	4-0	1	10.9	51	0.2	21	4.5	3.93	186
Hills Limited	175	+15.0	-10.8	13	10-0	6	-	-	0.4	22	1.9	0.87	430	Dart Energy Ltd	12	+1.3	-6.0	37	4-0	-	-	-	1.3	NE	Nil	N/A	101
Sundance Energy	98	+2.4	-2.8	33	9-0	5	-	-	0.6	38	Nil	9.27	271	Konekt Limited	5	+3.6	-2.3	31	4-0	-	1.7	-	1.7	NE	Nil	0.12	4
Centuria Cap'l	79	+3.0	-0.4	32	8-0	-	1.5	17	0.4	8	1.6	1.31	61	Sino Gas & En.	21	+20.9	-10.3	9	4-0	2	-	-	0.9	NE	Nil	N/A	235
360 Capital Grp	67	+12.9	-6.0	15	8-0	2	1.2	-	0.4	NE	11.2	5.64	57	BKI Invest Coy	158	+2.4	+0.2	33	4-0	-	1.0	5	0.4	21	4.2	N/A	750
Real Estate	33	+20.5	-6.1	9	7-0	-	-	-	0.7	26	2.4	1.43	40	Grange Resource	23	+9.1	+5.4	19	4-0	3	0.4	5	1.0	7	4.4	0.78	260
Bluescope Steel	560	+7.6	+3.3	22	7-0	13	93.3	-	0.5	NE	Nil	0.43	3,126	Transurban Grp	679	+2.0	-0.8	35	4-0	11	3.2	6	0.2	59	4.6	8.42	10,060
Technique Ltd	7	+29.0	-10.5	6	7-0	-	3.6	22	1.4	17	Nil	2.33	16	Growthpoint Pro	245	+7.7	-0.5	21	4-0	3	1.2	11	0.3	12	7.5	6.32	1,084
Orpheus Energy	8	+15.5	+3.5	12	7-0	-	-	-	1.4	NE	Nil	2.83	12	Folkestone Ltd	19	+6.0	-0.9	24	4-0	1	2.1	3	0.8	60	Nil	7.12	86
Impedimed Ltd	23	+38.7	-2.8	4	6-0	2	4.6	-	1.1	NE	Nil	N/A	42	Service Stream	20	+1.1	+2.7	37	4-0	1	1.7	-	0.9	NE	5.0	0.11	57
Runge Pincock M	71	+15.2	+1.4	12	6-0	-	5.1	-	0.6	NE	Nil	1.26	100	Austex Oil Ltd	15	+1.9	+1.0	35	5-1	1	-	-	0.9	NE	Nil	9.74	65
Ambition Group	18	+2.3	-1.6	34	6-0	-	1.0	1	0.8	180	Nil	0.14	12	Naos Emerging	110	+4.2	-0.8	29	5-1	-	-	-	0.6	17	2.3	N/A	19
Maverick Drill.	46	+2.0	+4.9	35	6-0	1	-	-	0.7	79	Nil	N/A	172	Guinness Peat	57	+8.3	+0.0	20	6-2	-	1.5	-	0.5	NE	Nil	0.07	111
Fiducian P Serv	144	+14.9	+5.0	13	7-1	-	4.1	30	0.4	14	4.9	2.09	45	Wolf Petroleum	7	+17.0	+5.1	11	3-0	-	-	-	1.3	NE	Nil	N/A	18
Emerg. Leaders	94	+5.4	-0.5	26	7-1	-	1.1	3	0.4	32	7.2	N/A	47	Phileo Aust.	360	+20.0	+8.6	9	3-0	-	1.3	8	0.3	17	0.6	8.80	104
Adelaide Bright	376	+4.8	-1.5	27	7-1	16	2.9	19	0.4	16	4.4	2.04	2,397	Ardent Leisure	206	+9.2	+0.1	18	3-0	8	2.8	10	0.5	29	5.8	2.30	1,033
Aristocrat Leis	454	+5.6	-2.8	25	5-0	14	13.0	31	0.4	41	1.8	3.23	2,503	Genera Bio.	14	+12.7	+6.1	15	3-0	-	-	-	1.0	NE	Nil	N/A	12
Plymouth Min.	9	+22.8	+4.7	8	5-0	-	-	-	1.4	NE	Nil	N/A	3	Pulse Health	41	+27.6	-1.0	6	3-0	-	-	-	0.5	16	Nil	0.96	46
Fitzroy River	45	+7.7	+0.2	21	5-0	-	-	-	0.5	NE	Nil	N/A	41	GBM Resources	4	+2.1	-6.0	34	3-0	-	-	-	2.0	NE	Nil	N/A	9
Villa World Ltd	182	+19.8	-8.5	9	5-0	1	1.0	-	0.4	NE	Nil	0.79	134	Saferoads Hold.	18	+27.3	-29.0	6	3-0	-	0.8	-	0.9	NE	Nil	0.19	5
Uranex Ltd	14	+98.2	+49.1	1	5-0	-	-	-	1.2	NE	Nil	N/A	30	Countplus Ltd	188	+4.1	+1.5	29	3-0	1	146.9	-	0.4	19	6.4	1.81	206
PLD Corporation	1	+6.1	-2.3	24	5-0	-	-	-	4.3	NE	Nil	N/A	2	Oncosil Medical	16	+24.7	-10.3	7	3-0	-	5.2	-	1.0	NE	Nil	N/A	38

“Insider” Trades in NZ Shares

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

“Insider” Indicators

Last 5 wks: 55.0% Buyers
Last 13 wks: 46.4% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Air New Zealand	0-7	Diligent Board	0-1	Mercer Group	0-1	Port Tauranga	1-4	Summerset Group	2-4
Akd Int Airport	0-1	Fletcher Build.	6-13	Metro. LifeCare	3-0	Property F Ind.	0-1	TeamTalk Ltd	0-1
Allied Work.	0-1	Fonterra S/H Fd	5-7	Michael Hill	0-5	Pumpkin Patch	0-2	Telecom Corp	0-2
Argosy Property	1-0	Freightways Ltd	1-0	Mighty River	5-2	Rakon Ltd	7-5	Tourism Hold.	2-0
Bathurst Res.	1-0	Goodman Prop.	0-1	Moa Group Ltd	1-0	Rubicon Limited	1-0	Trade-Me Ltd	2-1
Blis Technology	0-1	Guinness Peat	8-2	NZ Exchange Ltd	1-0	SLI Systems Ltd	0-2	Trust Power Ltd	1-0
Briscoe Group	7-0	Heartland BS	1-3	NZ Experience	0-1	Seeka Kiwifruit	3-0	Turners Auction	2-0
Burger Fuel	0-1	Infratil NZ	2-3	NZ Refining Co	3-0	Skellerup Hold.	1-0	Vector Ltd	6-0
Chorus Ltd	1-0	Just Water Int.	1-0	Northland Port	0-1	Sky Network TV	0-1	Veritas Invest.	4-0
Col Motor Co	1-0	Kathmandu Ltd	0-9	Opus Int'l Cons	1-0	Sky City Ltd	5-3	Vital Health PT	9-0
Comvita	1-0	Kiwi Property	1-0	PGG Wrightsons	1-0	Smiths City	0-1	Warehouse Group	2-1
DNZ Property	0-3	Mainfreight Grp	4-5	Pac Edge Bio.	0-5	Steel & Tube	1-0	Xero Ltd	1-2
				Pharmacybrands	2-0				

“Insider” Trades in Australian Shares

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

“Insider” Indicators

Last 5 wks: 83.5% Buyers
Last 13 wks: 78.1% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
360 Capital Ind	5-0	Aphrodite Gold	1-0	Avanco Res.	1-0	Buxton Res.	2-1	Coal of Africa	1-0
360 Capital Grp	8-0	Aquarius Plat.	1-0	Avexa Limited	2-0	C.S.R. Ltd	1-0	CocaCola Amatil	1-5
A.P. Eagers	5-0	Aquila Res.	0-1	Azure Health.	0-1	CMI Limited	0-1	Cochlear Ltd	6-0
A1 Consolidated	2-0	Archer Explor.	0-1	BC Iron Ltd	1-2	CTI Logistics	0-1	Codan Ltd	6-0
ABM Resources	1-0	Ardent Leisure	3-0	BCD Resources	4-0	Cabral Resource	3-0	Coffey Int'l	17-0
AGL Energy Ltd	0-1	Argo Investment	1-0	BHP Billiton	3-1	Calibre Group	4-0	Cogstate Ltd	2-0
ALS Limited	0-1	Ariadne Aust	2-0	BKI Invest Coy	4-0	Calliden Group	1-0	Cokal Limited	5-0
AMA Group Ltd	1-0	Aristocrat Leis	5-0	BT Invest Mgmt	2-3	Cape Lambert R.	9-1	Collection Hse	7-6
AMCIL Limited	0-2	Ark Mines Ltd	11-0	BWP Trust	3-0	Capital Health	0-1	Computershare	0-6
ANZ Bank	2-1	Armour Energy	1-0	Bandanna Energy	1-0	Capral Limited	2-0	Condoto Plat.	2-0
APN Property	0-1	Arowana Int'l	3-0	Bank of Q'land	4-2	Carabella Res.	1-0	Convergent Min.	3-0
ASG Group Ltd	1-0	Ask Funding Ltd	0-1	Bannerman Res.	1-0	Caravel Min.	2-0	Corp Travel M.	0-2
AWE Limited	1-0	Aspen Group Ltd	3-0	Base Resources	0-1	Carbon Con	1-0	County Coal Ltd	1-0
Acacia Coal Ltd	2-0	Astivita Ltd	2-1	Beacon Minerals	2-0	Carbine Tungst.	2-0	Countplus Ltd	3-0
Acrux Ltd	1-0	Astro Japan Pro	1-0	Beadell Res.	0-1	Carbine Res.	1-0	Coventry Group	3-0
Ad Braking Tech	3-0	Atcor Medical	0-2	Bell Financial	3-0	Cardno Ltd	1-0	Cover-More Grp	1-0
Adcorp Aust.	3-0	Athena Res.	1-0	Bendigo Bank	2-0	Careers Multi.	0-5	Coziron Res.	1-0
Adelaide Bright	7-1	Atlas Iron Ltd	4-0	Bentham IMF Ltd	0-1	Carnarvon Pet.	1-0	Credit Corp	0-4
Adelaide Res.	1-0	Atrum Coal NL	1-2	Beyond Int'l	2-8	Carpentaria Exp	0-1	Credo Resources	2-0
Adslot Ltd	1-0	Aura Energy Ltd	1-0	Bioniche Life	0-1	Carsales.com	1-5	Crest Minerals	2-0
African Energy	5-0	Aurizon Hold.	4-1	Bionomics Ltd	2-3	Cash Converters	0-2	Cromwell Prop.	2-5
Aguaia Resources	1-0	Auroch Minerals	1-0	Bioxyne Ltd	1-0	Castillo Copper	1-0	Crossland Strat	3-0
Aims Property	1-0	Aurora Oil Gas	2-0	Black Ridge Min	1-0	Cazaly Res Ltd	1-0	Crusader Res.	1-0
Alara Resources	2-0	Aurora Minerals	2-0	Black Fire Min.	1-0	Cedar Woods Prp	0-1	Cryosite Ltd	2-0
Alchemia Ltd	1-0	Aurora Funds	0-1	Blackwall Prop.	4-2	Celamin Hold.	7-0	CuDeco Ltd	18-0
Alcyone Res Ltd	0-1	Ausdrill Ltd	1-0	Black Star Pet.	4-0	Cellmid Ltd	3-0	Cuesta Coal Ltd	1-0
Ale Property	3-0	Ausenco Ltd	5-0	Blackthorn Res.	5-0	Celsius Coal	1-0	Cyclopharm Ltd	3-0
Alestor Energy	1-0	Ausmon Res.	0-1	Bligh Resources	2-0	Centrepoint All	3-0	Cynata Therap.	2-0
Alexium Int'l	3-0	Aust Oil Coy	2-0	Bluescope Steel	7-0	Cent West Gold	0-1	Dart Energy Ltd	4-0
Algae.Tec Ltd	4-0	Aust Leaders Fd	0-6	Blue Energy Ltd	1-0	Centrex Metals	2-0	Datadot Tech.	2-0
Allegiance Coal	1-0	Austex Oil Ltd	5-1	Boadicea Res.	0-1	Centuria Cap'l	8-0	David Jones	2-0
Alliance Aviat.	3-0	Austal Limited	1-2	Boart Longyear	16-0	Central Petrol.	3-0	Delecta Ltd	1-0
Alloy Resources	1-0	Aust Vintage	1-0	Boom Logistics	3-0	Ceramic Fuel C.	1-0	Delta SBD Ltd	2-0
Altium Limited	0-1	Aust Ren. Fuels	6-0	Bora Bora Res.	1-0	Chalice Gold	6-0	Dempsey Min.	2-0
Altona Mining	2-0	Aust Gov Master	1-0	Bougainville Co	0-3	Chal Div Prop	3-1	Desane Group	0-1
Altura Mining	1-0	Austock Group	1-0	Bradken Ltd	0-2	Challenger Ltd	1-2	Dexus Property	1-0
Alumina Ltd	2-0	Aust Agricult.	3-0	Brambles Ltd	0-2	Chapmans Ltd	2-0	Diploma Group	3-0
Amalgamated Hld	2-0	Aust Minerals	1-2	Brand New Vint.	1-0	Charter Hall GR	1-0	Discovery Metal	0-1
Ambition Group	6-0	Aust United In	1-0	Breville Group	1-0	Charter Pacific	0-1	Disc. Africa	2-0
Amcom Telecom.	2-1	Austral Gold	1-0	Brierty Ltd	1-0	China Magnesium	2-0	Diversa Ltd	2-1
Ampella Mining	1-0	Aust Foundation	2-0	Brighton Mining	1-0	Circadian Tech	2-0	Djerriwarrh	1-3
Anglo Australia	2-0	Aust Pac Coal	3-0	Brisbane Bronco	1-0	Clancy Expor.	2-0	Domino's Pizza	0-6
Anittel Group	1-0	Aust-Amer Min.	3-0	Brockman Mining	2-0	Clean Seas Tuna	1-0	Doray Minerals	1-0
Ansell Ltd	2-0	Aust Mines Ltd	2-0	Brumby Resource	1-0	Clearview Wlth	2-0	Downer EDI Ltd	5-0
Antaria Ltd	5-0	Australand Prop	1-0	Bulletin Res.	1-0	Clime Capital	1-0	Dragon Mining	1-0
Antipa Minerals	1-0	Automotive Hold	0-1	Bullabulling G.	2-0	Clime Inv Mgmt	2-0	Draig Resources	4-0
Antisense T.	2-0	Avalon Minerals	2-0	Burleson Energy	1-0	Coalspur Mines	2-0	Drillsearch	3-2

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
DuluxGroup Ltd	1-2	Forte Cons. Ltd	5-0	Hodges Res.	3-0	Kibaran Res.	2-0	Maverick Drill.	6-0
Dyazol Ltd	2-0	Fortescue Metal	4-0	Holista Coll.	0-1	Killara Res.	5-0	Maxi TRANS	2-0
E & A Limited	1-0	Fox Resources	2-0	Horseshoe Metal	1-0	Kimberley Diam.	1-0	Mayne Pharma Gr	1-0
E-Bet Limited	2-0	Foyson Res Ltd	1-0	Hot Rock Ltd	1-0	King Solomon M.	1-0	McMillan Shake.	0-2
EVZ Ltd	7-0	Freedom Foods	1-0	Hotel Property	1-0	King River Cop.	1-0	Mec Resources	0-1
Eastern Iron	2-0	Funtastic Ltd	0-1	Hughes Drilling	0-3	Konekt Limited	4-0	Medical Aust.	2-0
Easton Invest.	3-0	G8 Education	1-0	Hunter H Global	2-0	Korvest Ltd	2-0	Medical Dev Int	1-0
Echo Resources	3-0	GBM Resources	3-0	Hunter Hall Int	0-1	Kresta Holdings	3-1	Medigard Ltd	0-1
Echo Ent Group	4-0	GBM Gold Ltd	0-4	I-Property Grp	4-1	Kula Gold Ltd	5-0	Medusa Mining	2-0
Ecosave Hold.	1-0	GBST Holdings	2-10	I-Sonea Limited	1-0	LBT Innovations	1-0	Merlin Diamonds	0-1
Electrometals	1-0	GDI Property	1-0	ILH Group Ltd	1-0	Lachlan Star	1-0	Mermaid Marine	0-1
Elixir Petrol.	2-0	GPT Group	2-0	IMX Resources	4-0	Landmark White	0-2	Metaliko Res.	1-0
Elk Petroleum	1-0	GR Engineering	1-0	IOOF Holdings	3-1	Lantern Hotel	1-0	Metallica Min.	1-0
Emeco Holdings	3-0	GWA Group Ltd	0-1	IPB Petroleum	1-0	Latin Gold Ltd	1-0	Metcash Ltd	1-0
Emerg. Leaders	7-1	GWR Group Ltd	1-0	IRESS Limited	1-0	Lawson Gold Ltd	1-0	Meteorite Res.	1-0
Emerging Mkts	1-0	Gage Road Brew.	0-5	ITL Limited	0-4	Legacy Iron Ore	3-0	Metminco Ltd	2-1
Emergent Res.	3-0	Galileo Japan	3-0	Icar Asia Ltd	0-4	Legend Corp.	2-1	Metrocoal Ltd	1-0
Empire Oil, Gas	1-0	Galilee Energy	0-1	Iluka Resources	2-1	Leighton Hold	2-0	Midas Resources	1-0
Emu NL	2-0	Gateway Mining	1-0	Image Resources	1-0	Lemarne Corp	1-0	Millennium Min.	1-0
Encounter Res.	1-0	General Mining	0-1	Imdex Limited	0-2	Lend Lease Grp	0-1	Milton Corp.	5-0
Endeavour Min.	2-0	Genesis Mineral	3-0	Impact Minerals	2-0	Leyshon Res.	1-0	Mindoro Res Ltd	1-0
Energy Action	0-8	Genera Bio.	3-0	Impedimed Ltd	6-0	Lifestyle Com.	5-2	Mindax Limited	1-0
Enero Group Ltd	1-0	Geopacific Res.	1-0	India Resources	1-0	Lindsay Aust	0-2	Minerals Corp.	4-0
Energy Tech.	2-0	Gindalbie Met.	1-0	Indus Coal Ltd	3-0	Lion One Metals	3-0	Minemakers Ltd	11-0
Energia Mineral	2-0	Global Petrol.	2-0	Industria REIT	1-0	Lion Selection	4-0	Mineral Res.	0-1
Engenco Ltd	2-0	Global Resource	1-0	Infomedia Ltd	3-2	Liontown Res.	3-1	Mineral Commod.	4-0
Ent. Uranium	1-0	Glory Resources	1-0	Ingenia Com Grp	3-0	Liq Natural Gas	2-0	Mining Projects	1-0
Entek Energy	9-0	Goldminex Res.	5-0	Insurance Aust.	5-2	Living Cell T.	1-0	Mint Wireless	0-1
Enterprise Met.	2-0	Golden Gate Pet	2-0	Int Research	1-0	Lodestar Min.	2-0	Mirrabooka Inv.	1-0
Enviromission	0-1	Goldfields Mon.	1-0	Int'l Coal Ltd	2-0	London City Eq.	2-0	Mirvac Ind Trt	0-1
Equity Trustees	4-0	Goodman Fielder	2-0	Intermin Res	3-0	Lonestar Res.	3-0	Mirvac Group	2-0
Equus Mining	2-0	Goodman Group	0-1	Intec Ltd	1-0	Longreach Group	1-0	Mnemon Limited	1-0
Etherstack plc	1-0	Graincorp	2-0	Intercept Min.	3-0	Longreach Oil	2-1	Molopo Energy	4-0
Eumeralla Res.	2-0	Grange Resource	4-0	Intra Energy	2-0	Lucapa Diamond	1-0	Monadelphous Gr	0-1
Eumundi Group	1-0	Grand Gulf En.	1-0	Intrepid Mines	1-0	Luir Gold Ltd	3-0	Money3 Corp Ltd	1-3
Evolution Min.	2-1	Greenland Min.	3-0	Investigator R.	1-0	Lycopodium Ltd	0-4	Montezuma Min.	1-0
Exalt Resources	1-0	Green Rock En.	1-0	Inventis Ltd	1-0	M2 Telecom. Grp	0-2	Monteray Group	1-0
Excalibur Min.	1-0	Greenvale Min'g	1-0	Investa Office	2-0	MEO Australia	4-0	Mt Gibson Iron	2-0
Excelsior Gold	1-0	Growthpoint Pro	4-0	Invocare Ltd	3-1	MGM Wireless	1-4	Murchison Hold.	2-0
Ezeatm Limited	1-0	Gryphon Mineral	2-0	Ironclad Mining	1-0	MGT Resources	1-0	My ATM Holdings	0-1
FSA Group Ltd	1-0	Guildford Coal	5-0	Iron Mountain	3-0	MacMahon Hold	1-0	My Net Fone Ltd	0-2
Federation Cent	1-0	Guinness Peat	6-2	Iron Ore Hold.	1-0	Macquarie C Tel	0-1	NRW Holdings	3-0
Ferrowest Ltd	2-0	Gullewa Ltd	1-0	Ironbark Zinc	2-0	Macquarie Group	4-1	NSL Cons. Ltd	1-0
Ferrum Crescent	1-0	Gunson Res.	4-1	Iselect Limited	10-0	Magellan Flag.	1-0	Naos Emerging	5-1
Fertoz Limited	1-0	HGL Limited	2-0	JB Hi-Fi Ltd	0-1	Magellan Fin Gp	0-2	Naracoota Res.	2-0
Fiducian P Serv	7-1	Hannans Reward	1-0	Jacka Resources	1-0	Magnolia Res.	1-0	Nat'l Aust Bank	1-2
Finbar Group	4-0	Hansen Tech.	0-1	James Hardie	3-1	Mako H/carbons	0-1	Navitas Ltd	0-2
Firestone En.	0-1	Haoma Mining NL	0-1	Jindalee Res.	1-0	Malachite Res.	1-0	Nearmap Ltd	5-0
Fitzroy Res Ltd	1-0	Hastings Rare M	2-0	Jumbuck Enter.	1-0	Malabar Coal	10-0	Neon Energy Ltd	1-0
Fitzroy River	5-0	Helix Resources	1-0	Jumbo Interact.	0-2	Mamba Minerals	1-0	NetComm Wire.	3-0
Fleetwood Corp	2-0	Heron Resources	1-0	Jupiter Mines	6-1	Manas Resources	3-0	New Standard En	5-0
Flexicorp Ltd	0-3	Highland Pac.	1-0	K2 Asset Mgmt	0-4	Manhattan Corp	0-1	New Horizon C.	1-0
Flinders Mines	1-0	Hill End Gold	1-0	KalNorth Gold	1-0	Marenica Energy	2-0	New Hope Corp.	1-0
Focus Minerals	1-0	Hillcrest Litig	3-0	Kardoona Gas	1-0	Mastermyne Grp	3-1	New Age Explor.	3-2
Folkestone Ltd	4-0	Hills Limited	10-0	Key Petroleum	3-0	Matrix Comp.	5-0	NewSat Ltd	1-0
Forte Energy NL	1-0	Hillgrove Res.	4-0	KeyBridge Cap'l	3-0	Matrix Metals	1-0	Newcrest Mining	13-0

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Nextdc Limited	2-1	Petratherm Ltd	2-0	Rift Valley Res	1-0	Sthn Cross Exp.	6-0	Triangle Energy	1-0
Nexus Energy	2-0	Pharmaxis Ltd	1-0	Rimfire Pacific	1-0	Stockland	3-0	Triausmin Ltd	3-0
Nick Scali Ltd	0-1	Pharmaust Ltd	0-1	Robust Resource	1-0	Stratum Metals	2-1	Troy Resources	21-2
Nido Petroleum	1-0	Phileo Aust.	3-0	Roc Oil Company	0-1	Straits Resourc	1-0	Tungsten Mining	1-0
Niuminco Group	2-0	Phoenix Gold	0-1	Royal Resources	1-0	Strike Res.	1-0	UGL Limited	3-0
Noni B Limited	1-0	Phoslock Water	2-0	Rubicon Res.	2-0	Strike Energy	3-0	UXC Limited	2-1
Norwest Energy	2-0	Pilbara Mineral	2-0	Rumble Resource	2-0	Structural Syst	1-0	Unity Mining	1-0
Nthn Minerals	0-5	Pioneer Res.	1-0	Runge Pincock M	6-0	SubZero Group	4-0	Uranex Ltd	5-0
NuEnergy Cap'l	3-0	Platsearch NL	1-0	SAI Global Ltd	1-2	Suda Ltd	1-0	Venturex Res.	2-0
Nufarm Limited	2-0	Platina Res.	2-1	SDI Limited	4-0	Sun Resources	3-0	Venus Metals	2-0
Nyoto Minerals	1-0	Pluton Resource	1-0	SMS Mgmt & Tech	3-0	Sunbird Energy	2-0	Viking Ashanti	2-0
OZ Minerals Ltd	14-0	Plymouth Min.	5-0	STW Comm Group	0-1	Suncorp Group	3-1	Village Road.	0-4
Oakton Limited	1-0	Po Valley Ener.	1-0	Saferoads Hold.	3-0	Sundance Energy	9-0	Villa World Ltd	5-0
Objective Corp.	0-1	Praemium Ltd	3-0	Samson Oil/Gas	1-0	Super Retail Gr	1-2	Virgin Aust	2-1
Oceania Capital	11-0	Prairie Downs	7-0	Sandfire Res.	0-1	Supply Network	1-0	Vision Eye Inst	0-3
Octagonal Res.	1-0	Premier Invest	2-1	Santos Ltd	1-0	Swala Energy	1-0	Vita Group Ltd	1-0
Oil Search Ltd	4-5	Primary Health	6-5	Santana Mineral	3-0	Syndicated Met.	1-0	Vita Life Sci.	1-0
Oilex Ltd	2-0	Primary Gold	3-0	Saracen Mineral	2-0	Syngas Ltd	2-0	Vital Metals	4-0
Oklo Resources	0-1	Prima Biomed	5-0	Saunders Int'l	0-2	Syrah Resources	0-3	Vocus Comm.	0-4
Oldfields Hold	1-0	Pro Medicus Ltd	1-0	Savcor Group	3-0	TFS Corporation	4-0	Vortex Pipes	3-0
Oncosil Medical	3-0	Pro-Pac Pack.	0-1	Scantech	2-0	TPG Telecom Ltd	0-2	WAG Limited	0-1
Optiscan Image	2-0	Probiotec Ltd	3-1	Seek Ltd	0-1	TPL Corporation	1-0	WAM Capital Ltd	0-1
Orica Ltd	4-0	Progen Pharm.	2-0	Select harvest	4-0	TW Holdings Ltd	2-0	WDS Limited	2-0
Orinoco Gold	2-0	Promesa Ltd	2-0	Senex Energy	4-0	TZ Limited	1-0	Waratah Res.	2-1
Orion Gold NL	3-0	Prophecy Int'l	0-3	Servcorp Ltd	1-0	Tabcorp Holding	2-0	Wasabi Energy	1-0
Orora Limited	5-0	Proto Resources	0-1	Service Stream	4-0	Tamawood Ltd	0-3	Webjet NL	4-2
Oroton Group	4-1	Pulse Health	3-0	Seven Group	4-1	Tanami Gold NL	1-0	Webster Ltd	0-1
Orpheus Energy	7-0	Q.B.E. Insur.	1-0	Seymour Whyte	0-1	Tangiers Petrol	1-0	Wellcom Group	3-1
Orrex Resources	2-0	Qld Mining Corp	11-1	Sietel Ltd	1-0	Target Energy	2-0	Wesfarmers Ltd	0-2
Oz Brewing Ltd	2-0	Quickstep Hold.	3-0	Sihayo Gold Ltd	0-1	Taruga Gold Ltd	2-0	Western Desert	0-2
Ozgrowth Ltd	1-0	RCG Corporation	0-1	Silex Systems	3-0	Tatts Group Ltd	0-2	Westfield Ret.	0-1
P-REIT	2-3	RCR Tomlinson	2-0	Silver Chef Ltd	4-3	Tawana Resource	2-0	Westpac Banking	0-3
PLD Corporation	5-0	Ramelius Res.	2-1	Silver Lake Res	1-0	Technology One	0-4	Westoz Invest.	1-0
PM Capital Glob	3-0	Rampart Energy	1-0	Sims Metal Mgmt	0-2	Techniche Ltd	7-0	West Wits Min.	1-0
PMI Gold Corp.	4-1	Ramsay Health	0-2	Sino Gas & En.	4-0	Tel.Pacific Ltd	3-0	Westside Corp.	0-1
PMP Limited	1-0	Rawson Res.	3-0	Sirius Res. NL	1-0	Telstra	3-2	Western Areas	3-1
PPK Group Ltd	5-0	Raya Group Ltd	4-0	Site Group Int.	1-0	Templeton Globa	1-0	West African R.	6-0
PTB Group Ltd	2-0	Real Estate	7-0	Slater & Gordon	1-4	The Reject Shop	0-1	White Cliff Min	3-0
Pacific Energy	0-1	Recall Holdings	4-0	Smart Parking	1-0	Thinksmart Ltd	1-0	White Rock Min.	1-0
Pacific Mining	2-0	Red Sky Energy	1-0	Smartpay Hold.	1-0	Thorn Group Ltd	1-3	Whitehaven Coal	7-2
Pacific Niugini	1-0	Red Hill Iron	10-0	Sonic Health	1-5	Thunselarra Ltd	1-0	White Energy Co	2-0
Pacific Brands	4-0	Red Metal Ltd	5-0	Soul Pattinson	5-0	Timpetra Res.	6-0	Wide Bay Aust.	3-0
Padbury Mining	2-0	Red Mountain	5-0	Southern Gold	2-0	Tissue Therapy	1-0	Wolf Minerals	1-0
Pan Pacific Pet	1-0	Redcliffe Res.	1-0	Sovereign Gold	1-0	Titan Energy	0-11	Wolf Petroleum	3-0
Pan Asia Corp	1-0	Redflex Holding	2-0	Spencer Res Ltd	1-0	Titan Energy	3-0	Woolworths Ltd	2-3
Panaust Ltd	10-2	Reedy Lagoon	1-0	Spitfire Res.	1-0	Tlou Energy Ltd	1-0	Worley Group	4-0
Pancontinental	1-0	Renaissance Min	2-0	Spooning Centre	2-0	Toll Holdings	2-0	XRF Scientific	5-1
Paperlin X Ltd	3-0	Republic Gold	1-0	Sprintex Ltd	1-0	Torrens Energy	2-0	Xanadu Mines	4-0
Paragon Care	0-1	Res & Invest NL	2-0	Sprint Energy	2-0	Tox Free Sol.	1-0	Xceed Resources	2-0
Paringa Res Ltd	3-0	Resource Equip.	3-0	St Barbara Ltd	6-0	Trafford Res.	3-0	Xstate Res.	1-0
Patties Foods	6-1	Retail Food Grp	1-0	Starpharma Hold	3-0	Traka Resources	0-1	YTC Resources	3-0
Peel Mining Ltd	0-1	Reva Medical	3-0	Sterling Plant.	1-0	Transurban Grp	4-0	Yellow Rock Res	2-0
Peet Ltd	3-0	Reverse Corp	1-0	Sth America F M	4-0	Transfield Serv	3-0	Yowie Group Ltd	1-0
Pelican Res.	1-0	Reward Minerals	5-0	Sth Hemi Mining	1-0	TransPacific In	0-1	ZYL Ltd	1-0
Pental Limited	2-0	Ridley Corp.	8-1	Sth Boulder Min	0-1	Treasury Wine	5-0	Zamanco Min Ltd	4-0
Perpetual Res.	2-0	Riedel Resource	5-0	Sth Amer Iron	2-0	Treasury Group	4-0	Zenith Minerals	5-0
Perseus Mining	7-0			Sth Cross Media	0-1			Zicom Group	2-0

Company Analysis: XRF Scientific

XRF Scientific (code XRF)

XRF Scientific provides equipment and consumables for X-ray fluorescence and atomic emission spectrometry (mainly to Resource and materials analysis companies, especially iron ore and base metals miners), plus platinum labware. One of the most attractive features of this business - generating half of its profits - is the recurring revenues from the sale of high profit margin consumables.

The company is seeking growth through both acquisition, product development and global expansion of its markets.

Company History

The company floated on the Australian stock exchange in October 2006 after selling 22,818,000 new shares to the public at 20 cents to raise \$4.5 million to help finance growth (i.e. R&D, acquisitions, capacity expansion and working capital).

Just a year later, in October 2007, it raised a further \$1.2 million from a 1 for 3 cash issue at 5 cents per share to finance working capital.

A share placement and *Share Purchase Plan* at 21½ cents in July 2011 raised a further \$4.3 million.

Growth

The company earns most of its profits from recurring sales of consumables. These include fluxes used with ores to produce glass discs in its X-ray fluorescence equipment. Its *competitive advantage* is in the development of “innovative fluxes”, producing “better glass discs”, “more accurate analysis” and “shorter fusion time, enhancing productivity”. This was recognised in May 2009 when the company was granted two 20-year Australian patents on new flux products.

In 2009 the company reported that these new fluxes “have the potential to significantly impact on the way certain critical analyses are carried out, and if widely adopted will generate significant income”.

In August 2011, XRF Scientific purchased an initial 19.99% interest in Canadian based **Gestion Scancia Inc** for A\$200,000 plus a convertible loan of A\$150,000. This is “an emerging” manufacturer of X-ray flux for sale in Canada and the United States, with access to the fast growing South American market. Scancia fluxes are “complementary to XRF’s product range” and XRF Scientific will become the exclusive distributor of these fluxes in Australia.

In September 2013, the company converted its loan, increasing its ownership of Gestion Scancia to 29.9%, and paid C\$250,000 to acquire further shares from existing investors, lifting its holding to 49.99%. The two companies are working closely together, “combining resources to tackle key flux markets around the world”.

In March 2010, XRF Scientific signed an agreement to provide Netherlands based **PANalytical** with a new fused bead preparation system, *Eagon 2*, that PANalytical markets worldwide under its own brand.

In July 2010, XRF Scientific acquired a Perth based competitor, **Sigma Group**, for \$7 million (i.e. \$6.0 million in cash plus 6.67 million shares at 15 cents). Sigma’s flux and platinum business were merged with XRF Scientific’s existing operations.

In April 2012 a 50% joint venture, **XRock Automation Pty**, was formed with NZ based **Scott Technologies** to develop automated handling of ore samples for laboratory testing.

In June 2013 the company purchased another competitor (and customer), **Kitco Labware**, a Canadian manufacturer and supplier of platinum labware, with markets in Canada, the United States and South America. The business was a division of **Kitco Metals**, which is operating under the Creditors Arrangement Act (Canada) and acquired for C\$1,700,000 in cash plus up to a further C\$800,000 based upon performance over the following 12 months.

This is a “bolt-on” acquisition that is a “direct fit” with the group’s existing Precious Metals business. It expands the business in the Americas and diversifies the company into new industries (i.e. Kitco has customers in Cement, soil analysis and petro-chemicals). Kitco’s customer database also contains “an extensive list of fusion customers” which will form the basis for expanding the marketing of XRF’s existing equipment and consumables into these regions.

In March 2011, the company chose to discontinue its *spectrolaser* research, receiving US\$400,000 (payable over several years) plus some royalties for up to 20 years from US based **Photon Machines Inc**.

Recent Results

In its first year as a public company (i.e. to June 2007) revenues rose 106.1% to \$12.8 million, but net profits fell 62.5% to \$236,624 (0.3 cents per share) and no dividend was paid. The net operating cash surplus was down 83% at just \$50,881.

For the year to June 2008, revenues rose 17.1% to \$15.0 million and profits recovered to \$920,607 (1.0 cents per share). A maiden dividend of 0.5 cents was paid. The net operating cash surplus also recovered to \$354,199.

Revenues grew a further 14.3% to \$16.8 million in the year to June 2009, with profits up 111.9% to \$1,950,592 (2.1 cents per share). The annual dividend was raised 50.0% to 0.75 cents, while the net operating cash surplus increased 8½-fold to \$3.0 million.

Revenues fell 25.8% to \$12.5 million for the year to June 2010, with profits falling 84.5% to \$302,879 (0.3 cents per share). No dividend was paid and the net operating cash surplus was 74% lower at \$773,757.

For the year to June 2011, revenues recovered and grew to a new high of \$20.3 million (i.e. up 61.1%), with profits up 8.7-fold to a new record of \$2,6341,983 (2.5 cents per share). Dividend payments were re-instated at

1.0 cent and the net operating cash surplus recovered to \$2.6 million.

In the year to June 2012, revenues grew 28.0% to \$25.7 million, with net profits up 35.8% at \$3,579,393 (2.8 cents per share). The annual dividend rose 50.0% to 1.5 cents. The net operating cash surplus was up 41% at \$3.7 million.

Revenues *slipped* 11.3% to \$22.8 million over the year to June 2013, but net profits rose 6.5% to \$3,812,772 (2.9 cents per share) and the annual dividend was 13.3% higher at 1.7 cents. The net operating cash surplus was 13% higher at \$4.1 million.

In the year to June 2013, the *Consumables* business generated 30% of group revenues (i.e. \$7.2 million) but 53% of profits before tax (\$2.8 million), with a 39% profit margin. Volume sales are linked to mining *volumes*, not commodity prices. *Precious Metals* generated 35% of revenues and 26% of profits, with a 17% margin. The current year will benefit from the acquisition of Kitco Labware in August 2013, plus new platinum labware products and accessories as well as lower costs from increased manufacturing automation. The *Capital Equipment* division earned 35% of revenues but just 21% of profits, with a 14% margin. The new *xrFuse 6* electric fusion machine was released in September 2013 “on-time and on-budget” and should boost revenues for the current year, with other new equipment planned for release in the June 2014 and June 2015 financial years.

For the first four months of the current financial year the company reports Consumable revenues down 8%, Precious Metals revenues down 17% and Capital Equipment revenues down 34%.

Investment Criteria

At 29 cents, XRF Scientific shares trade on a Price/Sales ratio of 1.68, a low Price/Earnings ratio of 10 and offer a high current Dividend Yield of 5.9%.

At June 2013, the company was debt-free, with cash of \$8.6 million (6.5 cents per share).

The issued capital is 132,157,097 shares, giving a market capitalisation of \$38.3 million.

The company is *neglected* by brokers, with just two brokers following the company and publishing profit forecasts.

Directors have reasonable investments in XRF Scientific. Chairman K Baxter owns 518,334 shares. Company Founder, but now Non-Executive Director, D Brown owns 7,716,916 shares (5.8% of the company), while D Kiggins holds 125,000 shares and F Grimwade owns 200,000 shares.

There have been five on-market purchases and one sale by *insiders* over the last year.

The shares rose to a high of 40 cents in March 2013, before weakening slightly and recently traded around 28-35 cents. The Relative Strength rating is -4.4%, ranked 56 (on a scale of 0-99).

Summary and Recommendation

We are not formally recommending XRF Scientific shares but investors seeking both a high current income and long term growth could consider a small investment in this company as part of a well diversified portfolio. The low valuation *and* good growth potential could produce strong investment returns over the medium to long term.

XRF Scientific's Consumables division is an attractive business generating recurring, high profit margin revenues. The *Precious Metal* (i.e. platinum labware) business also generates good profit margins. The *Capital Equipment* division is also profitable, but most importantly this automated equipment drives increased demand for recurring consumables sales.

The business is dependent upon the Resources sector, but tied to relatively stable base metal production *volumes*, rather than volatile *prices* - although the company has experienced volatility in revenues and profits.

The company is also seeking global growth, especially into the large, mature North American markets and also into the higher growth South American markets. Its Canadian businesses - which are in the same time zone - are an ideal base to grow markets in these regions.

Total Return Index for All Listed Shares

	Dec 9	1472.64		
	Dec 10	1475.42		
	Dec 11	1471.51		
	Dec 12	1471.09		
	Dec 13	1470.97		
Dec 16	1476.79	Dec 23	1484.84	
Dec 17	1483.57	Dec 24	1491.76	
Dec 18	1476.15	Dec 25	Holiday	
Dec 19	1484.95	Dec 26	Holiday	
Dec 20	1481.32	Dec 27	1497.49	
Dec 30	1497.49	Jan 6	1505.83	
Dec 31	1498.29	Jan 7	1493.40	
Jan 1	Holiday	Jan 8	1497.67	
Jan 2	Holiday	Jan 9	1504.80	
Jan 3	1499.97	Jan 10	1509.76	

Next Issue:

The next issue of *Market Analysis* will be emailed in four weeks time on Monday February 10, 2014.

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

MARKET ANALYSIS is published 12 times per year by Securities Research Company Limited, P.O. Box 34-162, Birkenhead, Auckland. Subscribe online at www.stockmarket.co.nz or email james@stockmarket.co.nz.

Readers are advised that they should not assume that every recommendation made in the future will be profitable or equal the performance of recommendations made in the past. A summary of all prior recommendations is published on the website. The information presented has been obtained from original and published sources believed to be reliable, but its accuracy cannot be guaranteed.

The entire contents are copyright. Reproduction in whole or part is strictly forbidden without the approval of the publisher.