

Market Analysis

Inside Market Analysis

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Summary and Recommended Investment Strategy.

Remain fully invested in shares. Australian resource-related company share prices are already low, reflecting the depressed sector. Exporters will benefit strongly from the resulting weakness in the Australian dollar.

Investment Outlook.

The more depressed investors and the media become about the economy and the stockmarket, the more excited your Editor becomes! Especially as the current market has many features similar to previous stockmarket booms and busts!

In the mid-1980's boom some shares (e.g. Property and Investment shares) sold at very high valuations, while other out-of-favour shares sold at very low valuations (and ultimately rose significantly in value). Today, some markets (e.g. the United States) are at a high, while others are at a low. Some sectors are in favour and trade at “blue sky” high valuations while less glamorous shares trade at “end of the world” low valuations.

In the Global Financial Crisis we saw expectations of a “Depression worse than the Great Depression” and deflationary expectations depressed the value of both “bad” and “good” companies.

No wonder many people think the stockmarket doesn't make any sense! Or that studying fundamental valuations or the business prospects of a company are less useful than *momentum investing* (i.e. selling whatever is out-of-favour and falling in value, and buying whatever is hot and going up). Perhaps the answer is an expensive “black box” trading system? They always work perfectly . . . on *historical data*.

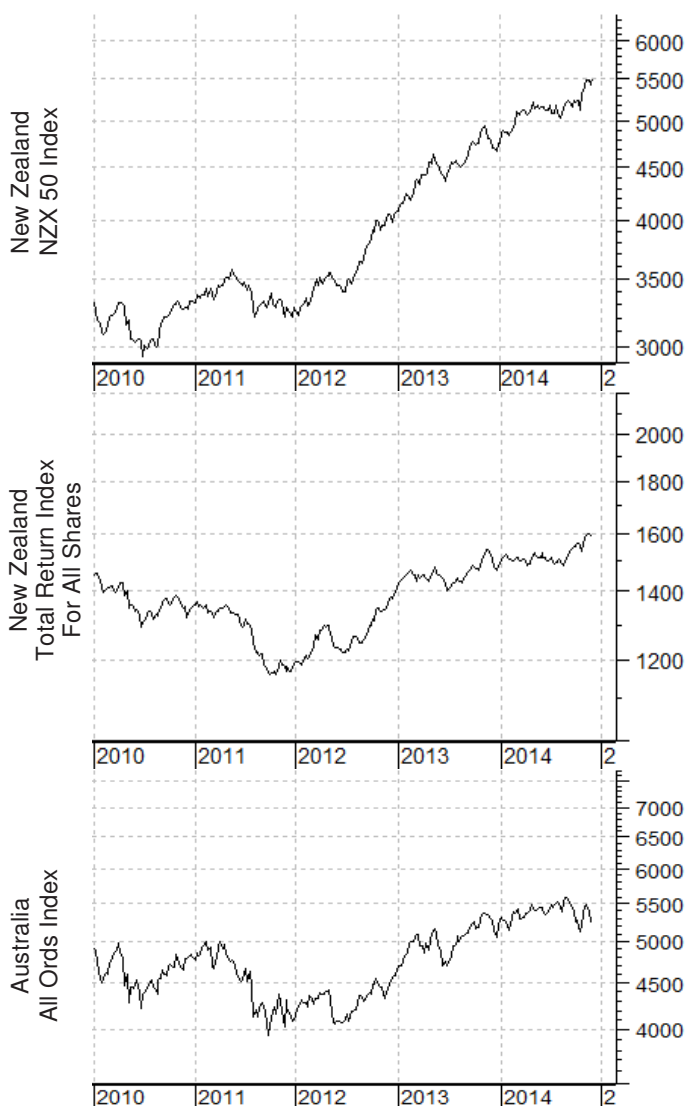
Fortunately, however, there is logic in this apparent madness. In the medium to long term, share prices are driven by valuations (i.e. based upon profits and dividends) and growth. In the short term, share prices are driven by random fluctuations in investor sentiment.

This conflict between short term and long term factors can be further confusing when short term traders argue that the long term is simply a collection of short terms. So maximising returns over short term periods *should* maximise long term returns. That is *theoretically* correct, but stockmarket investment seldom works out like that in *practice*.

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Stockmarket Forecasts

	One-Month	One-Year
Australia:	60% (Neutral)	55% (Neutral)
New Zealand:	66% (Bullish)	47% (Neutral)



Recommended Investments

Cavalier Corporation has downgraded its June 2015 profit forecast to just \$1-5 million (1½-7 cents per share) as the company is in the middle of a major restructuring and “re-inventing” a new carpet business. In fact, that forecast must have some uncertainty as “right now margins in the business are very slender and profit or loss is a small difference between two very large numbers - being sales revenues and the total cost of running the business”.

So what is going on at Cavalier Corporation? The

carpet business in New Zealand has changed permanently from “predominantly wool and predominantly locally manufactured to predominantly imported and synthetic”. The weakness of the US dollar over recent years, surplus manufacturing capacity in the US and China, as well as the increase in the price of wool have all contributed to this change.

In response to this Cavalier Corporation is seeking to transform itself from a “mainly high end, high margin wool carpet specialist to *(Continued on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/ Sales Ratio	Price/ Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
NZ Shares													
BUY	CDL Investments Ltd	CDI	12/01/99	25	D	274.7	1.3	3.80	11	5.2	53	25.4	+214%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	C	68.7	1.5	0.19	7	7.4	56	282.0	+117%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	B	32.7	0.4	0.27	10	8.4	582	427.3	+689%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	C	383.0	1.0	0.93	15	5.1	127	54.9	+3538%
HOLD	Nuplex Industries Ltd	NPX	11/02/97	523*	C	198.1	1.1	0.37	11	6.9	303	462.0	+46%
HOLD	Smiths City Group	SCY	09/10/06	64	C	52.7	1.2	0.12	6	7.0	50	24.5	+16%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.6	3.30	16	7.7	395	218.3	+411%
BUY	Steel & Tube Holdings	STU	08/08/00	146	C	88.5	0.9	0.59	14	7.6	292	299.6	+305%
Australian Shares (in Aust cents)													
BUY	Acrux Limited	ACR	12/05/14	99	A	166.5	0.8	3.88	7	6.4	126	8.0	+35%
HOLD	AJ Lucas Group	AJL	13/05/03	107*	C	267.4	0.9	0.94	NE	Nil	80	36.4	+9%
HOLD+	ALS Limited	ALQ	12/10/99	77*	B	397.8	0.5	1.40	14	7.3	533	275.5	+950%
BUY	AtCor Medical Ltd	ACG	11/11/13	15	D	157.4	2.9	2.99	NE	Nil	10	Nil	-36%
HOLD	Atlas South Sea Pearl	ATP	14/05/96	73	C	319.5	2.9	1.75	16	Nil	9	17.5	-64%
BUY	Ausenco Ltd	AAX	10/06/13	191*	C	168.4	1.5	0.17	NE	4.4	45	1.8	-76%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	B	148.4	0.3	2.76	18	3.4	1251	54.5	+17%
BUY	Cardno Ltd	CDD	14/12/09	391*	B	164.4	0.6	0.38	6	11.7	307	151.3	+17%
HOLD+	Chandler Macleod Group	CMG	14/08/01	51*	B	548.0	1.6	0.12	13	9.7	33	32.1	+28%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	68.1	2.1	9.35	NE	Nil	17	65.0	-57%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	C	89.6	1.7	0.14	NE	Nil	29	70.5	+21%
HOLD+	CPT Global Ltd	CGO	10/03/08	88	B	36.7	1.2	0.67	14	6.4	70	15.8	-3%
HOLD	CSG Limited	CSV	11/10/10	175	B	279.6	1.0	1.66	27	7.6	119	46.0	-6%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	D	107.6	1.8	0.58	40	Nil	30	Nil	-40%
BUY	Fiducian Portfolio Ser	FPS	11/02/08	260	B	30.8	0.8	2.32	13	5.4	170	52.9	-14%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	228.7	0.9	1.06	8	7.7	130	46.5	+67%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	B	418.7	0.6	3.20	0	1.4	653	197.0	+80%
BUY	Integrated Research	IRI	14/01/08	40	B	168.8	0.8	3.07	19	5.2	97	29.0	+215%
HOLD-	M2 Telecommunications	MTU	09/10/06	33	A	181.9	0.4	1.48	23	3.1	841	79.0	+2688%
HOLD+	Melbourne IT	MLB	10/02/04	53	C	92.9	0.7	1.09	18	Nil	136	230.0	+591%
BUY	Mt Gibson Iron	MGX	10/11/14	44	A	1090.8	2.1	0.24	2	19.5	21	Nil	-53%
HOLD	Nomad Building Solutions	NOD	16/08/10	13*	C	277.5	4.3	0.35	NE	Nil	5	Nil	-63%
HOLD	Novarise Renewable Res	NOE	14/03/11	25	D	415.1	3.2	0.37	4	Nil	9	Nil	-66%
HOLD	Probiotec Ltd	PBP	11/02/08	116	D	52.9	1.7	0.20	15	Nil	26	9.3	-70%
HOLD+	Prophecy International	PRO	08/09/08	26	B	55.4	1.5	3.13	17	6.9	40	15.8	+114%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	235.8	0.9	0.19	8	11.3	151	173.5	+158%
HOLD	Technology One Ltd	TNE	11/11/03	44	A	308.8	0.5	4.75	30	2.1	300	50.8	+697%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	B	327.0	0.7	3.30	6	4.0	149	20.2	+276%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	B	28.8	0.4	0.26	13	4.6	647	375.5	+298%
HOLD	Village Roadshow	VRL	10/08/09	77	B	159.5	0.4	1.10	23	4.1	664	253.0	+1091%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +328.6%. This is equal to an average annual rate of +34.1%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 38 current and 159 closed out) is +30.4%, 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.

Recommended Investments

(Continued from Page 3)

a high volume operator in all carpet forms at much lower margins". Over recent years the company has consolidated three yarn spinning plants into one manufacturing facility - lowering costs to match the lower demand. It has launched its own premium-end synthetic carpet and over 40% of broadloom carpet sales are now synthetic. In June 2014 the company formed strategic alliances with **Mohawk** (a global flooring manufacturer) and **Milliken** (a US global leader in floor coverings).

The company has started importing and distributing Mohawk broadloom carpet and Milliken carpet tiles into Australia. In January, it will start importing Mohawk carpet tiles. In return, *Cavalier Bremworth* wool carpet will soon be exported to the US where Mohawk will market it through its US retailers under the *Karastan* brand. In January, wool carpet will also be exported to Canada and marketed through a national retailer network.

This integrates Cavalier Corporation into the global flooring market, where it can produce and export wool carpet for high end niche markets, while importing cheaper synthetic carpet tiles from China and the United States for mass markets in Australia and New Zealand.

Ontera - its Australian based carpet tile manufacturer - can "now import a tile from the US at a cost that is little more than what we pay for the fibre content of the same tile". Carpet tiles from China are even cheaper! This business is also re-inventing itself, "adding a substantial importing program" while its manufacturing "will focus on high end and highly differentiated products".

The low current year profitability reflects the business is in transition. The high NZ dollar exchange rate against the Australian dollar depresses profitability of the *old* business, but will become less important as the *new* business moves to import and distribute product from China and the US. The current high wool price will depress earnings \$3.0-3.5 million this year but this will also become less relevant in the future as the company follows the market and moves further away from wool product. Much of the recent profit downgrade reflects lower than expected sales revenues. The new businesses are expected to grow sales volumes but are "taking longer than expected".

Debt levels of \$61.2 million at June 2014 (up \$2.3 million for the year) were high owing to the "increased inventory" of \$66.8 million (up \$9.9 million) "required to support the synthetic carpet program". The company is focusing upon reducing inventory and debt levels this financial year.

So the real questions for investors are "How successfully can Cavalier Corporation re-invent its carpet business?" and "What level of profits is possible in the future?"

The answer to neither question is easy . . . but no-one ever said stockmarket investment was easy. Managing an investment portfolio requires making *real time decisions*, based upon *intelligent estimates* about an *uncertain future*, using *incomplete and changing data*.

So what do we know here? Cavalier Corporation shares currently trade at 56 cents, giving a market

capitalisation of \$38 million. Price/Earning ratios and Dividend Yields don't tell us anything meaningful when there is little current profitability and no dividend. Annual revenues are around \$200 million, giving a low Price/Sales ratio of 0.19.

The P/S ratio can be used to evaluate shares if we can make some estimate of potential *future* profit margins. Historically the *old* business has earned after tax net profit margins of 8-10%. The *new* (i.e. importing and distributing) business would earn a lower net profit margin (although probably on higher total revenues). A net profit margin of 3-4% on revenues of \$200 million would produce a net profit of \$6-8 million (9-1 1/2 cents per share). At a share price of 56 cents, that equals a potential P/E ratio of 5-6.

One would also expect the *new* business model to be able to lift total revenues (i.e. owing to new exports to the US and Canada, plus an expanded, imported product range and a higher total market share in New Zealand and Australia). A 3-4% net margin on revenues of \$300 million would give a profit of \$9-12 million (13-17 1/2 cents per share). On the current share price that is a P/E ratio of 3-4 1/2.

So, if Cavalier Corporation can successfully re-invent itself, then the *new* business model should be capable of generating net profit levels that would support a share valuation around 100-200 cents - significantly higher than the current share price of 56 cents.

Cavalier Corporation's Shareholders Equity is \$93.0 million or 135 cents per share. That suggests that *even if it fails to re-invent itself*, then the business could probably be liquidated at something equal to or greater than 56 cents.

The carpet business requires large inventories of \$66.8 million (as carpet is manufactured in large batches as there would be small colour differences between smaller batches) but if a product was to be discontinued then these inventories could be run down and liquidated. Trade receivables of \$25.9 million are collectable in full. The \$25.9 million investment in **Cavalier Wool Holdings** (diluted to 27.5% after last month's merger with **NZ Wool Services**) could probably be realised near book value and Land & Buildings should be realisable at book value of \$28.6 million. A liquidation could realise around \$147.2 million, plus cash in the bank of \$2.4 million, to give around \$149.6 million.

Plant & Equipment (and other fixed assets) are valued at \$36.0 million but let's assume a zero value (i.e. that nothing could be sold). Intangibles (\$7.8 million) and Deferred tax (\$3.1 million) would have no value.

Total liabilities are \$105.1 million, so if Cavalier Corporation was *unsuccessful* in its *new* business then it could probably run down and liquidate itself in an orderly fashion to realise around \$44.5 million or 65 cents per share.

The current Cavalier Corporation share price of 56 cents therefore appears to discount *all of the future risks* but to ignore all of the potential benefits from re-inventing the business and potentially returning to profitability. Therefore the shares should remain at least a "Hold".

Cavalier Corporation



Colonial Motor Company reports that “in recent months the growth in passenger cars has plateaued”. The company had “a good start to the year, close to the same time last year”.

Australian Shares

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

AtCor Medical has raised \$1,000,000 in cash from the placement of 10,752,700 new shares at 9.3 cents. This increases the issued capital about 7% to 168,192,979 shares.

Acrux Ltd reports that the **European Medicines Agency** has investigated the safety of testosterone replacement therapy and issued a report that “There is no consistent evidence of an increased risk of heart problems with testosterone medicines”.

The company is also seeking expansion of its drug delivery system. It has “developed a further novel delivery platform capable of delivering compounds topically that could not be delivered using our previous technology platform. This new technology is currently being refined and new product candidates evaluated.”

The existing drug delivery technology “can be applied to many more drugs, sales of transdermal products are growing and there is always a need for alternative dosage forms for different groups of patients in different therapeutic areas”. The company is reviewing these opportunities which could result in new “commercially attractive” and “patient preferred products”. It is also looking at “acquisition and licensing opportunities to complement and/or diversify our pipeline”.

This potential expansion of commercial products may require additional expenditure at some stage in the future.

Acrux Ltd



AJ Lucas Group expects **Cuadrilla Resources** to drill two test wells in the *Bowland* prospect in early 2015 (subject to final approvals from the **British Environment Agency** and the **Lancashire County Council**). Cuadrilla has also tendered for additional acreage, with the outcome expected during the first half of the 2015 calendar year. This would not require any cash expenditure until 2016-17.

ALS Limited

Six Months to 30/9/2014

	Latest	Previous	Change
Revenues	\$710.3m	\$684.6m	+3.8%
Net Profit	\$58.4m	\$97.7m	-40.2%
Net Cash Surplus	\$87.2m	\$100.5m	-13.2%
Earnings per share	14.7c	25.3c	-41.9%
Dividends per share	11.0c	19.0c	-42.1%

ALS Minerals division experienced a 21.6% drop in revenues to \$182.0 million and lower margins resulted in a 43.5% drop in earnings to \$36.1 million. Two new mine site laboratories were commissioned during the half year. Total sample volumes throughout the half year were lower than a year earlier, but sample volumes declined during 2013 and have increased during 2014. **ALS Ltd** suggests this could be the “bottom of the cycle?” and/or market share increase.

ALS Life Sciences experienced higher volumes, but prices fell, lifting revenues just 1.4% to \$276.1 million while earnings fell 6.4% to \$50.8 million. Profit margins fell from 19.9% to 18.4%, but cost management is expected to improve margins in the second half of the year. New laboratories have been completed in the UK and Denmark, with new or upgraded facilities recently established in Brazil, Chile, Peru, China and Indonesia.

ALS Energy lifted revenues 67.5% to \$152.3 million but earnings fell 24.8% to \$17.3 million. This results from “lower volumes and reduced pricing in the coal business” and “internal issues” in the Oil and Gas business which has been significantly restructured.

ALS Industrial lifted revenues 11.9% to \$99.9 million, with earnings up 21.2% at \$16.6 million. A small (i.e. under US\$20 million) United States acquisition will likely be completed in the second half year.

ALS Ltd has negotiated US\$240 million (A\$275 million) of new three-year, multi-currency debt facilities to replace previous facilities expiring in November 2014.

ALS Ltd



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Recommended Investments

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Atlas Pearls & Perfumes reports that pearls harvested to date this year are around 15% smaller than last year. These will realise a lower price *and* the company may defer harvesting (to allow further growth), reducing the number of pearls harvested and sold this year. This situation is expected to reverse next year.

The current smaller pearls result from the seeding of younger oysters with smaller nuclei in 2011 - but "as initial results did not meet expectations, corrective measures were taken in 2012". The 2016 harvest should return to normal size, with increased volumes owing to the larger number of oysters seeded in 2012.

Atlas Pearls & Perfumes



Brickworks Ltd reports continued strong performance from its Building Products division, with revenues up 14% over the first quarter and earnings (before interest and tax) up 38% at \$13.2 million. "Future prospects remain encouraging, with orders comfortably ahead of current sales volumes".

Austral Masonry has signed a contract to purchase a previously leased property in Yatala, Queensland, for \$8.5 million (to be settled in December). The rental saving will add to profits, but ownership of the site also allows the company to consolidate its south east Queensland operations at one location. This division is also acquiring **Capricornia Rockblock**, an independent manufacturer with a modern facility in Rockhampton, Central Queensland.

The Land & Development division also reports first quarter earnings (before interest and tax) up 141% at \$15.2 million. In addition, two unconditional property sales contracts (for settlement in December 2014 and January 2015) will realise \$15.8 million.

Brickworks Ltd



Cardno Ltd has warned of a 28-37% lower first half profit of around \$27-31 million (16-19 cents per share).

This mainly relates to "the reduction in capital investment in the mining and oil and gas", especially in Australia. The construction materials testing and engineering businesses in Australia will contribute \$12 million less in earnings (before interest and tax) in this half year period.

The second half year "will be stronger than the first half" with the "conversion of the increased backlog into fee revenue in the Americas" leading to "positive organic revenue growth and improved operational performance".

Since this announcement, four Cardno *insiders* have purchased additional shares on-market at prices between 300 cents and 346 cents.

Cardno Ltd



CPT Global is predicting a "poor first half but expecting a stronger second half as new contracts kick in". European operations have suffered in the first half owing to delays finalising new contracts.

Over the last two years CPT Global has worked for companies with 442k MIPS in their IT estates, but currently has proposals for projects with seven large financial institutions with total IT estates greater than 900k MIPS. The company is targeting to save its potential customers 15% on their computing costs.

Given the relatively fixed cost nature of this business, revenue growth would have a significantly greater impact on net profits.

49% of revenues are earned offshore - while most costs are in Australian dollars - so CPT Global can also benefit significantly from a lower Australian dollar exchange rate.

Clarius Group continues to seek strong growth in its permanent recruitment business in China. The company has offices in Beijing, Chengdu, Guangzhou, Suzhou and two in Shanghai. The company predicts "sustainable profitability" from this division this financial year despite an accounting change deferring revenue recognition.

The Australian division has taken on new management, invested in technology, continues to seek to reduce costs and plans to introduce new services.

Ellex Medical Lasers has reported additional research supporting its *Retinal Rejuvenation (2RT)* technology to treat Age-Related Macular Degeneration (AMD) which affects one in seven people over the age of 50. The 24-month follow-up to a clinical study of 51 patients (treated in one eye) shows a reduced "drusen" area in 35-40% of the eyes treated (compared with a 5-11% of the untreated eyes).

Another study of the 2RT treatment on mouse eyes (and two human eyes, treated prior to being surgically removed) “demonstrated the ability of 2RT to reverse the pathological and molecular profiles of AMD without resulting in retinal damage”. The “nanosecond laser therapy can improve the health of the retinal pigment epithelium, a matrix of cells located at the back of the eye which play a critical function in maintaining eye health, which may limit the progression of AMD and prevent its advancement to the late stage known as Wet AMD”.

Ellex Medical Lasers' 2RT laser was approved for sale in Europe in March 2014 with sales to early adopters and is now being rolled out to a wider market. The company quotes estimates by **Specsavers Optometrists** (an international business with 350 stores in Australia and NZ) that it currently diagnoses around 27 cases per week per store (i.e. 14 of glaucoma, 10 of diabetic retinopathy and 3 secondary cataracts which are “currently treatable by ophthalmologists with Ellex products”). It also diagnoses 11 cases of AMD which would be treatable with the Ellex 2RT.

Ellex Medical Lasers sees the 2RT as a “major opportunity and that potential is beginning to emerge”.

The company reports strong sales and improved margins in the first quarter, but the second quarter (being the end of the US tax year) “is the important selling season for our business”. US sales rose 113% in 2014 - helped by the introduction of its SLT laser (after a competitor's patent protection expired) but this year it is facing “increased SLT competition” in that market.

Ellex Medical Lasers



Fiducian Portfolio Services plans a *legal* restructure to “better conform with legislative and regulatory changes” since the current group structure was formed.

The group will create a new ASX listed holding company and shareholders will exchange their existing Fiducian Portfolio Services shares for an equal number of shares in this new holding company. Certain contracts and assets and liabilities will be transferred to new wholly owned companies within the group.

This will create an ASX listed holding company, with separate subsidiaries for different legal functions and business activities - but overall the group's business remains exactly the same.

This restructuring requires shareholder approval at a meeting to be held on 2 February.

That was easy to understand, wasn't it? To meet its legal requirements, Fiducian Portfolio Services has produced a 197 page report for shareholders that contains

no other information of any significance.

Iluka Resources has entered into an agreement with listed gold miner **Doray Minerals** which *could* create value from its existing large tenements at no cost to Iluka Resources (prior to a decision to mine).

Under the agreement Doray Minerals will spend up to \$7 million over the next six years to acquire up to an 80% interest in “gold resources” (i.e. where 80% of the value is gold) on 21,000 km² of Iluka Resources tenements. Doray Minerals will “free carry” Iluka Resources through to a decision to mine any gold resources at which stage Iluka Resources can fund its 20% share of future costs (or have that interest diluted using a standard industry dilution formula). Iluka Resources will also receive a 2% net smelter royalty on any precious metals or base metals or other minerals produced.

Iluka Resources will also retain 100% ownership of any “non-gold” prospect, at no cost, discovered by Doray Minerals (unless Iluka Resources chooses not to explore the resource, in which case Doray Minerals has the option to continue exploration, with Iluka Resources retaining a 20% interest *or* the option to buy out Doray Resources at three times the exploration expenditure).

This is a “highly prospective and virtually unexplored” region owing to sand cover no more than 60 metres deep. Doray Minerals will target “two main styles of gold mineralisation that have the potential to deliver major, large-scale gold deposits”. Iluka Resources already has valuable data for this new exploration:

Iluka Resources has collected 2000 “bottom-of-hole” drill samples (and depth data) from its exploration for mineral sands. These samples have already been subject to XRF analysis. This data and the samples (for further analysis) will be available to Doray Minerals.

Iluka Resources also has “ultra-detailed aeromagnetic” data over much of this area, collected at a line spacing as close as 20 metres. This will “greatly assist” the delineation of structure and geological units”.

Integrated Research earns 95% of its revenue outside Australia but incurs 53% of its expenses in Australia. So each 1% fall in the Australian dollar will boost net profits (and, all other things being equal, the share price) by 3%. A 10% fall in the exchange rate will boost net profits 30%.

So Integrated Research is not only a great debt-free, cash rich company with sound growth potential and a very high 5.2% Dividend Yield but it is an excellent natural hedge in our portfolio against a falling Australian dollar.

The company's recent presentation states that “Integrated Research has built a base of world class customers *without significant marketing focus.*” It is now “building a smart, lean and effective *start-up* marketing strategy to fully leverage the leadership that *Prognosis* has in the market”. The company is building digital marketing capabilities, has launched new marketing campaigns, completed a strategic brand review and launched a brand re-fresh on 18 November.

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Recommended Investments

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Software is a relatively fixed-cost, economies-of-scale business, so any lift in revenues should boost bottom line net profits!

Mt Gibson Iron has closed its *Koolan Island* mine and placed it on “care and maintenance”. This follows a small slip in the seawall on 24 October and a second slip on 25 November that flooded the Main Pit.

The workforce has been made redundant (which will cost about \$11 million) and a comprehensive evaluation of the situation will consider “timing and cost of a range of options to rebuild the Main Pit seawall and resume production”. This will be considered based upon “the outlook for the iron ore market, iron ore prices and exchange rates” and “what action will best preserve and create value for shareholders”.

This is the correct action as it would not benefit shareholders to spend large amounts of cash re-developing this mine which - at current low iron ore prices - would probably provide an inadequate rate of return.

Accounting rules will require the company to make large write-downs in asset values - but that has no impact on current or future cash flows or its cash holding.

Mt Gibson Iron has insurance covering property damage and business interruption and has commenced discussions with its insurer.

The company confirms that it has cash of \$360 million (33 cents per share) at 30 November (and virtually no debt) - yet the shares fell to 20½ cents on Friday. That is a 38% discount to its cash in the bank, with no value placed upon its iron ore business or other assets!

The very best thing that Mt Gibson Iron could do in the current situation would be to repurchase its own shares on market. Its cash holding is far in excess of the amount needed to maintain its iron ore business.

If \$72 million (i.e. 20% of its cash) was used to repurchase shares, then at 20½ cents it could repurchase 350 million shares or 32% of its capital. The cash per share would increase 18% from 33 cents (i.e. \$360 million divided by 1090.8 million shares) to 39 cents (\$288 million divided by 740.8 million shares) while each remaining share would also own a 47% greater share of its iron ore business and other assets! This is the way to create significant wealth for shareholders!

Mt Gibson Iron shares trade at a significant discount to their cash holding, so we continue to rate the shares a “Buy”.

Mt Gibson Iron



Melbourne IT has signed a reseller agreement with **Tiger Pistol** and made a \$1.25 million investment in that company through five year convertible notes on “commercial terms”. Tiger Pistol is a social media marketing platform for small and medium sized businesses. Melbourne IT will offer this service to its customers seeking “Do-it-for-me” social media promotion.

M2 Group continues to forecast revenue growth of 8-9% and net profit growth of 15-20% for the June 2015 financial year.

The company has extended its \$362.5 million loan facility. Debt is currently \$277.5 million, leaving \$85.0 million of undrawn facilities.

Two *insiders* sold shares on-market in November to realise partial profits. While we certainly wouldn't sell out completely from a growing company like M2 Group, our investment has grown 28-fold in value over the last eight years. Investors who are over-weighted in M2 Group could also consider some partial profit-taking (i.e. perhaps 25-33%?), to diversify portfolios and take advantage of lower current share prices for many of our other portfolio holdings.

M2 Group



Nomad Building Solutions has been awarded a \$4.1 million contract for the *Ranges Stage 1B* project in Karratha, Western Australia. This will involve building 32 units, with work starting immediately and scheduled for completion in mid-May 2015.

Novarise Renewable Resources reports that its major shareholders have failed to pay any part of the A\$7.32 million (i.e. 30% of the proposed buyout amount) by 6 November. The major shareholder, however, “remains confident that it will obtain the funding in the short term”.

Probiotec Ltd is seeking to simplify its business and focus on three areas: Contract Healthcare manufacturing, Intellectual property development and the “Healthy Lifestyle Program”.

The intellectual property development mainly involves dairy proteins. The results of the clinical study into atopic dermatitis (eczema) should be available in the second half of the current financial year. The company has also “commenced a research partnership with a large animal nutrition company” to study the use

of dairy protein supplements for infant pigs in developing disease resistance (and reducing the need for antibiotics).

The “Healthy Lifestyle Program” (developed with CSIRO) was launched to a test market of 130 pharmacies in May 2014, fully launched to a further 100 pharmacies in August and expects to licence a further 120 pharmacies by February 2015. The program has 11,700 members, with that expected to grow to 18,000 members by February.

Prophecy International Holdings reports success with its efforts to “accelerate growth” in sales of its *SNARE* software. For the first four months of the current financial year, sales are up around 70% and the company expects to “maintain this momentum” for the half year.

It expects to finalise new marketing partnerships “in the next few months” that should help continue this growth.

The company reports “wide interest” in its *Births, Deaths and Marriages* registry system software in Australia and overseas, and has been “short listed for a major opportunity in this area”.

Prophecy International is continuing to assess potential software business acquisitions.

The first half year result is expected “to show strong revenue and profit” growth, “exceeding last year”. Full year revenues “should show significant growth”, with the full year profit “well ahead” of the June 2014 result. Cash on hand in mid-November was over \$5 million (9 cents per share) - up from \$4.7 million at June 2014.

Prophecy International Holdings



Skilled Group is to increase its ownership of the **Offshore Marine Services Alliance (OMSA)** from 50% to 100% and then combine the business with its existing **Broadword Marine** business. OMSA was formed to work on the **Gorgon Project** through to December 2015.

Skilled will pay **PB Sea-Tow Holdings (BVI)** A\$6.9 million (net of cash acquired in the OMSA partnership), an amount equal to 50% of OMSA's expected net cashflows to June 2015. So this acquisition will repay its cost over the next six months. The Gorgon Project is winding down, but Skilled Group believes there is “an attractive pipeline of operational and project opportunities in the offshore market” and will acquire OMSA's systems, expertise and “high quality” staff through this full acquisition of the business.

Technology One

Year to 30/6/2014

	Latest	Previous	Change
Revenues	\$195.1m	\$180.6m	+8.0%
Net Profit	\$31.0m	\$27.0m	+14.8%
Net Cash Surplus	\$35.1m	\$33.0m	+6.3%
Earnings per share	10.1c	8.8c	+14.8%
Dividends per share	6.16c	5.60c	+10.0%

In addition to the final dividend of 4.21 cents, Technology One will pay a special dividend of 2.0 cents. The company has no interest bearing bank debt but cash in the bank of \$80.2 million (26.0 cents per share).

Initial Licence fees rose 11% to \$42.0 million and recurring Annual Licence fees were 16% higher at \$84.2 million. Consulting fees were up 5% at \$49.7 million, while PLUS (i.e. custom software development) revenues fell 15% to \$13.7 million.

The company states that “Over the last ten years Technology One has invested substantial funds in building new products such as Human Resources & Payroll, Asset Management, Enterprise Content Management, Stakeholder Management and others. These products have been a drag on the company's earnings over that time, but as they are now approaching best in class status, we are seeing them move to profitability.” This should significantly boost profit growth over the next several years as these software products “continue to mature” and “generate a significant return on our investment”.

Profitability from the UK operations could be further away but this is potentially a large market and software is an economies-of-scale business. The UK operations lost \$800,000 - but, given the potential, that is a small “investment” in seeking to expand in that market. The company added five new UK customers over the last year, taking the total to 17 customers. The company estimates that a “critical mass” would be “in excess of 40 customers” in the UK. At current rates that could take another five years!

Technology One expects “strong profit growth for 2015”, although the first half “will be challenging” with most new sales (and initial licence fees) expected in the second half.

Technology One



TFS Corporation is a business that will benefit significantly from a weaker Australian dollar - and is also a very attractive growth business! Virtually all of its future income (i.e. from wood and oil sales) will be in US dollars while
(Continued on Page 10)

Recommended Investments

(Continued from Page 9)

virtually all of its costs are in Australian dollars. A lower Australian dollar therefore significantly increases current (and future) profit margins. The lower exchange rate will also boost the Australian dollar return to institutional plantation investors and help trigger significant future “performance” fee revenues for the company on these higher returns!

Earlier this year the company entered a 20-year contract to supply Sandalwood Oil to **Galderma** at US\$4500 per kilogram (i.e. about *double* the market price at the time) and recently finalised a contract to sell to a European fragrance company at US\$4750 per kilogram. Later this financial year it expects its first Sandalwood Oil sale to the Chinese body care market. Next financial year (i.e. to June 2016) with a larger harvest, the company expects Chinese manufacturers to bid for wood “at pricing equal to or in excess of the pharmaceutical market”.

These oil prices also significantly exceed the US\$2500 per kilogram used to value TFS Corporation's “biological assets” (i.e. the discounted net present value of its plantation assets).

As previously reported, Galderma will launch its Sandalwood Oil acne treatment at the end of December. TFS Corporation's 50% owned **Santalís Pharmaceuticals** will receive undisclosed “upfront and short term milestone payments and annual royalties based on product launches and revenue from product sales” - which should generate a significant milestone payment on the product launch at the end of this month. A weaker exchange rate *increases* the Australian dollar value of these US dollar milestone and royalty payments.

A study by the **University of British Columbia**, Canada, (commissioned by Santalis Pharmaceuticals) has found that a 0.001% concentration of Sandalwood Oil is as effective as 10% benzoyl peroxide, the most commonly used product to treat acne. Sandalwood Oil was also as effective as erythromycin, the leading prescription drug used for the treatment of acne, at controlling the growth of acne bacteria.

There are 40-50 million acne sufferers in the United States with a market size of US\$4 billion annually. This could also be an *extremely* profitable, high margin business for Galderma - enabling the payment of significant milestones and high royalties. At a 0.001% concentration of Sandalwood Oil and 0.5% Salicylic Acid, a 177 ml bottle of *Benzac* Skin Balancing Foaming Cleanser will contain less than one cent and a just few cents worth, respectively, of these active ingredients.

ViroXis (a private US company in which TFS Corporation has an option to acquire a 7% shareholding for US\$1.5 million) is developing a range of anti-viral products based upon TFS Corporation's Sandalwood Oil. An OTC product has been licensed to Galderma and expected to be launched in the United States in the “near term”. Two other products are in Phase II FDA trials. These products will create further high value end uses for TFS Corporation's Sandalwood Oil - plus the potential for a capital gain on its option investment.

TFS Corporation announced in March that a new institutional investor had approved the investment of up

to \$54 million. That has resulted in the receipt last month of A\$20 million (plus GST) from the **Church Commissioners for England** investing in two new plantations.

TFS Corporation's share price peaked at 224 cents in September, falling back 48% to a low of 116½ cents in late November, before starting to recover and ending last week at 149 cents. There have been five *insider* buys over the last year, including two in November. F Wilson bought 750,000 shares on-market at 143 cents to lift his holding to 47,551,493 shares (14.5% of the company). D Gooding made an initial on-market purchase of 100,000 shares at 138½ cents.

With the company continuing to grow its business, the recent dip in the share price appears to offer good value and we are upgrading the shares to a “Buy”.

TFS Corporation



Village Roadshow reports some mixed results for the new financial year. The Gold Coast theme parks are “trading on par” with the previous year, the new Sydney theme park is “tracking to expectations” but this is a “seasonal park” where the Christmas school holidays are critical, while the US theme parks have been “adversely impacted” by the opening of a new competing water park but should “rebound in the 2015 season commencing in May”.

The China and South East Asia theme park developments are continuing - although many are *potential* projects at an early stage of investigation and negotiation with possible partners. Construction is continuing at the **Hainan Island Marine Park and Water Park** and *planning* is “progressing” for a water park in Guangxi Province, Southern China, with a tentative opening date of mid-2016.

Cinema Exhibition in Australia is in line with the previous year, but “extremely strong film product” should boost performance for the rest of the year. The new **Suntec City**, Singapore, complex opened on 16 November, but the sale of the Belfast business is delayed, “negatively impacting earnings by \$3 million per annum”.

47% owned Village Roadshow Entertainment Group has sold 50% of the future cashflows from its current film library to reduce debt.

Development of the Digital business to “enhance website, customer data collection and analytics” is expected to cost \$3 million in the second half of this financial year, but to generate improved returns in the medium term.

The company *may* pay a special 10.0 cents dividend this year, “subject to circumstances at that time”.

“Neglect” Ratings of Australian Shares

“Neglected” Shares = 0-2 Brokers, “Moderately Followed” Shares = 3-9 Brokers, “Widely Followed” Shares = 10 or more Brokers.

Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)
1300 Smiles Ltd	2	145	Bradken Ltd	14	775	Fairfax Media	13	1,787	Kingrose Mining	1	93
360 Capital Ind	2	299	Brambles Ltd	15	15,896	Fantastic Hold.	8	181	Korvest Ltd	2	52
360 Capital Grp	2	245	Breville Group	12	835	Federation Cent	12	3,997	Kula Gold Ltd	2	7
A.P. Eagers	3	1,018	Brickworks Ltd	6	1,857	Finbar Group	1	297	Lachlan Star	1	3
ABM Resources	2	66	Brierty Ltd	2	42	Finders Res.	4	87	Legend Corp.	3	56
AGL Energy Ltd	14	9,001	Brockman Mining	1	440	Fleetwood Corp	7	73	Leighton Hold	16	7,142
ALS Limited	17	2,120	Buru Energy Ltd	4	153	Flexicorp Ltd	11	949	Lend Lease Grp	14	9,024
AMA Group Ltd	15	114	C.S.R. Ltd	15	1,842	Flight Centre	19	3,928	Lifestyle Com.	4	203
AMP Ltd	15	16,800	CSG Ltd	3	333	Flinders Mines	2	35	Lindsay Aust	1	98
ANZ Bank	17	88,488	CSL Limited	14	40,844	Folkestone Ltd	2	137	Logicamms Ltd	4	50
APA Group	15	6,811	Cabcharge Ltd	8	530	Folkestone Educ	3	406	Lonestar Res.	4	158
APN News Media	9	751	Calibre Group	3	109	Fortescue Metal	23	8,345	Lynas Corp Ltd	5	185
ARB Corporation	9	806	Caltex Austria	10	8,405	Freelancer Ltd	2	251	M2 Group Ltd	13	1,530
ASG Group Ltd	2	145	Cape Lambert R.	1	56	Freedom Foods	2	495	MacMahon Hold	6	93
ASX Limited	17	7,018	Capital Health	2	263	Funtast Ltd	5	36	Maca Limited	4	219
AV Jennings	2	221	Capral Limited	1	50	G.U.D. Holdings	12	514	Macquarie Group	16	19,410
AVEO Group	5	1,059	Cardno Ltd	10	505	G8 Education	11	1,662	Macquarie Atlas	5	1,673
AWE Limited	10	655	Carindale Prop	2	455	GBST Holdings	4	258	Macquarie C Tel	2	107
Abacus Property	5	1,487	Carnarvon Pet.	1	183	GI Dynamics	3	133	Magellan Fin Gp	8	2,551
Acrux Ltd	6	209	Carsales.com	19	2,564	GPT Group	14	7,163	Mastermyne Grp	2	19
Adelaide Bright	15	2,314	Cash Converters	4	419	GR Engineering	1	113	Matrix Comp.	2	73
Admedus Limited	2	166	Cedar Woods Prp	4	470	GWA Group Ltd	12	849	Maverick Drill.	1	57
Ainsworth Game	7	693	Celsius Coal	1	2	Gage Road Brew.	2	61	Maxi TRANS	3	88
Alacer Gold	12	234	Centaurus Metal	1	10	Gale Pacific	4	70	Mayne Pharma Gr	7	362
Alchemia Ltd	4	28	Ceramic Fuel C.	2	18	Genetic Tech.	2	13	McMillan Shake.	6	819
Ale Property	4	616	Challenger Ltd	15	3,618	Generation HC	2	258	McPherson's Ltd	3	114
Alkane Explor.	3	87	Chandler McLeod	4	181	Genworth Mort.	8	2,184	Medusa Mining	8	154
Alliance Aviat.	3	106	Chart H Retail	11	1,544	Geodynamics Ltd	1	18	Melbourne IT	3	126
Altium Limited	4	427	Charter Hall GR	10	1,676	Gindalbie Met.	3	33	Mermaid Marine	12	479
Altona Mining	3	125	Clearview Wlth	4	523	Global Con Serv	1	80	Mesoblast Ltd	7	1,404
Altura Mining	2	30	Coal of Africa	1	70	Goodman Fielder	10	1,232	Metcash Ltd	15	1,680
Alumina Ltd	14	4,855	Coalspur Mines	2	7	Goodman Group	14	9,862	Metgasco Ltd	1	22
Amalgamated Hld	4	1,800	CocaCola Amatil	14	7,071	Graincorp	13	1,900	Millennium Min.	3	14
Amcom Telecom.	8	623	Cochlear Ltd	16	4,121	Grange Resource	2	116	Mincor Resource	4	105
Amcor Ltd	13	15,470	Cockatoo Coal	3	64	Greencross Ltd	8	890	Mineral Deposit	3	93
Aneka Tambang	5	10,475	Codan Ltd	3	140	Growthpoint Pro	6	1,520	Mineral Res.	7	1,371
Ansell Ltd	15	3,237	Coffey Int'l	2	73	Gryphon Mineral	8	20	Mint Wireless	2	28
Aquarius Plat.	7	410	Cogstate Ltd	2	19	HFA Holdings	1	240	Mirabela Nickel	1	28
Ardent Leisure	9	1,298	Cokal Limited	3	47	Hansen Tech.	2	271	Mirvac Group	14	6,673
Arena REIT	3	325	Collins Foods	6	205	Harvey Norman	16	3,962	Monadelphous Gr	16	849
Aristocrat Leis	14	4,133	Collection Hse	7	263	Hazelwood Res.	1	26	Money3 Corp Ltd	2	163
Arrium Limited	12	543	Colorpak Ltd	1	53	Helloworld Ltd	4	115	Mortgage Choice	4	307
Asciano Limited	16	5,638	Com'wealth Bank	17	%132,364	Henderson Group	9	3,139	Mt Gibson Iron	15	224
Astro Japan Pro	3	323	Comet Ridge Ltd	2	50	Hills Limited	6	271	My Net Fone Ltd	4	239
Atcor Medical	1	15	Computershare	18	6,357	Hillgrove Res.	5	66	Myer Holdings	17	917
Atlas Iron Ltd	18	138	Cooper Energy	5	115	Horizon Oil Ltd	8	241	Mystate Ltd	3	403
Atrium Coal NL	1	193	Corp Travel M.	8	905	Hot Chili Ltd	2	54	NRW Holdings	10	103
Attila Res Ltd	2	23	Cover-More Grp	6	658	Hotel Property	2	368	Nanosonics Ltd	4	296
Aurelia Metals	3	82	Cromwell Prop.	7	1,761	Hughes Drilling	2	25	Nat'l Aust Bank	17	76,668
Aurizon Hold.	17	9,896	Crown Resorts	15	10,081	Hutchison Tel.	2	882	Navitas Ltd	11	1,869
AusNet Services	14	4,624	Crowe Horwath	6	134	I-Property Grp	6	458	Nearmap Ltd	5	215
Ausdrill Ltd	9	133	Crusader Res.	2	27	IMF Bentham Ltd	5	370	Neon Energy Ltd	1	19
Ausenco Ltd	4	76	DUJET Group	14	3,319	IMX Resources	2	6	Neuren Pharm.	2	180
Aust Vintage	2	92	DWS Limited	6	140	IOOF Holdings	14	2,701	New Hope Corp.	7	2,019
Austbrokers	6	617	Data 3 Ltd	3	105	IRESS Limited	7	1,631	New Standard En	3	17
Austal Limited	4	433	Decmil Group	6	207	Icar Asia Ltd	4	187	NewSat Ltd	1	122
Aust Agricult.	1	764	Devine	1	160	liNet	15	1,356	Newcrest Mining	16	7,995
Austin Eng.	4	69	Dexus Property	13	6,402	Iluka Resources	13	2,734	Nextdc Limited	10	369
Aust Ren. Fuels	1	5	Dicker Data Ltd	1	213	Imdex Limited	6	95	Nexus Energy	1	17
Aust Pharm. Ind	8	425	Dick Smith Hold	7	504	Impediment Ltd	3	217	Nib Holdings	11	1,370
Austex Oil Ltd	1	78	Domino's Pizza	14	2,181	Incitec Pivot	17	4,965	Nick Scali Ltd	3	219
Automotive Hold	14	1,195	Donaco Inter'l	5	302	Independ. Group	18	977	Nido Petroleum	1	81
Azonto Petrol.	2	7	Doray Minerals	6	46	Indophil Res.	1	343	Nine Entertain.	13	1,909
BC Iron Ltd	12	91	Downer EDI Ltd	15	1,877	Infigen Energy	2	211	Novion Property	13	6,680
BHP Billiton	19	97,700	Drillsearch	13	408	Infomedica Ltd	4	353	Nthn Star Res.	7	681
BT Invest Mgmt	10	2,017	DuluxGroup Ltd	14	2,286	Ingenia Com Grp	5	387	Nucoal Res.	1	8
BWP Trust	9	1,676	Dyesol Ltd	1	65	Insurance Aust.	16	14,752	Nufarm Limited	11	1,242
Bandanna Energy	4	44	E-Bet Limited	1	72	Int Research	2	164	OM Holdings	1	264
Bank of Q'land	17	4,546	ERM Power Ltd	5	488	Investa Office	4	2,254	OZ Minerals Ltd	20	941
Base Resources	4	113	Echo Ent Group	15	3,047	Invocare Ltd	10	1,303	Oil Search Ltd	19	11,694
Beach Energy	15	1,200	Elders Limited	4	176	Ironbark Zinc	1	37	OnTheHouse Hold	3	45
Beadell Res.	11	176	Ellex Medical	1	32	Isentia Limited	3	336	Orica Ltd	15	6,631
Bega Cheese Ltd	7	752	Emeco Holdings	7	102	Isentia Group	5	580	Origin Energy	15	12,446
Bendigo Bank	18	5,871	Emerchants Ltd	2	67	JB Hi-Fi Ltd	18	1,574	Orocobre Ltd	5	327
Berkeley Res.	2	51	Empire Energy	1	24	James Hardie	12	5,579	Orora Limited	11	2,257
Bigair Group	2	137	Endeavour Min.	4	26	Jameson Res.	1	18	Oroton Group	8	153
Billabong Int'l	5	664	Energy Resource	7	642	Jumbo Interact.	3	49	Osprey Medical	2	68
Bionomics Ltd	3	186	Energy Develop.	6	908	Jupiter Energy	1	61	Ottoman Energy	2	105
Blackmores Ltd	6	568	Energy Action	3	58	K&S Corporation	4	117	Ozforex Group	5	658
Blackthorn Res.	1	35	Equity Trustees	3	376	K2 Asset Mgmt	2	119	Pacific Energy	2	176
Bluescope Steel	12	2,869	Ethane Pipeline	2	120	Kardoon Gas	9	685	Pacific Brands	14	482
Boart Longyear	8	98	Evolution Min.	11	382	Kasbah Resource	2	24	Pact Group Hold	8	1,250
Boom Logistics	3	66	Excelsior Gold	1	23	Kina Petroleum	2	82	Paladin Energy	14	319
Boral Limited	15	4,031	FSA Group Ltd	2	130	Kingsgate Cons.	7	148	Panaust Ltd	19	952

Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (\$ Mill.)
Panoramic Res.	8	121	Rex Minerals	2	29	Spotless Group	5	2,098	Treasury Wine	14	3,107
Paperlin X Ltd	1	25	Ridley Corp.	6	286	St Barbara Ltd	5	41	Treasury Group	3	270
Patties Foods	5	181	Rio Tinto Ltd	17	24,899	Starpharma Hold	6	166	Troy Resources	3	89
Peet Ltd	6	546	Roc Oil Company	4	468	Steadfast Group	7	758	UGL Limited	13	326
Perpetual Ltd	14	2,206	Royal Wolf Hold	6	267	Sth Cross Elect	2	61	UJC Limited	8	262
Perseus Mining	16	126	Ruralco Hold.	4	274	Sth Cross Media	12	731	Un. Biosensors	1	28
Pharmaxis Ltd	3	15	SAI Global Ltd	12	824	Stockland	12	9,865	Unity Mining	1	9
Phoenix Gold	2	33	SMS Mgmt & Tech	11	232	Suncorp Group	16	18,501	Universal Coal	2	34
Platinum Asset	10	4,131	STW Comm Group	7	471	Sundance Res.	3	92	Village Road.	7	1,059
Poseidon Nickel	2	73	Salmat Ltd	6	176	Sundance Energy	5	302	Villa World Ltd	1	176
Praemium Ltd	1	74	Sandfire Res.	16	677	Sunland Group	2	283	Viralitics Ltd	2	55
Premier Invest	16	1,660	Santos Ltd	15	8,251	Super Retail Gr	21	1,521	Virgin Aust	13	1,480
Primary Health	15	2,443	Saracen Mineral	6	182	Swick Min Serv	3	47	Virtus Health	10	584
Prime Media Grp	6	293	Scentre Group	11	18,848	Sydney Airport	14	10,350	Vision Eye Inst	1	130
Pro Maintenance	9	288	Sedgman Ltd	6	125	Syrah Resources	5	481	Vita Group Ltd	3	160
Q.B.E. Insur.	16	15,192	Seek Ltd	17	5,902	TFS Corporation	2	487	Vita Life Sci.	1	82
QRXPharma Ltd	1	3	Select harvest	8	468	TPG Telecom Ltd	13	5,715	Vmoto Ltd	1	42
Qantas Airways	14	4,612	Senex Energy	13	328	Tabcorp Holding	14	3,208	Vocation Ltd	6	43
Qube Holdings	13	2,362	Seven Group	9	1,744	Tandou Ltd	3	89	Vocus Comm.	7	627
RCG Corporation	3	174	Seven West Med.	13	1,549	Tap Oil	2	100	W'bool Cheese	3	449
RCR Tomlinson	7	231	Seymour Whyte	2	124	Tassal Group	6	545	WDS Limited	3	41
REA Group Ltd	14	5,980	Shine Corporate	5	510	Tatts Group Ltd	14	4,916	Watpac Ltd	1	144
RXP Services	3	82	Shopping Centre	9	1,190	Technology One	9	926	Webjet NL	11	227
Ramelius Res.	1	22	Sigma Pharm.	11	809	Telstra	18	69,319	Wellcom Group	3	124
Ramsay Health	15	11,139	Silex Systems	4	89	Ten Network	13	526	Wesfarmers Ltd	16	48,269
Range Resources	2	55	Silver Lake Res	10	113	Teranga Gold	4	37	Westfield Ret.	7	9,772
Recall Holdings	14	1,923	Silver Chef Ltd	6	175	The Reject Shop	12	187	Western Areas	16	968
Reckon Limited	9	207	Sims Metal Mgmt	13	2,210	Thorn Group Ltd	6	461	Westfield Group	7	22,526
Red Fork Energy	1	4	Sino Gas & En.	3	293	Tiger Resources	6	149	Westpac Banking	17	%102,630
Redflow Limited	1	75	Sirius Res. NL	10	854	Tigers Realm	1	52	Westfield Corp.	12	17,768
Reece Australia	2	3,092	Sirtex Medical	10	1,605	Tissue Therapy	2	74	Whitehaven Coal	19	1,287
Regeneus Ltd	2	24	Skilled Group	11	356	Titan Energy	5	14	Wide Bay Aust.	3	193
Regis Resources	19	737	Slater & Gordon	11	1,304	Tiou Energy Ltd	2	35	Woodside Petrol	16	29,422
Regional Exp.	1	115	Smart Parking	1	39	Toll Holdings	15	4,211	Woolworths Ltd	16	38,952
Resource Equip.	2	50	Somnosed Ltd	3	128	Toro Energy Ltd	1	116	Worley Group	15	2,575
Resource Gener.	1	70	Sonic Health	15	6,941	Tox Free Sol.	12	312	World Titanium	1	6
Resolute Mining	6	144	Soul Pattinson	1	3,428	TransPacific In	11	1,414	XRF Scientific	1	25
Retail Food Grp	9	877	Spark Infrastru	11	2,947	Transfield Serv	13	904	Yancoal Aust.	2	124
Reva Medical	3	161	Spec Fashion	6	152	Transurban Grp	12	16,490			

Short Interest in Australian Shares

Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)
1-Page Ltd	0.6%	60	Arafura Res.	0.0%	22	Beach Energy	0.9%	1,200	Chart H Retail	4.4%	1,544
360 Capital Ind	0.0%	299	Ardent Leisure	0.4%	1,298	Beadell Res.	7.0%	176	Charter Hall GR	0.2%	1,676
3P Learning	1.0%	317	Arena REIT	0.1%	325	Bega Cheese Ltd	1.8%	752	Clearview Wth	0.0%	523
A.P. Eagers	0.0%	1,018	Aristocrat Leis	0.2%	4,133	Bendigo Bank	3.7%	5,871	Clinuvel Pharm.	0.1%	176
ABM Resources	0.1%	66	Arrium Limited	2.4%	543	Berkeley Res.	0.0%	51	Coal of Africa	0.0%	70
AED Oil Ltd	0.0%	35	Asaleo Care Ltd	1.1%	1,128	Bigair Group	0.0%	137	Coalspur Mines	0.1%	7
AGL Energy Ltd	0.8%	9,001	Asciano Limited	0.3%	5,638	Billabong Int'l	1.2%	664	CocaCola Amatil	3.6%	7,071
AJ Lucas	0.1%	214	Ashley Services	0.1%	224	Birimian Gold	0.5%	9	Cochlear Ltd	10.0%	4,121
ALS Limited	7.4%	2,120	Aspen Group Ltd	0.1%	147	Blackmores Ltd	0.1%	568	Cockatoo Coal	0.0%	64
AMP Ltd	0.5%	16,800	Aspire Mining	0.4%	22	Blackham Res.	0.6%	9	Codan Ltd	0.1%	140
ANZ Bank	0.5%	88,488	Astro Japan Pro	0.2%	323	Blackthorn Res.	0.0%	35	Coffey Int'l	0.0%	73
APA Group	1.6%	6,811	Atlas Iron Ltd	12.7%	138	Bluescope Steel	1.3%	2,869	Cokal Limited	0.0%	47
APN News Media	0.1%	751	Atrum Coal NL	0.0%	193	Boart Longyear	4.1%	98	Collins Foods	0.1%	205
ARB Corporation	0.9%	806	Aurizon Hold.	0.1%	9,896	Boral Limited	1.7%	4,031	Collection Hse	2.8%	263
ASG Group Ltd	0.0%	145	AusNet Services	1.6%	4,624	Bradken Ltd	4.2%	775	Com'wealth Bank	1.2%	132,364
ASX Limited	3.0%	7,018	Ausdrill Ltd	6.9%	133	Brambles Ltd	0.3%	15,896	Compass Res	0.0%	211
AVEO Group	0.7%	1,059	Ausenco Ltd	0.5%	76	Breville Group	3.0%	835	Computershare	1.2%	6,357
AWE Limited	0.7%	655	Aust Ind REIT	0.2%	212	Brickworks Ltd	0.0%	1,857	Cooper Energy	0.0%	115
Abacus Property	0.2%	1,487	Austbrokers	0.1%	617	Burson Group	1.6%	391	Corp Travel M.	0.3%	905
Acrux Ltd	12.6%	209	Austal Limited	0.1%	433	Buru Energy Ltd	4.8%	153	Cover-More Grp	1.9%	658
Adelaide Bright	1.6%	2,314	Aust Agricul.	1.3%	764	C.S.R. Ltd	2.4%	1,842	Credit Corp	1.0%	451
Admedus Limited	0.0%	166	Austin Eng.	0.8%	69	CSG Ltd	0.1%	333	Cromwell Prop.	0.5%	1,761
Affinity Educ.	0.0%	196	Aust Pharm. Ind	2.2%	425	CSL Limited	0.4%	40,844	Crown Resorts	1.8%	10,081
Ainsworth Game	0.7%	693	Austex Oil Ltd	0.0%	78	Cabcharge Ltd	7.7%	530	Crowe Horwath	1.7%	134
Alacer Gold	0.7%	234	Automotive Hold	1.2%	1,195	Cadence Capital	0.1%	285	CuDeco Ltd	4.1%	311
Ale Property	1.3%	616	Avanco Res.	0.2%	123	Caltex Austria	0.5%	8,405	DUET Group	1.4%	3,319
Alkane Explor.	0.2%	87	Azonto Petrol.	0.0%	7	Cape Lambert R.	0.0%	56	Data 3 Ltd	0.0%	105
Alliance Aviat.	0.0%	106	Azumah Res.	0.0%	7	Capital Health	0.1%	263	Decmil Group	0.8%	207
Altium Limited	0.1%	427	BC Iron Ltd	9.1%	91	Cardno Ltd	6.7%	505	Deep Yellow Ltd	0.0%	26
Alumina Ltd	1.2%	4,855	BHP Billiton	0.3%	97,700	Carnarvon Pet.	0.3%	183	Devine	0.0%	160
Amalgamated Hld	0.0%	1,800	BT Invest Mgmt	0.0%	2,017	Carsales.com	6.3%	2,564	Dexus Property	0.2%	6,402
Amcom Telecom.	2.1%	623	BWP Trust	1.7%	1,676	Cash Converters	2.4%	419	Dick Smith Hold	7.4%	504
Amcor Ltd	0.8%	15,470	Bandanna Energy	3.3%	44	Cedar Woods Prp	0.2%	470	Discovery Metal	0.2%	10
Ansell Ltd	4.0%	3,237	Bank of Q'land	0.6%	4,546	Central Petrol.	0.1%	42	Domino's Pizza	1.5%	2,181
Antares Energy	0.3%	73	Base Resources	1.0%	113	Challenger Ltd	0.1%	3,618	Donaco Inter'l	1.5%	302
Aquarius Plat.	0.2%	410	Bathurst Res.	0.0%	25	Chandler McLeod	0.1%	181	Doray Minerals	0.1%	46

Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)	Company	Short Interest Ratio	Market Capitalisation (\$ Mill.)
Downer EDI Ltd	5.9%	1,877	Isentia Group	0.2%	580	Oroton Group	0.6%	153	Sims Metal Mgmt	9.0%	2,210
Drillsearch	3.5%	408	Isentri Ltd	0.1%	17	Ozforex Group	3.8%	658	Sino Gas & En.	0.8%	293
DuluxGroup Ltd	0.9%	2,286	JB Hi-Fi Ltd	12.6%	1,574	PMP Limited	0.0%	130	Sirius Res. NL	4.6%	854
ERM Power Ltd	0.4%	488	James Hardie	1.8%	5,579	Pacific Brands	8.3%	482	Sirtex Medical	0.3%	1,605
Echo Ent Group	0.9%	3,047	Japara Health.	3.3%	510	Pact Group Hold	0.9%	1,250	Skilled Group	2.4%	356
Elders Limited	1.5%	176	KBL Mining Ltd	0.0%	14	Paladin Energy	12.8%	319	Slater & Gordon	2.2%	1,304
Elemental Min.	0.0%	78	Kardoon Gas	6.8%	685	PanTerra Gold	0.0%	18	Sonic Health	0.7%	6,941
Emeco Holdings	1.4%	102	Kingsgate Cons.	11.3%	148	Panaust Ltd	0.1%	952	Soul Pattinson	0.0%	3,428
Energy Resource	2.2%	642	Kingroose Mining	0.1%	93	Panoramic Res.	0.1%	121	Spark Infrastru	1.5%	2,947
Energy World	2.7%	633	Kogi Iron Ltd	0.6%	12	Panorama Syn.	0.0%	155	Spec Fashion	0.0%	152
Equatorial Res.	0.0%	29	Leighton Hold	1.7%	7,142	Paperlin X Ltd	0.0%	25	Spotless Group	2.9%	2,098
Equity Trustees	0.2%	376	Lend Lease Grp	0.3%	9,024	Patties Foods	0.0%	181	St Barbara Ltd	2.1%	41
Evolution Min.	7.2%	382	Lifestyle Com.	0.0%	203	Peet Ltd	0.0%	546	Starpharma Hold	4.0%	166
FAR Ltd	0.5%	238	Liq Natural Gas	2.1%	1,247	Peninsula En.	0.1%	72	Steadfast Group	4.2%	758
Fairfax Media	2.4%	1,787	Logicamms Ltd	0.0%	50	Perpetual Ltd	2.6%	2,206	Sth Cross Media	5.8%	731
Fantastic Hold.	0.0%	181	Lonestar Res.	0.2%	158	Perseus Mining	4.1%	126	Stockland	0.4%	9,865
Federation Cent	0.1%	3,997	Lucapa Diamond	0.0%	63	Pharmaxis Ltd	0.2%	15	Straits Resourc	0.0%	6
Finbar Group	0.0%	297	Lynas Corp Ltd	2.8%	185	Phosphagenics	0.0%	87	Suncorp Group	0.5%	18,501
Fleetwood Corp	2.5%	73	M2 Group Ltd	1.7%	1,530	Platinum Asset	0.4%	4,131	Sundance Res.	2.9%	92
Flexicorp Ltd	2.5%	949	MEO Australia	0.1%	12	Platinum Aust	0.2%	34	Sundance Energy	0.3%	302
Flight Centre	6.9%	3,928	MacMahon Hold	0.2%	93	Poseidon Nickel	0.3%	73	Sunland Group	0.1%	283
Flinders Mines	0.0%	35	Maca Limited	0.3%	219	Prana Biotech.	0.5%	88	Super Retail Gr	8.5%	1,521
Focus Minerals	0.1%	82	Macquarie Group	0.3%	19,410	Premier Invest	0.2%	1,660	Swick Min Serv	0.0%	47
Folkestone Educ	0.9%	406	Macquarie Atlas	2.3%	1,673	Prima Biomed	0.0%	46	Sydney Airport	1.6%	10,350
Fortescue Metal	10.2%	8,345	Macquarie C Tel	0.3%	107	Primary Health	6.1%	2,443	Syrah Resources	3.2%	481
Freedom Foods	0.0%	495	Magellan Fin Gp	2.0%	2,551	Prime Media Grp	0.4%	293	TFS Corporation	2.8%	487
Funtastic Ltd	0.1%	36	Mantra Group	1.8%	694	Pro Maintenance	0.2%	288	TNG Limited	0.0%	46
G.U.D. Holdings	3.9%	514	Matrix Comp.	2.7%	73	Pura Vida En.	0.3%	48	TPG Telecom Ltd	1.4%	5,715
G8 Education	2.8%	1,662	Maverick Drill.	0.4%	57	Q.B.E. Insur.	1.3%	15,192	Tabcorp Holding	2.4%	3,208
GBST Holdings	0.0%	258	Maxi TRANS	0.0%	88	Qantas Airways	0.4%	4,612	Tap Oil	0.0%	100
GDI Property	0.1%	508	Mayne Pharma Gr	2.0%	362	Qube Holdings	0.5%	2,362	Tassal Group	0.1%	545
GPT Group	0.3%	7,163	McMillan Shake.	1.4%	819	RCG Corporation	0.1%	174	Tatts Group Ltd	2.1%	4,916
GWA Group Ltd	4.8%	849	McPherson's Ltd	0.0%	114	RCR Tomlinson	0.3%	231	Technology One	1.2%	926
Galaxy Res.	0.1%	29	Medibank Priv.	0.7%	5,921	REA Group Ltd	1.8%	5,980	Telstra	0.3%	69,319
Genetic Tech.	0.1%	13	Medusa Mining	9.5%	154	RXP Services	0.0%	82	Ten Network	5.2%	526
Genworth Mort.	1.3%	2,184	Mermaid Marine	6.0%	479	Ramsay Health	0.2%	11,139	Teranga Gold	0.0%	37
Geodynamics Ltd	0.0%	18	Mesoblast Ltd	7.8%	1,404	Recall Holdings	1.3%	1,923	The Reject Shop	7.2%	187
Gindalbie Met.	2.3%	33	Metals X Ltd	0.0%	315	Reckon Limited	1.3%	207	Think Childcare	1.0%	42
Gold Road Res.	0.4%	128	Metcash Ltd	11.7%	1,680	Red 5 Ltd	0.0%	67	Thorn Group Ltd	0.2%	461
Goodman Fielder	0.3%	1,232	Metminco Ltd	0.0%	18	Red Fork Energy	0.0%	4	Tiger Resources	0.9%	149
Goodman Group	0.5%	9,862	Mincor Resource	0.0%	105	Redbank Energy	0.0%	6	Toll Holdings	3.2%	4,211
Graincorp	5.5%	1,900	Mineral Deposit	1.0%	93	Red Resources	0.0%	17	Toro Energy Ltd	0.0%	116
Grange Resource	0.7%	116	Mineral Res.	10.6%	1,371	Reef Casino Trt	0.0%	143	Tox Free Sol.	1.5%	312
Greencross Ltd	2.4%	890	Mint Wireless	0.0%	28	Regis Health.	0.3%	1,162	TransPacific In	1.9%	1,414
Greenland Min.	0.1%	57	Mirabela Nickel	0.2%	28	Regis Resources	11.0%	737	Transfield Serv	1.9%	904
Growthpoint Pro	0.1%	1,520	Mirvac Group	0.3%	6,673	Regional Exp.	0.0%	115	Transurban Grp	1.2%	16,490
Gryphon Mineral	0.6%	20	Molopo Energy	0.0%	40	Resource Gener.	0.0%	70	Treasury Wine	1.8%	3,107
Guildford Coal	0.0%	37	Monadelphous Gr	7.6%	849	Resolute Mining	3.2%	144	Treasury Group	0.3%	270
HFA Holdings	0.0%	240	Monash IVF Grp	0.3%	326	Retail Food Grp	3.4%	877	Triton Minerals	0.0%	62
Hansen Tech.	0.0%	271	Mortgage Choice	0.0%	307	Rex Minerals	0.5%	29	Troy Resources	3.4%	89
Harvey Norman	4.1%	3,962	Mt Gibson Iron	4.6%	224	Rio Tinto Ltd	1.4%	24,899	UGL Limited	12.8%	326
Henderson Group	0.8%	3,139	Myer Holdings	17.0%	917	Roc Oil Company	0.1%	468	UXC Limited	1.0%	262
Highland Pac.	0.0%	55	NRW Holdings	4.0%	103	Rox Resources	0.7%	23	Unilife Corp.	0.0%	168
Hills Limited	0.6%	271	Nanosonics Ltd	1.0%	296	Royal Wolf Hold	0.2%	267	Unity Mining	0.0%	9
Hillgrove Res.	0.1%	66	Nat'l Aust Bank	1.4%	76,668	S/Tracks ASX200	0.1%	2,401	Veda Group Ltd	1.6%	1,920
Horizon Oil Ltd	2.7%	241	National Stor.	0.6%	438	SAI Global Ltd	0.4%	824	Venture Min.	0.1%	9
Hotel Property	0.1%	368	Navitas Ltd	0.9%	1,869	SG Fleet Group	0.1%	500	Village Road.	0.6%	1,059
Huon Aquacult.	1.0%	419	Nearmap Ltd	0.6%	215	SMS Mgmt & Tech	2.1%	232	Virgin Aust	1.2%	1,480
I-Property Grp	1.0%	458	Neon Energy Ltd	0.0%	19	STW Comm Group	1.5%	471	Virtus Health	6.7%	584
IMF Bentham Ltd	2.7%	370	New Hope Corp.	0.2%	2,019	Salmat Ltd	0.1%	176	Vision Eye Inst	0.9%	130
IOOF Holdings	4.6%	2,701	NewSat Ltd	1.0%	122	Samson Oil/Gas	0.5%	37	Vocation Ltd	4.3%	43
IPH Limited	0.3%	523	Newcrest Mining	1.8%	7,995	Sandfire Res.	2.6%	677	Vocus Comm.	0.5%	627
IRESS Limited	3.8%	1,631	News Corp.	11.0%	420	Santos Ltd	0.8%	8,251	W'bool Cheese	0.0%	449
Icar Asia Ltd	0.2%	187	Nextdc Limited	8.9%	369	Saracen Mineral	1.3%	182	WDS Limited	0.4%	41
Icon Energy	0.0%	62	Nexus Energy	0.0%	17	Scentre Group	0.5%	18,848	Watpac Ltd	1.2%	144
liNet	4.8%	1,356	Nib Holdings	0.5%	1,370	Sedgman Ltd	0.5%	125	Webjet NL	1.8%	227
Iluka Resources	6.5%	2,734	Nine Entertain.	1.6%	1,909	Seek Ltd	3.0%	5,902	Wesfarmers Ltd	0.1%	48,269
Imdex Limited	1.3%	95	Noble Mineral	0.4%	6	Select harvest	1.6%	468	Western Desert	0.4%	90
Incitec Pivot	1.8%	4,965	Northern Iron	0.0%	8	Senex Energy	4.7%	328	Western Areas	7.9%	968
Independ. Group	0.8%	977	Novion Property	0.8%	6,680	Servcorp Ltd	0.0%	547	Westfield Group	0.0%	22,526
Indophil Res.	0.5%	343	Nthn Star Res.	3.2%	681	Service Stream	0.0%	75	Westpac Banking	1.1%	102,630
Industria REIT	0.3%	253	Nufarm Limited	2.4%	1,242	Seven Group	1.5%	1,744	Westfield Corp.	0.2%	17,768
Infgen Energy	0.4%	211	OM Holdings	0.0%	264	Seven West Med.	1.9%	1,549	White Energy Co	0.0%	62
Infomedia Ltd	0.3%	353	OZ Minerals Ltd	2.5%	941	Seymour Whyte	0.1%	124	Whitehaven Coal	8.9%	1,287
Ingenia Com Grp	0.8%	387	Oil Search Ltd	0.7%	11,694	Shine Corporate	0.0%	510	Wide Bay Aust.	0.0%	193
Insurance Aust.	0.5%	14,752	Orica Ltd	6.1%	6,631	Shopping Centre	3.0%	1,190	Woodside Petrol	1.1%	29,422
Intrepid Mines	1.2%	78	Origin Energy	0.8%	12,446	Sigma Pharm.	2.1%	809	Woolworths Ltd	2.9%	38,952
Investa Office	0.1%	2,254	Orocobre Ltd	2.2%	327	Silex Systems	4.2%	89	Worley Group	3.1%	2,575
Invocare Ltd	3.9%	1,303	Orora Limited	0.5%	2,257	Silver Lake Res	5.3%	113	Yancoal Aust.	0.0%	124
Iselect Limited	0.5%	336				Silver Chef Ltd	0.1%	175			

Investment Outlook*(Continued from Page 1)*

An investment adage states that “There are no rich traders”. Your Editor certainly hasn't met any, although your stockbroker and those people selling trading systems continue to promote “share trading” and never “share investment”.

To reconcile the idea of short term trading failing to achieve good *long term* results, it may help to imagine share trading as “picking up pennies in front of a steam roller”. Short term trading could result in a lot of small, easy gains . . . and as steam rollers do move very slowly the risk looks manageable . . . but the stockmarket is full of “unusual events” every few years. When that happens, you don't want to find yourself on the wrong end of the market's “steam roller”!

Like many long term investors, we largely ignore “share trading”. A share isn't simply a commodity that fluctuates in price to be bought or sold. It is a part ownership of a company. We would buy a single share in the same way we would buy the whole company - based upon the quality of the business and its ability to increase our wealth (i.e. by growing its business and generating growing dividend income, which we can re-invest in new acquisitions).

An investment in listed shares is no different. Success or failure is measured by the future growth in the business over the medium to long term - not by where the market prices the shares next week or next month.

One great benefit of stockmarket investment is that even with small amounts of capital an investor can buy shares in 5 or 10 or 20 different companies to diversify away company-specific risks. Another is that if “the market” offers a higher or lower price for your shares, then you have the option (but not the obligation) to realise some partial profits or buy more shares at better prices!

Overall, we continue to see good potential in many shares. Low commodity and oil prices are hurting the resources sector, but share prices for companies in that sector *already* reflect those difficult conditions - and will look cheap in the future when conditions are more normal. The weakness in the sector and lower export receipts, will likely continue to depress the Australian dollar exchange rate. That is *extremely* favourable for Australian businesses that export goods and services (e.g. Ellex Medical Lasers, Integrated Research, TFS Corporation, Technology One) and for many other of our companies that have international businesses.

When the market is in a panic to sell - that is the time to be buying!

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Argosy Property	1.50	03-12	17-12	Full
Barramundi Ltd	1.40	10-12	19-12	Full
Comvita Ltd	4.00	28-11	05-12	Full
Goodman Property	1.6125	04-12	18-12	Full
Kingfish Ltd	2.66	10-12	19-12	Full
Marlin Global	1.81	10-12	19-12	Full
Mighty River special	5.00	20-11	11-12	Full
NPT Ltd	0.800	24-12	09-01	Full
Precinct Property	1.35	27-11	11-12	Full
Scales Corporation	3.00	09-12	19-12	Full
Scott Technology	5.50	28-11	09-12	Full
Trust Power	20.00	28-11	12-12	4.6667
Vital Healthcare	2.00	04-12	18-12	Full
Warehouse Group	6.00	28-11	11-12	Full

Australian Shares

ALS Ltd	11.00	02-12	19-12
Technology One	4.21	01-12	17-12
Technology One special	2.00	01-12	17-12

Total Return Index for All Listed Shares

Nov 10	1591.21	Nov 17	1592.98
Nov 11	1595.56	Nov 18	1590.97
Nov 12	1597.43	Nov 19	1596.76
Nov 13	1594.95	Nov 20	1593.25
Nov 14	1597.30	Nov 21	1589.74
Nov 24	1590.37	Dec 1	1585.65
Nov 25	1585.37	Dec 2	1572.92
Nov 26	1584.94	Dec 3	1582.57
Nov 27	1584.15	Dec 4	1592.04
Nov 28	1583.41	Dec 5	1594.92

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday January 12, 2015.

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

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