

Market Analysis

Issue No. 513

www.stockmarket.co.nz

March 9, 2015

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Summary and Recommended Investment Strategy.

Many existing portfolio shares are trading at very low valuations, so with a recovery and growth in profitability over the next few years could appreciate many-fold in value. Remain fully invested in these under-valued shares.

Investment Outlook.

A high growth company could lift earnings per share 10-fold (25% per annum compounded) over the next decade, but may initially trade on a very high P/E of 50 in anticipation of that growth potential. If after 10-years the shares trade on a more normal P/E of 20, then the share price would have risen only 4 fold (a compound growth rate of 15% per annum).

On the other hand, a moderate growth company might lift earnings only 3-4 times (12-15% per annum), but can often be purchased at a low P/E ratio of 7-10. If after 10 years, the P/E doubled to 15-20, then the share price would be up 6-8 fold (a compound growth rate of 20-23% per annum),

Future capital appreciation is (1) the growth rate multiplied by (2) the change in the valuation (i.e. usually measured as the P/E ratio, but the P/S ratio would be suitable for companies with low or depressed initial earnings).

Understanding this simple investment mathematics has helped this newsletter find 10-bagger (and 20-bagger and 30-bagger) investments.

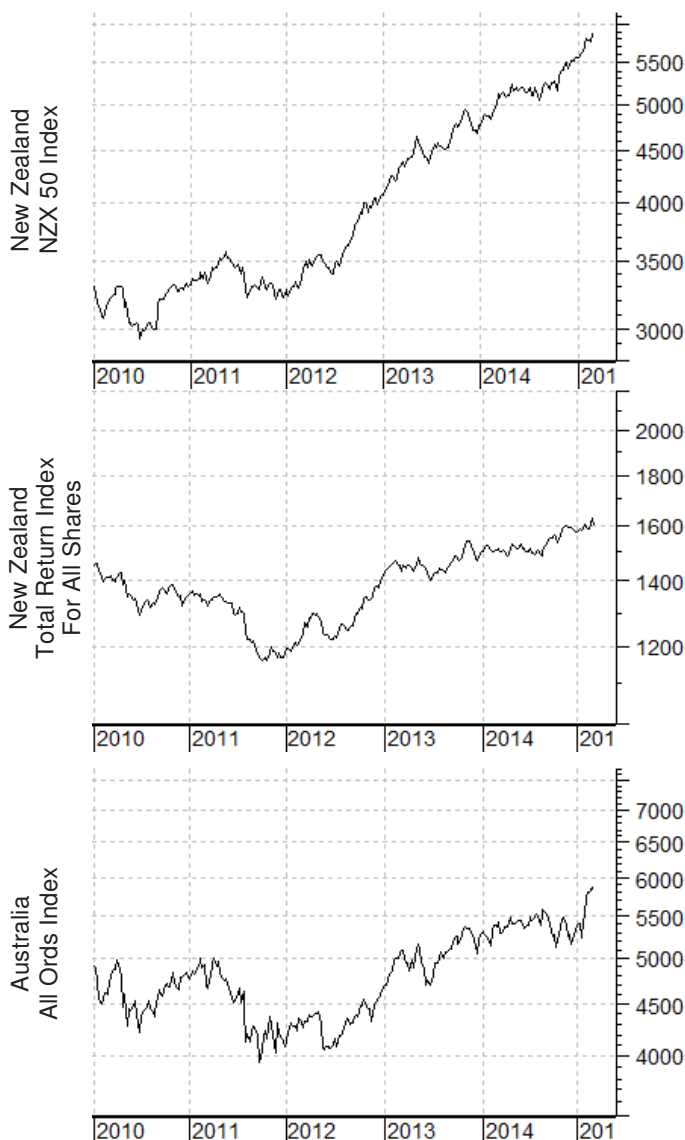
Note also that in this equation, the current valuation (i.e. a low risk factor known with a high degree of certainty) is just as important as the future growth rate (an unpredictable, high risk factor).

Several of our portfolio shares currently trade at low valuations (e.g. Acrux, AJLucas, ALS, Ausenco, Cardno, CPT Global, Finbar, Mt Gibson, Skilled Group, TFS and The Reject Shop) - perhaps owing to poor performance over recent years, a cyclical decline in profitability or some other “glitch”. Not all of these shares may be profitable in the future . . . but, with the right individual circumstances, most could be earning substantially higher profits in a few years. A 3-5 fold increase in profits, multiplied by a 2-3 fold increase in valuation would add a few more ten-baggers to our portfolio!

Remain fully invested in the recommended shares!

Stockmarket Forecasts

	One-Month	One-Year
Australia:	62% (Bullish)	73% (Bullish)
New Zealand:	52% (Neutral)	43% (Neutral)



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	A	672	1.52	15	5.9	Kathmandu Ltd	D	151	0.79	7	11.0	Ryman Health.	B	800	N/A	21	1.5
Abano Health.	B	800	0.78	34	3.6	Kermadec Prop.	E	67	6.58	11	4.5	SLI Systems Ltd	C	120	3.24	NE	Nil
Air New Zealand	A	296	0.07	1	4.7	Kingfish Ltd	E	142	N/A	6	8.1	Sanford Limited	C	500	1.01	23	6.4
Akd Int Airport	B	453	N/A	25	2.1	Kirkcaldie & St	E	168	0.45	NE	Nil	Satara Co-op	D	58	0.19	NE	Nil
Allied Farmers	E	6.8	0.16	NE	Nil	Kiwi Property	D	126	6.12	13	5.1	Scales Corp Ltd	D	153	N/A	NE	Nil
Allied Work.	E	230	0.40	15	4.6	L&M Energy	E	7.3	N/A	NE	Nil	Scott Tech. Ltd	E	144	0.99	11	7.7
Aorere Res. *	N/R	0.2	2.11	NE	Nil	Mainfreight Grp	A	1619	0.83	18	2.7	Sealegs Corp	E	10	0.75	NE	Nil
Argosy Property	D	114	8.55	10	5.4	Marlin Global	C	85	N/A	8	8.7	Seeka Kiwifruit	C	325	0.48	18	5.6
Barramundi Ltd	C	69	N/A	NE	8.9	Marsden Mar.	B	288	N/A	14	5.4	Serko Limited	C	105	N/A	NE	Nil
Bathurst Res.	D	18	N/A	NE	Nil	Mercer Group	C	17	1.23	NE	Nil	Skellerup Hold.	D	139	1.36	12	8.5
Blis Technology	E	1.9	N/A	NE	Nil	Meridian Energy	B	207	2.11	23	7.4	Sky City Ltd	B	412	2.92	24	6.7
Briscoe Group	C	296	1.32	19	5.9	Methven Limited	D	125	0.86	18	10.4	Sky Network TV	B	570	2.44	14	7.1
Burger Fuel	D	355	N/A	NE	Nil	Metro. LifeCare	B	480	N/A	15	0.8	Smartpay NZ Ltd	C	18	1.35	18	Nil
CDL Investments	E	58	4.16	12	4.8	Michael Hill	E	121	0.89	14	5.4	Smiths City	D	54	0.13	7	6.5
Cavalier Corp	E	45	0.15	5	9.3	Mid-Cap Index	B	367	N/A	9	2.3	Snakk Media Ltd	E	5.4	3.88	NE	Nil
Cavotec MSL	D	245	1.08	20	1.6	Mighty River	B	344	2.82	23	5.5	Snosaj12 Ltd	C	10	0.19	NE	Nil
Chorus Ltd	A	288	1.08	8	Nil	Millennium & C.	B	150	4.39	19	1.1	Sol. Dynamics	A	72	0.93	20	Nil
Claridge Cap'l	E	1.5	N/A	NE	Nil	Moa Group Ltd	C	35	2.31	NE	Nil	South Port NZ	B	400	3.34	16	7.6
Coats Group plc	D	48	0.30	12	Nil	Mowbray Collect	E	20	0.62	NE	Nil	Spark NZ Ltd	B	330	1.66	19	6.9
Col Motor Co	A	639	0.30	11	7.6	NPT Limited	D	65	6.61	14	6.8	Speirs Group	A	31	0.22	2	Nil
Comvita	D	412	1.13	17	Nil	NZ Exchange Ltd	D	115	4.65	24	6.8	Steel & Tube	C	297	0.60	15	7.5
Contact Energy	A	613	1.84	19	5.9	NZ Experience	C	35	1.11	9	11.8	Sunmerst Group	C	344	N/A	22	0.9
DNZ Property	B	193	9.02	14	5.9	NZ Finance Hold	D	1.0	5.55	NE	Nil	Synlait Milk	E	298	1.04	38	Nil
Delegat Group	B	475	2.07	11	3.2	NZ Farming Sys.	D	65	1.53	NE	Nil	TeamTalk Ltd	C	80	0.38	7	30.4
Diligent Board	B	578	6.15	66	Nil	NZ Oil & Gas *	N/R	62	2.54	26	9.7	Tenon Ltd	B	190	0.26	52	Nil
EROAD Ltd	D	389	N/A	NE	Nil	NZ Refining Co	B	257	3.22	NE	1.1	Tourism Hold.	A	178	0.88	18	5.5
Ebos Group Ltd	B	1034	0.27	17	4.5	NZ Windfarms	C	5.4	1.67	NE	Nil	Tower Limited	B	235	1.72	NE	4.7
Evolve Educat.	E	111	N/A	NE	Nil	NZ Wool Service	C	42	0.19	NE	Nil	Trade-Me Ltd	C	392	9.47	20	5.8
F & P Health.	B	675	5.96	38	2.6	NZSX 50 Port.	B	198	N/A	9	2.3	Training Sol.	E	0.4	N/A	NE	Nil
Finzsoft Sol'ns	C	360	3.18	40	Nil	NZSX 10 Fund	C	125	N/A	7	3.2	Trilogy Intern.	C	79	1.65	46	Nil
Fletcher Build.	B	861	0.70	17	5.8	NZX Aust MidCap	C	522	N/A	NE	3.7	Trust Power Ltd	A	814	3.14	22	6.3
Foley Fam Wines	D	145	2.44	23	Nil	New Image Group	D	25	0.79	NE	Nil	Turners Ltd	B	34	5.36	51	1.5
Fonterra S/H Fd	C	584	0.20	18	5.5	Nuplex Indust	C	322	0.39	12	6.5	Turners & Grow.	C	194	0.31	14	Nil
Freightways Ltd	A	630	2.25	23	4.7	Opus Int'l Cons	C	146	0.47	9	7.5	Vector Ltd	B	301	2.38	18	7.0
Genesis Energy	B	234	0.63	26	3.9	Orion Health.	D	515	N/A	NE	Nil	Velo Capital	D	7.0	N/A	NE	Nil
Gentech Group	C	222	N/A	NE	Nil	Ozzy (Tortis)	D	390	N/A	NE	3.1	Veritas Invest.	C	115	1.43	10	9.9
GeoOP Ltd	B	60	N/A	NE	Nil	PGG Wrightsons	C	51	0.32	9	12.3	Vetilot Limited	D	0.3	N/A	NE	Nil
Goodman Prop.	C	118	8.93	11	5.5	Pac Edge Bio.	E	71	N/A	NE	Nil	Vista Group PT	C	440	N/A	NE	Nil
Green Cross H.	C	210	2.50	20	2.4	Port Tauranga	A	1668	8.40	29	4.2	Vital Health Ltd	D	166	8.31	15	6.6
Hallenstein G.	C	320	0.87	10	14.5	Precinct Prop.	C	121	7.72	11	6.2	WN Drive Tech.	E	5.1	0.25	NE	Nil
Heartland Bank	C	135	2.94	17	6.2	Promisia Integ.	D	2.9	N/A	NE	Nil	Warehouse Group	C	279	0.39	6	10.5
Hellaby Hold.	B	342	0.44	13	6.1	Property F. Ind.	C	157	N/A	16	5.4	Windflow Tech.	C	6.0	0.32	NE	Nil
Heritage Gold *	N/R	1.8	N/A	NE	Nil	Pumpkin Patch	D	21	0.12	6	Nil	World Index Fd	D	100	N/A	NE	Nil
Horizon Energy	C	315	0.75	11	6.6	Pushpay Hold.	C	330	N/A	NE	Nil	Wynyard Group	E	194	8.79	NE	Nil
IkeGPS Limited	D	85	N/A	NE	Nil	Pyne Gould Corp	D	35	8.88	NE	Nil	Xero Ltd	C	2469	N/A	NE	Nil
Infratil NZ	B	318	0.77	NE	4.2	Rakon Ltd	C	36	0.46	NE	Nil	Z Energy Ltd	B	484	0.57	20	6.3
Insured Group	E	1.5	0.20	NE	Nil	Restaurant Brds	C	380	1.13	19	6.0	Ave of 142 Cos	C	256	0.60	18	3.5
Just Water Int.	C	13	0.42	7	Nil	Rubicon Limited	E	33	0.34	66	Nil						
A.P. Eagers	A	720	0.45	17	3.8	Echo Ent Group	A	439	2.01	34	1.8	Pact Group Hold	A	435	1.12	22	2.2
AGL Energy Ltd	A	1506	0.92	15	4.2	Energy Develop.	B	601	2.47	22	4.7	Panaust Ltd	B	127	1.12	29	2.4
ALS Limited	B	577	1.51	15	6.8	Estia Health	B	583	5.96	NE	Nil	Perpetual Ltd	A	5355	5.54	31	3.3
AMP Ltd	A	654	0.95	27	3.5	Fairfax Media	A	95	1.09	15	2.1	Platinum Asset	A	809	N/A	25	4.2
ANZ Bank	A	3539	2.87	15	4.6	Federation Cent	A	302	7.90	20	4.7	Premier Invest	A	1186	2.04	25	3.4
APA Group	A	939	5.89	23	3.9	Flexicorp Ltd	A	371	3.56	20	4.4	Primary Health	A	498	1.65	15	4.0
APN News Media	A	97	1.18	59	Nil	Flight Centre	B	4283	1.92	21	3.5	Q.B.E. Insur.	A	1343	0.72	18	2.8
ARB Corporation	A	1205	2.91	21	2.4	Fortescue Metal	B	215	0.54	2	9.3	Qantas Airways	B	287	0.41	NE	Nil
ASX Limited	A	4235	N/A	22	4.2	G8 Education	B	393	2.83	26	4.8	Qube Holdings	A	288	2.58	34	1.8
AVEO Group	A	261	3.08	50	3.1	GPT Group	A	480	7.94	13	4.4	REA Group Ltd	A	4743	N/A	42	1.2
Abacus Property	A	309	4.98	23	5.3	Genworth Mort.	C	330	N/A	NE	Nil	Ramsay Health	A	6848	2.81	46	1.2
Adelaide Bright	A	450	2.16	17	3.8	Goodman Group	A	641	9.36	17	3.2	Recall Holdings	B	784	3.77	55	Nil
Ainsworth Game	A	271	3.58	14	3.7	Goodman Fielder	A	67	0.60	NE	3.0	Reece Australia	B	3420	1.91	28	1.9
Alumina Ltd	B	177	N/A	NE	0.9	Graincorp	A	974	0.54	44	2.1	Regis Health.	B	560	N/A	NE	Nil
Amalgamated Hld	A	1186	1.71	24	3.5	Greencross Ltd	A	881	2.43	NE	1.4	Retail Food Grp	A	765	6.59	30	2.9
Amcor Ltd	A	1424	1.58	23	3.0	Growthpoint Pro	A	305	9.56	14	6.2	Rio Tinto Ltd	A	6039	1.95	10	3.5
Aneka Tambang	C	110	N/A	NE	Nil	Harvey Norman	A	453	3.22	23	2.0	S/Tracks ASX200	A	5514	N/A	7	4.1
Ansell Ltd	B	2594	2.35	89	0.0	Henderson Group	A	521	5.45	25	2.8	SAI Global Ltd	A	429	1.71	25	3.6
Ardent Leisure	B	246	1.96	20	5.3	Hutchison Tel.	D	6.5	N/A	NE	Nil	Santos Ltd	B	784	2.12	15	3.8
Argo Investment	B	799	N/A	27	3.5	IHOF Holdings	A	1060	3.32	24	4.5	Scentre Group	A	393	9.64	11	9.3
Aristocrat Leis	B	728	5.41	NE	2.2	IRESS Limited	A	1003	4.85	31	4.1	Seek Ltd	A	1736	8.16	30	1.7
Asaleo Care Ltd	B	174	1.67	NE	3.1	liNet	B	661	1.13	17	2.9	Seven West Med.	B	157	0.85	11	7.6
Asciano Limited	A	632	1.57	24	1.8	Iluka Resources	B	805	4.25	NE	2.4	Seven Group	B	745	0.73	9	5.4
Aurizon Hold.	A	481	2.68	41	3.4	Incitec Pivot	A	397	1.96	27	2.7	Shopping Centre	A	200	8.17	12	5.5
AusNet Services	A	149	2.63	15	5.5	Independ. Group	A	545	3.19	27	1.5	Sigma Pharm.	A	94	0.36	15	4.3
Aust Foundation	B	619	N/A	26	3.6	Insurance Aust.	B	599	1.30	11	6.5	Sims Metal Mgmt	B	1278	0.37	NE	0.8
Aust United In	B	860	N/A	8	3.7	Investa Office	A	410	N/A	14	4.5	Sirius Res. NL	C	289	N/A	NE	Nil
Aust Agricul.	C	160	1.97	NE	Nil	Invocare Ltd	A	1375	3.58	28	2.7	Sirtex Medical	A	3579	N/A	84	0.3
Automotive Hold	A	420	0.47	29	4.8	JB Hi-Fi Ltd	A	1761	0.50	14	4.8	Slater & Gordon	A	731	3.62	25	1.1
BHP Billiton	B	3264	1.47	7	3.9	James Hardie	A	1507	5.25	NE	1.1	Sonic Health	A	1975	2.02	21	3.4
BKI Invest Coy	B	175	N/A	25	4.0	Leighton Hold	B	2193	0.44	NE	5.0	Soul Pattinson	B	1368	4.14	20	3.4
BT Investment Mgmt	A	864	8.21	42	2.1	Lend Lease Grp	A	1705	N/A	NE	4.2	Spark Infrastru	A	205	N/A	23	5.6
BWP Trust	A	303	N/A	15	4.7	Liq Natural Gas	C	336	N/A	NE	Nil	Spotless Group	C	208	0.87	NE	Nil
Bank of Q'land	A	1392	1.81	24	4.2	M2 Group Ltd	A	993	1.75	27	2.6	Steamships Trad	B	2950	2.20	18	2.8
Beach Energy	A	103	1.26	13	2.9	MNC Media Inv.	C	360	N/A	NE	Nil	Steadfast Group	B	155	4.88	30	2.9
Bendigo Bank	A	1266	1.76	15	5.1	Macquarie Group	A	7537	2.98	19	3.4	Stockland	A	471	5.65	21	5.1
Blackmores Ltd	A	4869	2.40	33	2.6	Macquarie Atlas	B	331	N/A	NE	4.0	Suncorp Group	B	1355	1.06	24	5.5
Bluescope Steel	B	467	0.33	NE	Nil	Magellan Fin Gp	A	1930	N/A	37	2.0	Super Retail Gr	A	943	0.88	17	4.2
Boral Limited	A	609	1.07	45	2.5	McMillan Shake.	A	1205	2.58	16	4.3	Sydney Airport	B	525	N/A	NE	4.5
Brambles Ltd	A	1130	3.08	13	2.3	Medibank Priv.	B	248	N/A	NE	Nil	TPG Telecom Ltd	A	754	6		

Recommended Investments

CDL Investments reported another year of steady growth:

Year to 31/12/2014

	Latest	Previous	Change
Revenues	\$44.1m	\$38.3m	+15.2%
Net Profit	\$14.7m	\$13.4m	+9.7%
Net Cash Surplus	\$4.1m	\$10.4m	-60.4%
Earnings per share	5.4c	4.9c	+9.7%
Dividends per share	2.2c	2.0c	+10.0%

The net operating cash surplus is reported after the purchase of new land for development. In 2013 the company *increased* its development properties by \$3.4 million and *increased* them by a further \$10.3 million over the last year. This *increased* investment in land depresses the reported net operating surplus. If the company only purchased sufficient land to replace sales, then the net operating cash surpluses would have been \$13.8 million in 2013 and \$14.4 million in 2014.

(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 %
NZ Shares													
BUY	CDL Investments Ltd	CDI	12/01/99	25	E	274.7	1.1	4.16	12	4.8	58	25.4	+234%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	E	68.7	1.5	0.15	5	9.3	45	282.0	+110%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	A	32.7	0.5	0.30	11	7.6	639	427.3	+733%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	E	383.0	0.9	0.89	14	5.4	121	54.9	+3418%
HOLD	Nuplex Industries Ltd	NPX	11/02/97	523*	C	198.1	1.0	0.39	12	6.5	322	473.0	+52%
HOLD	Smiths City Group	SCY	09/10/06	64	D	52.7	1.3	0.13	7	6.5	54	26.5	+26%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.6	3.34	16	7.6	400	225.3	+421%
BUY	Steel & Tube Holdings	STU	08/08/00	146	C	88.5	0.7	0.60	15	7.5	297	299.6	+309%
Australian Shares (in Aust cents)													
BUY	Acrux Limited	ACR	12/05/14	99	A	166.5	0.9	2.63	5	9.4	85	8.0	-6%
HOLD+	AJ Lucas Group	AJL	13/05/03	107*	D	267.4	1.4	0.40	NE	Nil	35	36.4	-34%
BUY	ALS Limited	ALQ	12/10/99	77*	B	407.2	0.5	1.51	15	6.8	577	275.5	+1007%
BUY	AtCor Medical Ltd	ACG	11/11/13	15	C	157.4	2.5	3.42	NE	Nil	11	Nil	-27%
HOLD+	Atlas Pearls & Perfumes	ATP	14/05/96	73	E	319.5	3.7	1.06	10	Nil	5	17.5	-69%
BUY	Ausenco Ltd	AAX	10/06/13	191*	D	168.4	1.4	0.17	NE	Nil	35	1.8	-81%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	B	148.4	0.3	2.98	20	3.1	1349	82.5	+28%
BUY	Cardno Ltd	CDD	14/12/09	391*	B	164.6	0.6	0.41	7	10.8	333	151.3	+24%
HOLD-	Chandler Macleod Group	CMG	14/08/01	51*	B	548.0	1.1	0.20	21	5.9	54	32.1	+69%
HOLD	Circadian Technologies	CIR	10/02/04	188	D	68.1	2.0	9.07	NE	Nil	16	65.0	-57%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	C	89.6	1.7	0.13	NE	Nil	26	70.5	+17%
HOLD+	CPT Global Ltd	CGO	10/03/08	88	C	36.7	1.3	0.48	10	9.0	50	15.8	-25%
HOLD	CSG Limited	CSV	11/10/10	175	B	284.1	0.9	1.78	29	7.1	127	50.0	+1%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	107.6	1.5	0.67	46	Nil	34	Nil	-31%
BUY	Fiducian Group	FID	11/02/08	260	B	30.8	0.7	2.48	14	5.0	182	52.9	-10%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	228.7	0.8	1.02	8	8.0	125	44.5	+60%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	B	418.7	0.5	4.25	0	2.4	805	210.0	+115%
BUY	Integrated Research	IRI	14/01/08	40	B	168.8	0.6	5.36	34	3.0	169	32.5	+404%
HOLD-	M2 Telecommunications	MTU	09/10/06	33	A	181.9	0.3	1.75	27	2.6	993	79.0	+3148%
HOLD+	Melbourne IT	MLB	10/02/04	53	B	92.9	0.8	1.07	18	Nil	133	176.0	+482%
BUY	Mt Gibson Iron	MGX	10/11/14	44	A	1090.8	1.8	0.27	2	17.8	23	Nil	-49%
HOLD	Nomad Building Solutions	NOD	16/08/10	13*	C	277.5	3.7	0.39	NE	Nil	5	Nil	-59%
HOLD	Novarise Renewable Res	NOE	14/03/11	25	C	415.1	2.1	0.67	7	Nil	16	Nil	-38%
HOLD	Probiotec Ltd	PBP	11/02/08	116	D	52.9	1.8	0.17	12	Nil	22	9.3	-73%
HOLD+	Prophecy International	PRO	08/09/08	26	B	55.4	1.1	4.54	25	4.7	58	15.8	+184%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	235.9	1.0	0.18	7	12.1	140	181.0	+155%
HOLD	Technology One Ltd	TNE	11/11/03	44	A	309.2	0.5	6.30	40	1.5	398	50.8	+920%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	327.0	0.7	4.01	7	3.3	181	20.2	+347%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	B	28.8	0.6	0.29	14	4.2	720	375.5	+326%
HOLD	Village Roadshow	VRL	10/08/09	77	B	159.5	0.4	0.89	19	5.0	541	253.0	+931%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +350.2%. This is equal to an average annual rate of +35.4%, 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 +31.0%, 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.

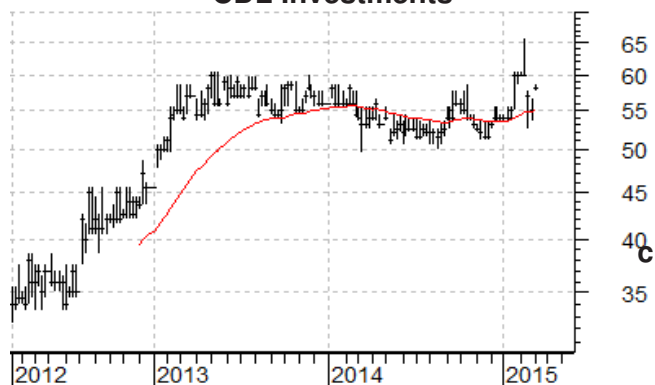
Recommended Investments

(Continued from Page 3)

Net asset value per share is 46.6 cents at book value or 86.2 cents at the market value of property assets. The company is debt-free with cash (and short term deposits) of \$32.0 million (11.6 cents per share).

This is an asset-rich company with good growth potential and a good income yield. "Buy".

CDL Investments



Cavalier Corporation reports steady revenues and a break-even for the last six months:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$103.7m	\$101.9m	+1.8%
Net Profit	\$0.032m	\$3.4m	-99.1%
Net Cash Surplus	\$0.012m	\$3.5m	-99.7%
Earnings per share	Nil	5.0c	-99.7%
Dividends per share	Nil	3.0c	-100.0%

Cavalier Corporation is seeking to grow sales outside of New Zealand (42.8% of revenues) and Australia (53.9% of revenues) through partnerships in the United States, but these are at an early stage and only accounted for 3.3% of revenues over the last half year. It also has new channel partners in Canada, the UK and Europe. These will make little contribution in the current financial year but the company hopes these will generate revenue and profit growth in the future.

The 50% owned Cavalier Wool Holdings *lost* \$157,000 (compared with a profit of \$792,000 a year earlier), owing to low wool grease prices which "appear to have reached the bottom of the current cycle and have recently started to lift".

For full year profit to June 2015 the company is still forecasting a small profit of \$1-4 million (1½-6 cents per share).

Cavalier Corporation



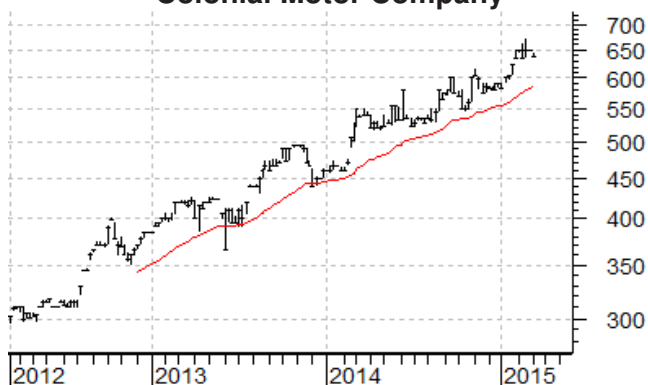
Colonial Motor Company lifted revenues but net profit slipped slightly in a more competitive market:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$410.4m	\$356.1m	+15.3%
Net Profit	\$8.4m	\$8.6m	-2.8%
Net Cash Surplus	<\$16.9m>	\$10.8m	-255.9%
Earnings per share	25.6c	26.3c	-2.8%
Dividends per share	13.0c	13.0c	-

The net operating cash deficit partially reflects debtors \$9.1 million higher at \$44.2 million and creditors 9.7 million lower at \$32.4 million. That in turn has lifted bank debt \$21.2 million to \$43.6 million.

Colonial Motor Company



Michael Hill International reported steady growth in revenues and profits (in Australian dollars). We have adjusted *last* year's figures to add back the "one-off" A\$6 million settlement with the Australian Tax Office (details of which were not released last year until April):

Six Months to 31/12/2014 (in Australian currency)

	Latest	Previous	Change
Revenues	\$283.2m	\$270.8m	+4.6%
Net Profit	\$23.7m	\$22.2m	+6.5%
Net Cash Surplus	\$39.9m	<\$2.3m>	-
Earnings per share	6.2c	5.8c	+6.5%
Dividends per share (NZ cents)	2.5c	2.5c	-

At 121 cents, Michael Hill International shares trade on a Price/Earnings ratio of 14 and a Dividend Yield of 5.4%. That is an attractive valuation for a company which continues growing steadily.

Michael Hill International



Nuplex Industries' revenues fell owing to the sale of businesses. Revenues from *continuing* businesses were up 2.5%:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$685.8m	\$815.2m	-15.9%
Net Profit	\$25.2m	\$26.0m	-3.1%
Net Cash Surplus	\$43.9m	\$26.9m	+63.2%
Earnings per share	12.7c	13.1c	-3.1%
Dividends per share	10.0c	10.0c	-

In addition, there was a \$13.0 million gain on the sale of businesses.

Nuplex Industries has also announced plans to repurchase up to 5% of its shares on-market.

Nuplex Industries



South Port New Zealand recorded a 7.3% lift in cargo volumes to 1479 thousand tonnes:

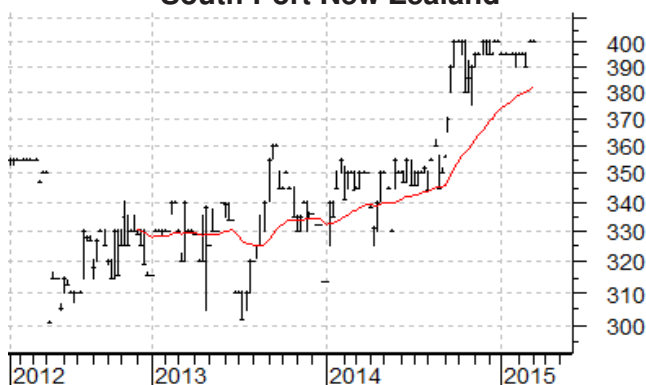
Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$16.2m	\$14.6m	+11.2%
Net Profit	\$3.3m	\$2.7m	+22.9%
Net Cash Surplus	\$3.4m	\$2.1m	+61.1%
Earnings per share	12.6c	10.2c	+22.9%
Dividends per share	7.0c	6.0c	+16.7%

A second mobile container crane and a container capable forklift were purchased for \$6.3 million and became operational in October.

South Port NZ is a very stable business, with steady growth potential and high Dividend Yield of 7.6%. This is an attractive low-risk, high-yield share in our portfolio.

South Port New Zealand



Steel & Tube Holdings lifted revenues, profits and dividends over the last half year despite “intense competition” in the NZ steel industry:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$258.2	\$211.7m	+22.0%
Net Profit	\$10.8m	\$8.0m	+34.9%
Net Cash Surplus	\$10.1m	<\$2.5m>	-
Earnings per share	12.4c	9.2c	+34.9%
Dividends per share	9.0c	7.0c	+28.6%

In November the company opened the first of three purpose-built facilities as part of its \$30 million re-investment program. This new Palmerston North site houses Processing, Distribution and Stainless operations. Two new facilities in Auckland will be fully operational by the end of this month.

ICT projects are underway to enhance customer interactions and service.

The company is “positive” about the second half of the year.

Steel & Tube Holdings



Australian Shares

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

AcruX Limited's half year result (excluding last year's US\$25 million milestone receipt) was similar to the same period a year earlier:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$14.2m	\$14.8m	-4.0%
Net Profit	\$7.0m	\$6.5m	+8.6%
Net Cash Surplus	\$3.2m	\$7.7m	-58.0%
Earnings per share	4.0c	3.9c	+2.6%
Dividends per share	Nil	Nil	-

Cash on hand is \$15.8 million (9.5 cents per share), with the company hinting at the “deployment of R&D projects” and “acquisition and/or partnering” transactions which may use some of this cash holding in the near future.

The **US Food & Drug Administration (FDA)** has issued a statement regarding “possible increased risk of heart attack and stroke” and quoting from five studies (two of which found statistically significant *higher* risk of heart attack and stroke, two found statistically significant *lower* risk and the fifth - perhaps not surprisingly - was inconclusive), The FDA will require labelling changes to all prescription testosterone products.

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Recommended Investments

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The FDA states that the indication of “cardiovascular risk is weak” but that only a “well-controlled clinical trial could determine whether testosterone causes cardiovascular harm”.

The FDA's main concern appears to be that most patients are being prescribed testosterone owing to low natural levels, usually due to aging, rather than a narrow range of specific disorders for which testosterone replacement therapy is FDA-approved. “The benefits and safety” of treating age-related low testosterone levels has “not been established”. Drug company studies due later this year should provide further information on safety and risks.

We don't anticipate this latest statement having any significant impact on future *Axiron* sales.

As we wrote last month, the *Axiron* royalties provide steady cashflow, revenue and profits. Upside from this investment can come from (1) achieving large milestone payments (later, if not sooner) and (2) using its drug delivery technology to build additional revenue streams.

Short interest in *Acrux* shares declined during January but is still relatively high at 9.3% (i.e. 9.3% of the issued capital of 166.5 million shares have been borrowed and sold short). At some stage in the future these short sellers will need to repurchase these 15.5 million shares.

The shares can be a bit volatile, but at current lows are an attractive “Buy”.

Acrux Ltd



AJ Lucas Group experienced a steady result from its Drilling division while Engineering & Construction experienced a significant reduction in revenues but a strong improvement in profitability. The overall result, however, continues to be depressed by corporate overheads and interest expenses:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$79.4m	\$119.9m	-33.7%
Net Profit	<\$13.2m>	<\$27.8m>	-
Net Cash Surplus	<\$2.5m>	<\$14.9m>	-
Earnings per share	Nil	Nil	-
Dividends per share	Nil	Nil	-

The start of construction work on the 300km **Eastern Goldfields Pipeline** (and secured work on “several smaller pipeline projects”) will yield further

improvement in the Engineering & Construction division during the second half of the year.

The UK **Infrastructure Act** became law on 12 February 2015, simplifying procedures for companies to drill for shale gas. The Act “makes it a principal objective of the government to maximise the economic recovery of UK petroleum”.

AJ Lucas Group has also paid a \$500,000 deposit towards the purchase of three petroleum exploration licences in New South Wales, Australia.

The company hasn't disclosed the total purchase price, but if this is a 10% deposit, then this will be a \$5 million investment. That isn't huge, but AJ Lucas Group has suffered from major liquidity problems over recent years. Interest bearing debt is high at \$70.4 million and it has \$31.8 million of tax liabilities (payable in instalments over five years). Hopefully this new investment in petroleum exploration licences indicates that directors and management anticipate a significant improve in future net operating cash flow!

AJ Lucas Group



AtCor Medical recorded a small profit - mainly owing to foreign exchange gains. Sales to Pharmaceutical companies remain depressed - down 32% on the same period a year earlier - but with 52% growth to the Clinical Practice market and 78% increase in sales to Researchers.

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$2.9m	\$2.7m	+6.9%
Net Profit	\$0.041m	<\$1.0m>	-
Net Cash Surplus	<\$0.8m>	\$0.5m	-
Earnings per share	0.03c	Nil	-
Dividends per share	Nil	Nil	-

Gross profit margins increased to 84.5% from 81.9%, partly owing to currency movements. Virtually all revenues are earned offshore (in US dollars and Euros) while 50% of expenses are in Australian dollars.

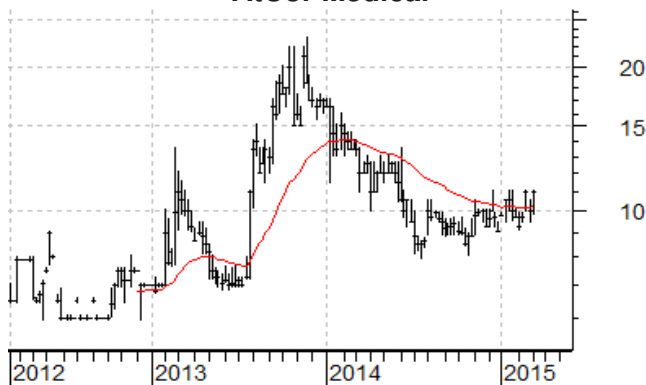
The application for a CPT1 code was presented and voted upon in February and the results should be announced later this month. A successful outcome should have a significant impact on future revenues and profits (and an immediate impact on the share price), while rejection would leave the company continuing to work towards commercialising its technology.

The **Oscar 2** ambulatory blood pressure device is

expected to receive *CE Mark* and *FDA* clearance in the current half year, enabling commercial sales in the near future (and adding to revenues and profits)

The pacemaker optimisation research using *SphygmoCor* was “successfully completed” and AtCor Medical is commencing discussions with the pacemaker's manufacturer's business development group. This is another potential source of future revenues and profits.

AtCor Medical



Atlas Pearls & Perfumes' result is impacted by asset writedowns. These reflect the smaller pearls expected to be harvested in the 2015 calendar year which will result in lower than previously expected revenues and (cash) profits later *this* year and *next* year. That expectation requires that oyster values be written down by \$7 million *now* to reflect those lower future receipts.

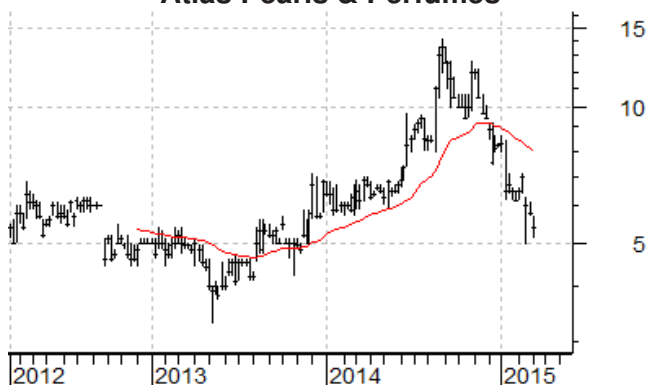
The net impact is that the *profit* is reported lower in the *current* year's accounts (via that write-down in oyster values) while *cashflows* will be lower later. There was also an unrelated write-down in pearl stocks of \$2.5 million and jewellery inventory.

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$6.0m	\$9.2m	-35.7%
Net Profit	<\$7.0m>	\$0.2m	-
Net Cash Surplus	\$0.4	\$1.9m	-76.4%
Earnings per share	<2.2c>	0.07c	-
Dividends per share	Nil	Nil	-

The company already has a 50/50 joint venture with **Westwood Properties Pty** (to build and operate the Brookfield tourism facility) and is finalising a Shareholders Agreement for Westwood Properties to take a 50% interest in *Essential Oils of Tasmania*. This additional investment will help grow that business and align both shareholders interest in this division.

Atlas Pearls & Perfumes



Ausenco Limited continued to trade at a small *loss* for the year to 31 December 2014:

Year to 31/12/2014

	Latest	Previous	Change
Revenues	\$357.2	\$453.9m	-21.3%
Net Profit	<\$15.0m>	<\$22.7m>	-
Net Cash Surplus	<\$9.2m>	\$9.0m	-201.8%
Earnings per share	<8.9c>	<13.5c>	-
Dividends per share	Nil	2.0c	-100.0%

The company reports achieving cost savings of \$29 million and is “on track” to deliver a “further \$20 million in 2015”. The recent result was depressed by right sizing costs, including \$4.5 million in redundancies.

Ausenco predicts “modest revenue growth in 2015” and is “now in a position to deliver significantly improved earnings as revenues grow in 2015 and beyond”.

88% of 2014 revenues were earned outside of Australia and 97% of current work on hand is for non-Australian projects. 27% of 2014 revenues were from non-mining sectors and this is expected to grow to 40% in 2015.

Ausenco Ltd



Cardno Limited lifted total revenues for the six months to 31 December 2014, but lower margins resulted in a 27.0% drop in net profits:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$686.1m	\$633.0m	+8.4%
Net Profit	\$31.5m	\$43.1m	-27.0%
Net Cash Surplus	\$0.9m	\$33.8m	-97.3%
Earnings per share	19.2c	29.5c	-34.9%
Dividends per share	13.0c	19.0c	-31.6%

Earnings per share fell further (i.e. down 34.9%) owing to an increase in the issued capital.

The net operating surplus fell 97% owing to unfavourable movements in working capital: Receivables rose \$22.1 million (to \$266.9 million, in part owing to the transition to centralised collections), and inventories rose by \$29.1 million (to \$168.7 million), while Trade Payables fell \$15.2 million (to \$121.8 million) - all of which depressed net cashflow for the period. Cardno is, however, still in a sound financial position. It has \$355.1 million of interest bearing debt, but cash of \$60.2 million and large unutilised facilities of \$253.0 million.

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Recommended Investments

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The backlog of work on hand has increased 41% over the last year to \$1,014 million and the company aims to achieve a further \$10 million of cost savings (i.e. efficiency gains, elimination of duplicate services) next year. . . but the return to historical levels of profitability may still be a little way off:

The company seeks to “return to positive organic growth” but notes this is “unlikely” in the current half year. It also seeks “positive EPS growth” which will be “challenging in the short term”. Pressure on margins is expected to continue, with “significant improvements unlikely” before the June 2016 financial year.

Nevertheless, Cardno's share price has declined significantly more than the decline in earnings per share or dividends, so the shares offer very good value at current prices. “Buy”.

Cardno Ltd



Chandler Macleod Group's acquisition by **Recruit Holdings** has been approved by the **Foreign Investment Review Board**.

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$700.6m	\$732.5m	-4.3%
Net Profit	\$4.9m	\$6.1m	-20.1%
Net Cash Surplus	\$6.1m	\$2.5m	+140.1%
Earnings per share	0.9c	1.2c	-24.4%
Dividends per share	1.7c	1.4c	+21.4%

Settlement of the 53 cents acquisition and the 1.7 cents dividend are expected in mid-April.

Clarius Group reported a higher *loss*, mainly owing to higher restructuring costs:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$92.0m	\$91.3m	+0.8%
Net Profit	<\$5.4m>	<\$1.5m>	-
Net Cash Surplus	\$1.2m	\$1.2m	+1.2%
Earnings per share	<6.0c>	<1.7c>	-
Dividends per share	Nil	Nil	-

The company also wrote-off a \$2.9 million intangible asset.

Clarius Group



CPT Global has reported a drop in revenues and a small *loss*, as we discussed last month.

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$15.0m	\$19.0m	-24.0%
Net Profit	<\$0.332m>	\$1.5m	-122.0%
Net Cash Surplus	\$0.769m	\$2.0m	-61.6%
Earnings per share	Nil	4.3c	-
Dividends per share	Nil	3.0c	-100.0%

The business is expected to return to profitability in the second half of the June 2015 financial year.

CPT Global is a micro-cap business and the shares are not actively traded, but we believe this is an attractive business, so recommend accumulating shares around 50-55 cents. “Buy”.

CPT Global



CSG Limited has reported good growth in revenues and profits - plus an \$8.0 million net operating surplus (*before* an additional \$27.1 million invested in Finance division lease receivables):

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$108.3m	\$95.3m	+13.6%
Net Profit	\$7.0m	\$5.3m	+31.7%
Net Cash Surplus	\$8.0m	<\$1.9m>	-
Earnings per share	2.5c	1.9	+31.6%
Dividends per share	4.0c	Nil	-

Interest earning Lease receivables rose 36% to \$188.6 million and in February the company purchased \$11 million of CSG customer lease receivables held by an outside finance company.

CSG Ltd



Ellex Medical Lasers



Ellex Medical Lasers experienced a moderate lift in revenues and a *doubling* of profits (albeit off a low base) over the half year to the end of December:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$30.7m	\$25.9m	+18.6%
Net Profit	\$0.851m	\$0.391m	+108.4%
Net Cash Surplus	\$2.6m	\$1.3m	+91.2%
Earnings per share	0.75c	0.36c	+108.4%
Dividends per share	Nil	Nil	-

Recurring revenues from consumables and services grew 150% to \$4.8 million (16% of total revenues).

The company is experiencing good growth in 3RT lasers (for treating early AMD) to “early adopters” and on-going trials should build clinical awareness and more widespread use of this technology.

Ellex Medical Lasers should benefit from a weaker Australian dollar. Around 48% of revenues are earned in US dollars (plus 13% in Yen, 12% in Euros and 27% in Australian dollars), while only 30% of production costs and 45% of operating costs are in US dollars.

In March 2014, the company launched its *Integre Pro* laser (to relace previous *Integre* lasers). It now plans to launch the *Integre PRO SCAN* (providing faster treatment and more patient comfort) in various markets later this financial year and early in the June 2016 financial year.

The Canaloplasty business has completed the move of its manufacturing operation from a “high-rent facility in Menlo Park, California, to nearby Fremont” with future rent savings of US\$250,000 annually.

The Japanese business had been a major contributor of revenues and profits in the past but has declined to generate only 13% of revenues. Sales management was changed towards the end of the half year with the goal to “revitalise total sales and in particular the higher margin Ellex-branded product”.

Fiducian Group (formerly *Fiducian Portfolio Services*) has completed its restructuring and the shares now trade under the code FID. Restructuring costs were \$550,000 of which \$505,000 was expensed in the latest half year:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$12.3m	\$11.0m	+11.5%
Net Profit	\$2.0m	\$1.9m	+8.0%
Net Cash Surplus	\$1.3m	\$3.1m	-56.9%
Earnings per share	6.5c	6.0c	+9.6%
Dividends per share	4.5c	4.1c	+9.8%

The drop in the net operating cash surplus resulted from fluctuation in debtors (up \$1.5 million to \$6.4 million) and creditors (down \$0.7 million to \$3.7 million). The company remains in a strong financial position with \$10.4 million (33.7 cents per share) in cash (and no interest bearing debt).

This is a small investment management business offering a good income yield and steady long term growth. “Buy”.

Fiducian Group



Finbar Group's reported revenues and profits can fluctuate owing to the completion and settlement of relatively large development projects:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$26.4m	\$134.2m	-80.3%
Net Profit	\$11.0m	\$18.9m	-42.0%
Earnings per share	4.8c	8.6c	-44.0%
Dividends per share	4.0c	4.0c	-

(The net cash operating surplus is not significant in this business)

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Recommended Investments

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Project completion timing will also impact on the full year result. The company expects a “respectable profit” for the full year, but “do not anticipate” matching last year's record profit.

Finbar Group has over \$2000 million of future projects, with \$428 million of unconditional, pre-sales contracts and is “very well positioned to secure earnings growth in the years ahead”.

Finbar Group is still a growth business, with a slightly lower profit this year just the result of the timing of the completion of major projects. The share price has weakened over the last year, so the shares now trade on a Price/Earnings ratio of 8 and offer a high Dividend Yield of 8.0%. That is an attractive valuation. “Buy” for both a high (and growing) income and for capital growth.

Finbar Group



Iluka Resources

Year to 31/12/2014

	Latest	Previous	Change
Revenues	\$792.3m	\$853.2m	-7.1%
Net Profit	<\$62.5m>	\$18.5m	-
Net Cash Surplus	\$267.6m	\$29.8m	+798.0%
Earnings per share	-	4.4c	-
Dividends per share	19.0c	9.0c	+111.1%

Iluka Resources' half year result includes an \$82.0 million (pre-tax) write-down in the value of US assets, while the 2013 result included the \$40.0 million (pre-tax) write-down of other assets.

In the current cycle, the net operating cash surplus - which can be used to repay debt, pay dividends, fund exploration, expansion or acquisitions - is probably the most meaningful number. That large increase reflects the higher tax (of \$140.1 million) payable in 2013 (relating to the 2012 profit) and \$27.5 million of taxes paid during the recent half year. Excluding income tax, the net surplus was still up strongly by \$125.2 million.

Iluka Resources expects “gradual demand recovery, dependent on global economic conditions”. It plans to increase Zircon, Rutile and Synthetic Rutile production 25-30% to around 680 thousand tonnes during 2015.

Sales “may exceed” production, so that might result in about a 10% increase in sales volumes.

Total cash costs are forecast to rise 11% to around \$620 million (owing to higher volumes), while production costs per tonne should fall about 11% to \$635/tonne.

Iluka Resources will reactivate its Synthetic Rutile kiln at Capel, Western Australia in April.

Iluka Resources



Integrated Research had a very strong half year:
Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$33.5m	\$26.2m	+27.8%
Net Profit	\$7.5m	\$4.5m	+67.0%
Net Cash Surplus	\$9.8m	\$10.1m	-2.7%
Earnings per share	4.5c	2.7c	+67.0%
Dividends per share	3.5c	2.5c	+40.0%

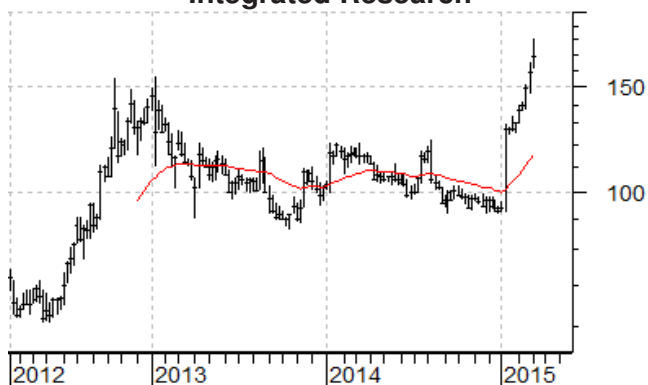
Revenue and profits were helped by four large, new contracts signed in December. That also helped boost total receivables by \$10.1 million to \$33.0 million and net operating cash flows should be very strong in the *current* half year as the company receives payment of those trade debts.

New licence fees rose 43% to \$19.7 million - which will fuel future growth in annual maintenance fees. Over the last six months, maintenance fees rose 14% to \$11.3 million, with consulting revenues up 1% at \$2.5 million.

Unified Communications revenues rose 41% to \$17.0 million, Infrastructure revenues 21% to \$11.5 million, Payment revenues 15% to \$2.5 million and Consulting 1% to \$2.5 million. In the United States, the Unified Communications market is forecast to grow 20-25% annually over the next five years (i.e. 2½-3 fold in value). Integrated Research already provides its monitoring software to five of the six leading Unified Communications cloud providers, so is well positioned to benefit from this strong growth.

Integrated Research benefits significantly from a lower Australian dollar exchange rate, earning 68% of revenues in US dollars, 7% in Pounds Sterling and 12% in Australian dollars.

Integrated Research



M2 Group has reported moderate revenue growth, strong profit and dividend growth and *very strong* growth in its net operating cash surplus:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$546.2m	\$506.0m	+8.0%
Net Profit	\$38.5m	\$30.9m	+24.5%
Net Cash Surplus	\$51.7m	\$22.6m	+128.4%
Earnings per share	21.2c	17.2c	+23.3%
Dividends per share	15.0c	11.5c	+30.4%

The strong cashflow has also helped to reduce interest bearing debts by \$15.7 million (to \$279.8 million) over the last six months.

Over the half year, M2 Group *tripled* the number of *Dodo Connect Kiosks* to 60, located in shopping centres in Queensland, New South Wales and Victoria.

M2 Group shares trade at a fairly high valuation and has fairly high debt levels, but profits continue to grow strongly as the company expands into new markets. So we have realised some partial profits on this very successful investment but are in no rush to sell out completely.

M2 Group



Melbourne IT recorded good revenue and profit growth (before writing off an intangible software asset):

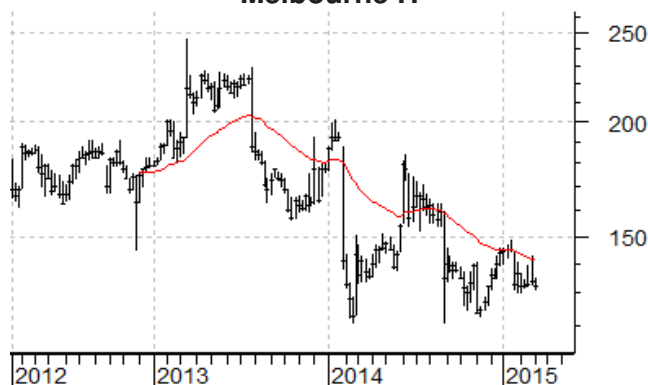
Year to 31/12/2014

	Latest	Previous	Change
Revenues	\$124.7m	\$103.4m	+20.6%
Net Profit	\$7.9m	\$6.2m	+27.6%
Net Cash Surplus	\$16.1m	\$7.3m	+110.1%
Earnings per share	8.5c	7.5c	+13.3%
Dividends per share	5.0c	Nil	-

In addition to the strong operating cash surplus, Melbourne IT received the final \$15.25 million payment from the sale of its DBS business.

Melbourne IT has also agreed to acquire **Uber Global Group Pty**, Australia's third largest domain name registration and hosting business, for \$15.5 million in cash (plus up to a further \$5 million if 2015 earnings exceed \$2.1 million). The business has earnings (before interest, depreciation and tax) of \$2.0 million, but this is a very similar business and should produce synergy cost savings of \$2.5 million annually.

Melbourne IT



Nomad Building Solutions experienced lower revenues and a small *loss* for the half year:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$10.6m	\$25.7m	-58.9%
Net Profit	<\$3.0m>	<-\$1.2m>	-
Net Cash Surplus	<\$4.1m>	<\$5.3m>	-
Earnings per share	<1.1c>	<0.4c>	-
Dividends per share	Nil	Nil	-

In addition the company wrote off intangible assets of \$20.1 million.

Nomad Building Solutions is to acquire **Bloomer Constructions (Qld) Pty** for up to \$10.4 million. This will create value by combining a profitable business with Nomad Building Solution's \$33 million in tax losses and \$17 million in imputation tax credits!

The combined group would pay no income tax for over a decade on Bloomer Constructions' annual profits of around \$3 million (about 0.6 cents per share, on the enlarged company) but would be able to pay fully imputed dividends.

Bloomer Constructions' shareholder will receive \$1.5 million in cash and 88,000,000 Nomad Building Solutions shares (valued at \$4.4 million at 5 cents per share) and, when the business meets earn out targets, a further 76.15 million shares (i.e. 30.0 million at a value of 5 cents and 46.15 million valued at 6.5 cents). This will give Bloomer shareholders about 37% of the enlarged company.

Nomad Building Solutions placed 70.0 million shares at 5 cents to raise \$3.5 million to fund the cash consideration of the acquisition and "working capital for future growth opportunities".

(Continued on Page 12)

Recommended Investments

(Continued from Page 11)

Nomad Buildings Solutions



Novarise Renewable Resources

Year to 31/12/2014

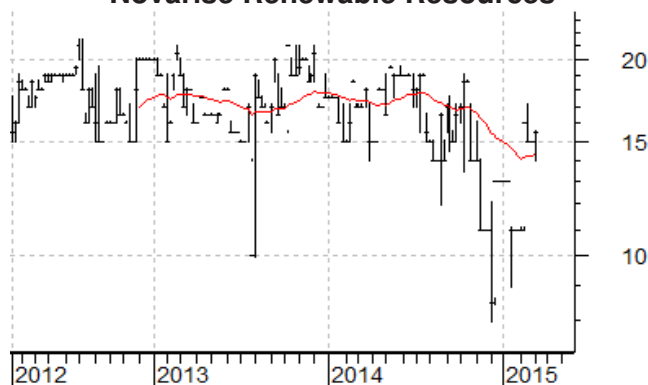
	Latest	Previous	Change
Revenues	\$159.7m	\$96.7m	+65.1%
Net Profit	<\$5.7m>	\$9.1m	-163.1%
Net Cash Surplus	\$11.9m	<\$3.4m>	
Earnings per share	<1.4c>	2.0c	-
Dividends per share	Nil	Nil	-

The low price of oil has depressed recycling profitability. The majority of the new plant has been completed, but of the ten production lines, only four are operating at low utilisation levels owing to low demand.

The company also has \$211 million of unsecured loans owing to it from third parties.

The major shareholders are still seeking to buy out the public minority shareholders at 23 cents per share.

Novarise Renewable Resources



Probiotec Limited recorded steady revenues but a significant loss, mostly resulting from an \$18.8 million impairment charge relating to its ADP Protein Plant:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$31.5m	\$32.2m	-2.3%
Net Profit	<\$26.1m>	\$0.428m	-
Net Cash Surplus	\$0.7m	\$2.9m	-76.1%
Earnings per share	<49.4c>	0.8c	-
Dividends per share	Nil	Nil	-

The ADP Protein Plant was operating as expected, but relies on **United Dairy Power** to provide whey from which the proteins are extracted. The ADP Protein Plant

is located at the United Dairy Power site. The problem is that United Dairy Power has been placed in receivership and is not operating and therefore unable to supply whey for the processing plant.

If this business is acquired and operated by a new dairy processing company, then it *may* be able to supply whey to Probiotec's business. If not, then Probiotec would need to remove its plant and relocate to another location or scrap the plant. Given that this plant is currently idle and *may* need to be moved or scrapped, the company has written down this asset from \$21.7 million to just \$3.0 million.

Probiotec

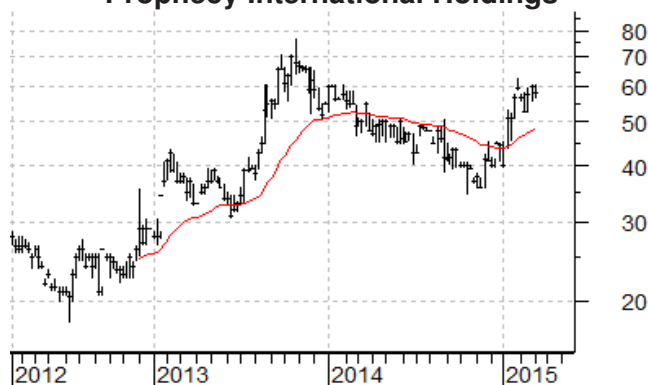


Prophecy International Holdings has produced a strong result (as previously signalled to the market and discussed in recent months):

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$4.4m	\$4.1m	+8.5%
Net Profit	\$1.314m	\$1.060m	+27.6%
Net Cash Surplus	\$1.579m	\$0.8m	+102.2%
Earnings per share	2.4c	1.9c	+22.2%
Dividends per share	2.0c	2.0c	-

Prophecy International Holdings



Skilled Group has produced a very steady result in a difficult market:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$1,002.0m	\$906.5m	+10.5%
Net Profit	\$21.2m	\$21.0m	+0.8%
Net Cash Surplus	<\$4.5m>	\$1.4m	-
Earnings per share	9.0c	9.0c	-
Dividends per share	7.5c	7.5c	-



The fall in Skilled Group's share price over the last two year's has created very good value in the shares, which currently trade on a Price/Earnings ratio of 7 and offer a very high Dividend Yield of 12.1%. It is impossible to pick the bottom of a share price decline, but at this valuation it could be a good idea to pick up a few more Skilled Group shares (i.e. perhaps in several purchases, spread over several months?) to add to existing positions in this company.

TFS Corporation's sales revenues increased 93.4% to \$70.1 million over the half year, with total revenues (i.e. including the \$89.6 million revaluation of plantation assets) up almost 3-fold:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$160.3m	\$55.0m	+191.5%
Net Profit	\$55.0	\$3.2m	+1598.0%
Net Cash Surplus	<\$11.2m>	\$4.2m	-
Earnings per share	16.9c	1.1c	+1359.0%
Dividends per share	Nil	Nil	-

For the full year to June 2015 the company is forecasting a net profit of "at least \$90 million" (27.5 cents per share). Plantation valuations were based on a Sandalwood oil value of US\$2800/kg - up from US\$2000/kg used previously - but below recent actual sales at prices of US\$4500/kg.

TFS Corporation's cashflow and cash level *can* be a problem, but the net operating cash *deficit* appears to reflect the timing of plantation development and sales (with \$24 million received since the end of the half year and two more settlements likely before the end of June). Cash on hand at 31 December was \$30.0 million, which looks reasonable.

TFS Corporation is, however, continuing to invest heavily in plant and equipment to expand its business and investing significantly in direct ownership of plantation assets. Both these capital expenditures should be good investments to grow revenues and profits, provided the company correctly manages its cashflows, cash levels and debt levels.

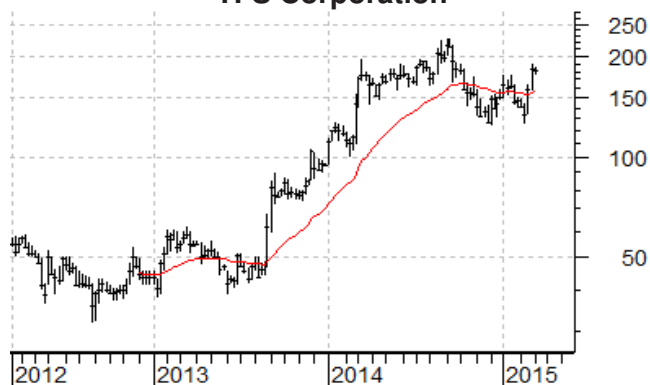
As the business matures - from just developing plantations for sale to investors, through to more on-going annual management of plantations and now harvesting and value added oil sales - it will generate higher recurring cashflows, making this a more attractive business.

In recent months we have discussed the previously undisclosed royalties that TFS Corporation can indirectly (via its 50% interest in **Santalis**) earn from **Galderma's**

Benzac acne treatment. That royalty is a "low single digit share of the net wholesale price", but this is a high margin (i.e. value added) product, so this will be a significant amount for TFS Corporation. The latest announcement states that TFS Corporation "expects to receive total revenues of approximately A\$7500/kg of oil sold to Galderma for use in Benzac". That is US\$4500/kg (about A\$5700) from the initial sale, which indicates that royalties will add another 30%. This will be high quality, recurring, high margin revenues, based upon the US dollar value of sales (so benefiting from any further weakness in the Australian dollar).

New plantings - mainly in the June quarter - are expected to be around 1500 hectares. That is in line with the 1587 hectares developed in the June 2014 year (and up on the 1184 hectares in 2013).

TFS Corporation



The Reject Shop's half year result was as previewed by the company last month:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$402.2m	\$385.0m	+4.3%
Net Profit	\$12.8m	\$16.9m	-24.0%
Net Cash Surplus	\$45.0m	\$39.0m	+15.3%
Earnings per share	44.4c	58.5c	-24.0%
Dividends per share	16.5c	21.5c	-23.3%

The year started poorly but has improved. Despite the lower profitability, The Reject Shop has generated a very high net operating cash surplus. That has enabled the company to repay half of its interest bearing debt during the six month period. Debt is now only \$13.0 million. Cash on hand also rose strongly - by \$12.1 million to \$19.7 million (41.8 cents per share).

Profitability is depressed, but the company is in a sound financial position from which to stage a recovery.

The Reject Shop



(Continued on Page 14)

Recommended Investments

(Continued from Page 13)

Village Roadshow experienced a drop in revenues and profits over the last six months - mainly owing to lower Theme Park revenues and earnings caused by wet weather:

Six Months to 31/12/2014

	Latest	Previous	Change
Revenues	\$482.6m	\$490.2m	-1.5%
Net Profit	\$13.3m	\$18.1m	-26.2%
Net Cash Surplus	\$37.0m	\$45.2m	-18.0%
Earnings per share	8.4c	11.3c	-26.2%
Dividends per share	14.0c	13.0c	+7.7%

Theme park revenues fell 5% to \$164.0 million, with earnings down 28% to \$9.9 million. Bad weather has continued into the second half, with the Gold Coast recording its wettest January in 50 years.

Village Roadshow is expecting its net profit for the full year to June 2015 will be around \$46-52 million, down slightly on the \$56.5 million for 2014. "Hold".

Village Roadshow



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

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

Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	STRENGTH RATING	Insider Buy-Sell	Brokers Following	Short Interest	Price to P/E	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0															
Raptis Group	40	+0.0	+0.0	33	0-0	-	-	-	-	1.1	NE	12.5	0.11	28	
SRG Limited	63	+1.0	+2.0	29	12-0	-	-	0.7	2	1.1	31	6.3	0.18	40	
Chandler McLeod	54	+16.8	+12.3	6	0-0	2	-	-	1.0	21	5.9	0.20	296		
Aust Pharm. Ind	135	+26.2	+5.3	4	3-0	7	1.4	1.7	6	0.8	27	2.4	0.21	657	
Ruralco Hold.	367	+2.5	+0.6	25	0-0	3	-	2.6	13	0.4	20	5.4	0.21	284	
ERM Power Ltd	214	+7.0	+1.3	17	0-2	5	0.0	1.6	-	0.6	NE	5.4	0.24	517	
Dicker Data Ltd	165	+1.5	+0.7	28	4-0	1	-	11.0	27	0.9	41	2.7	0.32	212	
Sigma Pharm.	94	+5.7	+5.1	18	0-1	11	1.9	1.9	12	0.7	15	4.3	0.36	1,028	
Chalmers	290	+2.9	+1.3	24	0-0	1	-	0.7	3	0.5	20	2.6	0.36	22	
Sims Metal Mgmt	1278	+4.7	+3.1	21	6-0	13	8.6	1.5	-	0.4	NE	0.8	0.37	2,616	
Ridley Corp.	104	+8.4	+1.5	14	1-0	3	0.0	2.4	13	0.8	18	3.6	0.37	320	
Centrepoint All	51	+1.3	-2.8	28	2-0	-	-	7.3	44	1.0	17	4.3	0.39	54	
Lindsay Aust	50	+13.6	+3.7	8	0-1	1	-	2.2	11	1.0	19	4.0	0.40	125	
Caltex Austria	3746	+16.9	+0.7	6	0-1	9	0.1	4.1	1	0.4	507	1.9	0.42	10,114	
Leighton Hold	2193	+3.0	+0.7	24	4-2	15	1.8	2.8	-	0.4	NE	5.0	0.44	7,423	
Aust Vintage	42	+5.9	+1.5	18	4-0	1	-	0.5	6	1.1	9	5.3	0.45	96	
A.P. Eagers	720	+7.6	+3.3	15	21-0	3	-	3.1	18	0.3	17	3.8	0.45	1,285	
Automotive Hold	420	+0.9	+1.0	29	2-0	14	1.0	4.8	17	0.5	29	4.8	0.47	1,287	
Fantastic Hold.	209	+5.6	+3.9	19	2-0	7	0.0	2.1	6	0.6	37	2.9	0.48	216	
Pro-Pac Pack.	48	+1.2	+0.6	28	0-0	-	-	3.7	21	1.1	18	4.2	0.50	109	
Zicom Group	23	+2.2	-3.3	26	4-0	-	-	0.7	5	1.7	15	3.9	0.52	49	
Sedgman Ltd	75	+8.0	+5.9	14	3-0	3	0.5	1.3	-	1.1	NE	6.7	0.53	170	
Collins Foods	256	+7.8	+3.9	15	3-0	5	-	-	0.6	17	4.1	0.54	238		
Graincorp	974	+3.1	+4.6	24	5-0	13	5.2	1.7	4	0.4	44	2.1	0.54	2,229	
Vita Group Ltd	180	+29.4	+7.2	3	2-2	3	-	-	0.8	NE	2.6	0.57	256		
Goodman Fielder	67	+0.8	+1.0	30	0-0	9	0.1	-	-	1.1	NE	3.0	0.60	1,310	
Patties Foods	123	+1.2	-1.1	28	8-1	3	-	2.5	24	0.7	10	5.8	0.69	171	
Q.B.E. Insur.	1343	+0.2	+3.8	32	1-0	16	0.9	2.5	14	0.5	18	2.8	0.72	18,331	
Toll Holdings	883	+14.3	+10.4	8	3-0	14	0.4	6.2	28	0.4	22	3.2	0.72	6,335	
Shenhua Int'l	49	+11.8	-1.3	10	0-0	-	-	0.8	12	1.2	7	5.2	0.72	61	
Nufarm Limited	727	+16.1	+9.7	7	2-2	13	1.8	2.5	5	0.4	51	1.1	0.73	1,926	
ITL Limited	23	+0.2	+0.8	32	0-0	-	-	2.3	24	1.6	9	4.3	0.74	19	
Landmark White	50	+3.5	+0.2	23	1-2	-	-	8.3	70	1.1	12	7.5	0.75	14	
Wesfarmers Ltd	4393	+1.0	+1.3	29	1-0	15	0.7	10.0	32	0.3	31	4.6	0.83	49,366	
Newhaven Hotels	95	+5.3	+1.0	19	0-0	-	-	0.9	15	0.7	6	6.3	0.87	22	
Villa World Ltd	215	+3.7	+3.8	23	5-0	2	-	1.1	11	0.6	11	7.0	0.88	201	
AGL Energy Ltd	1506	+1.7	+3.5	27	0-0	15	1.9	2.0	13	0.3	15	4.2	0.92	10,139	
AMP Ltd	654	+5.7	+3.3	18	0-0	16	0.4	4.8	18	0.6	27	3.5	0.95	19,344	
Evolution Min.	87	+13.2	+12.1	9	3-0	10	1.4	0.6	5	0.9	12	2.3	0.97	618	
G.U.D. Holdings	800	+6.7	+0.9	17	3-0	12	3.2	12.1	37	0.4	32	4.5	0.97	568	
AV Jennings	65	+0.2	+2.8	32	0-0	1	-	0.8	6	1.0	13	3.1	0.98	245	
Basper Limited	50	+0.4	-0.1	31	0-0	-	-	0.9	-	1.0	NE	10.0	0.98	50	
Capilano Honey	1008	+17.6	+8.9	6	0-1	-	-	3.1	17	0.4	19	2.0	1.00	87	
Suncorp Group	1355	+0.2	-1.3	32	5-1	16	0.4	2.2	9	0.3	24	5.5	1.06	17,433	
Nib Holdings	370	+6.2	+2.8	18	3-1	11	0.0	6.4	27	0.6	23	3.0	1.07	1,624	
Boral Limited	609	+6.2	+4.3	18	0-0	15	1.5	1.9	4	0.5	45	2.5	1.07	4,767	
Orora Limited	237	+17.8	+0.9	6	6-0	13	0.1	-	-	0.7	NE	2.5	1.08	2,860	
Fairfax Media	95	+5.3	+4.9	19	0-0	12	1.7	3.5	23	0.9	15	2.1	1.09	2,287	
Tamawood Ltd	350	+0.6	-4.0	30	0-5	-	-	13.0	73	0.5	18	6.0	1.10	89	
C.S.R. Ltd	386	+9.2	+3.0	12	0-1	13	2.0	1.9	9	0.6	22	2.6	1.12	1,953	
Pact Group Hold	435	+10.5	+0.3	11	0-0	9	0.3	-	-	0.5	22	2.2	1.12	1,280	
SDI Limited	64	+4.7	-0.3	21	2-0	-	-	2.5	21	1.0	12	1.1	1.16	76	
Mincor Resource	70	+0.6	+6.0	30	0-0	6	0.0	1.2	2	1.0	71	5.7	1.20	132	
Refresh Group	7	+7.8	-0.3	15	0-0	-	-	2.3	17	2.8	13	1.4	1.20	8	
Pac. Star Netwk	35	+5.0	+1.4	20	0-1	-	-	3.2	16	1.2	19	4.6	1.22	19	
GR Engineering	93	+5.3	+5.8	19	1-0	1	-	3.1	31	0.9	10	6.5	1.23	140	
PS & C Limited	88	+0.5	+4.0	30	0-0	-	-	8.0	58	0.9	14	3.4	1.23	44	
Insurance Aust.	599	+0.9	-1.8	29	1-3	16	0.6	3.4	30	0.4	11	6.5	1.30	14,026	
Codan Ltd	102	+5.0	+4.5	20	1-0	3	0.0	-	-	0.9	20	3.0	1.36	180	
CVC Limited	148	+2.4	+1.6	25	0-1	-	-	0.9	13	0.6	7	3.4	1.37	176	
Wide Bay Aust.	545	+1.8	+2.1	27	2-0	4	-	1.3	9	0.4	14	5.1	1.38	201	
LifeHealthCare	296	+7.8	+7.2	15	0-0	-	-	4.5	72	0.6	6	2.5	1.44	126	
Ark Fund Ltd	41	+0.0	+0.0	33	0-0	-	-	0.4	7	1.1	5	26.2	1.44	10	
DuluxGroup Ltd	625	+4.4	+0.6	21	0-2	13	0.2	-	-	0.4	23	3.3	1.48	2,428	
Wellcom Group	350	+5.2	+1.5	20	1-0	2	-	6.6	41	0.5	16	5.4	1.52	137	

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-rent	4-Wk Chg.	Rank 0-99										
Asciano Limited	632	+2.2	+1.8	26	0-0	16	0.8	6.5	27	0.5	24	1.8	1.57	6,164
United Overseas	52	+0.2	+3.5	32	0-0	0	-	0.7	10	1.0	7	4.9	1.58	577
Amcor Ltd	1424	+11.2	+0.6	10	1-3	13	0.3	-	0.3	23	3.0	1.58	17,183	
Silver Chef Ltd	764	+8.2	+5.8	14	1-0	6	0.0	3.5	20	0.4	18	3.9	1.59	226
CocaCola Amatil	1054	+2.2	+2.9	26	0-0	14	2.8	5.8	27	0.2	21	4.0	1.61	8,048

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Pac Environment	10	+33.7	+11.9	2	0-0	-	-	-	1.7	8	Nil	0.84	10	
Farm Pride Food	30	+27.1	+5.0	3	0-0	-	-	0.8	10	1.4	8	Nil	0.17	17
Norton Gold	20	+18.1	+9.1	6	0-0	-	-	0.7	8	1.2	8	Nil	0.72	186
Capilano Honey	1008	+17.6	+8.9	6	0-1	-	-	3.1	17	0.3	19	2.0	1.00	87
Multiplex Euro.	6	+14.8	+3.5	7	0-0	-	-	-	2.2	10	Nil	0.45	15	
Austal Limited	152	+14.4	+0.6	8	0-0	4	0.0	1.3	8	0.4	16	Nil	0.46	526
Lindsay Aust	50	+13.6	+3.7	8	0-1	1	-	2.2	11	0.7	19	4.0	0.40	125
Evolution Min.	87	+13.2	+12.1	9	3-0	10	1.4	0.6	5	0.7	12	2.3	0.97	618
Shenhua Int'l	49	+11.8	-1.3	10	0-0	-	-	0.8	12	0.9	7	5.2	0.72	61
Eumundi Group	6	+9.2	+4.6	13	0-0	-	-	0.7	11	2.2	6	Nil	0.79	19
Ridley Corp.	104	+8.4	+1.5	14	1-0	3	0.0	2.4	13	0.6	18	3.6	0.37	320
Int'l Equities	6	+8.1	-3.0	14	0-0	-	-	0.4	7	2.1	5	Nil	0.28	8
Regional Exp.	101	+7.9	-3.1	15	2-1	-	0.0	0.6	4	0.6	14	Nil	0.44	111
Collins Foods	256	+7.8	+3.9	15	3-0	5	-	-	0.5	17	4.1	0.54	238	
A.P. Eagers	720	+7.6	+3.3	15	21-0	3	-	3.1	18	0.2	17	3.8	0.45	1,285
Godfreys Group	355	+6.6	+3.9	17	0-0	-	-	-	0.5	18	Nil	0.59	143	
Global Con Serv	58	+6.3	+2.4	18	0-0	1	-	0.7	6	0.8	12	Nil	0.69	99
Aust Vintage	42	+5.9	+1.5	18	4-0	1	-	0.5	6	0.8	9	5.3	0.45	96
Sigma Pharm.	94	+5.7	+5.1	18	0-1	11	1.9	1.9	12	0.5	15	4.3	0.36	1,028
Burson Group	272	+5.6	+1.8	19	1-0	-	0.3	-	0.7	11	Nil	0.38	445	
Newhaven Hotels	95	+5.3	+1.0	19	0-0	-	-	0.9	15	0.5	6	6.3	0.87	22
Konekt Limited	15	+5.2	+4.3	20	1-0	-	-	2.5	23	2.0	11	Nil	0.35	11
Villa World Ltd	215	+3.7	+3.8	23	5-0	2	-	1.1	11	0.5	11	7.0	0.88	201
Landmark White	50	+3.5	+0.2	23	1-2	-	-	8.3	70	0.8	12	7.5	0.75	14
Ruralco Hold.	367	+2.5	+0.6	25	0-0	3	-	2.6	13	0.3	20	5.4	0.21	284
Zicom Group	23	+2.2	-3.3	26	4-0	-	-	0.7	5	1.2	15	3.9	0.52	49
Transfield Serv	144	+2.0	-6.7	27	4-0	13	1.0	4.1	37	0.8	11	Nil	0.20	735
AGL Energy Ltd	1506	+1.7	+3.5	27	0-0	15	1.9	2.0	13	0.3	15	4.2	0.92	10,139
Centrepoint All	51	+1.3	-2.8	28	2-0	-	-	7.3	44	0.7	17	4.3	0.39	54
Pro-Pac Pack.	48	+1.2	+0.6	28	0-0	-	-	3.7	21	0.8	18	4.2	0.50	109
Patties Foods	123	+1.2	-1.1	28	8-1	3	-	2.5	24	0.5	10	5.8	0.69	171
Questus Ltd	3	+0.3	+5.1	31	0-0	-	-	-	2.9	17	Nil	0.35	3	
AV Jennings	65	+0.2	+2.8	32	0-0	1	-	0.8	6	0.7	13	3.1	0.98	245
Q.B.E. Insur.	1343	+0.2	+3.8	32	1-0	16	0.9	2.5	14	0.5	18	2.8	0.72	18,331
ITL Limited	23	+0.2	+0.8	32	0-0	-	-	2.3	24	1.2	9	4.3	0.74	19
Redbank Energy	800	+0.0	-0.0	32	0-0	-	0.0	0.3	-	0.2	0	Nil	0.07	6
Air Change Int.	10	+0.0	+0.0	34	0-0	-	-	0.5	9	1.6	5	Nil	0.09	2
CB Australia	0	+0.0	+0.0	34	0-0	-	-	0.0	6	11.8	0	Nil	0.06	0

INCOME SHARES: Highest Yields, Capitalisation > A\$250 million

Arrium Limited	20	-35.6	+3.0	95	6-0	11	5.8	0.1	10	1.3	146.2	0.05	573	
MMA Offshore	82	-29.3	-2.1	90	5-0	12	6.8	0.5	9	0.5	615.3	0.50	300	
Metcash Ltd	148	-24.3	-3.8	85	4-0	15	13.2	-	0.6	8	12.5	0.10	1,369	
Monadelphous Gr	989	-19.3	+3.2	78	3-0	16	8.8	2.6	42	0.5	612.4	0.39	920	
Skilled Group	140	-24.1	-1.1	85	2-1	10	1.9	8.8	-	0.8	712.1	0.18	330	
Bradken Ltd	221	-11.7	-8.8	64	0-0	13	2.9	0.9	5	0.5	1711.8	0.33	378	
Cardno Ltd	333	-25.8	+2.2	87	10-1	10	10.0	37.0	-	0.6	710.8	0.41	548	
STW Comm Group	68	-17.4	-4.1	75	1-0	8	2.8	-	0.6	6	10.0	0.59	279	
Fortescue Metal	215	-20.8	+1.2	80	8-0	22	11.0	0.9	38	0.5	2	9.3	0.54	6,695
Scentre Group	393	+7.2	+1.1	16	0-0	13	0.3	-	0.5	11	9.3	9.64	20,924	
Woodside Petrol	3516	-6.4	+0.3	52	0-0	16	0.4	1.7	17	0.3	10	8.9	3.19	28,969
Aust Leaders Fd	138	-8.2	-0.7	57	0-1	-	-	0.9	11	0.4	8	8.7	N/A	321
Myer Holdings	170	-11.3	+5.1	63	4-0	16	19.4	-	0.7	10	8.5	0.32	996	
Worley Group	1015	-19.2	+2.2	78	2-0	15	4.1	20.7	-	0.4	10	8.4	0.26	2,481
Mineral Res.	756	-11.9	+2.9	64	0-3	8	10.4	1.4	22	0.4	6	8.2	0.74	1,416
Finbar Group	125	-7.4	+0.0	55	3-0	-	-	1.3	17	0.5	8	8.0	1.02	286
Prime Media Grp	87	-4.1	+1.6	48	0-1	6	0.3	-	0.5	10	7.9	1.22	317	
Seven West Med.	157	-12.2	+1.1	65	2-0	13	4.0	-	0.6	11	7.6	0.85	1,569	
360 Capital Ind	260	+8.1	+0.4	14	0-0	2	0.1	-	0.4	7	7.2	7.71	325	
CSG Ltd	127	+6.8	+1.3	17	9-1	3	0.1	5.1	17	0.6	29	7.1	1.78	361
Cadence Capital	145	-0.8	+0.6	39	0-0	-	0.1	1.0	6	0.4	17	6.9	1.60	289
Sth Cross Media	109	-2.1	+1.0	42	4-0	12	3.8	-	0.6	4	6.9	1.19	795	
Pro Maintenance	250	-8.2	-0.5	56	2-0	8	0.4	2.2	22	0.5	10	6.8	0.21	297
ALS Limited	577	-10.0	+5.8	61	4-0	17	8.0	-	0.3	15	6.8	1.51	2,350	
Cromwell Prop.	116	+7.3	+2.9	16	1-7	9	1.7	1.6	15	0.4	11	6.6	5.99	2,007

Company	Share Price	STRENGTH RATING			Insider Buy-Sell	Brokers Following	Short Interest	Price to NTA	ROE	Volatility	P/E Ratio	Div Yield	P/S Ratio	Market Cap'n
		Cur-rent	4-Wk Chg.	Rank 0-99										
INSIDER BUYING: Most Insider Buying, Relative Strength > 0														
A.P. Eagers	720	+7.6	+3.3	15	21-0	3	-	3.1	18	0.2	17	3.8	0.45	1,285
Strike Energy	11	+1.3	-0.7	28	14-0	-	-	-	-	2.2	NE	Nil	N/A	92
SRG Limited	63	+1.0	+2.0	29	12-0	-	-	0.7	2	0.7	31	6.3	0.18	40
Sth Boulder Min	24	+5.6	+5.2	19	12-0	-	-	-	-	0.9	NE	Nil	N/A	30
Blackwall Prop.	107	+5.1	+1.5	20	12-1	-	-	3.0	39	0.5	8	0.3	3.94	50
Recall Holdings	784	+21.4	+1.5	5	10-0	12	0.1	-	-	0.3	55	Nil	3.77	2,459
Titan Energy	3	+7.9	+7.0	15	9-1	-	-	-	-	2.2	NE	Nil	6.54	10
CSG Ltd	127	+6.8	+1.3	17	9-1	3	0.1	5.1	17	0.5	29	7.1	1.78	361
Macquarie Group	7537	+6.5	+4.7	17	7-0	16	0.3	2.4	12	0.2	19	3.4	2.98	24,446
ASX Limited	4235	+5.4	+3.6	19	7-0	16	3.0	6.4	30	0.3	22	4.2	N/A	8,199
IOOF Holdings	1060	+5.3	+3.2	19	7-0	12	4.5	-	0.3	24	4.5	3.32	3,181	
Patties Foods	123	+1.2	-1.1	28	8-1	3	-	2.5	24	0.4	10	5.8	0.69	171
Sims Metal Mgmt	1278	+4.7	+3.1	21	6-0	13	8.6	1.5	-	0.3	NE	0.8	0.37	2,616
Orora Limited	237	+17.8	+0.9	6	6-0	13	0.1	-	-	0.5	NE	2.5	1.08	2,860
Mystate Ltd	516	+3.6	+3.0	23	6-0	4	-	2.2	14	0.3	15	5.5	2.12	450
I-College Ltd	14	+7.5	-5.4	16	6-0	-	-	-	-	1.8	NE	Nil	N/A	44
EZA Corporation	12	+4.4	-1.5	22	6-0	-	-	4.0	-	1.3	NE	Nil	0.48	9
Prophecy Int'l	58	+13.5	+8.5	8	7-1	-	-	6.4	26	0.6	25	4.7	4.54	32
Graincorp	974	+3.1	+4.6	24	5-0	13	5.2	1.7	4	0.3	44	2.1	0.54	2,229

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

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

Company	STRENGTH RATING											Market Cap'n	Company	STRENGTH RATING											Market Cap'n
	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield			Price/Sales Ratio	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Air New Zealand	296	+16.3	+1.2	8	3-18	6	0.2	14	0.9	1	4.7	0.07	329
Smiths City	54	+1.9	+1.5	45	0-0	-	0.7	10	1.4	7	6.5	0.13	28
Ebos Group Ltd	1034	+1.6	+0.8	46	1-1	5	1.6	9	0.8	17	4.5	0.27	1,538
Col Motor Co	639	+6.7	+1.1	25	0-0	-	1.5	13	0.6	11	7.6	0.30	209
PGG Wrightsons	51	+6.5	+0.5	26	2-0	2	1.4	15	1.6	9	12.3	0.32	385
Hellaby Hold.	342	+5.7	+0.6	30	1-0	4	1.9	15	1.2	13	6.1	0.44	325
Seeka Kiwifruit	325	+1.9	-0.3	45	3-0	-	0.8	4	0.5	18	5.6	0.48	47
Z Energy Ltd	484	+10.1	+0.1	15	0-0	7	3.3	16	0.8	20	6.3	0.57	1,936
Genesis Energy	234	+7.9	-0.1	19	0-0	-	0.7	3	1.0	26	3.9	0.63	1,262
Infratil NZ	318	+9.3	-0.6	16	2-2	4	1.8	0	0.8	547	4.2	0.77	1,852
Abano Health.	800	+9.5	+0.6	15	0-0	2	1.8	5	0.6	34	3.6	0.78	164
Mainfreight Grp	1619	+4.5	-0.7	33	2-7	5	3.6	20	0.6	18	2.7	0.83	1,603
Methven Limited	125	+0.7	-0.4	49	0-1	3	1.9	11	1.1	18	10.4	0.86	83
Hallenstein G.	320	+0.7	+0.2	50	0-1	5	2.9	28	1.0	10	14.5	0.87	191
Tourism Hold.	178	+18.2	-2.5	6	7-8	-	1.2	7	1.3	18	5.5	0.88	199

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Speirs Group	31	+65.3	+4.1	0	0-0	-	1.6	94	2.6	2	Nil	0.22	4
Tourism Hold.	178	+18.2	-2.5	6	7-8	-	1.2	7	1.1	18	5.5	0.88	199
Air New Zealand	296	+16.3	+1.2	8	3-18	6	0.2	14	0.8	1	4.7	0.07	329
Just Water Int.	13	+12.5	-13.1	12	1-0	-	1.7	26	2.6	7	Nil	0.42	12
Col Motor Co	639	+6.7	+1.1	25	0-0	-	1.5	13	0.5	11	7.6	0.30	209
PGG Wrightsons	51	+6.5	+0.5	26	2-0	2	1.4	15	1.3	9	12.3	0.32	385
Hellaby Hold.	342	+5.7	+0.6	30	1-0	4	1.9	15	1.0	13	6.1	0.44	325
Mainfreight Grp	1619	+4.5	-0.7	33	2-7	5	3.6	20	0.5	18	2.7	0.83	1,603
Seeka Kiwifruit	325	+1.9	-0.3	45	3-0	-	0.8	4	0.4	18	5.6	0.48	47
Smiths City	54	+1.9	+1.5	45	0-0	-	0.7	10	1.1	7	6.5	0.13	28
Ebos Group Ltd	1034	+1.6	+0.8	46	1-1	5	1.6	9	0.8	17	4.5	0.27	1,538
Turners & Grow.	194	+1.5	+1.1	47	0-0	-	0.8	6	0.5	14	Nil	0.31	227
Methven Limited	125	+0.7	-0.4	49	0-1	3	1.9	11	0.9	18	10.4	0.86	83
Hallenstein G.	320	+0.7	+0.2	50	0-1	5	2.9	28	0.9	10	14.5	0.87	191

INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million

Hallenstein G.	320	+0.7	+0.2	50	0-1	5	2.9	28	0.8	10	14.5	0.87	191
PGG Wrightsons	51	+6.5	+0.5	26	2-0	2	1.4	15	1.1	9	12.3	0.32	385
Kathmandu Ltd	151	-24.5	-7.1	95	7-6	10	1.0	15	0.9	7	11.0	0.79	302
Warehouse Group	279	-6.2	-1.8	81	3-0	7	2.2	37	0.9	6	10.5	0.39	868
NZ Oil & Gas	62	-9.1	+1.2	87	1-1	2	0.8	3	1.1	26	9.7	2.54	263
Skellerup Hold.	139	-7.3	-0.1	82	7-1	3	1.9	15	1.0	12	8.5	1.36	268
Kingfish Ltd	142	+2.7	-0.4	41	0-0	-	1.0	16	0.7	6	8.1	N/A	169
South Port NZ	400	+3.4	-1.2	38	0-0	-	3.3	21	0.5	16	7.6	3.34	105
Col Motor Co	639	+6.7	+1.1	25	0-0	-	1.5	13	0.4	11	7.6	0.30	209
Opus Int'l Cons	146	-7.8	+1.7	83	2-0	4	1.6	17	0.6	9	7.5	0.47	214

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Sanford Limited	500	+3.5	-2.2	38	5-0	2	0.8	4	0.3	23	6.4	1.01	468
Ryman Health.	800	+2.1	-0.6	43	5-0	7	4.3	21	0.6	21	1.5	N/A	4,000
Seeka Kiwifruit	325	+1.9	-0.3	45	3-0	-	0.8	4	0.3	18	5.6	0.48	47
Veritas Invest.	115	+4.3	-2.3	34	2-0	-	7.2	75	0.9	10	9.9	1.43	43
PGG Wrightsons	51	+6.5	+0.5	26	2-0	2	1.4	15	1.0	9	12.3	0.32	385
Trust Power Ltd	814	+6.8	+0.1	23	2-0	6	1.7	8	0.3	22	6.3	3.14	2,547
NZ Refining Co	257	+21.1	+1.6	3	2-0	3	1.2	-	0.7	NE	1.1	3.22	720
Argosy Property	114	+6.2	-0.5	28	2-0	5	1.2	12	0.5	10	5.4	8.55	898
Summerset Group	344	+3.7	+5.6	37	4-2	6	2.6	12	0.7	22	0.9	N/A	737
Just Water Int.	13	+12.5	-13.1	12	1-0	-	1.7	26	2.1	7	Nil	0.42	12

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0

Trade-Me Ltd	392	-1.0	-0.3	67	3-1	10	2.4	12	0.7	20	5.8	9.47	1,554
Pyne Gould Corp	35	-0.1	-0.7	61	0-0	-	0.5	-	1.1	NE	Nil	8.88	72
Wynyard Group	194	-2.0	-0.8	70	0-0	2	3.6	-	0.9	NE	Nil	8.79	199
Vital Health PT	166	-58.3	+0.0	98	0-0	4	1.6	11	0.5	15	6.6	8.31	562
NZ Exchange Ltd	115	-3.6	-0.5	75	0-0	3	5.9	24	0.7	24	6.8	4.65	292
Snakk Media Ltd	5	-17.0	-3.8	91	0-0	1	16.9	-	3.0	NE	Nil	3.88	14
SLI Systems Ltd	120	-10.8	+2.5	89	0-2	3	6.3	-	1.1	NE	Nil	3.24	73
NZ Oil & Gas	62	-9.1	+1.2	87	1-1	2	0.8	3	1.0	26	9.7	2.54	263
Foley Fam Wines	145	-4.6	-0.7	79	0-0	-	1.0	4	0.7	23	Nil	2.44	76
Sky Network TV	570	-4.5	-1.7	77	1-0	10	1.8	13	0.5	14	7.1	2.44	2,218
Moa Group Ltd	35	-9.9	-1.3	88	0-0	-	1.2	-	1.0	NE	Nil	2.31	11

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average

Vital Health PT	166	-58.3	+0.0	98	0-0	4	1.6	11	0.5	15	6.6	8.31	562
WN Drive Tech.	5	-23.4	-3.5	95	0-0	-	0.7	-	2.4	NE	Nil	0.25	7
GeoOP Ltd	60	-20.5	+5.8	94	0-0	-	-	-	1.8	NE	Nil	N/A	16
Promisia Integ.	3	-18.5	-1.8	93	0-0	-	-	-	3.2	NE	Nil	N/A	7
Snakk Media Ltd	5	-17.0	-3.8	91	0-0	1	16.9	-	2.9	NE	Nil	3.88	14
Smartpay NZ Ltd	18	-15.6	+0.2	90	1-0	-	3.2	18	1.9	18	Nil	1.35	31
Coats Group plc	48	-13.2	+0.3	90	0-0	2	0.7	6	0.9	12	Nil	0.30	668
SLI Systems Ltd	120	-10.8	+2.5	89	0-2	3	6.3	-	1.1	NE	Nil	3.24	73
Xero Ltd	2469	-10.2	+8.3	88	4-5	5	12.4	-	1.3	NE	Nil	N/A	3,151
Moa Group Ltd	35	-9.9	-1.3	88	0-0	-	1.2	-	1.0	NE	Nil	2.31	11
Orion Health.	515	-8.1	-3.1	86	0-0	-	-	-	0.5	NE	Nil	N/A	827
Pac Edge Bio.	71	-8.0	-1.7	85	0-3	-	32.8	-	1.7	NE	Nil	N/A	226
Kirkcaldie & St	168	-7.8	+3.1	84	0-0	-	0.9	-	0.3	NE	Nil	0.45	17
IkeGPS Limited	85	-7.4	-0.4	83	0-0	-	-	-	0.8	NE	Nil	N/A	43
Michael Hill	121	-5.3	-1.1	81	1-0	4	2.4	17	0.6	14	5.4	0.89	463
Sealegs Corp	10	-5.2	-4.7	80	0-0	-	1.5	-	1.4	NE	Nil	0.75	13
Foley Fam Wines	145	-4.6	-0.7	79	0-0	-	1.0	4	0.6	23	Nil	2.44	76
Synlait Milk	298	-4.5	-0.9	78	0-0	2	5.1	13	0.5	38	Nil	1.04	436
Blis Technology	2	-4.2	-1.5	76	0-0	-	3.4	-	4.1	NE	Nil	N/A	21
NZ Exchange Ltd	115	-3.6	-0.5	75	0-0	3	5.9	24	0.6	24	6.8	4.65	292

INSIDER SELLING: Most Insider Selling, Relative Strength < 0

Pac Edge Bio.	71	-8.0	-1.7	85	0-3	-	32.8	-	1.7	NE	Nil	N/A	226
SLI Systems Ltd	120	-10.8	+2.5	89	0-2	3	6.3	-	1.1	NE	Nil	3.24	73
Fletcher Build.	861	-2.4	+1.5	72	2-4	6	1.7	10	0.5	17	5.8	0.70	5,900
Xero Ltd	2469	-10.2	+8.3	88	4-5	5	12.4	-	1.3	NE	Nil	N/A	3,151

“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	158	Bega Cheese Ltd	6	728	Dick Smith Hold	7	508	Hotel Property	2	399
360 Capital Ind	2	325	Bendigo Bank	15	5,709	Domino's Pizza	13	3,082	Hughes Drilling	2	35
360 Capital Grp	2	286	Berkeley Res.	2	36	Donaco Inter'l	3	435	Hutchison Tel.	1	882
A.P. Eagers	3	1,285	Bigair Group	5	140	Doray Minerals	5	111	I-Property Grp	7	508
ABM Resources	1	68	Billabong Int'l	4	555	Downer EDI Ltd	15	1,933	IMF Bentham Ltd	4	400
AGL Energy Ltd	15	10,139	Bionomics Ltd	2	230	Drillsearch	13	456	IMX Resources	1	7
ALS Limited	17	2,350	Blackmores Ltd	7	839	DuluxGroup Ltd	13	2,428	IOOF Holdings	12	3,181
AMA Group Ltd	2	164	Bluescope Steel	13	2,640	Dyesol Ltd	1	61	IRESS Limited	8	1,596
AMP Ltd	16	19,344	Boart Longyear	6	195	E-Bet Limited	2	70	Icar Asia Ltd	4	240
ANZ Bank	17	97,888	Boom Logistics	3	59	ERM Power Ltd	5	517	liNet	15	1,077
APA Group	17	10,463	Boral Limited	15	4,767	Echo Ent Group	15	3,625	Iluka Resources	14	3,371
APN News Media	8	993	Bradken Ltd	13	378	Elders Limited	4	223	Imdex Limited	7	71
ARB Corporation	9	954	Brambles Ltd	14	17,699	Emeco Holdings	6	78	Impedimed Ltd	3	246
ASG Group Ltd	2	161	Breville Group	11	986	Emerchants Ltd	2	85	Incitec Pivot	17	6,652
ASX Limited	16	8,199	Brickworks Ltd	6	2,002	Endeavour Min.	5	29	Independ. Group	18	1,277
AV Jennings	1	245	Brierty Ltd	2	46	Energy Resource	7	696	Infigen Energy	1	207
AVEO Group	5	1,304	Brockman Mining	1	530	Energy Develop.	7	1,020	Infomedia Ltd	5	342
AWE Limited	10	642	Buru Energy Ltd	3	124	Energy Action	2	49	Ingenia Com Grp	5	356
Abacus Property	5	1,590	C.S.R. Ltd	13	1,953	Equity Trustees	3	420	Insurance Aust.	16	14,026
Acrux Ltd	4	142	CSG Ltd	3	361	Ethane Pipeline	1	129	Int Research	1	285
Adelaide Bright	16	2,917	CSL Limited	14	44,333	Evolution Min.	10	618	Investa Office	12	2,518
Admedus Limited	1	126	Cabcharge Ltd	8	621	Excelsior Gold	1	41	Invocare Ltd	9	1,513
Ainsworth Game	7	873	Calibre Group	2	80	FSA Group Ltd	1	161	Ironbark Zinc	1	39
Alacer Gold	10	210	Caltex Australia	9	10,114	Fairfax Media	12	2,287	Iselect Limited	3	426
Alchemia Ltd	2	20	Cape Lambert R.	1	46	Fantastic Hold.	7	216	Isentia Group	5	680
Ale Property	3	677	Capital Health	1	530	Federation Cent	12	4,311	JB Hi-Fi Ltd	17	1,743
Alkane Explor.	1	153	Capral Limited	1	76	Finders Res.	4	74	Jameson Res.	1	13
Alliance Aviat.	3	53	Cardno Ltd	10	548	Fleetwood Corp	5	82	James Hardie	14	6,711
Altium Limited	5	516	Carindale Prop	2	476	Flexicorp Ltd	11	1,128	Jumbo Interact.	3	44
Altona Mining	3	56	Carnarvon Pet.	1	143	Flight Centre	18	4,315	K&S Corporation	3	137
Alumina Ltd	15	4,967	Carsales.com	16	2,490	Flinders Mines	2	39	K2 Asset Mgmt	2	147
Amalgamated Hld	4	1,873	Cash Converters	4	429	Folkestone Educ	2	547	Kardoon Gas	9	621
Amcom Telecom.	8	690	Cedar Woods Prp	3	470	Folkestone Ltd	2	150	Kasbah Resource	1	18
Amcor Ltd	13	17,183	Centaurus Metal	1	5	Fortescue Metal	22	6,695	Kina Petroleum	2	61
Aneka Tambang	8	10,475	Ceramic Fuel C.	1	10	Freedom Foods	2	461	Kingsgate Cons.	5	172
Ansell Ltd	15	3,972	Challenger Ltd	15	3,982	Freelancer Ltd	2	371	Kingrose Mining	1	86
Aquarius Plat.	5	323	Chandler McLeod	2	296	Funtastic Ltd	2	18	Korvest Ltd	2	46
Ardent Leisure	11	1,079	Chart H Retail	11	1,685	G.U.D. Holdings	12	568	Kula Gold Ltd	1	9
Arena REIT	3	371	Charter Hall GR	10	1,776	G8 Education	12	1,411	Legend Corp.	2	50
Aristocrat Leis	15	4,614	Clearview Wlth	4	622	GBST Holdings	5	346	Leighton Hold	15	7,423
Arrium Limited	11	573	Coal of Africa	1	45	GI Dynamics	3	71	Lend Lease Grp	14	9,882
Asciano Limited	16	6,164	CocaCola Amatil	14	8,048	GPT Group	14	8,469	Lifestyle Com.	4	240
Astro Japan Pro	3	337	Cochlear Ltd	15	5,081	GR Engineering	1	140	Lindsay Aust	1	125
Atlas Iron Ltd	19	152	Cockatoo Coal	3	93	GWA Group Ltd	11	766	Logicamms Ltd	3	52
Attila Res Ltd	1	20	Codan Ltd	3	180	Gage Road Brew.	1	28	Lonestar Res.	4	150
Aurelia Metals	3	112	Coffey Int'l	1	55	Generation HC	2	280	Lynas Corp Ltd	5	175
Aurizon Hold.	17	10,216	Cokal Limited	1	47	Genetic Tech.	1	59	M2 Group Ltd	16	1,806
AusNet Services	12	5,166	Collins Foods	5	238	Genworth Mort.	8	2,145	MMA Offshore	12	300
Ausdrill Ltd	11	116	Collection Hse	6	297	Gindalbie Met.	1	33	MacMahon Hold	6	64
Ausenco Ltd	2	59	Colorpak Ltd	1	44	Global Con Serv	1	99	Maca Limited	4	237
Austex Oil Ltd	2	67	Com'wealth Bank	16	147,686	Goodman Group	14	11,237	Macquarie Group	16	24,446
Aust Vintage	1	96	Comet Ridge Ltd	2	42	Goodman Fielder	9	1,310	Macquarie C Tel	2	101
Austal Limited	4	526	Computershare	15	7,225	Graincorp	13	2,229	Macquarie Atlas	5	1,693
Austin Eng.	2	65	Cooper Energy	5	70	Grange Resource	2	127	Magellan Fin Gp	8	3,085
Aust Pharm. Ind	7	657	Corp Travel M.	9	1,189	Greencross Ltd	7	982	Mastermyne Grp	1	17
Austbrokers	6	541	Cover-More Grp	6	628	Growthpoint Pro	6	1,692	Matrix Comp.	1	71
Automotive Hold	14	1,287	Cromwell Prop.	9	2,007	Gryphon Mineral	6	28	Maxi TRANS	3	102
BC Iron Ltd	11	85	Crown Resorts	15	11,225	HFA Holdings	1	272	Mayne Pharma Gr	6	686
BHP Billiton	20	104,830	Crusader Res.	1	25	Hansen Tech.	2	348	McMillan Shake.	5	934
BT Invest Mgmt	10	2,526	DUET Group	13	3,794	Harvey Norman	14	5,031	McPherson's Ltd	1	120
BWP Trust	9	1,946	DWS Limited	5	136	Helloworld Ltd	4	148	Medusa Mining	6	206
Bandanna Energy	2	44	Data 3 Ltd	3	122	Henderson Group	8	3,925	Melbourne IT	3	123
Bank of Q'land	16	5,108	Decmil Group	3	219	Hills Limited	3	203	Mesoblast Ltd	6	1,229
Base Resources	4	76	Devine	1	146	Hillgrove Res.	5	57	Metcash Ltd	15	1,369
Beach Energy	13	1,330	Dexus Property	13	7,244	Horizon Oil Ltd	7	182	Metgasco Ltd	1	11
Beadell Res.	10	224	Dicker Data Ltd	1	212	Hot Chili Ltd	1	43	Millennium Min.	2	8

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.)
Mincor Resource	6	132	Redflow Limited	1	63	The Reject Shop	10	208	Virgin Aust	13	1,727
Mineral Res.	8	1,416	Reece Australia	2	3,406	Thorn Group Ltd	7	416	Virtus Health	8	604
Mineral Deposit	4	81	Regeneus Ltd	2	29	Tiger Resources	7	72	Vision Eye Inst	1	116
Mint Payments	2	31	Regis Resources	18	700	Tigers Realm	1	73	Vita Life Sci.	1	85
Mirvac Group	14	7,653	Resource Equip.	2	112	Tissue Therapy	1	65	Vita Group Ltd	3	256
Monadelphous Gr	16	920	Resource Gener.	1	49	Titan Energy	3	11	Vmoto Ltd	1	43
Money3 Corp Ltd	2	190	Resolute Mining	4	212	Tlou Energy Ltd	1	28	Vocation Ltd	3	18
Mortgage Choice	5	316	Retail Food Grp	7	1,223	Toll Holdings	14	6,335	Vocus Comm.	7	589
Mt Gibson Iron	14	245	Reva Medical	2	177	Toro Energy Ltd	1	160	WDS Limited	1	22
My Net Fone Ltd	4	184	Rex Minerals	1	22	Tox Free Sol.	13	387	Watpac Ltd	1	138
Myer Holdings	16	996	Ridley Corp.	3	320	TransPacific In	11	1,216	Webjet NL	11	315
Mystate Ltd	4	450	Rio Tinto Ltd	18	26,315	Transurban Grp	13	17,881	Wellcom Group	2	137
NRW Holdings	9	70	Royal Wolf Hold	5	234	Transfield Serv	13	735	Wesfarmers Ltd	15	49,366
Nanosonics Ltd	4	471	Ruralco Hold.	3	284	Treasury Group	3	350	Western Areas	16	937
Nat'l Aust Bank	17	91,929	SAI Global Ltd	11	908	Treasury Wine	14	3,445	Westpac Banking	17	117,568
Navitas Ltd	12	1,779	SMS Mgmt & Tech	10	252	Troy Resources	3	104	Westfield Corp.	12	20,448
Nearmap Ltd	5	185	STW Comm Group	8	279	UGL Limited	15	271	Whitehaven Coal	19	1,678
Neon Energy Ltd	1	18	Salmat Ltd	3	185	UXC Limited	7	272	Wide Bay Aust.	4	201
Neuren Pharm.	1	170	Sandfire Res.	15	695	Un. Biosensors	1	61	Woodside Petrol	16	28,969
New Hope Corp.	4	2,136	Santos Ltd	13	7,702	Unity Mining	1	10	Woolworths Ltd	15	37,983
New Standard En	2	10	Saracen Mineral	4	345	Universal Coal	2	40	World Titanium	1	17
Newcrest Mining	17	10,179	Scentre Group	13	20,924	Village Road.	7	863	Worley Group	15	2,481
Nextdc Limited	10	491	Sedgman Ltd	3	170	Villa World Ltd	2	201	XRF Scientific	1	29
Nib Holdings	11	1,624	Seek Ltd	15	5,948	Viralytics Ltd	3	85	Yancoal Aust.	1	60
Nick Scali Ltd	2	267	Select harvest	8	536						
Nido Petroleum	1	57	Senex Energy	11	391						
Nine Entertain.	13	1,956	Seven West Med.	13	1,569						
Novion Property	13	7,871	Seven Group	8	2,207						
Nthn Star Res.	8	1,303	Seymour Whyte	2	114						
Nufarm Limited	13	1,926	Shine Corporate	4	569						
OM Holdings	1	238	Shopping Centre	9	1,298						
OZ Minerals Ltd	21	1,126	Sigma Pharm.	11	1,028						
Oil Search Ltd	18	11,938	Silex Systems	3	95						
OnTheHouse Hold	2	47	Silver Lake Res	9	98						
Orica Ltd	17	7,634	Silver Chef Ltd	6	226						
Origin Energy	15	13,530	Sims Metal Mgmt	13	2,616						
Orocobre Ltd	5	379	Sino Gas & En.	5	309						
Orora Limited	13	2,860	Sirius Res. NL	12	987						
Oroton Group	8	114	Sirtex Medical	9	2,023						
Osprey Medical	2	70	Skilled Group	10	330						
Ottoman Energy	3	115	Slater & Gordon	12	1,526						
Ozforex Group	6	593	Smart Parking	1	33						
Pacific Brands	11	408	Somnomed Ltd	3	142						
Pacific Energy	1	178	Sonic Health	14	7,928						
Pact Group Hold	9	1,280	Soul Pattinson	1	3,275						
Paladin Energy	15	650	Spark Infrastru	10	3,006						
Panaust Ltd	19	806	Spec Fashion	5	130						
Panoramic Res.	8	183	Spotless Group	6	2,284						
Paperlin X Ltd	1	11	St Barbara Ltd	2	106						
Patties Foods	3	171	Starpharma Hold	4	160						
Peat Ltd	6	621	Steadfast Group	7	1,003						
Perpetual Ltd	13	2,494	Sth Cross Media	12	795						
Perseus Mining	14	182	Sth Cross Elect	2	62						
Phoenix Gold	2	37	Stockland	13	11,063						
Platinum Asset	10	4,714	Suncorp Group	16	17,433						
Poseidon Nickel	2	92	Sundance Energy	4	297						
Praemium Ltd	1	119	Sunland Group	1	362						
Premier Invest	16	1,849	Super Retail Gr	18	1,858						
Primary Health	14	2,550	Swick Min Serv	2	38						
Prime Media Grp	6	317	Sydney Airport	14	11,635						
Pro Maintenance	8	297	Syrah Resources	5	775						
Q.B.E. Insur.	16	18,331	TFS Corporation	3	592						
Qantas Airways	13	6,303	TPG Telecom Ltd	13	5,985						
Qube Holdings	12	3,037	Tabcorp Holding	14	3,537						
RCG Corporation	1	196	Tandou Ltd	3	111						
RCR Tomlinson	6	323	Tap Oil	2	68						
REA Group Ltd	15	6,247	Tassal Group	5	552						
RXP Services	3	47	Tatts Group Ltd	13	5,769						
Ramsay Health	14	13,839	Technology One	11	1,231						
Range Resources	1	50	Telstra	18	76,777						
Recall Holdings	12	2,459	Ten Network	13	631						
Reckon Limited	9	210	Teranga Gold	3	46						

“Neglect” Ratings of NZ Shares

“Neglected” Shares = 0-2 Brokers, “Moderately Followed” Shares = 3-4 Brokers, “Widely Followed” Shares = 5 or more Brokers.

Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)	Company	No. of Brokers Following Company	Market Capitalisation (NZ\$ Mill.)
Abano Health.	2	164	NZ Refining Co	3	720
Air New Zealand	6	329	Nuplex Indust	7	638
Akd Int Airport	9	5,391	Opus Int'l Cons	4	214
Argosy Property	5	898	PGG Wrightsons	2	385
Cavalier Corp	2	31	Port Tauranga	6	2,236
Chorus Ltd	9	1,142	Precinct Prop.	6	1,277
Coats Group plc	2	668	Property F Ind.	5	646
Comvita	2	131	Pumpkin Patch	3	36
Contact Energy	8	4,495	Restaurant Brds	3	372
DNZ Property	5	573	Rubicon Limited	1	133
Delegat Group	3	480	Ryman Health.	7	4,000
Diligent Board	5	484	SLI Systems Ltd	3	73
Ebos Group Ltd	5	1,538	Sanford Limited	2	468
F & P Health.	8	3,715	Skellerup Hold.	3	268
Fletcher Build.	6	5,900	Sky City Ltd	14	2,398
Fonterra S/H Fd	6	631	Sky Network TV	10	2,218
Freightways Ltd	6	972	Snakk Media Ltd	1	14
Goodman Prop.	7	1,437	Spark NZ Ltd	12	6,034
Hallenstein G.	5	191	Steel & Tube	4	263
Heartland Bank	4	625	Summerset Group	6	737
Hellaby Hold.	4	325	Synlait Milk	2	436
Infratil NZ	4	1,852	TeamTalk Ltd	1	23
Kathmandu Ltd	10	302	Tenon Ltd	1	124
Mainfreight Grp	5	1,603	Tower Limited	4	487
Meridian Energy	8	5,303	Trade-Me Ltd	10	1,554
Methven Limited	3	83	Trust Power Ltd	6	2,547
Metro. LifeCare	5	1,013	Vector Ltd	6	2,997
Michael Hill	4	463	Vital Health PT	4	562
Mighty River	8	4,816	Warehouse Group	7	868
NPT Limited	2	105	Wynyard Group	2	199
NZ Exchange Ltd	3	292	Xero Ltd	5	3,151
NZ Oil & Gas	2	263	Z Energy Ltd	7	1,936

Dividend\$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Air New Zealand	6.50	13-03	20-03	Full
Augusta Capital	1.25	05-02	13-02	Full
Auckland Int'l Airport	7.30	19-03	02-04	Full
Barramundi	1.36	13-03	27-03	Partial
Briscoe Group	8.50	20-03	31-03	Full
CDL Investments	2.20	01-05	15-05	Full
Contact Energy	11.00	04-03	26-03	Full
Fletcher Building	18.00	-	15-04	Nil
Freightways	12.00	20-03	07-04	Full
Heartland Bank	3.00	19-03	02-04	Full
Hellaby Holdings	9.00	25-03	01-04	Full
Marsden Marine	5.25	13-03	20-03	Full
Marlin Global	1.82	11-03	27-03	Partial
Meridian Energy	4.80	31-03	15-04	Full
MetLifeCare	1.50	02-04	14-04	Nil
Michael Hill International	2.50	26-03	02-04	Nil
Millennium & Cop.	2.40	08-05	15-05	Full
Nuplex Industries	10.00	17-03	02-04	Nil
NZX Ltd	3.00	13-03	27-03	Full
Opus In't	4.90	18-03	01-04	Full
Port of Tauranga	22.00	06-03	20-03	Full
Precinct Property	1.15	02-03	25-03	Nil
Property For Industry	1.95	03-03	12-03	Full
Seeka Kiwifruit	8.00	20-03	27-03	Full
Skellerup Holdings	3.50	13-03	26-03	Full
Sky City	10.00	20-03	02-04	Nil
Smiths City Group	1.00	05-02	13-02	Nil
South Port NZ	7.00	02-03	10-03	Full
Spark NZ	9.00	27-03	10-04	Full
Speirs Group	0.50	31-03	10-04	Full
Summerset Group	2.10	10-03	25-03	Nil
TeamTalk	4.00	10-04	17-04	Full
Tourism Holdings	7.00	07-04	16-04	1,361
Trade-Me	7.70	13-03	24-03	Full
Vector	7.50	31-03	15-04	Full
Veritas Investments	2.70	16-03	30-03	Full
Warehouse Group	11.00	02-04	16-04	Full

Australian Shares

Cardno	13.00	18-03	07-04
Chandler Macleod	1.70	27-03	08-04
CSG Ltd	4.00	19-02	11-03
Fiducian Group	4.50	10-03	26-03
Finbar Group	4.00	24-02	10-04
Iluka Resources	13.00	05-03	31-03
Integrated Research	3.50	05-03	23-03
M2 Group	15.00	24-03	16-04
Melbourne IT	4.00	02-04	23-04
Prophecy International	2.00	10-03	02-04
Skilled Group	7.50	16-03	10-04
The Reject Shop	16.50	19-03	13-04
Village Roadshow	14.00	16-03	10-04

Total Return Index for All Listed Shares

Feb 9	1592.34	Feb 16	1579.49
Feb 10	1592.72	Feb 17	1575.45
Feb 11	1585.66	Feb 18	1583.97
Feb 12	1581.62	Feb 19	1586.35
Feb 13	1584.62	Feb 20	1588.73
Feb 23	1594.41	Mar 2	1619.16
Feb 24	1605.60	Mar 3	1600.81
Feb 25	1614.42	Mar 4	1596.48
Feb 26	1611.01	Mar 5	1597.15
Feb 27	1623.44	Mar 6	1598.01

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday April 13, 2015.

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, 3/47 Boyce Ave, Mt Roskill, Auckland. Subscribe online at www.stockmarket.co.nz or email james@stockmarket.co.nz.

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