

Market Analysis

Inside Market Analysis

Melbourne IT buys profitable, high growth business on a high valuation 4
 Prophecy International buys profitable, high growth business on a low valuation 4, 5
 TFS Corporation buys unprofitable, high growth businesses on a high valuation 6, 7

Company Analysis: Corum Group 8, 9
 Insider Trades in New Zealand Shares 11
 Insider Trades in Australian Shares 12, 13, 14

Founder: James R Cornell (B.Com.)

Summary and Recommended Investment Strategy.

Many of our shares offer current value and future growth potential. Remain fully invested in the recommended shares.

Investment Outlook.

Our portfolios are *slightly lower* over the last month, having fluctuated *very widely* (and *very wildly*) in value on a day to day basis! Like all investors we hate uncertainty and random volatility, but one cannot invest in the stockmarket without accepting both factors.

Uncertainty and volatility helped lead to our purchase of **Prophecy International** (now up 6-fold and heading much higher?). We had reviewed the company in October 2007 (at 40 cents) but it was too small and too inactively traded to earn a formal “Buy” recommendation.

Then along came the *Global Financial Crisis*. We hated that too, but these things will keep happening and, as investors, we need to look for opportunities. A stockbroker involved in margin lending failed during the crises, seizing shares its customers had lodged as security. Its bank in turn seized those shares to cover its loans and started selling on-market. Those shares included about 9% of Prophecy International.

The opportunity? Prophecy International shares were down 35% to 26 cents and there was a supply of shares being dumped on the market. In our 28th year of publishing *Market Analysis*, Prophecy International became our 180th formal “Buy” recommendation.

A year later they had risen to 70 cents, then fell to 13 cents in 2011. Did we mention that we hate volatility?

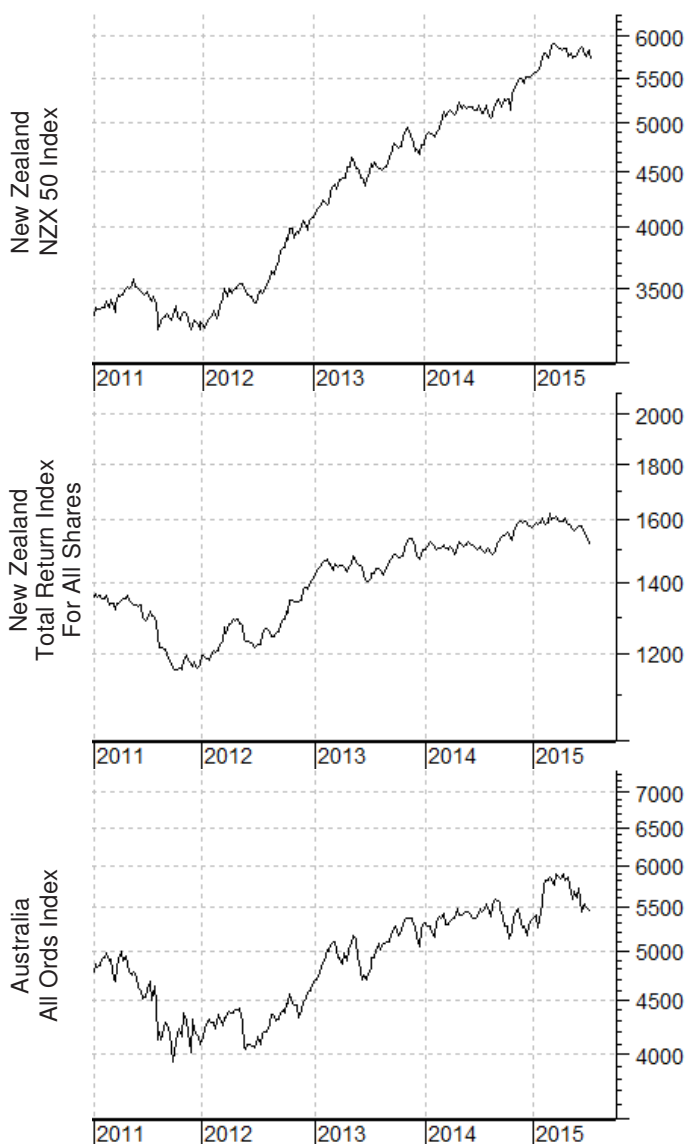
But later this year - or perhaps next year or the one after - it may become our 7th 10-bagger. Longer term, perhaps it will go on to become our 4th 30-bagger?

If only we had left our money in a nice safe bank term deposit we could have avoided all of this uncertainty and volatility in the stockmarket . . . but we estimate that after 4½ decades of investing our “money in the bank portfolio” would be worth only about 2-5% of our current “share portfolio”. Or about a year's dividend income. Which is *recurring* new cash in the bank.

We may *hate* uncertainty and volatility - but we *hate* the guaranteed no-growth and low long term returns on bank deposits more. Remain fully invested in shares. [Note: Your Editor *did* own a bank term deposit once. It matured in 1971 and he re-invested his entire wealth - only \$500 at the time - in the stockmarket.]

Stockmarket Forecasts

	One-Month	One-Year
Australia:	52% (Neutral)	54% (Neutral)
New Zealand:	46% (Neutral)	42% (Neutral)



Recommended Investments

Colonial Motor Company has sold a property at the corner of Taranaki and Jessie Streets, Wellington, which will eventually be redeveloped by the new owner. Colonial Motor Company will lease back the site for the next two years, after which *Capital City Motors* will relocate its *Ford* and *Mazda* dealerships to alternative facilities.

Smiths City Group's trading profits fell sharply, but there was also a pre-tax gain of \$8.5 million from an insurance payout.

Year to 30/4/2015

	Latest	Previous	Change
Revenues	\$221.4m	\$220.6m	+0.4%
Net Profit	\$0.8m	\$4.1m	-80.0%
Net Cash Surplus	\$4.0m	\$3.1m	+29.0%
Earnings per share	1.5c	7.8c	-80.0%
Dividends per share	3.5c	3.5c	Nil

Four “appliance only” stores were closed over the last year, but a new store will open in Taupo in October.

The retail market remains extremely competitive. The company is reviewing its supply chain and current “multi brand and service offering”.

The company is “investigating market interest” in its Colombo Street property, including the sale and leaseback of this asset. Any action would require shareholder approval as this is a material asset of the company.

South Port NZ has upgraded its June 2015 profit forecast. The company's June 2014 net profit was \$6.7 million and it had predicted a \$6.5-7.0 million profit to June 2015. That has now been upgraded to “in the vicinity of \$7.5 million” or about 28½ cents per share.

The company is also considering purchasing a second-hand *Voith Tractor* tug (with 40 tonne bollard pull capacity, manufactured in 1992) for about \$2 million from **Port of Tauranga**. It would replace the older of South Port NZ's two tugs, which has a 28 tonne pull and was built in 1973.

Australian Shares

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

Acrux Ltd and **Eli Lilly & Company** have filed a lawsuit against **Lupin Pharmaceuticals Inc** for infringement of patents covering *Axiron*.

The companies have had to file four lawsuits against four different competitors over the last two years to protect their patents.

AJ Lucas Group reports that **Cuadrilla Resources** has been denied planning approval to drill at both *Roseacre Wood* and *Preston New Road*.

The Planning Officer had recommended refusing the *Roseacre Wood*, solely on the grounds of traffic concerns, but had recommended approving the *Preston New Road* application. The **Lancashire County Council** denied both applications.

AtCor Medical has raised \$2.2 million from the placement of 12,400,000 new shares at 18 cents and is making an underwritten, non-renounceable 1 for 10 cash issue to shareholders at 18 cents to raise a further \$3.2 million. The funds raised will enable AtCor Medical to “take full advantage of the market opportunity” from 1 January 2016 when CPT1 code funding for the SphygmoCor test takes effect. The company will invest in “additional sales and support personnel, consulting services and other activities” to support this market launch.

We recommend that shareholders take up these new shares and the cash issue has also depressed the share price to around 17½-19 cents so this is a “buying opportunity” to further increase shareholdings on-market - perhaps at or even below the 18 cents cash issue price.

Atlas Pearls & Perfumes completed an auction in Kobe on 10-11 June, realising \$2.4 million from sales. The auction mainly featured larger and better quality pearls than the December 2014 and March 2015 auctions and accordingly realised better prices.

Ausenco Ltd has formed a strategic alliance with Spanish construction company **Duro Felguera SA** to “jointly pursue and deliver EPC projects globally”, combining Ausenco's strong engineering skills with Duro Felguera's strong construction skills.

Both companies are of similar size, each with about 2000 employees. Ausenco is strongly represented in Australia, Canada, Asia and Africa, while Duro Felguera has businesses in Spain and Europe, the Middle East and North America. Both companies have operations in South America.

Duro Felguera has also bought a 5.03% shareholding in Ausenco . . . and *may* still be buying.

Ausenco Ltd



Brickworks 50% owned property trust joint venture has sold the **Coles Chilled Distribution Centre** for \$253 million. Settlement is expected in the current quarter. This property was purpose built for Coles in 2007 and extended 22% to 55,395m² in 2014.

CPT Global reports that “the expected return to profitability in the second half has not eventuated” and

there will be a further loss, larger than the small \$300,000 loss in the first half.

Completion of some "risk/reward contracts" in Europe will be delayed from the second half of the June 2015 financial year until the first half of the new financial year. There have been delays in finalising contracts and starting work in the United States.

During the June 2015 year, CPT Global has "invested significant time and resources in establishing strategic alliances with two large multinational software companies" which should "enhance sales capability and market coverage across Europe, North and South America and Australia" and start to produce revenues in the

current financial year to June 2016.

We have, of course, heard this all before about delays in signing customers to start major contracts - and CPT Global has been seeking to expand its business despite these ongoing difficult market conditions. Improved marketing, perhaps through alliances, and better utilisation of its core skills (i.e. less time *selling*, more time on revenue generating *consulting*) could eventually have a very significant impact on revenues and profits. This is why we remain long term shareholders in this business despite its struggle with the continuing difficult market conditions.

(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	D	275.5	0.9	4.03	12	4.7	65	27.6	+268%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	D	68.7	1.4	0.15	5	9.7	43	282.0	+108%
HOLD	Colonial Motor Company	CMO	10/11/92	128*	B	32.7	0.5	0.28	11	8.1	600	440.3	+713%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	5*	D	383.0	0.9	0.73	11	6.6	99	57.4	+3028%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	523*	A	198.1	0.9	0.49	15	5.2	404	483.0	+70%
HOLD	Smiths City Group	SCY	09/10/06	64	C	52.7	1.1	0.13	35	6.6	53	26.5	+24%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.5	3.88	18	6.6	465	225.3	+475%
BUY	Steel & Tube Holdings	STU	08/08/00	146	B	88.5	0.6	0.54	13	8.3	268	308.6	+295%
Australian Shares (in Aust cents)													
BUY	Acruz Limited	ACR	12/05/14	99	A	166.5	0.8	2.66	5	9.3	86	8.0	-5%
HOLD+	AJ Lucas Group	AJL	13/05/03	107*	C	267.4	1.1	0.45	NE	Nil	38	36.4	-30%
BUY	ALS Limited	ALQ	12/10/99	77*	A	407.2	0.4	1.54	20	3.7	563	275.5	+989%
BUY	AtCor Medical Ltd	ACG	11/11/13	15	C	173.2	1.6	5.61	NE	Nil	18	Nil	+20%
HOLD+	Atlas Pearls & Perfume	ATP	14/05/96	73	D	399.4	3.4	0.86	8	Nil	4	17.5	-70%
BUY	Ausenco Ltd	AAX	10/06/13	191*	C	168.4	1.3	0.16	NE	Nil	33	1.8	-82%
HOLD+	Brickworks Ltd	BKW	12/11/12	1115	A	148.4	0.3	3.08	20	3.0	1395	82.5	+33%
BUY	Cardno Ltd	CDD	14/12/09	391*	B	165.6	0.6	0.38	6	11.7	307	164.3	+21%
HOLD	Circadian Technologies	CIR	10/02/04	188	C	68.1	1.5	11.33	NE	Nil	20	65.0	-55%
HOLD+	Clarius Group Ltd	CND	08/04/03	82*	D	89.6	1.5	0.13	NE	Nil	27	70.5	+18%
HOLD+	CPT Global Ltd	CGO	10/03/08	88	B	36.7	1.2	0.39	8	11.1	41	15.8	-36%
HOLD	CSG Limited	CSV	11/10/10	175	B	284.1	0.7	2.16	36	5.8	155	50.0	+17%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	107.6	1.3	0.61	42	Nil	31	Nil	-37%
BUY	Fiducian Group	FID	11/02/08	260	B	30.8	0.7	2.44	14	5.1	179	57.4	-9%
BUY	Finbar Group Ltd	FRI	12/04/10	106	B	229.4	0.7	0.97	7	8.4	119	44.5	+54%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	B	418.7	0.4	3.83	0	2.6	727	210.0	+99%
HOLD+	Integrated Research	IRI	14/01/08	40	B	169.7	0.5	5.67	36	2.8	179	32.5	+429%
HOLD	M2 Group Ltd	MTU	09/10/06	33	A	183.4	0.3	1.89	29	2.4	1071	94.0	+3430%
HOLD+	Melbourne IT	MLB	10/02/04	53	A	92.9	0.6	1.22	16	3.1	164	180.0	+548%
BUY	Mt Gibson Iron	MGX	10/11/14	44	A	1090.8	1.6	0.24	2	20.0	20	Nil	-55%
HOLD	Nomad Building Solutio	NOD	16/08/10	13*	C	277.5	2.8	0.48	NE	Nil	7	Nil	-50%
HOLD	Novarise Renewable Res	NOE	14/03/11	25	C	415.1	1.7	0.42	NE	Nil	16	Nil	-36%
HOLD	Probiotec Ltd	PBP	11/02/08	116	D	52.9	1.6	0.15	11	Nil	19	9.3	-76%
HOLD+	Prophecy International	PRO	08/09/08	26	B	55.4	0.7	10.65	59	2.0	136	17.8	+491%
HOLD+	Skilled Group Ltd	SKE	12/03/02	126	B	235.9	0.9	0.19	8	11.1	154	188.5	+171%
HOLD-	Technology One Ltd	TNE	11/11/03	44	B	309.2	0.5	5.72	36	1.7	361	50.8	+836%
HOLD	TFS Corporation Ltd	TFC	08/01/07	45	A	327.0	0.6	3.16	6	4.2	143	20.2	+261%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	B	28.8	0.6	0.26	13	4.7	645	392.0	+304%
HOLD	Village Roadshow	VRL	10/08/09	77	A	160.2	0.3	1.00	21	4.5	603	267.0	+1030%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +365.1%. This is equal to an average annual rate of +36.3%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 37 current and 160 closed out) is +31.0%, compared with a market gain of +3.9% (by the SRC Total Return Index).

CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues.

* Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

Recommended Investments

(Continued from Page 3)

Circadian Technologies has received FDA approval for an Investigational New Drug (IND) Phase 1 clinical trial of OPT-302 in patients with age-related macular degeneration (wet AMD). A sequential dose escalation study at five US centres will give patients increasing doses over three months. The analysis of the data is expected in the March 2016 quarter.

Finbar Group reached practical completion of the *Toccatto Project* (i.e. stage II of the redevelopment of the former ABC site) and settlements began from 19 June.

The project consists of 45 luxury three bedroom apartments in a 23 level structure. 39 lots (out of 47) had been pre-sold for \$73.7 million (on a total project value of \$85.7 million).

Integrated Research expects its June 2015 net profit to be \$13½-14½ million (8-8½ cents per share), up 60-70% on the previous year. It reports “sales across all product lines were very strong” but “the benefit of the currency devaluation was to some extent offset by forward exchange rate contracts”.

The exchange rate benefits should therefore come through over the new financial year. The company has probably still hedged future revenues, but at exchange rates realising around 20% more Australian dollars than a year earlier.

Integrated Research



Melbourne IT has acquired 50.2% of **Outware Systems Pty** for \$21.7 million with put and call options to acquire a further 24.9% in each of the next two years (i.e. taking its ownership to 100%). The actual payment of those remaining shares is subject to financial performance of the business but the total cost of the business is expected to be \$67 million.

Outware Systems is “Australia's leader in the design and development of mobile applications” and will make Melbourne IT the “leading software enabled cloud solutions provider in Australia”. The business is expected to have generated revenues of \$15.6 million and earnings (before interest and depreciation) of \$5.1 million to June 2015. That puts the acquisition on a Price/Sales ratio of 4.3 and a Price/Earnings ratio of about 20, so this is not a cheap acquisition, but a non-capital intensive software business expected to continue to grow rapidly (i.e. earnings at greater than 25% p.a.).

Melbourne IT



M2 Group has increased its shareholding in **Aggregato Global** (which provides prepaid international telecommunication services in Australia, New Zealand and the United States) investing \$4.9 million in a cash issue to shareholders. Not all other shareholders took up their new shares, increasing M2 Group's ownership to 61.2%.

M2 Group is to start offering **Dubber Corporation's** cloud based telephone recording service to customers on M2 Group's *Commander* network. This service is available for a monthly subscription.

M2 Group has completed the NZ\$250 million acquisition of **CallPlus Group** and **2Talk**. This is expected to add 15% to underlying earnings per share in the current year to June 2016 - but, as we have previously noted, mainly as it is being debt funded (i.e. the company will earn 15-20% on the cost of this acquisition and finance that with additional borrowing at a significantly lower interest cost). This boosts earnings per share, but the higher debt level does increase risk.

Ultimately M2 Group needs to use the additional cashflows and net profit to pay down debt levels and/or to grow the business, lifting future cashflows and net profits to improve debt servicing ratios and increase the value of the business to improve debt/equity ratios (and shareholder wealth!).

Probiotec has signed a conditional contract for the sale of the ADP Protein plant to **Beston Global Food Company** for \$7 million. Earlier this year the company wrote-down the plant from \$21.7 million to \$3.0 million after **United Dairy Power** was placed in receivership (and unable to supply whey for processing).

Beston Global Food Company is planning a \$100 million float and will list on the Australian stockmarket and has purchased United Dairy Power's assets from its receivers.

As part of the plant sale, Beston Global Food will sell the immunoglobulins produced to Probiotec.

Prophecy International Holdings has provided some profit guidance and forecasts . . . and announced a major acquisition.

SNARE sales have “exceeded 170% growth” for the full year and the company expects to announce a June 2015 result with revenues up 40% to \$9.8 million and pre-tax profits up 137% at \$4 million. That would put net profits also up 137% at \$2.8 million (5 cents per share). That is up 15-40% on our estimate last month.

The June 2016 forecast (before the new acquisition) was for 35-40% revenue growth to around \$13.5 million, with pre-tax profits growing 30% to \$5.2 million (\$3.6 million after tax, or 6½ cents per share). That is forecast to improve significantly with the new acquisition.

Prophecy International has acquired Australian based **eMite Pty** for an initial payment of about \$10.8 million (i.e. \$4.0 million in cash plus 6.3 million shares) plus an earnout based upon earnings over the current year to June 2016 that will take the total acquisition price to \$14.3-17.8 million.

The maximum \$17.8 million price is reached if eMite achieves its profit forecast of \$2.1 million for the year to June 2016. That is a Price/Earnings ratio of 8½ . . . making this an attractively priced acquisition . . . which also offers very high growth potential and synergies with the existing business.

The cash consideration of the initial payment was partially funded through the placement of 2.3 million shares (at 109 cents per share) to institutions to raise \$2.5 million.

eMite provides “business intelligence analytics software” that can produce automatic hourly reports that previously would be provided monthly. Only 10% of companies are currently building this type of “business value dashboards” but this is expected to grow to 50% within the next two years. This market is growing rapidly from “low penetration levels”. Prophecy's existing US sales distribution team will “invest in additional marketing and sales resources” to “accelerate growth”.

The eMite business is “highly scalable” and moving towards a Software-as-a-Service model that provides recurring revenues. *eMite* and *Snare* can be combined to improve data analytics.

Forecasts for the June 2016 year for the full group are for revenues of \$20.0 million and a net profit of \$5.7 million (8.9 cents per share on the enlarged issued capital). That indicates that this acquisition will lift earnings per share by a further 37% over the next year.

Prophecy International, of course, will still have a further \$3.5-7.0 million to pay on the earnout and if that is funded with shares (either to the vendors, or placed with institutions) then earnings per share could be diluted by around 8% (depending upon the issue price of the shares).

Based on that 2016 forecast, the current share price of 136 cents is a prospective Price/Earnings ratio of 15 which looks very reasonable. Revenues and profits should continue to grow strongly in the June 2017 year and beyond. Our investment is up almost 6-fold, but resist the urge to realise partial profits and “Hold” for further growth!

We originally bought into Prophecy International almost seven years ago in September 2008, in the depths of the *Global Financial Crises*, when its “valuation was just too low to ignore”. The shares were trading on a Price/Earnings ratio of 6 and a Dividend Yield of 15.4% *plus* it was debt-free with \$5.3 million of cash in the bank (i.e. equal to 45% of its share price). Back in September 2008, Prophecy International was just a micro-cap \$12 million company, but the shares were trading actively as ANZ Bank had just acquired 4,000,000

shares (held as security for margin loans with Opes Prime which had failed) and was one-third of the way through dumping those shares on-market!

Obviously using its surplus cash (and operating cashflow) has been important in significantly growing the business. Prophecy International bought **Promadis Pty** - on a Price/Earnings ratio of 4 - in January 2010 (with about half the purchase consideration in cash and half in shares). It saw “excellent growth available by taking the new products to world markets”.

A very small loss (i.e. just \$9000) in the year to June 2011, and no dividend, sent the shares to lows around 15 cents (with a couple of trades at 13 cents). That was 79% below their previous peak of 70 cents. Did we ever mention that shares can be volatile investments?

In August 2011 Prophecy bought **Intersect Alliance** - on a very low P/E ratio of around 2½-3 (no, not 25-30, but 2½-3), funded 80% in cash (as Prophecy's share price was still only around 18 cents). The company saw “a very large potential for expansion through new sales and marketing activities”. It has taken a few years, but the *SNARE* revenues grew 170% over the last year!

So when we bought Prophecy International in 2008 it was an out-of-favour micro-cap survivor of the 2000 Technology Boom with a “grab bag” of random (but profitable) software businesses.

Now the investment story might read that Prophecy International is the fastest growing ASX300 company (OK, it isn't in the index yet, but it soon will be) with a long term track record of successfully acquiring small private software companies at low valuations and taking them to the next stage: rapid growth in revenues and profits by marketing and distributing their products internationally - and creating huge amounts of shareholder wealth! Institutional investors will *love* that story and buy Prophecy International shares.

If Prophecy International can still find attractively priced software businesses that it can grow significantly with additional investment in marketing and distribution, then it should be able to create significant further increases in shareholder wealth.

We prefer to buy shares at that unpopular, neglected, very under-valued stage, but it is probably still far too early to start harvesting profits from our investment in Prophecy International. “Hold” for further growth.

Prophecy International Holdings



Skilled Group has agreed to merge with **Programmed Maintenance Services**. Skilled Group shareholders will receive 0.55 Programmed shares plus 25 cents (in the form of a fully (Continued on Page 6)

Recommended Investments

(Continued from Page 5)

imputed dividend) for every Skilled Group share.

Some things we find very difficult to understand. Skilled Group rejected this “opportunisticly timed” merger proposal in December when Programmed Group offered 0.5032 shares plus 25 cents, but have agreed to the merger when increased to 0.55 shares plus 25 cents. Apparently the difference between a merger proposal being “opportunistic” and “compelling” is just an 8% increase in the consideration!

Skilled Group shareholders will own 52.4% of the combined company.

The merger will be via a scheme of arrangement, with shareholder approval sought at a meeting in late September and implementation in mid October.

The 25 cents cash will be paid as a fully imputed dividend - which is *favourable* for Australian resident investors (i.e. a tax-paid dividend, rather than a potentially taxable capital gain) but *unfavourable* for NZ resident investors (i.e. a taxable dividend, rather than a non-taxable capital gain). 33% tax on a 25 cents dividend in New Zealand is 8.25 cents.

Investors planning to buy or sell Skilled Group would therefore get the best tax outcome depending upon their tax residency. Australian investors would do better to buy *before* the dividend or to sell *after* the dividend, while NZ investors would improve their tax situation buying *after* the dividend or selling *before* the dividend. Of course, fluctuations in the value of Programmed and Skilled Group shares could exceed these tax considerations and Skilled Group shares are currently trading at around a 7 cents discount to the value of the Programmed shares and cash offered.

Most investors should continue to hold Skilled Group shares, but if you are planning to buy or sell for other reasons, then the tax situation *may* be a guide to timing your transaction. Last year Skilled Group paid a final dividend on 17 October, ex-dividend 16 September, and that timing would fit with the scheme timetable (i.e. the dividend declared immediately following the late September vote).

Programmed currently pays an annual dividend of 18 cents, so will offer a current dividend yield of 6.4%.

TFS Corporation is to acquire all of the shares in **ViroXis Corporation** and increase its ownership in **Santalis Pharmaceuticals** from 50% to 100%. The company will pay US\$23.4 million immediately and up to a total of US\$244.9 million over the next eight years.

That is potentially a lot of money to pay for two “start-up” companies developing pharmaceutical uses for Sandalwood Oil (especially as TFS Corporation *already* owns 50% of Santalis Pharmaceuticals). The milestone payments and “base earning payouts” (of up to US\$100 million) will put pressure on TFS Corporation's cash flows over the next five years although payments over the subsequent three years (totalling up to US\$98.2 million) should be funded from the acquired companies' operating net cash surpluses.

TFS Corporation already has significant liquidity risks owing to low net operating cashflows at this relatively early stage of its development and the large

cash investment outflows necessary to expand its investment in Sandalwood Plantations. These acquisitions create additional cash investment outflows over the next five years, thereby increasing funding and liquidity risks for the business. If not managed skilfully, the company *could* be forced into high cost borrowings and/or a series of capital raisings, potentially at unfavourable prices (i.e. at low share prices which have a *dilutive* impact on existing shareholders).

We are also a little dubious of the merits of this additional vertical integration of TFS Corporation's business model. Managing plantations and extracting oil is a different business from developing pharmaceutical products. Both *may* be potentially good businesses, but they have *very* different investment characteristics. The stockmarket can understand a plantation business and it can understand a pharmaceutical business but don't ever expect the stockmarket to *understand and correctly value* a company involved in *both* the plantation *and* the pharmaceutical businesses!

This is exactly the reason why gold miners have never vertically integrated into jewellery manufacture and retailing - despite the higher “value added” profit margins at that end of the business!

Here are the details of the acquisitions: TFS Corporation will pay US\$23.4 million (US\$1.5 million in cash plus 15.3 million shares at 185 cents) as an initial “minimum price”, US\$18.4 million for ViroXis and US\$5.0 million for 50% of Santalis.

Over the next eight years it will pay up to US\$26.0 million to the ViroXis vendors based upon achieving “milestones” (i.e. \$2 million on the launch of an over-the-counter product, \$4 million at the start of a Phase 3 FDA trial and \$8 million on FDA approval, plus another \$4 million and \$8 million on a Phase 3 trial and approval of a second product).

It will pay an *increasing rate* of “base earn out” payments based upon ViroXis's total net cash flows over the next five years. That is set in five bands (i.e. with payments of \$5 million, \$15 million, \$35 million or \$50 million) which *approximately* corresponds to 3½ times net cash flows over the five years in excess of \$2.8 million. If the company generated net cash flows totalling \$17.1 million then the maximum base earn out of US\$50 million will be payable.

So, over the next five years, ViroXis *could* generate a net cash surplus for TFS Corporation of \$17.1 million while TFS Corporation would pay the vendors up to US\$76 million in milestone and base earn outs. That is a *negative* cashflow to TFS Corporation of US\$58.9 million.

Of course, any company needs to pay out cash (either up front or over an earn out period) to make an acquisition, but this is a large financing burden for TFS Corporation when its existing business will not be generating cash surpluses but needs cash for investment and growth.

ViroXis shareholders will also receive “incentive earn outs” equal to 20% of net cash flows in excess of \$10 million in years six, seven and eight. The maximum incentive earn out is US\$60.7 million. These add to the total cost of the acquisition, but *can at least be financed out of ViroXis's own cashflow.* From year six, TFS Corporation will earn its first cash flow from this

acquisition: \$10 million (if the business has a positive net cash flow) plus 80% of the excess cashflow above \$10 million.

Just in case ViroXis fails to achieve any of these milestones and earnouts, there is a “final earn out” equal to 20% of all net cash flows in excess of \$111.9 million over the first eight years. This earn out is capped so that the maximum purchase price will be US\$154.9 million.

The acquisition of Santalis is structured in a similar way, but the *actual* cost is twice as high as it seems as TFS Corporation already owns 50% of the company and is making the earn out payments to acquire only the other half of the business.

There are “milestone” payments of US\$20 million - that is, equivalent to paying US\$40 million if they were buying the whole company (\$5 million on the launch of a new product, \$2.5 million starting a Phase 3 trial and \$5.0 million on FDA approval, plus \$2.5 million and \$5.0 million on a second Phase 3 trial and approval). The FDA approval milestones reduce to \$2.5 million each if achieved in year six, seven or eight.

The “base earn out” is capped at US\$31 million (equal to US\$62 million for 100% of the company). These are also in bands and *approximately* correspond to 3½ times the company's total net cash flows over the five years in excess of \$1.0 million, but as all of this money goes to buy only 50% of the company, they are *actually* paying seven times net cash flow in excess of \$1 million.

If Santalis generates \$9.9 million in net cashflows over the next five years then TFS Corporation could be paying out US\$51 million in milestone and base earn outs - for a cash funding deficit of another US\$41 million for TFS Corporation.

The “incentive earn out” is again 20% of net cash flow in excess of \$10 million for years six, seven and eight - which, of course, is *actually* 40% of the net cash flow for the half of the business being acquired. So TFS Corporation will only start to earn a cash surplus from year six, even though it has always owned 50% of this company.

And, once again, just in case any of these milestones or earn outs are not achieved, there is the “final earn out” of 20% of net cash flows (i.e. *actually* 40% of the amount applicable for 50% of the company) in excess of \$111.7 million over the full eight years, topping the maximum consideration at US\$90 million.

In addition, TFS Corporation will provide minimum funding support of at least \$2.5 million per year to each company for the next five years - a total commitment of at least \$25 million.

All of these payments can be in either cash or shares (at TFS Corporation's option) - but *if* TFS Corporation's share price were to weaken then issuing shares (at a low price) could result in significant *dilution*. This is a major risk factor.

Another cause of concern is the way the “base incentives” are 3½ times the company's net cash flow, whether buying 100% or 50% of a company, and the “incentive earn outs” is 20% of net cash flow, again whether buying 100% or 50%. Perhaps the innocent answer is that the TFS Corporation directors don't understand mathematics - and are mistakenly paying the

same price to (total company) cashflow multiples to acquire 100% of one company but only 50% of the other.

The less innocent explanation *may* have something to do with TFS Corporation *insiders* personal investments (if any) in the companies being acquired. Such information is not being disclosed - so we have no idea if this may be the case or not.

With the low upfront payments, these potentially large acquisitions will not require shareholder approval.

One of the on-going risk factors with TFS Corporation is that the level of disclosure to “the market” and public shareholders is “not the best”.

No financial data for the companies being acquired is being released, but they probably have little or no net assets and little revenues. Santalis will have some royalty revenues from Galderma.

Our *educated guess* is that the earn outs and incentives are very optimistic and cover the vendors to extract full value if these start-up businesses can achieve all of their blue sky potential.

In reality, we guess the companies will probably earn only around 75% of the milestones, perhaps 25-50% of the base earn outs, about 20% of the incentive earn outs and little or none of the final earn outs.

That would put the total cost at around \$100-120 million for 100% of ViroXis and the remaining 50% of Santalis. These businesses earn little or nothing now, and probably little or nothing over the next few years, but could *eventually* grow significantly over the next eight years. By the end of the earn out period the businesses *could* be contributing total profits and cashflows of \$50-100 million annually.

That would make these businesses extremely valuable in 2023, although we still consider them fully priced now, owing to the high risk, high growth nature of a pharmaceutical start-up and development business.

Even with only partially achieving milestones and earnouts, TFS Corporation faces significant financing costs - but perhaps \$55-75 million rather than \$100 million - over the next five years.

Overall, we are reasonably neutral about these transactions, especially as there is little actual information. Things *could* turn out very well. Things *could* turn out very badly.

At this stage we are downgrading TFS Corporation from a “Buy” (i.e. we liked and understood the old business) to a “Hold” (i.e. we, and “the market”, will probably never fully understand the dynamics of the new business and, at this stage, no information about these businesses is being released to investors).

TFS Corporation



Company Analysis: Corum Group

Corum Group (code COO).

Corum Group is a very small, profitable, cashflow positive, cash rich, debt-free company offering software for Pharmacies and payment systems. Things were not always this way.

The business now appears relatively stable and recent investments in software developments *could* lead to growth in the future. The shares trade at a low valuation, offering a high dividend yield, but as a micro-cap company an investor should only consider investing a small part of a well diversified portfolio in this company.

Company History

Corum Group was not always a financially sound profitable software business.

The company was originally formed as **Jefferies Industries** and became **Medicine Quantale** (i.e. an unprofitable biotechnology business) in February 1997. It was then “transformed” into an equally unprofitable e-commerce and software business renamed **Cosmos** in August 2001. After making its first ever profit (but not its last loss) it rebranded to **Corum Group** in November 2006.

Along the way the company accumulated tax losses, consolidated its shares in November 2005 (i.e. 10 old shares became 1 new share) and the businesses has required recapitalising several times to avoid administration or receivership. The current major shareholder, **Lujeta Pty** (owned by director W Paterson), has a 55% shareholding as a result of a debt to equity swap in May 2009.

Recent Results

Corum Group earned its first profit in the year to June 2006 and its first net operating cash surplus in the year to June 2007.

Then the company came close to being placed in receivership during the 2009 financial year: **Westpac** claimed for “minimum payments” under its *Transaction Processing Agreement* for the e-commerce payments business.

This resulted in higher borrowing costs, resulting in a trading *loss* of \$4,373,000 (plus another \$6.1 million in impairment charges), a net operating cash *deficit* of \$735,000. The \$6.25 million loan from Lujeta was converted into 125,000,000 shares (at 5 cents per share) and Lujeta advanced a further \$4.0 million (which together with cashflow) repaid almost \$5 million of debt

to Westpac. A final \$1.2 million (on the settlement of a \$2.0 million claim) was repaid to Westpac in January 2012.

See the table at the bottom of this page for a summary of recent trading and financial results.

For the half year to December 2014, revenues fell 5.3% to \$9.5 million while pre-tax profits were virtually unchanged at \$2,111,000 (0.83 cents per share). There was also a non-cash \$1.0 million gain from recognising carried forward tax losses. A 28.6% lower dividend of 0.5 cents was paid.

The full year result will also include a non-cash gain of \$1 million from lapsed performance rights of a former Managing Director.

Investment Criteria

At 14½ cents, Corum Group shares trade on a Price/Sales ratio of 1.95, a Price/Earnings ratio of 9 and offer a Dividend Yield of 7.6%. That is a low valuation, especially for a software business.

At December 2014 the company was debt-free with cash in the bank (not Westpac!) of \$12.1 million (4.7 cents per share).

The issued capital is 255,671,151 shares, giving the company a market capitalisation of \$37 million. As 55% of the shares are held by the major shareholder, the number traded on the stockmarket is only around 10,000 - 200,000 daily (i.e. \$1500-30,000). Investors wanting a shareholding may need a little patience.

The shares are *neglected* by brokers and institutions, but the Chairman W Paterson owns 55% of the company. There have been several changes in directors and management over the last six months. The Managing Director/CEO left the company, as have a couple of directors. W Paterson - a long term major shareholder (but not previously a director) - has taken control as Chairman and new independent directors appointed. Two senior executives own 200,000 and 350,000 shares, while two others hold performance rights over 250,000 and 500,000 shares.

There have been no *insider* trades over the last year.

The Relative Strength Rating is +7%, ranked 20 (on a scale of 0-99) so the shares are in an uptrend.

Summary and Recommendation

Smaller and micro-capitalisation company shares tend to outperform the market average, but do involve higher *company specific* risks. That company risk can be

Financial Results: 2009-2014

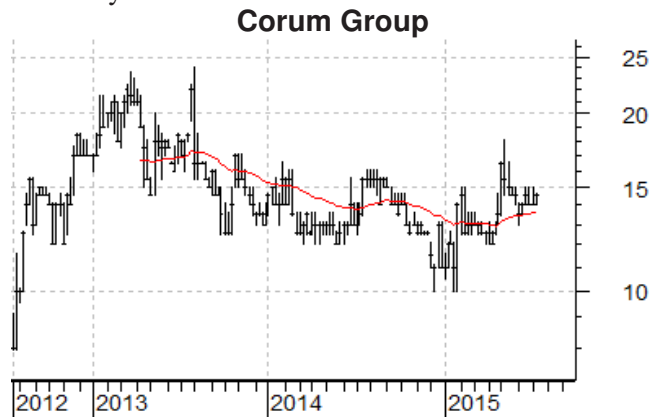
	2014	2013	2012	2011	2010	2009
Revenues	\$20.2m	\$21.4m	\$21.9m	\$21.7m	\$21.9m	\$20.1m
Net Profit	\$4.274m	\$6.355m	\$6.029m	\$1.751m	\$1.127m	<\$4.373m>
Net Cash Surplus	\$5.677m	\$6.612m	\$4.667m	\$3.675m	\$2.261m	<\$0.735m>
Earnings per share	1.68c	2.55c	2.49c	0.72c	0.47c	<1.81c>
Dividends per share	1.1c	1.3c	Nil	Nil	Nil	Nil
Debt	Nil	Nil	Nil	\$2.7m	\$2.8m	\$6.9m
Cash	\$11.9m	\$8.9m	\$3.2m	\$2.1m	\$1.2m	\$0.7m

eliminated through very wide diversification. So a widely diversified portfolio of micro-cap shares should yield above average rates of returns.

Corum Group's past has not always been successful. Firstly owing to its involvement in biotechnology (a risky, fast cash burn business where most ventures fail) and secondly in software development (with some initial high development costs) but the business has been re-capitalised several times and evolved. Its current businesses have performed well over the last six years, repaying historical interest bearing debts and building a significant cash holding.

The market appears to ignore Corum Group's recent success, pricing the shares on a low valuation. The shares provide a high current yield, organic or acquisition growth potential and could be re-rated by the market.

As this is a micro-cap company, Corum Group shares are only suitable for investors with a well diversified portfolio and the investment in this company should be relatively small.



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

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

STRENGTH RATING													STRENGTH RATING														
Company	Share Price	Cur rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n	Company	Share Price	Cur rent	4-Wk Chg.	Rank 0-99	Insider Buy/Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														
Air New Zealand	254	+4.5	-4.0	21	2-13	7	0.2	14	1.0	1	5.5	0.06	282	IkeGPS Limited	64	-8.1	-1.3	81	0-0	2	1.5	-	0.9	NE	Nil	8.76	32
Ebos Group Ltd	1025	+0.7	-1.2	43	1-0	6	1.6	9	0.8	17	4.6	0.26	1,524	Vital Health PT	165	-58.3	+0.0	98	0-0	4	1.6	11	0.5	15	6.6	8.28	561
PGG Wrightsons	46	+1.3	-2.0	36	2-0	2	1.3	15	1.7	8	13.7	0.28	343	Blis Technology	2	-1.9	-0.9	63	0-0	-	0.6	-	4.3	NE	Nil	7.96	21
Seeka Kiwifruit	308	+0.5	-1.4	44	4-0	-	0.8	5	0.5	15	3.6	0.41	48	Pyne Gould Corp	30	-7.4	-0.3	78	0-0	-	0.4	-	1.1	NE	Nil	7.72	62
Nuplex Indust	404	+15.0	+4.6	3	0-0	7	1.6	10	1.0	15	5.2	0.49	800	Precinct Prop.	114	-1.4	-0.7	59	0-4	7	1.1	11	0.5	10	6.6	7.30	1,208
Mainfreight Grp	1525	+1.0	+0.3	38	3-6	5	3.0	16	0.6	18	3.1	0.74	1,518	Wynyard Group	157	-6.1	-0.4	75	0-0	2	2.7	-	1.0	NE	Nil	6.98	182
Infratil NZ	315	+3.7	-1.3	23	1-4	4	1.8	0	0.8	542	4.2	0.76	1,835	Serko Limited	90	-4.2	-0.4	71	0-0	-	5.5	-	1.0	NE	Nil	5.45	56
Z Energy Ltd	588	+11.9	+1.5	4	3-0	7	4.7	1	0.7	336	5.7	0.77	2,352	Evolve Educat.	90	-2.4	-1.1	65	0-0	2	1.1	-	0.7	NE	Nil	4.84	159
Tourism Hold.	169	+3.2	-0.6	24	6-3	-	1.2	7	1.3	17	5.8	0.84	189	Snakk Media Ltd	6	-7.5	+4.3	79	0-0	1	17.8	-	3.0	NE	Nil	4.10	15
Green Cross H.	208	+7.3	-2.5	13	0-0	-	2.9	20	0.8	15	4.7	0.86	278	NZ Exchange Ltd	102	-3.4	-0.5	68	0-0	3	5.1	26	0.7	20	8.2	3.97	259
Hallenstein G.	326	+5.6	-0.4	18	0-1	5	2.9	28	1.0	10	14.3	0.88	194	Orion Health.	391	-12.3	-0.9	87	2-1	2	5.5	-	0.5	NE	Nil	3.79	622
Scales Corp Ltd	170	+6.8	+0.7	15	1-0	-	1.6	12	1.0	13	2.5	0.90	238	Trust Power Ltd	765	-0.3	-1.4	53	2-0	7	1.3	8	0.3	17	2.41	2,394	
Horizon Energy	435	+15.4	+7.7	2	0-0	-	1.6	6	0.6	27	4.5	0.97	109	Mighty River	284	-3.8	-2.0	68	1-3	8	1.2	7	0.8	19	6.6	2.33	3,969
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Nuplex Indust	404	+15.0	+4.6	3	0-0	7	1.6	10	0.9	15	5.2	0.49	800	Vital Health PT	165	-58.3	+0.0	98	0-0	4	1.6	11	0.5	15	6.6	8.28	561
Green Cross H.	208	+7.3	-2.5	13	0-0	-	2.9	20	0.6	15	4.7	0.86	278	WN Drive Tech.	4	-26.7	+1.6	96	0-0	-	1.3	-	2.6	NE	Nil	0.37	7
Scales Corp Ltd	170	+6.8	+0.7	15	1-0	-	1.6	12	0.8	13	2.5	0.90	238	Mercer Group	10	-19.7	-4.4	93	0-2	-	1.4	-	1.6	NE	Nil	0.72	29
Hallenstein G.	326	+5.6	-0.4	18	0-1	5	2.9	28	0.9	10	14.3	0.88	194	GeoOP Ltd	40	-14.9	-1.0	90	0-0	-	-	-	1.9	NE	Nil	N/A	11
Air New Zealand	254	+4.5	-4.0	21	2-13	7	0.2	14	0.8	1	5.5	0.06	282	Moa Group Ltd	28	-12.9	-2.8	89	0-0	-	1.5	-	1.0	NE	Nil	2.20	13
Just Water Int.	14	+3.8	+0.9	22	1-0	-	1.9	26	2.5	7	Nil	0.45	13	SLI Systems Ltd	86	-12.9	-2.7	88	0-2	3	4.5	-	1.1	NE	Nil	2.32	52
Tourism Hold.	169	+3.2	-0.6	24	6-3	-	1.2	7	1.1	17	5.8	0.84	189	Sealegs Corp	7	-12.7	-4.4	87	0-0	-	1.3	-	1.6	NE	Nil	0.57	10
PGG Wrightsons	46	+1.3	-2.0	36	2-0	2	1.3	15	1.3	8	13.7	0.28	343	Orion Health.	391	-12.3	-0.9	87	2-1	2	5.5	-	0.5	NE	Nil	3.79	622
Mainfreight Grp	1525	+1.0	+0.3	38	3-6	5	3.0	16	0.5	18	3.1	0.74	1,518	Pac Edge Bio.	65	-10.0	-1.7	85	0-0	2	18.5	-	1.7	NE	Nil	N/A	207
Ebos Group Ltd	1025	+0.7	-1.2	43	1-0	6	1.6	9	0.8	17	4.6	0.26	1,524	Synlait Milk	250	-9.8	-1.4	84	0-0	2	4.2	13	0.5	32	Nil	0.87	366
Seeka Kiwifruit	308	+0.5	-1.4	44	4-0	-	0.8	5	0.4	15	3.6	0.41	48	IkeGPS Limited	64	-8.1	-1.3	81	0-0	2	1.5	-	0.8	NE	Nil	8.76	32
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													INSIDER BUYING: Most Insider Buying, Relative Strength > 0														
Hallenstein G.	326	+5.6	-0.4	18	0-1	5	2.9	28	0.8	10	14.3	0.88	194	Sunmset Group	379	+7.4	+0.9	11	4-0	7	2.5	16	0.7	15	0.9	N/A	818
PGG Wrightsons	46	+1.3	-2.0	36	2-0	2	1.3	15	1.2	8	13.7	0.28	343	Seeka Kiwifruit	308	+0.5	-1.4	44	4-0	-	0.8	5	0.3	15	3.6	0.41	48
NZ Oil & Gas	53	-6.8	+0.6	77	1-1	2	0.7	3	1.2	22	11.3	2.17	225	Sanford Limited	509	+2.9	+1.4	27	3-0	2	0.9	4	0.3	21	10.1	1.05	477
Warehouse Group	262	-3.3	-0.2	67	1-1	7	2.0	37	0.9	5	11.1	0.36	815	Z Energy Ltd	588	+11.9	+1.5	4	3-0	7	4.7	1	0.6	336	5.7	0.77	2,352
Kingfish Ltd	136	+0.3	-0.7	46	0-0	-	1.0	7	0.8	15	11.0	N/A	168	Tourism Hold.	169	+3.2	-0.6	24	6-3	-	1.2	7	1.0	17	5.8	0.84	189
Kathmandu Ltd	162	-18.9	+4.7	92	6-6	9	1.1	15	0.9	7	10.3	0.84	324	PGG Wrightsons	46	+1.3	-2.0	36	2-0	2	1.3	15	1.1	8	13.7	0.28	343
Sanford Limited	509	+2.9	+1.4	27	3-0	2	0.9	4	0.4	21	10.1	1.05	477	NZ Refining Co	300	+8.7	+0.1	7	2-0	4	1.5	2	0.7	94	Nil	4.02	938
Opus Int'l Cons	128	-7.5	-0.4	80	3-0	4	1.3	17	0.6	7	9.7	0.35	189	Argosy Property	109	+0.9	-1.3	40	2-0	5	1.1	8	0.5	14	6.5	7.55	875
Skellerup Hold.	128	-4.0	-1.4	69	13-1	3	1.7	15	1.0	11	9.2	1.26	247	Scales Corp Ltd	170	+6.8	+0.7	15	1-0	-	1.6	12	0.7	13	2.5	0.90	238
NZSX 50 Port.	189	+0.9	-1.2	39	0-0	-	1.0	14	0.7	7	8.6	N/A	152	Just Water Int.	14	+3.8	+0.9	22	1-0	-	1.9	26	2.0	7	Nil	0.45	13
INSIDER SELLING: Most Insider Selling, Relative Strength < 0													INSIDER SELLING: Most Insider Selling, Relative Strength < 0														
Precinct Prop.	114	-1.4	-0.7	59	0-4	7	1.1	11	0.4	10	6.6	7.30	1,208	Precinct Prop.	114	-1.4	-0.7	59	0-4	7	1.1	11	0.4	10	6.6	7.30	1,208
SLI Systems Ltd	86	-12.9	-2.7	88	0-2	3	4.5	-	1.1	NE	Nil	2.32	52	SLI Systems Ltd	86	-12.9	-2.7	88	0-2	3	4.5	-	1.1	NE	Nil	2.32	52
Burger Fuel	310	-1.9	-0.9	63	0-2	-	23.9	15	1.5	156	Nil	N/A	171	Burger Fuel	310	-1.9	-0.9	63	0-2	-	23.9	15	1.5	156	Nil	N/A	171
Mercer Group	10	-19.7	-4.4	93	0-2	-	1.4	-	1.5	NE	Nil	0.72	29	Mercer Group	10	-19.7	-4.4	93	0-2	-	1.4	-	1.5	NE	Nil	0.72	29
Mighty River	284	-3.8	-2.0	68	1-3	8	1.2	7	0.8	19	6.6	2.33	3,969	Mighty River	284	-3.8	-2.0	68	1-3	8	1.2	7	0.8	19	6.6	2.33	3,969
Fletcher Build.	785	-1.7	-1.0	61	2-4	13	1.6	10	0.5	16	6.4	0.64	5,379	Fletcher Build.	785	-1.7	-1.0	61	2-4	13	1.6	10	0.5	16	6.4	0.64	5,379
Xero Ltd	1715	-4.6	-7.4	72	4-6	5	6.8	-	1.3	NE	Nil	N/A	2,334	Xero Ltd	1715	-4.6	-7.4	72	4-6	5	6.8	-	1.3	NE	Nil	N/A	2,334
Spark NZ Ltd	279	-4.9	-0.6	72	0-1	11	3.0	19	0.5	16	8.2	1.40	5,092	Spark NZ Ltd	279	-4.9	-0.6	72	0-1	11	3.0	19	0.5	16	8.2	1.40	5,092
TeamTalk Ltd	81	-21.7	+5.6	95	0-1	1	0.9	12	0.9	8	30.0	0.38	23	TeamTalk Ltd	81	-21.7	+5.6	95	0-1	1	0.9	12	0.9	8	30.0	0.38	23

Company	Share Price	STRENGTH RATING								Market Cap'n				
		Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to N/A	ROE		Volatility	P/E Ratio	Div Yield	P/S Ratio
Woodside Petrol	3357	-2.5	+0.5	52	0-0	15	0.9	1.4	15	0.3	9	9.3	3.04	27,659
Aust Leaders Fd	130	-8.3	+1.1	67	1-1	-	-	1.0	14	0.4	7	9.3	N/A	302
Worley Group	1011	-3.9	+3.2	56	3-0	14	9.9	-	-	0.4	10	8.4	0.26	2,471
Finbar Group	119	-5.0	-0.2	59	8-0	-	-	1.2	16	0.5	7	8.4	0.97	273
Sth Cross Media	95	-3.5	-3.3	55	5-0	13	3.2	-	-	0.6	4	7.9	1.05	716
360 Capital Ind	247	-0.2	-1.8	44	0-0	2	0.0	-	-	0.4	7	7.5	7.32	377
Pro Maintenance	246	+6.0	+0.2	23	0-0	7	4.2	1.9	17	0.5	11	7.3	0.20	292
Cromwell Prop.	106	-0.6	-2.6	45	2-5	9	2.0	1.4	14	0.4	10	7.2	5.50	1,844
Cabcharge Ltd	354	-5.4	-5.2	60	4-1	7	10.2	-	-	0.4	8	7.1	2.16	426
Insurance Aust.	555	-4.7	-0.7	59	1-3	17	1.8	4.3	41	0.3	11	7.0	1.21	13,494
Cadence Capital	143	-1.5	-0.3	49	0-0	-	-	1.0	6	0.4	16	7.0	1.58	321
Mortgage Choice	226	-3.3	-2.6	54	6-1	4	0.2	2.9	19	0.4	15	6.9	1.55	281
DUET Group	232	-0.6	-2.0	45	2-0	12	1.4	1.7	11	0.4	16	6.8	2.46	3,465

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

A.P. Eagers	900	+24.2	-2.1	7	21-0	3	0.0	3.8	18	0.2	21	3.0	0.56	1,612
Strike Energy	13	+8.4	+5.8	19	12-0	4	-	-	-	1.2	NE	Nil	N/A	108
Orora Limited	206	+3.2	-4.7	28	12-0	12	0.1	2.2	-	0.5	NE	2.9	0.94	2,486
Blackwall Prop.	125	+7.5	-1.5	20	16-4	-	-	0.9	10	0.4	9	0.3	4.62	58
SRG Limited	61	+2.8	-5.4	29	11-0	-	-	0.7	2	0.7	30	6.6	0.17	38
Dyesol Ltd	23	+1.7	+2.4	32	9-0	-	-	22.5	-	0.8	NE	Nil	N/A	68
Recall Holdings	710	+3.6	-4.6	27	9-0	11	0.4	-	-	0.3	50	Nil	3.41	2,228
I-College Ltd	14	+14.3	-2.1	13	9-0	-	-	4.7	-	1.7	NE	Nil	N/A	45
Freelancer Ltd	129	+26.2	+2.3	6	8-0	2	-	-	-	0.6	NE	Nil	N/A	573
Aspen Group Ltd	134	+1.6	+1.1	33	8-0	1	0.0	1.0	-	0.4	NE	8.6	6.34	152
Thorney Opp.	45	+1.2	-0.9	34	8-0	-	-	0.8	-	0.7	NE	Nil	N/A	112
CSG Ltd	155	+14.7	-2.7	12	9-1	3	0.6	5.9	17	0.5	36	5.8	2.16	439
Ambition Group	14	+3.3	-1.7	28	7-0	-	-	0.8	-	1.0	NE	Nil	0.10	9
Easton Invest.	75	+2.6	-2.6	30	7-0	-	-	6.2	-	0.4	NE	Nil	3.65	20
ASX Limited	4113	+3.0	-2.3	28	7-0	15	2.0	5.9	28	0.3	21	4.3	N/A	7,963
Centuria Cap'l	94	+0.6	-2.7	36	8-1	-	-	1.3	15	0.4	8	2.9	1.81	73
Mystate Ltd	471	+0.9	-2.6	35	6-0	4	0.0	2.0	14	0.3	14	6.1	1.93	411
Graincorp	860	+0.7	-3.2	35	6-0	13	3.1	1.5	4	0.3	39	2.3	0.48	1,968
Sunland Group	169	+0.2	-3.7	37	6-0	2	0.0	0.9	4	0.3	21	2.4	1.60	307
Seven Group	608	+1.3	-5.1	34	6-0	5	2.1	0.9	13	0.4	7	6.6	0.60	1,801
Estia Health	602	+9.6	-3.5	17	6-0	-	-	0.9	-	0.5	NE	Nil	6.16	1,089
Prophecy Int'l	136	+59.6	+19.6	2	6-0	-	-	15.1	26	0.4	59	2.0	N/A	75
Qantas Airways	333	+21.7	-9.0	8	6-0	13	0.1	5.3	-	0.4	NE	Nil	0.48	7,314
King River Cop.	3	+5.8	+5.7	23	6-0	-	-	-	-	2.6	NE	Nil	N/A	7
Origin Energy	1136	+0.5	+0.5	37	7-1	13	0.6	1.7	9	0.3	20	4.4	0.86	12,605
Thorn Group Ltd	244	+0.2	-0.8	37	7-1	7	0.3	2.4	20	0.4	12	4.8	1.26	369
Titan Energy	4	+16.3	-4.3	11	7-1	-	-	-	-	2.0	NE	Nil	7.63	11
Nomad Building	7	+19.1	-1.4	9	5-0	-	-	3.3	-	1.5	NE	Nil	0.48	18

Company	Share Price	STRENGTH RATING								Market Cap'n				
		Cur-rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Short Interest	Price to N/A	ROE		Volatility	P/E Ratio	Div Yield	P/S Ratio
Service Stream	30	+23.0	+6.1	8	5-0	-	-	1.8	4	0.7	50	Nil	0.30	116
Magnis Resource	23	+3.8	-1.0	26	5-0	-	-	-	-	1.1	NE	Nil	N/A	60
Site Group Int.	34	+49.8	-17.7	3	5-0	-	-	-	-	0.8	NE	Nil	9.42	163
Macquarie Group	8060	+12.5	-3.3	15	5-0	16	0.4	2.1	13	0.2	17	4.1	2.20	26,882
Transfield Serv	140	+0.5	+1.1	36	5-0	12	1.4	3.5	32	0.7	11	Nil	0.19	717
FSA Group Ltd	128	+2.4	-1.2	30	5-0	1	-	2.6	24	0.5	11	4.7	2.07	160
Uranium Equitie	1	+7.9	+1.0	19	5-0	-	-	-	-	4.3	NE	Nil	N/A	4
Aust Foundation	611	+0.6	-0.6	36	5-0	-	-	1.0	4	0.3	25	3.6	N/A	6,636
Flight Centre	3301	+1.5	-3.5	33	5-0	17	10.4	4.3	27	0.2	16	4.6	1.48	3,328
MZI Resources	39	+17.8	+1.7	10	5-0	-	-	-	-	0.8	NE	Nil	N/A	27
IOOF Holdings	842	+2.2	-4.2	31	5-0	12	3.3	-	-	0.3	19	5.6	2.64	2,527
ALS Limited	563	+1.9	+4.5	32	5-0	16	5.0	-	-	0.3	20	3.7	1.54	2,293
Biotech Capital	7	+5.4	-17.6	23	5-0	-	-	3.5	-	1.3	NE	Nil	N/A	5
Smartgroup Corp	222	+19.0	+7.0	10	5-0	2	0.1	-	-	0.5	25	2.7	3.07	230
Villa World Ltd	203	+2.0	-4.4	31	4-0	2	0.1	1.0	10	0.4	10	7.4	0.83	224
Anatara Life.	85	+47.3	+5.0	3	4-0	-	-	42.5	-	0.6	NE	Nil	N/A	N/A
Aust Wealth Inv	30	+23.7	+7.8	7	4-0	-	-	1.1	-	0.7	NE	Nil	N/A	36
Sedgman Ltd	69	+8.8	-4.9	18	4-0	2	-	1.2	-	0.7	NE	7.3	0.49	156
NetComm Wire.	72	+11.1	+1.5	15	4-0	-	-	6.5	7	0.4	91	Nil	1.44	93
Newcrest Mining	1260	+6.1	-4.1	22	4-0	18	1.4	1.2	11	0.2	11	Nil	2.39	9,658
Fantastic Hold.	217	+10.2	+0.7	16	4-0	6	-	2.1	6	0.4	38	2.8	0.50	224
Alexium Int'l	60	+13.2	-9.5	14	4-0	-	-	0.1	-	1.1	NE	Nil	N/A	157
Latam Autos	28	+6.6	-13.6	21	4-0	-	-	-	-	0.9	NE	Nil	N/A	67
Amer Patriot OG	15	+1.3	+1.6	33	4-0	-	-	-	-	1.2	NE	Nil	N/A	11
Reva Medical	46	+9.6	-8.0	17	4-0	2	-	0.4	-	0.6	NE	Nil	N/A	154
Galaxy Res.	4	+6.4	+5.4	21	4-0	-	-	-	-	2.1	NE	Nil	N/A	39
KeyBridge Cap'l	17	+1.6	-2.8	32	4-0	-	-	0.7	-	0.9	NE	Nil	N/A	28
Collaborate	2	+25.7	+2.1	6	4-0	-	-	-	-	3.2	NE	Nil	1.26	4
First Gth Funds	1	+74.6	-68.5	1	4-0	-	-	0.7	-	4.6	NE	Nil	N/A	2
Legend Mining	1	+2.5	+6.0	30	4-0	-	-	-	-	4.1	NE	Nil	N/A	20
Westfield Corp.	928	+1.5	-3.2	33	4-0	12	0.2	2.0	8	0.4	27	3.6	N/A	19,285
Xanadu Mines	11	+7.8	+4.3	19	4-0	-	-	-	-	1.6	NE	Nil	N/A	39
Pacific Niugini	4	+3.7	-8.3	27	4-0	-	-	-	-	1.8	NE	Nil	N/A	14
HUB24 Limited	140	+9.6	-1.0	17	4-0	-	-	17.5	-	0.7	NE	Nil	N/A	66
CMI Limited	157	+5.2	-1.6	24	4-0	-	-	1.2	8	0.5	15	3.8	0.59	54
SAI Global Ltd	404	+0.7	+0.1	36	4-0	10	0.5	-	-	0.4	24	3.8	1.61	856
Perpetual Ltd	4776	+3.2	-4.9	28	5-1	14	2.3	9.8	35	0.3	28	3.7	4.94	2,224
James Hardie	1778	+13.0	+0.8	14	6-2	13	2.1	29.6	-	0.3	22	4.1	3.91	7,927
AMP Ltd	621	+3.3	-3.5	28	3-0	18	0.4	4.4	21	0.5	20	4.2	1.03	18,368
AMCIL Limited	90	+0.4	-0.4	37	3-0	-	-	0.9	3	0.5	33	2.8	N/A	205
Collins Foods	300	+6.5	+2.8	21	3-0	2	0.0	-	-	0.4	NE	3.7	0.49	279
Red River Res.	16	+9.4	+1.8	18	3-0	-	-	2.6	-	1.4	NE	Nil	N/A	12

“Insider” Trades in NZ Shares

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

“Insider” Indicators

Last 5 wks: 58.1% Buyers

Last 13 wks: 57.6% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
A2 Milk Company	5-4	Comvita	3-6	Goodman Prop.	1-3	PGG Wrightsons	2-0	Sky City Ltd	1-3
AMP Limited	1-0	Contact Energy	1-0	Hallenstein G.	0-1	Precinct Prop.	0-4	Smartpay NZ Ltd	2-0
AWF Madison Grp	4-0	DNZ Property	1-10	Infratil NZ	1-4	Pushpay Hold.	0-2	Spark NZ Ltd	0-1
Air New Zealand	2-13	Diligent Board	0-2	Just Water Int.	1-0	Rubicon Limited	2-0	Summerset Group	4-0
Airworks Ltd	2-0	EROAD Ltd	0-2	Mainfreight Grp	3-6	Ryman Health.	4-1	TeamTalk Ltd	0-1
Argosy Property	2-0	Ebos Group Ltd	1-0	Mercer Group	0-2	SLI Systems Ltd	0-2	Tourism Hold.	6-3
Arvida Group	2-0	F & P Health.	0-7	MetLifeCare	1-0	Sanford Limited	3-0	Tower Limited	0-1
Augusta Capital	0-1	Fletcher Build.	2-4	Mighty River	1-3	Scales Corp Ltd	1-0	Trust Power Ltd	2-0
Briscoe Group	2-1	Fonterra S/H Fd	9-1	NZ Refining Co	2-0	Seeka Kiwifruit	4-0	Veritas Invest.	2-0
Burger Fuel	0-2	Freightways Ltd	0-2	Opus Int'l Cons	3-0	Skellerup Hold.	13-1	Xero Ltd	4-6
Coats Group plc	2-1			Orion Health.	2-1			Z Energy Ltd	3-0

“Insider” Trades in Australian Shares

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

“Insider” Indicators

Last 5 wks: 83.9% Buyers
Last 13 wks: 78.6% Buyers

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
360 Cap Office	1-0	Amcorg Ltd	1-2	Aust United In	2-0	Brain Resource	1-0	China Magnesium	3-0
3D Oil Limited	4-0	Amer Patriot OG	4-0	Aust Dairy Farm	0-1	Brambles Ltd	1-2	Clime Inv Mgmt	1-0
3D Resources	1-0	Anatara Life.	4-0	Aust Agricult.	5-0	Braziron Ltd	2-0	Clover Corp.	3-0
3P Learning	2-0	Anglo Australia	1-0	Austal Limited	0-3	Breaker Res NL	2-0	Coal of Africa	2-0
8common Ltd	2-0	Animoca Brands	1-0	Aust Wealth Inv	4-0	Breville Group	1-0	Coats Group plc	0-1
A.P. Eagers	21-0	Ansell Ltd	2-0	Aust Rural Cap.	1-0	Brickworks Ltd	3-2	Cochlear Ltd	2-3
A1 Investments	2-0	Antares Energy	3-0	Austex Oil Ltd	4-1	Broad Invest.	2-0	Codan Ltd	1-0
ABM Resources	3-0	Antaria Ltd	3-1	Avalon Minerals	3-1	Buderim Ginger	1-0	Cogstate Ltd	2-0
AG Financial	1-0	Antisense T.	2-0	Avanco Res.	1-0	Bulletin Res.	3-0	Collaborate	4-0
AJ Lucas	1-0	Antilles O & G	5-0	Avexa Limited	1-0	Burey Gold Ltd	1-0	Collection Hse	1-4
ALS Limited	5-0	Apollo Minerals	2-0	Axiom Mining	0-1	Burson Group	1-0	Collins Foods	3-0
AMCIL Limited	3-0	Appen Limited	1-2	Azure Health.	1-2	Buru Energy Ltd	2-0	Com'wealth Bank	3-1
AMP Ltd	3-0	Applabs Tech.	3-0	Azure Minerals	1-0	Buxton Res.	1-0	ComOps Limited	6-0
APA Group	0-1	Aquaint Capital	1-0	BC Iron Ltd	2-1	C.S.R. Ltd	0-2	Comet Resources	1-0
APN News Media	2-0	Aquarius Plat.	2-1	BHP Billiton	4-0	CAQ Holdings	0-1	Computershare	1-10
ASG Group Ltd	0-1	Arc Exploration	3-0	BKI Invest Coy	1-0	CBG Capital	1-2	Condoto Plat.	2-0
ASX Limited	7-0	Ardent Leisure	12-1	BSA Ltd	1-0	CI Resources	3-0	Connexion Media	0-1
AVEO Group	3-0	Ardiden Limited	1-0	BWP Trust	1-0	CMI Limited	4-0	Contango Micro.	1-2
AWE Limited	3-1	Argent Minerals	1-0	Bannerman Res.	1-0	CSG Ltd	9-1	Convergent Min.	4-0
Abilene O & G	1-0	Aristocrat Leis	3-2	Bass St Oil Coy	0-1	CSL Limited	2-1	Cooper Energy	1-0
Acacia Coal Ltd	2-0	Ark Mines Ltd	2-0	Bathurst Res.	2-0	CTI Logistics	1-0	Corazon Mining	2-0
Academies Aust.	13-0	Armidale Invest	0-1	Beach Energy	0-1	Cabcharge Ltd	4-1	Countplus Ltd	2-0
Acorn Capital	1-0	Arowana Int'l	1-0	Beadell Res.	1-0	Cabral Resource	1-0	Covata Limited	0-1
Ad Braking Tech	5-0	Arrium Limited	6-0	Bell Financial	1-0	Calibre Group	3-2	Cover-More Grp	0-1
Adacel Tech.	0-1	Asaleo Care Ltd	2-0	Bellamy's Aust.	1-0	Caltex Austria	0-1	Coziron Res.	2-0
Adelaide Bright	1-0	Ashley Services	2-0	Bendigo Bank	2-1	Cannindah Res.	1-0	Credit Corp	1-5
Adelaide Res.	1-0	Asia P Digital	1-0	Benitec Bio.	0-1	Capital Health	1-0	Cromwell Prop.	2-5
Adslot Ltd	0-1	Ask Funding Ltd	0-1	Beyond Int'l	2-0	Capilano Honey	0-1	Crowd Mobile	2-0
Aeon Metals Ltd	2-0	Aspen Group Ltd	8-0	Big Un Limited	1-0	Capral Limited	1-0	Crown Resorts	1-0
African Energy	4-2	Astivita Ltd	0-4	Billabong Int'l	3-0	Carbon Con	2-0	Crusader Res.	4-0
Aims Property	2-0	Atrum Coal NL	1-0	Biotron Limited	0-1	Carbine Res.	1-0	Cryosite Ltd	2-0
Ainsworth Game	5-0	Aurizon Hold.	3-1	Biotech Capital	5-0	Cardno Ltd	8-1	CuDeco Ltd	7-0
Ale Property	2-0	Aurora Minerals	1-0	Bioxyne Ltd	0-1	Carnavale Res.	2-0	Cynata Therap.	2-0
Aleastor Energy	1-0	AusNet Services	1-0	Blackmores Ltd	2-1	Cash Converters	2-0	DGR Global Ltd	1-0
Alexium Int'l	4-0	Ausdrill Ltd	1-0	Blackwall Prop.	16-4	Cassini Res Ltd	1-0	DTI Group	0-2
Algae.Tec Ltd	1-0	Ausenco Ltd	2-0	Blackham Res.	0-1	Catalyst Metals	1-0	DUET Group	2-0
Alicanto Min.	0-1	Ausgold Ltd	1-0	Blaze Intern'l	0-1	Cazaly Res Ltd	2-1	DWS Limited	1-0
Alligator En.	1-0	Austbrokers	4-0	Blue Sky Alt In	2-1	Centuria Cap'l	8-1	Data 3 Ltd	0-1
Alliance Aviat.	5-0	Aust China Hold	3-1	Bluechip Ltd	2-0	Centuria Metro.	1-0	Datadot Tech.	0-2
Altech Chemical	1-0	Austin Explor.	2-0	Bluescope Steel	10-1	Central Petrol.	6-0	De Grey Mining	1-0
Altium Limited	4-2	Aust Foundation	5-0	Boart Longyear	3-0	Century Aust In	4-1	Decimal Soft.	1-0
Altona Mining	1-0	Austin Eng.	3-0	Bone Medical	0-1	Centrex Metals	1-0	Decmil Group	2-0
Alumina Ltd	1-0	Aust Pac Coal	1-0	Bora Bora Res.	1-0	Challenger Ltd	2-1	Dexus Property	1-0
Amalgamated Hld	2-0	Aust Pharm. Ind	3-0	Boss Resources	1-0	Champion Iron	7-0	Dicker Data Ltd	2-0
Ambition Group	7-0	Aust Vintage	2-0	Bounty Oil Gas	1-0	Chesser Res.	0-2	Dick Smith Hold	1-4

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
Digital CC Ltd	1-0	Forte Cons. Ltd	2-0	Hills Limited	6-0	Kingrose Mining	1-0	Matrix Comp.	4-0
Div. United Inv	3-0	Foyson Res Ltd	3-0	Hillgrove Res.	4-0	King Island Sc.	4-0	Matsa Resources	1-0
Diversa Ltd	3-0	Freedom Foods	2-1	Holista Coll.	0-1	King River Cop.	6-0	Maverick Drill.	1-0
Djerriwarrh	1-0	Freelancer Ltd	8-0	Hot Chili Ltd	1-0	Konekt Limited	1-0	Maxi TRANS	3-1
Dome Gold Mines	0-1	Frontier Res.	0-1	Hunter H Global	2-0	Korvest Ltd	2-0	Mayne Pharma Gr	2-0
Domino's Pizza	1-4	Funtastic Ltd	4-0	Huon Aquacult.	2-0	Kresta Holdings	9-6	Mazu Alliance	0-1
Doray Minerals	1-0	Future Gen Inv	5-1	I-College Ltd	9-0	Krucible Metals	7-0	McMillan Shake.	0-3
Downer EDI Ltd	1-0	G.U.D. Holdings	3-0	I-Property Grp	0-1	LBT Innovations	1-0	McPherson's Ltd	1-0
Draig Resources	1-0	G8 Education	4-0	I-Sonea Limited	7-0	Lamboos Res.	4-0	Medibank Priv.	5-0
Drillsearch	0-1	GB Energy Ltd	0-1	IOOF Holdings	5-0	Landmark White	1-0	Medtech Global	3-0
Dyesol Ltd	9-0	GBST Holdings	0-6	IRESS Limited	1-0	Laneway Res.	1-0	Medusa Mining	2-0
E & A Limited	1-0	GDI Property	3-0	Icon Energy	2-0	Lantern Hotel	3-0	Metaliko Res.	6-1
E-Bet Limited	1-3	GI Dynamics	2-1	liNet	3-0	Laramide Res.	3-0	Metallum Ltd	2-0
ERM Power Ltd	1-2	GPT Group	2-0	Iluka Resources	3-2	Laserbond Ltd	3-0	Metcash Ltd	6-0
EZA Corporation	6-0	GWA Group Ltd	3-0	Imdex Limited	2-0	Latam Autos	4-0	Metro Mining	1-0
Easton Invest.	7-0	Galaxy Res.	4-0	Impedimed Ltd	1-0	Latin Resources	0-1	Milton Corp.	1-0
Echo Ent Group	1-0	Gale Pacific	4-0	Incitec Pivot	3-0	Legend Mining	4-0	Mineral Res.	0-2
Ecosave Hold.	0-1	Galileo Japan	1-0	Independ. Group	3-0	Lend Lease Grp	1-0	Mineral Deposit	6-0
Elders Limited	3-0	Galilee Energy	1-0	India Resources	1-0	Lifestyle Com.	1-5	Minotaur Exp.	3-0
Electro Optic	1-0	Gascoyne Res.	2-0	Infomedia Ltd	2-0	Lindsay Aust	0-1	Mint Payments	1-0
Elixir Petrol.	1-0	General Mining	0-1	Ingenia Com Grp	2-0	Liontown Res.	2-0	Mirabela Nickel	2-0
Ellex Medical	1-0	Genera Bio.	3-0	Innate Immuno.	1-0	Liq Natural Gas	2-1	Mirvac Group	2-0
Emeco Holdings	1-0	Genetic Tech.	0-2	Insurance Aust.	1-3	Lodestar Min.	2-0	Mitchell Serv.	2-0
Emerald Res.	3-0	Genworth Mort.	0-1	Int Research	1-0	Logicamms Ltd	6-0	Mobile Embrace	3-0
Empire Oil, Gas	4-0	Geodynamics Ltd	1-0	Int'l Coal Ltd	1-0	Lonestar Res.	3-0	Moko Social Med	0-1
Endeavour Min.	1-0	Global Con Serv	0-1	Intec Ltd	2-0	Lucapa Diamond	4-0	Monash IVF Grp	4-0
Energy World	3-0	Global Master F	0-1	Intermin Res	2-0	Lynas Corp Ltd	1-0	Monadelphous Gr	3-0
Energy Action	8-0	Globe Int'l Ltd	3-0	Intrepid Mines	3-0	M2 Group Ltd	0-3	Money3 Corp Ltd	5-0
Energy Develop.	1-0	Golden Cross	1-0	Investa Office	1-0	MDS Financial	0-1	Moreton Res Ltd	9-0
Entek Energy	2-1	Gold Road Res.	0-1	Invigor Group	2-0	MEO Australia	2-0	Mortgage Choice	6-1
Equatorial Res.	2-0	Goldminex Res.	1-0	Invion Limited	3-0	MMA Offshore	8-0	Motopia Ltd	4-2
Equus Mining	1-0	Gold Mountain	1-0	Invocare Ltd	0-2	MRL Corporation	2-0	Mozambi Coal	1-0
EservGlobal Ltd	0-1	Goodman Group	2-5	Iselect Limited	2-0	MZI Resources	5-0	Mt Gibson Iron	2-0
Estia Health	6-0	Graincorp	6-0	Iseentric Ltd	0-1	MacMahon Hold	3-0	Murchison Hold.	1-0
Etherstack plc	1-0	Grange Resource	0-2	Jacka Resources	4-0	MacPhersons R G	1-0	Musgrave Min.	2-0
Euroz Limited	4-0	Grays eCommerce	2-0	James Hardie	6-2	Maca Limited	2-0	Mustera Prop.	1-0
Evolution Min.	3-0	Greenvale En.	1-0	Japara Health.	1-0	Macquarie Group	5-0	My Net Fone Ltd	1-6
Excelsior Gold	0-1	Greencross Ltd	2-5	Jervois Mining	2-0	Macquarie C Tel	2-0	Myer Holdings	3-0
Exoma Energy	0-2	Greenland Min.	1-0	Jindalee Res.	2-0	Macquarie Atlas	1-0	Mystate Ltd	6-0
F.F.I. Holdings	1-0	Growthpoint Pro	2-0	Jumbo Interact.	1-0	Magellan Flag.	2-0	Namoi Cotton	1-0
FSA Group Ltd	5-0	Gryphon Mineral	3-0	K&S Corporation	2-0	Magnis Resource	5-0	Nanosonics Ltd	0-2
Fantastic Hold.	4-0	Guildford Coal	1-2	K2 Asset Mgmt	0-6	Magnolia Res.	1-0	Naos Absolute	2-0
Fatfish Int Grp	0-1	Gulf Industrial	0-1	K2 Energy Ltd	1-0	Magnetic Res.	2-0	Naos Emerging	2-4
Federation Cent	0-1	HGL Limited	2-0	KBL Mining Ltd	3-0	Magontec Ltd	1-0	Naracoota Res.	0-2
Finbar Group	8-0	HRL Holdings	1-0	KGL Resources	4-0	Malabar Coal	3-0	Nat'l Aust Bank	5-0
First Gth Funds	4-0	HUB24 Limited	4-0	Kardoos Gas	6-0	Manalto Ltd	0-1	Navitas Ltd	2-0
Fitzroy River	2-0	Havilah Res.	1-0	Kasbah Resource	3-0	Mandalong Res.	1-0	Nearmap Ltd	0-1
Flagship Invest	4-2	Helix Resources	3-0	Kazakhstan Pot.	1-0	Mantra Group	1-0	Nemex Resources	0-1
Flexicorp Ltd	0-1	Helloworld Ltd	1-0	KeyBridge Cap'l	4-0	Marmota Energy	3-0	Neon Energy Ltd	1-0
Flight Centre	5-0	Heron Resources	9-0	Kibaran Res.	2-0	Martin Aircraft	0-2	Neptune Marine	1-0
Flinders Mines	5-0	Highland Pac.	2-0	Kidman Res Ltd	1-0	Masternyne Grp	2-0	NetComm Wire.	4-0
Folkestone Ltd	1-0	High Peak Royal	3-0	Kimberley Diam.	1-0				
Fortescue Metal	5-0	Highfield Res.	0-1	Kina Petroleum	1-0				

(Continued on Page 13)

Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers	Company	Insider Buyers-Sellers
New Guinea En.	2-0	Petrel Energy	2-0	Rift Valley Res	1-0	Southern Gold	2-0	Troy Resources	5-0
New Hope Corp.	3-0	Phoenix Copper	1-0	Rimfire Pacific	3-0	Spark Infrastru	6-0	UXC Limited	1-0
New Standard En	1-0	Phoslock Water	2-1	Rio Tinto Ltd	1-0	Speedcast Int'l	1-0	Uil Energy	5-0
Newcrest Mining	4-0	Phosphate Aust.	3-0	Rox Resources	2-0	Spitfire Res.	2-0	Un. Biosensors	1-0
Nextdc Limited	5-2	Pioneer Credit	1-0	Royal Wolf Hold	2-1	St Barbara Ltd	3-0	Unity Mining	2-0
Nib Holdings	1-0	Platinum Cap'l	1-0	Royalco Res.	1-0	Steadfast Group	1-0	Universal Coal	3-1
Nine Entertain.	3-1	Platinum Asset	0-18	Rubik Financial	10-0	Stellar Res.	1-0	Uraniumsa Ltd	0-1
Nomad Building	5-0	Po Valley Ener.	1-0	Rubicor Group	0-1	Sth Cross Elect	1-0	Uranium Equitie	5-0
Novarise Renew.	1-0	Polynovo Ltd	1-0	Rum Jungle Res.	1-0	Sth Cross Media	5-0	Urbanise.com	0-2
Novogen Ltd	1-0	Praemium Ltd	1-0	Runge Pincock M	10-0	Sthn Cross Exp.	1-0	VDM Group Ltd	1-0
Nthn Minerals	0-4	Prana Biotech.	1-0	SAI Global Ltd	4-0	Strategic Min.	2-3	Valmec Limited	2-0
Nufarm Limited	1-2	Predictive Disc	1-0	SDI Limited	3-0	Strat. Energy	0-1	Variscan Mines	2-0
OBJ Limited	0-2	Premier Invest	0-1	SMS Mgmt & Tech	2-0	Strata-X Energy	2-0	Victory Mines	1-0
OZ Minerals Ltd	1-0	Primary Health	4-8	SRG Limited	11-0	Stream Group	2-1	Villa World Ltd	4-0
Oakajee Corp.	1-0	Primary Opinion	1-0	STW Comm Group	1-0	Strike Energy	12-0	Viralytics Ltd	1-0
Oakdale Resourc	1-0	Prima Biomed	1-0	Saferoads Hold.	1-0	Structural Mon.	3-0	Virgin Aust	0-1
Oceania Capital	1-0	Probiotec Ltd	6-0	Salmat Ltd	3-0	Suda Ltd	1-0	Virtus Health	1-0
Octanex NL	4-0	Promesa Ltd	1-0	Samson Oil/Gas	0-2	Sun Biomedical	2-0	Vita Group Ltd	1-2
Oil Search Ltd	0-3	Prophecy Int'l	6-0	Sandon Capital	2-0	Suncorp Group	6-1	Vita Life Sci.	1-0
Oldfields Hold	2-0	Public Holdings	0-2	Sandfire Res.	0-4	Sundance Energy	13-0	Vocation Ltd	6-0
On Q Group Ltd	0-1	Q Technology	4-0	Santos Ltd	10-0	Sunland Group	6-0	Volta Mining	2-0
OnTheHouse Hold	3-0	Q.B.E. Insur.	3-0	Saunders Int'l	0-2	Super Retail Gr	0-1	WAM Capital Ltd	0-1
Oncard Int'l	1-0	Qantas Airways	6-0	Scantech	5-0	Swick Min Serv	2-0	WAM Active Ltd	1-0
Onevue Holdings	2-0	Qld Mining Corp	0-1	Scentre Group	1-0	TFS Corporation	2-0	WAM Research	1-5
Optiscan Image	0-1	Quantum Res.	0-2	Sealink Travel	0-1	TNG Limited	0-1	WDS Limited	5-1
Orbital Corp	0-2	Qube Holdings	0-1	Sedgman Ltd	4-0	TPG Telecom Ltd	2-0	WPG Resources	4-0
OreCorp Ltd	1-0	REA Group Ltd	1-0	Seek Ltd	7-1	Tabcorp Holding	2-0	Waratah Res.	2-0
Orica Ltd	3-0	RNI NL	2-0	Select harvest	3-0	Talon Petroleum	1-0	Watermark Fund	3-0
Origin Energy	7-1	RTG Mining Inc.	1-0	Senex Energy	10-0	Tamawood Ltd	3-7	Waterco Ltd	3-0
Orocobre Ltd	1-0	Ramelius Res.	0-1	Servcorp Ltd	2-0	Tandou Ltd	0-1	Webjet NL	3-0
Orora Limited	12-0	Rampart Energy	7-0	Service Stream	5-0	Tap Oil	10-0	Wellcom Group	1-0
Oroton Group	8-0	Ramsay Health	0-4	Seven Group	6-0	Tassal Group	1-0	Wesfarmers Ltd	1-0
Othrocell Ltd	2-0	Rawson Res.	1-0	Seven West Med.	1-0	Technology One	3-2	Western Areas	0-4
Oz Brewing Ltd	1-0	Raya Group Ltd	2-0	Seymour Whyte	1-0	Techniche Ltd	7-0	Westpac Banking	2-0
Ozforex Group	3-0	Recall Holdings	9-0	Sheffield Res.	2-0	Telstra	3-0	Westfield Corp.	4-0
PPK Group Ltd	3-0	Red Mountain	3-0	Shopping Centre	2-1	Templeton Globa	1-0	Whitehaven Coal	4-1
PS & C Limited	1-0	Red River Res.	3-0	Shoply Limited	5-0	The Reject Shop	2-0	White Energy Co	1-0
PTB Group Ltd	1-0	Red Hill Iron	1-0	Sigma Pharm.	0-1	The Pas Group	2-0	White Cliff Min	1-0
Pac. Star Netwk	0-1	Redcliffe Res.	1-0	Silex Systems	1-0	Thinksmart Ltd	1-0	Wilson Group	0-1
Pacific Niugini	4-0	Redflex Holding	5-0	Simonds Group	2-0	Think Childcare	1-0	Woolworths Ltd	7-0
Pacific Smiles	2-0	Redstone Res.	10-0	Sims Metal Mgmt	6-0	Thomson Res.	2-0	Worley Group	3-0
Pacific Brands	1-0	Reece Australia	1-0	Sino Gas & En.	4-0	Thorn Group Ltd	7-1	World Reach Ltd	1-0
Pact Group Hold	1-0	Regeneus Ltd	1-0	Sipa Resources	1-0	Thorney Opp.	8-0	XRF Scientific	2-0
Padbury Mining	0-1	Regional Exp.	2-1	Sirius Res. NL	0-1	Thunselarra Ltd	0-2	Xanadu Mines	4-0
Paladin Energy	1-0	Renaissance Min	1-0	Site Group Int.	5-0	Tiger Resources	6-0	Xstate Res.	1-0
Pan Pacific Pet	1-3	Rent.com.au Ltd	1-0	Skilled Group	2-1	Titan Energy	1-0	Xtek Ltd	1-0
PanTerra Gold	3-1	Resolute Mining	1-0	Skyfii Limited	3-0	Titan Energy	7-1	Yancoal Aust.	2-0
Paperlin X Ltd	1-0	Retail Food Grp	1-0	Slater & Gordon	1-5	Tox Free Sol.	2-1	Yellow Rock Res	0-1
Paringa Res Ltd	2-1	Reva Medical	4-0	Smart Parking	2-0	Traffic Tech.	1-0	Yowie Group Ltd	3-1
Patties Foods	8-1	Reverse Corp	1-0	Smartpay Hold.	2-0	Transurban Grp	2-0	Zenith Minerals	2-0
Peet Ltd	1-0	Reward Minerals	2-0	Smartgroup Corp	5-0	TransPacific In	3-0	Zicom Group	8-0
Perpetual Ltd	5-1	Richfield Int'l	1-0	Sonic Health	1-3	Transfield Serv	5-0	ZipTel Limited	2-0
Petratherm Ltd	1-0	Ridley Corp.	1-0	Soul Pattinson	11-0	Treasury Wine	1-0		

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Smiths City Group	2.50	07-08	14-08	Nil

Total Return Index for All Listed Shares

Jun 8	1576.47		
Jun 9	1571.30		
Jun 10	1563.06		
Jun 11	1566.52		
Jun 12	1567.04		
Jun 15	1557.17	Jun 22	1557.16
Jun 16	1555.37	Jun 23	1559.91
Jun 17	1559.70	Jun 24	1557.26
Jun 18	1550.62	Jun 25	1546.42
Jun 19	1556.66	Jun 26	1547.59
Jun 29	1535.01	Jul 6	1527.18
Jun 30	1535.43	Jul 7	1529.11
Jul 1	1535.30	Jul 8	1533.03
Jul 2	1536.08	Jul 9	1516.48
Jul 3	1534.14	Jul 10	1514.70

Next Issue:

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

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

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