

CASH CONVERTERS LIMITED

Safrock booming

Cash Converters Limited ("Cash Converters", "CCV", "Company") reported 1H10 NPAT of \$10.1m (versus our expected \$9.8m) and declared a 1.5cps dividend (in line with our expectation). Note that annualising the store acquisitions and removing the losses from the two Greenfield sites, NPAT would have been ~\$10.7m.

Store Operations

There are a total of 519 stores in the world, with ~90% franchised. There are 44 Company owned stores (26 in UK, 18 Australia). Franchise revenue was down slightly due to 4 stores being acquired by the Company and therefore reducing franchise fees. The Company said it is in negotiations to purchase another 13 stores (10 in Australia, 3 in UK). We assume these acquisitions occur early enough to still contribute to 2H10.

Safrock & Mon-e

The Safrock loan book rose to \$32m at the end of December (from \$21.4m at 30 June 2009). Profit before tax was \$7.0m (with PBT margins of 44.9%). The Company says bad debts stable, with cumulative principal written off, as a percentage of cumulative principal advanced, declining to 6.4% in the half, compared to 7.4% as at December 2008. The roll out of Safrock into the UK has commenced but is still immature. As a reminder, the average Safrock loan is around seven months, and the profit represents a pre tax return on loans (ROE given CCV funds loans with equity) of >50%.

Green Light Auto? A New business opportunity.

The Company has announced that it has executed contracts with Green Light Auto Group to provide secured loans to customers to buy second hand motor vehicles. The customers will receive full car maintenance for the term of the loan (four years). The investment (up to \$4m) is via a convertible note that could be converted into 60% of the equity in Green Light Auto.

Quickdraw acquisition.

CCV announced it has acquired "Quickdraw", which is the Mon-e equivalent in South Australia and Northern Territory. The acquisition price was \$5.75m (4.4x EV/EBITDA). Quickdraw is a legacy of CCV encouraging entrepreneurship amongst franchisees, which it continues to do. However, as can be seen from the Greenlight Auto structure, CCV now includes options to purchase ventures that are established using external capital.

Hartleys expects FY10 NPAT \$22.7m, FY11 NPAT \$32.7m

The Company now expects it will meet or *improve* on the full year NPAT guidance of \$20.5-\$21m. On 25 November CCV announced it had made \$5.9m NPAT (unaudited) for the four months to end October. That implies that in Nov/Dec (the busy Christmas period) NPAT was ~\$4.2m. Our FY10 & FY11 NPAT forecasts have been lowered by ~8% given store acquisitions are a touch slower than expected. We retain our Buy recommendation. CCV trades on FY11 P/E of 7.8x. We have a twelve month price target of \$0.87, which implies CCV trades on a FY11 P/E of 9.6x.

Share Price:	\$0.705
Valuation:	\$0.81
12mth price target:	\$0.87

Brief Business Description:

Payday lending, consumer finance & second hand retailer in UK & Aust.

Hartleys Brief Investment Conclusion:

Undervalued with regulatory risks seemingly overplayed.

Chairman & CEO:

Mr Reginald Webb (Chairman)
Mr Peter Cumins (Managing Director)

Top Shareholders:

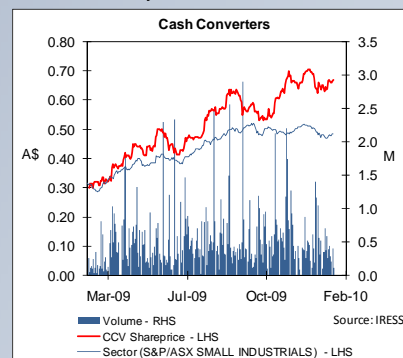
EZ Corp (29.8%)
Rand Holdings Pty Ltd (5.3%)

Company Address:

Level 18, 37 St. Georges Tce,
Perth, WA, 6000

Issued Capital:	363.6m		
- fully diluted	363.6m		
Market Cap:	\$256.3m		
- fully diluted	\$256.3m		
Net Debt (31 Dec '09a):	-\$43.4m		
	FY09a	FY10e	FY11e
Op Cash Flw	15.3	19.5	32.2
Free Cash Flw	2.8	-5.4	21.9
NPAT (A\$m)	16.2	22.7	32.7
EPS (\$, dil)	6.7	6.8	9.0
P/E (basic)	10.4x	10.3x	7.8x
P/E (diluted)	10.6x	10.3x	7.8x
EV / EBITDA	8.7x	6.1x	4.3x
DPS (\$)	0.030	0.033	0.040
Franking	100%	100%	100%
Dividend Yield	4.3%	4.6%	5.7%
N.D. / equity	-5.5%	12.0%	-10.7%

Source: Hartleys Research



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Hartleys has completed a capital raising for Cash Converters Limited in the last 12 months for which it expects to receive fees. Hartleys has also provided corporate advice within the past 12 months and continues to provide corporate advice to Cash Converters, for which it received and continues to receive fees. See disclosure on back page for details.

SUMMARY MODEL

Cash Converters International Ltd (CCV)					Recommendation: Buy				
Company Information					Profit & Loss (\$m)				
Today's Date	23 Feb 2010	Level 18, 37 St. Georges Tce,			AUD/GBP	6/08A	6/09A	6/10F	6/11F
Share Price	\$0.705	Perth, WA, 6000			Safrock Loan Book	13.8	21.4	39.2	58.3
52 Week High-Low	\$0.71 - \$0.295	Ph: (08) 9221 9111			Safrock Revenue	19.4	20.6	35.5	51.5
Market Cap (\$m)	\$256.3	Fax: (08) 9221 9011			Safrock PBT	8.2	9.8	16.2	23.9
Enterprise Value (\$m)	\$212.9	www.cashconverters.com.au			margin	42.4%	47.4%	45.6%	46.4%
Ordinary Shares	363.6				Mon-e Revenue	12.1	7.5	9.6	10.4
Fully Diluted Shares	363.6				Mon-e PBT	9.0	6.9	8.7	9.3
					margin	74.8%	92.2%	90.0%	90.0%
Valuation					EBITDA - Group				
Spot DCF - 9 years explicit + terminal growth value	\$0.81				EBITDA	22.5	24.5	34.8	50.0
12mth fwd DCF - 9 years explicit + terminal growth value	\$0.84				growth	nm	8.8%	42.1%	43.9%
12mth forward P/E (diluted) of 10x (Average Aust comps)	\$0.92				EBITDA / Sales	30.5%	26.1%	25.6%	27.4%
Price / Book (June '10e) 1x \$0.43	\$0.43				Depreciation/Amortisation	-0.9	-1.2	-2.1	-3.4
12mth fwd Div Yield of 4.3% (Gross yield=6.1%)	\$0.94				EBIT	21.6	23.3	32.7	46.7
12 Months Price Target (wgted avg above 4 avg)	\$0.87				EBIT / Sales	29.3%	24.8%	24.1%	25.5%
P / E (6/10F) at price target	13.9x				Net Corporate Interest	-0.3	-0.7	0.8	1.0
P / E (6/11F) at price target	9.6x				Pretax Profit	21.6	23.3	32.7	46.7
EV/EBITDA (6/11F) at price target	6.0x				Tax	-6.4	-7.2	-10.0	-14.0
Multiples (\$/price at \$0.71)					Effective Tax Rate				
P / E (basic, weighted)	6/08A	6/09A	6/10F	6/11F	Minorities	0.0	0.0	0.0	0.0
P / E (fully diluted, weighted)	11.2x	10.4x	10.3x	7.8x	Normalised NPAT to equity	15.1	16.2	22.7	32.7
P / E (mkt cap / NPAT)	11.5x	10.6x	10.3x	7.8x	Norm. Net Profit / Sales	20.5%	17.2%	16.7%	17.9%
Dividend Yield	16.9x	15.9x	11.3x	7.8x	Abnormals / discontinued	0.0	0.0	0.0	0.0
Group Free Cash Flow (f.c.f.) / EV	4.3%	4.3%	4.6%	5.7%	Reported Profit to equity	15.1	16.2	22.7	32.7
Equity f.c.f. / Mkt Cap	-0.1%	-2.1%	-10.9%	1.3%	Reported EPS (basic, weighted)				
Norm f.c.f. / Mkt cap	-0.2%	-1.8%	-9.1%	0.9%	Normalised EPS (dil, wghtd)	6.1	6.7	6.8	9.0
Mkt cap / operating cash flow	-0.2%	-1.8%	-9.1%	0.9%	DPS (\$)	0.0300	0.0300	0.0325	0.0400
EV/EBITDA multiple	9.9x	11.4x	8.9x	5.7x	Franking	100%	100%	100%	100%
EV/EBIT multiple	9.9x	8.7x	6.1x	4.3x	Payout Ratio	47.3%	44.5%	52.1%	44.5%
EV/EBIT multiple	9.9x	9.1x	6.5x	4.6x	Cashflow Statement (\$m)				
Price / Book Value	2.3x	2.1x	1.7x	1.5x	Operating EBITDA	6/08A	6/09A	6/10F	6/11F
Price / NTA	8.2x	7.6x	3.3x	2.8x	Personal Loans Interest	12.0	10.9	13.4	19.3
Ratios					Working Capital Change	10.5	14.0	20.6	29.7
Return on Average Equity	6/08A	6/09A	6/10F	6/11F	Cash from Operations	3.5	-2.3	-5.3	-3.9
Return on Assets	21.3%	20.7%	19.1%	19.9%	Corporate Interest	26.0	22.6	28.7	45.2
ND / ND + Equity	16.8%	15.1%	14.9%	15.8%	Tax Paid	-0.2	-0.7	0.8	1.0
Net Interest Cover (EBIT)	-5.9%	10.7%	-12.0%	-3.3%	Net Operating Cash Flow	-7.2	-6.6	-10.0	-14.0
					Capital Expenditure	18.6	15.3	19.5	32.2
					Other (including loan book)	-0.8	-1.5	-3.1	-4.6
					Investments & acquisitions	-2.4	-7.2	-17.8	-19.1
					Net Investing Cash Flow	-15.8	-11.0	-21.7	-5.7
					Proceeds from Equity Issues	-18.9	-19.8	-42.6	-29.4
					Net Change in Debt & Leases	-1.2	-0.4	58.8	-0.3
					Dividends Paid	10.2	4.0	3.4	11.1
					Net Financing Cash Flow	-7.2	-7.2	-9.1	-13.6
					Movement in Cash	1.7	-3.8	53.1	-2.8
					HP Lease Capex (non-cash)	1.4	-8.3	30.0	0.0
					Balance Sheet (\$m)				
					Cash	6/08A	6/09A	6/10F	6/11F
					Receivables	16.3	7.0	37.0	37.0
					Inventories	5.2	6.4	9.3	12.5
					Other (including loan book)	3.3	7.0	9.4	12.7
					Total Current Assets	39.4	46.6	99.6	125.2
					Property, Plant & Equipment	2.6	4.6	10.4	13.8
					Intangibles (inc. Goodwill)	53.5	60.3	77.4	80.8
					Other	3.8	3.2	3.2	3.2
					Total Non Current Assets	59.9	68.2	91.0	97.9
					Total Assets	99.3	114.8	190.6	223.1
					Accounts Payable	6.7	8.4	8.3	11.0
					Interest Bearing Liabilities	4.5	3.9	3.9	3.9
					Other	5.0	5.7	5.7	5.7
					Total Current Liabilities	16.3	18.0	18.0	20.7
					Accounts Payable	0.0	0.0	0.0	0.0
					Interest Bearing Liabilities	7.7	13.0	16.4	27.5
					Other	1.3	1.3	1.3	1.3
					Total Non Current Liabilities	9.0	14.2	17.7	28.8
					Total Liabilities	25.2	32.3	35.7	49.5
					Net Assets	74.0	82.5	154.9	173.6
					Net Asset Value / Share (\$)	0.31	0.34	0.43	0.48
					NTA / Share (\$)	0.09	0.09	0.21	0.26
					Net Debt (net cash)	-4.1	9.9	-16.6	-5.5
Analyst: Trent Barnett					Last Earnings Estimate Changes:				
Phone: +61 8 9268 3052					22 February 2010				
Sources: IRESS, Company Information, Hartleys Research									

Fig. 1: Half year P & L and Balance Sheet

Profit & Loss (\$m)	Dec-07a	Jun-08a	Dec-08a	Jun-09a	Dec-09a	Jun-10e
AUD/GBP		0.470	0.452	0.474	0.538	0.556
Safrock Loan Book		13.8	15.0	21.4	31.9	39.2
Safrock Revenue			10.1	10.6	15.6	19.8
Safrock PBT			4.7	5.1	7.0	9.2
margin			46.9%	48.0%	44.9%	46.2%
Mon-e Revenue			5.4	4.1	4.7	4.9
Mon-e PBT			4.4	3.1	4.1	4.5
margin			80.8%	76.6%	87.7%	92.2%
Owned Stores Revenue			19.3	26.5	30.8	36.6
Owned Stores PBT			2.0	3.4	3.6	4.2
margin			10.2%	12.9%	11.8%	11.4%
Franchise Revenue			12.6	11.8	11.4	11.5
Franchise PBT			5.0	4.5	4.5	4.5
margin			39.3%	38.5%	39.3%	38.8%
Group Revenue	35.9	37.8	44.5	49.4	59.3	76.3
growth	nm	5.2%	17.7%	11.1%	20.0%	28.7%
EBITDA - Group	10.9	11.9	12.4	12.7	15.5	19.3
growth	nm	9.8%	3.9%	2.7%	21.9%	24.1%
EBITDA / Sales	30.2%	31.5%	27.9%	25.8%	26.2%	25.2%
Depreciation/Amortisation	-0.4	-0.4	-0.5	-0.6	-0.7	-1.4
EBIT	10.4	11.5	11.9	12.1	14.8	17.9
EBIT / Sales	29.0%	30.4%	26.6%	24.5%	25.0%	23.4%
Net Corporate Interest	0.0	-0.3	-0.3	-0.4	0.0	0.8
Pretax Profit	10.4	11.2	11.6	11.7	14.8	17.9
Tax	-3.2	-3.3	-3.6	-3.5	-4.7	-5.3
Effective Tax Rate	30.4%	29.2%	31.4%	30.0%	32.0%	29.6%
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Normalised NPAT to equity	7.2	7.9	7.9	8.3	10.1	12.6
Norm. Net Profit / Sales	20.2%	20.9%	17.8%	16.7%	17.0%	16.5%
Abnormals / discontinued	0.0	0.0	0.0	0.0	0.0	0.0
Reported Profit to equity	7.2	7.9	7.9	8.3	10.1	12.6
Reported EPS (basic, weighted)	3.0	3.3	3.3	3.5	3.5	3.3
Normalised EPS (dil, wghd)	2.9	3.2	3.3	3.4	3.5	3.3
DPS (\$)	0.0150	0.0150	0.0150	0.0150	0.0150	0.0175
Franking	100%	100%	100%	100%	100%	100%
Payout Ratio	50.0%	45.7%	45.5%	43.2%	42.9%	52.8%
Balance Sheet (\$m)	Dec-07a	Jun-08a	Dec-08a	Jun-09a	Dec-09a	Jun-10e
Cash		16.3	11.5	7.0	57.9	37.0
Receivables		5.2	6.7	6.4	7.4	9.3
Inventories		3.3	4.9	7.0	7.1	9.4
Other (including loan book)		14.6	17.4	26.2	35.9	44.0
Total Current Assets		39.4	40.4	46.6	108.3	99.6
Property, Plant & Equipment		2.6	4.0	4.6	5.4	10.4
Intangibles (inc. Goodwill)		53.5	57.7	60.3	62.5	77.4
Other		3.8	3.4	3.2	4.1	3.2
Total Non Current Assets		59.9	65.1	68.2	71.9	91.0
Total Assets		99.3	105.6	114.8	180.1	190.6
Accounts Payable		6.7	7.7	8.4	11.0	8.3
Interest Bearing Liabilities		4.5	4.0	3.9	3.4	3.9
Other		5.0	4.8	5.7	7.1	5.7
Total Current Liabilities		16.3	16.4	18.0	21.6	18.0
Accounts Payable		0.0	0.0	0.0	0.0	0.0
Interest Bearing Liabilities		7.7	10.1	13.0	11.0	16.4
Other		1.3	1.2	1.3	1.3	1.3
Total Non Current Liabilities		9.0	11.3	14.2	12.3	17.7
Total Liabilities		25.2	27.7	32.3	33.9	35.7
Net Assets		74.0	77.8	82.5	146.3	154.9
Net Asset Value / Share (\$)		0.31	0.33	0.35	0.40	0.43
NTA / Share (\$)		0.09	0.08	0.09	0.23	0.21
Net Debt (net cash)		-4.1	2.6	9.9	-43.4	-16.6

Source: Company Data, Hartleys Estimates +

We expect the strongest growth in CCV to continue to come from Safrock, although store acquisitions should also be a strong contributor

Net cash was \$43m at the end of December. Additionally, note that the loan book (~\$35m) is a short duration and, theoretically at least, would be turned into cash easily within twelve months if the business was wound down

Fig. 1: Free Cash Flow

Cash flow from operations is growing, but the capital intensity of the loan book combined with acquisitions means free cash flow is negative as the Company grows

Cashflow Statement (\$m)	Dec-07a	Jun-08a	Dec-08a	Jun-09a	Dec-09a	Jun-10e
EBITDA ex Safrock	5.8	6.5	7.5	3.7	8.8	4.5
Personal Loans Interest	5.1	5.4	4.9	9.1	6.7	13.9
Working Capital Change	1.3	1.9	-0.1	-2.4	-2.8	11.4
Cash from Operations	12.2	13.8	12.3	10.3	12.8	16.0
Corporate Interest	0.1	-0.3	-0.2	-0.4	0.0	0.7
Tax Paid	-4.3	-2.9	-3.6	-3.0	-3.6	-6.5
Net Operating Cash Flow	8.0	10.6	8.4	6.9	9.2	10.3
Capital Expenditure	-0.5	-0.3	-1.4	-0.1	-1.5	-1.6
Other (including loan book)	-2.3	-0.1	-2.5	-4.7	-6.6	-11.1
Investments & acquisitions	-15.7	-0.1	-6.9	-4.1	-2.8	-18.9
Net Investing Cash Flow	-18.5	-0.5	-10.9	-8.9	-10.9	-31.7
Proceeds from Equity Issues	0.0	-1.2	-0.4	0.0	58.8	0.0
Net Change in Debt & Leases	11.6	-1.4	2.3	1.6	-1.7	5.2
Dividends Paid	-3.6	-3.6	-3.6	-3.6	-3.8	-5.3
Net Financing Cash Flow	8.0	-6.3	-1.8	-1.9	53.1	0.0
Movement in Cash	-2.4	3.8	-4.2	-3.9	51.4	-21.4
Free Cash Flow Analysis	Dec-07a	Jun-08a	Dec-08a	Jun-09a	Dec-09a	Jun-10e
Net Operating Cash Flow	8.0	10.6	8.4	6.9	9.2	10.3
Capex (Reported) inc loan book	-18.5	-0.5	-10.9	-8.9	-10.9	-31.7
Group Free Cash Flow (rep'ted)	-	10.4	10.1	-	1.7	21.4
Fixed Debt Repayments					-2.6	-2.9
Equity Free Cash Flow (rep'ted)					- 4.3	- 24.3
HP Lease Capex (non-cash)					0.0	0.0
Free Cash Flow (normalised)					-	4.3
Capex (inc HP) / depreciation					211%	120%

Source: Various

Fig. 2: Earnings Changes

Profit & Loss (\$m)	Actual 6/08A	Actual 6/09A	6/10F Old	6/10F New	% diff	6/11F Old	6/11F New	% diff
Revenue	73.8	93.9	132.4	135.6	2.4%	189.0	182.7	-3.3%
EBITDA	22.5	24.5	38.6	34.8	-10.0%	56.4	50.0	-11.2%
Depreciation/Amortisation	-0.9	-1.2	-3.2	-2.1	-35.7%	-6.0	-3.4	-44.0%
PBT before o/head interest	21.6	23.3	35.4	32.7	-7.7%	50.3	46.7	-7.3%
Net Interest	-0.3	-0.7	0.0	0.8	nm	-0.4	1.0	nm
Pretax Profit	21.6	23.3	35.4	32.7	-7.7%	50.3	46.7	-7.3%
Tax	-6.4	-7.2	-10.9	-10.0	-7.7%	-15.1	-14.0	-7.3%
Norm. Net Profit After Tax	15.1	16.2	24.6	22.7	-7.7%	35.2	32.7	-7.3%
- margin	20.5%	17.2%	18.6%	16.7%		18.6%	17.9%	
Reported Profit	15.1	16.2	24.6	22.7	-7.7%	35.2	32.7	-7.3%
DPS	3.00	3.00	3.13	3.25	3.7%	4.89	4.00	-18.1%
EPS	6.1	6.7	6.7	6.8	1.2%	9.7	9.0	-7.0%
P/E	11.5x	10.6x	9.4x	10.3x		6.6x	7.8x	
Net Debt	-4.1	9.9	0.3	-16.6	-5451.1%	2.3	-5.5	-342.4%
Safrock Loan Book (end)	13.8	21.4	38.3	39.2	2.3%	56.5	58.3	3.2%
Company Owned Stores (end)	22	37	60	57	-5.0%	71	68	-4.2%

Source: Hartleys Estimates

PRICE TARGET METHODOLOGY

Our price target is the average of four components. The assumption is there is a chance of each of the following happening.

Our price target is the weighted average of four components.

Fundamental Valuation (DCF)

Assumes our base case cash flow estimates for CCV are correct and share price trades to our fundamental valuation.

Market Put (Dividend yield)

Assumes company delivers our earnings estimates, but the equity market falls significantly so that dividend yield becomes the support level for the stock.

Earnings Disappointment (NTA)

Net Tangible Asset (NTA) Value - assumes the company misses profit estimates and market is only prepared to pay book value.

Positive Market Momentum (P/E multiple)

Attempts to capture market momentum (i.e. assumes that comparison company P/E's converge when markets are moving).

PRICE TARGET

We changed our twelve month price target to \$0.87 (from \$0.90).

CCV Price Target Methodology	Weighting	Spot	12 mth out
DCF	58%	\$0.81	\$0.83
- 9 years explicit & windup	2%	\$0.61	\$0.62
- 9 years explicit + terminal growth value	56%	\$0.81	\$0.84
12mth forward P/E (diluted) of 10x (Average Aust comps)	31%	\$0.82	\$0.92
Price / Book (June '10e) 1x \$0.43	1%	\$0.43	\$0.43
12mth fwd Div Yield of 4.3% (Gross yield=6.1%)	11%	\$0.76	\$0.94
Risk weighted composite		\$0.80	\$0.87
12 Months Price Target		\$0.87	
Shareprice - Last		\$0.705	
12 mth total return (% to 12mth target + dividend)		27%	

Source: Hartleys Estimate

HARTLEYS RESEARCH COVERAGE LIST

Hartleys Research Coverage					Hartleys Research		
Name	Ticker	Last Price*	M. CAP (A\$m)	EV (A\$m)	Recommendation	Industry	
Oil & Gas							
1.	Woodside Petroleum Ltd	WPL	44.00	32,947	39,077	Buy	Major
2.	Eastern Star Gas Ltd	ESG	0.805	707	652	Ceasing Coverage	Producer / Explorer
3.	Carnarvon Petroleum Ltd	CVN	0.520	357	328	Buy	Producer / Explorer
4.	Nexus Energy Ltd	NXS	0.245	235	416	Speculative Buy	Developer / Explorer
5.	Tap Oil Ltd	TAP	0.985	154	94	Buy	Producer / Explorer
6.	Cooper Energy Ltd	COE	0.480	140	44	Buy	Producer / Explorer
7.	Red Fork Energy Ltd	RFE	0.780	108	80	Buy	Explorer / Producer
8.	Strike Energy Ltd	STX	0.240	79	69	Buy	Explorer / Producer
9.	Amadeus Energy Ltd	AMU	0.225	68	115	Buy	Producer / Explorer
10.	Adelphi Energy Ltd	ADI	0.265	39	32	Speculative Buy	Junior
11.	First Australian Resources Ltd	FAR	0.057	37	18	Speculative Buy	Explorer / Producer
12.	Sun Resources NL	SUR	0.077	26	17	Speculative Buy	Explorer / Producer
13.	Oilex Ltd	OEX	0.110	24	4	Neutral	Explorer / Producer
14.	European Gas Ltd	EPG	0.110	22	86	Speculative Buy	Producer / Explorer
			Sub-Total	34,943	41,031		
Resources							
1.	Riversdale Mining Limited	RIV	8.39	1,581	1,313	Speculative Buy	Coal
2.	Atlas Iron Limited	AGO	2.250	1,005	825	Buy	Iron Ore
3.	Western Areas NL	WSA	4.48	802	981	No Rating	Nickel
4.	Dominion Mining Limited	DOM	3.070	316	337	Speculative Buy	Gold
5.	Gold One International Limited	GDO	0.270	217	160	Buy	Gold
6.	Jabiru Metals Limited	JML	0.375	207	182	Buy	Zinc-Copper
7.	Silver Lake Resources	SLR	1.055	188	158	Speculative Buy	Gold
8.	Focus Minerals Ltd	FML	0.063	180	171	Speculative Buy	Gold Producer
9.	Magma Metals Limited	MMB	0.695	113	93	Speculative Buy	PGM-Cu-Ni
10.	Intrepid Mines Limited	IAU	0.260	111	64	Speculative Buy	Gold
11.	Peninsula Minerals Ltd	PEN	0.047	65	56	Speculative Buy	Uranium Developer / Explorer
12.	Emmerson Resources Limited	ERM	0.225	46	33	Speculative Buy	Junior Explorer
13.	Shaw River Resources Limited	SRR	0.205	41	34	Speculative Buy	Junior Explorer
14.	YTC Resources Limited	YTC	0.205	34	21	Buy	Junior Explorer
15.	Orion Gold NL	ORN	0.040	30	26	Speculative Buy	Gold
16.	Ausquest Limited	AQD	0.130	30	3	Speculative Buy	Junior Explorer
17.	Ferrum Crescent Limited	FCR	0.140	22	20	Speculative Buy	Iron Ore
18.	Impact Minerals Limited	IPT	0.180	21	17	Speculative Buy	Junior Explorer
19.	Hazelwood Resources Ltd	HAZ	0.185	19	15	Speculative Buy	Junior Explorer
20.	Southern Gold Limited	SAU	0.120	17	13	Speculative Buy	Junior Explorer
			Sub-Total	4,965	4,457		
Industrials							
1.	West Australia News Hdgs Ltd	WAN	7.45	1,727	2,001	Buy	Media
2.	Monadelphous Group Limited	MND	14.110	1,197	1,068	Buy	Mining Services
3.	Clough Limited	CLO	0.870	581	627	No Rating	Oil & Gas Services
4.	Mermaid Marine Australia Ltd	MRM	2.85	520	572	Buy	Oil & Gas Services
5.	Macmahon Holdings Limited	MAH	0.655	481	453	Buy	Mining & Civil Construction
6.	Austral Limited	ASB	2.46	463	369	Speculative Buy	Capital Goods
7.	Fleetwood Corporation	FWD	8.41	434	445	Neutral	Consumer & Mining Services
8.	Ausdrill Limited	ASL	1.950	408	630	Buy	Mining Services (Drilling & Construction)
9.	NRW Holdings Ltd	NWH	1.46	366	426	Buy	Mining & Civil Construction
10.	Cash Converters Limited	CCV	0.665	243	193	Buy	Retail & Consumer Finance
11.	Neptune Marine Ltd	NMS	0.405	176	188	Neutral	Oil & Gas Services
12.	Decmil Group Limited	DCG	1.42	173	151	Buy	Mining & Civil Construction
13.	Southern Cross Electrical	SXE	1.370	164	141	Speculative Buy	Mining Services (Electrical)
14.	Index Ltd	IMD	0.675	131	153	Buy	Oil & Gas / Mining Drilling
15.	RCR Tomlinson Ltd	RCR	0.920	121	170	Buy	Mining & Industrial Services
16.	Lycopodium Limited	LYL	3.100	117	114	Buy	Mining & Industrial Services
17.	VDM Group Limited	VMG	0.440	92	127	Buy	Mining & Civil Construction
18.	Swick Mining Services Ltd	SWK	0.450	69	122	Buy	Mining Services (Drilling)
19.	LogiCams Limited	LCM	1.02	61	51	Buy	Resource Services
20.	Nomad Building Solutions Ltd	NOD	0.260	35	61	Neutral	Residential & Mining Services
			Sub-Total	7,559	8,061		
			GRAND TOTAL	47,467	53,549		

Source: IRESS, Hartleys Research. * 18 Feb 2010

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No Rating	No recommendation.
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but it is higher risk than a "Buy". For the share price to rise it may be contingent on the outcome of an uncertain or distant event.
Neutral	Take no action. Stock is already trading near the share price target and there are no foreseeable near term catalysts.
Reduce / Take profits	Stock is trading above the share price target and there is a near term negative catalyst that could cause temporary weakness.
Sell	Significant price depreciation anticipated

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