



HD (FE) Around the Traps ... with THE FERRET

WC 919 words

PD 29 July 2014

SN Ralph Wragg Australian Business News

SC AAPRAW

LA English

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Sydney - Tuesday - July 29: (RWE Australian Business News) -

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What a difference a weekend made.

GUD HOLDINGS (ASX:GUD) was punished by the market on Friday after announcing a 44pc fall in net profit to \$17.7 **million** and halving the year-end payout from 36c (including a 10c special dividend) to 18c.

The shares fell 74c to as low as \$6.44 before closing at \$6.60.

But all was forgiven yesterday with the price rebounding 65c to a 52-week high of \$7.25.

Investors probably took another look at the section in the results on outlook, where managing director Jonathan Ling said, "FY14 was a year of transition for GUD.

"The benefits of the restructuring programs implemented during the year will become evident in FY15, with the full \$10m annualised benefit to accrue in FY16."

Mr Ling noted, "Additionally, the profit improvement programs under way have identified a total of \$20m of annualised benefit, which we expect to capture over the next two years.

"These programs span many operational aspects including supply chain, cost-to-serve, warranty and product rationalisation.

"The long-term success of GUD is also tied to the realisation of the product and service innovation initiatives currently occurring in every business.

"I am encouraged, following recent presentations of the first ideas, that these will provide GUD with substantial growth."

"Our expectation is that GUD will deliver an improved financial performance with growth contributions from all businesses, particularly Dexion and Sunbeam, in the FY15 year," he concluded.

As promised, KIBARAN RESOURCES (ASX:KNL) has delivered its final batch of Reverse Circulation drill results from its Epanko deposit within the Mahenge Graphite Project in Tanzania.

And the **company** said these latest results again surpassed all the recently announced intersections with 53m at 14.0pc Total Graphitic Carbon and 54m at 8.6pc TGC, including 19m at 10.4pc TGC.

The program has doubled the strike length of Epanko graphite mineralisation to more than 1km, providing significant upside potential to the size of the deposit.

An upgrade of the existing JORC Inferred Mineral Resource (14.9Mt at 10.5pc TGC for 1.56Mt of contained graphite) to an Indicated/Measured category is under way.

However, this time, the news failed to impress the market and Kibaran shares dropped 8.5c to 43c in heavy profit-taking yesterday.

Which is fair enough, considering the price is still double that ruling before the first Epanko drill result announcement two weeks ago.

Those who bought in at the top (60c on July 21) will be interested to know Taylor Collison yesterday rated Kibaran a speculative buy with a price target of 76c.

Cardiovascular medical device **company** USCOM (ASX:UCM) released a promising Appendix 4C quarterly cash flow report yesterday with receipts from customers up 148pc to \$0.26m and operating cash flows improving from an outflow of \$0.37m in the March quarter to a \$0.07m outflow.

The stock rose 3.5c to 25.5c yesterday but it must be added that volume was just 3000 shares and the rise didn't make up the 4c fall recorded when it last traded on July 18.

Still, the **company** said it made considerable progress during the quarter with commercialisation and scale-up activities of its **lead** products, the USCOM 1A (which is FDA, CE Mark and TGA approved) and the newly developed Uscom BP+ (with FDA, CE Mark and pending TGA).

In relation to the USCOM 1A cardiac output monitoring product, sales continued to grow through the existing sales channels in the US, **China**, and the EU and UK.

As we've often said, there's nothing like a placement to kill a rising share price.

TRITON MINERALS (ASX:TON) went into trading halt two weeks ago at 61c for the announcement of a placement of 17m shares at 50c to raise \$8.5m to accelerate exploration activity and studies at Balama North.

The shares actually peaked at 90.5c later that week, but have been on a downward spiral since.

Even an announcement yesterday confirming a fresh batch of assay results from the RC drilling program had helped to better define and expand multiple high-grade zones of the graphite mineralisation at Nicanda Hill couldn't save the stock, which fell 10c to 55c.

FIRESTRIKE RESOURCES (ASX:FIE) had its first **sale** yesterday since July 17 and the price rose 0.4c to 2.9c.

This followed the announcement that "exciting" **copper** assays had confirmed mineralisation below surface at the **Copper** Ridge Project in Utah from tests using a small depth capacity rig.

By the way, punters looking at the late reports may have been confused by the ASX releasing the Firestrike announcement a second time.

IPROPERTY GROUP (ASX:IPP) was all over the place yesterday but it was all good.

The shares opened at \$3.65, fell to \$3.42, bounced back to \$3.71 and then closed at \$3.69, up 57c on the day.

There was no mystery over the reason for the excitement given that the high-flying REA GROUP (ASX:REA) had taken up a 17.22pc **stake** from French portal operator SeLogger.com for \$106m.

Obviously the punters were willing to pay more than the \$3.40 REA paid for its 31.3m shares.

Also, iProperty rose four days in a row ahead of the announcement, although there was not a lot in it given the price rose only from \$2.91 to \$3.12.

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