

HD BARELY LOWER AT MIDDAY DESPITE JOB DATA DAMPENER

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The S&P/ASX200 is down just 3.5 points to 5508.5 at midday on average volume worth \$1.8 **billion**. There were 454 issues higher and 401 down. The SPI Futures was down 6 points to 5452 on light volume of 9975 contracts. Aussie 10 year bond yields were up 2 points to 3.51%. The \$A is at 92.90US c, down about 60 points on early levels.

*The banks contributed 6.5 negative points to the index, insurers contributed 1 negative point, resources contributed 2.8 positive points, **property** trusts contributed 0.5 negative points, retailers contributed 0.4 positive points and Telstra contributed 0.2 positive points.

*The Nikkei Dow futures is down 10 points to 15,130 points, Shanghai CSI fell 6.88 points to 2210.59. Hang Seng futures fell 70 points to 24,430 points, S&P futures is up 0.1 points to 1914.90, Nasdaq futures rose 0.25 points to 3869.50, Dow futures rose 1 point to 16,396 points.

Gold futures are up \$1 to \$1307. Crude futures rose 9c to \$97.01.

"Down, but not a hi conviction call .. high 5530, low 5480, close down 10"

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open lower with the local futures contract pointing down 8 points.

"US equities printed lower lows overnight (before closing slightly higher) with the exception of the small-cap Russell 2000.

"Junk **bonds** have also managed to hold up over the past few sessions, suggesting a bottom, if only of a short-term nature, is close at hand for equities in terms of time.

"A general rule of thumb I run with is that five successive closes in either direction is indicative of a trend in that direction so it will be very interesting to see how we close today.

"I am guessing down but it is not a high-conviction call. The high will be 5530. The low will be 5480. When the dust has settled, the market will have closed at 5502, down 10 points'.

The S&P/ASX200 closed down 6.6 points to 5512 last evening.

ECO NEWS

Seasonally adjusted unemployment at 6.4% up 0.3%

The ABS reported in trend terms the unemployment rate was up 0.1%, Unemployment increased to 756,700.

Unemployment rate increased 0.1 pts to 6.1%, based on unrounded estimates.

Participation rate remained steady at 64.7%.

Aggregate monthly hours worked increased 2.8 **million** hours (0.2%) to 1,610.9 **million** hours.

Seasonally adjusted employment decreased 300 to 11,576,600. Full-time employment increased 14,500 to 8,077,400 and part-time employment decreased 14,800 to 3,499,200.

Unemployment increased 43,700 to 789,000. The number of unemployed persons looking for full-time work increased 21,900 to 566,400 and the number of unemployed persons only looking for part-time work increased 21,800 to 222,600.

The unemployment rate increased 0.3 pts to 6.4%.

Participation rate increased 0.1 pts to 64.8%.

Aggregate monthly hours worked decreased 14.8 **million** hours (0.9%) to 1,610.7 **million** hours.

*The Australian Industry **Group**/Housing Industry Association Australian Performance of Construction Index (PCI) rose 0.8 points to 52.6 in July.

TOP STOCKS

*AAD is up 18.5c to \$2.69.5 on 2.46m shares after its return to the boards

*BWP is down 2.5c to \$2.48.5 on 434,293 shares, Flexigroup rose 4c to 43.81 on 948,671 shares, TABCorp rose 10c to \$3.55 on 2m shares following their profit results.

Among the financials, AMP is down 1.5c to \$5.31.5 on 7.8m shares, ANZ is down 19c to \$32.79 on 2.5m shares, CBA is down 22c to \$81.49 on 1.36m shares, NAB is down 22c to \$34.41 on 1.9m shares, Westpac is down 1c to \$33.66 on 1.99m shares.

Among the TMT's Telstra is up .5c to \$5.43.5 on 6.3m shares, Telecom NZ has gained 2.5c to \$2.60.5 on 397,763 shares, SingTel is up .5c to \$3.37.5 on 237,771 shares.

Among the resources BHP is up 16c to \$38.48 on 2.9m shares, RIO is up 50c to \$66.32 on 968,951 shares ahead of its profit report today. Fortescue rose .5c to \$4.69.5 on 6.2m shares, Atlas was down 1c to 66c on 3.1m shares, OZL rose 6c to \$4.59 on 631,108 shares, Paladin was up 2c to 36.5c on 4.9m shares.

Among the oils, Woodside is steady at \$41.85 on 567,400 shares. Santos rose 1c to \$14.06 on 788,462 shares, **Oil** Search fell 4.5c to \$9.27.5 on 2.6m shares.

Among the golds, stocks rose on the lift in the **gold** price. Newcrest rose 43c to \$10.90 on 2m shares, Northern Star rose 7.7c to \$1.80.2 on 2.3m shares, Perseus was up 1.5c to 43c on 1.9m shares, Resolute rose 1.7c to 61.2c on 1.9 **m** shares and Regis gained 9c to \$1.82 on 1.5m shares.

AT THE SMALLER END

*IPP was down 11c to \$3.48 on 275,000 shares, also profit result below.

*BCT rose a half cent to 7.3c on 1.28m shares after its profit result.

*Titan rose 6c to \$2.10 on 250,457 shares on its profit result below.

*MEO rose 2.6c to 6.6c on 43.4m shares on the report below.

*Peak Resources is up 1.3c to 9c on 1.5m shares on the report below.

*Integrated Research is down 18.5c to \$1.03 on 1.13m shares.

NEWS OF THE DAY

Ex div: OZG ex .8c/WIC ex 4.5c

LARGE CAP INDUSTRIALS

*AAD: Completes \$A50 mln insto placement at \$2.41 per security

Ardent Leisure **Group** announced it has completed its \$A50 **million** institutional placement to qualified and sophisticated institutional investors at a fixed price of \$2.41 per stapled security, a discount of 4% to the last closing price on August 5.

CEO and managing director Greg Shaw said the **group** was delighted by the level of demand from both existing and new investors, demonstrating ongoing investor support for the **group** and its **acquisition** of Fitness First WA portfolio.

*ALZ: Had 28.65% last evening, offer lapses this evening unless 50% + achieved

Australand **Property Group** advised Frasers Centrepoint Ltd currently has 28.65% in acceptances for its off market \$4.48 cash takeover offer, scheduled to close today. Frasers Centrepoint reminds ALZ shareholders that unless it achieves more than 50% acceptances before 7pm today, the offer will lapse, and no offer consideration will be paid. (Aug 6)

*BWP: NPAT up 34.8%, distrib was 7.88c, DRP was avail/outlook cautious

BWP Trust for the year ended June 30 announced a net profit up 34.8% to \$149.081 **million** on revenue up 16.7% to \$127.426 **million**.

NTA backing per security is \$2.07 vs \$1.93 last year.

A final distribution of 7.88c was announced, record date was June 30. The DRP was available.

NTA backing per security is \$2.07 vs \$1.93 last year.

Gearing is at 24.4% vs 21.2% last year.

Weighted average lease expiry is 6.9 years vs 6.8 years last year.

During the year a portfolio of 10 Bunnings Warehouse were acquired and five were divested in separate **transactions**.

The Trust pays out 100% of distributable profit each period in accordance with the requirement of its constitution.

Outlook

BWP said the level of income growth the Trust derives from market rent reviews will depend on **property** specific factors. Some retailing sectors are still experiencing soft trading which is likely to put ongoing pressure on market rental levels for these sectors. Bunnings is developing most of its roll out of new stores, giving it greater control over commencing rents through **sale** and lease back **transactions** than it would have through lease deals with third party developers.

These factors may result in more moderate market rental growth for the Trust vs prior years.

Analysts expectations: \$91.9mln, div 7.8c/\$88.7 mln.

*On July 28 a leading broker retained a 'sell' on BWP Trust with a price target of \$2.13. The broker said it will look for colour on the 22 market rent reviews due to be conducted in 2nd half 2014 and their impact on earnings. Also it notes 17 market rent reviews remain unresolved during 2013 and first half 2014. Given the nature of the arbitration process they are all unlikely to be resolved by this result and may potentially be pushed out to future periods.

The broker said with 2014 slated to be a big year in terms of the number of market rent reviews, it remains cognisant that acquisitions may dilute the impact market reviews have on the REIT's earnings profile. It added that BWP has made a number of portfolio acquisitions during the year.

*CNU: To seek to aid regulated price decisions with release of own data

Chorus Ltd asked that the Final Price Principle (FPP) processes provide the opportunity to ensure the regulated price for broadband services is grounded in the reality of New Zealand's circumstances. Chorus has submitted in response to the Commerce Commission's request for feedback from industry participants on its initial view of how it plans to undertake the modelling required to deliver the FPP.

To ensure the Commission has all the data it needs to make accurate modelling decisions and to give all industry participants a transparent view of costs in New Zealand Chorus will release its own modelling data on costs later this year.

*DUE: Recontracts with more than 85% of shippers ahead of 2016 tariff

DUET **Group** announced DBP has reached agreement to recontract with shippers representing most of its **firm** full haul capacity under its Standard Shipper Contracts. DBP will now have tariff certainty for more

than 85% of its aggregate **firm** full haul contracted capacity including Alcoa's exempt contract. This means that less than 15% of DBP's **firm** full haul contracted capacity will now be subject to the 2016 regulatory tariff determination.

As part of the agreement some of DBP's shippers have brought forward a portion of their relinquishment rights. As a result DBP's aggregate contracted capacity from July 1 2014 will be 58TJ/day lower, around 7% of previous **firm** full haul contracted capacity.

DUET's CEO David Bartholomew said in the report it was a positive outcome for DBP. Recontracting reinforces DBP's strong long term shipper relationships and recontracting ahead of the 2016 regulatory tariff determination was compelling for both parties.

*ENV/APA: APA to sell its **stake** to CK **Group** (at last sight had 33% of ENV)

APA **Group** announced it has decided to sell into the Cheung Kong **Group** consortium's offer for Envestra Ltd as detailed in the bidder's statement dated June 20. The offer consideration of \$1.32 per Envestra share amounts to \$784 **million** in gross profits and will realise an estimated pre tax profit of \$430 **million** to be included in the results to June 30 2015.

Also APA on July 25 received the \$21 **million** final dividend at 3.35c per share paid by Envestra on that date.

APA will continue its **Operations** and Management Agreement on the Envestra assets which runs to 2027.

*ENV: CK ENV Investments has 39.14%, urges acceptance before Aug 8 close

Envestra Ltd advised as of 6pm August 6 CK ENV Investments had a relevant interest in 36.05% of Envestra's shares. The total percentage of Envestra shares in which CK ENV Investments has a relevant interest or which have been tendered into the Institutional Acceptance Facility is 39.14%.

The offer is scheduled to close at 70m on August 8 unless required to be extended. CK ENV Investments urges Envestra shareholders to act immediately to accept the offer before the scheduled closing time. (Aug 6)

*FXL: Cash NPAT up 18% to \$85m, 8.5c ff div, no DRP/Outlook positive

Flexigroup Ltd for the year ended June 30 announced a net profit down 13% to \$57.563 **million** on revenue up 11% to \$316.591 **million**.

Cash net profit after tax was up 18% to \$85 **million**. Volume for the year rose 19% to \$1.083 **billion**. Receivables rose 13% to \$1.318 **billion**.

A final dividend of 8.5c fully franked was announced. Record date is September 12. There is no DRP.

NTA backing per security is 73c vs 80c last year.

Cash eps is 28c, up 12% on the previous year.

In highlights for the year FlexiGroup announced there has been significant transformation of the profit pool with \$15.7 **million** of cash NPAT added in year by new **business** lines. Certegy is now the largest profit centre of FlexiGroup.

The **group** said its **M&A** strategy is delivering, with realisation of full year benefits of acquisitions completed in 2014. Cards integration is nearing completion, RentSmart integration was completed 12 months ahead of schedule.

CEO Terek Robbiati said in the report the **company** had transformed the mix of its profit pool over the past financial year, delivering strong volumes and receivables momentum across all areas. The **company's** **M&A** strategy was working, with the **company** securing the right opportunities in impressive growth segments.

Analysts expectations: \$85.6 mln, div 9c/\$85.5 mln.

A leading broker on July 31 forecast full year 2014 cash NPAT for Flexigroup when it releases its results pre-open on August 7 at \$85.5 **million**, up 19% on the pcg, within management's guidance of \$84/86 **million**.

The broker added it sees full year 2015 as a year of IT investment and hence forecasts cash NPAT growth of 8%. It expects margins to fall as FXL signs up larger and lower risk customers and a target price of \$4.97.

*HGG: Henderson **Group** reports for the half year.

Analysts expectations: 87.8 pounds, div 350p/84.6 mln pounds.

*On August 1 a leading broker retained a "**buy**" on Henderson **Group** with a price target of \$A5.10. the broker said it expects net flows to have eased off from the exceptional level seen in the first quarter, but still expects a healthy second quarter outcome. It is looking for management fees of 197 **million** pounds, performance fees of 41 **million** pounds and **transaction** fees of 17 **million** pounds.

It expects a compensation ratio of 44.8% and an overall cost/income ratio of 65.2%, i.e. an operating margin of 34.85.

*The Financial Times reported as of Aug 01, 2014, the consensus forecast amongst 34 polled investment analysts covering Henderson **Group** Plc advises investors to hold their position in the **company**. This has been the consensus forecast since the sentiment of investment analysts deteriorated on Feb 27, 2013. The previous consensus forecast advised that Henderson **Group** Plc would outperform the market.

*MSB: New study on MPC injection to reduce advanced heart failure in patients

Mesoblast Ltd announced the signing of an agreement with the US National Institutes of Health's National Heart, Lung and Blood Institute to collaborate on a trial using MSB's proprietary adult stem cell therapy to treat patients with advanced heart failure requiring an implantable left ventricular assist device to maintain circulatory support. The National Institute of Neurological Disorders and Stroke, part of the NIH and the Canadian Institutes for Health Research are also supporting this trial.

The key objectives of using MSB's Mesenchymal Precursor Cells (MPCs) in end stage heart failure patients are to improve heart muscle function sufficiently to reduce the need for LVAD support and to reduce the long term complications of LVAD implantation which result in recurrent hospitalizations.

MSB CEO Silvieu Itescue the evaluation of Mesoblast's EPCs in patients with advanced heart failure complements its ongoing Phase 3 program in patients with earlier stage disease.

*REA: Realised profit after tax of \$A20/22 mln after **sale** of minority stakes

REA **Group** Ltd announced it has realised a profit range after tax of \$A20/22 **million** after completing the **sale** of a minority interest held in marketable securities. The realisation of the \$A20/22 **million** profit range after tax is a one off positive event for the **company** and is unlikely to affect earnings in future periods.

Further details relating to **acquisition** and disposal of the marketable securities will be provided in results to be released tomorrow.

*TAH: NPAT up 3%, 8c ff div, DRP at no discount, outlook positive

TABCORP Holdings Ltd for the year ended June 30 announced a net profit after tax up 3% to \$129.9 **million** on revenue down 4% to \$2.039.8 **billion**.

A final 8c fully franked dividend was announced. The DRP is available at no discount. Record date is August 14 for the dividend and August 15 for the DRP.

EBITDA from continuing **operations** before significant items was up 4.8% to \$486.1 **million**.

NTA backing per security is negative \$1.41 vs negative \$1.49 last year.

NTA backing including licences is negative 46c vs negative 48c last year.

Statutory EPS is 17.2c per share in line with pcg.

EPS from continuing **operations** before significant items is 19.8c, up 4.8%.

The portfolio of long dated licences was strengthened with extension of Queensland Keno licence to 2047 and NSW retail wagering exclusivity to 2033.

The **company** has agreed to **acquire** ACTTAB subject to regulatory approvals.

Refinancing of bond maturities was completed on May 1 resulting in interest savings of approximately \$10 million per annum.

Managing director and CEO David Attenborough said in the report the strong result illustrates the benefits of being diversified across four businesses, with market leading brands and a unique multi product, multi channel distribution model.

Guidance

Mr Attenborough said Tabcorp is well placed to drive profitable growth through its diversified portfolio of businesses, while maintaining expense discipline. Following the integration of ACTTAB the **group** expects a Return on Invested Capital of 14%.

Analysts expectations: \$144.9 mln, div 7.8c/\$146.1 mln/\$132.4 mln.

Following TABCorp's announcement that the Appeal Court had ruled against Tabcorp in the Health Levy case, one leading broker with a "reduce" on TABCorp and an unchanged price target of \$2.70 said the ruling will reduce full year 2014 NPAT by \$19 **million** or 15% of the broker's forecast NPAT. The broker said while this will be treated as a one off, it is yet another negative development following the ruling on the gaming machine licences last week and the recent hikes in race fields.

The broker also expected the newsflow on the stock to remain negative on the wagering side as the retail channel and tote product continues to decline and the market shifts towards online and fixed odds where the more sophisticated new entrants have significant competitive advantage.

*Another leading broker with a 'sell' on TABCorp and a price target of \$3.20 said it expects continued migration away from tote betting to fixed odds. The 4th quarter 2014 will be boosted by World Cup turnover, which may also have a cost impact, given that increased online competition saw gambling and spend up 14.5% in 2nd half 2014.

The broker excluded the \$19 **million** one off after tax charge relating to the Victorian Gaming Machine Levy from its NPAT forecast (of \$146.1 **million**).

Leading brokers with 'sell' and "reduce" ratings on Tabcorp had price targets of \$3.20 and \$2.70 respectively, both unchanged.

Following TABCorp's to **acquire** ACT TAB for \$105.5 mln

*One leading broker said while the **transaction** appears to be a logical bolt on, if completed it would increase TAH's tote exposure which is being eroded by online corporate bookmakers.

*The other leading broker said while the licence is attractive, and the multiple is well below where Tabcorp is currently trading, the market is clearly shifting from retail to online/mobile and from tote to fixed odds. "This is even more critical, in our view, as the sophisticated online operators (Sportsbet, William Hill, bet365) continue to grow their active player base .. through better pricing (40%) product and platform".

*The Financial Times reported as of Aug 01, 2014, the consensus forecast amongst 20 polled investment analysts covering Tabcorp Holdings Limited advises investors to hold their position in the **company**. This has been the consensus forecast since the sentiment of investment analysts deteriorated on Jan 22, 2014. The previous consensus forecast advised that Tabcorp Holdings Limited would outperform the market. There were 4 buys, 4 outperforms, 6 holds, 4 underperforms and 1 sell.

*WOW: ACCC will not oppose **acquisition** of Hudson Bldg by WOW/Lowe's

Woolworths Ltd announced the Australian Competition and Consumer Commission announced it will not oppose the proposed **acquisition** of Hudson Building Supplies Pty Ltd by Woolworths Ltd and Lowe's Companies Inc.

Hudson operates a chain of stores in NSW and Queensland that supply building supplies, hardware and home improvement products. While the ACCC found the degree of overlap in the supply of products and services to smaller trade customers is limited, it also found the j/v would be likely to be competitively constrained by retail competitors in each of the relevant local markets following the proposed **acquisition**.

LARGE CAP RESOURCES

*RIO: RIO Tinto reports for the half year.

Analysts expectations: \$US4.706.2 bln, div 96c/\$US4.721.1 bln/consensus \$US4.814 bln.

*On August 4 a leading broker retained a "neutral" on RIO saying there was positive surprise potential for **copper**, an increased dividend, and overall cost reductions, and negative surprise potential if the dividend is flat, the outlook for **coal** and writedowns.

with a price target of \$A65. The broker said the 2nd quarter 2014 quarterly production report was solid, leading it to raise its full year 2014/15/16 eps by 75, 1% and 3% respectively to \$US4.55/\$US3.79 and \$US4.64.

*On August 1 a leading broker retained a "buy" on Rio Tinto with a \$78 price target. The broker said the aluminium division forecast to report earnings of \$US347 million may surprise on the upside.

"Cost out is likely to be the focus - no capital management is expected this time around".

*On July 17 a leading broker retained an "accumulate" on RIO while raising the target price to \$77. The broker said Rio remained its top sector pick, offering compelling valuation metrics, improvement and significant production growth. "On a short term view we also believe the result in August should show an impressive cost savings performance which should be taken well by investors.

*The Financial Times reported as of Aug 01, 2014, the consensus forecast amongst 42 polled investment analysts covering Rio Tinto plc advises that the company will outperform the market. This has been the consensus forecast since the sentiment of investment analysts improved on Jul 08, 2009. The previous consensus forecast advised investors to hold their position in Rio Tinto plc. There were 11 "buys", 14 "outperforms", 9 "holds", 3 "underperforms" and 1 "sell".

MID TO SMALL INDUSTRIALS

*AKG: NPAT up 61%, 3c ff div, no DRP

Academies Australasia announced for the year ended June 30 net profit after tax rose 61% to \$5.264 million on revenue up 21% to \$45.784 million.

Cash in hand at end of period was \$7.833 million vs \$4.992 million last year.

A 3c fully franked final dividend was announced vs 2.5c for the previous final. Ex date is September 5, record date is September 11. No DRP is in place.

NTA backing per security is 5c vs 10.1c last year.

Basic eps is 9.8c vs 6.8c last year.

Diluted eps is 8.8c vs 6.8c last year. (Aug 6)

*ANG: Terminates agreement to acquire 75% of South Africa's VR Steel

Austin Engineering Ltd advised the transaction to acquire 75% of the shares of the South African mining attachment business Van Reenen Steel Pty Ltd has been officially terminated.

While over the past three months ANG and VR Steel have been working on concluding the acquisition, since the original announcement, the underlying fundamentals of the deal have significantly changed due to a protracted labor union strike in the Metal Workers Industry in South Africa in July and other financial issues could not be resolved.

Both parties have agreed to continue building on the strong relationship they have formed.

The senior lending arrangements are not affected. (Aug 6)

*BCT: To move to high volume production with support of STMicroelectronics

Bluechiip Ltd and STMicroelectronics a global semiconductor leader and the world's top MEMS (Micro-Electro-Mechanical Systems) manufacturer and the leading supplier of MEMS for devices in consumer and mobile applications announced the transition to high volume production for their jointly developed, unique MEMS based tracking tags with the ability to meet demand in excess of 1 million tags a year.

Managing director and CEO Dr Jason Chaffey said in the report the commitment and support of ST has enabled Bluechiip to achieve this commercial breakthrough.

The Bluechiip tag has been adopted by customers in Australia, China, Italy and the US, mainly in applications of biobanking and other biomedical related fields such as pathology, clinical trials and bio repositories.

Our Week's Special dated May 20 2011, pre listing (float price 25c).

*CKK: Supreme Court rejects Strange Inv claim to ownership of GT3000

Coretrack Ltd announced it has been successful in defeating a bid by former IP Licensor, Strange Investments (WA) Pty Ltd to claim ownership of the GT3000 deep hole drilling rig owned by Coretrack's wholly owned subsidiary Globe Drill Pty Ltd.

The Supreme Court rejected Strange Investments' claim to ownership of the rig and supported Coretrack's view that Strange Investments was entitled to act only as bailee for the rig to protect its IP.

The parties have been directed by the Court to draft appropriate orders to give effect to the judgement. Coretrack's lawyers will be asking the Court to address the issue of costs.

*COT: Injects \$US300,000 into investee **company** BioFusionary Corp

Continuation Investments Ltd announced the BioFusionary Corporation Inc has moved to pre-production ramp up in the manufacture of its FDA approved device, the BioFusionary Bebe. COT has injected \$US300,000 of **equity** into TBC to accelerate the manufacturing process.

*FNP: Begins m'fr of U+ ultra pure **milk** for **China's** Bright **Dairy**

Freedom Foods **Group** Ltd, FNP's wholly owned subsidiary Pactum **Dairy Group** and Bright **Dairy** of **China** announced that initial production has commenced on a new 250ml **dairy** product, Australian made U+.

The production follows the strategic supply agreement between Shepparton based Pactum and **China's** Bright **Dairy**. The signing ceremony was the first official function overseen by **China's** Premier Li Keqiang and Australia's Prime Minister Tony Abbott after the leaders met on the southern **Chinese** coastal city of Sanya this year.

The product U+ is the first Australian based high quality **dairy** product manufactured for a major **Chinese dairy company** under its own **brand**. U+ is 100% pure Australian high quality **milk**, sourced from rich **dairy** producing areas round Shepparton, Victoria.

*IPP: Int Stat loss \$9m/EBITDA profit \$30,000 vs loss of \$3.2m for pcp/positive

Property Group Ltd for the first half to June 30 2014 announced EBITDA increased significantly to \$30,000 vs a loss of \$3.2 **million** for the previous corresponding period (pcp).

The statutory loss was \$9 **million** including the Singapore impairment charge.

Malaysia core revenues grew by 66%, Indonesia revenues grew by 60% including significant growth in market share and **Hong Kong** and Macau revenues grew by 47%.

The decline in the Singapore businesses resulted in an impairment charge of \$4.6 **million** relating principally to goodwill and intangible assets.

IProperty **Group** CEO and MD Georg Chmiel said in the report the **group** is exceptionally well placed to build on its performance as the leading portal for its markets as it enters the second half of the year. The MD looks forward to the value that REA will be able to provide to the **company** as the businesses works for ways to come closer together.

Analysts expectations: On July 28 a leading broker retained an "add" on IPP with a \$3.60 price target, up from \$3.23.

The broker said IPP is a natural fit for REA with Asian investors playing a significant role in new and existing home sales in Australia.

While operationally no near term impact on IPP is likely, it expects REA will want to strike a mutual cross listings agreement as soon as possible.

The broker forecast a full year net profit of \$1.98 **million**.

*IRI: Guides to slightly higher revenue, profit to be down a touch

Integrated Research Ltd advised based on internal management accounts and subject to audit review, the **company's** unaudited accounts indicate a revenue increase of 9% to \$53.2 **million** when compared to the prior year. Profit after tax is expected to be in the range of \$8.3/8.7 **million** vs the prior year of \$9.1 **million**.

After the strong first half performance the momentum did not continue through the second half primarily due to the absence of large licence **sale** contracts in the second half of 2014, highlighting the lumpiness of the **business**. The large deal pipeline remains strong. The US is Integrated Research's major market.

*IVO: Appoints BBY to assist with raising of \$7m at 8c/50% committed

Invigor **Group** Ltd announced it has appointed BBY Ltd to assist with the raising of \$7 **million** in **equity** via a placement to sophisticated, professional or institutional investors and related parties of up to \$6.5 **million** priced at the higher of 8c per share or the amount per share which equates to 80% of the average closing price for shares calculated over the last 5 days before the placement date and a SPP to eligible shareholders.

The **company** currently has indications of 50% being committed to the placement subject to shareholder approval.

Funds will be raised for proposed **acquisition** of Search Results **Group**, investment in My Verified ID Corp, payment for **acquisition** of Global **Group** Australia Pty Ltd and for working capital.

*LMW: NPAT up 61%, final ff div 2.5c, outlook positive

Property valuers LandMarkWhite Ltd for the year ended June 30 2014 announced a 61% increase in net profit after tax to \$1.17 **million** on gross revenues including franchised offices up 4.4% to \$22.4 **million**.

A final fully franked dividend of 2.5c was announced, record date September 18.

EPS is 4.2c vs 2.6c last year.

CEO Chris Nicholl said in the report the growth in revenues indicates the strength of its **brand** and the depth of expertise it brings to the **property** valuation market.

He said the **company** recognises significant opportunities for further growth. "The Australian **property** valuation sector is undergoing sustained change and LMW is well positioned to take advantage of those changes.

*OFX: Well positioned to meet prospectus forecasts at Sep 30 balance date

In highlights from the AGM CEO Neil Helm said prospectus year to date to June 30 financial numbers are ahead of prospectus with net operating income up 4% to \$57.1 **million**, EBITDA up 2% to \$22.7 **million**, pro forma NPAT up 3% to \$15.8 **million**.

The first quarter full year 2015 showed continued growth on prior corresponding period across all key operational and financial metrics with Net Operating Income up 15% to \$196 **million**, pro forma EBITDA up 15% to \$7.8 **million**, pro forma NPAT up 9% to \$5.4 **million**. However this growth was softer than forecast at the time of the prospectus.

OxForex is on track to meet its 12 month September 30 prospectus financial forecast.

US **operations** are building scale and momentum, continued investment in initiatives are being undertaken to position the **business** for long term growth and sustainability as well as organic growth. (Aug 6)

*PGH: Aussie tax conformation reduces tax expense of approx \$NZ18/20m

Pact **Group** Ltd announced as a result of the decision by Pact **Group** Holdings Ltd and its wholly owned Australian resident subsidiaries to form an Australian income tax consolidated **group** with effect from January 1, the **group** has reset the tax base of relevant assets in accordance with the Australian Income Tax Law. Revaluation to market of assets including plant and equipment at \$NZ69 **million** higher than book value will reduce tax expense by approximately \$NZ18/20 **million** in 2014.

Tax benefit is incremental to Prospectus forecast statutory NPAT.

Pact expects that its forecast 2014 final dividend is to be franked consistent with previous guidance. Proposed and unlegislated tax law changes may result in a negative impact to tax expense in 2015 approximately equivalent to the benefit realised in full year 2014.

*RIC: Acquiring 5.3ha NE of Geelong, current owner to continue as tenant

Ridley Corporation Ltd announced signing of an agreement to **acquire** a strategic parcel of land on the north eastern outskirts of Geelong from Riordan **Group** Pty Ltd. The land parcel comprises 5.3 hectares

on two titles with frontage and access to the Princes Highway just North East of Geelong. The land also contains significant grain silo storage which can accommodate approximately 21,000 tonnes and other infrastructure which will be of value in any foreseeable development of the **site**. Riordan will continue its existing **business** on the **site** as a tenant under a long term lease.

The long term aspiration for Ridley is to build a poultry and pig feedmill on the **site** whilst continuing to share synergies on the silo infrastructure arrangement with Riordan.

*SDM/DML: DML to pay SDM \$US3.2m in tranches in settlement of dispute

Discovery Metals Ltd announced it and its wholly owned subsidiary Discovery **Copper** (Botswana) Proprietary Ltd have reached a deed of settlement with Sedgman Ltd whereby DML will pay Sedgman \$US3.2 **million** in full and final satisfaction of the EPC dispute by May 30 2014. On May 1, the new repayment date was set at July 31 2014, with DML to pay Sedgman interest rates at 10% p.a. until settlement date.

DML has agreed with Sedgman to pay \$US1.8 **million** by October 31 2014, a 2nd instalment of \$US500,000 due December 31 2014, a third instalment of \$US500,000 due March 31 2015 and the final instalment of \$US400,000 due June 30 2015, paying interest rate of 10% per annum to date of final settlement.

DML will complete a \$A15 **million** capital raising by September 30 2014.

The **company** has appointed Foster Stockbroking as corporate adviser.

*TDI: Loss for yr, NTA 4.4c/post Jun 30 NTA 50.6c/now to invest in agriculture

Tidewater Investments Ltd for the year ended June 30 announced a loss of \$611,192 on revenue up 247.3% to \$2.267 **million**.

No final dividend is proposed.

NTA backing is 4.4c vs 6.6c last year.

EPS was negative 2.3c.

Tidewater chairman Paul Young and managing director Andrew Brown said in the report while 2014 has been disappointing for Tidewater in a financial sense, the majority of the loss recorded was a result of the divestment of the **group's stake** in Adelaide Resources at an average price of just over 6c per share vs 9.5c the previous year, despite ADN achieving some excellent drilling results over the past 12 months. "With many other smaller exploration companies sitting on low cash reserves, we suspect it may be some time - absent a spectacular exploration result - before improved prices for such entities are seen".

Late in 2013, the **company** met with James Jackson who put forward a number of interesting investment ideas in the agriculture and agricultural infrastructure sectors.

As a result the **company** made an initial investment in Namoi Cotton Cooperative which trades at below one third of its stated net asset backing.

Subsequently James joined the **board** and will present an outline of his and the **board's** renewed objectives and strategies at the upcoming AGM".

Directors added post balance date, Tidewater has net **equity** of over \$4.5 mln, equating to NTA of 50.6c per share after the 10 for 1 consolidation. (Aug 6)

*TTN: Titan **Energy** Ltd, a diversified **mining business**, an owner operator of **oil** drilling rigs, hire of **mining** camps, catering and related businesses for the year ended June 30 announced a net profit up 34.1% to \$12.211 **million** on revenue up 33.6% to \$97.369 **million**.

A 4c fully franked final dividend was announced. Record date August 15.

The DRP is available at a 5% discount.

EBIT was up 28% to \$18.5 **million**.

EPS is 24.3c vs 21.6c last year.

NTA backing per security is 88c vs 66c for the previous year.

Gearing was at 12% vs 16% at December 31 2013.

Outlook

Managing director Jim Sturgess said in the report the **company's** diversity helped it achieve robust growth in 2014 and while it endured some setbacks with a few contracts delayed or cancelled, it was generally happy with the progress made.

The **group** starts the new year with solid foundations and expects continued profit growth and **business** expansion during 2015.

Analysts expectations: \$11.6 mln, div 7c.

*On July 14 a leading broker following Titan's unaudited full year 2014 result announcement indicated that EBIT is at \$18.5 **million**, 5.6% behind guidance due to the delay in a Camp Contract (water, waste and catering) that had been scheduled to be mobilised in May. While this is disappointing for 2014, it does drag earnings into full year 2015 which is a positive, the broker said.

The broker added while it believes the outlook in Queensland remains strong with 1300 wells needing to be drilled annually, the **company's** decision to drive interstate expansion is a positive and demonstrates TTN's ability to transfer its skill sets across varied geographies. The **company** retained an "add" on Titan but lowered its price target to \$2.57 from \$2.64.

Company guidance: On July 10 Titan **Energy** Services Ltd announced it expects EBIT in the order of \$18.5 **m** for the year to end June, up above the \$14.5m EBIT for 2013 but lower than the targeted range for 2014 of \$19.5/21m.

Our Week's Special on September 28 2012. TTN was trading at 69.5c.

MID TO SMALL RESOURCES

*ATV: Scheme of arrangement with Spur Ventures approved

Atlantic **Gold** NL announced the Federal Court of Australia has today made orders approving the scheme of arrangement between Atlantic and its shareholders under which it is proposed that Spur Ventures Inc will **acquire** all of the ordinary shares on issue in Atlantic. The last day of trading in Atlantic shares is August 7, Spur common share CDI's and Spur share **purchase** warrant CDI's commence trading on a deferred settlement basis on August 8.

*EGO/EPW: EPW extends term of \$3m facility to September 30

Empire **Oil** & Gas advised it has reached agreement with ERM Power for an extension of the term of the \$3 **million** Credit Facility provided by ERM Power. This takes the end of the term from August 31 to September 30. EGO chairman Tony Iannello expressed the **company's** thanks for the extension.

*MEO: To sell Tassie Shoal Methanol and LNG projects, Northern Australia

MEO Australia Ltd managing director Jurgen Hendrich announced an initiative to realise value from its strategic Tassie Shoal Methanol and LNG projects proposed for offshore Northern Australia. The decision to pursue this initiative has been taken following a number of discussions with parties who had expressed interest to MEO in obtaining **equity** in these projects.

UBS has been appointed as adviser to MEO.

MEO's other assets comprise 7 Australian permits, of which it is operator in 5 and a producing **oil** discovery onshore New Zealand.

*PEK: New min concentrate beneficiation process lifts grade to 34.4% REO

Peak Resources Ltd announced the successful production of a mineral concentrate grading 34.4% rare earth oxide using a beneficiation process developed specifically for Ngualla's unique mineralogy. The high grade concentrate is a significant improvement on PFS assumptions as reported on March 19 this year and is expected to reduce the low operating costs further.

The mineral concentrate grade of 34.4% REO is more than double the PFS concentrate grade of 16.3% REO, a 6.9x upgrade on the feed grade and has been achieved with a flotation only process.

*PKO: Cadlao farm in monies not rec'd by due date/arbitration to commence

Peak **Oil** & Gas Ltd announced it had executed a conditional settlement deed with Cadlao Development **Company** Ltd (Cadco - formerly Blade Petroleum Ltd) in relation to the **company**'s dispute with Cadco regarding the Cadlao Farmin Agreement, for which Cadco was to pay Peak up to \$6.7 **million**.

The parties agreed settlement would take place on August 6. However Cadco has failed to remit the agreed amount by due date.

Whilst Cadco has signalled it wishes to agree a new settlement date, Cadco is unwilling to provide a fixed date which Peak is able to rely upon. Accordingly the Deed is now terminated. Arbitration will be immediately commenced.

NS c1522 : Share Price Movement/Disruptions | m11 : Equity Markets | e1116 : Employment/Unemployment | ginved : Investment Advice/Investor Education | nanl : Analyses | c15 : Performance | ccat : Corporate/Industrial News | e11 : Economic Performance/Indicators | ecat : Economic News | gcat : Political/General News | gpersf : Personal Finance | gpersi : Personal Investments | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpin : FC&E Industry News Filter

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