

**Dealing:**

Ian McKenzie: 02 9235 7401
Belinda Stenstrom: 02 9235 7402
Vanessa Mundell (DTR): 02 9235 7403

Research:

Todd Guyot: 02 9235 7411
Adam Michell: 02 9235 7412

Level 13

25 Bligh Street
Sydney NSW 2000
Fax: 02 9232 7153

29 May 2007

Company Comment

ASG Group (ASZ)**BUY****Todd Guyot****Page 2**

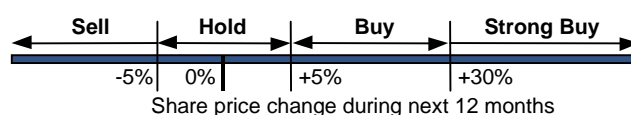
- ⇒ Confirmation of positive earnings momentum continuing through 2H07
- ⇒ Large competitive advantages and continuing to win "substantial" business across all regions
- ⇒ Remains our preferred Small Industrial IT Service exposure at this stage of the domestic IT cycle

Price: \$1.27
Target Price: \$1.45
% Difference + 14%

Foresight Small Industrials – Key Data

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Recommendation System





Buy

ASG Group (ASZ)

\$1.27

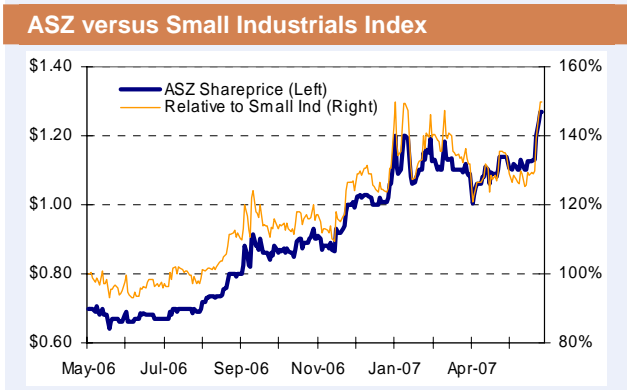
“Substantial” growth opportunities with accompanying scale benefits

Todd Guyot 29 May 2007
 02 9235 7411
 twg@foresightsecurities.com.au

Company information	
Price	\$1.27
Target Price	\$1.45
Difference	+ 14%
Market Cap	\$184m
Shares Diluted	144.6m
High/Low (12 mth)	\$1.30/\$0.64
Monthly Turnover	3.0m

Earnings Summary				
Year ending Jun	2006	2007F	2008F	2009F
NPAT (FST Adj)	5.2	6.9	10.2	12.5
EPS (¢)	4.5	5.3	7.3	8.8
PER	28.4 x	23.9 x	17.4 x	14.5 x
EPS Growth	70%	19%	37%	20%
Operating CFPS	3.8	4.8	6.9	9.2
Price / Op CF	33.1 x	26.4 x	18.5 x	13.8 x
Free CFPS (¢)	3.1	3.2	5.2	7.4
Price / Fr CF	41.1 x	39.8 x	24.4 x	17.1 x
Dividend (¢)	3.2	4.0	4.8	5.8
Yield	2.5%	3.1%	3.7%	4.5%
Franking	100%	100%	100%	100%
Payout Ratio	72%	75%	65%	66%
EV / EBITDA	25.5 x	16.8 x	11.9 x	9.7 x
NTA per share	\$0.08	\$0.16	\$0.18	\$0.21

Changes to Earnings Forecasts			
	2007F	2008F	2009F
NPAT (FST adj)	0%	0%	0%
EPS (FST adj)	0%	0%	0%



Whilst last weeks FY07 profit guidance for EBITDA “of at least \$10.7m” was consistent with our expectations, it does nonetheless again highlight the “substantial” opportunities that are available to ASZ given its established national reference sites/ contracts in place, expertise in infrastructure services (~50% of group revs), and competitive pricing/ service offering relative to the multinationals. Importantly, the implied minimum 49% and 19% growth in EBITDA and EPS respectively in FY07 has been achieved despite initial upfront costs incurred (mostly in 1H07) as several recent large contracts have commenced, underpinning robust +20% sustainable EPS growth through the forecast period and with meaningful upside remaining to our assumptions from FY08. Whilst ongoing headcount requirements need to be managed effectively (the key challenge for all industry participants at this stage of the cycle), ~70% of group revs are under long term contract (hence recurring), with ASZ remaining our preferred Small Industrial IT Services exposure over the next +5 years from this point in the cycle.

- ⇒ **Entrenched industry positioning and supportive macro environment...** 22% EPS growth in 1H07 was a solid result in the context of initial one off costs for large contracts that commenced in the period (most notably the WA Gov and Qantas), with revs up 18% to \$33m (all organic), and EBIT margins increasing to 11.0% (from 8.0% pcp), indicative of the scalability of the business model. This robust earnings momentum is continuing through 2H07, with our positive investment view again reflected in mgts comments that growth is being “driven by continued contract success and performance across the company’s Australia-wide operations and improved operational benefits flowing from economies of scale”.
- ⇒ **... with an established national footprint and high barriers to entry:** ASZ now has a proven track record of success against large multinationals (including HP, CSC, IBM and Fujitsu), being able to offer a vendor independent delivery that is both price and service competitive. Importantly, it has established reference sites and proven track record in all targeted geographies (notably Perth, Sydney, Canberra and Melbourne), a key competitive differentiation that is resulting in ongoing contract success, noting that it is one of only two domestic participants with a national presence in *Infrastructure Services*, the other being KAZ (now part of Telstra).
- ⇒ **Sustainable +20% pa growth profile:** Importantly, we see the key risk for ASZ as being able to manage growth as opposed to finding it, with considerably more tender opportunities currently available than it can accommodate. We see 2 key capacity considerations; **1)** technology related, which we see as particularly scalable given excess data capacity in the industry (which are leased, not owned by ASZ), and **2)** headcount, which we view as the primary challenge for mgt in the strength of growth delivered, although continuing to be well managed as indicated by the 546 group headcount at 1H07 compared to 452 at FY06 and 389 at 1H06.



ASG Group (Buy)

Shares (diluted): 144.6m

Market Cap: \$184m

ASZ : \$1.27

Valuation Data

Year ending Jun	2005	2006	2007F	2008F	2009F
EPS (FST adj.) (¢)	2.6	4.5	5.3	7.3	8.8
P/E ratio	48.2 x	28.4 x	23.9 x	17.4 x	14.5 x
P/E relative *			117	99	94
EPS growth	-20%	70%	19%	37%	20%
EV / EBIT	53.3 x	31.0 x	19.7 x	13.6 x	11.0 x
EV / EBIT relative *			126	109	100
EV / EBITDA	42.4 x	25.5 x	16.8 x	11.9 x	9.7 x
EV / EBITDA relative *			134	116	106
EPS reported (¢)	2.6	4.5	5.3	7.3	8.8
P/E ratio	48.2 x	28.4 x	23.9 x	17.4 x	14.5 x
EPS growth	-20%	70%	19%	37%	20%
Op CFPS (¢)	2.6	3.8	4.8	6.9	9.2
Price / Op CF	48.5 x	33.1 x	26.4 x	18.5 x	13.8 x
Free CFPS (¢)	0.7	3.1	3.2	5.2	7.4
Price / Free CF	190.0 x	41.1 x	39.8 x	24.4 x	17.1 x
Dividend (¢)	2.2	3.2	4.0	4.8	5.8
Dividend Yield	1.7%	2.5%	3.1%	3.7%	4.5%
Franking	100%	100%	100%	100%	100%
NTA per share	\$0.06	\$0.08	\$0.16	\$0.18	\$0.21

Balance Sheet (\$m)

Year ending Jun	2005	2006	2007F	2008F	2009F
Cash	3.5	3.1	3.9	4.9	5.9
Trade Debtors	10.1	13.7	20.9	29.7	35.4
Inventories	0.2	0.1	0.0	0.0	0.0
Other	3.7	5.1	5.1	5.1	5.1
Current assets	17.6	22.0	29.9	39.8	46.4
Property Plant & Equip.	2.9	2.5	4.6	5.6	6.6
Investments	0.0	0.0	0.0	0.0	0.0
Goodwill	0.0	0.0	2.8	5.6	8.4
Other intangibles	25.7	29.3	28.9	28.4	27.8
Other	0.0	0.0	0.0	0.0	0.0
Non-current assets	28.7	31.8	36.3	39.6	42.8
Total Assets	46.3	53.9	66.2	79.3	89.2
Trade Creditors	9.5	12.7	15.0	19.5	22.4
Debt	3.7	2.6	1.9	3.9	3.5
Provisions	1.6	2.5	3.5	4.6	5.3
Other	2.8	0.6	0.6	0.6	0.6
Total Liabilities	17.6	18.4	21.0	28.5	31.8
Net Assets	28.7	35.4	45.2	50.8	57.4
Equity & reserves	42.7	47.8	51.8	51.8	51.8
Retained profits	(14.0)	(12.4)	(6.7)	(1.1)	5.6
Shareholders Equity	28.7	35.4	45.2	50.8	57.4
Minorities	0.0	0.0	0.0	0.0	0.0
Total Equity	28.7	35.4	45.2	50.8	57.4

1H / 2H Results (\$m)

	1h05	2h05	1h06	2h06	1h07
Revenue	16.6	24.2	27.0	32.4	32.0
EBITDA	1.0	3.3	2.8	4.4	4.2
EBIT	0.5	3.0	2.2	3.8	3.5
FST adj. profit	0.5	2.1	2.2	3.0	2.9
NPAT (pre one-off)	0.5	2.1	2.2	3.0	2.9
Operating cashflow	(0.8)	3.5	2.6	2.0	1.7
EBIT / sales	2.8%	12.3%	8.0%	11.6%	11.0%
EPS (¢)	0.6	1.9	2.0	2.5	2.3
EPS growth	-22%	-23%	221%	31%	18%
DPS (¢)	0.0	2.2	1.0	2.2	1.5
% of FY sales	41%	59%	45%	55%	41%
% of FY NPAT (adj)	20%	80%	43%	57%	41%

Profit and Loss (\$m)

Year ending Jun	2005	2006	2007F	2008F	2009F
Revenue	40.8	59.3	78.8	102.5	117.9
growth	68%	45%	33%	30%	15%
EBITDA	4.3	7.2	10.8	15.4	18.7
Depreciation	0.8	1.0	1.2	1.4	1.6
EBITA	3.5	6.2	9.6	14.0	17.1
Amortisation	0.1	0.3	0.4	0.5	0.6
EBIT	3.5	5.9	9.2	13.5	16.5
growth	36%	71%	56%	46%	23%
Net interest expense	0.2	0.2	(0.1)	(0.3)	(0.4)
Pre-tax profit	3.3	5.7	9.4	13.8	16.9
Tax	0.7	0.5	2.4	3.6	4.4
Tax rate	20.6%	9.2%	26.0%	26.0%	26.0%
Preference dividends	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
FST adjustments	0.0	0.0	0.0	0.0	0.0
NPAT (FST adj)	2.6	5.2	6.9	10.2	12.5
NPAT (pre one-off)	2.6	5.2	6.9	10.2	12.5
One-off items	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	2.6	5.2	6.9	10.2	12.5

Cashflow (\$m)

Year ending Jun	2005	2006	2007F	2008F	2009F
EBITDA	4.3	7.2	10.8	15.4	18.7
Net interest paid	(0.2)	(0.2)	0.1	0.3	0.4
Tax paid	(0.7)	0.5	(0.5)	(2.4)	(3.6)
Gross cashflow	3.5	7.5	10.4	13.2	15.5
(Inc) / dec in wk'g cap	1.8	(0.3)	(4.8)	(4.3)	(2.7)
Inc / (dec) in provisions	1.1	0.9	1.0	1.1	0.7
Other	(3.6)	(3.6)	0.0	0.0	0.0
Operating cashflow	2.7	4.6	6.7	10.0	13.5
growth	275%	68%	45%	50%	36%
Capital expenditure	(2.0)	(0.9)	(2.2)	(2.4)	(2.6)
Asset sales	0.0	0.0	0.0	0.0	0.0
Free cashflow	0.7	3.7	4.4	7.6	10.9
growth	-136%	431%	20%	72%	44%
Investments	(5.3)	(0.7)	(3.8)	(2.8)	(2.8)
Divestments	0.2	0.0	0.0	0.0	0.0
Other	(1.7)	(1.2)	0.0	0.0	0.0
Investing cashflow	(8.8)	(2.8)	(6.0)	(5.2)	(5.4)
Equity raised	8.0	1.3	4.0	0.0	0.0
Dividends paid	(0.9)	(2.5)	(3.1)	(5.7)	(6.7)
Net borrowings	(0.3)	(1.0)	(0.7)	1.9	(0.4)
Financing cashflow	6.8	(2.2)	0.2	(3.8)	(7.1)
Net inc/(dec) in cash	0.6	(0.4)	0.8	1.0	1.0

Profitability, Leverage & Liquidity Ratios

Year ending Jun	2005	2006	2007F	2008F	2009F
EBITDA / sales	10.6%	12.1%	13.8%	15.0%	15.9%
EBITA / sales	8.6%	10.5%	12.2%	13.6%	14.5%
EBIT / sales	8.5%	10.0%	11.7%	13.1%	14.0%
Return on assets	11%	13%	16%	20%	21%
Return on equity	12%	16%	17%	21%	23%
Net debt / (cash) (\$M)	0.1	(0.5)	(2.0)	(1.1)	(2.5)
Debt / equity	13%	7%	4%	8%	6%
Net debt / equity	0%	nmf	nmf	nmf	nmf
Interest cover	20.3 x	nmf	nmf	nmf	nmf
Dividend payout ratio	83%	72%	75%	65%	66%
Capex (net) / dep'n	2.4 x	0.9 x	1.9 x	1.7 x	1.6 x
Working capital / sales	2%	2%	8%	10%	11%

* Relative to Foresight Securities growth companies universe

FORESIGHT SMALLER INDUSTRIAL COMPANIES - KEY DATA

	Share price (\$A)	Rec.	No. covr.	NPAT (\$Am)			EPS (pre Amort) (Acps)			EPS growth			Price / Earnings ratio			EV/EBIT			EV/EBITDA			Dividend			Dividend Yield			Cmpd EPS gr'th 06-09	FY08 PER / cmpd gr'th	FY08 PER / prem/ (disc)	Mkt cap'n (\$Am)
				FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est				
Adcorp Australia (AAU)	\$0.35	Hold	1	2.5	2.7	3.0	4.0	4.4	4.8	-30%	8%	11%	8.7 x	8.0 x	7.2 x	4.5 x	2.9 x	1.7 x	3.0 x	1.9 x	1.2 x	2.5	2.5	2.5	7.1%	7.1%	7.1%	-6%	-1.4	-54%	23
Adelaide Brighton (ABC)	\$3.63	C	9	110.4	120.8	129.5	21.0	22.0	24.0	17%	5%	9%	17.3 x	16.5 x	15.1 x	13.9 x	12.7 x	11.6 x	10.4 x	9.6 x	8.8 x	17.0	17.0	18.0	4.7%	4.7%	5.0%	10%	1.6	-6%	1,968
Alesco Corporation (ALS)	\$13.56	Buy	8	52.9	64.0	72.2	74.3	89.9	101.5	12%	21%	13%	18.3 x	15.1 x	13.4 x	14.3 x	11.8 x	10.7 x	11.8 x	9.9 x	9.0 x	61.5	73.0	82.0	4.5%	5.4%	6.0%	15%	1.0	-14%	965
Altium (ALU)	\$1.30	Buy	1	6.1	7.9	9.8	6.5	8.2	9.7	55%	27%	17%	20.0 x	15.8 x	13.5 x	26.6 x	17.5 x	12.5 x	11.4 x	9.2 x	7.4 x	5.0	6.3	7.3	3.8%	4.8%	5.6%	32%	0.5	-10%	133
Amalgamated Hldg. (AHD)	\$6.34	C	1	77.4	84.6	91.9	60.0	66.0	71.0	33%	10%	8%	10.6 x	9.6 x	8.9 x	9.0 x	8.0 x	7.1 x	6.8 x	6.1 x	5.3 x	23.0	26.0	29.0	3.6%	4.1%	4.6%	16%	0.6	-45%	805
APN News & Media (APN)	\$5.92	C	7	170.9	186.8	186.0	35.0	38.0	37.0	3%	9%	-3%	16.9 x	15.6 x	16.0 x	10.5 x	9.7 x	9.0 x	9.4 x	8.7 x	8.1 x	27.0	29.0	30.0	4.6%	4.9%	5.1%	3%	5.4	-11%	1,635
ARB Corporation (ARP)	\$4.55	C	4	15.9	18.4	21.0	24.0	28.0	31.0	33%	17%	11%	19.0 x	16.3 x	14.7 x	13.7 x	11.7 x	10.2 x	11.6 x	10.1 x	8.9 x	13.0	14.0	16.0	2.9%	3.1%	3.5%	20%	0.8	-7%	303
ASG Group (ASZ)	\$1.27	Buy	2	6.9	10.2	12.5	5.3	7.3	8.8	19%	37%	20%	23.9 x	17.4 x	14.5 x	19.7 x	13.6 x	11.0 x	16.8 x	11.9 x	9.7 x	4.0	4.8	5.8	3.1%	3.7%	4.5%	25%	0.7	-1%	184
Austbrokers (AUB)	\$4.55	C	6	12.3	14.4	17.6	26.0	31.0	37.0	13%	19%	19%	17.5 x	14.7 x	12.3 x	14.4 x	13.1 x	11.4 x	11.9 x	11.0 x	10.8 x	15.0	18.0	23.0	3.3%	4.0%	5.1%	19%	0.8	-16%	228
Aust. Agricultural Co. (AAC)	\$2.55	C	3	24.9	43.4	41.7	10.0	17.0	16.0	150%	70%	-6%	25.5 x	15.0 x	15.9 x	19.0 x	12.5 x	12.7 x	14.7 x	12.7 x	11.2 x	7.0	8.0	10.0	2.7%	3.1%	3.9%	59%	0.3	-14%	407
Aust. Wealth Mgt. (AUW)	\$2.67	C	5	64.6	80.6	90.7	11.0	14.0	16.0	0%	27%	14%	24.3 x	19.1 x	16.7 x	16.0 x	12.7 x	11.2 x	15.2 x	12.3 x	10.8 x	9.0	12.0	13.0	3.4%	4.5%	4.9%	21%	0.9	9%	874
Austal (ASB)	\$3.60	C	4	40.9	52.6	61.3	22.0	28.0	32.0	0%	27%	14%	16.4 x	12.9 x	11.3 x	12.1 x	9.3 x	7.7 x	11.1 x	8.6 x	7.1 x	11.0	12.0	13.0	3.1%	3.3%	3.6%	13%	1.0	-27%	415
Austereo Group (AEO)	\$2.05	C	10	43.0	45.2	47.6	12.0	12.0	13.0	9%	0%	8%	17.1 x	17.1 x	15.8 x	13.0 x	12.3 x	11.6 x	11.9 x	11.2 x	10.6 x	8.0	9.0	9.0	3.9%	4.4%	4.4%	6%	3.0	-3%	251
Australand (ALZ)	\$2.30	C	3	156.5	164.0	170.6	17.0	18.0	19.0	0%	6%	6%	13.5 x	12.8 x	12.1 x	13.0 x	12.5 x	12.1 x	12.8 x	12.4 x	12.0 x	17.0	17.0	18.0	7.4%	7.4%	7.8%	4%	3.4	-27%	1,002
Australian Pharm. (API)	\$2.34	C	7	17.0	26.5	28.5	7.0	10.0	11.0	-53%	43%	10%	33.4 x	23.4 x	21.3 x	17.8 x	14.0 x	13.3 x	12.8 x	10.6 x	10.0 x	7.0	7.0	7.0	3.0%	3.0%	3.0%	-10%	-2.4	33%	476
BlueFreeway (BLU)	\$1.60	Buy	2	3.3	6.9	8.4	8.0	11.3	13.9	0%	41%	23%	20.0 x	14.2 x	11.6 x	18.2 x	7.7 x	5.9 x	17.2 x	7.4 x	5.7 x	0.0	0.0	0.0	0.0%	0.0%	0.0%	32%	0.5	-19%	98
Boom Logistics (BOL)	\$3.70	Buy	8	39.6	47.3	52.6	23.2	27.7	30.8	7%	19%	11%	15.9 x	13.3 x	12.0 x	12.1 x	9.9 x	9.0 x	8.3 x	7.0 x	6.4 x	12.2	13.5	15.5	3.3%	3.6%	4.2%	12%	1.1	-24%	631
Bradken (BKN)	\$9.61	Buy	6	48.6	60.8	69.8	46.5	58.1	66.7	43%	25%	15%	20.7 x	16.5 x	14.4 x	14.5 x	11.7 x	10.4 x	11.6 x	9.5 x	8.4 x	30.5	37.0	41.0	3.2%	3.9%	4.3%	27%	0.6	-6%	1,005
Cabcharge Aust (CAB)	\$13.00	Buy	12	55.0	67.8	79.5	47.9	57.8	67.7	41%	21%	17%	27.1 x	22.5 x	19.2 x	20.1 x	16.0 x	13.6 x	17.9 x	14.5 x	12.4 x	33.0	40.0	48.0	2.5%	3.1%	3.7%	26%	0.9	28%	1,526
Campbell Brothers (CPB)	\$25.82	C	4	54.6	63.9	72.6	106.0	123.0	139.0	41%	16%	13%	24.4 x	21.0 x	18.6 x	16.9 x	14.6 x	13.0 x	13.7 x	12.2 x	10.9 x	70.0	81.0	92.0	2.7%	3.1%	3.6%	23%	0.9	20%	1,333
Candle Australia (CND)	\$3.41	Hold	6	13.7	15.3	17.1	24.5	26.2	29.1	8%	7%	11%	13.9 x	13.0 x	11.7 x	10.6 x	9.6 x	8.7 x	9.4 x	8.5 x	7.7 x	20.0	21.5	23.5	5.9%	6.3%	6.9%	9%	1.5	-26%	204
Capral Aluminium (CAA)	\$0.78	Hold	2	-7.2	3.4	13.0	-3.7	1.7	6.7	-72%	#####	283%	-21.1 x	44.6 x	11.6 x	89.6 x	16.2 x	7.8 x	10.6 x	6.7 x	4.4 x	0.0	0.0	0.0	0.0%	0.0%	0.0%	<-100%	-0.2	155%	152
Cardno (CDD)	\$6.15	C	7	16.6	20.9	24.9	32.0	38.0	45.0	14%	19%	18%	19.2 x	16.2 x	13.7 x	12.6 x	10.4 x	8.7 x	10.9 x	9.2 x	7.8 x	22.0	26.0	29.0	3.6%	4.2%	4.7%	17%	0.9	-8%	324
Clive Peeters (CPR)	\$3.30	C	3	19.3	24.5	30.6	15.0	20.0	24.0	25%	33%	20%	22.0 x	16.5 x	13.8 x	15.3 x	12.0 x	9.8 x	13.6 x	10.4 x	8.6 x	7.0	9.0	11.0	2.1%	2.7%	3.3%	26%	0.6	-6%	419
Chandler McLeod (CHD)	\$1.10	Buy	2	10.8	14.3	16.8	7.4	9.0	10.6	42%	21%	17%	14.8 x	12.2 x	10.4 x	11.5 x	9.3 x	8.0 x	9.5 x	7.9 x	6.9 x	3.0	4.3	5.0	2.7%	3.9%	4.5%	27%	0.6	-31%	175
Coates Hire (COA)	\$6.10	Hold	14	107.5	120.3	127.3	43.1	48.1	51.0	9%	12%	6%	14.2 x	12.7 x	12.0 x	11.1 x	9.6 x	9.2 x	6.2 x	5.5 x	5.3 x	21.0	23.0	25.0	3.4%	3.8%	4.1%	9%	1.4	-28%	1,524
Codan (CDA)	\$1.20	Buy	3	14.4	16.8	19.7	8.9	10.3	12.2	49%	16%	18%	13.5 x	11.6 x	9.9 x	10.0 x	8.4 x	7.1 x	7.2 x	6.3 x	5.5 x	7.0	8.0	9.0	5.8%	6.7%	7.5%	27%	0.4	-34%	194
Coffey International (COF)	\$4.13	C	5	19.4	29.2	33.8	23.0	29.0	33.0	28%	26%	14%	18.0 x	14.2 x	12.5 x	13.5 x	10.2 x	8.7 x	11.7 x	9.0 x	7.8 x	16.0	19.0	22.0	3.9%	4.6%	5.3%	22%	0.6	-19%	444
Commander Coms. (CDR)	\$1.62	Hold	8	20.1	24.0	27.8	8.9	10.6	12.2	-35%	19%	16%	18.2 x	15.4 x	13.2 x	12.5 x	10.8 x	9.6 x	6.6 x	6.0 x	5.5 x	5.0	6.0	8.0	3.1%	3.7%	4.9%	-4%	-4.1	-12%	369
Corporate Express (CXP)	\$6.80	Hold	9	76.4	80.6	88.2	44.1	47.7	52.0	21%	8%	9%	15.4 x	14.3 x	13.1 x	12.3 x	11.5 x	10.5 x	10.8 x	10.1 x	9.2 x	26.5	28.5	31.0	3.9%	4.2%	4.6%	13%	1.1	-19%	1,268
Coventry Group (CYG)	\$4.60	C	3	9.9	16.1	15.7	23.0	36.0	39.0	-36%	57%	8%	20.0 x	12.8 x	11.8 x	15.3 x	11.2 x	8.9 x	10.9 x	8.5 x	6.9 x	34.0	34.0	35.0	7.4%	7.4%	7.6%	3%	4.7	-27%	173
CPI Group (CPI)	\$0.35	Hold	4	0.6	1.8	2.4	1.0	2.9	3.9	-10%	205%	33%	36.7 x	12.0 x	9.1 x	15.5 x	8.6 x	5.3 x	10.5 x	6.4 x	4.1 x	0.0	0.0	0.0	0.0%	0.0%	0.0%	54%	0.2	-31%	22
Crane Group (CRG)	\$16.68	Buy	7	52.8	60.2	69.2	86.8	98.7	113.1	8%	14%	15%	19.2 x	16.9 x	14.7 x	11.9 x	10.8 x	9.6 x	8.6 x	7.9 x	7.2 x	64.0	70.0	80.0	3.8%	4.2%	4.8%	12%	1.4	-4%	1,021
Credit Corp (CCP)	\$10.50	Buy	4	19.1	23.9	28.9	44.4	54.9	66.5	24%	24%	21%	23.6 x	19.1 x	15.8 x	15.3 x	13.0 x	11.2 x	6.5 x	6.2 x	5.9 x	22.3	29.0	31.0	2.1%	2.8%	3.0%	23%	0.8	9%	459
Dark Blue Sea (DBS)	\$0.84	Buy	1	3.8	4.9	5.8	4.5	5.6	6.6	35%	26%	18%	18.9 x	15.0 x	12.7 x	12.4 x	9.6 x	7.9 x	11.9 x	9.2 x	7.6 x	3.0	3.7	4.6	3.6%	4.4%	5.5%	26%	0.6	-14%	75
David Jones (DJS)	\$5.21	C	11	105.5	121.1	133.8	23.0	25.0	27.0	35%	9%	8%	22.7 x	20.8 x	19.3 x	16.4 x	14.2 x	13.0 x	13.5 x	11.7 x	10.8 x	19.0	21.0	23.0	3.6%	4.0%	4.4%	17%	1.2	19%	2,327
Domino's Pizza (DMP)	\$3.40	Hold	7	10.6	13.9	17.1	17.0	22.0	26.5	-19%	30%	20%	20.0 x	15.4 x	12.8 x	14.9 x	11.9 x	9.9 x	10.2 x	8.5 x	7.3 x	8.6	12.0	14.0	2.5%	3.5%	4.1%	8%	1.9	-12%	219
Emeco Holdings (EHL)	\$1.63	Buy	9	66.1	91.1	101.9	11.5	14.3	16.0	-68%	25%	12%	14.2 x	11.4 x	10.2 x	11.1 x	9.4 x	8.6 x	6.5 x	5.5 x	5.1 x	3.5	5.5	6.5	2.2%	3.4%	4.0%				

FORESIGHT SMALLER INDUSTRIAL COMPANIES - KEY DATA

	Share price (\$A)	Rec.	No. covr.	NPAT (\$Am)			EPS (pre Amort) (Acps)			EPS growth			Price / Earnings ratio			EV/EBIT			EV/EBITDA			Dividend			Dividend Yield			Cmpd EPS gr'th 06-09	FY08 PER / cmpd gr'th	FY08 PER / prem/ (disc)	Mkt cap'n (A\$m)
				FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est	FY07 Est	FY08 Est	FY09 Est				
Gunns (GNS)	\$3.46	C	9	82.9	99.4	105.7	23.0	26.0	27.0	-8%	13%	4%	15.0 x	13.3 x	12.8 x	11.0 x	9.6 x	9.0 x	9.8 x	8.8 x	8.1 x	15.0	16.0	17.0	4.3%	5.6%	4.9%	3%	5.1	-24%	1,224
GWA International (GWT)	\$4.21	Hold	6	61.3	68.4	75.6	22.0	24.6	27.2	2%	11%	11%	19.1 x	17.1 x	15.5 x	13.6 x	12.6 x	11.7 x	11.1 x	10.4 x	9.8 x	22.0	24.5	27.0	5.2%	4.8%	6.4%	8%	2.2	-2%	1,172
Hastie Group (HST)	\$3.58	Buy	7	22.4	29.8	33.7	19.3	24.8	28.4	48%	29%	15%	18.6 x	14.4 x	12.6 x	13.2 x	10.3 x	9.0 x	11.7 x	9.2 x	8.1 x	11.6	13.5	15.5	3.2%	3.8%	4.3%	30%	0.5	-18%	430
Healthscope (HSP)	\$5.74	Hold	13	66.5	77.9	90.6	28.2	32.9	38.3	22%	17%	16%	20.3 x	17.4 x	15.0 x	13.8 x	12.2 x	11.0 x	11.2 x	10.0 x	9.1 x	18.5	22.0	26.0	3.2%	3.8%	4.5%	18%	1.0	-1%	1,360
Hills Industries (HIL)	\$5.64	C	4	48.0	53.0	57.9	28.0	30.0	33.0	8%	7%	10%	20.1 x	18.8 x	17.1 x	12.9 x	11.8 x	11.0 x	10.5 x	9.7 x	9.0 x	28.0	30.0	32.0	5.0%	5.3%	5.7%	8%	2.3	7%	746
Housewares Interna'l (HWI)	\$2.76	Hold	5	17.7	19.6	22.2	13.9	15.4	17.1	7%	10%	12%	19.8 x	18.0 x	16.1 x	13.7 x	12.5 x	10.8 x	12.4 x	11.4 x	9.9 x	3.0	11.0	12.0	1.1%	4.0%	4.3%	9%	1.9	2%	357
HPAL (HPX)	\$2.47	Hold	4	17.2	18.1	18.9	14.5	15.3	16.1	1%	5%	5%	17.0 x	16.2 x	15.4 x	12.0 x	11.3 x	10.7 x	9.1 x	8.6 x	8.2 x	12.0	12.8	13.5	4.9%	5.2%	5.5%	4%	4.3	-8%	296
IBA Health (IBA)	\$1.16	Buy	3	29.7	76.0	90.4	8.5	9.8	11.2	10%	15%	15%	13.6 x	11.8 x	10.3 x	27.9 x	10.9 x	7.7 x	22.2 x	9.1 x	6.7 x	2.5	3.2	3.7	2.2%	2.8%	3.2%	13%	0.9	-33%	933
IBT Education (IBT)	\$1.99	C	6	33.3	38.6	48.0	10.0	12.0	14.0	0%	20%	17%	19.9 x	16.8 x	14.2 x	14.6 x	11.7 x	9.6 x	13.0 x	10.4 x	9.0 x	10.0	11.0	13.0	5.0%	5.5%	6.5%	12%	1.4	-5%	690
iiNet (IIN)	\$2.08	Buy	6	10.5	14.6	17.6	8.7	12.0	14.4	-33%	38%	20%	23.9 x	17.3 x	14.4 x	21.6 x	12.3 x	10.0 x	8.1 x	6.2 x	5.3 x	3.0	5.0	6.0	1.4%	2.4%	2.9%	3%	5.0	-1%	260
Incitec Pivot (IPL)	\$63.80	C	11	180.9	202.6	197.7	359.0	402.0	392.0	146%	12%	-2%	17.8 x	15.9 x	16.3 x	12.1 x	11.0 x	11.4 x	10.6 x	9.7 x	9.9 x	238.0	275.0	264.0	3.7%	4.3%	4.1%	39%	0.4	-10%	3,217
Infomedica (IFM)	\$0.67	Hold	1	15.1	16.1	17.8	4.6	5.0	5.5	-8%	7%	10%	14.4 x	13.5 x	12.3 x	10.5 x	9.2 x	8.2 x	8.8 x	7.8 x	7.1 x	3.8	4.0	4.4	5.7%	6.0%	6.6%	3%	5.1	-23%	218
Integrated Research (IRI)	\$0.47	Buy	1	7.6	9.1	10.5	4.5	5.3	6.1	9%	18%	15%	10.5 x	8.9 x	7.8 x	7.2 x	6.0 x	4.9 x	4.7 x	4.1 x	3.5 x	2.5	3.0	3.5	5.3%	6.4%	7.4%	14%	0.6	-49%	82
InvoCare (IVC)	\$5.86	Hold	6	26.4	29.7	33.4	26.4	29.8	33.5	21%	13%	12%	22.2 x	19.7 x	17.5 x	14.9 x	13.4 x	12.0 x	12.8 x	11.5 x	10.4 x	22.0	25.0	28.0	3.8%	4.3%	4.8%	15%	1.3	12%	585
IRESS (IRE)	\$9.12	Hold	8	33.2	41.2	48.4	28.7	35.0	41.2	28%	22%	18%	31.8 x	26.0 x	22.2 x	20.4 x	16.3 x	13.7 x	17.5 x	14.3 x	12.2 x	27.0	33.0	38.0	3.0%	3.6%	4.2%	23%	1.2	49%	1,019
JB Hi-Fi (JBH)	\$9.09	Buy	10	34.7	44.3	53.5	32.4	41.2	49.4	33%	27%	20%	28.1 x	22.1 x	18.4 x	19.0 x	15.6 x	13.0 x	16.1 x	13.4 x	11.2 x	10.0	12.5	14.5	1.1%	1.4%	1.6%	27%	0.8	26%	982
Just Group (JST)	\$3.85	Hold	9	60.1	63.7	68.5	27.8	31.6	34.0	7%	13%	8%	13.8 x	12.2 x	11.3 x	9.6 x	8.6 x	7.9 x	8.0 x	7.2 x	6.5 x	18.5	19.5	21.0	4.8%	5.1%	5.5%	9%	1.3	-30%	778
Keycorp (KYC)	\$0.46	Sell	2	-11.2	2.0	3.1	-13.0	2.4	3.6	#####	119%	46%	-3.5 x	18.9 x	12.9 x	nmf	14.0 x	10.1 x	nmf	6.1 x	5.0 x	0.0	0.0	0.0	0.0%	0.0%	0.0%	-16%	-1.2	8%	39
Konekt (KKT)	\$0.17	Hold	1	-1.0	0.2	0.6	-1.9	0.3	1.0	167%	#####	206%	-9.1 x	49.7 x	16.2 x	nmf	37.8 x	18.0 x	41.0 x	7.3 x	6.0 x	0.0	0.0	0.0	0.0%	0.0%	0.0%	<-100%	-0.2	183%	10
Macmahon Holdings (MAH)	\$1.08	Buy	6	30.1	40.0	44.4	5.6	7.4	8.2	2%	32%	11%	19.1 x	14.5 x	13.1 x	12.8 x	10.1 x	9.1 x	7.4 x	6.3 x	5.8 x	3.0	3.5	4.0	2.8%	3.2%	3.7%	14%	1.0	-17%	590
Magna Pacific (MPH)	\$0.42	Hold	2	4.1	4.4	4.9	3.9	4.2	4.6	10%	8%	9%	10.7 x	9.9 x	9.0 x	10.4 x	9.9 x	9.4 x	8.9 x	8.5 x	8.1 x	0.8	1.9	2.1	1.9%	4.6%	5.1%	9%	1.1	-44%	47
MaxiTRANS Ind. (MXI)	\$0.65	Buy	4	9.2	10.6	12.5	5.3	6.1	7.1	-21%	15%	16%	12.3 x	10.7 x	9.2 x	11.2 x	9.7 x	8.3 x	7.9 x	7.0 x	6.1 x	4.0	4.5	5.1	6.2%	6.9%	7.8%	2%	5.2	-39%	115
McGuigan Simeon (MGW)	\$2.67	C	5	8.2	16.4	30.6	7.0	13.0	24.0	-53%	86%	85%	38.1 x	20.5 x	11.1 x	22.7 x	16.1 x	9.9 x	14.4 x	11.3 x	7.9 x	0.0	6.0	10.0	0.0%	2.2%	3.7%	17%	1.2	17%	319
McPhersons's (MCP)	\$3.50	Buy	3	20.8	22.8	24.4	32.6	35.8	38.2	33%	10%	7%	10.7 x	9.8 x	9.2 x	7.8 x	7.1 x	6.3 x	6.6 x	6.2 x	5.5 x	18.0	19.5	21.0	5.1%	5.6%	6.0%	16%	0.6	-44%	223
Monadelphous (MND)	\$12.70	Hold	7	56.9	64.0	72.3	66.2	74.5	83.6	92%	12%	12%	19.2 x	17.1 x	15.2 x	13.0 x	11.5 x	10.1 x	11.5 x	10.2 x	9.1 x	55.0	63.0	71.0	4.3%	5.0%	5.6%	34%	0.5	-3%	1,099
MYOB (MYO)	\$1.30	Buy	4	26.7	30.9	37.3	6.9	8.0	9.6	10%	16%	20%	18.9 x	16.2 x	13.5 x	19.8 x	15.6 x	12.1 x	6.8 x	5.8 x	4.8 x	4.0	5.0	6.0	3.1%	3.8%	4.6%	16%	1.0	-8%	515
Nick Scali (NCK)	\$2.63	Buy	4	9.1	10.6	12.4	11.2	13.1	15.2	12%	17%	17%	23.5 x	20.1 x	17.2 x	16.5 x	14.1 x	12.0 x	15.2 x	12.9 x	11.0 x	8.5	10.0	11.0	3.2%	3.8%	4.2%	15%	1.3	15%	213
Nomad (NOD)	\$2.47	C	3	15.5	19.4	23.3	14.0	16.0	20.0	0%	14%	25%	17.6 x	15.4 x	12.4 x	12.7 x	10.2 x	8.3 x	10.9 x	8.5 x	7.0 x	7.0	9.0	10.0	2.8%	3.6%	4.0%	20%	0.8	-12%	288
Nufarm (NUF)	\$13.75	C	9	130.5	159.0	173.8	76.0	92.0	101.0	7%	21%	10%	18.1 x	14.9 x	13.6 x	14.3 x	10.7 x	9.7 x	11.8 x	9.1 x	8.3 x	34.0	38.0	41.0	2.5%	2.8%	3.0%	12%	1.2	-15%	1,651
Oakton (OKN)	\$6.01	Hold	8	20.0	28.7	34.3	22.9	30.6	36.3	35%	34%	19%	26.3 x	19.6 x	16.6 x	20.4 x	14.1 x	11.9 x	19.9 x	13.8 x	11.6 x	21.0	27.0	32.0	3.5%	4.5%	5.3%	29%	0.7	12%	569
Pacific Brands (PBG)	\$3.44	C	11	109.2	125.1	133.6	22.0	25.0	27.0	10%	14%	8%	15.6 x	13.8 x	12.7 x	12.9 x	10.8 x	10.1 x	11.6 x	9.7 x	9.1 x	16.0	18.0	19.0	4.7%	5.2%	5.5%	11%	1.3	-22%	1,728
Photon Group (PGA)	\$5.81	C	7	17.1	21.4	26.2	29.0	36.0	39.0	38%	24%	8%	20.0 x	16.1 x	14.9 x	13.9 x	11.1 x	9.9 x	11.4 x	9.1 x	8.3 x	23.0	27.0	30.0	4.0%	4.6%	5.2%	23%	0.7	-8%	431
PMP (PMP)	\$1.74	C	5	53.5	61.7	69.4	18.0	20.0	23.0	13%	11%	15%	9.7 x	8.7 x	7.6 x	8.7 x	7.5 x	7.0 x	6.2 x	5.4 x	5.0 x	1.0	3.0	5.0	0.6%	1.7%	2.9%	13%	0.7	-50%	522
Primary Health Care (PRY)	\$12.63	C	7	57.0	67.5	80.8	46.0	54.0	64.0	21%	17%	19%	27.5 x	23.4 x	19.7 x	19.9 x	16.8 x	14.2 x	16.2 x	13.9 x	12.0 x	45.0	51.0	60.0	3.6%	4.0%	4.8%	19%	1.2	33%	1,571
Prime Television (PRT)	\$3.84	C	9	29.2	31.6	32.9	23.0	25.0	26.0	21%	9%	4%	16.7 x	15.4 x	14.8 x	11.7 x	10.9 x	10.6 x	9.8 x	9.1 x	8.9 x	16.0	18.0	19.0	4.2%	4.7%	4.9%	11%	1.4	-12%	480
Programmed Maint. (PRG)	\$5.53	Buy	9	22.4	30.1	38.4	31.4	37.4	42.7	10%	19%	14%	17.6 x	14.8 x	12.9 x	15.3 x	11.2 x	9.3 x	11.8 x	8.9 x	7.6 x	19.5	23.5	26.0	3.5%	4.2%	4.7%	15%	1.0	-16%	498
Ramsay Health Care (RHC)	\$11.25	Hold	13	95.2	109.5	126.6	55.0	63.3	73.1	20%	15%	16%	20.4 x	17.8 x	15.4 x	12.8 x	11.5 x	10.6 x	9.9 x	9.0 x	8.3 x	28.0	37.0	42.0	2.5%	3.3%	3.7%	17%	1.1	1%	1,947



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