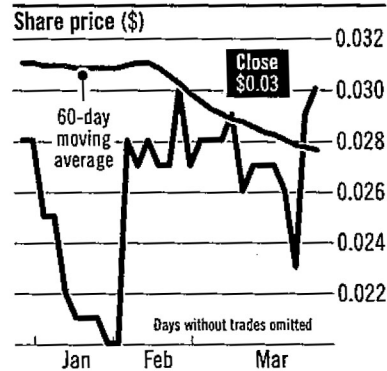


# Taking Stock

## Mint Wireless

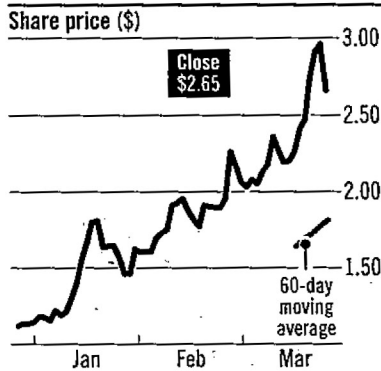


52wk high	\$0.048	Fwd EPS	n/a
52wk low	\$0.020	Fwd P/E	n/a
1yr return	-14.3%	Div yield	n/a

Shares in Mint Wireless jumped last week following the news that the group had bought 51 per cent of a Malaysia-based telecommunications services and mobile airtime reload and transfer provider from Insas Technology, a subsidiary of Insas Berhad, listed on the Malaysian stock exchange. Mint manufactures portable wireless payment equipment that allows businesses to invoice customers and directly process credit card transactions anywhere. The stock is down 19 per cent after a volatile 12 months. Mint reported operating revenue for the half to December 31 of \$8.75 million, an increase of 105 per cent from the prior corresponding period, but booked an \$808,000 net loss, down 44 per cent from the prior corresponding half. Last year Mint announced a partnership with Motorola to provide its mobile payments service to Motorola's network of independent software vendors.

**Stephen Shore**

## Carabella Resources

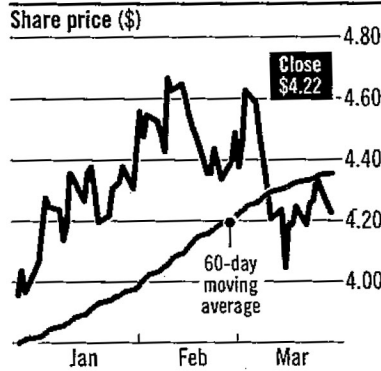


52wk high	\$3.01	Fwd EPS	n/a
52wk low	\$0.40	Fwd P/E	n/a
1yr return	n/a	Div yield	n/a

The run-up in Queensland coal explorer Carabella Resources' share price since listing at 40¢ late last year shows few signs of weakening. On Friday the stock reached \$3.01, a return of more than 600 per cent for shareholders who participated in the December float. Helping the price along last week was news that Carabella had entered into agreements to acquire interests in tenements adjacent to its Mabbin Creek coking coal project in the Bowen Basin. Upon completion of these transactions, the company will have interests in 1762 sq k of exploration ground in the region. Carabella's exposure to coking coal, a key ingredient in steel making, and Mabbin Creek's proximity to several established mines have been key elements in the stock's success. The Grosvenor West deposit at Mabbin Creek contains a resource of 92 million tonnes of coking coal and the company has a further exploration target of 35-40 million tonnes.

**Luke Forrestal**

## Incitec Pivot

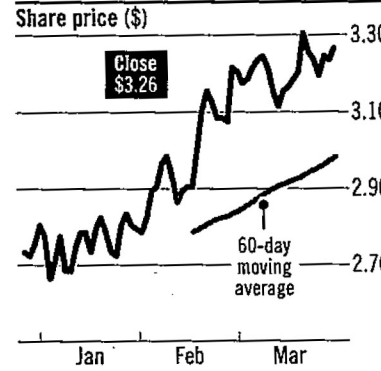


52wk high	\$4.72	Fwd EPS	\$0.33
52wk low	\$2.54	Fwd P/E	12.9x
1yr return	25.0%	Div yield	1.8%

The stock of fertiliser and explosives supplier Incitec Pivot is trading below its two-year highs, having added more than 25 per cent in the past 12 months. Last week the group announced it had entered into a new syndicated bank facility of \$900 million. Goldman Sachs views the stock as more of a soft commodity than a hard commodity play, given its exposure to di-ammonium phosphate prices. The stock is trading on a forward price-earnings multiple of 12.3 times, below domestic explosives market peer Orica, and significantly below global fertiliser groups such as Potash Corporation of Saskatchewan. Most brokers covering the stock have a "buy" recommendation, with a consensus price target of \$4.72. Institutional holders include the Australian Foundation Investment Company, Schroders Investment Group, BlackRock, T Rowe Price and AllianceBernstein.

**Gillian Tan**

## QR National

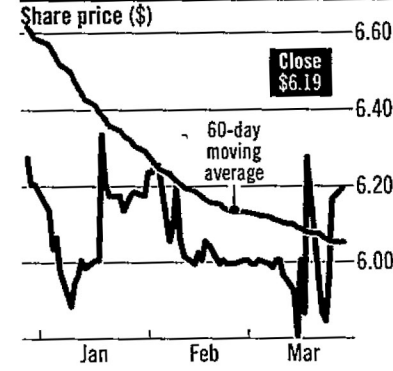


52wk high	\$3.31	Fwd EPS	\$0.10
52wk low	\$2.53	Fwd P/E	34.0x
1yr return	n/a	Div yield	n/a

Shares in rail freight operator QR National continue to undermine local fund managers who declined to buy into its high-profile float in November. The stock is up more than 27 per cent since listing, easily outperforming the broader market. It has been a standout performer after the Japanese earthquake rattled markets, gaining 4.2 per cent since March 11. The shares have benefited from index inclusion - with the company joining the S&P/ASX 200 earlier this month, a steady flow of contract wins, and expectations for strong coal haulage volumes. Last week, the company announced the approval of its first major capital expenditure since listing, a \$185 million expansion of the Goonyella coal rail network, which will support expansion of the Hay Point Coal Terminal, near Mackay. It has also taken steps towards cutting costs with a voluntary redundancy program, although the company expects limited participation.

**John McDuling**

## Premier Investments



52wk high	\$7.69	Fwd EPS	\$0.44
52wk low	\$5.77	Fwd P/E	14.20x
1yr return	-16.8%	Div yield	4.2%

The appointment of ex-David Jones chief executive Mark McInnes as head of the group's retail brands will attract plenty of scrutiny for Premier, but investors will be hoping the well-regarded retailer can lead a turnaround in fortunes of one of its key brands, Just Jeans, and help revive the company's share price. Shares in the company rose on Friday despite Premier reporting a 7 per cent fall in first-half net profit, but the stock is still 20 per cent down over the past 12 months. Armed with Premier's \$300 million cash war chest, McInnes is tipped to make a retail acquisition that could add as much as 8 per cent to earnings per share. Although there is some speculation he could make a play for troubled group Colorado, some analysts believe bringing a foreign brand to Australia could be likely. McInnes will also take direct responsibility for Just Group, which reported a 13 per cent decline in first-half earnings.

**David Ciampa**