

Terramin Australia (TZN)

ASX Code: TZN
Basic Materials and Energy

4th Quarter Update : All Good

22 January 2008 11.30am

Terramin Australia (TZN) filed their December 2007 quarterly report. The major points within the report are as outlined below:

Angas Mine

- The Angas Mine is ahead of schedule and on budget, with plant on site and mine development on track to bring forward commissioning from August to June 2008.
- Recent drilling has increased near-by resources.

Tala Hamza

- Further high grades and wide intersections from recent drilling including strongest lead interval to date (21m at 15.4% Pb).
- Resource update expected February 2008 and scoping study progressing.

Menninnie

- Initial inferred resource of 3.8Mt @ 4.0%Zn, 3.2% Pb and 34g/t Ag, which is consistent with CommSec's assumptions on grade. There is significant further mineralisation which is reasonably in-line with CommSec's volumes assumptions.

Conclusions

- No product sales are expected in this half year and current zinc prices are still well above CommSec's projections for 2008 H2.
- While the 4th quarter update is slightly better than CommSec's base case, CommSec retains its base case valuation of \$4.84.
- TZN's share price has been dragged down by the falling zinc price and the current market sell-down. CommSec retains its BUY / OUT PERFORM recommendation, through recognising that the share price may be constrained by expected weaker zinc prices over 2008 and 2009.

Recommendation*

Short term call	BUY
Long term call	Out-perform
Valuation	\$4.84
12 mth price target	\$5.20
52-week high	\$4.05
52-week low	\$1.43
Current price	\$2.01
Market Cap m	\$ 200m

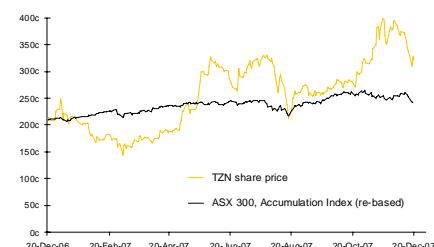
Previous short term call N/A
Previous long term call N/A
Date of change N/A

*SHORT TERM (over the next 6 months we expect the share price to:) Buy – Appreciate by >10%, Accumulate – Increase between 2% and 10%, Reduce – Increase by less than 2% or fall by up to 5%, Sell – Fall by >5%, Rev – Company is under review - no recommendation available. LONG TERM (over the next 24 months we expect the total return to:) Outperform (O / P) – Exceed market return by >5%, Market Perform (M / P) – Be in line with market return, +/-5%, Under Perform (U / P) – Be less than market return by >5%, Rev – Company is under review – no recommendation available.

Forecasts and ratios

ye. Dec	06a	07e	08e	09e	10e
Sales\$m	\$0.9m	\$0.3m	\$34.7m	\$100.9m	\$132.2m
NPAT\$m	(\$0.7m)	(\$3.1m)	(\$0.2m)	\$24.9m	\$39.6m
EPSc	(43c)	(58c)	(0.2c)	249c	397c
EPSc growth	(133%)	(33%)	95%	12,305%	59%
PERatiox	(53.5x)	(34.5x)	(93.4x)	8.1x	5.1x
DPSc	0.0c	0.0c	0.0c	0.0c	0.0c

Price relatives



^The S&P/ASX200 has been re-based to the stock's starting share price.

Pieter Bruinstroop – Senior Analyst (Author)
03 9675 6582 | pieter.bruinstroop@cba.com.au

Rob Sebek – Analyst (Author)
03 9675 6056 | rob.sebek@cba.com.au

Important disclosures and analyst certifications regarding subject companies can be found in the Disclosure and Disclaimer Appendix of this document and on our website at www.research.commbank.com.au. This report is published, approved and distributed by Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814. The Commonwealth Bank Group of Companies hold between 5% to 10% of Terramin Australia Limited. One of the authors also has an interest in Terramin Australia Ltd.

Zinc is TZN's main product and TZN's share price moves with the zinc price, as shown in Figure 1 below.

Figure 1: TZN share price vs. zinc price



Source: IRESS, CommSec

Figure 2 below shows that recent weakness is common to small mining stocks.

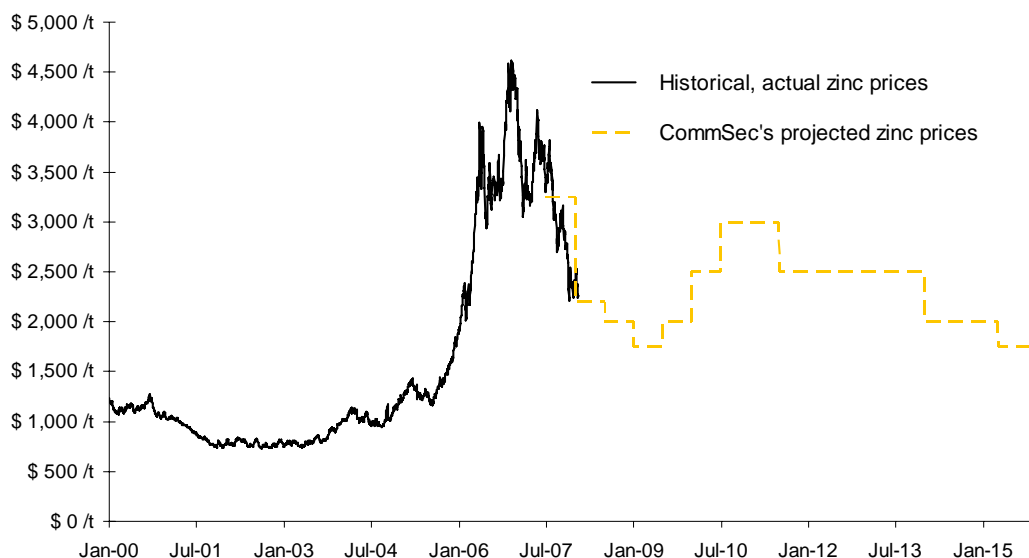
Figure 2: TZN share price vs. the metals and mining index (XMMAI)



Source: IRESS, CommSec

Figure 3 shows the recent slide in zinc prices is consistent with the zinc price assumptions used by CommSec its valuation.

Figure 3: Actual zinc prices vs. CommSec's projections



Source: IRESS, CommSec

Table 1 shows the detail of CommSec's \$4.84 valuation of TZN. It shows that there is significant upside for successful project execution.

Table 1: Detail of CommSec's valuation of TZN

discount rate =	10.0 %			31-Dec-06	22-Jan-08
		100%	Product	per share	
Angas	90%	\$ 90m	\$ 81m	72c	94c
franking credits	68%	\$ 33m	\$ 22m	20c	20c
Tala Hamza	70%	\$ 508m	\$ 356m	317c	356c
Menninnie Dam	50%	\$ 74m	\$ 37m	33c	37c
franking credits	38%	\$ 51m	\$ 19m	17c	17c
Administration	100%	(\$32m)	(\$32m)	(29c)	(29c)
Net Debt / Cash	100%	\$ 5m	\$ 5m	5c	(10c)
TOTAL		\$ 729m	\$ 488m	435c	484c
Shares on Issue		99.7m	FPO shares	12.3m	options

Source: CommSec estimates

Table 2 shows CommSec's projected operating and financial data for TZN, along with the assumptions that underlie the above valuation.

Table 2: Details of CommSec's operational and financial projections for TZN

	2007	2008	2009	2010	2011	2012	2013	2014
\$A / US\$	0.839	0.924	0.809	0.774	0.770	0.770	0.770	0.770
Zinc	\$3,412/t	\$2,250/t	\$1,875/t	\$2,750/t	\$2,750/t	\$2,500/t	\$2,500/t	\$2,000/t
Lead	\$2,622/t	\$2,250/t	\$1,500/t	\$1,500/t	\$2,000/t	\$2,000/t	\$1,750/t	\$1,500/t
Silver	\$13.3/oz	\$13.0/oz	\$12.0/oz	\$11.5/oz	\$10.5/oz	\$10.0/oz	\$10.0/oz	\$10.0/oz
Total TZN production								
Zinc	0.0kt	9.9kt	31.4kt	29.7kt	138kt	213kt	391kt	517kt
Lead	0.0kt	2.7kt	9.4kt	10.1kt	41kt	62kt	129kt	169kt
Silver	0.0koz	98.5koz	340koz	278koz	296koz	321koz	1,535koz	2,013koz
Reported Revenue	\$ 0.3m	\$ 34.7m	\$ 101m	\$ 132m	\$ 408m	\$ 592m	\$ 864m	\$ 851m
Cash Costs	\$ 4.2m	\$ 24.9m	\$ 57m	\$ 66m	\$ 205m	\$ 271m	\$ 410m	\$ 447m
E B I T D A	(\$3.9m)	\$ 9.8m	\$ 44.2m	\$ 66m	\$ 204m	\$ 321m	\$ 455m	\$ 404m
Dep'n & Amort'sn	(\$0.0m)	\$ 6.6m	\$ 13.8m	\$ 14.2m	\$ 23.7m	\$ 25.3m	\$ 37.4m	\$ 31.8m
Interest	\$ 0.4m	\$ 3.4m	\$ 1.6m	(\$4.9m)	(\$12.2m)	(\$22.0m)	(\$31.2m)	(\$34.5m)
Taxes	\$ 0.0m	\$ 0.0m	\$ 3.9m	\$ 17.0m	\$ 57.7m	\$ 95.2m	\$ 134.5m	\$ 122.0m
Minorities	\$ 0.9m	\$ 0.0m	\$ 0.0m	\$ 0.0m	(\$65.6m)	(\$113.9m)	(\$152.1m)	(\$146.5m)
N P A T	(\$3.3m)	(\$0.2m)	\$ 24.9m	\$ 40m	\$ 69m	\$ 108m	\$ 162m	\$ 138m
e.p.s.	(5.8c)	(0.2c)	24.9c	39.7c	69c	109c	162c	138c
d.p.s	0.0c	0.0c	0.0c	0.0c	6c	20c	20c	30c

Source: CommSec estimates

Table 3 shows that, even with lower zinc prices, the current share price puts TZN on very low multiples.

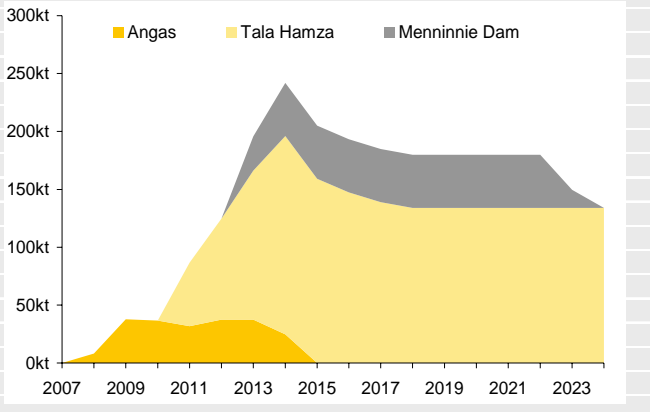
Table 3: TZN is on very low multiples!

	2007 e	2008 e	2009 e	2010 e	2011 e	2012 e	2013 e	2014 e
e.p.s.	(5.8c)	(0.2c)	24.9c	40c	69c	109c	162c	138c
d.p.ds	0.0c	0.0c	0c	0c	6c	20c	20c	30c
P/E Multiple	(34.5x)	(983.4x)	8.1x	5.1x	2.9x	1.9x	1.2x	1.5x
Dividend Yield	0.0c	0.0c	0%	0%	3%	10%	10%	15%
P / GCFPS	(59.8c)	31.6c	5.8x	4.2x	2.4x	1.7x	1.1x	1.3x
BV / share	42.6c	102.2c	105c	117c	93c	127c	251c	345c
P / Book	4.7c	2.0c	1.9x	1.7x	2.2x	1.6x	0.8x	0.6x
R. O. E.	(0.2c)	(0.0c)	62%	50%	49%	47%	44%	29%
R. O. A.	(0.1c)	0.0c	26%	40%	173%	208%	148%	96%

Source: CommSec estimates

In CommSec's view, TZN is currently dragged down by a panicking market. When the dust clears, the current share price will prove to be very good buying for investors.

Financials

Terramin Australia Limited (TZN)						Current Share Price :		12 month return		Short term		Long Term						
Year End						\$ 2.01		159 %		BUY		Out-perform						
December																		
Income Statement						Assumptions		FY 06a		FY 07e		FY 08e		FY 09e		L - R		
	FY 06a	FY 07e	FY 08e	FY 09e	FY 10e													
Sales	\$ 1m	\$ 0m	\$ 21m	\$ 102m	\$ 132m	Zinc Price	US 139c/lb	US 155c/lb	US 102c/lb	US 85c/lb	US 79c/lb							
Operating Costs	\$ 3m	\$ 4m	\$ 18m	\$ 57m	\$ 66m	Lead Price	US 58c/lb	US 119c/lb	US 102c/lb	US 68c/lb	US 68c/lb							
EBITDA	(\$ 1.9m)	(\$ 3.9m)	\$ 3.0m	\$ 45.0m	\$ 65.8m	Sivler price	\$ 11.55/oz	\$ 13.32/oz	\$ 13.00/oz	\$ 12.00/oz	\$ 11.50/oz							
Depreciation & Amortisation	\$ 0.1m	(\$ 0.0m)	\$ 3.2m	\$ 13.8m	\$ 14.2m	\$A / US\$	0.754	0.839	0.924	0.809	0.774							
EBIT	(\$ 2.0m)	(\$ 3.8m)	(\$ 0.2m)	\$ 31.2m	\$ 51.7m	Major Shareholders												
Net Interest Expense (Revenue)	(\$ 0.4m)	\$ 0.4m	\$ 3.7m	\$ 2.9m	(\$ 4.1m)	Kevin Moriarity	9.0 m	9.0 %										
Pre-Tax Profit	(\$ 1.5m)	(\$ 4.2m)	(\$ 3.9m)	\$ 28.3m	\$ 55.8m	David Paterson	8.7 m	8.7 %										
Tax Expense/(Benefit)	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 2.6m	\$ 16.7m	Colin Jackson	1.5 m	1.5 %										
Minorities	\$ 0.8m	\$ 0.9m	\$ 0.0m	\$ 0.0m	\$ 0.0m	Geologic Resources	6.5 m	6.5 %										
Reported NPAT	(\$ 2.3m)	(\$ 5.1m)	(\$ 3.9m)	\$ 25.7m	\$ 39.1m	J.P. Morgan Chase	7.9 m	7.9 %										
Significant Items (After Tax)	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	Commonwealth Bank	5.6 m	5.6 %										
NPAT (Pre-Significant Items)	(\$ 2.3m)	(\$ 5.1m)	(\$ 3.9m)	\$ 25.7m	\$ 39.1m	Production												
EBITDA Margin (%)	(213%)	(1,246%)	14.5%	44.2%	49.8%	Angas Zinc (payable)	0.0 kt	0.0 kt	4.1 kt	26.6 kt	25.1 kt							
Effective tax Rate (%)	0.0%	0.0%	0.0%	9.1%	30.0%	Angas Lead equiv, payable	0.0 kt	0.0 kt	2.0 kt	12.4 kt	12.7 kt							
EPS Reported (cps)	(4.3c)	(5.8c)	(3.9c)	25.8c	39.2c	Tala Hamza Zinc pay. TZN share	0.0 kt	0.0 kt	0.0 kt	0.0 kt	23.0 kt							
EPS Pre Significant Items (c)	(4.3c)	(5.8c)	(3.9c)	25.8c	39.2c	Tala Hamza Lead pay. TZN share	0.0 kt	0.0 kt	0.0 kt	0.0 kt	12.7 kt							
DPS (c)	0.0c	0.0c	0.0c	0.0c	0.0c	Menninnie Dam Zinc, TZN	0.0 kt	0.0 kt	0.0 kt	0.0 kt	0.0 kt							
Payout Ratio (%)	0%	0%	0%	0%	0%	Menninnie Dam Lead. TZN	0.0 kt	0.0 kt	0.0 kt	0.0 kt	0.0 kt							
Franking (%)	0%	0%	0%	0%	0%	TOTAL, Zinc payable, TZN share	0.0 kt	0.0 kt	8.2 kt	37.8 kt	36.6 kt							
Cash Flow Statement						Reserves & Resources		FY 06a		FY 07e		FY 08e		FY 09e		FY 10e		
EBITDA	(\$ 1.9m)	(\$ 3.9m)	\$ 3.0m	\$ 45.0m	\$ 65.8m	Angas Reserves	2.3 Mt	2.3 Mt	2.3 Mt	1.9 Mt	1.5 Mt							
Change in Working Capital	\$ 0.0m	(\$ 3.5m)	(\$ 10.2m)	(\$ 2.5m)	\$ 1.2m	zinc	8.1 %	8.1 %	8.2 %	8.0 %	7.9 %							
Net Interest (paid)/received	(\$ 0.4m)	\$ 0.4m	\$ 3.7m	\$ 2.9m	(\$ 4.1m)	lead	3.1 %	3.1 %	3.1 %	3.2 %	3.2 %							
Tax Paid	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	(\$ 11.1m)	silver	33 g/t	33 g/t	33 g/t	33 g/t	33 g/t							
Operating Cash Flow	(\$ 2.3m)	(\$ 0.1m)	\$ 16.8m	\$ 50.4m	\$ 71.7m	copper	0.3 %	0.3 %	0.3 %	0.3 %	0.3 %							
Exploration / Net acquisitions	\$ 0.0m	\$ 0.0m	\$ 3.0m	\$ 3.0m	\$ 5.0m	gold	0.5 g/t	0.5 g/t	0.5 g/t	0.5 g/t	0.5 g/t							
Project + Sustaining Capex	\$ 0.0m	(\$ 16.8m)	(\$ 52.0m)	(\$ 8.3m)	(\$ 8.3m)	Tala Hamza Mineralisation (100%)	55.0 Mt	55.0 Mt	55.0 Mt	55.0 Mt	55.0 Mt							
Other investing items	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	zinc	6.8 %	6.8 %	6.8 %	6.8 %	6.8 %							
Investing Cash Flow	\$ 0.0m	(\$ 16.8m)	(\$ 49.0m)	(\$ 5.3m)	(\$ 3.3m)	lead	3.1 %	3.1 %	3.1 %	3.1 %	3.1 %							
Inc/(Dec) in Equity	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	Valuation												
Inc/(Dec) in Borrowings	\$ 3.1m	\$ 16.9m	\$ 32.2m	(\$ 45.1m)	(\$ 68.4m)	Real Discount Rate :	10%											
Dividends Paid	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	\$ 0.0m	Angas	90%	\$ 90m	\$ 81m	72c								
Financing Cash Flow	\$ 3.1m	\$ 16.9m	\$ 32.2m	(\$ 45.1m)	(\$ 68.4m)	franking credits	68%	\$ 33m	\$ 22m	20c	114c							
Net Inc/(Dec) in Cash	\$ 1m	\$ 0m	\$ 0m	\$ 0m	\$ 0m	Oued Amizour	70%	\$ 508m	\$ 356m	317c	356c							
Balance Sheet (\$A m)						Menninnie Dam	50%	\$ 74m	\$ 37m	33c								
Cash	\$ 9.6m	\$ 2.2m	\$ 2.0m	\$ 44.4m	\$ 111.5m	franking credits	38%	\$ 51m	\$ 19m	17c	54c							
Other Current Assets	\$ 0.9m	\$ 1.0m	\$ 1.0m	\$ 1.0m	\$ 2.2m	Administration	100%	(\$32m)	(\$32m)	(\$29m)	(\$29m)							
Total Current Asstes	\$ 10.5m	\$ 3m	\$ 3m	\$ 45m	\$ 114m	Net Debt / Cash	100%	\$ 5m	\$ 5m	5c	(10c)							
Fixed Assets	\$ 3m	\$ 20m	\$ 72m	\$ 80m	\$ 89m	TOTAL		\$ 729m	\$ 488m	435c	484c							
Explor'n & Evalu'n	\$ 16.2m	\$ 16m	\$ 19m	\$ 22m	\$ 27m	Shares on Issue	99.738m	FPO shares	12.297m	options								
Other	\$ 0.0m	\$ 0.3m	\$ 2m	\$ 4m	(\$ 6.3m)	Production												
Total Assets	\$ 30.0m	\$ 40m	\$ 96m	\$ 152m	\$ 223m	Angas												
Current Liabilities	\$ 3.8m	\$ 7m	\$ 17m	\$ 20m	\$ 19m	Tala Hamza												
Long term Debt	\$ 6.4m	\$ 15.9m	\$ 47.9m	\$ 45.2m	\$ 43.9m	Menninnie Dam												
Other Non Current Liabilities	\$ 0.9m	\$ 2.9m	\$ 20.9m	\$ 50.9m	\$ 85.9m													
Total Liabilities	\$ 11.1m	\$ 26m	\$ 86m	\$ 116m	\$ 149m													
Total Equity	\$ 18.9m	\$ 13.7m	\$ 9.9m	\$ 36m	\$ 75m													
Net Debt (Cash)	(\$ 3.1m)	\$ 13.7m	\$ 45.9m	\$ 0.8m	(\$ 67.6m)													
Leverage																		
Net Debt/Equity	(\$ 0.2m)	\$ 1.0m	\$ 4.6m	\$ 0.0m	(\$ 0.9m)													
Net Debt/Total Assets	(\$ 0.1m)	\$ 0.3m	\$ 0.5m	\$ 0.0m	(\$ 0.3m)													
Interest Cover (x)	n / c	(10.4x)	(0.1x)	10.9 x	(12.6x)													
Dividend Cover (x)	n / a	n / a	n / a	n / a	n / a													
Valuation Ratios (x)																		
P/E Multiple	(53x)	(34x)	(52x)	7.8 x	5.1 x													
Price To Book Value	10.2 x	12.9 x	17.1 x	6.0 x	2.9 x													
Price To Cash Flow	(293x)	(60x)	(298x)	5.7 x	4.2 x													
EBITDA Multiple	(102x)	(52x)	67 x	5.0 x	3.4 x													
EBIT Multiple	(98x)	(52x)	(974x)	7.2 x	4.4 x													
Dividend Yield	0%	0%	0%	0%	0%													

Disclosure and Disclaimer Appendix

All Investors: Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 ("CommSec"), is a wholly owned, but non-guaranteed, subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 ("the Bank"). The Bank and CommSec are incorporated in Australia with limited liability. The Bank and its subsidiaries, including CommSec, Commonwealth Australia Securities LLC, CBA Europe Ltd and Commonwealth Research, are domestic or foreign entities or business areas of the Commonwealth Bank Group of Companies (CBGOC). CBGOC and their directors, employees and representatives are referred to in this Appendix as "the Group". This report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy any securities or financial instruments. This report has been prepared without taking account of the objectives, financial situation and capacity to bear loss, knowledge, experience or needs of any specific person who may receive this report. No member of the Group does, or is required to, assess the appropriateness or suitability of the report for recipients who therefore do not benefit from any regulatory protections in this regard. All recipients should, before acting on the information in this report, consider the appropriateness and suitability of the information, having regard to their own objectives, financial situation and needs, and, if necessary seek the appropriate professional, foreign exchange or financial advice regarding the content of this report.

We believe that the information in this report is correct and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its compilation, but no representation or warranty, either expressed or implied, is made or provided as to accuracy, reliability or completeness of any statement made in this report. Any opinions, conclusions or recommendations set forth in this report are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed elsewhere by the Group. We are under no obligation to, and do not, update or keep current the information contained in this report. The Group does not accept any liability for any loss or damage arising out of the use of all or any part of this report. Any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Different assumptions and estimates could result in materially different results. The Group does not represent or warrant that any of these valuations, projections or forecasts, or any of the underlying assumptions or estimates, will be met. Past performance is not a reliable indicator of future performance. The Group has provided, provides, or seeks to provide, investment banking, capital markets and/or other services, including financial services, to the companies described in the report and their associates. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any entity within the Group to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to the Group. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior written permission of the appropriate entity within the Group. In the case of certain products, the Bank or one of its related bodies corporate is or may be the only market maker. The Group, its agents, associates and clients have or have had long or short positions in the securities or other financial instruments referred to herein, and may at any time make purchases and/or sales in such interests or securities as principal or agent, including selling to or buying from clients on a principal basis and may engage in transactions in a manner inconsistent with this report.

European Investors: This report is published, approved and distributed in the UK by the Bank and by CBA Europe Ltd ("CBAE"). The Bank and CBAE are both registered in England (No. BR250 and 05687023 respectively) and authorised and regulated in the UK by the Financial Services Authority ("FSA"). This report does not purport to be a complete statement or summary. For the purpose of the FSA rules, this report and related services are not intended for retail customers and are not available to them. The products and services referred to in this report may put your capital at risk. Investments, persons, matters and services referred to in this report may not be regulated by the FSA. CBAE can clarify where FSA regulations apply.

Singapore Investors: This report is distributed in Singapore by Commonwealth Bank of Australia, Singapore Branch (company number F03137W) and is made available only for persons who are Accredited Investors as defined in the Singapore Securities and Futures Act and the Financial Advisers Act. It has not been prepared for, and must not be distributed to or replicated in any form, to anyone who is not an Accredited Investor.

Hong Kong Investors: This report was prepared, approved and published by the Bank, and distributed in Hong Kong by the Bank's Hong Kong Branch. The Hong Kong Branch is a registered institution with the Hong Kong Monetary Authority to carry out the Type 1 (Dealing in securities) and Type 4 (Advising on securities) regulated activities under the Securities and Futures Ordinance. Investors should understand the risks in investments and that prices do go up as well as down, and in some cases may even become worthless. Research report on collective investment schemes which have not been authorized by the Securities and Futures Commission is not directed to, or intended for distribution in Hong Kong.

All investors - Analyst Certification and Disclaimer: Each research analyst, primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the report. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing, and interpreting market information. Directors or employees of the Group may serve or may have served as officers or directors of the subject company of this report. The compensation of analysts who prepared this report is determined exclusively by research management and senior management (not including investment banking). No inducement has been or will be received by the Group from the subject of this report or its associates to undertake the research or make the recommendations. The research staff responsible for this report receive a salary and a bonus that is dependent on a number of factors including their performance and the overall financial performance of the Group, including its profits derived from investment banking, sales and trading revenue.

Unless agreed separately, we do not charge any fees for any information provided in this presentation. You may be charged fees in relation to the financial products or other services CommSec provides, these are set out in the CommSec Financial Services Guide (FSG) and relevant Product Disclosure Statements (PDS). Our employees may be eligible for an annual bonus payment. Some representatives' bonus payments may be up to 50% of initial fees, and 10% of ongoing fees and commissions that CommSec receives from the placement of a financial product. Bonus payments are discretionary and based on objectives that include business outcomes, customer service, people engagement, special tasks and people principals. Our employees may also receive benefits such as tickets to sporting and cultural events, corporate promotional merchandise and other similar benefits. If you have a complaint, CommSec's dispute resolution process can be accessed on 131519.

Equities Research**Banking and Insurance**

Peter Ephraums	Senior Analyst	02 9312 0780	0414 491 956
Carlos Castillo	Senior Analyst	02 8223 7948	0412 976 699
Jay Mertens	Associate Analyst	02 9312 0088	0411 125 079

Basic Materials and Energy

Pieter Bruinstroop	Senior Analyst	03 9675 6582	0400 3159 35
--------------------	----------------	--------------	--------------

Non-mining Basic Materials

Pei Wan Wong	Analyst	03 9675 7443	0432 037 341
--------------	---------	--------------	--------------

Metals

Rob Sebek	Analyst	03 9675 6056	0407 007 522
-----------	---------	--------------	--------------

Commodities

Lachlan Shaw	Analyst	03 9675 8618	0417 124 596
--------------	---------	--------------	--------------

Economics

Craig James	Chief Equities Econ.	02 9312 0265	0419 695 082
Martin Arnold	Equities Economist	02 8223 7130	0406 997 685

Emerging Companies

Sean Cooney	Senior Analyst	02 9312 4858	0410 664 749
Danny Younis	Senior Analyst	02 9312 4138	0402 819 980
Maiko Lopera	Analyst	02 8223 7904	0425 744 426

Healthcare

Natalie Kelly	Senior Analyst	03 9675 7107	0413 963 150
Bruce Du	Associate Analyst	03 9675 6244	0403 434 717

Industrials

Cassandra Meagher	Senior Analyst	02 9312 0223	0439 304 108
Adrian Lemme	Analyst	02 8223 7136	0438 246 117
Ainsley Lee	Associate Analyst	02 8223 7165	0416 188 386

Media and Gaming

Craig Shepherd	Senior Analyst	03 9675 7972	0406 402 646
Sacha Krien	Analyst	03 9675 6933	0422 688 471

Retailing, Food & Beverages and Agriculture

Grant Saligari	Senior Analyst	02 9312 4133	0406 402 645
Eugene Tan	Analyst	02 9312 3331	0422 287 575
Jordan Rogers	Associate Analyst	02 8223 7945	0401 197 440
Belinda Sanith	Associate Analyst	02 9312 2875	0434 503 697

Utilities and Toll Roads

Paul Johnston*	Senior Analyst	03 9675 7101	0414 200 902
Wei-Sun Teh	Associate Analyst	03 9675 7275	0413 565 298

Distribution and Compliance

Louisa Raven	Administration Mgr	02 9312 4116	
Hayley Greensmith	Research Editor	02 9312 7016	
Natasha Meuli	Desktop Publisher	02 9312 0334	
Rachael Paterson	Research Assistant	02 9312 0354	
Silvana Palmieri	Research Assistant	03 9675 7106	

Fax	Sydney	02 9312 4170	
Fax	Melbourne	03 9675 7622	

Quantitative Research & Investment Strategy**Investment Strategy**

Dewi Huta Djaja	Analyst	02 8223 7950	
-----------------	---------	--------------	--

Quantitative Research

Tally Dewan	Analyst	02 8223 7964	0423 057 509
-------------	---------	--------------	--------------

Quantitative Strategy

Jason Schyschow	Analyst	02 9312 4614	
Aaron Ball	Developer	03 9675 6791	
Gary Morris*	Developer	03 9675 7685	0432 213 425

Fax	Sydney	02 9312 4170	
Fax	Melbourne	03 9675 7622	

Research Sales**Electronic Trading**

David Wadsworth	02 9312 0234	0421 285 941
Suzie Toohey	02 9312 0237	0414 326 920
Andrew Tyrrell	02 9312 0623	0413 740 551

Equities Sales

Christine Leonard	02 9312 0533	0414 372 495
Chris Mears	02 9312 0951	0433 882 133
Jasmine Neoh	02 9312 0585	0410 683 580
Rod Hardwick	02 9312 0663	0407 477 625

Equity and Derivative Sales

Johnny Cattell	02 9312 0273	0414 382 505
Matt Bromfield	02 9312 0273	0416 252 590

Sales Trading

Rick Cole	02 9312 0275	0401 993 757
Grant Maze	03 9675 6618	0418 461 361
Rod Ellis	02 9312 0257	0405 500 980
Mark Preston	02 9312 0260	0414 707 482
Trent Mackie	02 9312 0270	0410 434 072
Gavin Long	02 9312 0349	

Asian Sales

Wai Hoey	03 9675 6967	0419 882 225
	Toll Free (HK)	800 901 636
	Toll Free (Sing)	800 616 1949

European Sales

James Scott	+44 (0)20 7710 3573	+44 (0)7 921 687 305
-------------	---------------------	----------------------

US Sales

Casey Girardi*	+1 (1)212 336 7749	
----------------	--------------------	--

Fax	Sydney	02 9312 0934
Fax	Melbourne	02 9675 7622

Global Markets Research**Commodities**

Tobin Gorey	Commodity Strategist	02 9312 0401
David Moore	Commodity Strategist	02 9312 0398

Currencies

Richard Grace	Chief Strategist	02 9312 4080
Sara Hoenig	Associate Economist	02 8223 7928

Debt

Adam Donaldson	Head of Debt Research	02 9312 2841
Divyang Shah	Chief Strategist (London)	+44 (0)20 7710 3986
Michael Bors	Credit Research Analyst	02 9312 4134
Steve Shoobert	Credit Research Analyst	02 9312 0130
Winnie Chee	Securitized Product	02 9312 0182

Economics

Michael Blythe	Chief Economist	02 9312 4135
Michael Workman	Senior Economist	02 9312 0197
John Peters	Economist	02 9312 0112
Joseph Capurso	Economist	02 9312 0429
Nicola Chadwick (UK)	International Economist	+44 (0)20 7710 3631
Chris Tennent-Brown	NZ Economist	+64 (0)9 374 8819

Fax	Sydney	02 9312 0304
-----	--------	--------------

To contact any of our staff via email, type their first_name.surname@cba.com.au
 *Except following staff: Paul Johnston – paul.a.johnston@cba.com.au
 Casey Girardi – cgirardi.cas@cba.com.au
 Gary Morris – gary.s.morris@cba.com.au
 Andrew Lau – a.lau@cba.com.au