

STOCK ANALYSIS

NUMBER CRUNCHER » VALUE INVESTING

For these companies, 'cash is king'

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WHAT ARE WE LOOKING FOR?

For individual investors, the common refrain "Cash is King" holds true in a plunging stock market. It also applies to companies.

Looking for cash-rich companies is an investment strategy that is important not only for the defensive position offered by money in the bank especially in tough times, but also because high cash balances can set the stage for growth.

But there are risks even with cash-rich companies, says William Aldridge, assistant portfolio manager with value investors Howson Tattersall Investment Counsel. Managements can spend the cash on a transformative deal you

Net Cash Per Share - Canadian

Company	Price June 2	52-wk low \$	52-wk high \$	YTD % return	Market cap (\$-mil)	Net cash as % of share price
CoolBrands Int'l Inc.	0.68	0.65	1.05	-25.6	38.1	127%
The Westlaim Corp.	0.25	3.79	11.65	-11.2	23.6	106%
YM Biosciences Inc.	0.91	0.89	2.20	-28.8	50.8	97%
JumpTV Inc.	0.74	0.49	6.75	-67.3	36.5	80%
Nautilus Minerals Inc.	2.70	2.01	5.90	-33.3	393.9	77%
Orvana Minerals Corp.	0.70	0.59	1.12	-5.4	80.6	76%
March Networks Corp.	4.87	4.61	15.00	-5.2	30.0	73%
ConjuChem Biotechnologies	0.13	0.08	0.53	-19.2	83.3	72%
Selkirk Metals Corp.	0.36	0.36	1.62	-53.3	27.1	68%
Sandvine Corp.	1.09	1.03	7.30	-69.6	149.5	62%
Western Prospector Group	0.69	0.48	6.00	-31.0	37.3	61%
Alberta Star Development	0.38	0.30	1.60	-34.5	39.7	53%
Spur Ventures Inc.	0.77	0.42	0.99	36.2	45.2	52%
Southwestern Res. Corp.	0.72	0.47	7.31	4.6	32.3	52%
Tundra Semiconductor Corp.	4.61	0.17	0.99	-7.4	91.3	50%
Int'l Nickel Ventures Corp.	0.95	0.70	1.89	1.1	51.2	47%
Entree Gold Inc.	1.44	1.33	3.67	-33.9	135.4	46%
Continental Precious Min. Inc.	1.40	0.67	3.40	-25.3	66.4	45%
H2O Innovation Inc.	0.90	0.76	1.93	-27.7	33.2	45%
Strategic Metals Ltd.	0.61	0.47	0.99	-18.5	35.4	44%
Linear Gold Corp.	2.21	1.82	4.70	-7.6	61.4	42%
Enghouse Systems Ltd.	6.40	4.00	8.10	-16.0	161.3	41%
Brownstone Ventures Inc.	1.40	0.90	2.20	-4.8	70.7	41%
SemBioSys Genetics Inc.	1.19	0.98	4.00	-47.8	30.8	41%
Call Genie Inc.	0.42	0.41	2.98	-57.5	34.6	41%

SOURCE: BLOOMBERG AND GLOBE INVESTOR

might not like, it can lead to a degree of complacency and in event of a takeover, cash held is often worth less than 100 cents on the dollar to the acquirer, he said.

TODAY'S SCREEN

The net cash per share screen is a tool used by value investors looking for investment opportunities of companies whose shares have sometimes been under sustained selling pressure.

The formula for "net cash per share" is the total value of all cash and equivalents less the total of short- and long-term liabilities divided by the shares outstanding, according to Howson Tattersall. The net cash per share is then expressed as a percentage of the current share price.

It is a variation of yesterday's

value-screening tool and another test of liquidity, the net working capital per share, which is based on current assets less total liabilities, which includes both short- and long-term debt.

WHAT WE FOUND

The list includes a dozen junior exploration companies looking for gold, uranium and other metals, biotechnology companies, and other companies with interesting applications. Enghouse Systems Ltd. develops software used in interactive voice response and for use in the design and management of complex infrastructures used in telecommunications, utilities, energy and transportation networks.