

The Cost of Capital Report

As at 30 June 2005



Welcome to our Cost of Capital Report for the June 2005 quarter.

This document supplements our full analysis of the cost of capital in New Zealand, which can be found on our website www.pwc.com/nz.

The Cost of Capital Report

As at 30 June 2005

Input Assumptions:

Market Risk Premium	7.5%	Marginal Tax Rate On Debt	33.0%
Risk Free Rate Of Return	5.8%	Investor Tax Rate On Equity	28.0%

Company	NZSE Code	EBIT Multiple	NPAT Multiple	Equity Beta	D / (D + E) Ratio	WACC
Agriculture						
Affco Holdings Ltd	AFF	4.0	3.8	0.88	7%	10.5%
Pyne Gould Guinness Ltd	PGG	10.8	11.3	0.90	49%	8.5%
Sanford Ltd	SAN	5.4	8.2	0.42	0%	7.4%
Wrightson Ltd	WRI	17.9	25.6	0.99	7%	11.2%
						9.0%
Building Materials & Construction						
Fletcher Building Ltd	FBU	9.5	13.5	0.90	26%	9.4%
Nuplex Industries Ltd	NPX	9.6	12.6	0.93	35%	9.1%
Steel & Tube Holdings Ltd	STU	9.9	14.8	1.02	7%	11.5%
						9.6%
Consumer						
Briscoe Group Ltd	BGR	7.3	11.1	0.52	1%	8.1%
The Colonial Motor Co Ltd	CMO	6.1	8.2	0.36	17%	6.7%
Hallenstein Glasson Holdings Ltd	HLG	9.6	13.9	0.75	1%	9.8%
Kirkcaldie & Stains Ltd	KRK	12.3	23.3	0.48	38%	7.2%
Michael Hill International Ltd	MHI	13.4	19.5	0.51	12%	7.7%
Pacific Retail Group Ltd	PRG	38.7	-5.5	1.38	78%	8.8%
Restaurant Brands New Zealand Ltd	RBD	12.7	19.5	0.86	15%	9.9%
Turners Auctions Ltd	TUA	7.4	10.1	1.29	7%	13.4%
VTL Group Ltd	VTL	14.3	10.1	1.94	80%	9.3%
Wakefield Hospital Ltd	WFD	13.6	17.0	0.37	19%	6.8%
The Warehouse Group Ltd	WHS	13.6	20.0	0.68	21%	8.4%
						8.6%
Energy						
Contact Energy Limited	CEN	17.1	30.8	0.57	21%	7.7%
Horizon Energy Distribution Ltd	HED	11.6	17.1	0.48	21%	7.3%
Utilico Ltd	IFT	21.8	38.6	0.92	26%	9.6%
NGC Holdings Ltd	NGC	15.5	20.0	0.77	21%	8.8%
The New Zealand Refining Co Ltd	NZR	7.3	11.0	0.62	4%	8.7%
Trustpower Ltd	TPW	19.3	30.5	0.75	17%	9.1%
						8.4%
Forestry & Forest Products						
Carter Holt Harvey Ltd	CAH	6.0	7.0	1.30	27%	11.5%
Evergreen Forests Ltd	EVF	-9.7	-3.8	0.84	64%	7.8%
Tenon Ltd	TEN	7.4	-7.3	1.62	10%	15.4%
						11.7%
Intermediate & Durables						
EBOS Group Ltd	EBO	11.2	14.1	0.72	14%	9.1%
Fisher & Paykel Appliances Holdings Ltd	FPA	11.0	10.4	0.84	38%	8.5%
Fisher & Paykel Healthcare Corporation Ltd	FPH	20.5	30.2	0.66	1%	9.1%
Provenco Group Ltd	PVO	15.5	20.2	2.34	11%	20.2%
Scott Technology Ltd	SCT	12.0	18.1	0.94	0%	11.3%
						9.2%
Investment						
Genesis Research & Development Corp Ltd	GEN	-0.6	-0.6	1.36	1%	14.4%
Hellaby Holdings Ltd	HBV	11.9	14.3	0.83	13%	9.8%
Sealegs Corporation	SLG	-5.3	-5.3	2.52	2%	22.9%
						10.4%

The Cost of Capital Report

As at 30 June 2005

Company	NZSE Code	EBIT Multiple	NPAT Multiple	Equity Beta	D / (D + E) Ratio	WACC
Leisure & Tourism						
CDL Hotels New Zealand Ltd	CDL	7.4	12.4	1.01	13%	11.0%
Sky City Entertainment Ltd	SKC	14.1	18.7	0.84	31%	8.9%
Tourism Holdings Ltd	THL	10.8	16.0	1.40	24%	12.7%
						9.4%
Media & Telecommunications						
GDC Communications Ltd	GDC	-1.7	-1.4	1.43	13%	13.9%
Independent Newspapers Ltd	INL	23.0	33.7	1.27	9%	13.0%
Sky Network Television Ltd	SKY	52.6	76.6	1.26	9%	12.9%
Telecom Corp of New Zealand Ltd	TEL	11.1	15.6	1.48	27%	12.5%
						12.6%
Mining						
New Zealand Oil & Gas Ltd	NOG	22.3	21.8	0.96	0%	11.4%
						11.4%
Ports						
Auckland International Airport Ltd	AIA	20.2	31.0	0.84	16%	9.5%
Lyttelton Port Co Ltd	LPC	11.6	15.3	0.55	21%	7.7%
Northland Port Corporation (NZ) Ltd	NTH	35.7	39.5	0.60	2%	8.7%
Ports of Auckland Ltd	POA	10.9	14.8	0.37	11%	6.7%
Port of Tauranga Ltd	POT	14.0	19.7	0.39	22%	6.5%
South Port New Zealand Ltd	SPN	10.2	14.1	0.36	18%	6.7%
						8.5%
Property						
AMP NZ Office Trust	APT	19.0	12.9	0.55	45%	6.9%
CDL Investments New Zealand Ltd	CDI	5.6	8.0	0.98	0%	11.6%
Calan Healthcare Properties Trust	CHP	17.0	16.5	0.51	28%	7.3%
Capital Properties New Zealand Ltd	CNZ	20.3	20.0	0.50	40%	6.9%
Kiwi Income Property Trust	KIP	16.1	16.0	0.40	25%	6.7%
Macquarie Goodman Property Trust	MGP	23.5	38.0	0.35	14%	6.6%
National Property Trust	NAP	18.2	19.7	0.62	52%	7.4%
Property for Industry Ltd	PFI	5.8	5.3	0.40	25%	6.8%
Trans Tasman Properties Ltd	TTP	10.2	8.7	0.66	47%	8.0%
						7.1%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	37.2	-103.7	1.98	46%	13.5%
Metlifecare Ltd	MET	18.8	16.9	0.80	19%	9.3%
Ryman Healthcare Ltd	RYM	21.5	21.1	0.43	10%	7.2%
Taylors Group Ltd	TAY	10.1	15.1	0.50	8%	7.8%
Waste Management NZ Ltd	WAM	16.9	26.9	0.87	13%	10.0%
						9.3%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	8.8	12.4	0.58	13%	8.2%
Pod Ltd	POD	7.8	10.3	1.12	31%	10.7%
						8.6%
Transport						
Air New Zealand Ltd	AIR	12.5	8.7	1.74	50%	11.7%
Mainfreight Ltd	MFT	25.3	59.4	1.21	23%	11.6%
Owens Group Ltd	OWN	-10.3	-11.6	0.64	16%	8.5%
Toll NZ Ltd	TRH	-2.6	-1.9	1.26	31%	11.0%
						11.5%
Overseas						
Guinness Peat Group Plc	GPG	17.5	27.3	0.62	10%	8.5%
BIL International Ltd	BRY	17.9	22.5	1.21	39%	10.3%
Lion Nathan Ltd	LNN	15.2	24.1	0.40	25%	6.6%
						7.8%
Market Weighted Average						9.9%

For further information

Auckland
Private Bag 92162
Ph 09 355 8000
Fax 09 355 8024

David Bridgman
david.bridgman@nz.pwc.com
Eric Lucas
eric.lucas@nz.pwc.com
Craig Rice
craig.rice@nz.pwc.com

Wellington
PO Box 243
Ph 04 462 7000
Fax 04 462 7001

Murray Coppersmith
murray.coppersmith@nz.pwc.com
John Redmayne
john.redmayne@nz.pwc.com
Suzanne Snively
suzanne.snively@nz.pwc.com
Bruce Wattie
bruce.wattie@nz.pwc.com

Christchurch
PO Box 13244
Ph 03 374 3000
Fax 03 374 3001

Craig Armitage
craig.armitage@nz.pwc.com
Gordon MacLeod
gordon.n.macleod@nz.pwc.com

www.pwc.com/nz

Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 30 June 2005. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

© 2005 PricewaterhouseCoopers. PricewaterhouseCoopers refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity. All rights reserved.