

The Cost of Capital Report

As at 31 March 2008

Welcome to our Cost of Capital Report for the March 2008 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



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Input Assumptions:

Market Risk Premium	7.5%	Marginal Tax Rate On Debt	33.0%
Risk Free Rate Of Return	6.5%	Investor Tax Rate On Equity	30.0%

Company	NZSE Code	EBIT Multiple	NPAT Multiple	Equity Beta	D / (D + E) Ratio	WACC
Agriculture						
Affco Holdings Ltd	AFF	27.3	107.1	0.89	31%	9.8%
PGG Wrightson Ltd	PGW	17.9	23.0	0.65	50%	7.8%
Sanford Ltd	SAN	13.9	19.9	0.64	27%	8.5%
Turners and Growers	TUR	9.1	17.7	0.62	13%	8.9%
						8.3%
Building Materials & Construction						
Fletcher Building Ltd	FBU	8.6	9.3	1.47	25%	13.2%
Nuplex Industries Ltd	NPX	12.1	18.8	1.31	41%	11.3%
Steel & Tube Holdings Ltd	STU	6.9	9.1	1.13	22%	11.6%
						12.9%
Consumer						
Briscoe Group Ltd	BGR	6.5	9.8	0.50	0%	8.3%
The Colonial Motor Co Ltd	CMO	8.4	13.4	0.37	19%	7.2%
Hallenstein Glasson Holdings Ltd	HLG	6.9	10.4	0.73	0%	10.0%
Kirkcaldie & Stains Ltd	KRK	14.4	24.8	0.46	35%	7.5%
Michael Hill International Ltd	MHI	10.9	16.1	0.43	13%	7.5%
Restaurant Brands New Zealand Ltd	RBD	9.9	12.2	0.72	44%	8.4%
Turners Auctions Ltd	TUA	8.3	10.6	0.94	29%	10.2%
Wakefield Health Ltd	WFD	14.9	27.8	0.67	18%	9.0%
The Warehouse Group Ltd	WHS	11.4	17.3	0.44	6%	7.7%
Postie Plus Group Ltd	PPG	6.4	6.6	0.94	48%	9.3%
Pumpkin Patch Ltd	PPL	7.6	11.1	1.40	13%	13.9%
Smiths City Group Ltd	SCY	10.0	6.4	1.54	81%	8.5%
Seeka Kiwifruit Industries Ltd	SEK	11.0	13.0	0.77	56%	8.2%
						8.6%
Energy						
Contact Energy Limited	CEN	12.6	19.3	0.89	19%	10.3%
Horizon Energy Distribution Ltd	HED	10.1	14.8	0.49	25%	7.7%
Infratil Ltd	IFT	33.4	99.2	1.35	51%	10.6%
The New Zealand Refining Co Ltd	NZR	11.2	15.0	0.75	0%	10.2%
Trustpower Ltd	TPW	17.4	24.5	0.91	19%	10.4%
Vector Ltd	VCT	13.2	16.5	0.87	65%	7.1%
						9.5%
Forestry & Forest Products						
Tenon Ltd	TEN	9.4	9.9	1.19	56%	9.7%
						9.7%
Intermediate & Durables						
EBOS Group Ltd	EBO	13.9	21.9	0.82	4%	10.6%
Fisher & Paykel Appliances Holdings Ltd	FPA	13.0	10.9	1.26	55%	9.6%
Fisher & Paykel Healthcare Corporation Ltd	FPH	17.1	25.9	0.71	3%	9.8%
Provenco Group Ltd	PVO	-35.2	-8.6	1.21	47%	10.4%
Scott Technology Ltd	SCT	7.2	11.1	1.16	0%	13.3%
						9.8%
Investment						
Genesis Research & Development Corp Ltd	GEN	-0.5	-0.5	1.19	0%	13.5%
Hellaby Holdings Ltd	HBY	44.4	-8.5	1.00	67%	9.2%
Sealegs Corporation	SLG	-21.4	-22.0	2.12	2%	20.2%
						10.2%

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Leisure & Tourism						
MCK Hotels New Zealand Ltd	MCK	8.3	10.9	0.56	13%	8.4%
Sky City Entertainment Ltd	SKC	12.7	18.2	1.19	39%	10.9%
Tourism Holdings Ltd	THL	9.9	13.0	1.48	33%	12.6%
						10.7%
Media & Telecommunications						
Sky Network Television Ltd	SKT	15.1	23.9	0.88	25%	9.9%
Telecom Corp of New Zealand Ltd	TEL	7.8	8.1	1.08	35%	10.3%
Teamtalk Ltd	TTK	10.8	12.0	0.49	39%	7.5%
						10.2%
Mining						
New Zealand Oil & Gas Ltd	NZO	304.4	390.5	1.04	13%	11.7%
						11.7%
Ports						
Auckland International Airport Ltd	AIA	18.7	30.6	0.99	25%	10.4%
Lyttelton Port Co Ltd	LPC	18.3	26.0	0.48	22%	7.7%
Northland Port Corporation (NZ) Ltd	NTH	99.5	140.6	0.68	5%	9.5%
Port of Tauranga Ltd	POT	17.1	24.1	0.78	18%	9.6%
South Port New Zealand Ltd	SPN	17.4	26.4	0.41	2%	7.6%
						10.0%
Property						
AMP NZ Office Trust	APT	3.4	3.5	0.45	28%	7.3%
CDL Investments New Zealand Ltd	CDI	4.2	6.3	0.55	0%	8.7%
ING Medical Properties Trust	IMP	13.2	15.6	0.41	26%	7.2%
Kiwi Income Property Trust	KIP	16.9	14.7	0.52	42%	7.3%
Goodman Property Trust	GMT	10.5	9.6	0.40	25%	7.1%
National Property Trust	NAP	14.6	10.2	1.00	70%	7.9%
Property for Industry Ltd	PFI	7.0	5.9	0.46	33%	7.4%
						7.3%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	15.4	22.5	1.37	34%	12.1%
Metlifecare Ltd	MET	14.2	12.8	0.99	20%	10.8%
Ryman Healthcare Ltd	RYM	23.1	20.6	1.01	12%	11.4%
Taylor's Group Ltd	TAY	7.6	9.7	0.76	20%	9.5%
Dominion Finance Holdings Ltd	DFH	8.0	3.6	2.38	87%	10.7%
New Zealand Exchange Ltd	NZX	13.8	20.9	0.98	2%	11.8%
Pyne Gould Corporation Ltd	PGC	11.9	13.0	1.40	79%	8.0%
New Zealand Finance Holdings Ltd	NZF	9.7	5.0	1.82	84%	8.7%
						10.4%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	8.6	11.0	0.96	30%	10.1%
						10.1%
Transport						
Air New Zealand Ltd	AIR	10.0	6.4	1.32	60%	9.7%
Mainfreight Ltd	MFT	8.6	10.5	1.16	13%	12.3%
Freightways Ltd	FRE	12.2	17.7	1.21	29%	11.5%
						10.3%
Overseas						
Guinness Peat Group Plc	GPG	7.3	7.3	0.86	38%	9.4%
GuocoLeisure Ltd	GLL	18.7	51.3	0.74	51%	8.0%
Lion Nathan Ltd	LNN	10.7	17.1	0.43	22%	7.5%
						8.1%
Market Weighted Average						9.7%

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Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 31 March 2008. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

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