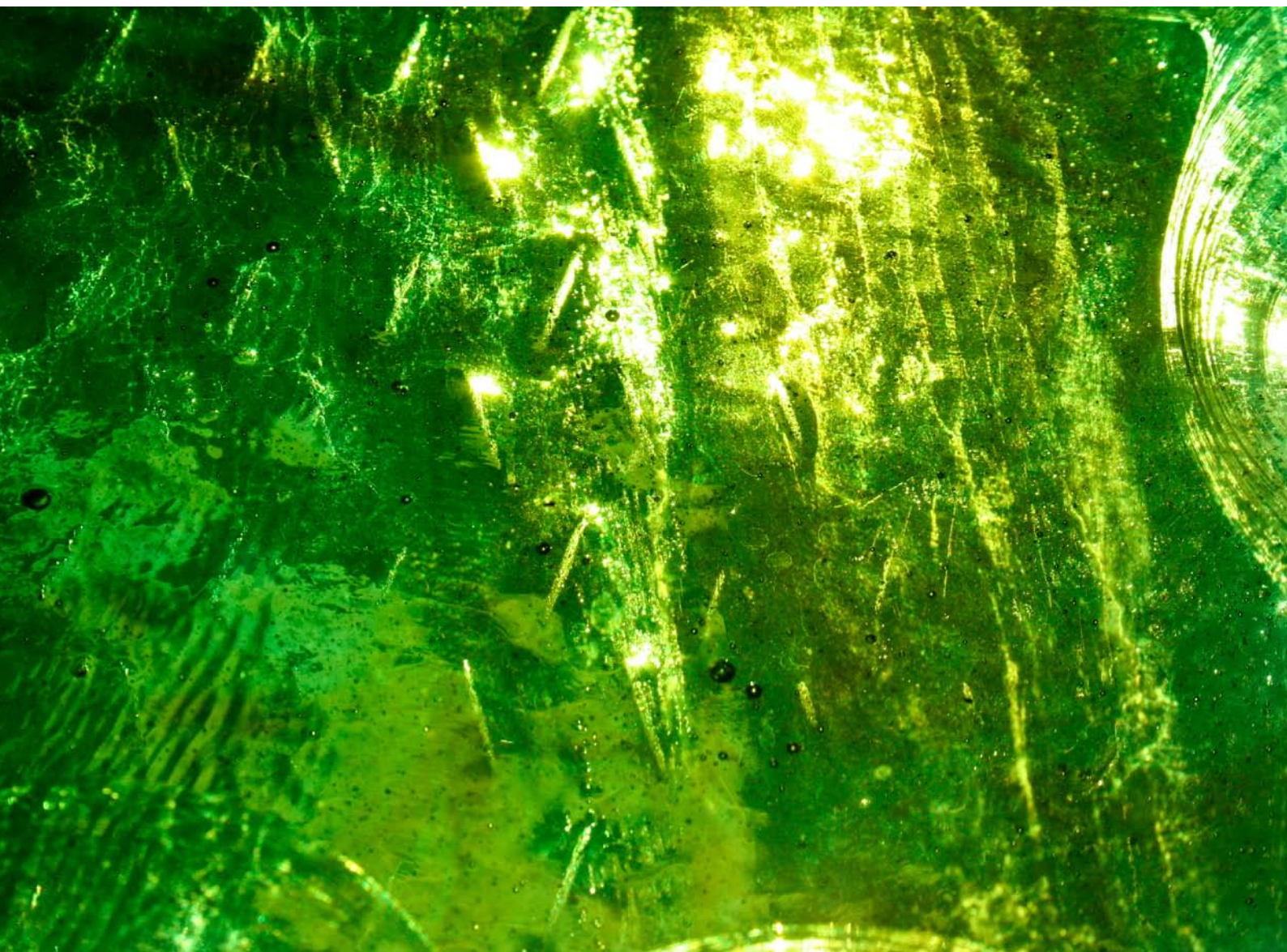


The Cost of Capital Report

As at 31 December 2006



Welcome to our Cost of Capital Report for the December 2006 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	6.3%	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	8.0	8.6	1.05	5%	12.2%
PGG Wrightson Ltd	PGW	17.4	17.4	0.82	53%	8.2%
Sanford Ltd	SAN	11.2	16.0	0.85	25%	9.7%
Turners and Growers	TUR	10.3	14.1	0.81	18%	9.9%
						9.2%
Building Materials & Construction						
Fletcher Building Ltd	FBU	10.3	14.9	1.13	22%	11.3%
Nuplex Industries Ltd	NPX	8.3	9.3	1.36	37%	11.3%
Steel & Tube Holdings Ltd	STU	9.6	13.9	1.08	10%	12.0%
						11.4%
Consumer						
Briscoe Group Ltd	BGR	10.1	15.1	0.47	0%	8.1%
The Colonial Motor Co Ltd	CMO	6.3	8.0	0.37	17%	7.1%
Hallenstein Glasson Holdings Ltd	HLG	9.7	14.5	0.84	0%	10.8%
Kirkcaldie & Stains Ltd	KRK	18.7	46.2	0.47	36%	7.6%
Michael Hill International Ltd	MHI	13.5	16.9	0.47	19%	7.7%
Restaurant Brands New Zealand Ltd	RBD	15.0	31.6	1.10	24%	11.3%
Turners Auctions Ltd	TUA	6.3	8.2	1.26	21%	12.5%
VTL Group Ltd	VTL	10.6	6.8	1.67	82%	8.5%
Wakefield Health Ltd	WFD	20.3	30.5	0.59	16%	8.6%
The Warehouse Group Ltd	WHS	35.8	75.0	0.78	6%	10.1%
Postie Plus Group Ltd	PPG	6.4	9.9	0.72	10%	9.6%
Pumpkin Patch Ltd	PPL	17.7	27.2	1.16	2%	13.1%
Smiths City Group Ltd	SCY	10.8	7.3	1.07	72%	8.2%
Seeka Kiwifruit Industries Ltd	SEK	9.4	11.2	0.82	42%	9.0%
						10.1%
Energy						
Contact Energy Limited	CEN	12.2	17.4	0.87	18%	10.0%
Horizon Energy Distribution Ltd	HED	10.9	16.4	0.61	25%	8.4%
Infratil Ltd	IFT	39.0	97.8	1.08	40%	9.9%
The New Zealand Refining Co Ltd	NZR	7.3	11.1	0.68	3%	9.6%
Trustpower Ltd	TPW	17.9	30.4	0.75	13%	9.6%
						9.8%
Forestry & Forest Products						
Tenon Ltd	TEN	12.1	15.4	1.33	28%	12.3%
						12.3%
Intermediate & Durables						
EBOS Group Ltd	EBO	12.5	17.6	0.89	19%	10.3%
Fisher & Paykel Appliances Holdings Ltd	FPA	16.9	17.0	1.29	41%	10.7%
Fisher & Paykel Healthcare Corporation Ltd	FPH	21.0	31.1	0.90	1%	11.2%
Provenco Group Ltd	PVO	18.9	38.6	1.22	16%	12.5%
Scott Technology Ltd	SCT	122.0	242.4	1.04	0%	12.4%
						11.0%
Investment						
Genesis Research & Development Corp Ltd	GEN	-1.0	-1.0	0.95	1%	11.6%
Hellaby Holdings Ltd	HBY	9.3	11.0	0.71	36%	8.6%
Sealegs Corporation	SLG	-22.1	-21.9	2.31	1%	21.7%
						9.5%

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Company	NZSE Code	EBIT Multiple	NPAT Multiple	Equity Beta	D / (D + E) Ratio	WACC
Leisure & Tourism						
MCK Hotels New Zealand Ltd	MCK	7.7	9.8	0.66	15%	8.9%
Sky City Entertainment Ltd	SKC	14.5	19.6	0.88	36%	9.0%
Tourism Holdings Ltd	THL	12.9	17.3	1.47	31%	12.8%
						9.3%
Media & Telecommunications						
Sky Network Television Ltd	SKT	22.5	42.4	1.08	19%	11.2%
Telecom Corp of New Zealand Ltd	TEL	57.3	-22.3	1.24	30%	11.2%
Canwest Mediaworks New Zealand Ltd	MWL	13.5	20.1	1.45	28%	13.0%
Teamtalk Ltd	TTK	10.1	16.1	0.57	12%	8.5%
						11.3%
Mining						
New Zealand Oil & Gas Ltd	NZO	105.3	106.0	1.47	5%	15.1%
						15.1%
Ports						
Auckland International Airport Ltd	AIA	17.6	25.9	0.88	25%	9.6%
Lyttelton Port Co Ltd	LPC	14.7	21.3	0.80	25%	9.4%
Northland Port Corporation (NZ) Ltd	NTH	73.9	86.6	0.78	4%	10.2%
Port of Tauranga Ltd	POT	16.9	25.7	0.77	20%	9.3%
South Port New Zealand Ltd	SPN	13.2	19.6	0.39	6%	7.4%
						9.5%
Property						
AMP NZ Office Trust	APT	5.9	4.3	0.48	37%	7.1%
CDL Investments New Zealand Ltd	CDI	6.3	9.4	0.70	0%	9.8%
Calan Healthcare Properties Trust	CHP	15.9	18.8	0.39	22%	7.1%
Kiwi Income Property Trust	KIP	15.3	15.3	0.40	25%	7.0%
Macquarie Goodman Property Trust	MGP	15.0	14.2	0.40	26%	7.0%
National Property Trust	NAP	16.1	18.4	0.77	61%	7.7%
Property for Industry Ltd	PFI	6.3	5.7	0.39	24%	7.1%
Trans Tasman Properties Ltd	TTP	50.0	24.6	0.85	65%	8.5%
						7.2%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	5.4	3.8	1.48	42%	12.0%
Metlifecare Ltd	MET	27.1	27.4	0.63	10%	8.9%
Ryman Healthcare Ltd	RYM	31.6	30.7	0.63	6%	9.0%
Taylor's Group Ltd	TAY	9.6	13.8	0.67	11%	9.2%
Dominion Finance Holdings Ltd	DFH	17.4	13.2	1.15	74%	8.4%
New Zealand Exchange Ltd	NZX	21.9	31.9	0.64	2%	9.3%
Pyne Gould Corporation Ltd	PGC	9.4	6.9	1.04	71%	7.6%
New Zealand Finance Holdings Ltd	NZF	18.4	27.5	0.59	50%	7.8%
						8.9%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	11.1	16.1	0.85	22%	9.9%
Pod Ltd	POD	-7.3	-3.2	1.36	29%	12.6%
						10.1%
Transport						
Air New Zealand Ltd	AIR	36.2	19.8	1.14	51%	9.6%
Mainfreight Ltd	MFT	17.5	27.9	1.33	9%	13.8%
Toll NZ Ltd	TRH	12.5	11.0	1.26	30%	11.5%
Freightways Ltd	FRE	15.1	24.0	1.30	20%	12.6%
						10.8%
Overseas						
Guinness Peat Group Plc	GPG	21.3	30.9	0.72	15%	9.3%
BIL International Ltd	BRY	277.9	55.6	0.70	20%	9.1%
Lion Nathan Ltd	LNN	12.0	21.8	0.52	0%	8.4%
						8.9%
Market Weighted Average						10.1%

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Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 31 March 2007. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

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