

The Cost of Capital Report

As at 31 March 2006



Welcome to our Cost of Capital Report for the March 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	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	8.4	9.1	1.12	5%	12.3%
PGG Wrightson Ltd	PGW	19.4	30.2	0.88	30%	9.3%
Sanford Ltd	SAN	11.2	16.1	0.53	25%	7.5%
						8.9%
Building Materials & Construction						
Fletcher Building Ltd	FBU	9.5	12.7	0.89	25%	9.4%
Nuplex Industries Ltd	NPX	12.9	16.7	1.29	41%	10.2%
Steel & Tube Holdings Ltd	STU	7.1	10.3	1.18	11%	12.3%
						9.7%
Consumer						
Briscoe Group Ltd	BGR	10.5	16.4	0.47	0%	7.8%
The Colonial Motor Co Ltd	CMO	5.7	6.7	0.40	24%	6.8%
Hallenstein Glasson Holdings Ltd	HLG	12.3	17.9	0.83	1%	10.4%
Kirkcaldie & Stains Ltd	KRK	14.3	24.0	0.47	36%	7.1%
Michael Hill International Ltd	MHI	12.3	17.6	0.48	12%	7.5%
PRG Group	PGR	8.7	2.4	1.95	85%	8.2%
Restaurant Brands New Zealand Ltd	RBD	8.1	11.8	1.10	18%	11.3%
Turners Auctions Ltd	TUA	8.4	11.7	1.42	16%	13.5%
VTL Group Ltd	VTL	165.2	-2.1	2.49	88%	8.9%
Wakefield Health Ltd	WFD	17.9	30.0	0.34	12%	6.6%
The Warehouse Group Ltd	WHS	15.5	30.3	0.71	21%	8.6%
						8.6%
Energy						
Contact Energy Limited	CEN	17.2	31.1	0.75	21%	8.8%
Horizon Energy Distribution Ltd	HED	13.1	14.4	0.54	20%	7.7%
Infratil Ltd	IFT	18.4	22.1	0.98	29%	9.9%
The New Zealand Refining Co Ltd	NZR	11.0	16.7	0.86	3%	10.5%
Trustpower Ltd	TPW	17.2	29.2	0.78	15%	9.3%
						9.3%
Forestry & Forest Products						
Carter Holt Harvey Ltd	CAH	6.9	8.3	1.35	23%	12.1%
Evergreen Forests Ltd	EVF	-3.8	-0.7	1.98	85%	8.9%
Tenon Ltd	TEN	6.6	8.6	1.54	9%	14.9%
						12.2%
Intermediate & Durables						
EBOS Group Ltd	EBO	10.3	15.5	0.74	20%	9.0%
Fisher & Paykel Appliances Holdings Ltd	FPA	17.1	16.4	1.09	39%	9.6%
Fisher & Paykel Healthcare Corporation Ltd	FPH	23.1	34.3	0.91	1%	11.0%
Provenco Group Ltd	PVO	12.3	9.2	2.34	28%	17.7%
Scott Technology Ltd	SCT	84.7	194.2	1.25	5%	13.2%
						10.5%
Investment						
Genesis Research & Development Corp Ltd	GEN	-1.1	-1.1	1.30	1%	13.9%
Hellaby Holdings Ltd	HBY	10.0	11.3	0.94	28%	9.8%
Sealegs Corporation	SLG	-9.4	-9.3	1.91	1%	18.5%
						10.1%

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Leisure & Tourism						
MCK Hotels New Zealand Ltd	MCK	7.2	8.9	0.89	16%	10.0%
Sky City Entertainment Ltd	SKC	15.4	21.7	0.89	34%	8.9%
Tourism Holdings Ltd	THL	10.8	16.8	1.61	33%	13.0%
						9.3%
Media & Telecommunications						
GDC Communications Ltd	GDC	-0.5	-0.3	1.46	44%	11.8%
Sky Network Television Ltd	SKT	24.6	24.0	1.15	7%	12.2%
Telecom Corp of New Zealand Ltd	TEL	9.3	11.9	1.19	27%	10.8%
						11.0%
Mining						
New Zealand Oil & Gas Ltd	NZO	-85.6	-82.5	1.20	0%	13.2%
						13.2%
Ports						
Auckland International Airport Ltd	AIA	16.6	23.6	1.00	21%	10.2%
Lyttelton Port Co Ltd	LPC	13.4	19.2	0.67	19%	8.5%
Northland Port Corporation (NZ) Ltd	NTH	15.8	16.1	1.01	1%	11.7%
Port of Tauranga Ltd	POT	15.0	21.2	0.52	23%	7.3%
South Port New Zealand Ltd	SPN	12.4	17.9	0.34	12%	6.6%
						9.5%
Property						
AMP NZ Office Trust	APT	7.8	5.8	0.51	41%	6.8%
CDL Investments New Zealand Ltd	CDI	6.2	9.2	1.04	0%	12.0%
Calan Healthcare Properties Trust	CHP	14.5	15.6	0.42	23%	7.0%
Capital Properties New Zealand Ltd	CNZ	22.6	19.7	0.51	41%	6.8%
Kiwi Income Property Trust	KIP	15.4	17.2	0.41	27%	6.7%
Macquarie Goodman Property Trust	MGP	23.6	22.4	0.39	22%	6.7%
National Property Trust	NAP	15.5	15.1	0.74	60%	7.6%
Property for Industry Ltd	PFI	6.6	6.2	0.39	22%	6.7%
Trans Tasman Properties Ltd	TTP	33.2	21.4	0.93	68%	8.2%
						7.0%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	20.7	-684.2	1.88	58%	11.7%
Metlifecare Ltd	MET	24.1	22.8	0.71	15%	8.9%
Ryman Healthcare Ltd	RYM	28.4	28.3	0.47	7%	7.6%
Taylor's Group Ltd	TAY	8.5	12.2	0.68	12%	8.9%
Waste Management NZ Ltd	WAM	18.4	29.2	1.06	12%	11.3%
						9.6%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	12.1	14.4	0.86	23%	9.5%
Pod Ltd	POD	4.2	5.6	1.15	35%	10.7%
						9.6%
Transport						
Air New Zealand Ltd	AIR	10.5	7.7	2.04	50%	12.7%
Mainfreight Ltd	MFT	21.7	40.0	1.39	12%	13.6%
Toll NZ Ltd	TRH	14.9	15.7	1.23	26%	11.3%
						12.5%
Overseas						
Guinness Peat Group Plc	GPG	25.0	46.2	0.77	18%	9.1%
BIL International Ltd	BRY	18.9	23.5	0.95	21%	10.1%
Lion Nathan Ltd	LNN	12.1	22.5	0.30	0%	6.5%
						8.1%
Market Weighted Average						9.8%

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Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 31 March 2006. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

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