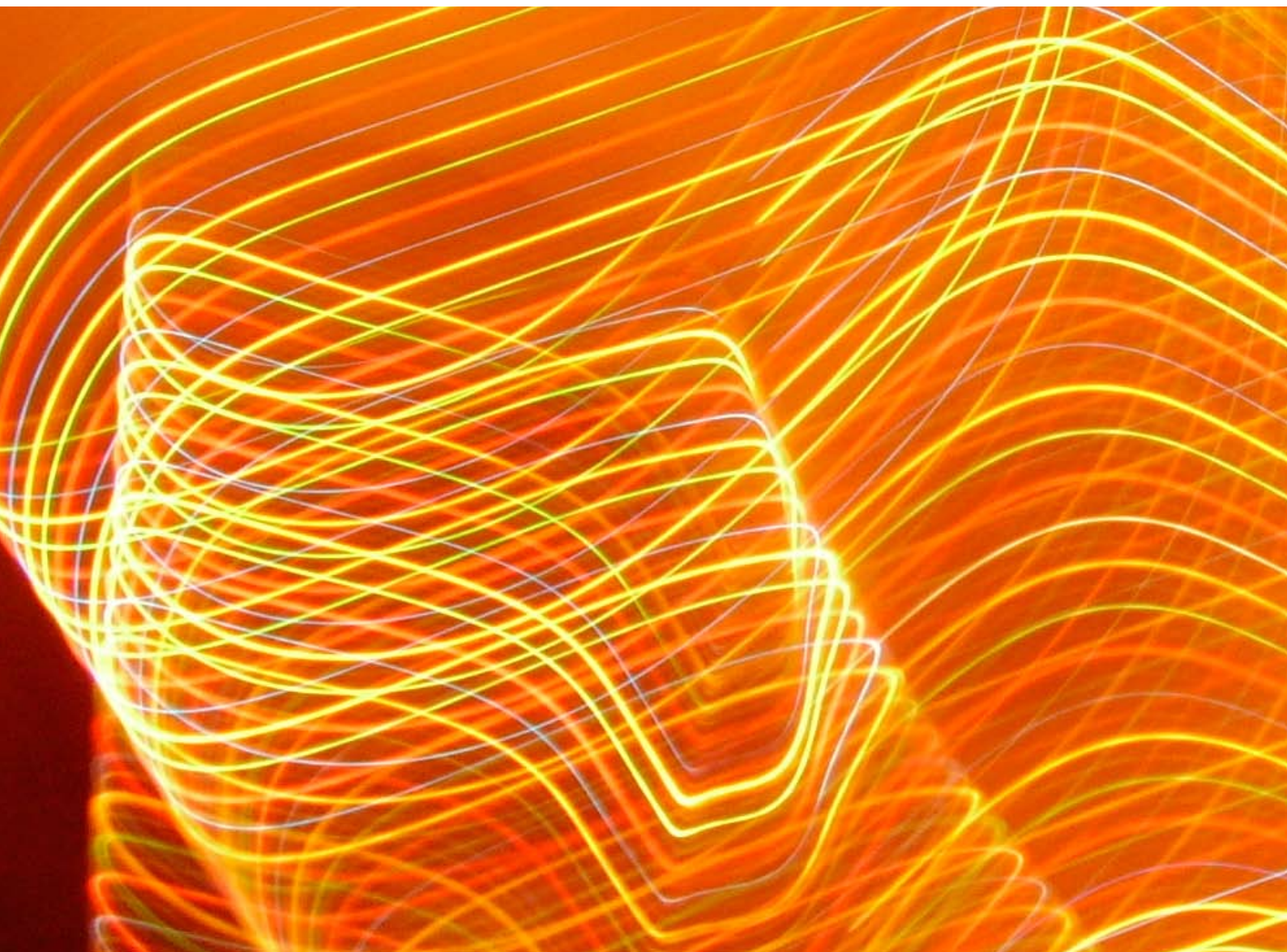


The Cost of Capital Report

As at 31 March 2007



Welcome to our Cost of Capital Report for the March 2007 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	6.4%	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	11.1	14.6	0.99	4%	11.8%
PGG Wrightson Ltd	PGW	16.6	15.7	0.79	56%	8.0%
Sanford Ltd	SAN	11.4	16.8	0.84	26%	9.7%
Turners and Growers	TUR	11.2	18.1	0.74	9%	9.8%
						9.1%
Building Materials & Construction						
Fletcher Building Ltd	FBU	10.3	14.9	1.14	22%	11.4%
Nuplex Industries Ltd	NPX	8.3	9.3	1.30	37%	11.0%
Steel & Tube Holdings Ltd	STU	8.7	12.5	1.10	10%	12.2%
						11.4%
Consumer						
Briscoe Group Ltd	BGR	9.7	14.6	0.44	0%	7.9%
The Colonial Motor Co Ltd	CMO	6.7	8.7	0.38	16%	7.2%
Hallenstein Glasson Holdings Ltd	HLG	9.2	13.8	0.81	0%	10.6%
Kirkcaldie & Stains Ltd	KRK	19.9	50.5	0.46	34%	7.5%
Michael Hill International Ltd	MHI	17.3	22.8	0.45	15%	7.6%
Restaurant Brands New Zealand Ltd	RBD	12.9	25.9	1.10	28%	11.1%
Turners Auctions Ltd	TUA	6.0	7.8	1.27	22%	12.5%
VTL Group Ltd	VTL	10.5	6.5	1.74	83%	8.6%
Wakefield Health Ltd	WFD	19.2	28.6	0.58	17%	8.5%
The Warehouse Group Ltd	WHS	33.8	70.6	0.80	6%	10.3%
Postie Plus Group Ltd	PPG	5.8	8.9	0.74	11%	9.8%
Pumpkin Patch Ltd	PPL	16.5	25.3	1.28	2%	14.0%
Smiths City Group Ltd	SCY	10.5	6.5	1.17	74%	8.3%
Seeka Kiwifruit Industries Ltd	SEK	9.7	11.8	0.78	41%	8.8%
						10.2%
Energy						
Contact Energy Limited	CEN	13.3	19.2	0.90	17%	10.3%
Horizon Energy Distribution Ltd	HED	11.7	18.0	0.53	23%	8.0%
Infratil Ltd	IFT	39.9	101.6	1.13	39%	10.2%
The New Zealand Refining Co Ltd	NZR	7.3	10.9	0.60	0%	9.1%
Trustpower Ltd	TPW	18.8	32.0	0.77	12%	9.7%
						10.0%
Forestry & Forest Products						
Tenon Ltd	TEN	12.1	15.4	1.30	28%	12.2%
						12.2%
Intermediate & Durables						
EBOS Group Ltd	EBO	12.1	17.0	0.93	19%	10.5%
Fisher & Paykel Appliances Holdings Ltd	FPA	16.4	16.3	1.18	42%	10.1%
Fisher & Paykel Healthcare Corporation Ltd	FPH	18.0	26.5	0.81	2%	10.6%
Provenco Group Ltd	PVO	17.7	35.7	1.24	18%	12.6%
Scott Technology Ltd	SCT	119.4	237.3	1.07	0%	12.7%
						10.5%
Investment						
Genesis Research & Development Corp Ltd	GEN	2.1	2.1	0.91	1%	11.4%
Hellaby Holdings Ltd	HBY	8.0	8.7	0.66	41%	7.9%
Sealegs Corporation	SLG	-28.1	-27.9	2.06	1%	20.0%
						9.1%

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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	8.6	10.3	0.65	10%	9.1%
Sky City Entertainment Ltd	SKC	13.7	17.8	0.95	38%	9.3%
Tourism Holdings Ltd	THL	14.4	20.1	1.29	28%	12.1%
						9.5%
Media & Telecommunications						
Sky Network Television Ltd	SKT	19.4	35.2	1.16	22%	11.5%
Telecom Corp of New Zealand Ltd	TEL	56.5	-21.8	1.21	30%	11.1%
Canwest Mediaworks New Zealand Ltd	MWL	13.6	20.2	1.61	28%	13.7%
Teamtalk Ltd	TTK	10.6	16.9	0.61	11%	8.8%
						11.2%
Mining						
New Zealand Oil & Gas Ltd	NZO	112.6	113.8	1.41	5%	14.8%
						14.8%
Ports						
Auckland International Airport Ltd	AIA	19.0	28.5	0.86	23%	9.7%
Lyttelton Port Co Ltd	LPC	15.2	22.4	0.81	24%	9.5%
Northland Port Corporation (NZ) Ltd	NTH	74.4	87.1	0.84	4%	10.7%
Port of Tauranga Ltd	POT	17.3	26.3	0.86	20%	9.9%
South Port New Zealand Ltd	SPN	15.3	23.1	0.40	5%	7.5%
						9.7%
Property						
AMP NZ Office Trust	APT	6.3	4.8	0.46	34%	7.1%
CDL Investments New Zealand Ltd	CDI	5.4	8.1	0.67	0%	9.6%
Calan Healthcare Properties Trust	CHP	16.2	19.2	0.39	22%	7.1%
Kiwi Income Property Trust	KIP	16.2	16.3	0.40	24%	7.0%
Macquarie Goodman Property Trust	MGP	16.3	15.9	0.39	24%	7.0%
National Property Trust	NAP	16.9	20.6	0.72	58%	7.7%
Property for Industry Ltd	PFI	7.2	6.5	0.40	26%	7.1%
Trans Tasman Properties Ltd	TTP	-59.1	-21.0	0.52	43%	7.9%
						7.2%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	6.1	4.6	1.63	37%	13.1%
Metlifecare Ltd	MET	28.1	26.5	0.58	13%	8.5%
Ryman Healthcare Ltd	RYM	33.1	32.2	0.66	6%	9.3%
Taylor's Group Ltd	TAY	9.4	13.5	0.74	11%	9.8%
Dominion Finance Holdings Ltd	DFH	18.3	16.0	1.00	70%	8.1%
New Zealand Exchange Ltd	NZX	22.4	34.3	0.57	1%	8.8%
Pyne Gould Corporation Ltd	PGC	9.7	7.7	0.97	69%	7.6%
New Zealand Finance Holdings Ltd	NZF	16.8	22.7	0.66	54%	7.9%
						8.9%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	10.8	15.6	0.85	23%	9.9%
Pod Ltd	POD	-6.2	-2.5	1.42	34%	12.5%
						10.1%
Transport						
Air New Zealand Ltd	AIR	41.4	25.6	1.22	45%	10.4%
Mainfreight Ltd	MFT	16.1	25.4	1.27	9%	13.4%
Toll NZ Ltd	TRH	12.1	10.5	1.27	31%	11.5%
Freightways Ltd	FRE	14.5	23.0	1.31	21%	12.7%
						11.1%
Overseas						
Guinness Peat Group Plc	GPG	20.2	28.9	0.75	16%	9.5%
BIL International Ltd	BRY	259.5	51.0	0.79	21%	9.6%
Lion Nathan Ltd	LNN	13.1	24.0	0.47	0%	8.1%
						8.8%
Market Weighted Average						10.1%

For further information

Auckland
Private Bag 92162
Ph 09 355 8000
Fax 09 355 8001

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

www.pwc.com/nz

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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