

The Cost of Capital Report

As at 30 September 2007

Welcome to our Cost of Capital Report for the September 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	6.6%	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	10.8	14.2	0.94	5%	11.6%
PGG Wrightson Ltd	PGW	17.2	21.1	0.79	52%	8.3%
Sanford Ltd	SAN	10.6	15.1	0.71	28%	9.0%
Turners and Growers	TUR	10.3	16.5	0.78	10%	10.2%
						9.0%
Building Materials & Construction						
Fletcher Building Ltd	FBU	11.9	14.0	1.25	18%	12.6%
Nuplex Industries Ltd	NPX	13.7	22.1	1.26	37%	11.0%
Steel & Tube Holdings Ltd	STU	9.6	13.7	1.08	16%	11.8%
						12.4%
Consumer						
Briscoe Group Ltd	BGR	8.7	12.1	0.59	0%	9.2%
The Colonial Motor Co Ltd	CMO	6.7	8.6	0.36	16%	7.3%
Hallenstein Glasson Holdings Ltd	HLG	7.8	12.4	0.80	0%	10.7%
Kirkcaldie & Stains Ltd	KRK	16.3	27.4	0.44	32%	7.7%
Michael Hill International Ltd	MHI	20.2	27.3	0.43	13%	7.8%
Restaurant Brands New Zealand Ltd	RBD	12.6	25.0	0.97	29%	10.5%
Turners Auctions Ltd	TUA	11.5	9.5	1.12	28%	11.5%
VTL Group Ltd	VTL	10.0	4.8	2.25	87%	8.6%
Wakefield Health Ltd	WFD	17.9	26.3	0.64	18%	9.0%
The Warehouse Group Ltd	WHS	28.0	57.8	0.81	7%	10.4%
Postie Plus Group Ltd	PPG	5.5	8.4	0.80	11%	10.3%
Pumpkin Patch Ltd	PPL	12.0	18.2	1.24	3%	13.8%
Smiths City Group Ltd	SCY	10.5	7.9	1.30	77%	8.4%
Seeka Kiwifruit Industries Ltd	SEK	13.6	19.8	0.78	45%	8.8%
						10.1%
Energy						
Contact Energy Limited	CEN	14.9	22.2	0.82	17%	10.0%
Horizon Energy Distribution Ltd	HED	10.9	16.2	0.55	24%	8.3%
Infratil Ltd	IFT	39.0	119.7	1.22	46%	10.4%
The New Zealand Refining Co Ltd	NZR	9.1	13.5	0.76	0%	10.5%
Trustpower Ltd	TPW	19.2	27.5	0.75	17%	9.6%
Vector Ltd	VCT	15.5	46.5	0.92	56%	7.9%
						9.5%
Forestry & Forest Products						
Tenon Ltd	TEN	12.0	16.2	1.26	44%	10.9%
						10.9%
Intermediate & Durables						
EBOS Group Ltd	EBO	13.3	21.0	0.91	4%	11.3%
Fisher & Paykel Appliances Holdings Ltd	FPA	16.1	16.5	1.12	44%	9.9%
Fisher & Paykel Healthcare Corporation Ltd	FPH	19.3	29.1	0.70	3%	9.9%
Provenco Group Ltd	PVO	-44.8	-14.6	1.08	34%	10.7%
Scott Technology Ltd	SCT	96.5	191.9	1.03	0%	12.5%
						10.0%
Investment						
Genesis Research & Development Corp Ltd	GEN	2.6	2.6	0.92	1%	11.6%
Hellaby Holdings Ltd	HBY	55.8	-13.4	0.77	56%	9.0%
Sealegs Corporation	SLG	-34.0	-35.3	2.53	1%	23.5%
						10.7%

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Leisure & Tourism						
MCK Hotels New Zealand Ltd	MCK	9.0	10.9	0.60	10%	8.9%
Sky City Entertainment Ltd	SKC	16.1	25.2	1.05	32%	10.6%
Tourism Holdings Ltd	THL	12.6	17.8	1.44	26%	13.1%
						10.6%
Media & Telecommunications						
Sky Network Television Ltd	SKT	17.4	28.7	0.95	22%	10.6%
Telecom Corp of New Zealand Ltd	TEL	9.1	9.5	1.22	31%	11.3%
Mediaworks New Zealand Ltd	MWL	15.8	24.7	1.50	24%	13.6%
Teamtalk Ltd	TTK	11.9	12.8	0.64	37%	8.4%
						11.3%
Mining						
New Zealand Oil & Gas Ltd	NZO	246.5	305.6	1.45	15%	14.2%
						14.2%
Ports						
Auckland International Airport Ltd	AIA	23.9	42.0	0.85	20%	10.0%
Lyttelton Port Co Ltd	LPC	17.5	24.4	0.68	23%	9.0%
Northland Port Corporation (NZ) Ltd	NTH	111.0	157.5	0.68	4%	9.7%
Port of Tauranga Ltd	POT	18.6	26.6	0.79	17%	9.8%
South Port New Zealand Ltd	SPN	21.4	31.7	0.33	2%	7.2%
						9.9%
Property						
AMP NZ Office Trust	APT	3.8	4.0	0.40	25%	7.3%
CDL Investments New Zealand Ltd	CDI	5.7	8.5	0.51	0%	8.6%
ING Medical Properties Trust	IMP	13.6	16.1	0.40	25%	7.4%
Kiwi Income Property Trust	KIP	18.8	17.5	0.48	38%	7.4%
Goodman Property Trust	GMT	9.7	8.5	0.41	28%	7.3%
National Property Trust	NAP	15.8	12.7	0.86	65%	7.9%
Property for Industry Ltd	PFI	6.8	6.1	0.41	27%	7.4%
						7.4%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	13.9	18.6	1.59	38%	12.8%
Metlifecare Ltd	MET	22.0	21.6	0.56	13%	8.6%
Ryman Healthcare Ltd	RYM	27.5	25.0	0.79	10%	10.2%
Taylor's Group Ltd	TAY	8.9	11.7	0.72	17%	9.6%
Dominion Finance Holdings Ltd	DFH	8.6	5.8	1.61	81%	8.2%
New Zealand Exchange Ltd	NZX	22.5	34.4	0.77	1%	10.5%
Pyne Gould Corporation Ltd	PGC	12.6	16.4	1.17	74%	7.8%
New Zealand Finance Holdings Ltd	NZF	39.4	8.8	1.16	74%	8.8%
						9.4%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	10.4	14.2	0.80	25%	9.6%
						9.6%
Transport						
Air New Zealand Ltd	AIR	18.0	12.1	1.32	44%	10.8%
Mainfreight Ltd	MFT	9.6	11.8	1.19	12%	12.8%
Toll NZ Ltd	TRH	13.8	18.0	0.93	27%	10.1%
Freightways Ltd	FRE	13.2	19.5	1.25	27%	12.0%
						11.1%
Overseas						
Guinness Peat Group Plc	GPG	35.0	69.8	0.85	17%	10.3%
BIL International Ltd	BRY	218.6	40.8	0.57	25%	8.3%
Lion Nathan Ltd	LNN	14.3	26.2	0.45	0%	8.1%
						8.8%
Market Weighted Average						10.1%

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Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 30 September 2007. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

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