

The Cost of Capital Report

As at 30 September 2005



Welcome to our Cost of Capital Report for the September 2005 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	6.0%	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	4.1	4.0	0.94	7%	11.0%
Pyne Gould Guinness Ltd	PGG	12.7	15.2	0.97	42%	9.2%
Sanford Ltd	SAN	5.2	7.8	0.46	0%	7.8%
Wrightson Ltd	WRI	25.0	36.5	1.05	5%	11.8%
						9.8%
Building Materials & Construction						
Fletcher Building Ltd	FBU	8.7	11.3	0.92	28%	9.5%
Nuplex Industries Ltd	NPX	10.7	11.8	1.03	50%	8.7%
Steel & Tube Holdings Ltd	STU	8.2	12.0	0.97	9%	11.1%
						9.5%
Consumer						
Briscoe Group Ltd	BGR	10.1	15.9	0.45	0%	7.7%
The Colonial Motor Co Ltd	CMO	6.1	7.3	0.39	23%	6.9%
Hallenstein Glasson Holdings Ltd	HLG	11.8	17.2	0.75	1%	9.9%
Kirkcaldie & Stains Ltd	KRK	12.6	24.2	0.47	37%	7.3%
Michael Hill International Ltd	MHI	12.2	17.6	0.46	12%	7.4%
Pacific Retail Group Ltd	PRG	8.9	2.8	1.74	83%	8.6%
Restaurant Brands New Zealand Ltd	RBD	8.6	12.7	0.92	17%	10.3%
Turners Auctions Ltd	TUA	7.4	10.1	1.33	7%	13.7%
VTL Group Ltd	VTL	163.6	-1.9	2.68	89%	9.3%
Wakefield Health Ltd	WFD	13.7	21.9	0.36	16%	6.8%
The Warehouse Group Ltd	WHS	13.4	19.5	0.68	22%	8.5%
						8.6%
Energy						
Contact Energy Limited	CEN	16.9	30.4	0.59	21%	7.9%
Horizon Energy Distribution Ltd	HED	12.8	13.9	0.47	20%	7.3%
Infratil Ltd	IFT	17.4	20.3	0.92	30%	9.5%
The New Zealand Refining Co Ltd	NZR	10.0	15.2	0.67	3%	9.2%
Trustpower Ltd	TPW	15.2	25.3	0.68	16%	8.7%
						8.4%
Forestry & Forest Products						
Carter Holt Harvey Ltd	CAH	6.5	7.7	1.41	25%	12.4%
Evergreen Forests Ltd	EVF	-10.2	-4.3	0.78	61%	7.8%
Tenon Ltd	TEN	7.9	10.5	1.65	8%	15.9%
						12.5%
Intermediate & Durables						
EBOS Group Ltd	EBO	12.4	15.9	0.62	13%	8.6%
Fisher & Paykel Appliances Holdings Ltd	FPA	15.3	13.6	0.87	43%	8.4%
Fisher & Paykel Healthcare Corporation Ltd	FPH	20.8	30.8	0.70	1%	9.5%
Provenco Group Ltd	PVO	14.6	11.7	2.30	23%	18.2%
Scott Technology Ltd	SCT	11.3	17.0	0.94	0%	11.3%
						9.3%
Investment						
Genesis Research & Development Corp Ltd	GEN	-0.6	-0.6	1.33	1%	14.2%
Hellaby Holdings Ltd	HBY	12.2	14.8	0.77	23%	9.1%
Sealegs Corporation	SLG	-12.3	-12.3	2.41	1%	22.2%
						9.6%

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Leisure & Tourism						
CDL Hotels New Zealand Ltd	CDL	7.6	12.8	0.93	12%	10.6%
Sky City Entertainment Ltd	SKC	14.3	19.4	0.80	37%	8.4%
Tourism Holdings Ltd	THL	11.3	18.0	1.39	32%	12.0%
						8.9%
Media & Telecommunications						
GDC Communications Ltd	GDC	-1.6	-1.3	1.34	14%	13.3%
Sky Network Television Ltd	SKT	47.1	67.9	1.19	10%	12.4%
Telecom Corp of New Zealand Ltd	TEL	9.8	12.9	1.42	25%	12.4%
						12.4%
Mining						
New Zealand Oil & Gas Ltd	NOG	-86.8	-83.7	0.99	0%	11.7%
						11.7%
Ports						
Auckland International Airport Ltd	AIA	18.2	26.4	0.82	19%	9.3%
Lyttelton Port Co Ltd	LPC	12.5	17.6	0.59	20%	8.1%
Northland Port Corporation (NZ) Ltd	NTH	37.4	41.4	0.76	2%	9.9%
Port of Tauranga Ltd	POT	13.1	17.8	0.40	26%	6.6%
South Port New Zealand Ltd	SPN	10.7	15.0	0.36	17%	6.8%
						8.8%
Property						
AMP NZ Office Trust	APT	19.5	13.6	0.54	44%	7.0%
CDL Investments New Zealand Ltd	CDI	6.0	8.4	1.03	0%	12.0%
Calan Healthcare Properties Trust	CHP	14.0	14.9	0.49	24%	7.4%
Capital Properties New Zealand Ltd	CNZ	22.3	19.3	0.51	42%	7.0%
Kiwi Income Property Trust	KIP	14.3	15.4	0.43	30%	6.8%
Macquarie Goodman Property Trust	MGP	19.4	17.3	0.41	27%	6.8%
National Property Trust	NAP	16.9	18.5	0.66	55%	7.6%
Property for Industry Ltd	PFI	6.0	5.5	0.40	24%	6.8%
Trans Tasman Properties Ltd	TTP	10.9	9.8	0.67	44%	8.2%
						7.2%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	28.3	-1279.5	1.92	42%	13.7%
Metlifecare Ltd	MET	20.7	19.0	0.69	18%	8.8%
Ryman Healthcare Ltd	RYM	22.0	21.0	0.46	9%	7.5%
Taylors Group Ltd	TAY	10.5	15.4	0.44	10%	7.4%
Waste Management NZ Ltd	WAM	15.6	24.5	0.87	14%	10.1%
						9.1%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	14.1	17.4	0.61	20%	8.2%
Pod Ltd	POD	8.3	11.3	1.06	29%	10.6%
						8.6%
Transport						
Air New Zealand Ltd	AIR	12.1	6.4	1.75	55%	11.2%
Mainfreight Ltd	MFT	16.9	30.1	1.20	16%	12.1%
Toll NZ Ltd	TRH	17.0	18.8	1.21	23%	11.5%
						11.4%
Overseas						
Guinness Peat Group Plc	GPG	18.5	29.1	0.74	10%	9.4%
BIL International Ltd	BRY	16.4	16.2	1.12	27%	10.9%
Lion Nathan Ltd	LNN	16.8	27.4	0.39	23%	6.7%
						8.0%

Market Weighted Average

9.8%

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Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 30 September 2005. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

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