

The Cost of Capital Report

As at 30 September 2006



Welcome to our Cost of Capital Report for the September 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	6.1%	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	8.2	8.9	1.12	5%	12.5%
PGG Wrightson Ltd	PGW	17.5	17.6	0.94	53%	8.4%
Sanford Ltd	SAN	10.5	14.7	0.77	27%	9.0%
Turners and Growers Ltd	TUR	10.4	14.3	0.86	18%	10.0%
						9.2%
Building Materials & Construction						
Fletcher Building Ltd	FBU	8.5	11.6	0.99	26%	10.0%
Nuplex Industries Ltd	NPX	7.6	8.0	1.23	40%	10.2%
Steel & Tube Holdings Ltd	STU	9.1	13.1	1.38	10%	13.9%
						10.3%
Consumer						
Briscoe Group Ltd	BGR	9.3	14.0	0.47	0%	7.9%
The Colonial Motor Co Ltd	CMO	6.0	7.2	0.39	23%	7.0%
Hallenstein Glasson Holdings Ltd	HLG	9.6	14.4	0.92	0%	11.3%
Kirkcaldie & Stains Ltd	KRK	12.4	19.0	0.51	41%	7.5%
Michael Hill International Ltd	MHI	11.9	17.0	0.56	13%	8.3%
Postie Plus Group Ltd	PPG	13.9	23.5	0.72	19%	9.1%
Pumpkin Patch Ltd	PPL	18.6	27.4	1.23	0%	13.6%
Restaurant Brands New Zealand Ltd	RBD	14.8	31.0	1.18	24%	11.6%
Smiths City Group Ltd	SCY	10.4	6.4	1.19	75%	8.1%
Seeka Kiwifruit Industries Ltd	SEK	9.2	10.9	0.82	43%	8.7%
Turners Auctions Ltd	TUA	7.0	9.4	1.37	19%	13.2%
VTL Group Ltd	VTL	10.1	5.1	2.13	86%	8.8%
Wakefield Health Ltd	WFD	17.7	25.9	0.37	18%	6.9%
The Warehouse Group Ltd	WHS	23.6	50.4	0.75	14%	9.3%
						9.8%
Energy						
Contact Energy Limited	CEN	10.8	14.9	0.89	21%	9.8%
Horizon Energy Distribution Ltd	HED	11.8	18.2	0.68	23%	8.7%
Infratil Ltd	IFT	33.8	76.2	1.01	46%	9.0%
The New Zealand Refining Co Ltd	NZR	7.1	10.8	0.71	3%	9.6%
Trustpower Ltd	TPW	15.4	25.5	0.68	15%	8.8%
						9.4%
Forestry & Forest Products						
Tenon Ltd	TEN	12.5	16.1	1.35	27%	12.4%
						12.4%
Intermediate & Durables						
EBOS Group Ltd	EBO	10.9	16.6	0.96	19%	10.6%
Fisher & Paykel Appliances Holdings Ltd	FPA	16.3	16.0	1.27	43%	10.3%
Fisher & Paykel Healthcare Corporation Ltd	FPH	20.5	30.3	0.94	2%	11.3%
Provenco Group Ltd	PVO	14.7	28.2	1.72	21%	15.1%
Scott Technology Ltd	SCT	69.9	158.5	1.28	6%	13.6%
						11.0%
Investment						
Genesis Research & Development Corp Ltd	GEN	-0.9	-0.9	0.96	1%	11.6%
Hellaby Holdings Ltd	HBY	10.9	12.7	0.82	26%	9.4%
Sealegs Corporation	SLG	-9.6	-9.5	1.45	2%	15.2%
						9.6%

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Leisure & Tourism						
MCK Hotels New Zealand Ltd	MCK	7.3	9.1	0.71	16%	9.1%
Sky City Entertainment Ltd	SKC	14.6	19.7	0.99	35%	9.4%
Tourism Holdings Ltd	THL	11.4	18.1	1.52	32%	12.8%
						9.6%
Media & Telecommunications						
Canwest Mediaworks New Zealand Ltd	MWL	13.1	24.4	1.08	38%	10.0%
Sky Network Television Ltd	SKT	19.3	34.9	1.12	23%	11.0%
Telecom Corp of New Zealand Ltd	TEL	52.9	-19.8	1.23	32%	10.8%
Teamtalk Ltd	TTK	10.1	16.1	0.64	12%	8.8%
						10.8%
Mining						
New Zealand Oil & Gas Ltd	NZO	95.3	95.4	1.29	6%	13.6%
						13.6%
Ports						
Auckland International Airport Ltd	AIA	16.6	24.0	0.97	26%	9.8%
Lyttelton Port Co Ltd	LPC	12.3	17.3	0.71	20%	8.9%
Northland Port Corporation (NZ) Ltd	NTH	67.7	78.9	0.92	4%	11.1%
Port of Tauranga Ltd	POT	14.6	21.4	0.64	23%	8.2%
South Port New Zealand Ltd	SPN	11.9	17.7	0.32	7%	6.7%
						9.5%
Property						
AMP NZ Office Trust	APT	5.2	3.5	0.52	42%	7.0%
CDL Investments New Zealand Ltd	CDI	6.0	8.9	0.75	0%	10.0%
Calan Healthcare Properties Trust	CHP	14.9	17.2	0.39	24%	7.0%
Kiwi Income Property Trust	KIP	14.1	13.6	0.41	28%	6.8%
Macquarie Goodman Property Trust	MGP	12.5	10.9	0.44	31%	6.9%
National Property Trust	NAP	15.7	17.1	0.80	63%	7.5%
Property for Industry Ltd	PFI	6.0	5.3	0.40	25%	6.9%
Trans Tasman Properties Ltd	TTP	50.3	25.0	0.84	64%	8.3%
						7.1%
Finance & Other Services						
Abano Healthcare Group Ltd	ABA	3.8	1.9	1.54	59%	10.6%
Dominion Finance Holdings Ltd	DFH	16.2	9.8	1.44	79%	8.0%
Metlifecare Ltd	MET	26.5	26.8	0.63	10%	8.7%
New Zealand Exchange Ltd	NZX	20.8	30.3	0.72	2%	9.8%
Pyne Gould Corporation Ltd	PGC	9.4	6.8	1.05	72%	7.4%
Ryman Healthcare Ltd	RYM	26.5	25.4	0.52	7%	8.0%
Taylors Group Ltd	TAY	8.6	12.1	0.82	12%	10.0%
						8.0%
Textiles & Apparel						
Cavalier Corporation Ltd	CAV	11.3	16.5	0.93	22%	10.2%
Pod Ltd	POD	-7.2	-3.2	1.26	29%	11.8%
						10.3%
Transport						
Air New Zealand Ltd	AIR	10.3	7.5	1.26	51%	9.7%
Freightways Ltd	FRE	12.8	19.6	1.19	24%	11.6%
Mainfreight Ltd	MFT	14.6	22.8	1.35	10%	13.6%
Toll NZ Ltd	TRH	13.2	11.8	1.22	28%	11.3%
						10.8%
Overseas						
BIL International Ltd	BRY	18.0	22.0	0.65	22%	8.5%
Guinness Peat Group Plc	GPG	16.9	23.3	0.73	19%	9.0%
Lion Nathan Ltd	LNN	11.7	21.8	0.44	0%	7.7%
						8.2%
Market Weighted Average						9.6%

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Disclaimer: The Cost of Capital Report is intended as an overview of WACC as at 30 September 2006. Readers are advised that before acting on any matter arising in this report, they should consult PricewaterhouseCoopers Corporate Finance.

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