

New Zealand Cost of Capital

December 11, 2008

Riskfree Rate		5.00%
Country Premium	Aa2	0.65%
Equity Risk Premium		5.00%
Std Error on Risk Premium		2.30%

Brent Wheeler Limited Economics Corporate Finance Investment Banking

Industry Name	Leveraged Beta	Raw Cost of Equity	Adjusted Cost of Equity	Raw Cost of Debt	Adjusted Cost of Debt	Debt to Total Capital	NZ WACC
Advertising	1.72	13.59%	14.71%	8.50%	9.15%	14.41%	13.91%
Air Transport	1.11	10.55%	11.27%	7.50%	8.15%	54.06%	9.58%
Apparel	0.86	9.28%	9.83%	8.50%	9.15%	15.49%	9.73%
Auto & Truck	0.95	9.74%	10.35%	6.50%	7.15%	66.53%	8.22%
Auto Parts	0.87	9.33%	9.90%	8.50%	9.15%	42.30%	9.58%
Bank	0.69	8.45%	8.90%	5.75%	6.40%	27.41%	8.21%
Beverage (Alcoholic)	0.55	7.74%	8.09%	6.00%	6.65%	16.71%	7.85%
Beverage (Soft Drink)	0.68	8.38%	8.82%	6.00%	6.65%	11.18%	8.58%
Biotechnology	1.10	10.48%	11.19%	8.50%	9.15%	1.45%	11.16%
Building Materials	0.83	9.14%	9.68%	7.50%	8.15%	25.23%	9.30%
Cement & Aggregates	0.71	8.56%	9.03%	6.00%	6.65%	24.64%	8.44%
Chemical (Basic)	0.86	9.31%	9.87%	7.50%	8.15%	29.53%	9.36%
Chemical (Diversified)	0.76	8.82%	9.32%	6.50%	7.15%	20.65%	8.87%
Chemical (Specialty)	0.78	8.91%	9.42%	7.50%	8.15%	32.21%	9.01%
Coal	0.78	8.88%	9.38%	8.50%	9.15%	24.04%	9.32%
Computer & Peripherals	1.77	13.87%	15.02%	8.50%	9.15%	6.61%	14.63%
Computer Software & Svcs	1.81	14.06%	15.24%	8.50%	9.15%	4.75%	14.95%
Diversified Co.	0.82	9.11%	9.65%	6.50%	7.15%	30.40%	8.89%
Drug	1.04	10.20%	10.87%	8.50%	9.15%	3.65%	10.81%
E-Commerce	3.34	21.68%	23.84%	8.50%	9.15%	19.42%	20.99%
Educational Services	0.90	9.50%	10.09%	7.50%	8.15%	2.64%	10.03%
Electric Power	0.57	7.83%	8.20%	6.00%	6.65%	47.11%	7.47%
Electrical Equipment	1.25	11.25%	12.07%	8.50%	9.15%	4.11%	11.95%
Electronics	1.28	11.39%	12.22%	8.50%	9.15%	22.67%	11.53%
Entertainment	1.35	11.74%	12.61%	8.50%	9.15%	18.35%	11.98%
Entertainment Tech	1.94	14.70%	15.96%	8.50%	9.15%	2.73%	15.78%
Environmental	0.75	8.74%	9.22%	8.50%	9.15%	41.80%	9.19%
Financial Services	0.96	9.78%	10.40%	7.50%	8.15%	34.28%	9.63%
Food Processing	0.63	8.15%	8.55%	6.50%	7.15%	30.39%	8.13%
Food Wholesalers	0.69	8.46%	8.91%	7.50%	8.15%	21.88%	8.75%
Foreign Electron/Entertn	1.25	11.24%	12.05%	6.50%	7.15%	25.76%	10.79%
Furn./Home Furnishings	0.81	9.07%	9.60%	6.50%	7.15%	18.35%	9.15%
Gold/Silver Mining	0.36	6.80%	7.04%	7.50%	8.15%	17.84%	7.24%
Grocery	0.66	8.32%	8.75%	6.50%	7.15%	32.02%	8.24%
Home Appliance	0.92	9.58%	10.18%	6.50%	7.15%	28.61%	9.31%
Homebuilding	0.81	9.07%	9.60%	6.50%	7.15%	39.62%	8.63%
Hotel/Gaming Entertn	0.90	9.50%	10.08%	7.50%	8.15%	47.73%	9.16%
Household Products	0.77	8.86%	9.36%	6.50%	7.15%	13.72%	9.05%
Human Resources	1.02	10.08%	10.74%	7.50%	8.15%	7.79%	10.54%
Industrial Services	0.82	9.12%	9.65%	8.50%	9.15%	24.90%	9.53%
Information Services	1.13	10.66%	11.39%	7.50%	8.15%	10.97%	11.04%
Insurance (Life)	0.85	9.27%	9.82%	6.50%	7.15%	10.92%	9.53%
Insurance (Prop/Casualty)	0.82	9.09%	9.62%	6.50%	7.15%	1.59%	9.58%
Internet	2.50	17.49%	19.11%	8.50%	9.15%	10.80%	18.04%
Investment Co.	0.62	8.08%	8.48%	5.50%	6.15%	35.10%	7.66%
Machinery	0.78	8.90%	9.41%	7.50%	8.15%	38.89%	8.92%
Manuf. Rec Vehicles	0.83	9.13%	9.67%	7.50%	8.15%	20.33%	9.36%
Maritime	0.76	8.82%	9.31%	7.50%	8.15%	54.99%	8.67%
Medical Services	0.84	9.21%	9.76%	8.50%	9.15%	20.58%	9.63%
Medical Supplies	0.86	9.29%	9.85%	8.50%	9.15%	4.68%	9.81%
Metal Fabricating	0.83	9.13%	9.66%	7.50%	8.15%	19.05%	9.37%
Metals & Mining	0.96	9.81%	10.43%	7.50%	8.15%	32.22%	9.70%
Natural Gas	0.59	7.96%	8.34%	6.00%	6.65%	46.73%	7.55%
Newspaper	0.82	9.10%	9.64%	6.00%	6.65%	23.97%	8.92%
Office Equip & Supplies	0.84	9.18%	9.72%	7.50%	8.15%	39.19%	9.10%
Packaging & Container	0.82	9.09%	9.62%	7.50%	8.15%	54.44%	8.82%
Paper & Forest Products	0.83	9.16%	9.70%	6.50%	7.15%	42.89%	8.60%
Petroleum (Integrated)	0.81	9.03%	9.55%	6.50%	7.15%	12.98%	9.24%
Pharmacy Services	0.92	9.62%	10.22%	7.50%	8.15%	14.68%	9.91%
Precision Instrument	1.20	10.99%	11.76%	8.50%	9.15%	11.32%	11.47%
Publishing	0.85	9.26%	9.82%	8.50%	9.15%	15.73%	9.71%
Commercial Property	0.65	8.24%	8.67%	5.75%	6.40%	6.39%	8.52%
Railroad	0.76	8.79%	9.28%	6.00%	6.65%	40.73%	8.21%
Recreation	0.90	9.48%	10.06%	8.50%	9.15%	20.47%	9.87%
Restaurant	0.77	8.83%	9.33%	7.50%	8.15%	17.00%	9.13%
Retail (Special Lines)	1.01	10.05%	10.70%	8.50%	9.15%	13.04%	10.50%
Retail Building Supply	0.86	9.31%	9.87%	6.50%	7.15%	3.37%	9.77%
Retail Store	0.92	9.61%	10.21%	6.50%	7.15%	16.54%	9.70%
Securities Brokerage	1.27	11.37%	12.19%	7.50%	8.15%	44.76%	10.38%
Semiconductor	2.35	16.76%	18.29%	8.50%	9.15%	5.09%	17.82%
Semiconductor Cap Eq	2.24	16.19%	17.65%	8.50%	9.15%	5.31%	17.20%
Shoe	0.85	9.23%	9.78%	7.50%	8.15%	11.71%	9.59%
Telecom. Equipment	1.12	10.60%	11.33%	8.50%	9.15%	13.28%	11.04%
Telecom. Services	0.85	9.25%	9.80%	8.50%	9.15%	39.06%	9.55%
Textile	0.82	9.09%	9.62%	8.50%	9.15%	77.18%	9.26%
Tire & Rubber	0.90	9.48%	10.06%	6.50%	7.15%	39.19%	8.92%
Tobacco	0.60	8.00%	8.39%	6.50%	7.15%	23.73%	8.10%
Toiletries/Cosmetics	0.84	9.21%	9.75%	6.50%	7.15%	12.71%	9.42%
Water Utility	0.49	7.44%	7.76%	5.75%	6.40%	40.61%	7.21%
Wireless Networking	2.50	17.51%	19.14%	8.50%	9.15%	31.36%	16.01%
Market	1.00	10.00%	10.65%	7.50%	8.15%	22.98%	10.08%