

GLOBAL MARKET PLACE

- World Outlook
- NZ Outlook
- Payout
- Interest Rates

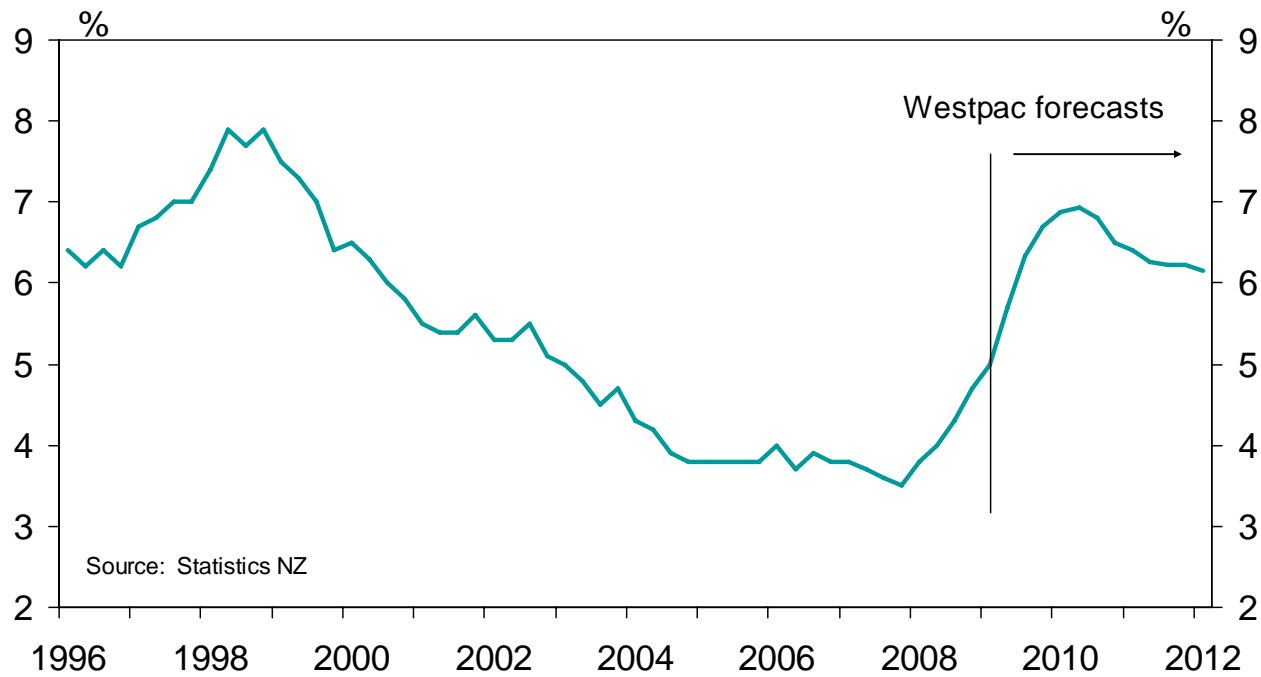


WORLD OUTLOOK

- ‘Green Shoots of Recovery’
 - » Consumer Confidence -USA
 - » Investor Expectations - EU
 - » Income Levels - World
- Liquidity
 - » Money flowing freely?
 - » Risk premium
 - » China

NZ OUTLOOK

- Unemployment



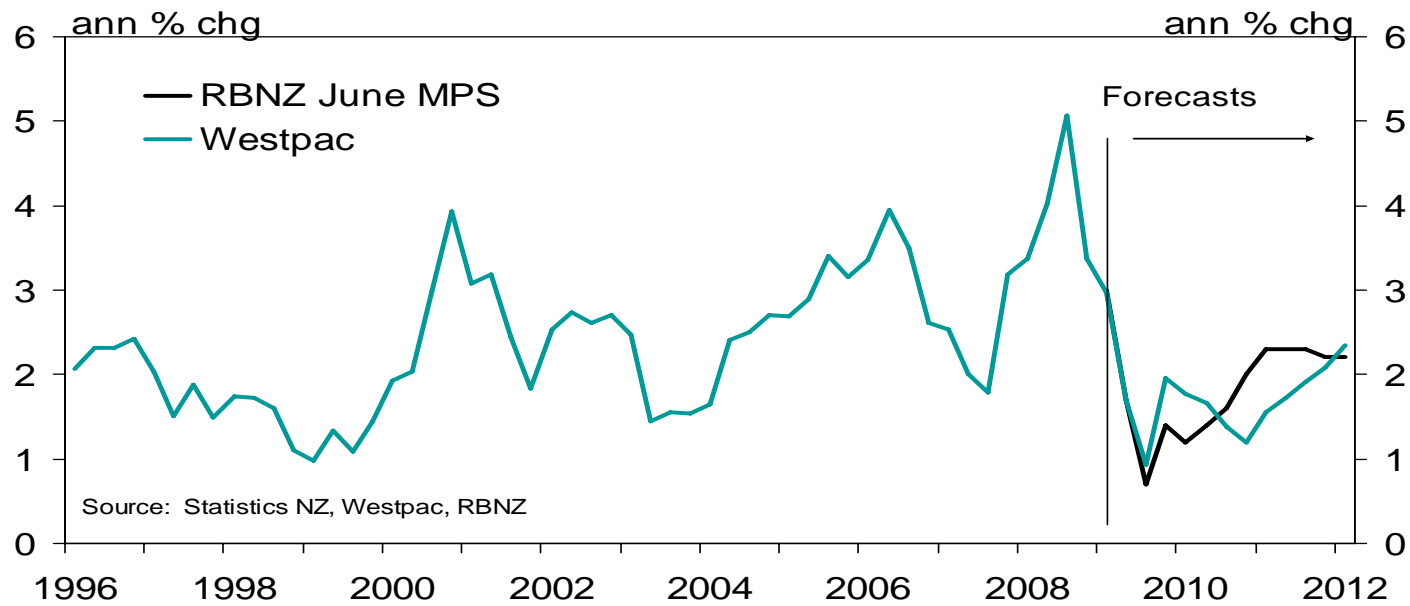
NZ OUTLOOK

- Migration

- » 50,000 extra people to move to NZ over the next 2 years
- » Economic growth “People lend recovery”
- » Increased demand for housing
- » OCR increase?

NZ OUTLOOK

- Inflation



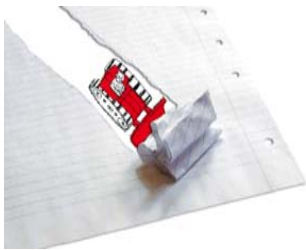
NZ OUTLOOK

- Export lead recovery?
 - » Is the recession over?
 - » When will it happen?



(1) FONTERRA PAYOUT

(2) INTEREST RATES



FONTERRA PAYOUT

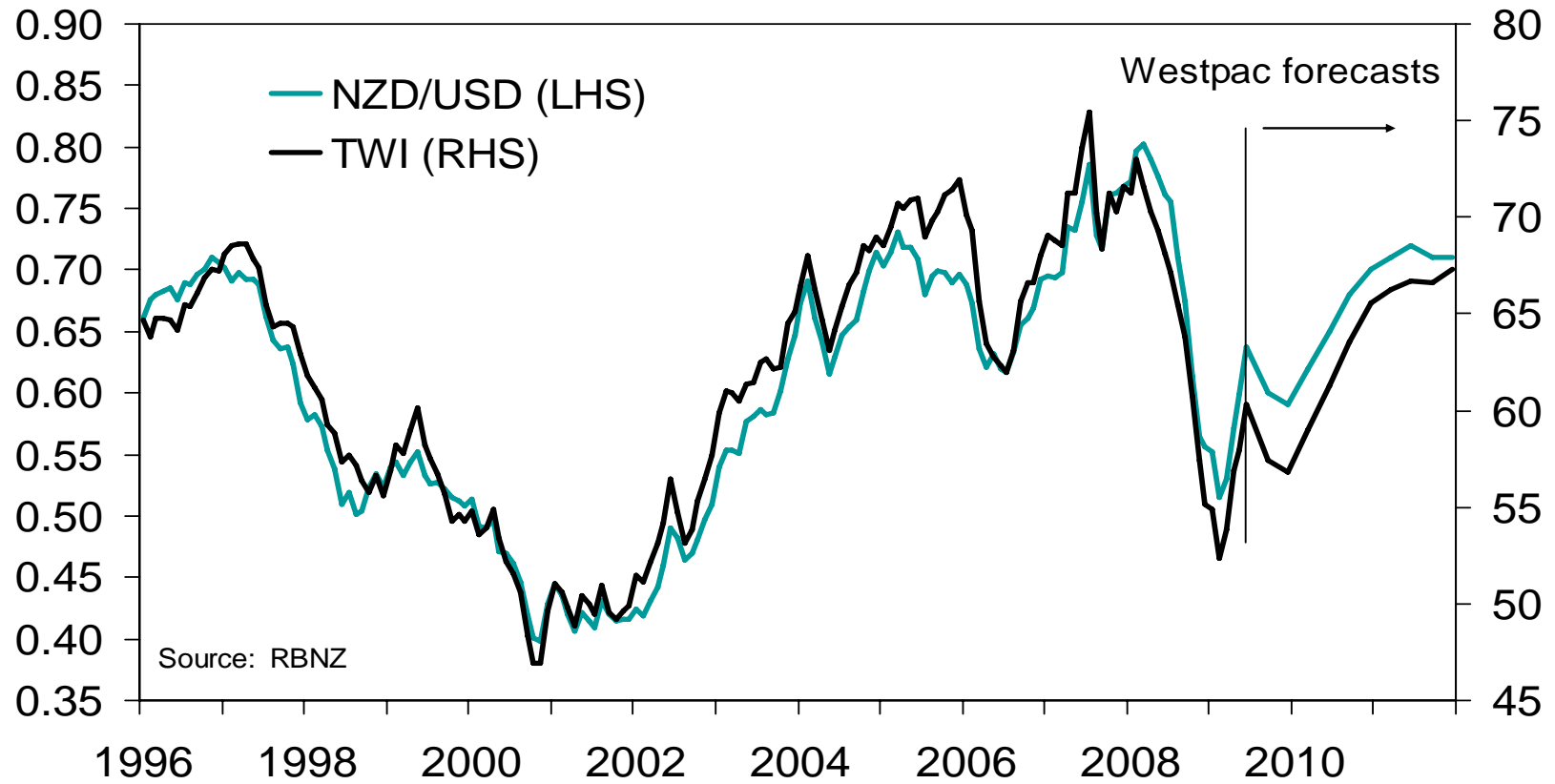
- Currency (USD)
- Commodity Prices



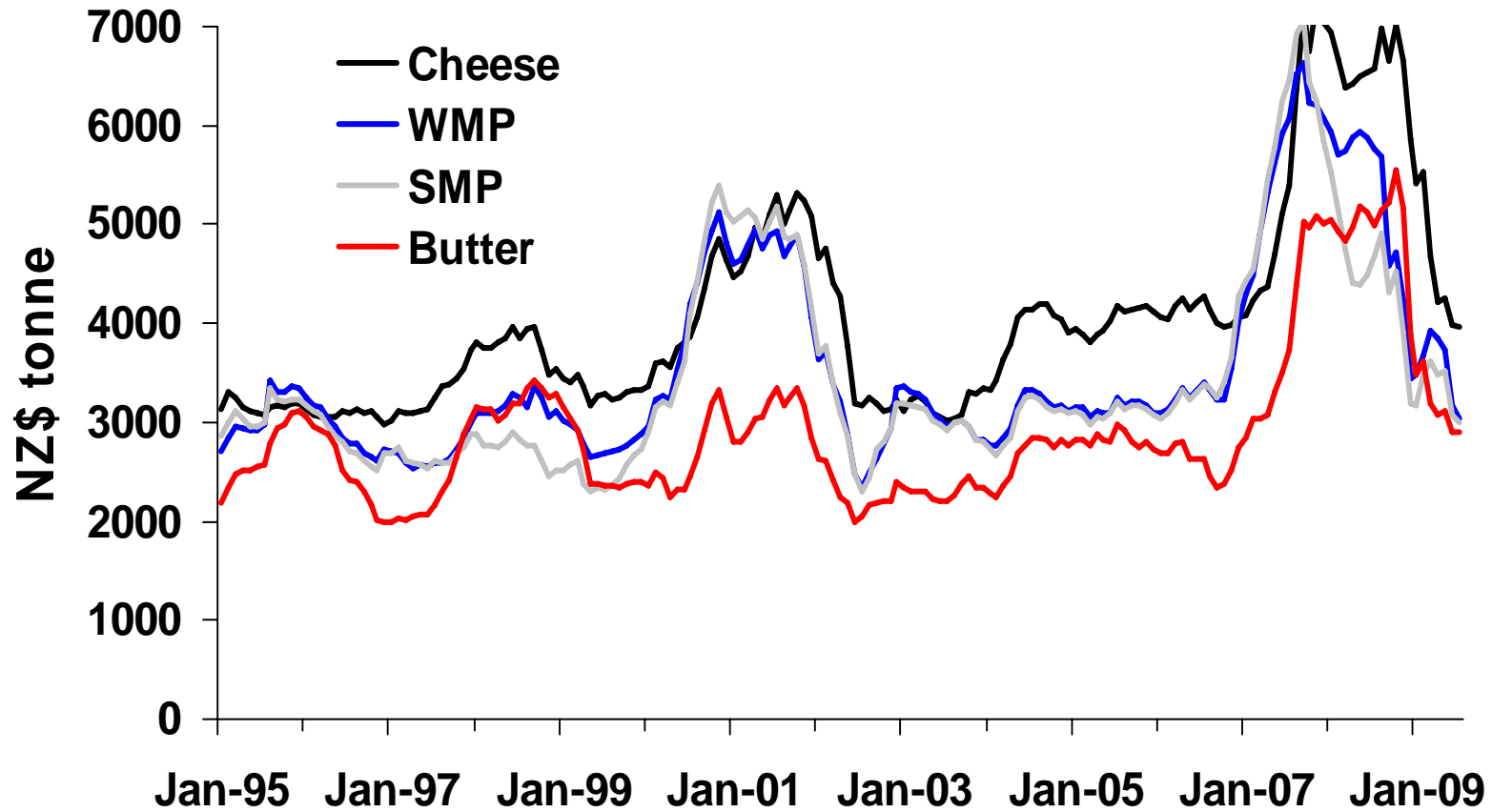
What's driving the NZD right now?

- Global appetite for risk (dominant factor)
- Interest rate differentials with other countries
- New Zealand's economic fundamentals
- Commodity prices

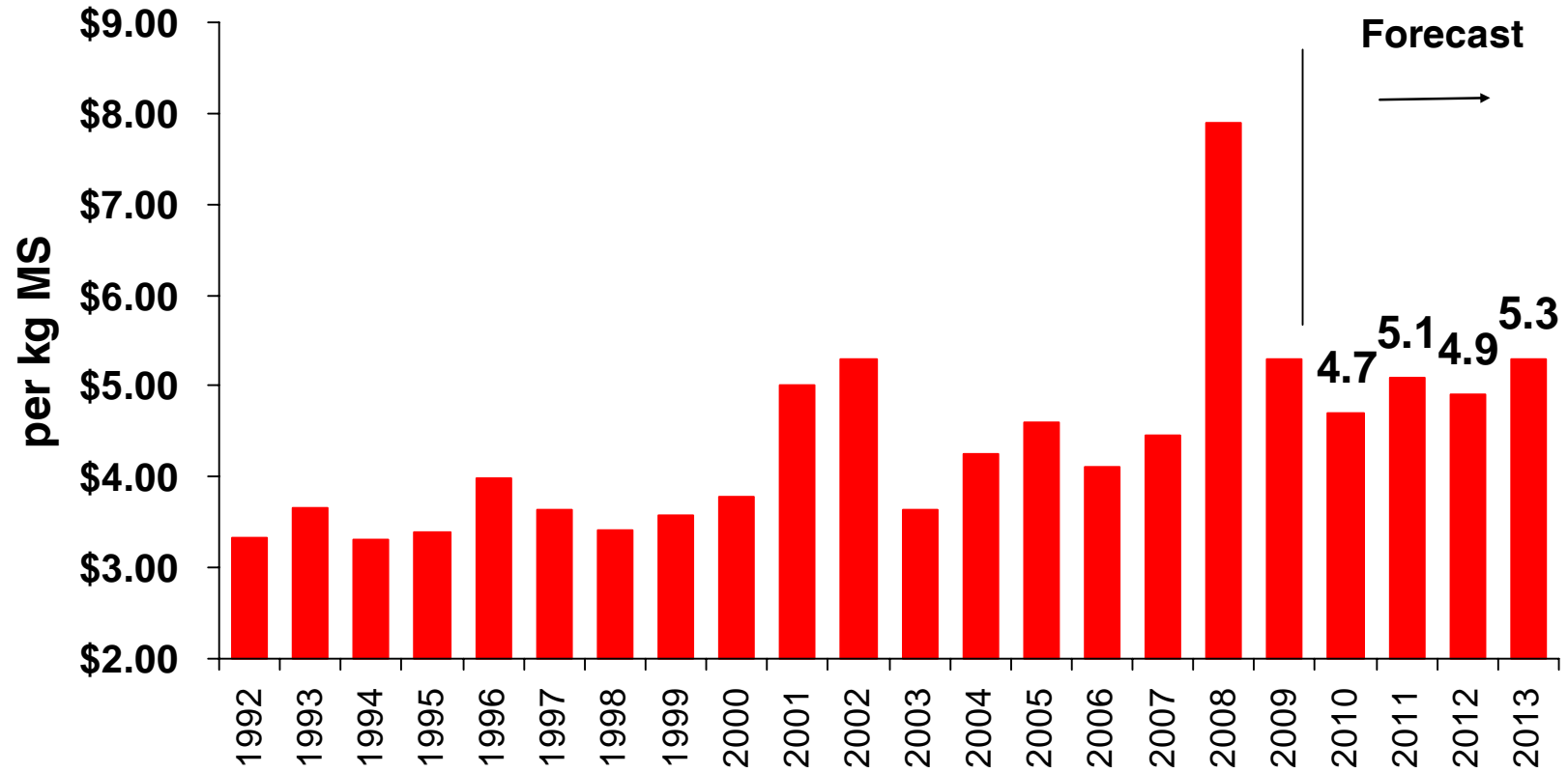
NZD/USD & TWI



COMMODITY PRICES NZD



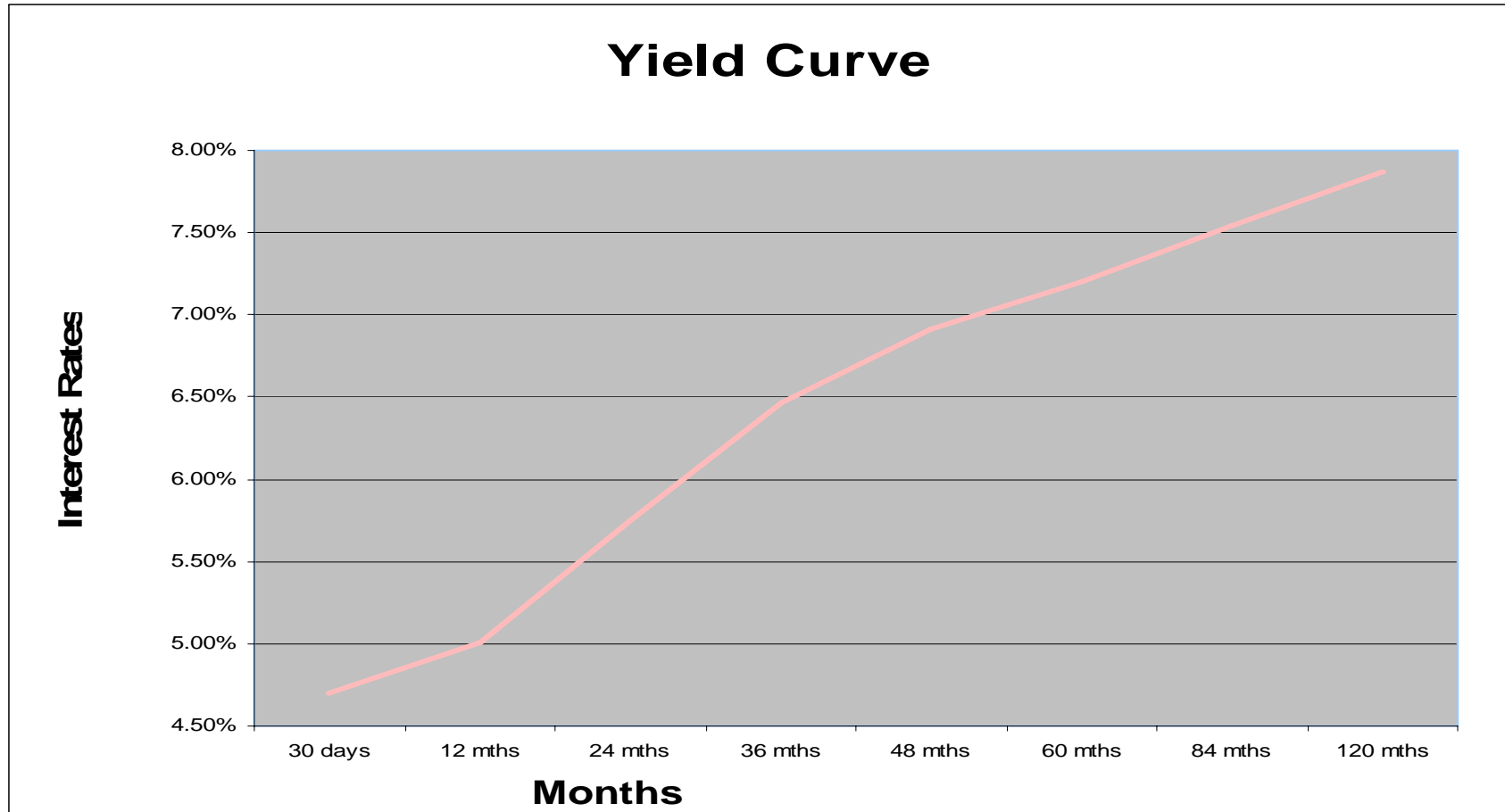
FONTERRA PAYOUT



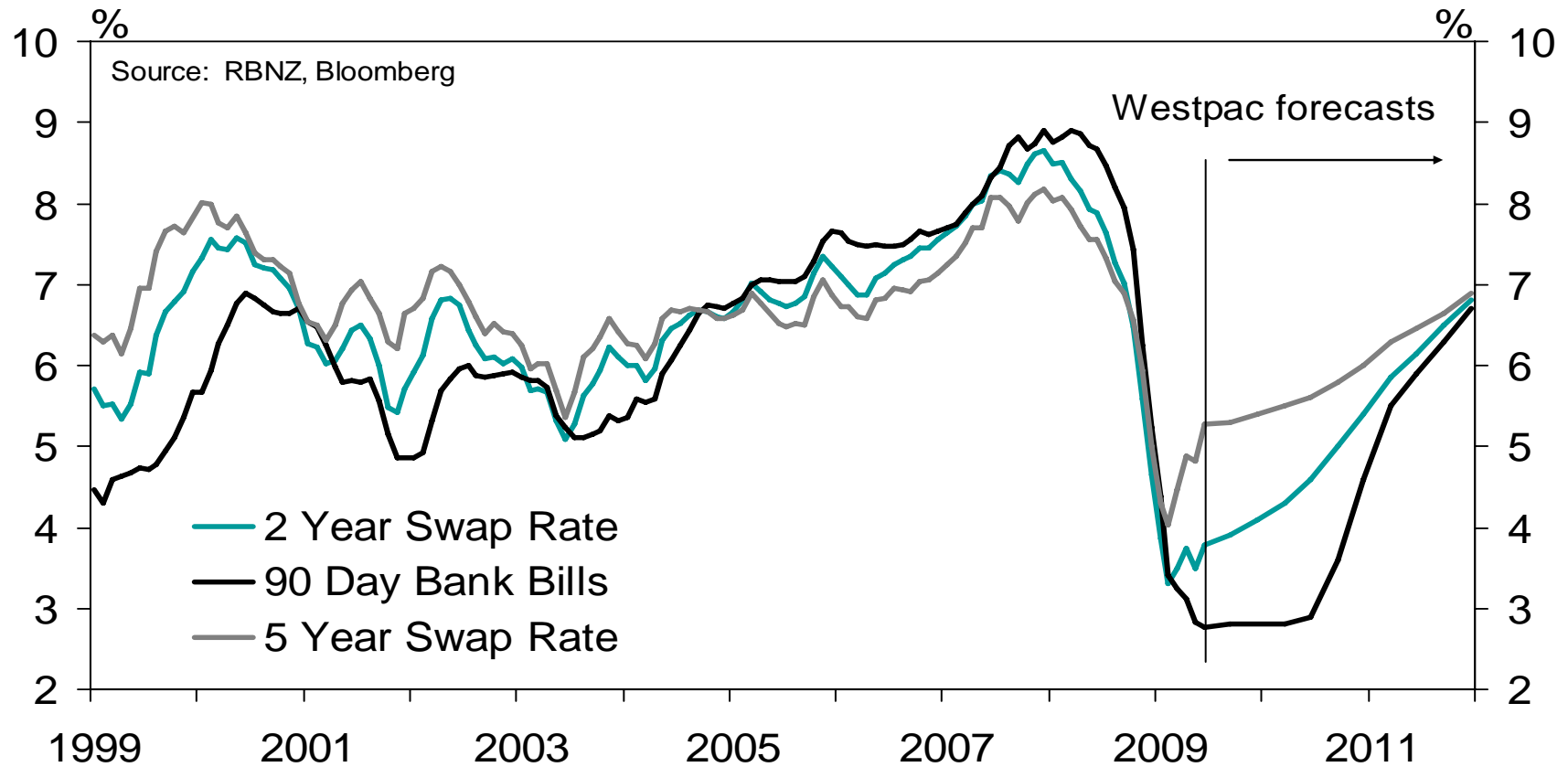
DAIRY PAYOUT GLOBALLY

	America (USD) (per 100 pounds of milk)	Europe (Euro) (per 100 litres of milk)	NZ (NZD) (Per KgMs)
Payout	\$11.50	€19.00	\$4.80
Cost of prod	\$17.00	€33.00	\$3.10
EBITDA	-\$5.50	-€14.00	\$1.70
EBITDA Per Cow	-\$1,100.00	-€1,176.00	\$680.00

INTEREST RATES



INTEREST RATES





QUESTIONS