

# GLOBAL MARKET PLACE

- World Outlook
- NZ Outlook
- Payout
- Interest Rates

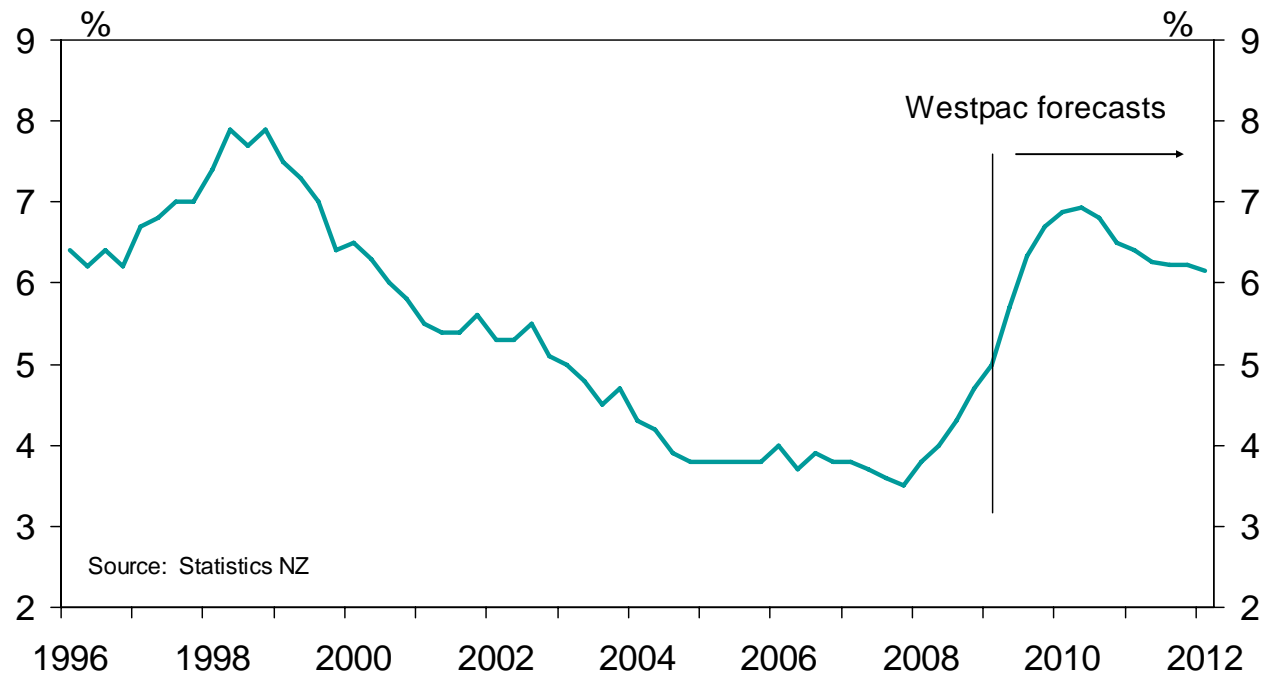


# WORLD OUTLOOK

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

# NZ OUTLOOK

- Unemployment



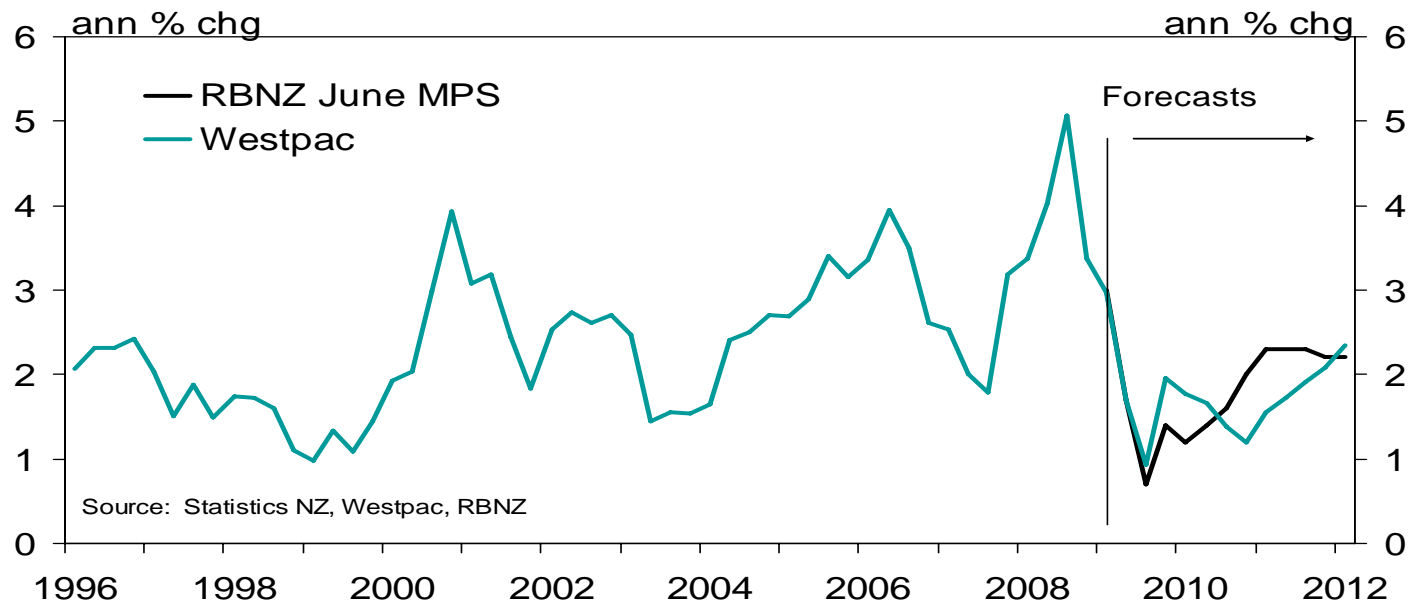
# NZ OUTLOOK

- 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?

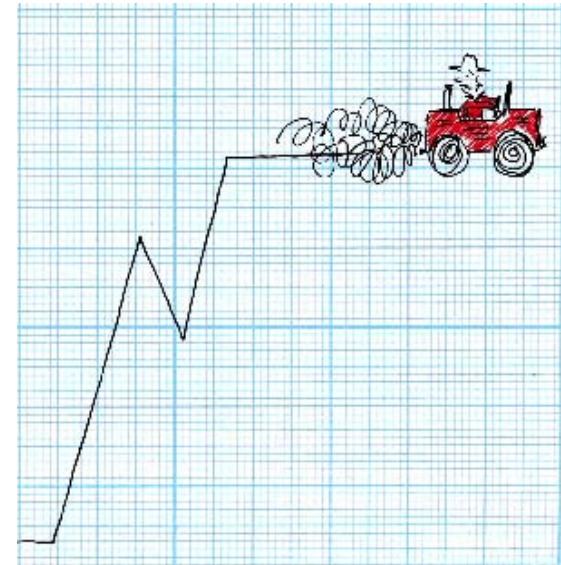
# NZ OUTLOOK

- Inflation



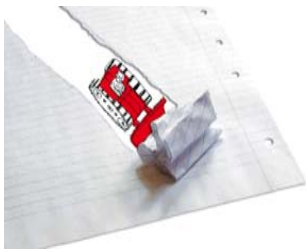
# NZ OUTLOOK

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



(1) FONTERRA PAYOUT

(2) INTEREST RATES



# FONTERRA PAYOUT

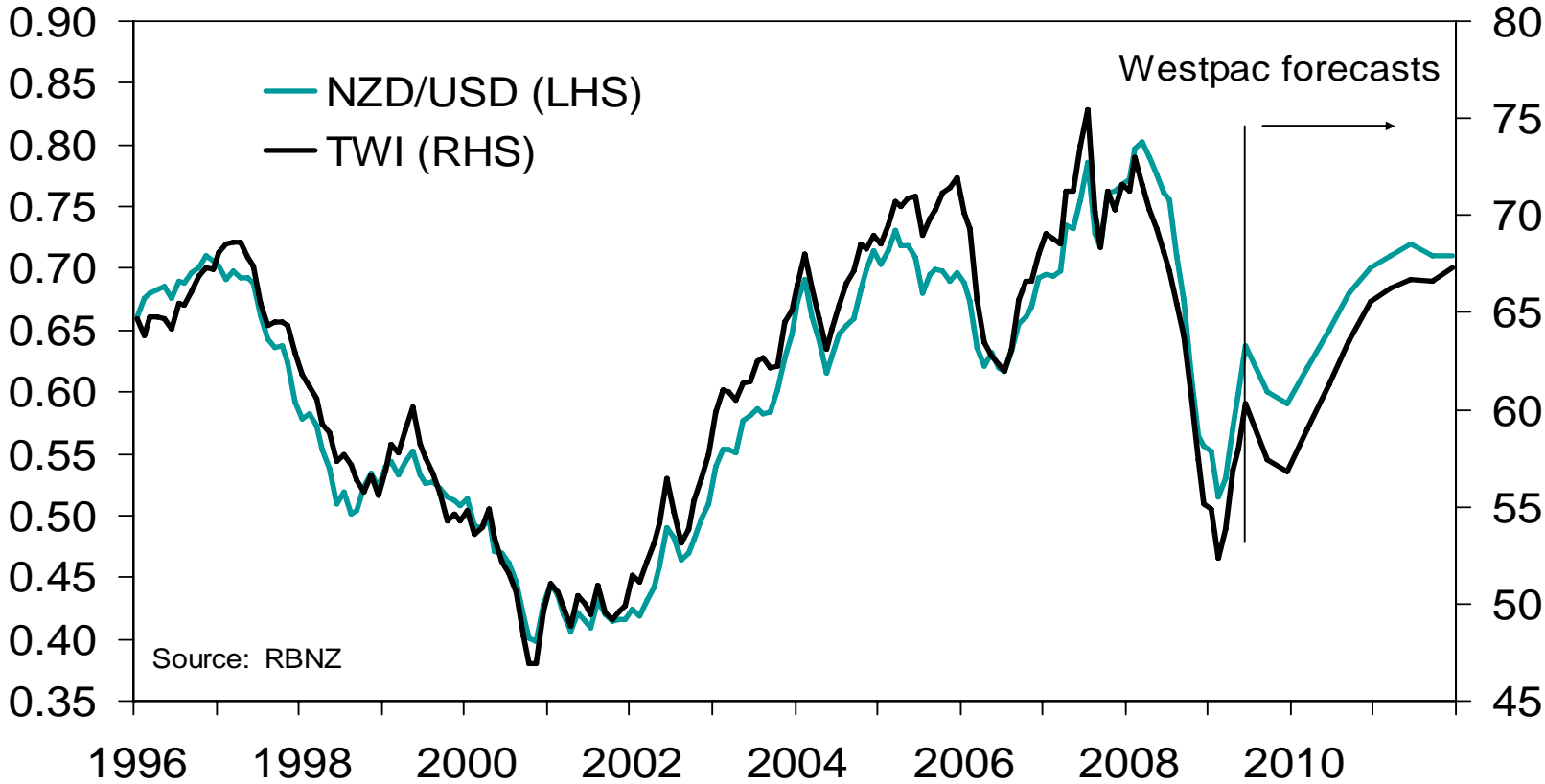
- Currency (USD)
- Commodity Prices



# 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

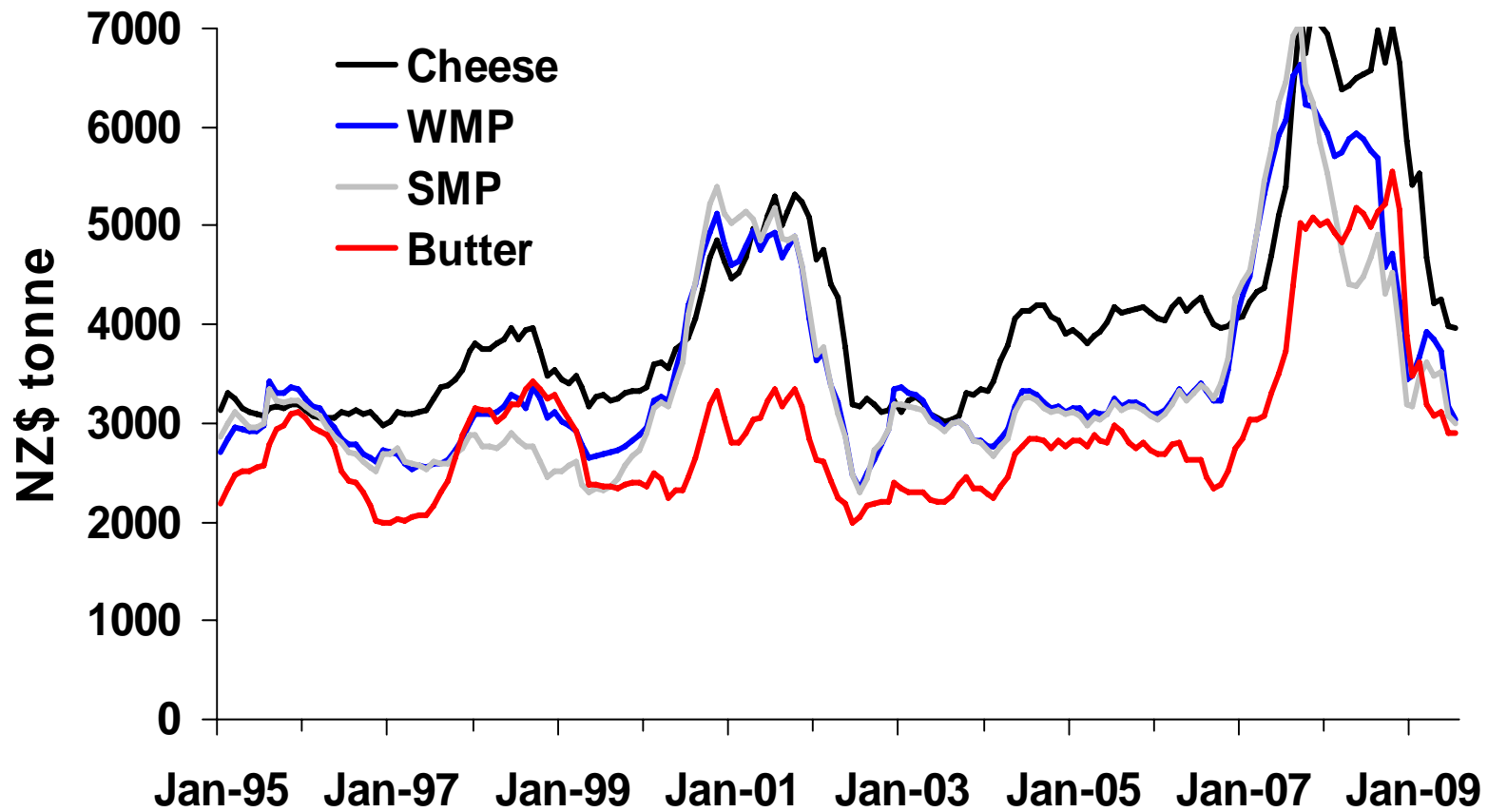
# NZD/USD & TWI



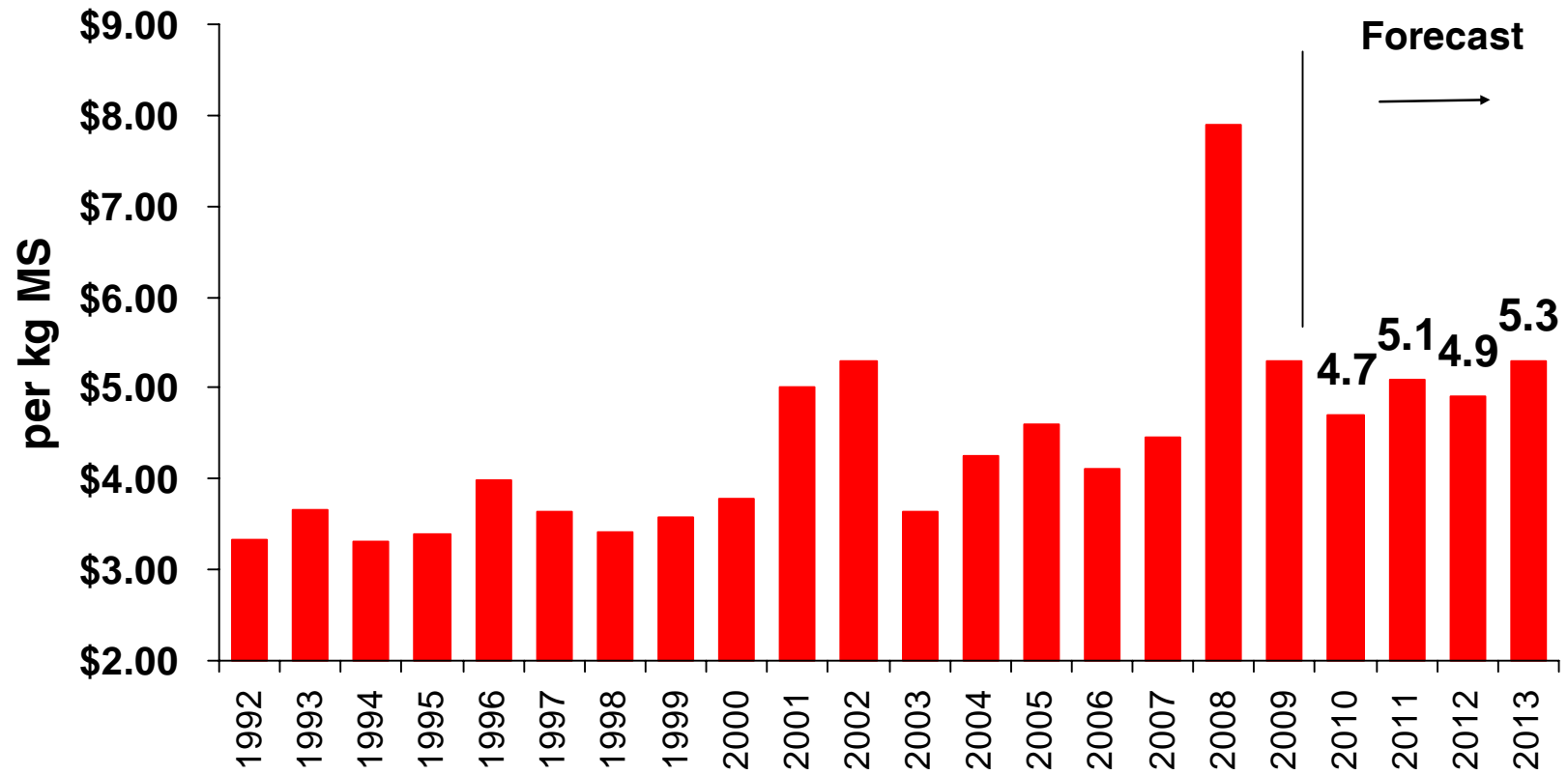
Source: RBNZ



# COMMODITY PRICES NZD



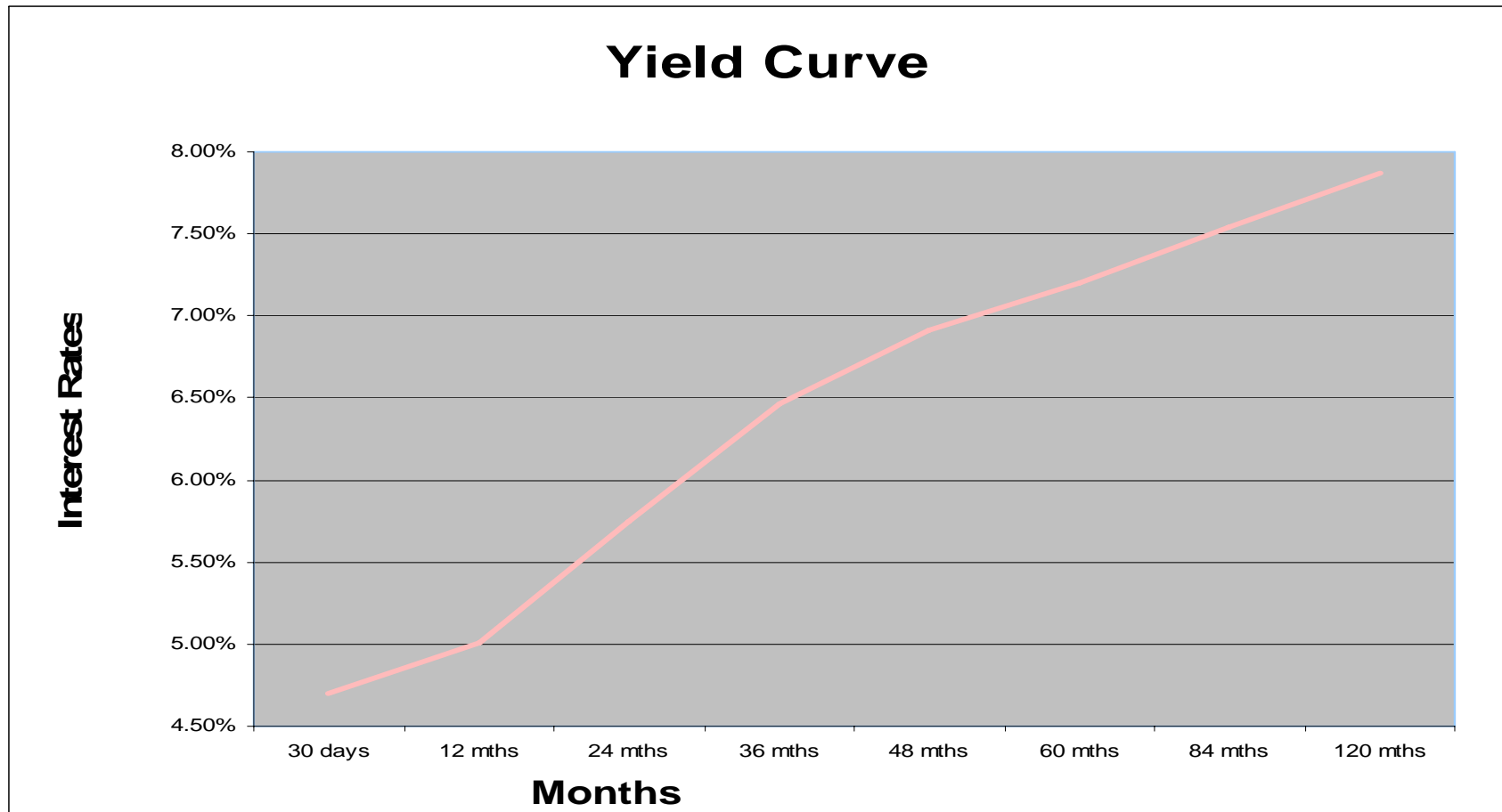
# FONTERRA PAYOUT



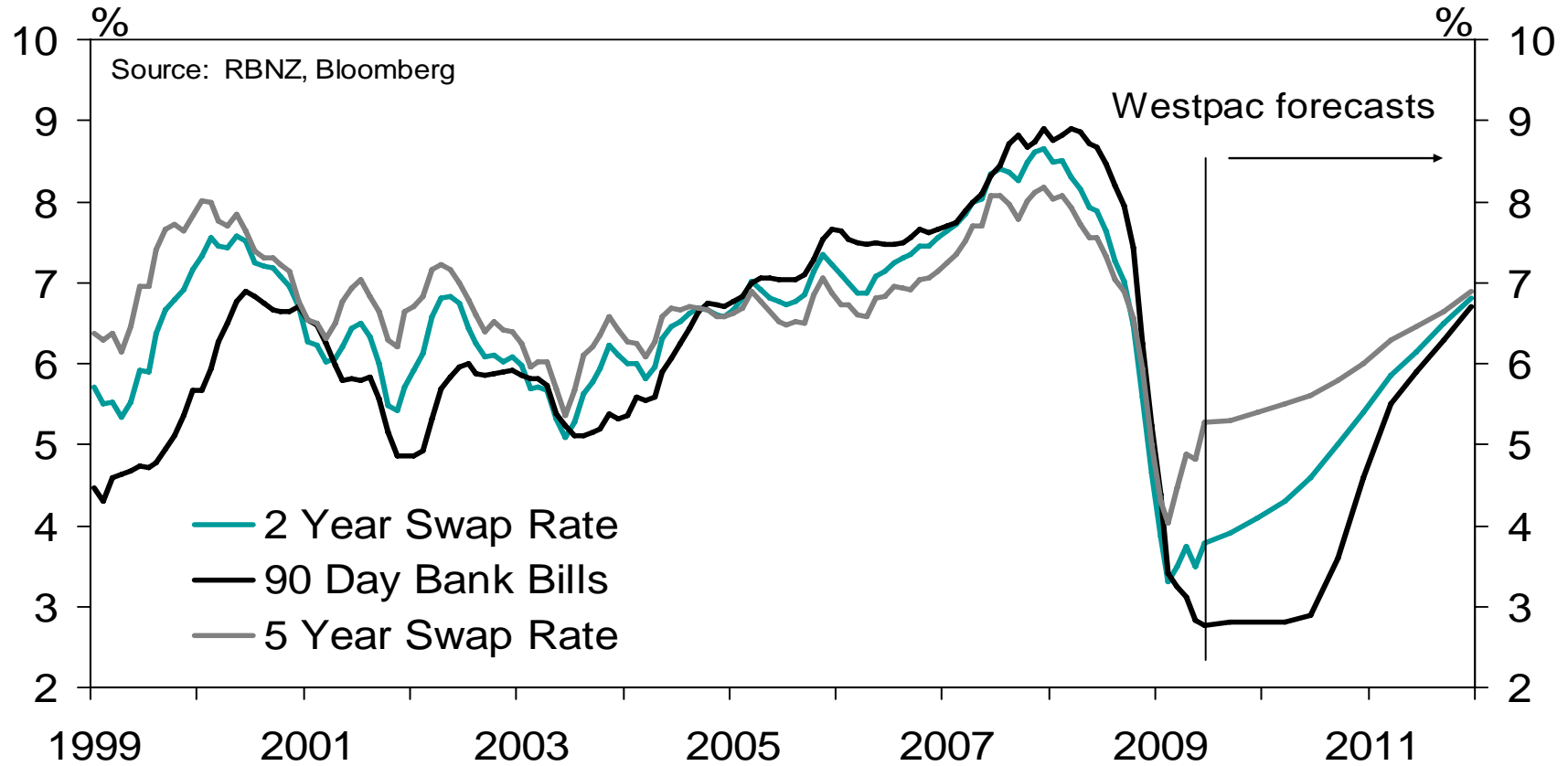
# DAIRY PAYOUT GLOBALLY

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

# INTEREST RATES



# INTEREST RATES





QUESTIONS