

# Deloitte.

## Battling adverse conditions The Deloitte South Island Index

A review of the performance of South Island  
listed companies during the quarter to 30 June 2015



# Introduction

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Welcome to the 30th Edition of the Deloitte South Island Index. In this edition we reflect on the performance of South Island listed companies during the most recent quarter to 30 June 2015.

The past three months has been a tough and challenging period for most of the companies on the Deloitte South Island Index, with only a quarter of the companies gaining more than 2.0% during the period. Overall the Deloitte South Island Index endured the quarter's obstacles to achieve a hard-fought gain of \$159.2 million (1.1%) for the quarter ended 30 June 2015.

#### **Movements in June 2015**

The month of June resulted in a decrease in performance with the Deloitte South Island Index dropping by 3.2%. Over the same period all the indices tracked also had minor declines, with the Dow Jones decreasing by 2.2%, the NZX 50 Capital Index dipping 2.6% and the ASX All Ords decreasing by 5.6%.

#### **Quarterly movements – Q2 2015**

The Deloitte South Island Index battled back from the previous quarter's decline to record a gain of \$159.2 million (1.1%) in market capitalisation in the quarter to 30 June 2015. This result was influenced by a strong quarter for the Energy & Mining sector which increased by \$333.5 million and the Retail sector which gained \$73.6 million.

#### **Annual movements – Jun 2014 to Jun 2015**

The Deloitte South Island Index increased by \$1,647.8 million (12.7%) during the year to 30 June 2015. Comparatively, it significantly outperformed the increases in the NZX 50 Capital Index of 6.2%, the Dow Jones of 4.7% and the ASX All Ords of 1.3%.



# Executive Summary

## Quarter to 30 June 2015

The second quarter of 2015 saw the Deloitte South Island Index return to positive territory after a poor start to the 2015 year in the first quarter. The key elements to this quarter's results lie with the relative resilience of the majority of the companies on the Index, with only a small number of substantial decreases during unfavourable conditions, and the growth of the largest company in the Index. The Deloitte South Island Index continued its gradual upwards climb with the Index ending the quarter at its highest quarterly point since the inception of the Index in 2007.

The number of companies in the Deloitte South Island Index remains at 31.

Key points for the second quarter of 2015 include:

- The Deloitte South Island Index increased by \$159.2 million (1.1%) during the quarter to 30 June 2015. In comparison, over the same period, the Dow Jones experienced a small decline (0.9%), meanwhile the NZX 50 Capital Index dropped by 2.7% and the ASX All Ords was the worst performer shrinking 7.0%. The top performers in the quarter include Meridian Energy (up \$346.0 million), Kathmandu Holdings (up \$74.6 million), Ryman Healthcare (up \$40.0 million), Scales Corporation (up \$22.3 million) and South Port New Zealand (up \$14.7 million).
- Only three of the seven industry sectors posted positive movements in the quarter to 30 June 2015 – being the Retail, Energy & Mining and the Property sectors which gained 24.1%, 6.4% and 0.5% in market capitalisation respectively. The Retail sector was driven upwards by the performance of Kathmandu Holdings after the company turned around the losses suffered in the previous four quarters. The company was on track to achieve a small positive result, which turned into a large gain after the announcement in late June of Briscoe Group's statement of intent to lodge a takeover notice of Kathmandu Holdings.
- The Property Sector was boosted by the positive result of Ryman Healthcare (up \$40.0 million) as the company announced a record underlying profit of \$136.3 million in the financial year to 31 March 2015 on account of unprecedented demand for new villages in Melbourne and Auckland; the company's 13th consecutive year of growth in underlying profits. The Energy & Mining sector's positive result was once again upheld by Meridian Energy. Without Meridian Energy the sector would have experienced a decline of 25.0%.
- The Manufacturing & Distribution sector had a poor quarter, declining a collective \$88.6 million (4.6%) as all four companies in the sector experienced poor performances. The downturn was led by EBOS Group dropping \$57.7 million (3.6%), a relatively small decline and its first decline in three quarters. The Primary sector had another troublesome quarter, with the sector dropping 6.7%, led by Synlait Milk's decrease of \$77.5 million (18.0%) and PGG Wrightson's decline of \$18.9 million (5.2%). The impact of the dry summer and global commodity prices having an effect on both companies.

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The key elements to this quarter's results lie with the relative resilience of the majority of the companies on the Index, with only a small number of substantial decreases during unfavourable conditions, and the growth of the largest company in the Index.



- The Other sector had its first decline in six quarters, falling by 3.8% over the quarter with four of the six companies experiencing declines. The sector's decline was led by Heartland New Zealand decreasing by \$47.9 million (8.0%), followed by SLI Systems dropping 26.8% or \$18.8 million in market capitalisation.
- The Biotechnology sector experienced the largest loss of all the sectors on a percentage basis, declining 19.0% on the back of Pacific Edge's poor performance during the quarter. This quarter's fall is the fourth decline for the sector in the past five quarters.
- Despite the small gain of the Index over the quarter to 30 June 2015, the result was mainly upheld by the scale of growth in Meridian Energy. Without the top three companies in the Index, the remaining companies collectively declined by \$169.1 million (4.6%).

Over the year to 30 June 2015 the top performances, in dollar terms, came from Meridian Energy (up \$2,358.0 million), Heartland New Zealand (up \$109.7 million), and Skyline Enterprises (up \$74.9 million). In percentage terms, Meridian Energy still topped the table with growth of 74.2% for the past twelve months, followed by Blue Sky Meats (up 50.0%) and South Port New Zealand (up 32.4%).

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# The Quarter to 30 June 2015

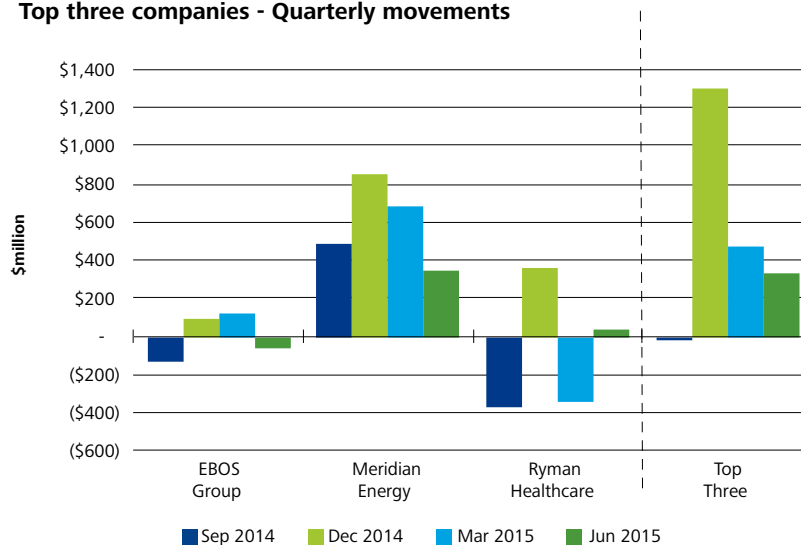
## The Top Three

During the second quarter of 2015, Meridian Energy was the Deloitte South Island Index's best performer in terms of increased market capitalisation with the company gaining \$346.0 million (up 6.7%) for the quarter. During the quarter Meridian Energy received funds relating to the final instalment receipt amounts due by investors after the listing of the company in October 2013 (we have recalculated the Meridian Energy metrics to exclude this from the Deloitte South Island Index movement). In late June, Meridian Energy granted New Zealand Aluminium Smelters (NZAS), the owners of the Tiwai Point aluminium smelter, an extension of just over a month for providing a decision on the smelter's future. Meridian Chief Executive, Mark Binns said, "NZAS has been in discussions with a number of parties, including Meridian, with respect to its electricity requirements at its Tiwai Point smelter. NZAS requires more time to fully analyse its options before making a decision." Closure of the Tiwai Point smelter in Southland, New Zealand's largest electricity consumer, would have a significant impact on the New Zealand electricity market.

Ryman Healthcare also had a positive quarter with a 1.0% gain in its share price of \$0.08 to \$ 7.92 per share. This equated to an increase in market capitalisation of \$40.0 million. Ryman Healthcare released its full year results during the quarter, announcing a record underlying profit of \$136.3 million on account of unprecedented demand for new villages in Melbourne and Auckland. Valuation gains lifted the reported profit after tax to \$241.9 million. Chairman David Kerr said, "it was the 13th consecutive year of growth in underlying profits and Ryman had again met its medium term target of growing underlying profits by 15 per cent a year". Ryman Healthcare expects to start work on new villages in Rangiora and Greenlane in New Zealand in the year ahead. Work will also begin on its second Melbourne village at Brandon Park and Ryman is looking to expand its land-bank again in Australia and New Zealand.

EBOS Group's market capitalisation decreased by \$57.7 million (3.6%) over the quarter to 30 June 2015. The company issued \$10.2 million worth of shares in lieu of a dividend for those shareholders who elected to participate in the Dividend Reinvestment Plan. The increase in market capitalisation was offset by EBOS Group's share price dropping by \$0.45 to \$10.25 per share during the quarter. The small drop was the first decline for three quarters for the company, with EBOS Group's market capitalisation growing by 2.9% over the previous twelve months.

**Deloitte South Island Index**  
**Top three companies - Quarterly movements**



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## Balance of the Index

### Growth in Market Capitalisation

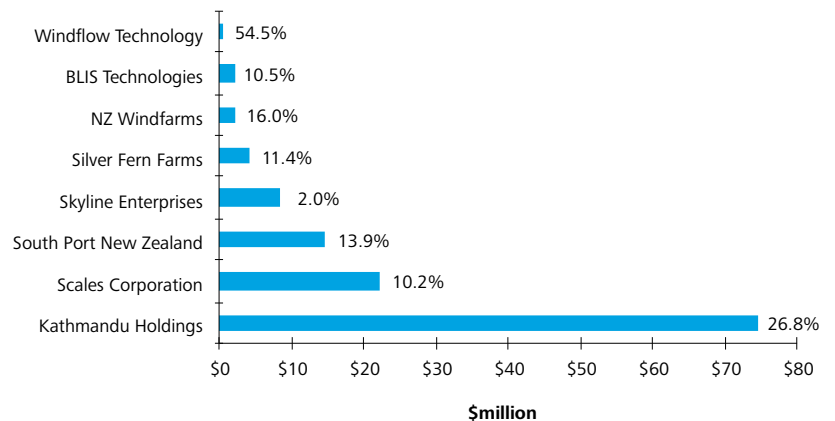
Outside of the Top Three companies Kathmandu Holdings was the best performer of the companies on the Deloitte South Island Index, gaining \$74.6 million (26.8%) in the quarter to 30 June 2015. After experiencing declines in the previous four quarters, the turnaround performance of Kathmandu Holdings is positive news in a tough environment where retailers are struggling. Kathmandu Holdings' gain during the quarter was mainly attributable to the announcement on 30 June 2015 of Briscoe Group's statement of intent to lodge a takeover notice of Kathmandu Holdings.

Briscoe Group announced that the acquisition of Kathmandu Holdings would create an Australasian retailing group that generates annual sales of over NZ\$900 million and a group with wide product diversity and earnings potential that would be beneficial to shareholders, employees and customers. At the time Kathmandu Holdings had acknowledged Briscoe Group's offer but declined to comment further. Prior to the takeover announcement, Kathmandu Holdings was already on track to achieve a gain of \$2.0 million (0.7%) in market capitalisation.

Scales Corporation was another company to post a positive result during the quarter, gaining \$22.3 million (10.2%) as its share price rose \$0.16 to \$1.72 per share. The Primary sector company declared a fully imputed final dividend for the 2014 Financial Year of \$0.07 per share in May. Taking into account the \$0.03 interim dividend paid in December 2014, the total dividend

for the 2014 year was \$0.10 per share, beating the company's June 2014 prospectus forecasts of up to \$0.096 per share. Scales Corporation Managing Director, Andy Borland stated in his presentation to investors in June that, "Scales is in good shape with a strong balance sheet. We have a significant asset base, and currently have considerable headroom in our banking covenants."

South Port New Zealand improved on its small gain in the previous quarter to increase its market capitalisation by \$14.7 million (13.9%). The company released its interim result in February, forecasting earnings between \$6.5 million and \$7.0 million for the full year. Recently South Port New Zealand updated the market stating that it now expects its net profit after tax to be \$7.5 million - as a result of stronger final quarter bulk cargo flows. That result would be a record net profit for the company, which posted its current record of \$6.5 million last financial year.



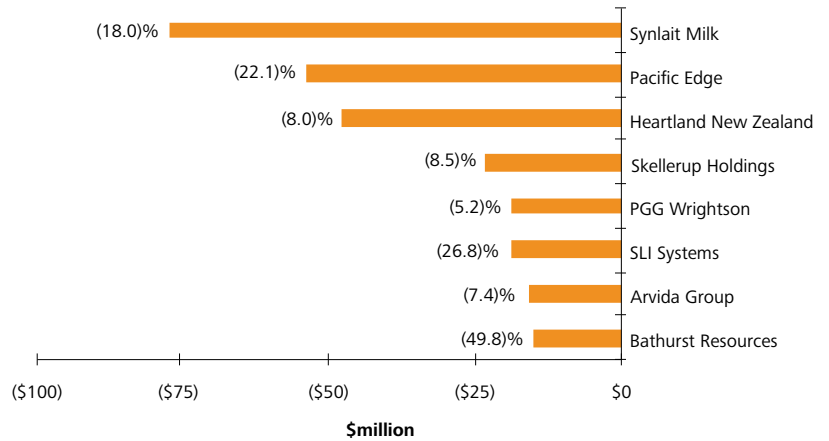
After experiencing declines in the previous four quarters, the turnaround performance of Kathmandu Holdings is positive news in a tough environment where retailers are struggling.

### Declines in Market Capitalisation

Synlait Milk had a quarter to forget experiencing its largest decrease in market capitalisation since listing in July 2013. The company lost \$77.5 million (18.0%) as the share price dropped \$0.53 to \$2.41 per share over the quarter to 30 June 2015 as the market reacted to the ongoing drop in the global milk price. While announcing Synlait Milk’s forecast milk price for the upcoming 2015 / 2016 dairy season of \$5.50kgMS, Synlait Milk’s Managing Director John Penno said, “We’re very aware of how financially tough this current season is for our suppliers. We are confident commodity prices will recover over time and our 2015 / 2016 forecast milk price assumes we will see the beginning of this recovery from the current low prices.” Despite the quarter’s result Synlait Milk’s share price is still 9.5% higher than its listing price.

Pacific Edge was another company to decrease over the quarter, shrinking by \$54.1 million (22.1%) as its share price fell \$0.17 to \$0.60 per share. The company released its preliminary financial results for the year ended 31 March 2015 announcing a strong uplift in commercial revenue as it continues to roll out its USA sales and marketing strategy and build customer numbers. Despite the significant increase in sales revenue during the year, there was also a corresponding increase in expenses resulting in Pacific Edge realising an \$11.1 million comprehensive after tax loss. Also during the quarter the company reached a settlement with the Financial Markets Authority to pay compensation of \$500,000 to shareholders in regard to what Financial Markets Authority considered to be two historical breaches of the Pacific Edge’s continuous disclosure obligations. Pacific Edge stated that “Meeting continuous disclosure obligations remains a priority for Pacific Edge’s Board and management and it has since undertaken an audit review of processes and policies and implemented recommendations.”

Heartland New Zealand suffered a decline after its positive results in the previous quarter, decreasing in the quarter to 30 June 2015 by \$47.9 million (8.0%). During the quarter Heartland New Zealand released the disclosure statement for the nine months ended 31 March 2015 for its subsidiary Heartland Bank. For Heartland New Zealand, the company announced an unaudited net profit after tax of \$36.1 million for the nine month period. The company expects its net profit after tax for the full year ended 30 June 2015 to be at the upper end of the previously advised range of \$46 million to \$48 million.



# Sector Movements

## Quarter to 30 June 2015

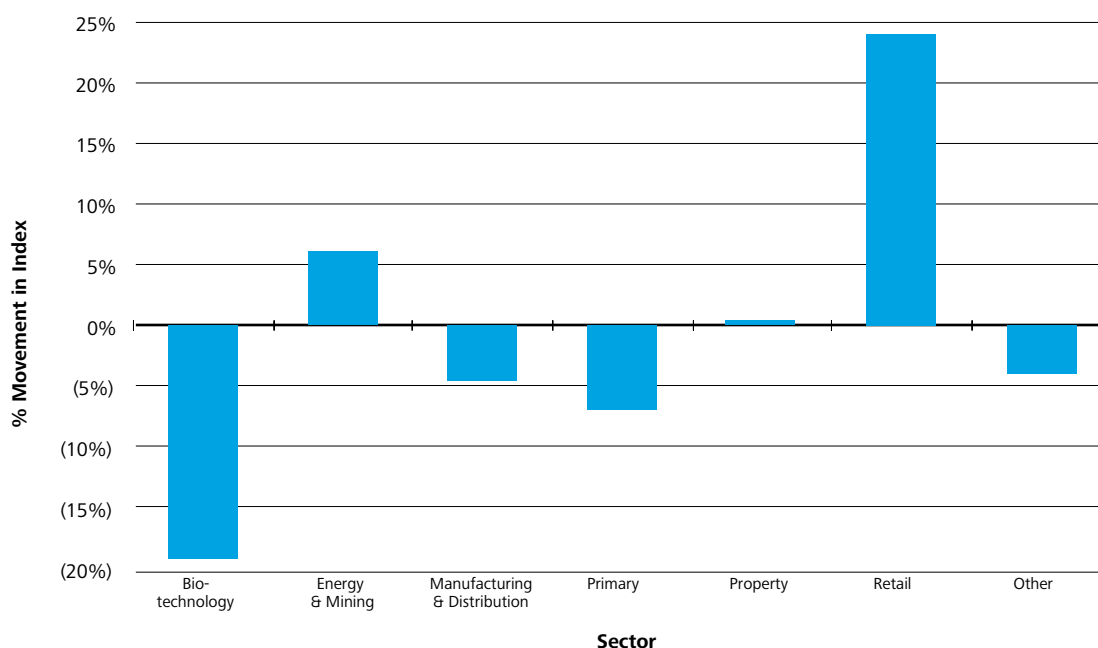
Overall, the various industry sectors performed poorly with only three of the seven sectors posting positive movements with the greatest being Retail on 24.1%. After taking out the impacts of the Top Three companies in the Index, only one sector achieved growth during the most recent quarter – the Retail sector. Also excluding the impact of the Top Three companies, the most adverse results came from the Energy & Mining and Biotechnology sectors declining 25.0% and 19.0% respectively.

A key movement in the quarter to 30 June 2015 was the surprising reversal in the Retail sector with Kathmandu driving the sector to increase by 24.1%. Kathmandu Holdings' gain in quarter was mainly attributable to the announcement on 30 June 2015 of Briscoe Group's statement of intent to lodge a takeover notice for Kathmandu Holdings. The other company in the sector, Smiths City Group continued its poor performance declining by \$1.0 million (3.6%) – the 8th decline in the

past 9 quarters. Smiths City Group was another company to release their financial results to 30 April 2015 over the quarter. Key items in the financials included an increase in revenue from ordinary activities of 1.0% to \$221.4 million, a net profit after tax result of \$8.0 million and the inclusion of \$8.5 million insurance proceeds income received for the company's Colombo Street property in Christchurch.

The Energy & Mining sector also achieved growth on the back of one major player, as it increased by 6.4% during the quarter mainly as a result of Meridian Energy's strong performance. However, Meridian Energy wasn't the only company in the sector to grow, as both Windflow Technology and NZ Windfarms posted positive results. Windflow Technology's market capitalisation increased by 53.5% (\$0.6 million) after the conversion of preference shares to ordinary shares in March. NZ Windfarms gained \$2.3 million (16.0%) during the quarter where the Environment Court released their decision, in favour of NZ Windfarms, regarding an

## Movement in Sector Indices - Quarter to June 2015





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application by Palmerston North City Council about the company's compliance with its operating consent. The company also released its unaudited operating statistics for the quarter to 31 March 2015, announcing that, "the output for FY15 year to date is just 3.1% behind the equivalent period in the previous financial year. This output coupled with a substantially higher average electricity price received has produced revenue for FY15 year to date 16.7% higher than the equivalent period in the previous financial year." The other companies in the sector failed to make any gains – Bathurst Resources declined by \$15.1 million (49.8%), Chatham Rock Phosphate dipped \$0.3 million (13.0%), and Aorere Resources remained at the same level as the previous quarter.

The third sector of the Deloitte South Island Index to make a gain in the quarter was the Property sector, with growth of 0.5%. Once again Ryman Healthcare led the charge with an increase of \$40.0 million (1.0%), but was held back by the other two companies in the sector - Arvida Group and NPT. Arvida Group experienced a

decline of \$15.7 million (7.4%) of market capitalisation in the quarter to 30 June 2015. During the quarter the company announced its full year financial results to 31 March 2015, with the company exceeding a number of the key performance measures in its IPO forecast from November 2014. Arvida Group Chairman Peter Wilson said, "Arvida is performing well and in line with forecasts set out at the time of our IPO. This reflects the significant progress made integrating the 17 retirement village and aged care facilities and the benefits resulting from implementation of our support centre structure, built to manage the group going forward." NPT, with a decrease for the quarter of \$4.9 million (4.6%), also announced its 31 March 2015 annual results with results showing a net profit after tax of \$6.4 million, down 16.3% on the previous year. NPT stated that, "The comparison shows a smaller uplift in the unrealized increase in property revaluations."



The sector that underwent the largest decline, in percentage terms, for the quarter to 30 June 2015 was the Biotechnology sector, shrinking 19.0%. The result was led by Pacific Edge as they declined by \$54.1 million (22.1%), Pharmazen also decreased slightly by \$0.2 million (2.4%), but the decline was halted by the encouraging growth of BLIS Technologies with a gain of \$2.2 million (10.5%). BLIS Technologies released its annual result to 31 March 2015 with key metrics pointing in the right direction. BLIS Technologies chief executive Barry Richardson said, "it was a loss making year but optimism is warranted, especially given the revenue earned in the second half of the year was 34% higher than the first half due to a number of projects culminating and beginning to contribute to revenue during the year." Pharmazen's annual results to 31 December 2014, also released during the quarter, showed a small deficit after tax for the year of just under \$4,000. The company stated that, "2014 was an extremely challenging year for the company with global demand remaining flat against a backdrop of a New Zealand dollar maintaining elevated levels against all major trading partners".

In dollar terms, as well as overall sector performance, the Manufacturing & Distribution sector had a poor quarter, declining a collective \$88.6 million (4.6%) as all four companies in the sector experienced poor performances. The downturn was overseen by EBOS Group dropping \$57.7 million (3.6%), a relatively small decline and its first decline in three quarters. Skellerup Holdings also had a poor quarter, decreasing \$23.2 million (8.5%) along with

Scott Technology who declined \$7.6 million (11.4%). Scott Technology announced its half year results with the company achieving a surplus after tax of \$1.1 million, an increase of 40% on the first half of the 2014 financial year. The other company in the sector, Energy Mad dropped 2.3% or \$0.1 million in market capitalisation for the quarter. The company's annual report showed the results of a disappointing year with a net loss after tax of \$3.2 million after the company completed a major reorganisation of its business during the year.

The Primary sector collectively had another troublesome quarter, with the sector dropping 6.7%, led by Synlait Milk's decrease of \$77.5 million (18.0%) and PGG Wrightson's decline of \$18.9 million (5.2%). PGG Wrightson provided the market with a trading update in June announcing that it expected its full year Operating EBITDA (excluding earnings of associates) to be in the \$66 to \$69 million range, slightly up on the guidance indicated in February. Chief Executive Mark Dewdney said, "The effects of a dry summer have continued to be felt in some regions and while these conditions have stimulated some activity for PGW it has impacted the budgets for a number of our customers. However, the key factor influencing farmer sentiment is weakening commodity prices."

SeaDragon was another Primary sector company to undergo a decline, decreasing \$9.4 million (23.9%) during the quarter to 30 June 2015. The company announced in its annual report that it more than doubled its revenue to \$6.3 million and recorded a loss for the year of \$2.8 million against a net profit of \$431,000

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in 2014. SeaDragon stated that, “[the result] reflected investment in new sales, marketing, procurement, finance and support service staff ahead of the start-up of the Omega 3 fish oil refinery.” Only two companies in the Primary sector achieved growth being Scales Corporation, who gained \$22.3 million (10.2%) in the quarter and Silver Fern Farms, who gained \$4.1 million (11.4%). Other two companies in the sector, Foley Family Wines and Blue Sky Meats, remained at the same levels as the previous quarter.

The Other sector had its first decline in six quarters, falling by 3.8% over the quarter with four of the six companies experiencing declines. The sectors decline was led by Heartland New Zealand, decreasing by \$47.9 million (8.0%), followed by SLI Systems dropping 26.8% or \$18.8 million in market capitalisation. SLI Systems announced in its trading update in April that it “expects 2015 annual operating revenue for the year to 30 June 2015 to rise by 27% to \$28 million, from the \$22 million achieved in 2014.” Moa Group was another in the sector that performed poorly, decreasing \$3.1 million (18.0%) in the quarter to 30 June 2015. In Moa Group’s financial results for the year ended 31 March 2015, the company achieved a 31.8% increase in its revenue to \$6.1 million,

and decreased its net loss after tax by 4.0% to \$5.6 million. The fourth company in the sector to suffer a decline was Connexionz, falling \$0.6 million (18.2%) in the quarter to 30 June 2015. During the quarter the company released its preliminary unaudited results for the financial year ending 31 March 2015. The financial accounts show that Connexionz’s revenue grew by 47.6% from the previous year, and the net profit after tax grew by 251.7% to \$0.9 million compared to the prior year.

The two companies to achieve growth in the Other sector were South Port New Zealand and Skyline Enterprises, gaining \$14.7 million (13.9%) and \$8.5 million (2.0%) respectively. Both companies continued their strong showing for the past twelve months growing by \$29.4 million (32.4%) and 74.9 million (20.4%) during the period respectively.

**The table below sets out market capitalisation by sector as at 30 June 2015 and provides a comparison against the position as at 31 March 2015.**

Industry	Number of Companies	30 Jun 2015 \$ million	31 Mar 2015 \$ million	Mvmt in Quarter \$ million	% change in Mkt Cap during quarter	% of Index
Biotechnology	3	\$222.3	\$274.4	\$(52.1)	(19.0)%	1.5%
Energy & Mining	6	\$5,573.7	\$5,240.2	\$333.5	6.4%	38.2%
Manufacturing & Distribution	4	\$1,858.2	\$1,946.8	\$(88.6)	(4.6)%	12.7%
Other	6	\$1,180.8	\$1,228.0	\$(47.2)	(3.8)%	8.1%
Primary	7	\$1,101.7	\$1,181.1	\$(79.4)	(6.7)%	7.6%
Property	3	\$4,259.9	\$4,240.5	\$19.4	0.5%	29.2%
Retail	2	\$379.5	\$305.9	\$73.6	24.1%	2.6%
<b>TOTAL</b>	<b>31</b>	<b>\$14,576.1</b>	<b>\$14,416.9</b>	<b>\$159.2</b>	<b>1.1%</b>	<b>100.0%</b>

# Benchmarking

## Quarterly Comparison of the Deloitte South Island Index and the NZX 50 Capital Index

After struggling in the first quarter of the 2015 year, the Deloitte South Island Index battled back to record a slight increase in the quarter to 30 June 2015, gaining \$159.2 million (1.1%). The Index's gain was all built in April and was large enough to hold the small declines in May and June.

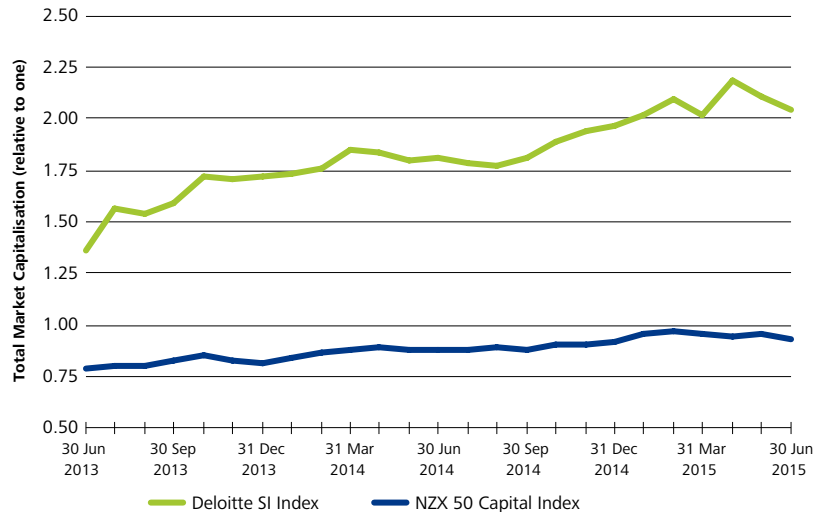
In comparison, the NZX 50 Capital Index suffered a modest loss, dropping by 2.7%. The NZX 50 Capital Index's movements were slightly different to the Deloitte South Island Index as it had small decrease in April, then regained those losses in May, only for it to be lost again in June.

## Comparison of Deloitte South Island Index and Other Indices

The Index's slight increase of 1.1% for the quarter to 30 June 2015 was surprisingly, for a minor gain, the outstanding performance compared to the other indices that we track. The best performance of the other indices was the Dow Jones with a marginal drop of 0.9%, followed by a disappointing 2.7% fall in the NZX 50 Capital Index, and a substandard result from the ASX All Ords with a decrease of 7.0%.

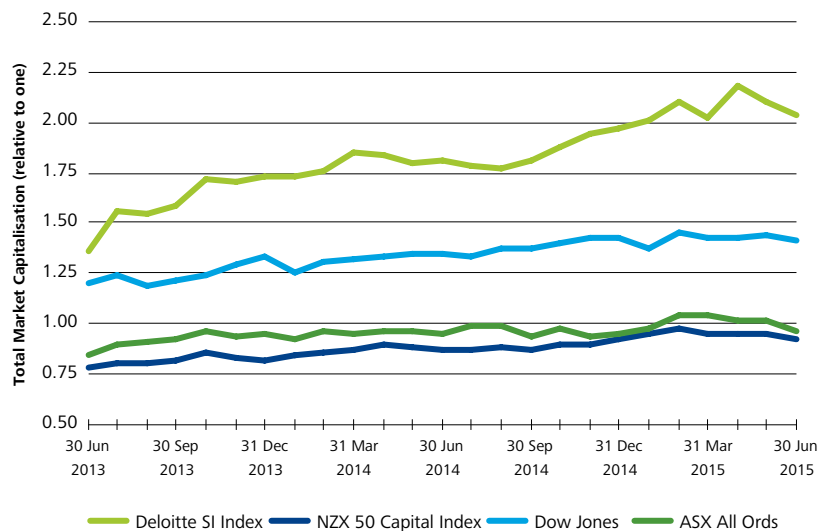
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## Performance of Deloitte South Island Index vs NZX 50 Capital Index



Base period - December 2006 = 1.00

## Performance of Deloitte South Island Index vs Major Indices



Base period - December 2006 = 1.00

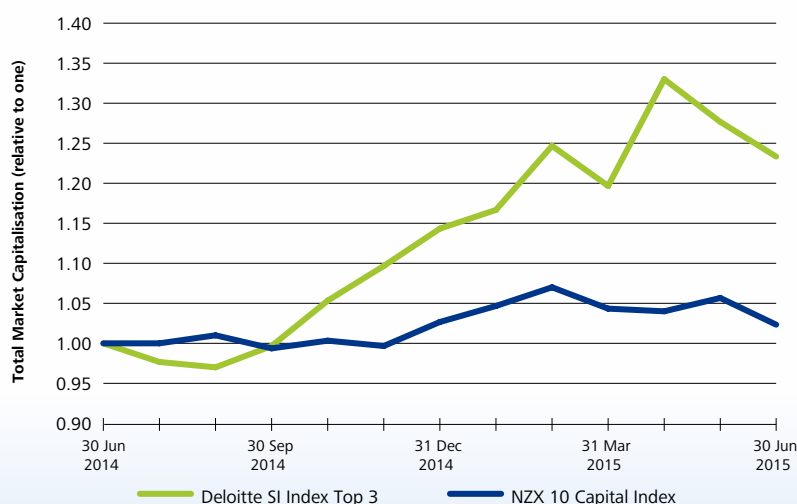


### Comparison of Deloitte South Island Index Top 3 and NZX 10 Capital Index

To get a better understanding of the relative performance of the three largest companies on the Deloitte South Island Index we have used the NZX 10 Capital Index as a benchmark. Like all the companies on the NZX 10 Capital Index, the top three companies on the Index all have a market capitalisation greater than \$1.0 billion.

Over the quarter to 30 June 2015 the top three companies of the Index gained 3.1% compared to the NZX 10 Capital Index's fall of 2.1% for the quarter. Over the last twelve months the top three companies significantly outperformed their associates on the NZX 10 Capital Index gaining an exceptional 23.3% for the year to 30 June 2015 compared to the NZX 10 Capital Index's minor gain of 2.3%.

### Performance of Deloitte South Island Index Top 3 vs NZX 10 Capital Index



Base period - June 2014 = 1.00



# Deloitte South Island Index

## June 2015

Of the 31 companies currently listed on the Deloitte South Island Index, 10 (32%) experienced a rise in market capitalisation during the quarter to 30 June 2015, 18 (58%) declined and three remained unchanged.

The full Deloitte South Island Index for the quarter ended 30 June 2015, ranked by market capitalisation, is set out in the table below:

	Jun 2015 Rank	Mar 2015 Rank	Ticker	Company	Sector	Mcap Jun 2015 (\$m)	Mcap Mar 2015 (\$m)	Change in Mcap (\$m) in Quarter	Change in Mcap (%) in Quarter	Share Price 30 Jun 2015
➔	1	1	MEL	Meridian Energy	Energy & Mining	\$5,536.1	\$5,190.1	\$346.0	6.7%	\$2.160
➔	2	2	RYM	Ryman Healthcare	Property	\$3,960.0	\$3,920.0	\$40.0	1.0%	\$7.920
➔	3	3	EBO	EBOS Group	Manufacturing & Distribution	\$1,544.5	\$1,602.2	\$(57.7)	(3.6)%	\$10.250
➔	4	4	HNZ	Heartland New Zealand	Other	\$549.8	\$597.7	\$(47.9)	(8.0)%	\$1.170
➔	5	5	SKYLINE	Skyline Enterprises	Other	\$442.6	\$434.1	\$8.5	2.0%	\$13.000
➔	6	6	SML	Synlait Milk	Primary	\$352.7	\$430.2	\$(77.5)	(18.0)%	\$2.410
⬆	7	8	KMD	Kathmandu Holdings	Retail	\$352.6	\$278.0	\$74.6	26.8%	\$1.750
⬇	8	7	PGW	PGG Wrightson	Primary	\$347.2	\$366.1	\$(18.9)	(5.2)%	\$0.460
➔	9	9	SKL	Skellerup Holdings	Manufacturing & Distribution	\$250.6	\$273.8	\$(23.2)	(8.5)%	\$1.300
⬆	10	11	SCL	Scales Corporation	Primary	\$240.4	\$218.1	\$22.3	10.2%	\$1.720
⬆	11	12	ARV	Arvida Group	Property	\$197.9	\$213.6	\$(15.7)	(7.4)%	\$0.880
⬇	12	10	PEB	Pacific Edge	Biotechnology	\$191.2	\$245.3	\$(54.1)	(22.1)%	\$0.600
⬆	13	14	SPN	South Port New Zealand	Other	\$120.2	\$105.5	\$14.7	13.9%	\$4.580
⬇	14	13	NPT	NPT	Property	\$102.0	\$106.9	\$(4.9)	(4.6)%	\$0.630
➔	15	15	FFW	Foley Family Wines	Primary	\$70.5	\$70.5	\$0.0	0.0%	\$1.350
⬆	16	17	SCT	Scott Technology	Manufacturing & Distribution	\$58.8	\$66.4	\$(7.6)	(11.4)%	\$1.300
⬇	17	16	SLI	SLI Systems	Other	\$51.4	\$70.2	\$(18.8)	(26.8)%	\$0.840
⬆	18	19	SFF	Silver Fern Farms	Primary	\$40.2	\$36.1	\$4.1	11.4%	\$0.400
⬇	19	18	SEA	SeaDragon	Primary	\$30.0	\$39.4	\$(9.4)	(23.9)%	\$0.016
⬆	20	21	SCY	Smiths City Group	Retail	\$26.9	\$27.9	\$(1.0)	(3.6)%	\$0.510
⬆	21	22	BLT	BLIS Technologies	Biotechnology	\$23.1	\$20.9	\$2.2	10.5%	\$0.021
⬆	22	23	BLUESKY	Blue Sky Meats	Primary	\$20.7	\$20.7	\$0.0	0.0%	\$1.800
⬆	23	25	NWF	NZ Windfarms	Energy & Mining	\$16.7	\$14.4	\$2.3	16.0%	\$0.058
⬇	24	20	BRL	Bathurst Resources	Energy & Mining	\$15.2	\$30.3	\$(15.1)	(49.8)%	\$0.016
⬇	25	24	MOA	Moa Group	Other	\$14.1	\$17.2	\$(3.1)	(18.0)%	\$0.295
➔	26	26	PAZ	Pharmazen	Biotechnology	\$8.0	\$8.2	\$(0.2)	(2.4)%	\$0.050
➔	27	27	MAD	Energy Mad	Manufacturing & Distribution	\$4.3	\$4.4	\$(0.1)	(2.3)%	\$0.055
➔	28	28	CNX	Connexionz	Other	\$2.7	\$3.3	\$(0.6)	(18.2)%	\$0.050
➔	29	29	CRP	Chatham Rock Phosphate	Energy & Mining	\$2.0	\$2.3	\$(0.3)	(13.0)%	\$0.006
➔	30	30	AOR	Aorere Resources	Energy & Mining	\$2.0	\$2.0	\$0.0	0.0%	\$0.003
➔	31	31	WTL	Windflow Technology	Energy & Mining	\$1.7	\$1.1	\$0.6	54.5%	\$0.045
	<b>31</b>	<b>31</b>		<b>TOTAL</b>		<b>\$14,576.1</b>	<b>\$14,416.9</b>	<b>\$159.2</b>	<b>1.1%</b>	

## Compilation of the Deloitte South Island Index

The Deloitte South Island Index ('the Index') is compiled from information provided by the NZX, and Unlisted on the market capitalisation of each South-Island based listed company. Broadly, a company is included in the Index where its registered office is in the South Island and/or a substantial portion of its operations are focused in the South Island. The information on South Island listed companies is extracted and totalled to provide a cumulative market capitalisation for all South Island listed companies.

The base period of the Deloitte South Island Index is 31 December 2006 and for the purposes of the Index this data is given a notional value of one. All subsequent quarterly cumulative market capitalisation totals are divided by the totals for the December 2006 quarter to obtain a relative movement. Market capitalisation will move as a result of capital injections, payments of dividends and capital returns. If a new South Island based company lists on the NZX or Unlisted they will be reflected in the Index as though they were present in the base period. Accordingly, the Index will only reflect changes in market capitalisation subsequent to listing. If a company is suspended or delisted during a quarter, no data will be included for the company, including any historical data, until the company is re-listed or the suspension lifted.

The metrics for Meridian Energy Limited have been recalculated on the basis of the issued ordinary shares after receipt of final instalment payment and cancellation of the instalment receipts.

For the purposes of the sector analysis some sector segments have been grouped to provide a more meaningful analysis.

## Information

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