

"The Scrip"

April 2007

The official newsletter of the New Zealand Shareholders' Association Incorporated

TALL POPPIES - WE NEED THEM AND WE SHOULD VALUE THEM

However sad we might think it is, the money game is an important one 2007 years after Christ. Money is what we must have to survive in the modern world; without it we can't buy things, and barter is more or less dead as a means of survival.

So how do most of us play this game and how do we evolve our attitudes to money? With a number of New Zealanders now making their way onto the Forbes rich list and others getting mention in international philanthropy publications, it is time for New Zealand to grow up in terms of its attitudes to what we call "tall poppies" and to financial literacy and money in general.

As you move through the time line of life, your attitude to money changes, and the influences on this are most fundamentally driven by the need for security and sustenance and how much moola you have managed to accumulate.

When you start out at ground zero, which sadly is significant for the majority of the population, the prime concern is the immediate. How do I feed myself and provide shelter. Talking superannuation and long term issues with families concerned about survival is relatively fruitless.

Once you move from survival you start to think about security. You start nest egging for a rainy day. You want to have security of tenure on your roof, you start to think about home ownership, then you worry about the kids, their education and finally you start to think about what you need to sustain your consumption desires for the rest of your natural life. In reality most New Zealanders never get beyond securing the home, and many don't even achieve that. Fundamentally most of the population are dependant for their security on the benevolence of central government, and this is unhealthy both for those who are so dependant and for the nation as a whole.

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A relatively small group get to move on and then start having to think about money in a wider sense than sustenance and survival, in NZ this is probably less than 10% of the population. As our experience of wealth is neither well spread in the community, nor particularly deep or long lived the "thinking" about money is relatively underdeveloped.

So for those that have more than enough, what drives them to keep accumulating more?

For most it is just what they do. It is a game and they want to be good at it. Sadly however it is a game that can never be won, because no matter how hard you try, the amount accumulated will never be enough and unless you are Bill Gates or Warren Buffet there will always be someone with more.

So eventually these game players start to think about what is the purpose of the game, it is a bit like thinking about what is the meaning of life itself, for the really successful at some point before they stop they will think about why they have played the game at all.

Some will work out that one reason for a big pile of money is power. The more you have, the more influence you can have over your business, the market in which your business operates, and the national or international economy if you have enough. If that is the purpose then really these people haven't moved from the security level of evolution, they just need more to have more control and thus more security.

For those with extreme wealth they need to start thinking about the purpose of power and if they have extreme wealth they begin to realise that the only defence to their power and wealth is a society that functions well respecting the rule of law and property rights. There is thus a level of wealth concentration that if exceeded caused the undoing of the protective fabric of society.

Once they evolve to this level giving away vast amounts of wealth makes sense, as it is the ultimate gift of capitalism which in turn acts as a preservation of the system itself. Is Philanthropy the ultimate act of self preservation?

Philanthropy can take many forms, the most common is helping the underprivileged, donating to education or health organisations, but there is also another way, which people like Stephen Tindall in NZ are carving.

Venture capital is extremely risky, particularly start up capital. The essence of venture capital at the start up stage is in backing an entrepreneur with a world changing idea to execute his dream. If it fails, at least he tried, and you lose some money and the people around the project including you accumulate some knowledge, and knowledge is always useful. If it succeeds a number of people are made wealthy which spreads the wealth around (without having to resort to welfare) and you get some more cash to do it all over again.

While I don't know if Stephen has thought about venture capital in these terms we should not exclude Stephen from the list of world class philanthropists.

For those of us still struggling with survival and security these issues are not yet real, but without the considered activities of the 10% of so that have to think about these issues human progress would stop dead. We need to cherish our tall poppies and work out how to grow more of them as we will be a better country as a result.

Bruce Sheppard

INVESTMENT TRADING

We should be and indeed we are eternally grateful to those listed companies who have refused to bow to the Stock Exchange autopilot provisions that allow companies to have their constitutions changed without the approval of shareholders. The Notice of Meeting of Property for Industry contains numerous alterations to the Constitution brought about by the latest requirements of the New Zealand Stock Exchange. The amendments highlight the regularity of the changes that are now taking place and also give us insight, which we would otherwise not recall, into the rush and lack of thought that has gone into some of these changes. One such incident has occurred recently and resulted in at least one angry shareholder when with a little foresight, the problem he encountered could have been avoided. In this case there was a recent listing rule change that allowed companies to offer up to \$5,000 of their shares to small shareholders.

It is worth covering the incident because it will recur and our members should be acutely aware that they should take special precautions and not rely on their sharebroker to get it right.

Rakon recently made a placement to institutional shareholders. The Company is newly listed on the NZX and its Board was particularly diligent in trying to ensure that all shareholders receive fair treatment. The decision was made to give small shareholders the opportunity to take up shares in their Company on the same terms as those that had previously been offered to institutions. This decision involved the issue of a Share Purchase Plan outlining the conditions and this was duly sent to shareholders and was dated 5 March 2007. There had of course been publicity about the institutional placement and some investors decided to take advantage of the prior advice by the Board that small shareholders would receive an opportunity to participate in an issue. One of our members purchased Rakon shares on 23 February believing that this offered ample time for the shares to be registered and the offer made to him by the Company. Unfortunately the shares were not registered in time and he did not receive what he considered to be his entitlement. The first thing to stress is that it is not possible to publish an ex date as the offer is not transferable and is offered solely to the registered holder who, in this case, had the option to buy 500, 800, or 1,234 shares at \$4.05 per share. The next point to stress is that the Exchange in New Zealand operates trading on the basis of T + 3. The record date for the offer was 28 February. In this instance, if the shares had been bought on Thursday 22 February then registration would have taken place on 28 February. Unfortunately the shares were bought on Friday 23 February. The investor missed out because the '3' relates to trading days and does not include Saturdays or Sundays. The problem stemmed from the non-transferability of the offer and it would surely have been a simple matter to remind investors in the listing rules that ex dates in these situations are not appropriate and the shares MUST be registered before entitlement flows.

Oliver Saint

AGMs

NZX 30 March 2007 Wellington

This year the AGM was held in NZX's offices in Cable Street overlooking the waterfront. About 60 people attended in person plus an indeterminate number who may have been listening via pod cast.

The Chairman Simon Allen spoke first and had five points to make:

1. It had been a fantastic year for NZX and its shareholders
2. The board made a stuff up with the proposals for the CEO's package (Simon Allen's words)
3. The board unanimously supports Mark Weldon as CEO
4. NZX has huge growth opportunities via its partnership in the soon to be launched Australian electronic trading platform (AXE)
5. An explanation of NZX's role as regulator

Simon ended by mentioning that NZX is launching a dividend reinvestment programme that provides non-taxable fully paid bonus shares at a 2% discount.

It was then over to CEO Mark Weldon for a motivational speech covering values, the world-beating NZX team and what a good thing it was that the NZSE had been floated as NZX rather than being subsumed by the ASX.

Greg Yanko, recently appointed CEO of AXE, popped up to say a few more words about AXE. In essence NZX's Australian partners in AXE (Macquarie Securities, Citigroup, Commonwealth Securities, Merrill Lynch and Goldman Sachs JBWere) will provide the base load of transactions needed to make AXE viable and AXE is aggressively touting for additional business to build the profits.

At question time Brian Gaynor stood up and well and truly roasted Simon Allen and the board for their handling of Mark Weldons package. Unlike John Howard, Simon Allen had no problems saying sorry, he must have said sorry five times but to no avail - Brian Gaynor went on and on and on. After that everything quietened down, the AGM wrapped up and NZX laid on light refreshments. Martin Dowse

THE WAREHOUSE GROUP - Special Meeting

This meeting was held in the Group Support Office at Northcote on 23 March. The building offers marvellous vistas of the Northern reaches of the Waitemata Harbour and seems well appointed and extremely spacious. Unfortunately a mere handful of shareholders other than staff turned up. The meeting was called to approve the issue of shares and conditional rights to shares for the Executive Share Scheme that had previously been approved by shareholders on 24 November 2004. The agenda notice and accompanying explanatory notes were complicated by the fact that the rules of the New Zealand Exchange and the Australian Exchange are different and the resolutions were obliged to cover both requirements; the Company having a listing in Australia. This factor, coupled with the presentation of documentation in language that could only be described as legalese made for heavy going. In these situations one does need a form of Executive Summary.

The chairman, with the assistance of a PowerPoint presentation and management, explained the resolutions in some detail. There were several queries from Brian Gaynor, mostly relating to the situation should an acquisition or takeover of the company eventuate, which were dealt with satisfactorily including the comment that any successful acquirer would not have to accept the Scheme. Advantage was taken by the chairman to bring those present up to date with recent announcements.

Oliver Saint

BRANCH EQUITY PORTFOLIO COMPETITION

Members were first advised of this competition in our May 2006 newsletter; it started on 1 May 2006 and reporting is on 31 March and 30 September each year. This note is by way of being an update on results to 31 March 2007, and in an accompanying article the Waikato branch shares with us some of the excitement and benefits that this competition has provided for committee members and those members who are resident in the Waikato area, particularly Hamilton.

It has always been the intention to show the rules that are in force currently for this 'game'. The objective is to try to mirror the efforts of the ordinary saver in building a portfolio of equity holdings for the long term. As a result it is no good being handed a big lump sum at the start of the game because that only happens in rare occasions or in dreams. The major factor is the length of time it takes to obtain a reasonable sized portfolio and the resulting minimum brokerage charges that tend to eat away initial gains. Members will be interested in the selections that have been made by each branch but first I should reveal the results for the 11 months to 31 March 2007. These are summarised as follows. Remember that there have so far been 11 monthly contributions of \$1,000 per month; a total of \$11,000 for the period.

Auckland Branch - Value at close was \$13,948. An effective gain of 26.4%.

Waikato Branch - Value at close was \$13,012 An effective gain of 18.3%.

There is absolutely no doubt that both branch results have so far shown that equity investment is a good step in dealing with the effects of inflation. However more difficult is the ability to ensure that a market Index is also beaten and again both branches have shone here. There is really only one indicator, the NZX 50 Index. It should be remembered that dividends are brought in to this Index on a gross basis, a situation that is extraordinarily unrealistic but despite this massive disadvantage for all investors, both portfolios were able to exceed the Index by a huge margin. The NZX 50 Index at the start of the competition was 3795 and closed at 4107 on 31 March. This gives a gain over the 11 months of 8.22%. The performance of the Auckland branch would have been even greater had they brought in dividends received during the 11 months and maintained a cash investment account. They have so far done neither of these things. The closing values of the portfolios are as follows:

Auckland Branch

Name of Company	Holding	Price	Value	Result
Fisher & Paykel Healthcare	479	\$3.63	\$1,739	
Rakon	930	4.93	4,585	
Kingfish - ordinary	793	1.50	1,189	
Kingfish - warrants	4239	0.48	2,035	
Nuplex Industries	293	7.35	2,154	
Trust Power	132	8.28	1,093	
Vector	387	2.98	1,153	
Total portfolio			\$13,948	26.4%

Waikato Branch

Name of Company	Holding	Price	Value	Result
Kingfish	665	\$1.50	998	
Mozy Smartshares	165	6.84	1,129	
Northland Port	344	3.20	1101	
NZ Dairy Equities	1836	0.44	808	
NZ Oil & Gas	886	0.90	797	
Port of Tauranga	189	6.10	1,153	
Rakon	625	4.93	3,081	
Sky City Entertainment Warrants	431	1.98	853	
Cash			3,092	
Total portfolio			\$13,012	18.3%

It is interesting to note that there are two common holdings in the portfolios, Kingfish and Rakon. Waikato has a number of holdings that show a loss on purchase price at present and Auckland in contrast have only one loss producer - Fisher & Paykel Healthcare. However it is early days yet and the lead has changed hands once already. Well done participants.

Oliver Saint

BRANCHES

Auckland

At the branch meeting On 21 February, we were given an excellent presentation by Sherry Maier of Sheffield on the latest trends in CEO remuneration packages.

Here is a brief summary of Sherry's research.

Chief Executive Package Structure by Country.

	NZ	USA	CANADA	UK	AUSTRALIA	INDIA
Base Salary	76%	27%	38%	43%	51%	45%
Benfits	7%	11%	11%	22%	19%	41%
Performance Pay	16%	62%	51%	35%	30%	14%

Performance pay versus base salary

NZ differs from the other countries in that base salary makes up a significantly higher proportion of total remuneration.

Most NZ CEO's achieve the maximum payout of their performance pay. One has to question whether the performance targets were set too low. Sherry indicted this may be because of complacency, confidentiality or cordiality. However, the performance pay paid in NZ was lower than in other countries. In Australia there was a trend for long term incentives to become a greater percentage of CEO total pay package. Sherry felt setting sound performance pay should be beneficial to all concerned, providing individual goals and corporate goals were in alignment with improved company performance. Similar statistics apply to senior executive package structures.

In Sherry's presentation it was highlighted in the USA, CEOs earn roughly 500 times what the average worker gets paid. The figure for Australia was 36 times and for NZ 12 times. The NZSA believes the USA number is far too high and unreasonable. Our recommendation is somewhere between what NZ and Australian CEOs receive. The final number depends on the size of the company and its overall performance.

Directors Fees

On average NZ directors are remunerated at 50% less than directors get paid in Australia. The NZSA is concerned about the low fee structure paid to directors in NZ, but we do have some concerns before going ahead and approving large increases. As an example, the quality of some directors and the amount of time they actually commit to each company. I intend to cover this subject in more detail at a later date.

Disclosure of Fees

Research has shown a lack of executive remuneration disclosure in NZ compared to Australia. In my opinion we need to follow some changes which the ASX has demanded of companies in Australia.

Recommendations The NZSA would like to see

- full disclosure requirements from the top 5 highest paid to top 10 highest paid in each company (?).
- full details of these top executives pay plans.
- Shareholders' approval of fee increases for directors

I am sure many of our members after this presentation will be better prepared when the opportunity arises to ask some pointed questions on the subject of CEO and director fees.

Des Hunt – Chairman

On 8 March, 30 members of the branch visited NUPLEX Industries (webpage: www.nuplex.co.nz). NUPLEX is Australasia's largest manufacturer and distributor of technical materials, resins and polymers for use by the paint, ink, adhesive, fibre-reinforced plastics, paper and textile industries. It also supplies a range of industrial chemicals and specialist building products.

The visit was organized by a group of senior managers led by the Managing Director John Hirst. The highlights of the visit were: a) the comprehensive presentation by John Hirst, followed by an animated discussion, b) a guided visit of the plant.

John's presentation focused on a general view of the company, H1 2007 results and highlights, acquisition health check, operations, financials, and outlook. He has also addressed all questions formulated by Des Hunt, on behalf of the shareholders.

In a nutshell, NUPLEX is a company with 1,850 employees, revenue of \$1.5 billion, Market Cap of \$550 million; it has 79 million of shares distributed worldwide as follows: 88% in New Zealand, 10% in Australia and 2% in other countries.

NUPLEX operates worldwide, in New Zealand, Australia, Asia, Europe, and Americas (North and South). Its headquarters are in Auckland.

The presentation of H1 2007 results and highlights has included a detailed and lucid presentation of results (profit, loss, causes, market distribution, the acquisition health check impact, currency impact). Then, current business plans and strategy were detailed, with interesting explanations and motivation. Both positive and negative factors have been presented, given a clear impression that business and technical understanding, realistic objectives which have all chances to produce very good results.

A detailed presentation of senior managers followed. It included 14 business group general managers and 14 functional group general managers, each with geographical affiliation, main role and age (note: age varies from 31 to 61). It was clear the importance given by senior management to employees, visible also in the fact that most employees have a long career with NUPLEX.

John's presentation was very professional and has received excellent comments from those shareholders who attended. We thank John, also Fred, Brian, Sylvia and the rest of the management team, for their part in making this a successful visit.

Joe Turnbull

A well attended visit to Fisher & Paykel Healthcare also in March was rewarded with an extremely well presented discourse on the products and the company, followed by a visit to part of the factory.

The main products are –

Respiratory Humidifiers. These deliver oxygen to patients at extremely closely controlled levels of humidity (100%) & temperature (37C). This maintains patient breathing post operation.

New applications are for non invasive surgery, home use, oxygen therapy & others.

F & P H has 60% of the world market.

Obstructive Sleep Apnea devices. These maintain oxygen delivery at pressure to stop the blocking of air passages during sleep. OSA affects about 6% of the world's population.

Neonatal devices. These control body temperature, deliver constant pressure oxygen & help the resuscitation of babies.

Growth drivers - 98% of the output is exported (66% in \$US) Sales growth in the last 6 months is about 20% in constant \$.

\$NZ sales growth over the last 5 years has averaged 22% and is forecast to be 15% -20% in the foreseeable future.

The improvement of existing products, development of complementary ones, & new applications are the drivers

R & D - 5%-6% is spent & 200 staff employed by R & D.

There are 206 patients in operation & 307 pending.

FX - For every US1cent change the profit is \$NZ 3M up or down. Currently the 2007 earnings are forecast to be affected \$NZ 18M.

Tony Sullivan

We had an excellent presentation by Alan Clarke, the Managing Director of Abano Healthcare at our bi-monthly meeting on Wednesday 11 April.

Alan's talk certainly raised many issues which many of us were not aware of regarding the state of our healthcare sector, as well as the excellent opportunities long term for Abano to establish itself as a major player in this market segment.

Albano's Chairperson, Alison Paterson, Non Executive Director Trevor Janes, and company secretary Richard Keys attended the meeting as well, which gave those attending the chance to meet them and the opportunity to ask further questions on Abano and the health sector.

To obtain very comprehensive notes on the presentation please go to the Abano Healthcare website, www.abanohealthcare.co.nz, select 'investors' and then 'investor presentations'. Click on to the Shareholders Association presentation April 2007. This is a large document and will take a few minutes to download, so patience is required!

These company presentations are an excellent way for members to gain valuable insights into the business strategy, the particular industry sector and its competitors and to meet management. We would encourage all members to attend these meetings on a regular basis.

Des Hunt

Bay of Plenty

The BOP branch came to life at the beginning of the year in spite of no report in the last Script. The discussion group meetings held in February and March were very well attended. The subjects discussed were: Picks for 2007, the (UN)FDR tax regime, P/E ratios, dividends, The Port of Tauranga. The committee is intending to plan 2 or 3 company visits this year.

Two of our members will be running an educational seminar on 12 of May. It will be an investment workshop for new investors and be open to non members if there is room. The contacts are (07) 552 5320 or (07) 5747400.

Our members are disappointed that the Port of Tauranga merger with the Ports of Auckland has fallen through. However POA bought the Maersk business by cutting its margins. That is a "no no" in any line

of business and it will take a some time for the effect to flow onto the bottom line. After all ports are a commercial business and any merger must be commercially based and free from political interference.

Our branch is running a portfolio growth competition for a donated prize of wine. At the beginning of the year the competitors nominate a portfolio of the five shares that they think will grow the most during the year and the winner will be known in time for Christmas cheer. Its all for a bit of fun.

Lloyd Christie

Canterbury

The Canterbury Branch recently visited Scott Technology Ltd. About 20 members were hosted by Chris Hopkins, the Managing Director.

Chris gave a brief history, a description of what the company did, their philosophy and why they stayed in NZ, with the dollar the way it is! Chris and Kelvin Kilpatrick, Engineering Director, spent some time answering questions including discussing their volatile share prices. Obviously being a small company producing a few very high priced products, income was not spread evenly over the years. The measures to effectively avoid this were described and discussed.

Scott Technology's team of design engineers concentrate in three core areas.

The largest part of their work is designing and building top of the range high technology production lines, for the world appliance market. Demonstrated for us was part of one that will fabricate fridge doors from coil steel and faster than one a minute, ready to hang. Their "home market" is America, Australasia doesn't feature. These skills seem to have been developed incrementally.

Alongside this, Scott Technology, has also developed several automated meat processing robots, with partners, from concept to commercialisation. The aim is to produce these as off the shelf units and targeting Australasian meat processors. We saw a video showing the equipment working on a trial basis.

Another smaller area was automated food packaging machines for very specialised products.

We were guided us through their Christchurch factory. I had the feeling of pride from all, including those doing overtime on the factory floor. The product was clean and uncluttered both in design and function. Perhaps as stylish as a manufacturing robot can be.

Three quite separate, very specific, diverse markets linked by design and production excellence, perhaps sums the company up for me.

Ritchie Mein - Chairman

Hawke's Bay

The start of a new branch is not just a simple matter of convening a meeting and pressing the accelerator pedal. There must be a core number of existing members in the surrounding area to justify the time and costs involved in the initial investigative work of setting up; there must be the possibility of new members in the area and there must also be the determination of a few to ensure that the operation is viable. However above all there must be a keen, hard working visionary capable of marrying all these pieces of the jigsaw together to provide a viable operation. John McCarthy was instrumental in driving forward the possibilities of a branch operation in the area and he has provided the leadership for creating a vibrant and committed bunch of members.

It was my privilege to represent the NZSA Board at the inaugural meeting of the Hawke's Bay Branch which was held on Wednesday 28 March 2007 at the RSA Hall in Taradale. The meeting was attended by around 20 people of whom 12 were existing members of the Association. The meeting was presided over by John who outlined the objectives of the branch. I gave a short address covering the aims and achievements of our Association to date. The question and answer session was long and lively and, in view of the recent demise of Feltex Carpets, covered that event in great detail.

The idea is for the gatherings of this branch to be spread around the three main population centres, Napier, Havelock North and Hastings. Three people offered assistance as committee members, and given the lack of publicity for the inaugural meeting we felt that this was a satisfactory outcome and a successful branch could develop from this start. I take the opportunity to suggest that any member living in the Hawke's Bay area might like to contact John McCarthy whose email address is jhamccarthy35@xtra.co.nz or telephone **06 844 5623**. Offers of assistance at the committee level will of course be especially welcome. Committee numbers would ideally be eight and a selection of talent such as computer ability, administrative and organisational capabilities are all important. We are sure that the new branch will be rewarding for the people of the area and we all wish it every success.

Oliver Saint

John McCarthy adds

I have sent a report to those members who were not at the meeting to tell them what took place and tell them of our next proposed meeting. Also I have phoned new members to welcome them and I have spoken to the two members who said they would serve on the committee in a local branch. We have agreed that because about half of our 25 local members live in the Havelock Nth/Hastings area we will have our next meeting in Havelock, with the hope of getting those that did not attend to the next meeting & perhaps getting a couple from that area to come on to the committee. I have been in touch with Somerset Smith Sharebrokers Napier, who are existing members and they, together with several accounting & legal firms I have contacted, are happy to put our application forms on their front desks. For the record we had twenty at the meeting (12 members), not including ourselves & I had three apologies from existing members. I am trying to motivate existing members to each sign up a new member. Please include my contact details in any report with an invitation for anybody to contact me.

John McCarthy

Waikato Branch

The first meeting of the year was on 22 February when forty one members attended. Frank Jasper, of Fisher Funds, was the guest speaker. His delivery was informative and clearly indicated the thorough investigative approach by the company into their investment decisions. Frank's speciality is the Australian investment market and the members gained a clear indication of the value he saw in his 'picks'. It was recognised that he had a very large task to survey the Australian investment field and find companies that fitted the criteria set by Fisher Funds for sound investment. Once again the members showed their interest and appreciation in their questions and the length of time they stayed after the formal meeting had closed.

Due to the generosity of Joe Turnbull and the Auckland Branch, our members were invited to join the Auckland members visiting the Nuplex and the Fisher and Paykel Healthcare plants. Both visits were appreciated by our members. A further visit, to Fisher and Paykel Appliances, is also arranged. The Waikato branch was able to reciprocate by offering the Auckland members an opportunity to join us in visiting the the Affco plant, at Horotiu. We are continually surprised by the welcome that we receive when making these visits. Affco were no exception and a thoroughly enjoyable three hours was spent at the plant including a tour of the killing floor (suitably discrete) and later a pleasant lunch.

The Branch Conference, held in March, was very interesting and valuable to the Waikato attendees. Waikato had five members present, which was appreciated by me in that more of our committee were able to meet and discuss matters with other branches and the Board. The load on the Board was reconfirmed and each branch was asked to consider taking responsibility for one aspect of the affairs of NZSA. The recognition that the membership of NZSA has two components – those members who are computer literate and those that are not – leading to the realisation that the costs for the association would be reduced if all communication was by Email with files attached. The NZSA website would be seen to be a valuable asset to us all if it were regularly accessed. The correspondence list on the website is most impressive.

Alex Eames - Chairman

Wellington Branch

At our March meeting, we had the honour of hosting Sam Knowles, CEO of Kiwibank. Sam gave an interesting presentation on what Kiwibank had achieved so far and its future growth strategy. He commented that Kiwibank had successfully achieved its main goal of bring down the cost of banking in New Zealand. The core goal going forward is to increase its scale to improve its cost structure and broaden its product offering by first picking off the segments which are not well served by the main banks. He indicated that at this stage Kiwibank is unlikely to float on the NZSX as they have plenty of other funding options available to grow the business. This is a shame as NZSX needs high quality growth companies like Kiwibank.

In our April meeting we hosted David Carrigan from the IRD, who gave an enlightening and good humored presentation on the new investment tax rules. David helped members work through the details of the new rules and their application to their personal circumstances. We all came away with a greater understanding of the new tax rules.

Overall both presenters made these evenings thoroughly enjoyable for all. Big thanks to Sam & David for giving up their time to talk to us. We look forward to seeing you all at the next branch meeting.

Ray Jack – Secretary

BITS AND PIECES

Members may wish to be aware that Computershare Investor Services has introduced a shareholder self-service and company information portal that can be accessed through www.computershare.co.nz/investorcentre. Holders will be able to update their details and also request the electronic receipt of a range of company information. We suggest that this link would be ideal for recording among your 'favourites' file. Des Hunt and I were fortunate to receive a presentation of the facilities available and we certainly recommend the site.

Oliver Saint

PROXIES

Our Association attempts to attend all annual meetings where we are aware that we have received proxies. Sometimes we get caught out and this usually relates to the small companies who perhaps organise meetings themselves without the assistance of the share registrar. We certainly make every effort to attend the top 20 listed companies. **We need your help.** If you mail your proxy to the Company and you are appointing us as your proxy, would you please drop me an email - judenol@ihug.co.nz with the name of the Company as the subject matter and the brief message 'proxy mailed'. That is all I need. I will know from the list of meetings when and where the meeting is being held and can arrange for a representative for the meeting, either in Auckland or through our branch network if the meeting is elsewhere.

A brief explanatory comment. We have an excellent relationship with Computershare Investor Services and they are most faithful in calling us where we have a proxy but have not as yet received our representation letter. We are never advised by Link Market Services and where this organization is the share registrar we are particularly vulnerable. The ideal situation is one that is currently in operation on the Australian Shareholders' Association (ASA) website. Here they list the company and the name of the representative who will be attending the meeting on behalf of the Association. This was necessary up to recently because Australian law would only recognise an individual as a proxy. However the situation has now changed and the ASA may now be nominated. Whilst this is an ideal way of dealing with the appointment of proxies it is never likely to happen with us as we have no paid management team. I would like to give this suggestion a try for those meetings outside the main centres, and solicit your assistance.

Oliver Saint

UK & AUSTRALIAN SHAREHOLDERS NEWSLETTERS

Unfortunately, when my home computer crashed late last year, while I had carefully backed up all documents and spreadsheets, I lost my address lists from Outlook, including the email addresses of those members who had requested the regular Newsletters from the UK and Australian Shareholders' Associations as they were made available to us. If those of you with email are interested in having either or both of these publications forwarded as they come available, please email me at rusorjudy@paradise.net.nz, and I will set up the distribution lists again. I have a couple of copies of each at this stage, ready to go. They won't be available to those without email, as this involves downloading, printing and posting at considerable expense and bulk work for me.

Russell Hodge – Membership Coordinator

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Any comments or information contained in this Newsletter or within courses conducted by the Association, including related coursebooks, should not be construed as providing investment advice or recommendations under the provisions of the Investment Advisors (Disclosure) Act 1996, or otherwise.

NZSA Investment Education INVESTMENT COURSES

“Great Courses. Great Coursebooks. Thanks. Not a sales pitch! Lots of useful info.”

Investing - No experience needed

Auckland 9.30 -12.30 Saturday 12 May

Hamilton 9.30 -12.30 Saturday 19 May

Christchurch 9.00 -12.00 Saturday 28 April

Starting in the Sharemarket

Auckland 1.30pm - 4.30 Saturday 12 May

Hamilton 1.30 - 4.30 Saturday 19 May

Christchurch 1.00 - 4.30 Saturday 28 April

Investing in Shares

Auckland and Christchurch 9 -12.30 Saturday 30 June

Hamilton 9.30 -12.30 Saturday 7 July

Understanding Company Reports

Auckland and Christchurch 1.30-4.30 Saturday 30 June

Hamilton 1.30 - 4.30 Saturday 7 July

Shares and Investment Day

Tauranga Saturday 12 May

For Auckland and Hamilton venues

Contact Robert 07 827 8026, Ashley 021 185 9945 or Graham 0274 767 368

For Tauranga

The venue is the ABN AMRO Craigs Seminar Room

Contact Howard 07 552 5320 or Kerry 07 574 7400

For Christchurch

The venue is the Cashmere Club Hunters Terrace Beckenham

Contact Ritchie (03) 332 0052

Or Register online: www.nzshareholders.co.nz

Email: nzsaeducation@invested.co.nz

(Limit 22 per course)

NZSA Course Registration Form

Bring an acquaintance to join NZSA and save!

Course Location _____

First Name/s Mr/Ms/Mrs/Dr _____ Last Name/s _____

Email (main contact method) _____

Phone _____

Postal Address _____

Course Name	Cost	NZSA	Number Members	\$Total
Course fees include a course book and refreshments				
Investing-----	\$65 -----	\$55 -----		
Starting in the Sharemarket -----	\$65 -----	\$55 -----		
Investing in Shares -----	\$80 -----	\$70 -----		
Understanding Company Reports -----	\$80 -----	\$70 -----		
Shares and Investment Day Tauranga (no coursebook)-----		\$35-----		
A \$10 discount applies when taking two courses -----				

Total \$: -----

Payment Details

Auckland and Waikato courses: Post Form with cheque made out to "IENZ" to
NZSA Investment Education, PO Box 90821 AMSC, Auckland 1030.

Tauranga Shares & Investment Day: Post Form with cheque made out to NZ Shareholders Assn BOP
Branch to Treasurer 295 Oceanbeach Road Mt Maunganui Tauranga 3116

Christchurch courses Post Form with cheque made out to NZSA Canterbury Branch to Chairman 40
Butler St, Christchurch 8023

Register online: www.nzshareholders.co.nz - click "Shareholder Education"

Questions? Phone numbers above or email nzsaeducation@invested.co.nz

Cancellations and Refunds: Cancellations received in writing at PO Box above more than 7 days before
course

commencement will receive a full refund less administrative fee of \$25. Cancellations seven days or less
before course

commencement will not receive a refund but substitute attendee is welcome without an additional
charge. Please advise of any name changes. Should the course be cancelled by the organisers or by
any reason or any factor outside the control of the organisers the course cannot take place the amount
of the registration fee will be refunded. The liability of the organizers will be limited to that refund and the
organizers will not be liable for any other loss cost or expense, however caused incurred or arising.