

## Analysis of Financial Returns from Replanting of Pakuratahi East Block

Year		Cash Flows Base case	Cash Flows 10% Revenue Growth	Cash Flows 10% Revenue Reduction	Debt Level (8.5% interest)	Descripti on
0		-6,000	-6,000	-6,000	-6,000	Land prep
1		-30,067	-30,067	-30,067	-36,577	Planting
2		-16,704	-16,704	-16,704	-56,390	Fertiliser
3		0	0	0	-61,183	
4		0	0	0	-66,384	
5		0	0	0	-72,027	
6		0	0	0	-78,149	
7		0	0	0	-84,792	
8		-27,283	-27,283	-27,283	-119,282	Low Prune
9		0	0	0	-129,421	
10		-30,847	-30,847	-30,847	-171,269	Med prune
11		0	0	0	-185,827	
12		-27,283	-27,283	-27,283	-228,905	High prune
13		-27,840	-27,840	-27,840	-276,202	Fertiliser
14		0	0	0	-299,679	
15		0	0	0	-325,152	
16		0	0	0	-352,790	
17		0	0	0	-382,777	
18		0	0	0	-415,313	
19		0	0	0	-450,615	
20		0	0	0	-488,917	
21		0	0	0	-530,475	
22		0	0	0	-575,565	
23		0	0	0	-624,488	
24		0	0	0	-677,570	
25		0	0	0	-735,163	
26		0	0	0	-797,652	
27		0	0	0	-865,452	
28		0	0	0	-939,015	
29		0	0	0	-1,018,831	
30		2,036,423	2,516,395	1,709,609		Harvest
<b>NPV</b>	<b>8.00%</b>	<b>96,402</b>	<b>140,567</b>	<b>66,330</b>		
<b>NPV</b>	<b>9.00%</b>	<b>55,358</b>	<b>88,547</b>	<b>32,759</b>		
<b>NPV</b>	<b>10.00%</b>	<b>25,625</b>	<b>50,631</b>	<b>8,598</b>		
<b>IRR</b>		<b>11.24%</b>	<b>12.19%</b>	<b>10.46%</b>		

### Assumptions

Discount rates (8%, 9%, 10%)

Debt Interest rate 8.50%

Includes full silviculture

No dividend paid

Marginal costs only

No pest control included

No land rental cost included.