

A record breaking effort

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The next issue of the *ANZ Commodity Price Index* is scheduled for release on: 3 September 2008 at 3pm.

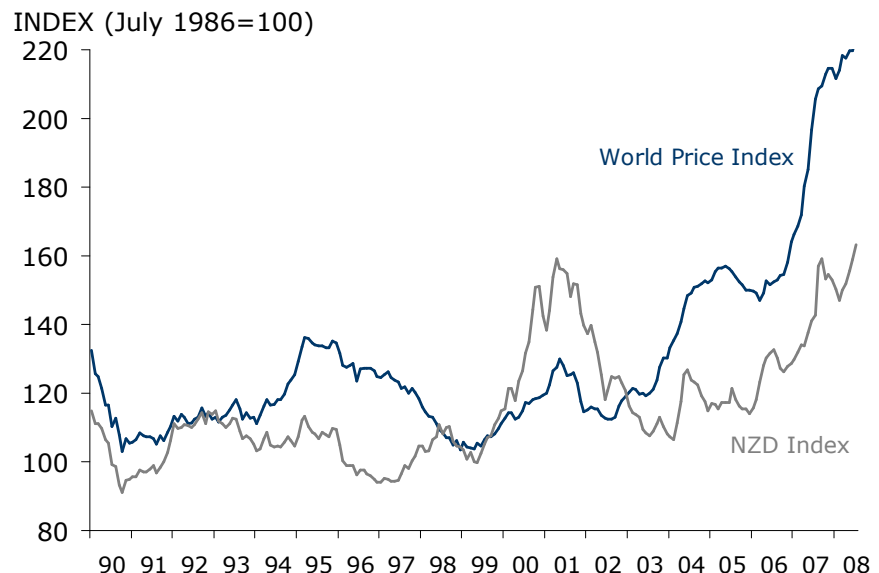
New Zealand's commodity prices recorded a strong rise in July. The ANZ Commodity Price Index rose 1.8 percent in July, hitting a new record high. Eight commodity prices recorded a rise in the month, one was unchanged and four recorded a decrease.

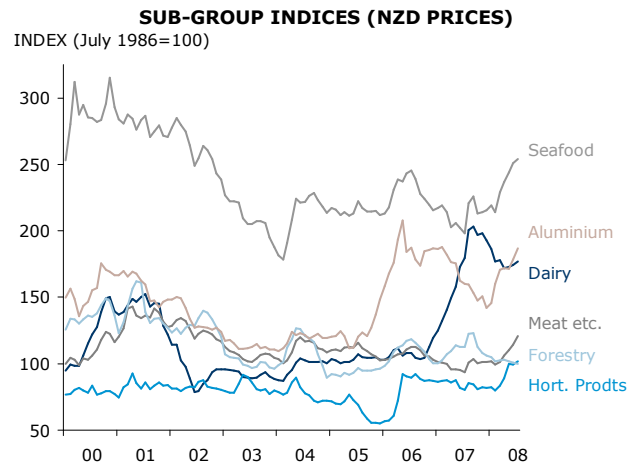
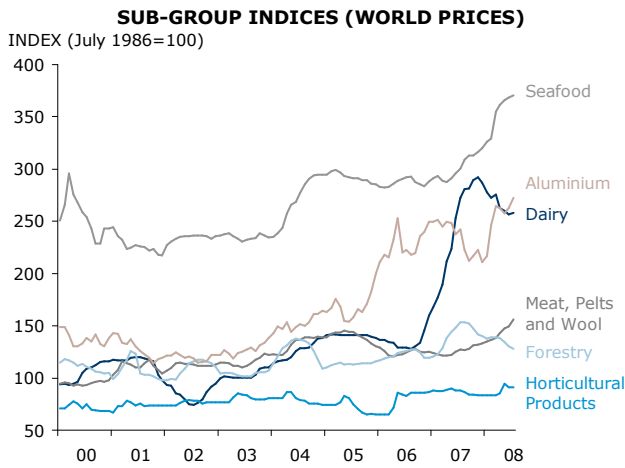
Prime beef. For the second consecutive month, the price of beef recorded the strongest monthly increase, rising 10.5 percent in July. Beef prices are now 38 percent higher than where they were a year ago. Aluminium recorded the next largest increase (up 3.8 percent), closely followed by lamb (up 3.3 percent). The price of apples, wood pulp, dairy, seafood and logs all recorded increases in July, ranging between 0.4 and 0.7 percent. On the downside, sawn timber fell 4.3 percent, pelt prices dropped 3.2 percent and wool prices eased 1.1 percent.

NZ dollar prices hit a record high. The ANZ NZ Dollar Commodity Price Index surged 2.8 percent in July, hitting a new record high for the series. This increase was a result of increasing export prices, combining with a weakening of the kiwi dollar relative to all our major trading partners.

A golden touch. The rapid rise in commodity prices is a good news story for New Zealand. The recent lift in agricultural commodity prices will give the nation a step-up on the medal podium and assist the rebalancing process the economy is embarking on, as growth swings from the spending to the earning sectors. Once the increased export returns filter through the whole economy, New Zealand as a whole will benefit from our latest medal winning performance.

ANZ COMMODITY PRICE INDEX





	World Price Index	Monthly % Change	Annual % Change	NZ\$ Index	Monthly % Change	Annual % Change
Jul-03	120.0	0.7	6.9	107.5	-0.7	-11.0
Jul-04	149.3	0.5	24.4	123.7	-2.4	15.1
Jul-05	155.3	-0.5	4.0	121.3	3.4	-1.9
Jul-06	152.3	0.5	-1.9	132.7	0.9	9.4
Jul-07	205.7	4.6	35.1	142.7	1.1	7.5
Jan-08	211.7	-1.4	27.4	150.3	-1.8	15.9
Feb-08	214.0	1.1	26.9	147.0	-2.2	11.4
Mar-08	218.3	2.0	26.9	150.1	2.1	12.0
Apr-08	217.7	-0.3	20.7	151.8	1.1	13.4
May-08	219.7	0.9	18.7	155.6	2.5	13.2
Jun-08	219.6	0.0	11.6	158.8	2.1	12.5
Jul-08	223.5	1.8	8.7	163.2	2.8	14.4

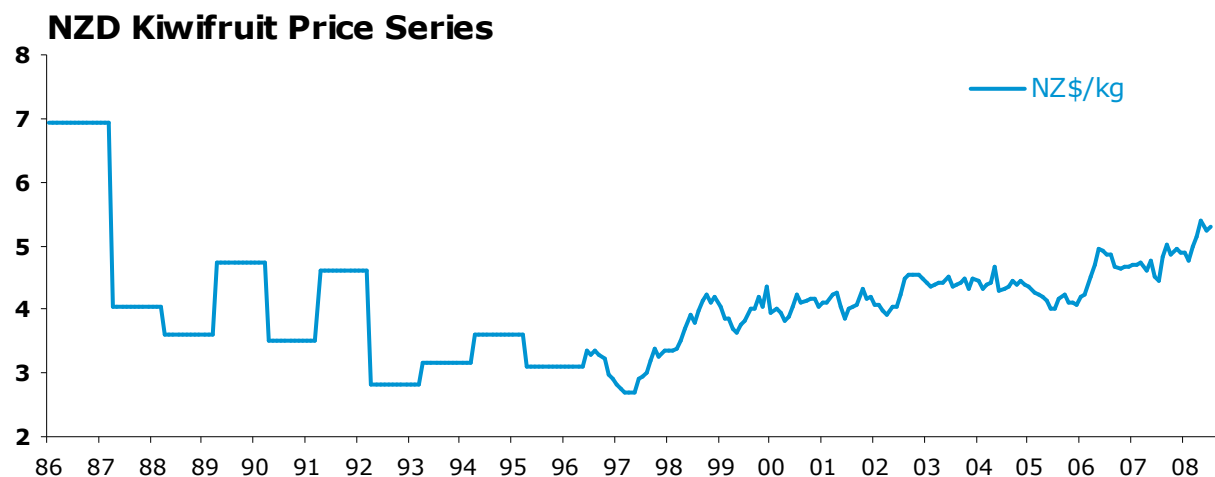
Commodity Price Index weights are based on contributions to merchandise exports. Weights for the 2008 year are: Wool 0.043; Beef 0.086; Lamb 0.130; Venison 0.012; Skins 0.025; Dairy 0.382; Apples 0.020; Kiwifruit 0.043; Logs 0.034; Sawn Timber 0.050; Wood Pulp 0.034; Seafood 0.060; Aluminium 0.083

Featured Commodity: KIWIFUIT

New Zealand has a sizeable chunk of the global trade in kiwifruit. From its roots 100 years ago, the industry has grown into a major export earner, with nearly \$800 million of fruit sold in 52 countries.

Kiwifruit was first introduced to New Zealand in 1904, when a Wanganui headmistress brought "yang tao" seeds back from China, and passed them on to an orchardist friend. Propagation over the next sixteen years saw plantings recorded in Auckland, Fielding, Wanganui and Tauranga. It was another 30 years before the first commercial shipment, 13 tonnes of chinese gooseberries, were exported to England. The name kiwifruit was introduced in the late 1950s, coinciding with the first shipments that were exported to the United States.

In 1977, the New Zealand Kiwifruit Marketing Licensing Authority was established. A decade later this organisation developed to be a single desk seller of NZ kiwifruit – the New Zealand Kiwifruit Marketing Board (NZKMB). In 1997, the NZKMB chose to differentiate New Zealand kiwifruit, to avoid confusion with product from other competing nations. Thus the ZESPRI™ brand and trademark was created for NZ kiwifruit, and ZESPRI International Ltd was established as the marketing subsidiary. In the late 1970's, NZ kiwifruit growers began experimenting with the cultivation of a golden kiwifruit. Seeds were imported from China, and after a lengthy selection and nurturing process, the yellow-fleshed kiwifruit (ZESPRI™ GOLD) variety was introduced to the world in 1999. More recently the industry has launched the 'Kiwiberry' – a bite-sized kiwifruit that can be eaten whole. The Bay of Plenty is the hub of kiwifruit production in New Zealand, with over three-quarters of the national crop harvested in the region. A small, but increasing, share of ZESPRI™ kiwifruit production is now being grown offshore, in an effort to build a year round supply programme for the brand.

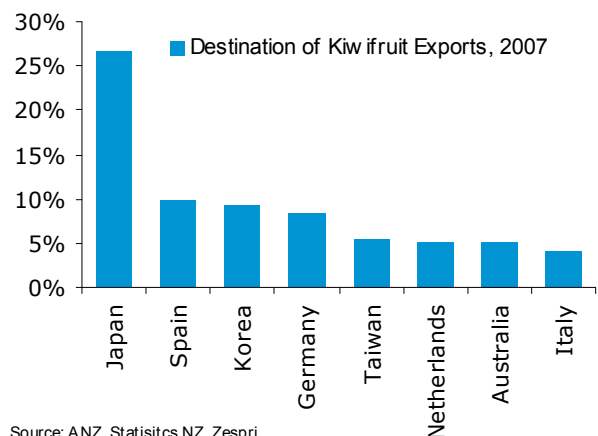


Sources: ANZ, Zentrale Markt- und Preisberichtsstelle

New Zealand is the world's third largest kiwifruit producer, behind Italy and China. Approximately 700,000 tonnes of kiwifruit enters the global market each year, of which New Zealand contributes roughly 30 percent. With world-wide kiwifruit plantings relatively stable, variations in production levels are, on the whole, dependent on weather conditions in the key producing nations (New Zealand, Italy, Chile, France and China). Consequently global kiwifruit production can vary considerably from year to year, with the knock-on effect on world prices. NZ kiwifruit commands a price premium, reflecting high quality, innovative marketing strategies, combined with strong branding and the promotion of the health benefits linked with eating kiwifruit. In May, the New Zealand dollar price of kiwifruit hit a 22-year high, and has remained close to this elevated level over June and July.

New Zealand exported \$780 million of kiwifruit in 2007, which represents 2¼ percent of our total merchandise exports. About three quarters of kiwifruit exports were the classic ZESPRI™ GREEN kiwifruit, with a rising share (20 percent) of exports sourced from the ZESPRI™ GOLD fruit.

Japan is our largest single market for kiwifruit exports, taking over a quarter of the total value of kiwifruit exported. However, this share shrinks to around 17 percent when calculated by volume, caused by the Japanese market commanding a price premium over other export destinations. Our next largest export markets for kiwifruit are fairly evenly spread across Asia, Europe and Australia.



Source: ANZ, Statistics NZ, Zespri

DISCLOSURE INFORMATION

The Bank (in respect of itself and its principal officers) makes the following investment adviser disclosure to you pursuant to section 41A of the Securities Markets Act 1988.

The Bank (in respect of itself and its principal officers) makes the following investment broker disclosure to you pursuant to section 41G of the Securities Markets Act 1988.

Qualifications, experience and professional standing**Experience**

The Bank is a registered bank and, through its staff, is experienced in providing investment advice about its own securities and, where applicable, the securities of other issuers. The Bank has been selling securities, and providing investment advice on those securities, to customers as a core part of its business for many years, drawing on the extensive research undertaken by the Bank and its related companies and the skills of specialised staff employed by the Bank. The Bank is represented on many bank, finance and investment related organisations and keeps abreast of relevant issues by running seminars and workshops for relevant staff and having its investment adviser staff attend external seminars where appropriate. The Bank subscribes to relevant industry publications and, where appropriate, its investment advisers will monitor the financial markets.

Relevant professional body

The Bank is a member of the following professional bodies relevant to the provision of investment advice:

- New Zealand Bankers Association;
- Associate Member of Investment Savings & Insurance Association of NZ;
- Financial Markets Operations Association; and
- Institute of Finance Professionals.

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The Bank (and its subsidiaries), through its ultimate parent company Australia and New Zealand Banking Group Limited, has professional indemnity insurance which covers its activities including those of investment advisers it employs.

This insurance covers issues (including 'prior acts') arising from staff fraud, electronic crime, documentary fraud and physical loss of property. The scope of the insurance also extends to third party civil claims, including those for negligence. The level of cover is of an amount commensurate with the size and scale of the Bank.

The insurer is ANZcover Insurance Pty Limited.

Dispute resolution facilities

The Bank has a process in place for resolving disputes. Should a problem arise, you can contact any branch of the Bank for more information on the Bank's procedures or refer to any of the Bank's websites.

Unresolved complaints may ultimately be referred to the Banking Ombudsman, whose contact address is PO Box 10-573, Wellington.

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In the five years before the relevant investment advice is given none of the Bank (in its capacity as an investment adviser and where applicable an investment broker) or any principal officer of the Bank has been:

- Convicted of an offence under the Securities Markets Act 1988, or the Securities Act 1978 or of a crime involving dishonesty (as defined in section 2(1) of the Crimes Act 1961);
- A principal officer of a body corporate when that body corporate committed any of the offences or crimes involving dishonesty as described above;
- Adjudicated bankrupt;
- Prohibited by an Act or by a court from taking part in the management of a company or a business;
- Subject of an adverse finding by a court in any proceeding that has been taken against them in their professional capacity;

- Expelled from or has been prohibited from being a member of a professional body; or
- Placed in statutory management or receivership.

Fees

At the time of providing this disclosure statement it is not practicable to provide accurate disclosure of the fees payable for all securities that may be advised on. However, this information will be disclosed to you should you seek advice from one of the Bank's investment advisers on a specific investment.

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When a security is sold by the Bank, the Bank may receive a commission, either from the issuer of a security or from an associated person of the Bank. Whether that commission is received and, if received, its value depends on the security sold. At the time of providing this disclosure statement it is not practicable to provide a detailed list of each security that may be advised on, the name of the issuer of that security and the rate of the commission received by the Bank. However, this information will be disclosed to you should you seek advice from one of the Bank's investment advisers on a specific investment.

In addition to the interest that the Bank has in products of which it is the issuer, the Bank, or an associated person of the Bank, has the following interests or relationships that a reasonable person would find reasonably likely to influence the Bank in providing the investment advice on the securities listed below:

- ANZ Investment Services (New Zealand) Limited (ANZIS), as a wholly owned subsidiary of the Bank, is an associated person of the Bank. ANZIS may receive remuneration from a third party relating to a security sold by the Investment Adviser.
- UDC Finance Limited (UDC), as a wholly owned subsidiary of the Bank, is an associated person of the Bank. UDC may receive remuneration from a third party relating to a security sold by the Investment Adviser.
- The Bank has a joint venture relationship with ING (NZ) Holdings Limited (ING). ING and its related companies may receive remuneration from a third party relating to a security sold by the Investment Adviser.

Securities about which investment advice is given

The Bank provides investment advice on the following types of securities:

- Debt securities including term and call deposits, government stock, local authority stock, State-Owned Enterprise bonds, Kiwi bonds and corporate bonds and notes;
- Equity securities such as listed and unlisted shares;
- New Zealand and overseas unit trusts;
- Share in a limited partnership;
- Superannuation schemes and bonds;
- Group investment funds;
- Life insurance products;
- Derivative products including interest rate and currency forward rate contracts and options; and
- Other forms of security, such as participatory securities.

PROCEDURES FOR DEALING WITH INVESTMENT MONEY OR INVESTMENT PROPERTY

If you wish to pay investment money to the Bank you can do this in several ways such as by:

- Providing cash;
- Providing a cheque payable to the relevant product or service provider and crossed 'not transferable'; or
- Making an automatic payment or payment through another electronic delivery mechanism operated by the Bank.

Investment property (other than money) may be delivered to the Bank by lodging the relevant property (for example, share certificates) with any branch of the Bank offering a safe custody service, or by posting (using registered post) the documents or other property to a branch of the Bank, identifying your name, account number and investment purpose.

Any investment money lodged with the Bank for the purchase of securities offered by the Bank, its subsidiaries or any third parties will be deposited in accordance with your instructions, to your nominated account or investment. Such money will be held by the Bank according to usual banking terms and conditions applying to that account or the particular terms and conditions relating to the investment and will not be held by the Bank on trust unless explicitly accepted by the Bank on those terms. Any investment money or property accepted by the Bank on trust will be so held until disbursed in accordance with your instructions. Any investment property lodged with the Bank will be held by the Bank as bailee according to the Bank's standard terms and conditions for holding your property.

Record Keeping

The Bank will keep adequate records of the deposit of investment moneys or property and all withdrawals and dealings with such money or property, using the account/investment number allocated to your investment. You may have access to those records upon request.

Auditing

The Bank's systems and operations are internally audited on a regular basis. The financial statements of the Bank and its subsidiaries are audited annually by KPMG. However, this does not involve an external audit of the receipt, holding and disbursement of the money and other property.

Use of Money and Property

Money or property held by the Bank for a specific purpose communicated to the Bank (e.g. the purchase of an interest in a security) may not be used by the Bank for its own purposes and will be applied for your stated purpose. No member of the Bank's staff may use any money or property deposited with the Bank, for their own purposes or for the benefit of any other person. In the absence of such instructions, money deposited with the Bank may be used by the Bank for its own purposes, provided it repays the money to you upon demand (or where applicable, on maturity), together with interest, where payable.

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