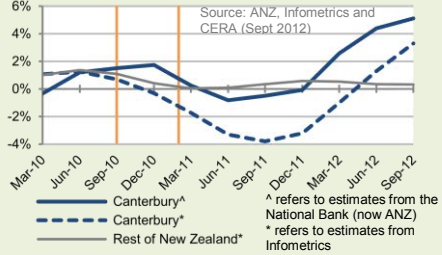


Output and Trading Activity

OUTPUT

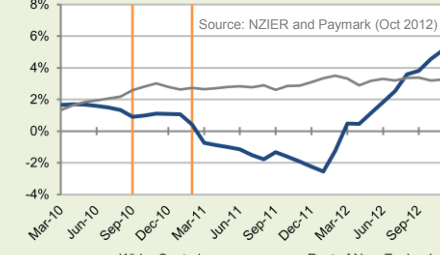
Estimates of regional economic activity, annual average percentage change



Canterbury continues to be the fastest growing region in the country and a major source of growth. ANZ estimates suggest that the Canterbury economy grew by 5.1% in the year to September 2012. The next closest regions were Taranaki with 2.9% and Auckland with 2.2%.

CONSUMER SPENDING

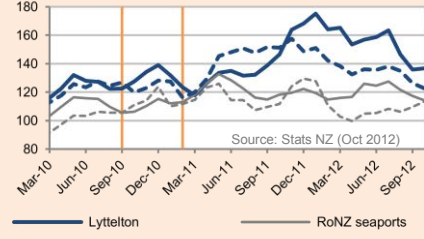
Electronic card transactions on the Paymark network – annual average percentage change



Consumer spending in Canterbury in November was 5.7% higher than November last year, according to the latest Paymark data. At the same time, consumer confidence is high in the region according to the latest ANZ-Roy Morgan NZ Consumer Confidence Survey.

INTERNATIONAL TRADE

Trade index - three month rolling averages of free on board values for merchandise trade of imports and exports where 2007 = 100

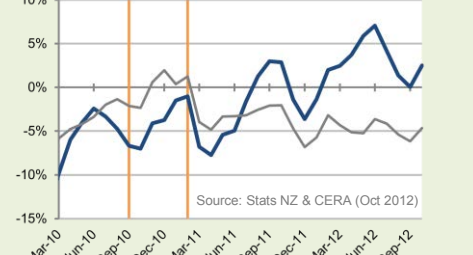


15% less exports went through Christchurch Airport this October compared to last October and 1% less imports. Meanwhile, exports through Lyttelton increased 1% in the same period and imports increased 3%.

Key Sectors

AGRICULTURE

Slaughter of livestock graded for export, excluding game - annual average percentage change of livestock weight

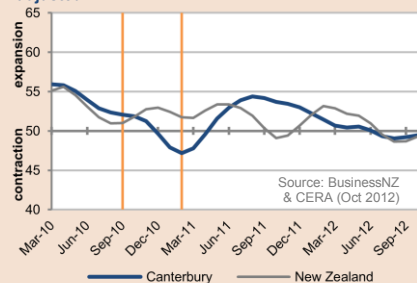


Strong growth in the agricultural sector continues. This graph suggests that since late last year, livestock exports from Canterbury have grown significantly faster than exports from the rest of the country.

Key Sectors

MANUFACTURING

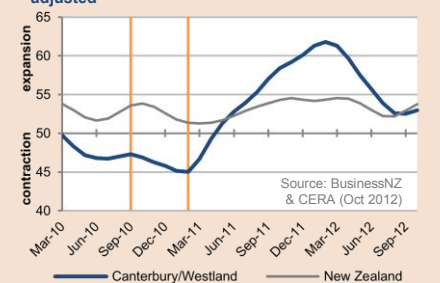
Performance of Manufacturing Index – seasonally adjusted



The new Reserve Bank governor advised parliament's finance and expenditure committee that the rebuild activity could have a 'very positive effect' on the Canterbury manufacturing sector. This is a promising sign in an otherwise sluggish sector.

SERVICES

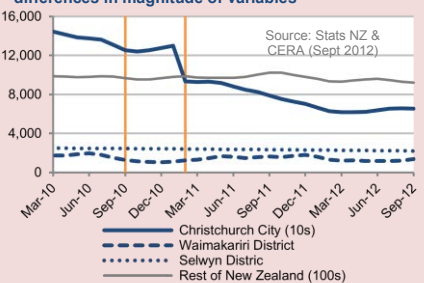
Performance of Services Index (PSI) – seasonally adjusted



Growth in the services sector continues. Based on the latest PSI data, the sector has expanded in Canterbury and the country as a whole since mid last year.

TOURISM

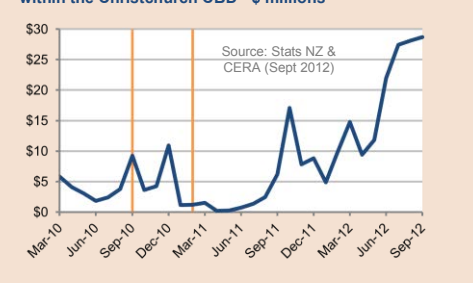
International guest nights – seasonally adjusted, note the differences in magnitude of variables



While significant challenges remain, this month includes the emergence of more positive stories. In particular, two Canterbury attractions were named in the AA's top 3 Must-Do's for Kiwis - Hanmer Springs Thermal Pools and Spa and Black Cat Cruise's Akaroa Harbour.

CHRISTCHURCH CENTRAL

Residential and non-residential building consents within the Christchurch CBD - \$ millions

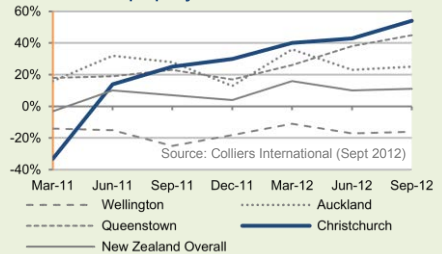


Activity in Christchurch Central continues to pick up. Victoria Square has reopened and recent University of Canterbury research suggests that 22% of Christchurch's restaurants are in the central city area.

Rebuilding and Confidence

INVESTMENT

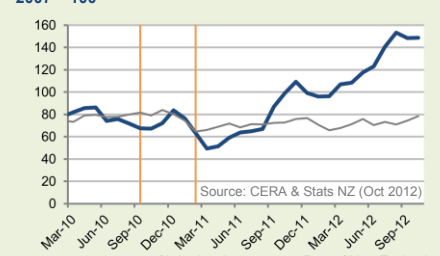
Commercial property investor confidence



Investment sentiment remains positive. Recent NZIER research of MYOB data found that 35% of Christchurch businesses are planning to invest in improving market share (compared to 29% in the rest of the country). Meanwhile 53% intend to invest in protecting their existing customer base compared to a national average of 39%.

CONSTRUCTION

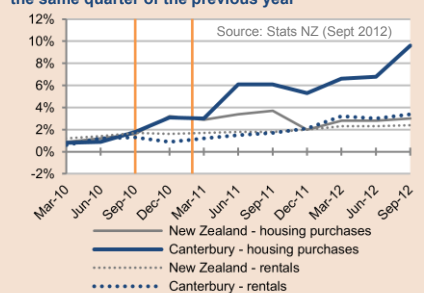
CERA's Index of Building Consents - three month rolling averages of residential and non-residential building consents for new buildings and alterations, indexed where 2007 = 100



Building activity in Canterbury increased by 85% in the twelve months to September this year. This is matched by very high consenting activity as the CERA Index shows.

HOUSING

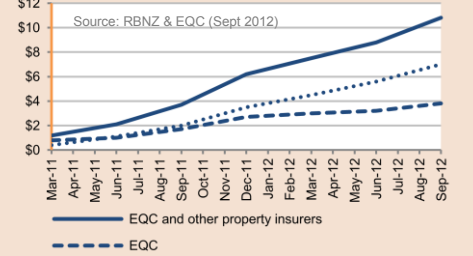
Consumer price index of housing costs – change from the same quarter of the previous year



Housing costs continue to rise, particularly in the Waimakariri and Selwyn Districts. Rental costs are also rising. The housing sector is being closely monitored.

INSURANCE

Estimated cumulative insurance payments paid out by the Earthquake Commission (EQC) and other property insurers - \$ billions

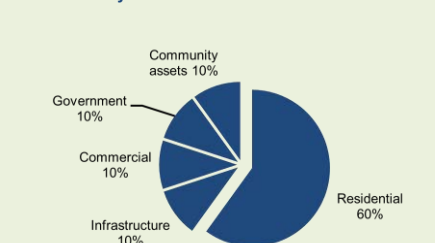


Insurance claims continue to be settled and reinsurance funds flow in from overseas. Nonetheless, considerable further work is required.

Rebuilding and Confidence

TOTAL SPEND

Cost of recovery shares



The majority of the \$30 billion recovery bill is likely to be spent in the residential sector with the balance likely to be spent across government, commercial, infrastructure and community assets.

BUSINESS ENVIRONMENT

Registrations and cessations of businesses in Canterbury

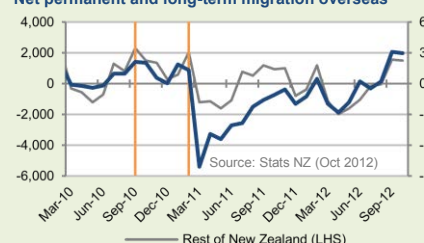


Consistent with the investment confidence mentioned above, the business environment remains positive. 420 businesses were registered in Canterbury in October while only 140 ceased. Meanwhile, 73 businesses relocated out of Canterbury while only 45 relocated into it.

Labour Market

POPULATION

Net permanent and long-term migration overseas



Population metrics continue to be positive, with nearly 600 registered taxpayers moving from another part of NZ into Canterbury during October. In the same month, slightly more than 600 permanent and long-term migrants arrived from overseas. This was an increase of over 40% from October last year and resulted in a net positive migration of nearly 300.

EMPLOYMENT

Skilled vacancies index of jobs advertised online - seasonally adjusted, March 2010 = 100s



The Canterbury rebuild continues to be a major source of new jobs for the country. As one example, SCIRT has identified that at least 900 new entrants to the infrastructure rebuild industry will be needed by them over the next 12 months.