

Quarterly Business Survey
December quarter 2012

Business conditions weaken to lowest level since June quarter 2009; weakness very apparent in construction, manufacturing and now mining. Forward indicators worsen. Confidence edges lower and very subdued – especially in mining. Medium-term expectations poor and capex lower again. Price pressures low, implying soft near-term core inflation.

- Business conditions were considerably weaker in the December quarter, deteriorating to their lowest level since June quarter 2009. Official ABS data showed a softening in GDP growth in the September quarter, and more recent activity data – including retail sales and international trade – point to further slowing in the December quarter. Our survey implies fairly tepid growth in domestic demand and GDP in the final quarter of 2012 (2¼% and 2% respectively; six-monthly annualised). Forward indicators of near-term demand weakened notably to very subdued levels, further suggesting that activity will remain soft, in the near term at least.
- While still reasonably poor, business conditions appear to have held up a little better in the consumer dependent recreation & personal services, retail and wholesale sectors in the quarter, suggesting lower borrowing rates may be providing some support. Perhaps the most interesting development has been the deterioration in mining conditions, where lower commodity prices have crushed the index to sub-GFC levels. Conditions deteriorated in all mainland states except Victoria, where they were unchanged and least subdued (along with WA); conditions were very poor in Queensland.
- Business confidence edged lower in the quarter and remained lacklustre overall. It appears that recent interest rate reductions have done little to alleviate business worries about the currently soft state of the local economy. Weak indicators of future demand, global concerns, a still high AUD and fiscal consolidation are likely to be weighing on expectations.
- Business investment intentions (next 12 months) softened to the lowest level since September quarter 2009. This seems broadly consistent with NAB's view that mining investment will peak in early 2014. Near and longer term employment expectations weakened further in the quarter and point to a continuing soft labour market. Lack of demand is expected to be the most significant factor impacting profitability over 2013, while concerns about tax & government policy remain important.
- Product price inflation remained subdued, recording annualised growth of just 0.3%. Retail price inflation was even softer – recording only marginal annualised growth in the quarter, and implying a soft Q4 core inflation outcome. Labour and purchase costs growth softened to modestly below-average levels.

Implications for NAB forecasts:

- Little change to latest [Global and Australian Forecasts](#) (released 29 January) for activity. While the RBA left policy unchanged in February, we still think it is close to cutting (tentatively March) – albeit this will be data dependent. Beyond that, we still see two more cuts later in the year as the labour market weakens.

Key quarterly business statistics**

	2012q2	2012q3	2012q4		2012q2	2012q3	2012q4
	<i>Net balance</i>				<i>Net balance</i>		
Business confidence	-4	-4	-5	Trading	1	6	-5
Business conditions				Profitability	-6	0	-9
Current	-2	1	-6	Employment	-1	-1	-3
Next 3 months	5	4	-1	Forward orders	-2	-3	-8
Next 12 months	16	17	11	Stocks	1	4	-2
Capex plans (next 12)	17	14	10	Exports	-1	-1	-2
	<i>% change</i>				<i>% change</i>		
Labour costs	0.6	0.6	0.4	Retail prices	0.0	0.1	0.0
Purchase costs	0.4	0.5	0.3		<i>Per cent</i>		
Final products prices	0.1	0.2	0.1	Capacity utilisation rate	80.4	80.6	79.4

** All data seasonally adjusted, except purchase costs and exports. Fieldwork for this Survey was conducted from 19 November to 7 December 2012, covering over 900 firms across the non-farm business sector.

For more information contact:
Alan Oster, Chief Economist
(03) 8634 2927 0414 444 652

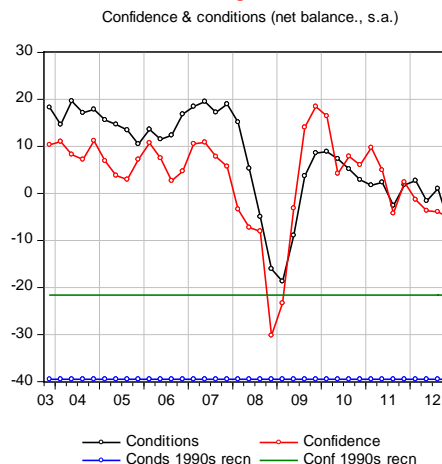
Next release:
12 February 2013 (January Monthly)

Analysis

Business confidence edged down in the September quarter and recorded the lowest outcome since March quarter 2009. The weakness in confidence may reflect current weakness in activity and indicators of near-term demand – particularly forward orders and capacity utilisation – along with a still high AUD and fiscal consolidation. Conditions overseas probably continued to worry business at the time of the survey, including the US ‘fiscal cliff’, which had not yet been resolved, recessionary conditions in Europe and softening commodity prices.

Overall confidence readings in the quarterly business survey were slightly less upbeat than monthly readings; this is likely to reflect timing; for example, the December monthly survey was conducted after the resolution of the US ‘fiscal cliff’.

Conditions weakened to lowest level since June quarter 2009



Confidence = excluding normal seasonal changes, how do you expect the business conditions facing your industry in the next 3 months to change?

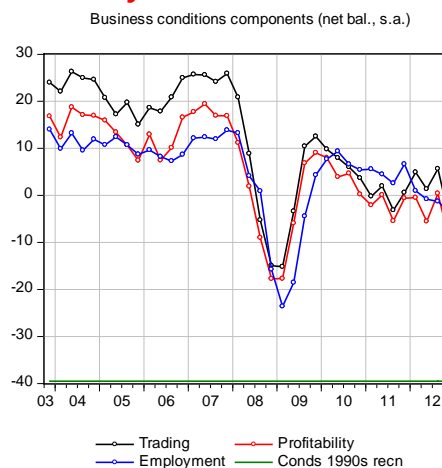
Conditions = average of the indexes of trading conditions, profitability and employment.

Business conditions deteriorated heavily in the December quarter, slumping to their weakest level since June quarter 2009. It is clear from our survey that activity has softened further in the December quarter, after official ABS data confirmed a slowing in GDP growth in Q3.

	Quarterly					Monthly				
	2011q4	2012q1	2012q2	2012q3	2012q4	2012m08	2012m09	2012m10	2012m11	2012m12
Confidence	2	-1	-4	-4	-5	-3	0	-1	-9	3
Conditions	2	3	-2	1	-6	-1	-4	-5	-6	-4

The **business conditions** index deteriorated in the December quarter (down 7 points to -6 points), to be well below the series long-run average of 1 point (since 1989). The slump in activity reflected particularly sharp declines in trading conditions and profitability, while employment conditions also weakened in the quarter. The deterioration in business conditions was broad-based across all industries, with a very sharp decline recorded in mining – consistent with lower commodity prices and the deferral of some marginal mining projects – followed by construction, manufacturing and transport & utilities. It appears that recent RBA rate cuts have done little to support activity thus far. The quarter survey result is broadly consistent with recent monthly surveys, with both surveys suggest a deterioration in conditions through the quarter.

Activity measures fall back



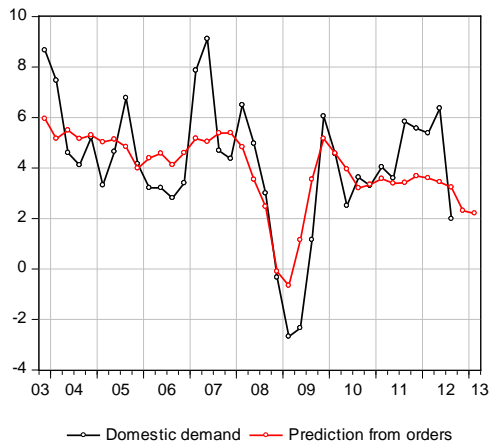
Net balance of respondents who regard last 3 months' trading / profitability / employment performance as good.

	Quarterly					Monthly				
	2011q4	2012q1	2012q2	2012q3	2012q4	2012m08	2012m09	2012m10	2012m11	2012m12
Trading	1	5	1	6	-5	3	-3	-3	-3	-4
Profitability	-1	0	-6	0	-9	-3	-6	-7	-11	-6
Employment	7	1	-1	-1	-3	-1	-3	-6	-5	-3

Analysis (cont.)

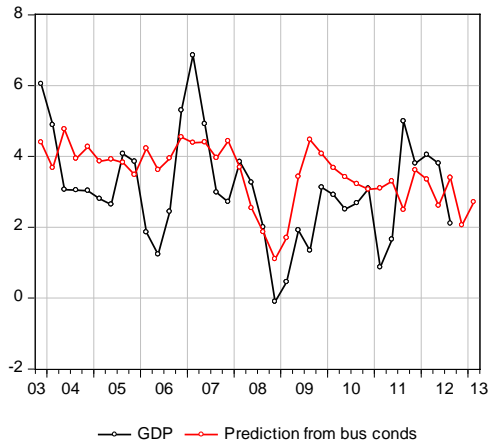
Demand growth to remain weak

Forward orders (change & level) as an indicator of domestic demand (6-monthly annualised)



GDP growth to strengthen in early 2013, albeit remain below trend

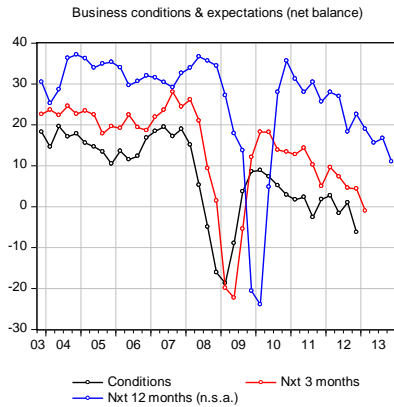
Business conditions (change & level) as an indicator of GDP (6-monthly annualised)



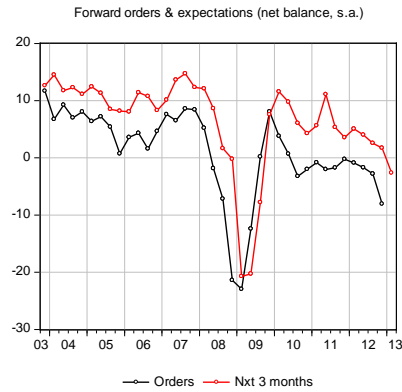
Based on average forward orders in the December quarter, we estimate that 6-monthly annualised demand growth was a subdued 2¼% in the December quarter. If we assume the December quarter forward orders outcome is continued into the March quarter 2013, the survey implies 6-monthly annualised demand growth will remain close to 2¼%. Similarly, based on historical relationships, the business conditions index implies that 6-monthly annualised GDP growth would be clearly a clearly below-trend 2% (annualised) in the December quarter. But if December quarter business conditions are maintained into the March quarter next year, the implied growth rate would strengthen to around 2¾%.

Analysis (cont.)

Expectations weaken again



Orders very subdued

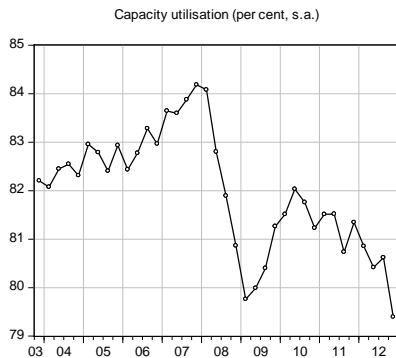


Consistent with actual conditions, short and long-term expectations for business conditions deteriorated notably in the December quarter, falling to their lowest levels since June quarter 2009. Expectations for forward orders also slipped back significantly, in line with the weakening in current orders. Although expectations for business conditions and forward orders remain well above GFC levels, they are significantly lower than levels recorded during the pre-GFC period.

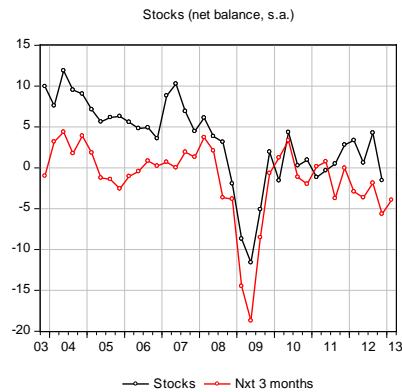
	Quarterly ^(a)				Monthly					
	2012q3	2012q4	2013q1	2013q3	2013q4	2012m08	2012m09	2012m10	2012m11	2012m12
Conditions	1	-6				-1	-4	-5	-6	-4
Conds. next 3m	5	4	-1							
Conds. nxt 12m	18	23	19	17	11					
Orders	-3	-8				-3	-7	-6	-11	-5
Orders next 3m	3	2	-3							

(a) Quarter to which expectation applies. Business conditions next 12 months not seasonally adjusted.

Capacity utilisation slumps



Stocks fall sharply; but could stabilise



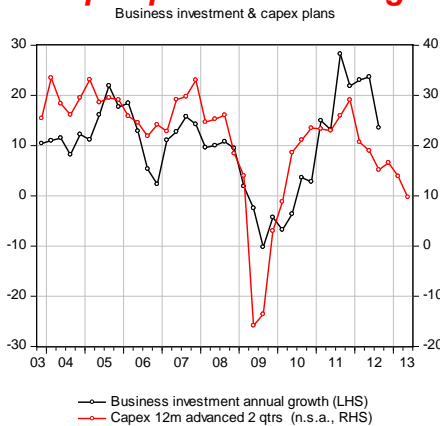
Capacity utilisation fell heavily in the December quarter, recording its weakest outcome since June quarter 2001. The current rate, at 79.4%, is 1.2 pts below the series long-run average (80.6% since 1989). Expectations for stocks (over the next three months) improved a little, though this was from a low base, suggesting near-term inventory rebuilding will remain soft. The generally subdued level of anticipated stock levels points to continued softness in anticipated sales.

	Quarterly ^(a)				Monthly				
	2012q2	2012q3	2012q4	2013q2	2012m08	2012m09	2012m10	2012m11	2012m12
Capacity utilis.	80.9	80.4	80.6	79.4	80.1	80.1	80.1	79.5	79.7
Stocks current	3	1	4	-2	5	-1	-2	-4	-2
Stocks next 3m	-3	-4	-2	-6	-4				

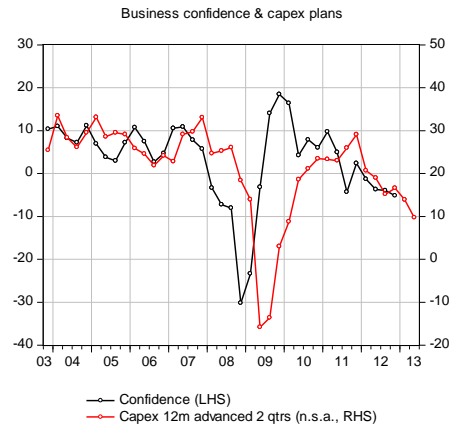
(a) Quarter to which expectation applies. All data are seasonally adjusted.

Analysis (cont.)

Capex plans weakening



... due to weak sentiment (in mining)

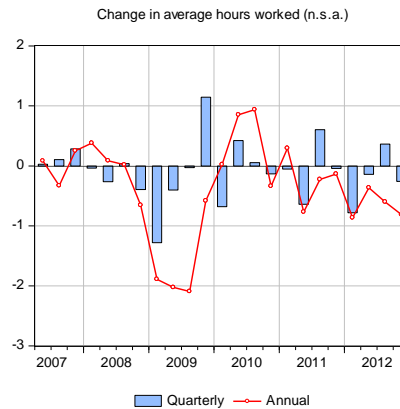


The NAB survey measure of business capital expenditure points to further softening in business investment growth over the next six to 12 months. It appears that recent rumblings that a number of smaller mining investment projects in Australia are being deferred or abandoned following recent commodity price falls may be weighing on investment plans, while lower confidence (particularly in mining) may also be having an impact. While investment activity does appear likely to soften, this outcome would be broadly consistent with NAB's view that the mining investment boom will peak in early 2014, with the effects of the softening in business investment activity to be largely offset by a strengthening in exports. Non-mining investment may be somewhat restrained over the year ahead, reflecting the weak outlook for domestically-oriented sectors.

Near-term employment set to fall



Average hours fall back

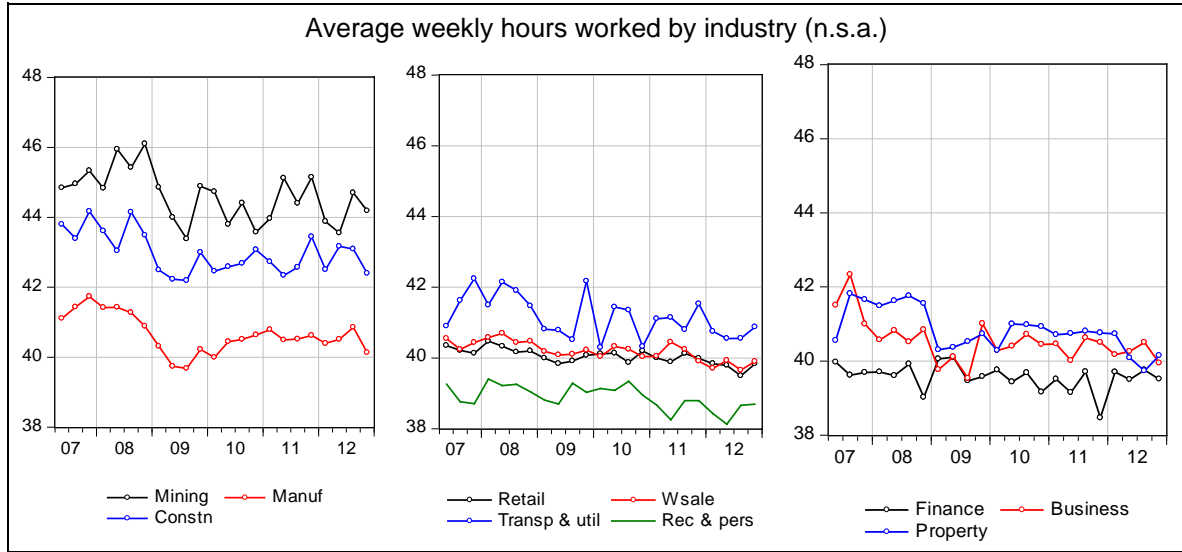


The employment index edged down to -3 index points in the December quarter (below the long-run average of zero points but still above GFC lows). Employment expectations point to a deterioration in conditions in both the near and longer term.

Average hours worked declined in the December quarter – down from 40.1 hours per week to 40 hours per week – to be 0.4 hours per week below the level one year earlier. The overall story implies that employers have continued to reduce hours and retain heads in the currently weak climate – the retention of workers during downtimes heightens the risk of job losses in coming quarters. By industry, average hours worked is highest in mining, followed by construction and transport & utilities. In contrast, the lowest hours worked are in recreation & personal services – possibly reflecting a greater reliance on casual and part-time workers in these industries – and finance.

Analysis (cont.)

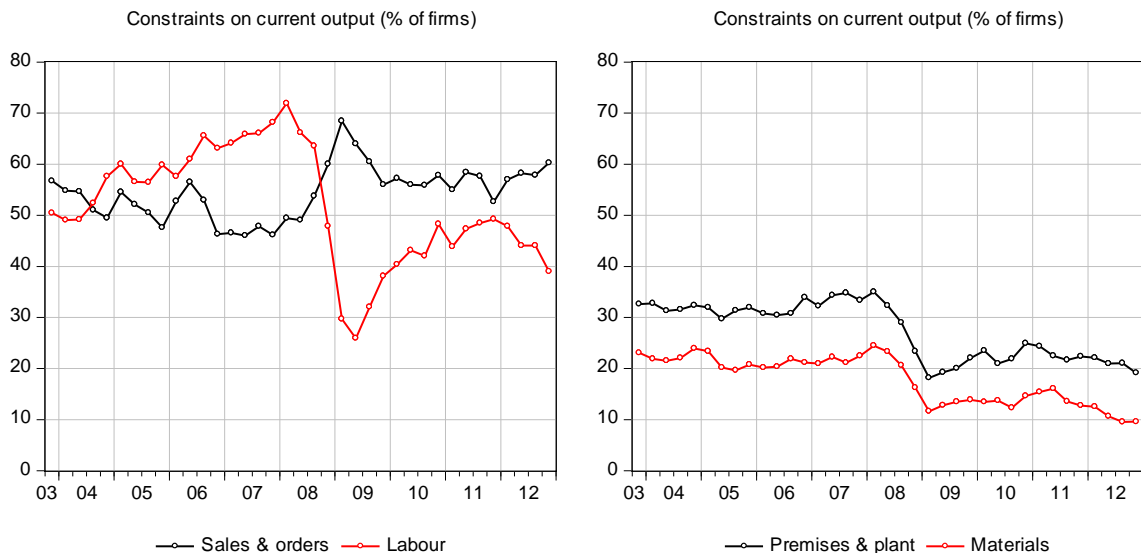
**Average hours still highest in mining;
Lowest hours in recreation & personal services and finance**



	Quarterly ^(a)					Monthly				
	2012q3	2012q4	2013q1	2013q3	2013q4	2012m08	2012m09	2012m10	2012m11	2012m12
Empl current	-1	-3				-1	-3	-6	-5	-3
Empl next 3m	2	3	-5							
Empl nxt 12m	9	16	9	4	-2					

(a) Quarter to which expectation applies. Employment conditions next 12 months not seasonally adjusted.

Sales still the most significant constraint on output



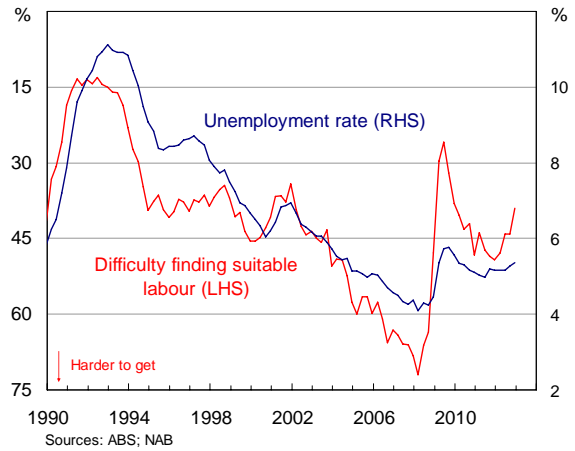
Sales became a larger constraint on output in the December quarter, and remained the most constraining factor overall – with almost two-thirds of firms reporting lack of sales and orders as their number one constraint. This outcome is consistent with a sharp deterioration in trading conditions and forward orders in the quarter. Labour too remained fairly constraining, though it was less than in the previous quarter. Concern about labour constraining output has softened over the past year, in line with the general softening in labour market conditions. Premises & plant and materials were only viewed as fairly minor constraints on output, and remain significantly less constraining than they were in the lead up to the GFC, when utilised capacity was relatively tight.

Analysis (cont.)

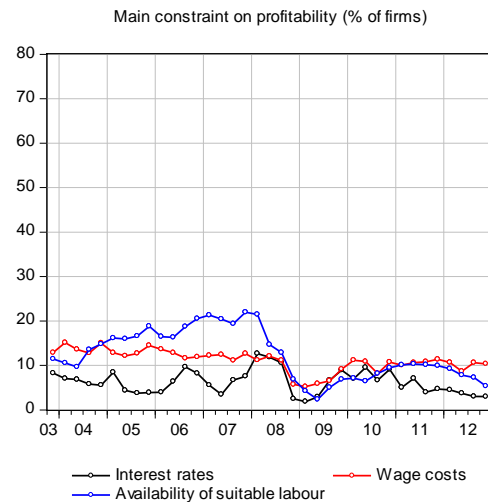
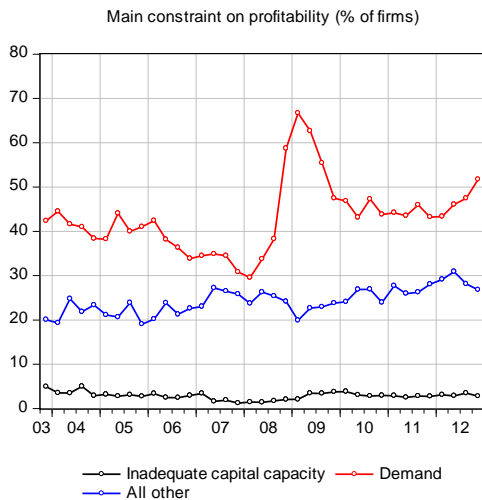
The Survey measure of labour as a constraint on output (reversed) has historically moved quite closely with the unemployment rate. Just prior to the GFC in late 2008, over 70 per cent of firms reported that labour was a significant factor constraining output. The unemployment rate rose rapidly following the GFC, and consistent with this, firms were reporting significantly less difficulty finding access to suitable labour (less than 30 per cent of firms reported it as a constraint on output at the end of 2009). After the unemployment rate peaked in late 2009, it became increasingly difficult for firms to obtain suitable labour in the face of improving labour market conditions and the recommencement of hiring. Nonetheless, it is now much easier for firms to obtain suitable labour than it was prior to the GFC, suggesting there is still slack in the labour market at present.

Labour relatively easy to find; points to rise in unemployment

Unemployment rate & labour constraints



Demand expected to constrain profitability over 2013

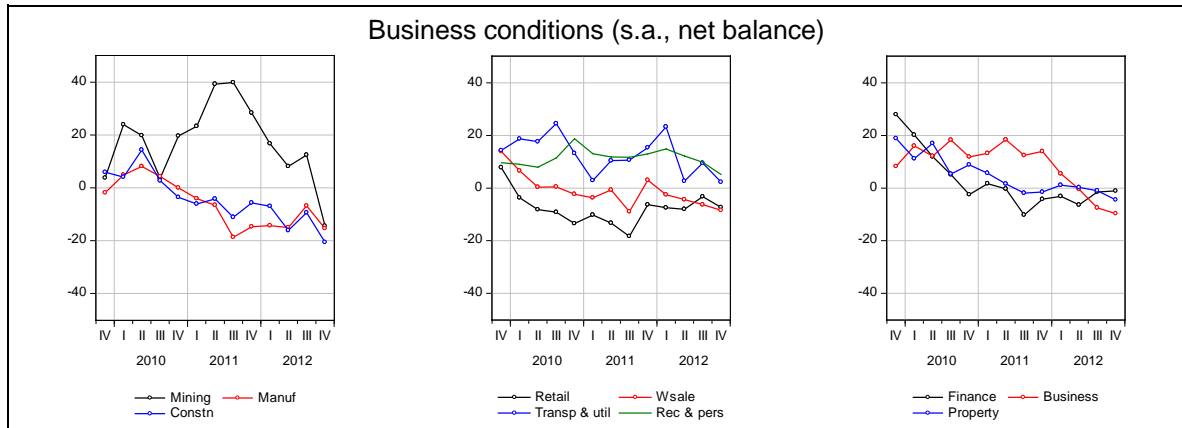


Lack of demand is expected to be an even larger constraint on firms' profitability over 2013, and was the most constraining factor overall, with more than half of respondents reporting demand as a major constraint on future profitability. Firms also reported 'all other' factors as relatively constraining in the quarter; almost half of this category represented concern about the impact of tax & government policy on future profitability, though a smaller proportion of firms reported this as a major constraint in the December quarter than in the previous quarter. Consistent with historically low borrowing rates as well as the relatively low rate of capacity utilisation in the economy at present, respondents view interest rates, inadequate capital capacity and the availability of suitable labour as relatively minor constraints on future profitability. The proportion of firms reporting wage costs as constraining factors was broadly unchanged, at close to 10%.

	2011q4	2012q3	2012q4		2011q4	2012q3	2012q4
Constraints on output (% of firms)*				Main constraints on profitability (% of firms)*			
Sales & orders	58.2	57.9	60.3	Interest rates	3.7	3.0	3.0
Labour	44.1	44.1	39.0	Wage costs	8.7	10.6	10.4
Premises & plant	21.0	21.1	19.1	Labour	7.8	7.3	5.3
Materials	10.7	9.6	9.6	Capital	2.9	3.5	2.8
				Demand	46.0	47.4	51.7
				All other	30.9	28.1	26.8
* not s.a.							

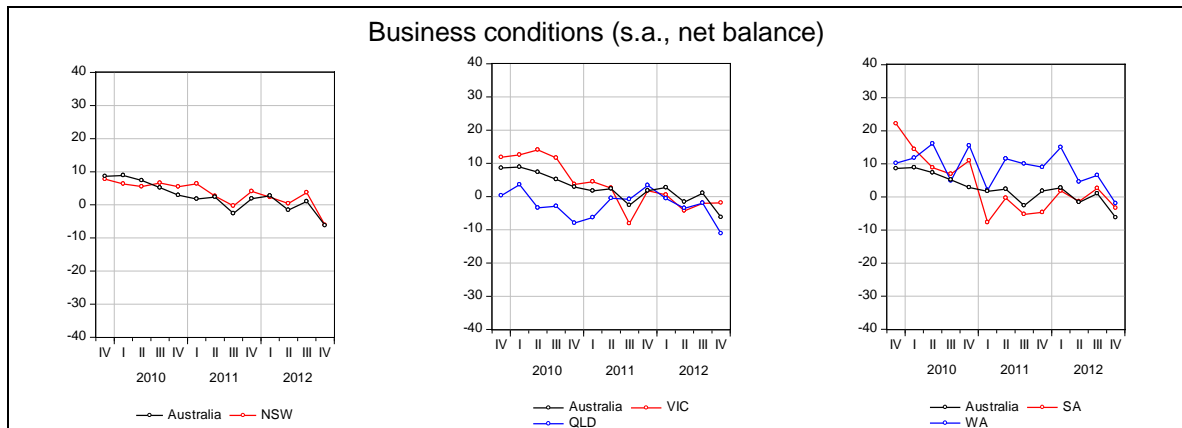
Industry and state analysis

Business conditions: construction, manufacturing & mining very weak



Business conditions deteriorated across all industries in the quarter, with mining conditions falling particularly sharply. Since September quarter 2011 – when commodity prices peaked – the net balance for mining conditions has fallen from +40 points to -14 index points currently (the lowest since June quarter 2002); this is consistent with the fall in hard commodity prices over this period. Conditions also weakened notably in construction, manufacturing and transport & utilities. While retail and wholesale conditions were a touch weaker in the quarter and activity in these industries remains contractionary, it is possible that lower borrowing rates are helping to prevent even larger deteriorations in these industries (and recreation & personal services, which continues to outperform). In the December quarter, business conditions were weakest in construction (now lowest since the post-GFT trough in June quarter 2001), manufacturing and mining, while recreation & personal services and transport & utilities were the only industries to report positive activity readings.

Business conditions: WA and VIC least subdued; Queensland very weak

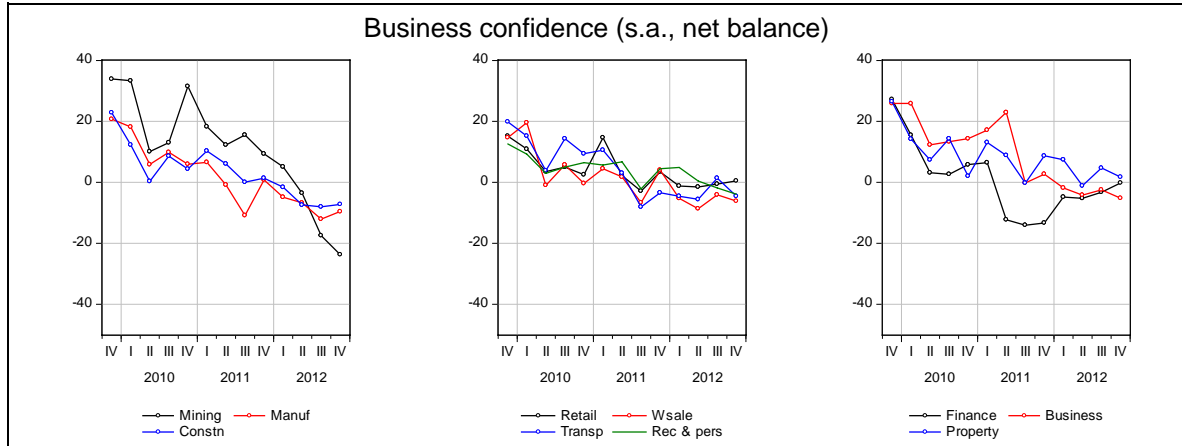


Business conditions deteriorated across all mainland states in the December quarter, with the exception of Victoria, where they were unchanged and least subdued overall (along with WA). Particularly heavy deteriorations were reported in NSW, Queensland and WA conditions. The deterioration in these states may in part reflect the softening in minerals & energy prices over the December quarter, as a significant proportion of the output of these states comes from mining. Overall conditions were weakest in Queensland and NSW. Conditions actually improved solidly in Tasmania, where they were marginally better than the national average (albeit still negative).

Business conditions	Quarterly					Monthly				
	2011q4	2012q1	2012q2	2012q3	2012q4	2012m08	2012m09	2012m10	2012m11	2012m12
NSW	4	2	0	4	-6	-1	-3	-9	-3	0
VIC	2	1	-4	-2	-2	5	-10	-6	-4	-6
QLD	3	-1	-4	-2	-11	1	-2	-12	-16	0
SA	-5	2	-1	3	-3	4	-7	2	-6	-22
WA	9	15	5	7	-2	3	3	8	-2	-12

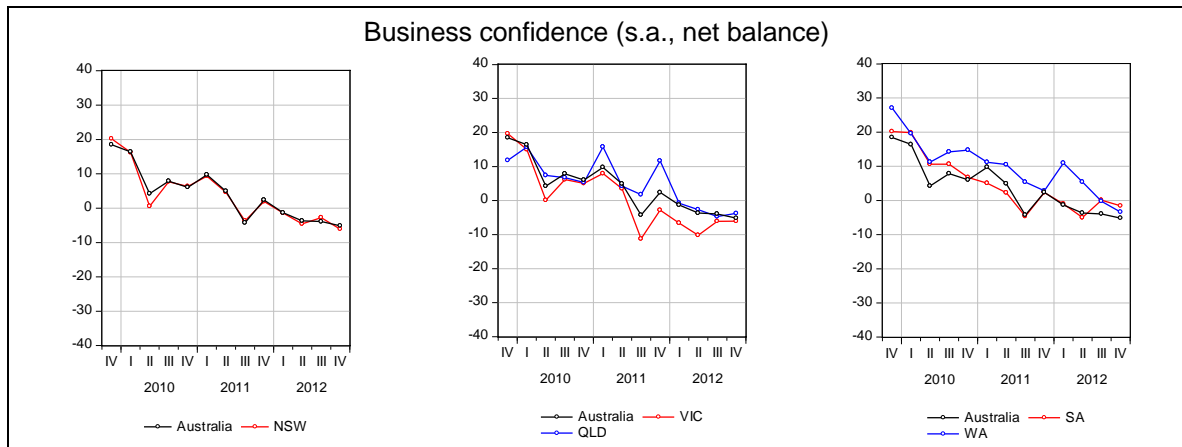
Industry and state analysis (cont.)

Confidence: mining very pessimistic; property & retail least subdued



Business confidence generally deteriorated across industries in the December quarter, with the exception of manufacturing, construction and retail, where confidence was marginally better. The heaviest falls were in mining – with this industry already very downbeat in the previous quarter – and transport & utilities. The weakness in confidence across industries is consistent with generally poor levels of forward orders and capacity utilisation, which point to continued difficulty in trading conditions in the near term. In levels terms, no industries reported a positive reading for business confidence in the quarter; confidence was particularly weak in mining and manufacturing, while it was least subdued in retail.

Business confidence: all states share similar level of pessimism

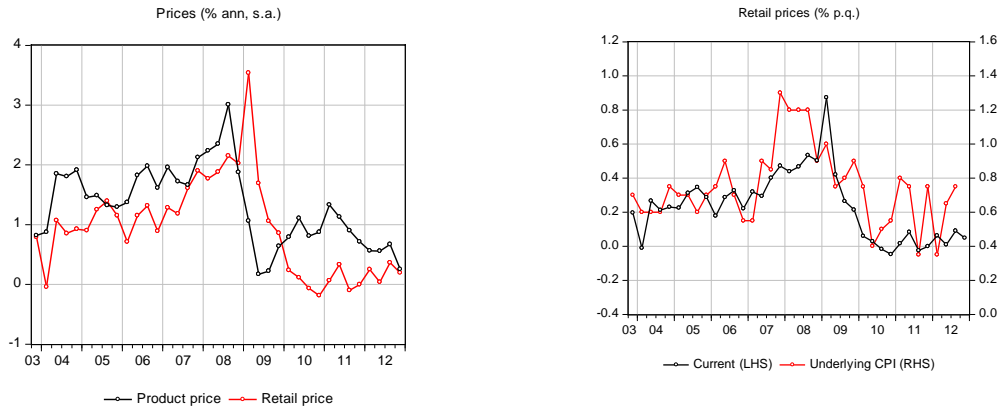


Business confidence levels were little changed from September quarter outcomes, with only modest falls reported in NSW, WA and SA, while confidence improved a touch in Queensland and was unchanged in Victoria. Confidence readings were negative across all states in the December quarter, implying an expectation for activity to worsen in the near term. Overall, NSW and Victoria were the most pessimistic of the mainland states, while SA and WA were the least downbeat. Nonetheless, state confidence readings fell within a fairly small band in the quarter – ranging from -6 in NSW and VIC to -2 in SA – suggesting that the anticipated softness in near-term activity is reasonably similar across states. Business confidence in Tasmania improved modestly in the quarter, to be marginally better than the national average.

	Quarterly					Monthly				
	2011q3	2011q4	2012q1	2012q2	2012q3	2012m08	2012m09	2012m10	2012m11	2012m12
Business confidence										
NSW	2	-1	-5	-3	-6	-2	3	1	-8	2
VIC	-3	-7	-10	-6	-6	-5	-2	-4	-8	-1
QLD	12	-1	-3	-5	-4	-9	-1	-2	-3	8
SA	2	-1	-5	0	-2	-3	-9	3	-8	0
WA	3	11	5	0	-3	9	2	4	-12	13

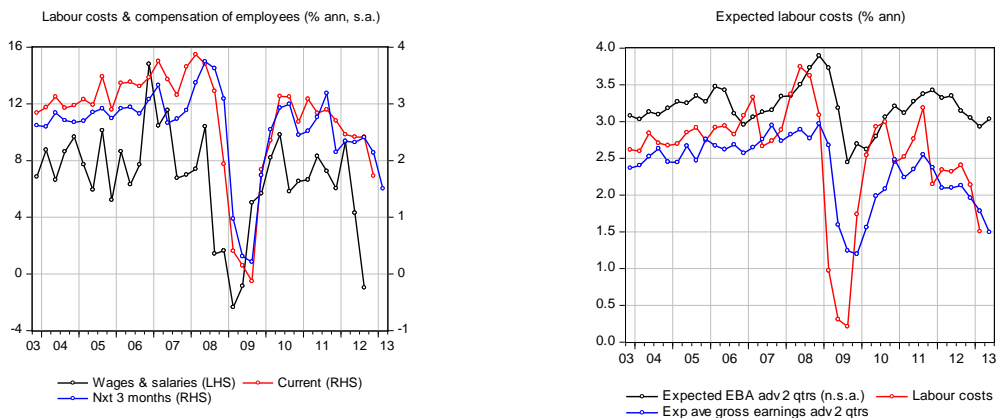
Inflation and costs

Price pressures still subdued: retail prices point to soft Q4 core inflation



Product price inflation softened marginally in the December quarter – down 0.1 pts to 0.1% (at a quarterly rate). Interestingly, both the September and December quarter surveys show little evidence that prices have been substantially impacted by carbon pricing, which was introduced by the government on 1 July 2012. Most notably, growth in product prices of transport & utilities was softer in the December quarter than it was prior to the introduction of carbon pricing. Retail prices reported zero growth in the December quarter, after rising just 0.1% (at a quarterly rate) in the previous quarter; the trend in the quarterly NAB retail price series is broadly consistent with official underlying inflation data, although these series have diverged a little more recently.

Labour costs pressures fall back considerably



Quarterly annualised **labour costs** growth fell to 1.7% in the December quarter, down from 2.4% in the September quarter. Labour costs are influenced primarily by changes in employment and in wages; employment conditions softened in the December quarter so it is difficult to imply from this outcome what happened to wage pressures. However, it is likely that wage pressures softened given the decline in capacity pressures in the quarter and the extent of decline in labour costs growth. Wage increases under EBAs are expected to average 3.0% over the next year – up from 2.9% in the previous quarter – or 2.1% after allowing for productivity offsets.

On average, businesses expect short-term interest rates to decline by a further 22 bps (down 13 bps in the September quarter). Note that the RBA December Board meeting took place during the period that fieldwork was undertaken for this survey, so responses to this question may be somewhat clouded. Exchange rate expectations (6-months-ahead) ticked up, from \$1.06 in the September quarter to \$1.07 in the December quarter.

Medium-term inflation expectations remained reasonably relaxed, with 48% of respondents expecting inflation to remain below 3% (unchanged from previous quarter) and 44% expecting inflation of 3-4% (unchanged). Only 3% of respondents believe inflation is a serious problem (unchanged), while 30% believe it is a minor problem (28% in the previous quarter).

Expected house price inflation for 2013 was revised up to 0.3% (-0.1% previously) – the first positive expectation since March quarter 2011.

Macroeconomic, Industry & Markets Research

Australia

Alan Oster	Group Chief Economist	+ (61 3) 8634 2927
Jacqui Brand	Personal Assistant	+ (61 3) 8634 2181
Rob Brooker	Head of Australian Economics & Commodities	+ (61 3) 8634 1663
Alexandra Knight	Economist – Australia	+ (61 3) 9208 8035
Vacant	Economist – Agribusiness	+ (61 3) 8634 3470
Dean Pearson	Head of Industry Analysis	+ (61 3) 8634 2331
Gerard Burg	Economist – Industry Analysis	+ (61 3) 8634 2788
Robert De Iure	Economist – Property	+ (61 3) 8634 4611
Brien McDonald	Economist – Industry Analysis & Risk Metrics	+ (61 3) 8634 3837
Tom Taylor	Head of International Economics	+ (61 3) 8634 1883
John Sharma	Economist – Sovereign Risk	+ (61 3) 8634 4514
Tony Kelly	Economist – International	+ (61 3) 9208 5049
James Glenn	Economist – Asia	+ (61 3) 9208 8129

Global Markets Research - Wholesale Banking

Peter Jolly	Head of Markets Research	+ (61 2) 9237 1406
Robert Henderson	Chief Economist Markets - Australia	+ (61 2) 9237 1836
Spiros Papadopoulos	Senior Economist – Markets	+ (61 3) 8641 0978
David de Garis	Senior Economist – Markets	+ (61 3) 8641 3045

New Zealand

Tony Alexander	Chief Economist – BNZ	+ (64 4) 474 6744
Stephen Toplis	Head of Research, NZ	+ (64 4) 474 6905
Craig Ebert	Senior Economist, NZ	+ (64 4) 474 6799
Doug Steel	Markets Economist, NZ	+ (64 4) 474 6923

London

Tom Vosa	Head of Market Economics - Europe	+ (44 20) 7710 1573
Vacant	Market Economist – Europe	+ (44 20) 7710 2910

Foreign Exchange

Sydney	+800 9295 1100
Melbourne	+800 842 3301
Wellington	+800 64 642 222
London	+800 747 4615
New York	+1 800 125 602
Singapore	+ (65) 338 0019

Fixed Interest/Derivatives

	+ (61 2) 9295 1166
	+ (61 3) 9277 3321
	+800 64 644 644
	+ (44 20) 7796 4761
	+1877 377 5480
	+ (65) 338 1789

DISCLAIMER: "[While care has been taken in preparing this material,] National Australia Bank Limited (ABN 12 004 044 937) does not warrant or represent that the information, recommendations, opinions or conclusions contained in this document ("Information") are accurate, reliable, complete or current. The Information has been prepared for dissemination to professional investors for information purposes only and any statements as to past performance do not represent future performance. The Information does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. In all cases, anyone proposing to rely on or use the Information should independently verify and check the accuracy, completeness, reliability and suitability of the Information and should obtain independent and specific advice from appropriate professionals or experts.

To the extent permissible by law, the National shall not be liable for any errors, omissions, defects or misrepresentations in the Information or for any loss or damage suffered by persons who use or rely on such Information (including by reasons of negligence, negligent misstatement or otherwise). If any law prohibits the exclusion of such liability, the National limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable. The National, its affiliates and employees may hold a position or act as a price maker in the financial instruments of any issuer discussed within this document or act as an underwriter, placement agent, adviser or lender to such issuer."

UK DISCLAIMER: So far as the law and the FSA Rules allow, National Australia Bank Limited ("the Bank") disclaims any warranty or representation as to the accuracy or reliability of the information and statements in this document. The Bank will not be liable (whether in negligence or otherwise) for any loss or damage suffered from relying on this document. This document does not purport to contain all relevant information. Recipients should not rely on its contents but should make their own assessment and seek professional advice relevant to their circumstances. The Bank may have proprietary positions in the products described in this document. This document is for information purposes only, is not intended as an offer or solicitation nor is it the intention of the Bank to create legal relations on the basis of the information contained in it. No part of this document may be reproduced without the prior permission of the Bank. This document is intended for Investment Professionals (as such term is defined in The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001) and should not be passed to any other person who would be defined as a private customer by the rules of The Financial Services Authority ("FSA") in the UK or to any person who may not have experience of such matters. Issued by National Australia Bank Limited A.C.N. 004 044 937, 88 Wood Street, London EC2V 7QQ. Registered in England BR1924. Head Office: 500 Bourke Street, Melbourne, Victoria. Incorporated with limited liability in the state of Victoria, Australia. Regulated by the FSA in the UK.

US DISCLAIMER: If this document is distributed in the United States, such distribution is by nabSecurities, LLC. This document is not intended as an offer or solicitation for the purchase or sale of any securities, financial instrument or product or to provide financial services. It is not the intention of nabSecurities to create legal relations on the basis of information provided herein.

NEW ZEALAND DISCLAIMER: This publication has been provided for general information only. Although every effort has been made to ensure this publication is accurate the contents should not be relied upon or used as a basis for entering into any products described in this publication. To the extent that any information or recommendations in this publication constitute financial advice, they do not take into account any person's particular financial situation or goals. Bank of New Zealand strongly recommends readers seek independent legal/financial advice prior to acting in relation to any of the matters discussed in this publication. Neither Bank of New Zealand nor any person involved in this publication accepts any liability for any loss or damage whatsoever may directly or indirectly result from any advice, opinion, information, representation or omission, whether negligent or otherwise, contained in this publication. National Australian Bank Limited is not a registered bank in New Zealand.

JAPAN DISCLAIMER: National Australia Bank Ltd. has no license of securities-related business in Japan. Therefore, this document is only for your information purpose and is not intended as an offer or solicitation for the purchase or sale of the securities described herein or for any other action.