

Australian Corporates Still in Love with New Zealand

(8 August 2012 – Australia) New Zealand has a continuing appeal for Australia’s largest companies with over two-thirds saying they are planning to invest or increase their investments directly in the New Zealand markets during the next 6 months, research from banking consultancy firm East & Partners has revealed.

Almost 70 percent of Australia’s “Top 500” businesses (turning over in excess of A\$530 million) interviewed as part of East’s bi-monthly Business Banking Index research program, said that they were definitely or likely to invest or increase investment in the New Zealand Markets in the coming six months and 60 percent of Corporate’s (turning over A\$20- \$540 million) shared their sentiment.

The majority of this planned investment is coming out of New South Wales and Queensland companies and is spread across most industry sectors. Victoria and Western Australia based business are proportionately the least active Trans-Tasman investors.

Australian Businesses increasing their investments in the NZ market

Business Segment	% of Respondents		
	Definite Investment Plans	Likely Investment Plans	No Investment Plans
Micro	14.8	18.0	67.2
SME	20.8	33.7	45.5
Corporate	28.3	32.3	39.4
Institutional	29.3	40.0	30.7
Total	23.1	30.9	46.0

Source: East & Partners Business Banking Index – July 2012

Further highlights of this analysis report include:

- Drivers of banking advocacy
- Customer recognition of business bank brands
- Individual bank index scores for loyalty, sentiment, negative advocacy, satisfaction
- Customer contact frequencies, experiences and channels
- Brand advertising recall

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Paul Dowling, East & Partners' Principal Analyst commented, "Much of this planned increase in business investment appears driven by the relative strength of the Australian dollar, with many large companies noting their forward views of the AUD/NZ exchange rate as the final "trigger" in their pushing the go button on increased near term investment."

"These plans clearly reinforce that New Zealand remains a critical market for large Australian businesses, with planned investments being a mix of scaling up existing operational businesses, new business acquisitions, increased export efforts out of New Zealand and significant capex spending", Mr Dowling added.

About East & Partners' Business Banking Index

A bi-monthly Index of business customer behaviour toward their banks, based on interviews conducted Australia-wide with a structured sample of over 6,150 companies across four segments annually.

The Index provides a monitor of a number of important drivers of customer engagement behaviour with their banks including advocacy, detractor, empathy, satisfaction, loyalty, channel engagement, advertising recognition, product demand, product advocacy and mind share.

Index Methodology: For this round of the Business Banking Index, direct interviews have been conducted with 1,014 businesses based on a structured sample frame of the target population nationally, comprising:

- › Institutional – 225 (A\$530+ million turnover enterprises)
- › Corporate – 251 (A\$20-530 million turnover enterprises)
- › SME – 288 (A\$5-20 million turnover enterprises)
- › Micro – 250 (A\$1-5 million turnover enterprises)

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