

RANGATIRA LIMITED

LEVEL 10, SUN MICROSYSTEMS HOUSE, 70 THE TERRACE, WELLINGTON, NEW ZEALAND, P O BOX 804, TELEPHONE 472 0251, FAX 473 2685

25 November 2003

Dear Shareholder

The Board is pleased to report a net surplus after tax of \$7.9m for the six months ended 30 September 2003, \$2.3m ahead of last year's first half result of \$5.6m. The Board is also pleased to note that our Net Asset Value per Share (using the same valuations for unlisted investments and property as at 31 March 2003) increased during the period from \$5.76 to \$6.31.

An interim dividend of 15 cents per share has been declared and will be paid on 8 December 2003 (last year 15 cents per share). The dividend is imputed to the extent of 4.1 cents per share. Rangatira shares will trade ex dividend from 1 December 2003.

Commentary

The reported results for both periods were significantly influenced by (a) adjustments to investment values, and (b) investment realisation gains, as shown in the following table -

	Six Months Ended	
	Sept 2003	Sept 2002
	\$m	\$m
Operating Earnings	1.9	1.8
Gains from Realisation of Investments	3.4	5.8
Reversal of Revaluation Below Cost of Listed Equities & Property	2.6	-
Reduction in Carrying Value of Unlisted Companies	-	(2.0)
Net Surplus After Tax	7.9	5.6

The Operating Earnings result reflects sound performances by our unlisted companies together with a steady flow of dividends and interest from our portfolio investments.

Listed equities have performed well and the value of our portfolio has increased by 18% for the 6 months to September 2003. This has enabled a full reversal of the revaluation charge of \$2.6m taken in last year's annual result, and in addition our revaluation reserve increased by \$4.5m. We remain holders of listed equities only in New Zealand and Australia.

The companies in our unlisted portfolio have generally performed well. Vita NZ has had a particularly good six months. Our most recent investment, Heller Tasty, is performing in line with expectations at the time of acquisition. Polynesian Spa has had a somewhat slower period due to the effects of the SARS virus and the closure of two of the older pools (for which redevelopment plans are now well advanced). Te Kairanga has had a difficult year as a result of the frosts last spring, while Auckland Packaging, Tecpak, and Precision Dispensing Systems all face a mixture of opportunities and challenges.

During the period we sold our shareholding in Kapiti Cheeses to United Milk who made an offer to acquire all of the Company. While we were confident of Kapiti Cheeses' future, the offer by United Milk was conditional on obtaining 90% acceptance and was at a level which reflected the substantial synergy benefits Kapiti Cheeses can achieve with United Milk. These benefits are important to Kapiti's competitive position, and could not be provided by Rangatira.

As indicated by the table above, our result for the half year has been heavily influenced by non-recurring items. Trading and investment conditions in New Zealand and Australia are currently very positive but currency strength is a growing concern in both economies. Past experience indicates that an overvalued currency leads eventually to an economic slowdown as domestic producers become increasingly uncompetitive. Your Directors are accordingly somewhat cautious about the period ahead, but nevertheless expect our full year profit performance will be well ahead of last year's disappointing result.

The New Zealand Stock Exchange has advised Rangatira that, shortly, it will cease providing its Unlisted Securities Facility. This facility has been used to provide a trading platform for Rangatira's shares over the last two years. Your Directors are currently considering the options available and will advise you of the new arrangements for trading our shares in due course.

The Board and Management join me in wishing all shareholders a relaxing and enjoyable festive season.



RM Gough
Chairman

RANGATIRA LIMITED & SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS TO 30 SEPTEMBER 2003
(Unaudited results)

	6 Months September 2003 \$000	6 Months September 2002 \$000
Operating Activities		
Gross cash inflows	15,711	14,342
Gross cash outflows	<u>(12,638)</u>	<u>(12,369)</u>
Net cash flows from operating activities	3,073	1,973
Investing Activities		
Gross cash inflows	1,063	19,074
Gross cash outflows	<u>(13,059)</u>	<u>(10,130)</u>
Net cash flows from investing activities	(11,996)	8,944
Financing Activities		
Gross cash inflows	9,474	506
Gross cash outflows	<u>(7,224)</u>	<u>(5,216)</u>
Net cash flows from financing activities	2,250	(4,710)
Net increase in cash held	(6,673)	6,207
Cash at 1 April	10,463	7,661
Cash at 30 September	<u>3,790</u>	<u>13,868</u>
Cash flow reconciliation		
Net surplus after tax	7,980	4,995
Non cash items	1,130	3,421
Movements in working capital	(5,412)	(738)
Items classified as investing activities	(6,358)	(5,973)
Items classified as financing activities	<u>5,733</u>	<u>268</u>
Net cash flows from operating activities	<u>3,073</u>	<u>1,973</u>