



RANGATIRA

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News Release

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RANGATIRA PRODUCES SOLID RESULT, SIGNALS INTEREST IN ADDITIONAL INVESTMENTS

Wellington investment company Rangatira today announced its interim result for the six months to 30 September 2011. In what the company termed a challenging and volatile market, Operating Earnings were \$4.4 million, 2% ahead of the same period last year.

Based on market values for listed equities and the mid-point of Directors' assessment of the value of unlisted companies, the net asset value of Rangatira's shares at 30 September 2011 was \$8.51 (\$9.15 at 31 March 2011).

A fully imputed dividend of 18 cents per share (last year 18 cents per share) will be paid on 12 December 2011.

Chairman Murray Gough said, "Economic turmoil continues in Europe and elsewhere, and is having a negative impact on investment markets and the outlook for global growth. Despite the difficult economic situation the performance and value of our unlisted companies has been maintained overall, but the value of our listed equities has fallen by 20% after adjusting for dividends.

Of the larger unlisted investments, Contract Resources performed well, particularly in Australia where the oil & gas industry continues to provide opportunities for expansion. Hellers' result was down on last year due largely to fluctuating raw material prices. Rangatira's result this year did not include a contribution from Tecpak Industries due to its sale in December 2010, and included only four months trading for Dunlop Living following sale of that business in July."

Mr Gough noted that the first half is not fully representative of Rangatira's earnings for the full year as Hellers' and Polynesian Spa's business activities are seasonal and generate more income over the summer period - offset to a degree by Contract Resources where the first half is usually the busiest.

Directors consider the half year result more reassuring than their previous guidance assumed, and now expect Operating Earnings for the full year to be similar to last year and possibly a little better.

New Investments

Rangatira has around \$100 million invested in privately held unlisted New Zealand companies. It also has listed equity investments of about \$40 million and is currently holding over \$10 million in cash ear-marked for new investments. The unlisted holdings are mostly in mid-sized enterprises with sound growth potential. Rangatira is actively involved with these investments to help develop each company's potential.

"investing in business for growth"

Last year, Rangatira sold three investments it had held for many years - Dunlop Living, Tecpak Industries and Te Kairanga Wines.

Chief Executive Ian Frame said, "Looking forward, it is our intention to make additional unlisted New Zealand investments to replace the ones we have sold. To this end, over the next 12 months, we are looking to invest in up to three mid-sized companies that have good growth opportunities and require additional capital to take them to the next stage."

Rangatira has a longer investment timeframe than many private equity funds and prefers to be a cornerstone investor, co-investing with business owners and management. In some cases, it will do this alongside other like-minded investment companies and institutions. Its portfolio currently includes Auckland Packaging Company (since 1999, 100% owned); Contract Resources Holdings (since 2004, 50% owned); Greenfield Rural Opportunities (since 2008, 16% owned); Hellers (since 2004, 50% owned); Polynesian Spa (since 1972, 51% owned); and Precision Dispensing Systems (since 1999, 80% owned).

"Rangatira's core investment strategy remains unchanged, *"investing in business for growth"*. That strategy has produced good and sustained returns over many years due to a diversified portfolio, conservative gearing and the active involvement of our directors and management in the governance of the companies in which we invest. We are now looking to expand our portfolio of New Zealand business holdings, to the mutual benefit of those companies and Rangatira," Mr Frame said.

Rangatira's shares are listed on the Unlisted platform, and will trade ex-dividend from Monday, 5 December 2011.

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About Rangatira

Rangatira is a Wellington-based investment company with assets of over \$150 million. Established in 1937, the Company is 51% owned by the JR McKenzie Trust with other community and charitable organisations owning another 15% of the shares. The balance of the shares are owned by private investors. Rangatira's mission is to increase both the capital value of its shares and the dividends paid to its shareholders by investing creatively and competitively.

Rangatira has built a portfolio of local and international investments across a wide range of sectors. The Company has pursued a policy of investment in small to medium-sized unlisted New Zealand companies, complemented by holdings in a range of publicly listed New Zealand, Australian and international companies. All investments have been made taking a long-term position in companies that are well founded and well managed with growth potential.

Rangatira is strictly commercial in its investment approach and benchmarks its performance against the wider investment community.

Rangatira will continue to explore investment opportunities across a range of business sectors. We aim to add value to our unlisted investments by actively contributing at management and board level, recognising the need to combine high standards of governance with sound management and a clear focus on growth and profitability.