RANGATIRA

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2 December 2009

Dear Shareholder

Results for Half Year to 30 September 2009

Rangatira's Operating Earnings for the six months to 30 September 2009 were $2.5 million, a decrease of 30% on the $3.5 million result for the same period last year.

The following table summarises the items which we exclude when calculating Operating Earnings. After including these, our Net Loss after Tax was $0.5 million compared with a Net Profit after Tax of $5.5 million last year.

	Six Months to September 2009 ($m)	**Six Months to September 2008 ($m)**
Operating Earnings	2.5	3.5
Gains from Realisation of Investments	1.0	1.6
Impairment of Financial Assets	(3.4)	0
Revaluation of Foreign Loans	(0.6)	0.6
One-Off Restructuring Costs	(0.1)	(0.2)
Net (Loss)/Profit after Tax	**(0.6)**	**5.5**

A fully imputed interim dividend of 17¢ per share has been declared (last year 17¢) and will be paid on 14 December 2009. Rangatira shares will trade ex dividend from 7 December 2009.

Commentary on Results

Gains from Realisation of Investments resulted from the sale of shares in Contact Energy, Kiwi Income Property, and a further 9% of our BHP holding. These sales completed the reduction of our listed equity portfolio in response to the global financial crisis.

Impairment of Investment Assets arises from a write-down of the carrying value of our investment in Te Kairanga, reflecting the ongoing difficulties in the wine industry. Accounting rules require that we write down any asset which we consider to be worth less than book value, although they do not allow us to write up other assets which have increased in value. To provide shareholders with as comprehensive a picture as possible, Directors undertake an assessment of the aggregate additional value above book value of our unlisted investments, and the outcome of this is commented on below.

Revaluation of Foreign Loans largely reflects the change in the value of Contract Resources Ltd's borrowings.

One-Off Restructuring Costs arose from factory rationalisation undertaken by Dunlop Living Ltd (formerly Vita NZ Ltd).

Operating Earnings were stable or higher in most of our private equity companies despite the relatively difficult economic situation. However, the overall operating result was impacted negatively by two of our larger investments Contract Resources Ltd (CRL) and Dunlop Living Ltd. The project nature of much of CRL's work results in considerable fluctuation in earnings from one period to the next. Deferral of a number of projects resulted in this company having a slow first half this year compared with a very strong first half last year. Dunlop Living completed some major restructuring during the period and this impacted quite heavily on its first half efficiency; the benefits of that program are expected to start showing through in the second half.

The decline in Rangatira's first half Operating Earnings had been expected, and the result achieved was in line with budget.

Comments on individual companies follow -

- **Auckland Packaging** continues to be affected by the general economic downturn, particularly in the manufacturing sector. Despite that, the company is trading steadily and making good progress with its point of sale displays and promotional poster business.

- **Contract Resources** has had a less profitable first half than last year primarily due to some deferred project work in Western Australia. Initiatives are now in place to increase revenue and we expect the second half of this year to be much improved.

- **Dunlop Living** (formerly Vita) has now completed its necessary restructuring following the acquisition of Pacific Brands' bedding, foam and flooring operations in New Zealand. With this acquisition came the "Dunlop" brand which has now been adopted by the company as "Dunlop Living". There still remains a lot to be done to develop the company to its full potential, but management is now well advanced in that process.

- **Greenfield Rural Opportunities** continues to develop its rural properties and greatly improve its stock carrying capacity. Since 30 September 2009, the company has acquired a further property – a 2,021 hectare property in the Styx area of Central Otago. This brings the company's total land holdings to 22,157 hectares. Progress with this investment is going according to plan.

- **Heller Tasty** continues its very successful track record of strong growth and financial performance. The company is currently undertaking a major expansion of its Christchurch production facilities to provide the necessary platform for ongoing growth.

- **Polynesian Spa** is trading well despite the significantly depressed numbers of overseas visitor arrivals to New Zealand. The company has managed to maintain patronage and improve profitability, largely by attracting increased numbers of New Zealand and Australian visitors.

- **Precision Dispensing Systems** continues on the long track towards commercialisation of its Inflex dispensing pump, and we are hopeful of a significant commercial breakthrough in the next six months.

- **Tecpak's** performance so far this financial year is on target which is very pleasing. It now exports, to Australia, 50% of its production and commands a highly respected position in the Australasian market as a specialist supplier of good quality consumer packaging to the food industry.

- **Te Kairanga Wines.** The wine industry, both in New Zealand and internationally, is extremely challenging at present due to wide-spread oversupply of product and lower consumer price expectations. Te Kairanga has been fully exposed to the resultant stress within the industry. We have been working closely with the company to find solutions, but from Rangatira's perspective the financial results from this investment continue to be disappointing.

Net Asset Value

Rangatira's Listed Equity portfolio recorded a gain in value over the six months of $7.3 million.

In addition, Directors consider that the mid-point of the aggregate additional value above book value of Rangatira's unlisted investments at 30 September 2009 had increased by $5.5 million from the level at 31 March 2009.

Using these values, the assessed asset backing of Rangatira's shares increased to $7.56 in the six month to 30 September 2009 (from $7.09 at 31 March 2009). Together with the dividend of 18c per share paid in June 2009 Rangatira's total return to shareholders for the six months was 9.2%; this compares with 22% for the NZSE50 index, and 36% in NZ$ for the ASX total return index.

The share market index gains reflect recovery from the exceptionally low levels reached in March. For the 18 months to 30 September 2009, Rangatira's total return was +3% compared with -9% for the NZSE50, and -5% in NZ$ for the ASX total return index.

Special Meeting

A special meeting of Rangatira shareholders was held on 30 November 2009. At that meeting shareholders approved the acquisition of 226,480 class A shares in Rangatira by Lady McKenzie from the estate of Sir Roy McKenzie at $5.35 per share.

Comment and Outlook

Directors have been relieved to see the restoration of reasonable stability to global markets over the last several months. This is still heavily dependent on government support, however, particularly in the USA and Europe, and it remains to be seen how long it will take for growth to resume without this support. Many commentators point to Japan's experience over the last twenty years, and fear it may be many years before the USA and Europe return to healthy growth.

On the other hand there is a general expectation that China and India, and other Asian economies, will continue to grow rapidly - and if they do then both New Zealand and Australia are likely to prosper. We are fortunate to have virtually all of our investments in economies that are efficient producers of the food and mineral commodities that are in increasing demand as a result of high Asian growth rates.

Overall, Directors have become more optimistic about the outlook for Australia and New Zealand, although we still expect growth to be very subdued for the next year or two. We continue to believe Rangatira's mix of investments provides a good spread of risk and opportunity for the environment we foresee.

Directors' previous advice on Rangatira's earnings outlook for the current year was that we expected Operating Earnings to be similar to last year, and possibly a little better. Our budget was for a slow first half and a significantly stronger second half – in large part due to the timing of benefits expected from the restructuring undertaken by Dunlop Living.

First half results were in line with budget, and after reviewing the outlook for each of our investments for the second half Directors remain of the view that full year Operating Earnings are likely to be similar to last year, and possibly a little better. This outlook is based on economic conditions in New Zealand and Australia remaining largely as they have been over the last few months.

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

R M Gough
Chairman

Rangatira Group
CONDENSED CONSOLIDATED INCOME STATEMENTS
For the 6 months ended 30 September 2009

	Group 6 months to 30 Sep 2009 $000	Group 6 months to 30 Sep 2008 $000
Revenue	**53,904**	48,565
Other income	**1,563**	3,628
Share of profit from associate companies	**1,375**	2,791
Total income	**56,842**	54,984
Amortisation expense	**(84)**	(110)
Depreciation expense	**(2,133)**	(1,868)
Employee benefit expense	**(16,783)**	(15,333)
Finance costs	**(688)**	(1,120)
Impairment of financial assets	**(3,412)**	-
Cost of sales	**(23,652)**	(20,841)
Consulting expense	**(93)**	(115)
Operating expenses	**(10,189)**	(9,619)
Profit before tax	**(192)**	5,978
Tax expense	**(324)**	(367)
Profit after tax	**(516)**	5,611
Profit attributable to		
Equity holders of the parent	**(604)**	5,457
Minority interests	**88**	154
	(516)	5,611
Basic and diluted earnings per share (cents)	**(3.4)**	30.8

Rangatira Group
CONDENSED CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE
For the 6 months ended 30 September 2009

	Group 6 months to 30 Sep 2009 $000	Group 6 months to 30 Sep 2008 $000
Available for sale investments		
- valuation gain/(loss) taken to equity	**7,303**	(748)
- transferred to profit or loss on sale	**(748)**	(1,522)
Net income recognised directly in equity	**6,555**	(2,270)
Profit after tax	**(516)**	5,611
Total recognised income and expenditure for the period	**6,039**	3,341
Attributable to		
Equity holders of the parent	**5,951**	3,187
Minority interests	**88**	154
	6,039	3,341

Rangatira Group
CONDENSED CONSOLIDATED BALANCE SHEETS
As at 30 September 2009

	Group September 2009 $000	Group September 2008 $000	Group March 2009 $000
Current assets			
Cash and cash equivalents	**2,319**	4,028	3,764
Trade receivables	**13,916**	15,148	13,860
Inventories	**16,198**	18,393	17,325
Tax receivable	**1,471**	1,088	1,628
Other current financial assets	**11,983**	10,394	12,440
Other current assets	**791**	998	1,302
Total current assets	**46,678**	50,049	50,319
Non current assets			
Property, plant and equipment	**25,684**	26,447	26,576
Investments in associate companies	**22,576**	25,231	24,613
Goodwill	**12,757**	12,925	12,758
Intangible assets	**1,706**	1,841	1,768
Deferred tax asset	**1,068**	676	1,301
Other non current financial assets	**47,625**	60,899	42,807
Total non current assets	**111,416**	128,019	109,823
Total assets	**158,094**	178,068	160,142
Current liabilities			
Trade and other payables	**10,846**	12,270	12,600
Borrowings at amortised cost	**4,840**	5,366	6,293
Other current financial liabilities	**782**	481	62
Current tax payable	**90**	22	190
Provisions	**740**	589	461
Total current liabilities	**17,298**	18,728	19,606
Non current liabilities			
Borrowings at amortised cost	**16,972**	25,621	18,887
Deferred tax liability	**420**	339	608
Total non current liabilities	**17,392**	25,960	19,495
Total liabilities	**34,690**	44,688	39,101
Net assets	**123,404**	133,380	121,041
Equity			
Share capital	**17,712**	17,712	17,712
Revenue reserves	**75,250**	78,474	79,044
Available for sale investments revaluation reserve	**21,678**	27,953	15,122
Foreign currency translation reserve	**(74)**	(28)	(74)
Equity holders of the parent	**114,566**	124,111	111,804
Minority interests	**8,838**	9,269	9,237
Total equity	**123,404**	133,380	121,041

Rangatira Group
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
For the 6 months ended 30 September 2009

	Group 6 months to 30 Sep 2009 $000	Group 6 months to 30 Sep 2008 $000
Cash flows from operating activities		
Cash was provided from:		
Receipts from customers	**53,093**	43,833
Dividends received	**573**	1,142
Interest received	**98**	350
	53,764	45,325
Cash was applied to:		
Payments to suppliers and employees	**(49,834)**	(39,900)
Tax paid	**(217)**	(699)
Interest paid and other costs of finance	**(688)**	(1,120)
	(50,739)	(41,719)
Net cash inflows from operating activities	**3,025**	3,606
Cash flows from investing activities		
Cash was provided from:		
Proceeds from sale of investments	**4,637**	3,101
Proceeds from sale of property, plant and equipment	**77**	-
	4,714	3,101
Cash was applied to:		
Purchase of property, plant and equipment	**(1,340)**	(1,271)
Purchase of business assets	**-**	(10,718)
Purchase of investments	**(799)**	(1,192)
	(2,139)	(13,181)
Net cash (outflows) from investing activities	**2,575**	(10,080)
Cash flows from financing activities		
Cash was provided from:		
Proceeds from equity	**-**	3,300
Proceeds from borrowings	**-**	8,139
	-	11,439
Cash was applied to:		
Dividends paid to shareholders of parent	**(3,190)**	(3,552)
Dividends paid to minority shareholders	**(487)**	(275)
Repayment of borrowings	**(3,368)**	-
	(7,045)	(3,827)
Net cash (outflows) from financing activities	**(7,045)**	7,612
Net increase/(decrease) in cash held	**(1,445)**	1,138
Cash at beginning of year	**3,764**	2,890
Cash at end of year	**2,319**	4,028
Cash and cash equivalents in balance sheet	**2,319**	4,028

	Group 6 months to 30 Sep 2009 $000	Group 6 months to 30 Sep 2008 $000
Cash flow reconciliation		
Profit after tax	**(516)**	5,611
Add/(Less) non cash items:		
Share of change in retained earnings of associate companies	**(1,375)**	(2,791)
Depreciation	**2,133**	1,868
Amortisation of intangible assets	**84**	110
Impairment of financial assets	**3,412**	-
Increase in deferred tax	**46**	(90)
Foreign exchange losses/(gains)	**720**	(9)
Revaluation of financial assets	**(42)**	57
	4,978	(855)
Add/(Less) movements in other working capital items:		
Trade receivables	**(56)**	(5,266)
Inventories	**1,127**	2,071
Other current assets	**511**	672
Trade and other payables	**(1,754)**	4,028
Provisions	**279**	(821)
Tax payable/receivable	**57**	(242)
	164	442
Less items classified as investing activities:		
Net gains on sale of investments	**(1,041)**	(1,592)
Prior period investment transactions	**(560)**	-
	(1,601)	(1,592)
Net cash inflows from operating activities	**3,025**	3,606

NOTE 1 Earnings per share

	Group 6 months to 30 Sep 2009 $000	Group 6 months to 30 Sep 2008 $000
Cents per share	**(3.4)**	30.8

Earnings per share are the same on basic and diluted basis

NOTE 2 Dividends paid

	Group 6 months to 30 Sep 2009	Group 6 months to 30 Sep 2008
Amount paid (cents per share)	**18.0**	20.0
Amount paid ($000's)	**3,188**	3,542

NOTE 3 Capital commitments

	Group September 2009 $000	Group September 2008 $000
Plant and equipment	**248**	1,904

NOTE 4 Contingent liabilities

	Group September 2009 $000	Group September 2008 $000
	Nil	Nil

NOTE 5 Segmental information

	Listed Equity Investments		**Unlisted Investments**		**Group**	
	2009 $000	2008 $000	**2009 $000**	2008 $000	**2009 $000**	2008 $000
Total income	**1,580**	2,734	**55,262**	52,250	**56,842**	54,984
Segment result before finance costs and tax	**1,398**	2,483	**(902)**	4,456	**496**	6,939
Finance costs					**(688)**	(1,120)
Tax					**(324)**	(367)
Net profit after tax before minority interests					**(516)**	5,611
Segment assets	**36,259**	48,901	**121,835**	129,167	**158,094**	178,068

Rangatira's internal organisational structure, including regularly reporting to the Board of Directors and Chief Executive, is analysed in the format disclosed. Rangatira's risk management, investment analysis and decision making regarding risk and returns are best represented in the primary segment reporting format disclosed. Listed equities are investments listed on stock exchanges in NZ, Australia and UK. Unlisted investments are investments not listed on any stock exchange. The Board is of the view that a secondary segment reporting format does not aid decision making and so no secondary segment is disclosed

NOTE 6 Subsequent event

On 30 November 2009 the Board declared a fully imputed dividend of 17 cents per share ($3.0 million). The dividend will be paid to shareholders on 14 December 2009.

NOTE 7 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as used in the preparation of the financial statements for the year ending 31 March 2009. These are described in Rangatira's 2009 Annual Report.

RANGATIRA LIMITED
HALF YEAR REPORT TO 30 SEPTEMBER 2008

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auckland packaging company

CONTRACT RESOURCES
SETTING NEW STANDARDS

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greenfield

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PDS

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Te Kairanga
MARTINBOROUGH

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