RANGATIRA

RANGATIRA LIMITED, LEVEL 10, SOLNET HOUSE, 70 THE TERRACE, PO BOX 804, WELLINGTON 6140, NEW ZEALAND
TEL: +64 4 472 0251, FAX: +64 4 473 2685
www.rangatira.co.nz

29 November 2013

Dear Shareholder

Results for Half Year to 30 September 2013

Rangatira's Profit after Tax for the six months to 30 September 2013 was $30.8 million, an increase of $27.8 million on the corresponding period last year.

The following table summarises the items to arrive at our Profit after Tax.

	Six Months to September 2013 ($m)	**Six Months to September 2012 (Sm)**	**12 Months to 31 March 2013 ($m)**
Operating Earnings	1.8	3.3	9.8
Gains from Realisation of Investments	29.7	-	-
One-Off Gains and losses	(0.7)	(0.3)	(1.3)
Profit after Tax	30.8	3.0	8.5

Gains from Realisation of investments were $29.7 million following the sale of our 50% interest in Contract Resources and our direct shareholding in Xero. Rangatira still retains an indirect exposure to Xero equivalent to 290,000 shares.

Net Asset Value

Directors have assessed the asset backing of Rangatira's shares, including the mid-point of the additional value above book value of unlisted investments, to be $10.55 at 30 September 2013 compared to $10.63 at 31 March 2013.

Dividend

A fully imputed interim dividend of 20 cents per share has been declared (last year 18¢) and will be paid on 13 December 2013. Rangatira shares will trade ex-dividend from Monday 9 December 2013.

Investment Return to Shareholders

The total return to shareholders for the 6 month period ended 30 September 2013 was $0.16 per share, comprised as follows:

	Return Cents/share
Change in assessed asset backing	(8)
Dividend paid during period	24
Total Return	16

Commentary on Operating Earnings

Rangatira's Operating Earnings for the six months to 30 September 2013 were $1.8 million, a decrease of $1.5 million compared with the corresponding period last year.

The drop in the first half operating earnings was largely due to the sale of Contract Resources, which made a significant contribution in 2012, and an initial loss from Rainbows End in its seasonally weak period. $28 million of the proceeds from the sale of Contract Resources are currently invested in bank deposits which provide a relatively low return. Otherwise, our unlisted investments performed broadly in line with last year.

New Investments

Over the past six months we have made the following investments

- Magritek – 12% shareholding
- Tuatara Brewing – 35% shareholding.

Magritek is an advanced technology company exporting from Germany and New Zealand to customers all over the world. The initial technology and IP used in Magritek products was developed by research teams at RWTH University of Germany, and Massey University and Victoria University of Wellington in New Zealand. Magritek provides specialised analytical solutions and applications for Chemical, Oil and Gas, Food and Construction Industries. Magritek also supplies its products to research laboratories and universities.

Tuatara Brewing is based on the Kapiti Coast and is one of the largest independent craft brewers in New Zealand. Tuatara is well positioned to benefit from the growth in demand for craft beer in NZ and international markets. Tuatara is currently expanding its productions to cope with the strong increase in sales.

Rangatira has at least $50 million available for new investments

In addition to the $28 million currently held on deposit, Rangatira has unused debt facilities of $17 million and short term loans to its subsidiaries of $7 million. This means that Rangatira has at least $50 million available for new investments as appropriate opportunities are identified.

Share Buyback

Directors remain concerned at the considerable discount in prices bid compared with our assessed asset backing and the low liquidity in Rangatira shares. On-market purchases of shares by Rangatira itself are likely to be in shareholders' interests if the current low liquidity and discount to asset backing continues. There has been a significant uplift in the Rangatira share price over the past 12 months, however we are continuing to monitor the situation. The intention is to implement a buyback scheme early in the New Year should Directors deem this to be appropriate at the time.

Board elects Keith Gibson as Deputy Chairman

The Board has appointed Keith Gibson as Deputy Chairman. Keith succeeds David Pilkington who was recently appointed Chairman.

Keith was reappointed as a Director of Rangatira Limited in 2011, having previously served as a Director between 1982 and 2005. He is the Chairman of Polynesian Spa Limited in Rotorua and a Director and owner of Roydon Lodge Stud near Christchurch. Married to Robyn (nee McKenzie) he is a member of the McKenzie family. He has also been Chairman of Medic Corporation and Tecpak Industries Limited

In addition to his involvement in the horse racing and breeding industries, he contributes a combination of business experience and an ability to relate to people from all walks of life. Keith has a Diploma in Land Surveying from the University of Otago and subsequently gained registration as a Land Surveyor.

Outlook

While our half year operating earnings were below last year's, Directors have reviewed the earnings outlook for each of our current investments and expect a good recovery during the second half. Many of our unlisted investments, such as Hellers, Polynesian Spa, Rainbow's End and Tuatara, are very seasonal. The aggregate of the companies' own forecasts suggests we are at this point anticipating a fall in operating earnings for the full year in the range of 20% to 30% compared with last year, due largely to the sale of Contract Resources. Our assessment of asset backing per share as at 30 September 2013 takes this into account.

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

David Pilkington
Chairman
Rangatira Limited