



29 November 2016

Dear Shareholder

Results for Half Year to 30 September 2016

Rangatira's Profit after Tax for the six months to 30 September 2016 was \$5.9 million, an increase of \$2.8 million on the corresponding period last year. Unlike last year, this year's results included investment gains from the sale of some public equities. Rangatira's underlying Operating Earnings improved 29% compared to the same period last year.

	Six Months to September 2016 (\$m)	Six Months to September 2015 (\$m)	12 Months to 31 March 2016 (\$m)
Operating Earnings	4.0	3.1	11.4
One-Off Items	-	-	35.4
Gains from Realisation of Investments	1.9	-	3.4
Profit After Tax	5.9	3.1	50.2

Rangatira increased Operating Earnings 29% for the period

Rangatira's Operating Earnings for the six months to 30 September 2016 were \$4.0 million, an increase of \$0.9 million (29%) compared with the corresponding period last year.

This reflected a strong full six-month performance from Bio-Strategy, compared to its 3-month contribution in the 2015 half-year. Operating Earnings were also boosted by our increased stake in Hellers (62.5% vs. 50% this period last year). For the full year, we expect operating earnings to be 10% higher than last year.

Among other private investments, Polynesian Spa and Rainbows End performed well. Polynesian Spa had a good half-year result, buoyed by increased sales and operating efficiencies. We continue to believe that this asset is strongly positioned to make the most of continued forecast growth in tourism from key Asian markets.

Rainbow's End delivered improved year-on-year earnings, despite challenges with bad weather over some key holiday periods. The theme park is investing new capital into upcoming attraction Drivers' Town, a learn-to-drive experience that is expected to bring added wet-weather capacity and increased earnings to the park.

Our assessed Net Asset Value is similar to 31 March 2016

Directors have assessed the asset backing of Rangatira's shares, including the mid-point of the additional value above book value of private investments, to be unchanged from the \$12.43 per share assessed at 31 March 2016.

We have declared an interim dividend of 22 cents

A fully imputed interim dividend of 22 cents per share has been declared (last year 20 cents), and will be paid on Monday, 12th December 2016. Rangatira shares will trade ex-dividend Monday, 5th December 2016.

We have rebalanced our public equities portfolio

Rebalancing of the portfolio reflects an increase in our allocation to cash, and positions Rangatira to take advantage of new and future opportunities in both public and private equities. Since 30 September, Rangatira added a further \$8.3m to the cash position from additional sales. Rangatira sold positions in Diligent, Indivior, iShares - MSCI All Asia excl. Japan Index Fund, iShares - China Index Fund, QBE Insurance, South 32 and Treasury Wine Estates, and reduced holdings in Auckland International Airport, BP, BHP Billiton, Rio Tinto and Royal Dutch Shell.

We are on the lookout for co-investment opportunities in profitable middle market businesses

Over the period we looked at a broad range of opportunities, looking for firms with the potential to grow into the next iconic New Zealand brand or business. Our ideal opportunities are businesses with \$10-100 million in annual revenue, and \$2 million or greater in operating earnings.

Finding businesses where we can partner with capable owners and or management is an important part of this search. These situations often provide Rangatira with the greatest ability to add value through stronger growth strategies and improved balance sheets.

We have not bought any Rangatira shares through the shareholder-approved buyback

Shareholders approved a share buyback at the Annual Meeting in August 2016. Although we have active bids in market, we have as of 29 November 2016 not acquired any shares in the buyback.

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



**David Pilkington,
Chair,
Rangatira Limited**

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2016

	Note	Group 6 months to 30 Sep 2016 \$000	Group 6 months to 30 Sep 2015 \$000
Revenue		134,226	23,300
Other income		2,938	446
Share of profit for the period from associate companies	5	(134)	1,758
Total income		137,030	25,504
Depreciation and amortisation expense		(5,066)	(1,329)
Employee benefit expense		(13,120)	(7,880)
Finance costs		(2,759)	(141)
Cost of sales		(89,394)	(6,060)
Consulting expense		(579)	(184)
Operating expenses		(15,469)	(5,819)
Profit before tax		10,643	4,091
Tax expense		(2,698)	(657)
Profit after tax		7,945	3,434
Profit attributable to:			
Equity holders of the Parent		5,937	3,073
Non-controlling interests		2,008	361
		7,945	3,434
From continuing and discontinued operations			
Basic and diluted earnings per share (cents)	1	33.5	17.3

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2016

	Group 6 months to 30 Sep 2016 \$000	Group 6 months to 30 Sep 2015 \$000
Other comprehensive income		
Available for sale investments		
- valuation gain/(loss) taken to equity	1,516	(1,630)
- transferred to income statement on sale	(1,414)	-
Translation of foreign operations	(131)	-
Associate companies		
- share of reserves of associates	-	(1,167)
Movement in cash flow hedge reserve	(770)	-
Other comprehensive (loss) recognised directly in equity	(799)	(2,797)
Profit after tax	7,945	3,434
Total comprehensive income for the period after tax	7,146	637
Total comprehensive income attributable to:		
Equity holders of the Parent	5,466	276
Non-controlling interests	1,680	361
	7,146	637

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

September 2016	Share capital \$000	Retained earnings \$000	Available for sale investments revaluation reserve \$000	Cash flow hedge reserve \$000	Foreign currency translation reserve \$000	Attributable to equity holders of the Parent \$000	Attributable to non-controlling interests \$000	Total \$000
Balance at the beginning of the year	17,712	164,892	11,261	(744)	(17)	193,104	10,930	204,034
Total comprehensive income/(loss) net of tax	-	5,937	102	(481)	(92)	5,466	1,680	7,146
Investment by non-controlling interests	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-
Dividends paid to Parent shareholders	-	(5,491)	-	-	-	(5,491)	-	(5,491)
Balance at end of period	17,712	165,338	11,363	(1,225)	(109)	193,079	12,610	205,689

September 2015	Share capital \$000	Retained earnings \$000	Available for sale investments revaluation reserve \$000	Cash flow hedge reserve \$000	Foreign currency translation reserve \$000	Attributable to equity holders of the Parent \$000	Attributable to non-controlling interests \$000	Total \$000
Balance at the beginning of the year	17,712	123,001	15,374	(919)	-	155,168	607	155,775
Total comprehensive income/(loss) net of tax	-	3,073	(1,630)	(1,167)	-	276	361	637
Investment by non-controlling interests	-	-	-	-	-	-	300	300
Dividends paid to non-controlling interests	-	-	-	-	-	-	(244)	(244)
Dividends paid to Parent shareholders	-	(4,782)	-	-	-	(4,782)	-	(4,782)
Balance at end of period	17,712	121,292	13,744	(2,086)	-	150,662	1,024	151,686

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Group 30 Sep 2016 \$000	Group 30 Sep 2015 \$000	Group 31 Mar 2016 \$000
	Note		
Current assets			
Cash and cash equivalents	14,361	18,477	11,144
Trade receivables	24,568	4,845	21,946
Inventories	38,023	2,864	29,377
Tax receivable	841	27	650
Other current financial assets	4,835	20,381	4,490
Other current assets	1,696	749	806
Total current assets	84,324	47,343	68,413
Non-current assets			
Property, plant and equipment	96,097	25,536	94,457
Investments in associate companies	3,502	8,372	3,636
Goodwill	46,840	18,124	46,840
Intangible assets	60,338	-	60,288
Deferred tax asset	763	-	1,165
Other non-current financial assets	68,538	71,820	72,277
Total non-current assets	276,078	123,852	278,663
Total assets	360,402	171,195	347,076
Current liabilities			
Trade and other payables	19,181	4,452	22,031
Borrowings	17,099	1,375	19,833
Contingent consideration	1,786	-	1,763
Other current financial liabilities	1,343	2,011	1,454
Tax payable	659	-	1,453
Provisions	7,554	1,851	4,734
Total current liabilities	47,622	9,689	51,268
Non-current liabilities			
Borrowings	78,279	6,808	63,511
Provisions	310	294	302
Deferred tax liability	26,027	1,713	26,184
Contingent consideration	100	1,005	200
Other non-current financial liabilities	2,375	-	1,577
Total non-current liabilities	107,091	9,820	91,774
Total liabilities	154,713	19,509	143,042
Net assets	205,689	151,686	204,034
Equity			
Share capital	17,712	17,712	17,712
Retained earnings	165,338	121,292	164,892
Available for sale investments revaluation reserve	11,363	13,744	11,261
Translation of foreign operations reserve	(109)	-	(17)
Cash flow hedge reserve	(1,225)	(2,086)	(744)
Equity holders of the Parent	193,079	150,662	193,104
Attributable to non-controlling interests	12,610	1,024	10,930
Total equity	205,689	151,686	204,034

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

For the six months ended 30 September 2016

Note	Group 6 months to 30 Sep 2016 \$000	Group 6 months to 30 Sep 2015 \$000
Cash flows from operating activities		
Cash was provided from:		
- Receipts from customers	131,718	24,869
- Dividends received	727	957
- Interest received	375	871
	132,820	26,697
Cash was applied to:		
- Payments to suppliers and employees	(106,501)	(23,626)
- Tax paid	(20,694)	(1,028)
- Interest paid and other costs of finance	(6,998)	(141)
	(134,193)	(24,795)
Net cash (outflows)/inflows from operating activities	(1,373)	1,902
Cash flows from investing activities		
Cash was provided from:		
- Proceeds from sale of investments	6,246	1,226
- Proceeds from sale of property, plant and equipment	46	-
	6,292	1,226
Cash was applied to:		
- Purchase of property, plant and equipment	(6,637)	(1,997)
- Purchase of business	-	(7,168)
- Purchase of intangible assets	(148)	-
- Purchase of investments	(1,367)	(3,258)
	(8,153)	(12,423)
Net cash (outflows) from investing activities	(1,861)	(11,197)
Cash flows from financing activities		
Cash was provided from:		
- Capital invested by non-controlling interests	-	300
- Proceeds from borrowings	12,513	3,070
	12,513	3,370
Cash was applied to:		
- Dividends paid to shareholders of Parent	(5,491)	(4,782)
- Dividends paid to non-controlling interests	-	(244)
- Repayment of borrowings	(479)	-
	(5,970)	(5,026)
Net cash inflows/(outflows) from financing activities	6,543	(1,656)
Net increase/(decrease) in cash held	3,309	(10,951)
Effect of foreign exchange	(92)	-
Cash at beginning of period	11,144	29,428
Cash at end of period	14,361	18,477
Cash and cash equivalents	14,361	18,477

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (continued)

For the six months ended 30 September 2016

	Group 6 months to 30 Sep 2016 \$000	Group 6 months to 30 Sep 2015 \$000
Cash flow reconciliation		
Profit after tax	7,945	3,434
Add/(less) non-cash items:		
Share of retained loss/(profit) for the year from associate companies	134	(1,758)
Depreciation	4,968	1,329
Amortisation	98	-
Increase/(decrease) in deferred tax	245	(9)
Loss on increase of contingent consideration	23	-
Deemed distribution	(48)	-
Loss on revaluation of financial assets at fair value through profit or loss	336	34
	5,756	(404)
Add/(less) movements in other working capital items:		
Change in trade receivables	(2,566)	3,009
Change in inventories	(8,646)	(37)
Change in tax receivable	(191)	(255)
Change in other current assets	(964)	(3,917)
Change in trade payables	(2,850)	526
Change in current tax payable	(794)	-
Change in provisions	2,828	(362)
	(13,183)	(1,036)
Less items classified as investing activities:		
Net (gain) on sale of investments	(1,875)	(92)
Net loss on sale of property, plant and equipment	(16)	-
	(1,891)	(92)
Net cash inflows from operating activities	(1,373)	1,902

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

NOTE 1 EARNINGS PER SHARE

	Group 6 months to 30 Sep 2016	Group 6 months to 30 Sep 2015
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From continuing and discontinued operations

Basic and diluted earnings per share (cents)	33.5	17.3
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Diluted earnings per share are the same as basic earnings per share because there are no dilutive equity instruments in the Group.

NOTE 2 DIVIDENDS PAID

	Group 6 months to 30 Sep 2016	Group 6 months to 30 Sep 2015
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Amount paid (cents per share)	31.0	27.0
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Amount paid (\$000's)	5,491	4,783
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NOTE 3 CAPITAL COMMITMENTS

	Group 30 Sep 2016 \$000	Group 30 Sep 2015 \$000
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Plant and equipment	443	234
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Other	3,183	2,391
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	3,626	2,625
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Other capital commitments are for investment funds that are under contract but not invested at balance date.

NOTE 4 CONTINGENT LIABILITIES

There are no significant contingent liabilities (2015: nil).

NOTE 5 ASSOCIATE COMPANIES

	Group 6 months to 30 Sep 2016 \$000	Group 6 months to 30 Sep 2015 \$000
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Share of (loss)/profit from associate companies	(134)	1,758
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NOTE 6 AVAILABLE FOR SALE INVESTMENTS' REVALUATION RESERVE

Available for sale investments are listed equities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 September 2016

NOTE 7 BUSINESS ACQUISITION

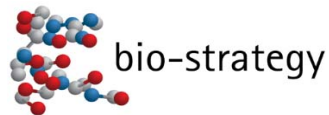
No business acquisitions occurred in the period ended 30 September 2016 (September 2015: Rangatira purchased 70% of the shares in Bio-Strategy).

NOTE 8 SUBSEQUENT EVENTS

On 28 November 2016, the Board declared a fully imputed dividend of 22 cents per share (\$3.9 million). The dividend will be paid to shareholders on 12 December 2016.

NOTE 9 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 2016. These are described in Rangatira's 2016 Annual Report.



Rangatira Limited
Level 8, Equinox House, 111 The Terrace,
Wellington 6011, NZ
Mail Address
PO Box 804, Wellington 6140, NZ

Phone: +64 4 472 0251
Email: info@rangatira.co.nz
Website: www.rangatira.co.nz