



# RANGATIRA

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## INVESTMENT GAINS DELIVER STRONG HALF YEAR RESULT FOR RANGATIRA

Wellington investment company Rangatira today announced its interim result for the six months to 30 September 2013. Profit after tax for the period was \$30.8 million, compared with \$3.0 million for the corresponding period last year, following gains on the realisation of investments of \$29.7 million.

The \$29.7 million contribution resulted from Rangatira selling its 50% holding in Contract Resources and its direct holding in Xero Limited. Rangatira still retains an indirect holding in Xero equivalent to 290,000 shares.

Chairman David Pilkington said, "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's shares are listed on the unlisted platform, and will trade ex-dividend from Monday, 9 December 2013.

Directors have assessed the asset backing of Rangatira's shares to be \$10.55 at 30 September 2013, compared to recent trades at \$9.00.

David Pilkington said, "Apart from the reduction in operating earnings from Contract Resources, the earnings from the remainder of our contributing companies has been much in line with last year and we expect a good performance in the second half due to the seasonal nature of many of our unlisted investments - such as Hellers, Polynesian Spa, Rainbow's End and Tuatara Brewing Company.

### **New Investments**

During the period Rangatira acquired a 12% stake in Magritek. Magritek is an advanced technology company founded by Sir Paul Callaghan that has become a world leading provider of compact, portable MRI and NMR systems. Rangatira also acquired a 35% holding in Kapiti Coast-based Tuatara, one of New Zealand's largest independent craft brewers.

### **Deputy Chairman**

The Board has appointed Keith Gibson as Deputy Chairman.

### **Further investments sought**

Rangatira currently has at least \$50 million of funds available for investment in suitable higher earning investments as they become available.

Rangatira's chief executive Ian Frame said, "We are actively looking to invest in well-managed New Zealand companies with strong growth potential that need 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.

"Rangatira's investment strategy of '*investing in business for growth*' has produced good and sustained returns over many years for its shareholders. This can be attributed 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." Ian Frame said.

David Pilkington said, "Rangatira has had a steady start to the year, which is pleasing given the seasonal nature of the performance of many of our unlisted investments. Looking ahead, the company has a strong balance sheet and is well positioned to take advantage of market opportunities as they arise."

## ENDS

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## **About Rangatira Limited**

Rangatira is a Wellington-based investment company with investment funds of around \$200 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 is 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 good 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.

Rangatira's shares are listed and traded on the Unlisted market ([www.unlisted.co.nz](http://www.unlisted.co.nz)).