



3 December 2015

Dear Shareholder

***Results for Half Year to 30 September 2015***

Rangatira's Profit after Tax for the six months to 30 September 2015 was \$3.1 million, a decrease of \$0.8 million on the corresponding period last year. Unlike last year, this year's result did not include any gains from sale of investments. Rangatira's underlying Operating Earnings improved 11% compared to the same period last year.

	Six Months to September 2015 (\$m)	Six Months to September 2014 (\$m)	12 Months to 31 March 2015 (\$m)
<i>Operating Earnings</i>	3.1	2.8	9.2
Gains from Sale of Investments	-	1.1	4.5
<i>Profit after Tax</i>	3.1	3.9	13.7

***No material change in assessed Net Asset Value (\$11.32 per share)***

Directors have assessed no material change in the asset backing of Rangatira's shares at 30 September 2015 from 31 March 2015. Assessed asset backing, which includes the mid-point of the additional value above book value of private investments, is unchanged at \$11.32 per share.

***We have declared an interim dividend of 20 cents***

A fully imputed interim dividend of 20 cents per share has been declared (last year 20 cents) and will be paid on 14 December 2015. Rangatira shares will trade ex-dividend Monday, 7 December 2015.

***Our Investment Return to Shareholders in the period was 12 cents per share***

The total return to shareholders for the 6 months ended 30 September 2015 was 27 cents per share (2.4%), comprised as follows:

	Return cents/share
Change in assessed asset backing	0
Dividend paid during period	27
Total Return	27

***We have completed three significant investments so far this year***

During the half-year reporting period Rangatira completed two investments. In June, we added Bio-Strategy to our portfolio, acquiring a 70% stake from the two owner managers, who will continue to lead the business. Bio-Strategy is an Australasian distributor of scientific instruments and robots used in advanced applications such as forensics and genetics. Our interim result includes 3 months' contribution from Bio-Strategy and the full year result will benefit from 9 months' contribution.

In September, Rangatira invested additional capital in Partners Group. Partners is a fast-growing life insurance company selling life insurance, health, trauma and disability products in the New Zealand market.

Rangatira increased its shareholding in Hellers from 50% to 62.5% in November. This is a subsequent event and will increase Hellers' contribution to our operating earnings for the full financial year. Hellers is New Zealand's largest producer of bacon, ham and smallgoods.

***We increased Operating Earnings 11% for the period***

Rangatira's Operating Earnings for the six months to 30 September 2014 were \$3.1 million, an increase of \$0.3 million (11%) compared with the corresponding period last year.

Operating earnings in the second half are expected to be higher than the first half, due to the seasonal nature of many of our private investments - such as Hellers, Polynesian Spa, Rainbow's End and Tuatara Brewing Company.

***We expect full year Operating Earnings to be ahead of last year's result***

Our half year Operating Earnings were above last year's result. Directors have reviewed the earnings outlook for each of our current investments and at this point we are anticipating Operating Earnings for the full year to be between 20% and 30% ahead of last year's result. This improved result reflects a first time contribution from Bio Strategy, and an improved contribution from Hellers.

***We continue to look for new investments, although assets appear relatively fully priced***

We are looking for more medium-sized New Zealand companies that need investment and the potential to grow into the next iconic New Zealand brand or business. Rangatira has permanent capital, and therefore can have a longer investment timeframe than most other private investors. We prefer to be a cornerstone investor, co-investing with business owners and managers.

We are being cautious in assessing new investments as many assets appear to be relatively fully priced. We continue to be attracted to investments where Rangatira can add value.

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

Shareholders approved a share buyback at the Annual Meeting in August. As of 3 December 2015, Rangatira has acquired no shares through the buyback.

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



David Pilkington  
Chair  
Rangatira Limited

Rangatira Group

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2015

	Note	Group 6 months to 30 Sep 2015 \$000	Group 6 months to 30 Sep 2014 \$000
Revenue		23,300	17,994
Other income		446	2,282
Share of profit for the period from associate companies	5	1,758	707
<b>Total income</b>		<b>25,504</b>	<b>20,983</b>
Depreciation and amortisation expense		(1,329)	(1,105)
Employee benefit expense		(7,880)	(6,569)
Finance costs		(141)	(57)
Cost of sales		(6,060)	(3,192)
Consulting expense		(184)	(93)
Operating expenses		(5,819)	(4,928)
<b>Profit before tax</b>		<b>4,091</b>	<b>5,039</b>
Tax expense		(657)	(886)
<b>Profit after tax</b>		<b>3,434</b>	<b>4,153</b>
<b>Profit attributable to</b>			
Equity holders of the Parent		3,073	3,886
Non-controlling interests		361	267
		<b>3,434</b>	<b>4,153</b>
<b>From continuing and discontinued operations</b>			
Basic and diluted earnings per share (cents)	1	17.3	21.9

Rangatira Group

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2015

	Group 6 months to 30 Sep 2015 \$000	Group 6 months to 30 Sep 2014 \$000
Other comprehensive income		
Available for sale investments		
- valuation (loss)/gain taken to equity	(1,630)	2,400
- transferred to income statement on sale	-	(1,282)
Share of reserves of associates	(1,167)	-
Other comprehensive (loss)/income recognised directly in equity	(2,797)	1,118
Profit after tax	3,434	4,153
Total comprehensive income for the period after tax	637	5,271
<b>Total comprehensive income attributable to</b>		
Equity holders of the Parent	276	5,004
Non-controlling interests	361	267
	637	5,271

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

	Note	Group 30 Sep 2015 \$000	Group 30 Sep 2014 \$000	Group 31 Mar 2015 \$000
<b>Current assets</b>				
Cash and cash equivalents		18,477	23,943	29,428
Trade receivables		4,845	3,072	2,827
Inventories		2,864	933	940
Tax receivable		27	594	341
Other current financial assets		20,381	19,535	21,549
Other current assets		749	495	494
<b>Total current assets</b>		<b>47,343</b>	<b>48,572</b>	<b>55,579</b>
<b>Non-current assets</b>				
Property, plant and equipment		25,536	24,672	24,525
Investments in associate companies		8,372	9,305	7,695
Goodwill		18,124	8,547	8,547
Deferred tax asset		-	23	244
Other non-current financial assets		71,820	75,100	70,278
<b>Total non-current assets</b>		<b>123,852</b>	<b>117,647</b>	<b>111,289</b>
<b>Total assets</b>		<b>171,195</b>	<b>166,219</b>	<b>166,868</b>
<b>Current liabilities</b>				
Trade and other payables		4,452	5,119	3,169
Borrowings		1,375	346	686
Other current financial liabilities		2,011	-	-
Tax payable		-	145	676
Provisions		1,851	1,038	1,333
<b>Total current liabilities</b>		<b>9,689</b>	<b>6,648</b>	<b>5,864</b>
<b>Non-current liabilities</b>				
Borrowings		6,808	3,327	2,977
Other financial liabilities		1,005	-	-
Provisions		294	279	286
Deferred tax liability		1,713	1,934	1,966
<b>Total non-current liabilities</b>		<b>9,820</b>	<b>5,540</b>	<b>5,229</b>
<b>Total liabilities</b>		<b>19,509</b>	<b>12,188</b>	<b>11,093</b>
<b>Net assets</b>		<b>151,686</b>	<b>154,031</b>	<b>155,775</b>
<b>Equity</b>				
Share capital		17,712	17,712	17,712
Retained earnings		121,292	116,686	123,001
Available for sale investments revaluation reserve	6	13,744	19,319	15,374
Foreign currency hedge reserve		(2,086)	(408)	-919
Equity holders of the Parent		150,662	153,309	155,168
Attributable to non-controlling interests		1,024	722	607
<b>Total equity</b>		<b>151,686</b>	<b>154,031</b>	<b>155,775</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW

For the six months ended 30 September 2015

Note	Group 6 months to 30 Sep 2015 \$000	Group 6 months to 30 Sep 2014 \$000
<b>Cash flows from operating activities</b>		
Cash was provided from:		
- Receipts from customers	24,869	16,665
- Dividends received	957	899
- Interest received	871	435
	<b>26,697</b>	<b>17,999</b>
Cash was applied to:		
- Payments to suppliers and employees	(23,626)	(13,184)
- Tax paid	(1,028)	(991)
- Interest paid and other costs of finance	(141)	(57)
	<b>(24,795)</b>	<b>(14,232)</b>
<b>Net cash inflows from operating activities</b>	<b>1,902</b>	<b>3,767</b>
<b>Cash flows from investing activities</b>		
Cash was provided from:		
- Proceeds from sale of investments	1,226	3,661
- Repayment of advances made to related parties	-	375
	<b>1,226</b>	<b>4,036</b>
Cash was applied to:		
- Purchase of property, plant and equipment	(1,997)	(3,671)
- Purchase of business	(7,168)	-
- Purchase of investments	(3,258)	(4,955)
	<b>(12,423)</b>	<b>(8,626)</b>
<b>Net cash (outflows) from investing activities</b>	<b>(11,197)</b>	<b>(4,590)</b>
<b>Cash flows from financing activities</b>		
Cash was provided from:		
- Capital invested by non-controlling interests	300	-
- Proceeds from borrowings	3,070	-
	<b>3,370</b>	<b>-</b>
Cash was applied to:		
- Dividends paid to shareholders of Parent	(4,782)	(4,605)
- Dividends paid to non-controlling interests	(244)	(171)
	<b>(5,026)</b>	<b>(4,776)</b>
<b>Net cash (outflows) from financing activities</b>	<b>(1,656)</b>	<b>(4,776)</b>
<b>Net (decrease) in cash held</b>	<b>(10,951)</b>	<b>(5,599)</b>
Cash at beginning of period	29,428	29,542
<b>Cash at end of period</b>	<b>18,477</b>	<b>23,943</b>
Cash and cash equivalents	<b>18,477</b>	<b>23,943</b>

Rangatira Group

# CONDENSED CONSOLIDATED STATEMENT OF CASHFLOW (continued)

For the six months ended 30 September 2015

	Group 6 months to 30 Sep 2015 \$000	Group 6 months to 30 Sep 2014 \$000
<b>Cash flow reconciliation</b>		
Profit after tax	3,434	4,153
Add/(Less) non cash items:		
Share of change in retained earnings of associate companies	(1,758)	(707)
Depreciation	1,329	1,105
Increase in deferred tax	(9)	251
Revaluation of financial assets	34	(829)
	(404)	(180)
Add/(Less) movements in other working capital items:		
Trade receivables	3,009	5
Inventories	(37)	(110)
Other current assets	(255)	(149)
Trade and other payables	(3,917)	2,000
Provisions	526	(143)
Tax payable/receivable	(362)	(356)
	(1,036)	1,247
Less items classified as investing activities:		
Net gain on sale of investments	(92)	(1,453)
	(92)	(1,453)
<b>Net cash inflows from operating activities</b>	<b>1,902</b>	<b>3,767</b>



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

	Share Capital \$000	Retained earnings \$000	Available for sale investments revaluation \$000	Foreign currency hedge reserve \$000	Attributable to equity holders of the Parent \$000	Attributable to non- controlling interests \$000	Total \$000
<b>2015</b>							
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)
<b>Balance at end of period</b>	<b>17,712</b>	<b>121,292</b>	<b>13,744</b>	<b>(2,086)</b>	<b>150,662</b>	<b>1,024</b>	<b>151,686</b>

	Share Capital \$000	Retained earnings \$000	Available for sale investments revaluation \$000	Foreign currency hedge reserve \$000	Attributable to equity holders of the Parent \$000	Attributable to non- controlling interests \$000	Total \$000
<b>2014</b>							
Balance at the beginning of the year	17,712	117,405	18,201	(408)	152,910	626	153,536
Total comprehensive income net of tax	-	3,886	1,118	-	5,004	267	5,271
Dividends paid to non-controlling interests	-	-	-	-	-	(171)	(171)
Dividends paid to Parent shareholders	-	(4,605)	-	-	(4,605)	-	(4,605)
<b>Balance at end of period</b>	<b>17,712</b>	<b>116,686</b>	<b>19,319</b>	<b>(408)</b>	<b>153,309</b>	<b>722</b>	<b>154,031</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2015

## NOTE 1 EARNINGS PER SHARE

Group 6 months to 30 Sep 2015	Group 6 months to 30 Sep 2014
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### From continuing and discontinued operations

Basic and diluted earnings per share (cents)	<b>17.3</b>	21.9
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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 2015	Group 6 months to 30 Sep 2014
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Amount paid (cents per share)	<b>27.0</b>	26.0
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Amount paid (\$000's)	<b>4,783</b>	4,605
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## NOTE 3 CAPITAL COMMITMENTS

Group 30 Sep 2015 \$000	Group 30 Sep 2014 \$000
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Plant and equipment	<b>234</b>	230
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Other	<b>2,391</b>	5,480
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	<b>2,625</b>	5,710
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Other capital commitments are for investment funds which are under contract but not invested at balance date.

## NOTE 4 CONTINGENT LIABILITIES

There are no significant contingent liabilities (2014: nil).

## NOTE 5 ASSOCIATE COMPANIES

Group 6 months to 30 Sep 2015 \$000	Group 6 months to 30 Sep 2014 \$000
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Share of profit from associate companies	<b>1,758</b>	707
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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

For the six months ended 30 September 2015

## NOTE 7 ACQUISITION

On 30 June 2015, Rangatira purchased 70% of the shares in Bio-Strategy. The following table summarises the total consideration paid for 100% of the Bio-Strategy, the fair value of the assets acquired and the liabilities assumed.

	\$000
<b>Consideration at 30 June 2015</b>	
Consideration paid	7,934
Consideration deferred	3,016
<b>Total consideration paid and payable</b>	<b>10,950</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	
Cash and cash equivalents	765
Trade and other receivables	5,028
Inventories	1,887
Property, plant and equipment	343
Trade and other payables	(5,200)
Bank debt	(1,450)
<b>Total identifiable net assets</b>	<b>1,373</b>
Goodwill on acquisition	9,577
<b>Total</b>	<b>10,950</b>

The \$7.168 million in the statement of cashflow related to this purchase represents the \$7.934 million consideration paid, less the \$0.765 million cash acquired.

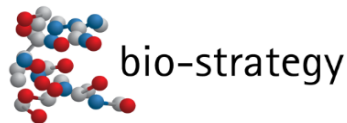
## NOTE 8 SUBSEQUENT EVENTS

On 20 November 2015, Rangatira acquired a further 12.5% shareholding of Hellers Limited and further 12.5% shareholdings of Domett Properties Limited.

On 30 November 2015, the Board declared a fully imputed dividend of 20 cents per share (\$3.54 million). The dividend will be paid to shareholders on 14 December 2015.

## 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 2015. These are described in Rangatira's 2015 Annual Report.



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