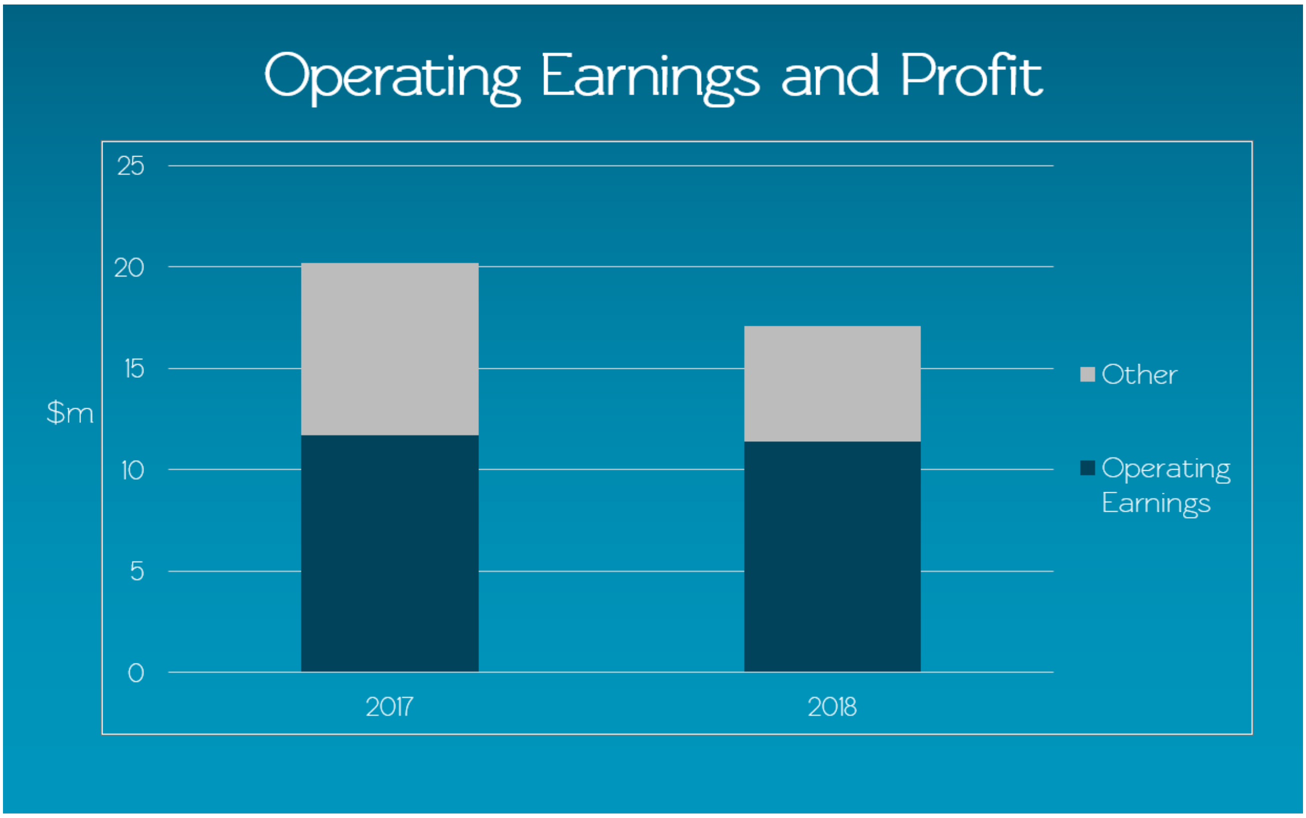
RANGATIRA LIMITED

81st ANNUAL MEETING OF SHAREHOLDERS HELD IN THE KPMG WELLINGTON OFFICE, LEVEL 9, 10 CUSTOMHOUSE QUAY WELLINGTON, ON MONDAY 30 JULY 2018 AT 4.30PM

1. **CHAIR'S ADDRESS (DAVID PILKINGTON)**

RANGATIRA OVERALL PERFORMANCE

In 2018 Rangatira had a solid year across all of our portfolios companies and it was with great pleasure we were able to announce the purchase of 50% of Mrs Higgins last November. While we have been active in acquiring add-on businesses to our existing private equity investments Mrs Higgins represented our first stand-alone acquisition in 2 years.



Our operating earnings were slightly down by 3%, from $11.7M last year to $11.4M. Our net profit after tax of $17.1M was down on our restated result last year of $20.2M. This restatement of 2017 results were due to a one-off $3.9M gain on acquisition of VWR's Australian and New Zealand businesses; Chris will expand more on this later.

Total gains from the realisation of investments were $7.1M; this was due in large part to the rebalancing of our New Zealand public investments portfolio (the breakdown of which is contained in the annual report) and the sale of PowerbyProxi by Movac.

Major Capital Allocation Decisions

New Acquisition	New Acquisition	Divestment
Mrs Higgins	Moira Mac by Hellers	Konnect Net
November 2017	July 2018	April 2018

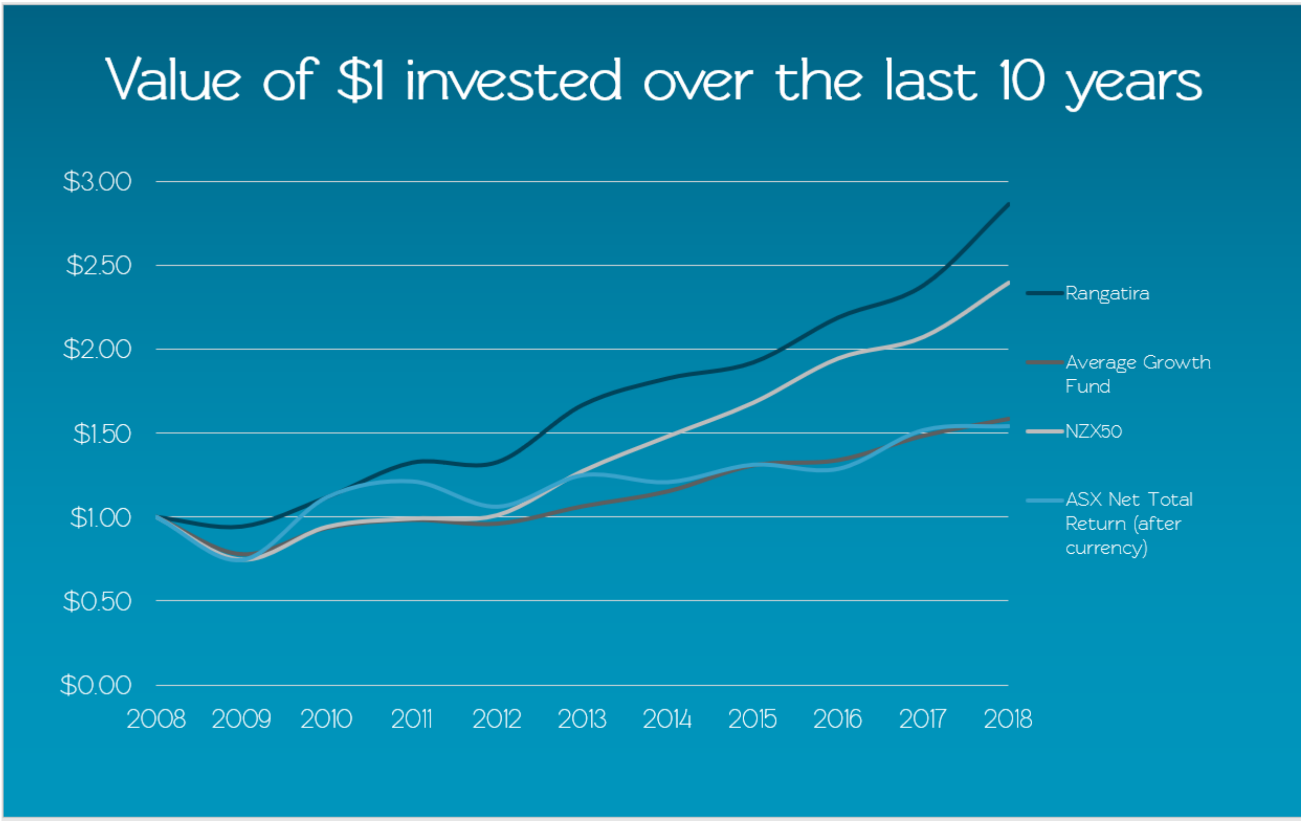
CHANGES IN PORTFOLIO

During the year there were the following changes in our investment portfolio:

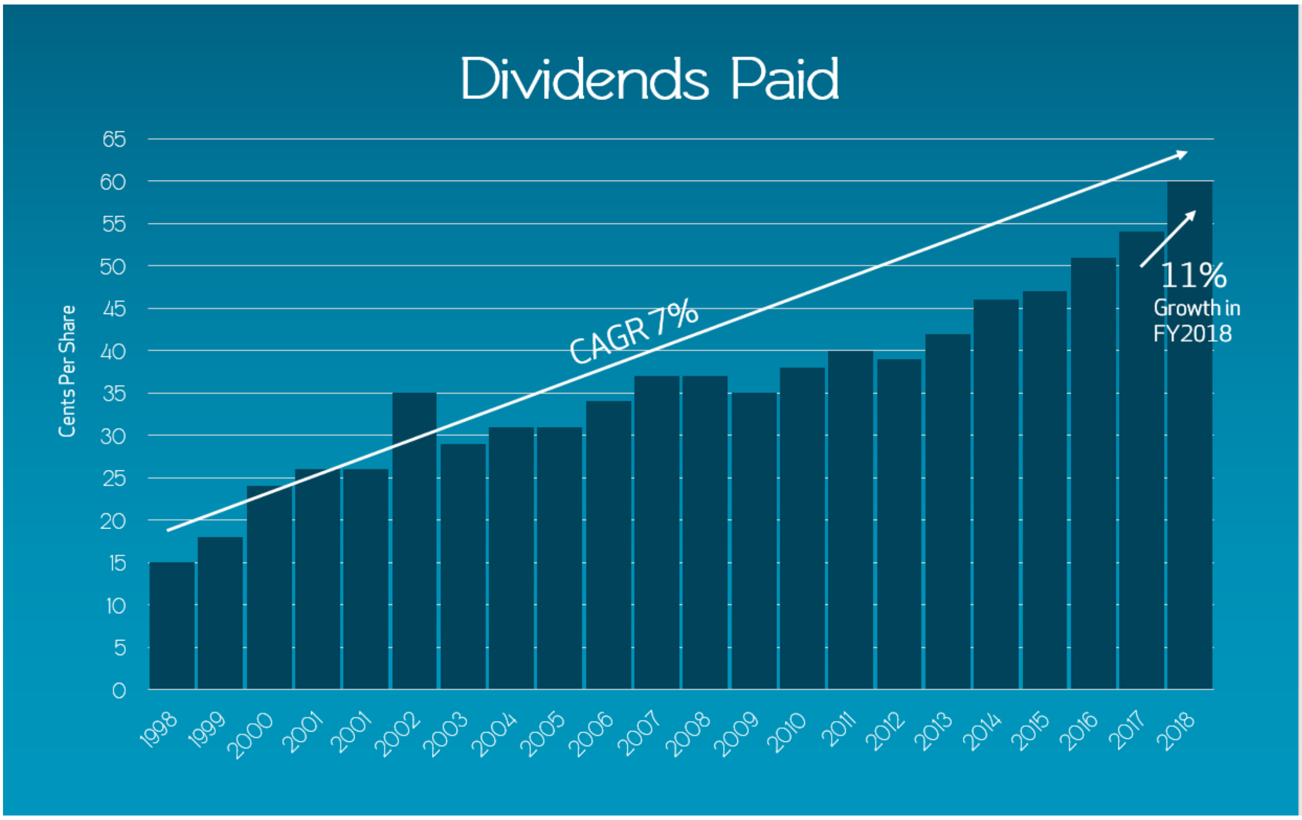
- Rangatira acquired a 50% shareholding in Mrs Higgins
- APC Innovate acquired the business assets of The Display Group
- We agreed to sell our shareholding in Konnect Net
- We invested more funds in venture capital fund, Icon Ventures Fund VI
- Movac, which Rangatira is an investor in, sold its investment in PowerByProxi
- Rangatira rebalanced its New Zealand public investment portfolio which included reducing our shareholding in Xero.

We have been conscious for some time that the ongoing investment and growth in Hellers has meant it now comprises a significant percentage (around 35%) of our total investment portfolio, more if we include Domett Properties the company that owns the land and buildings occupied by the Hellers Christchurch site.

Since balance date we have engaged Cameron and Partners and together undertaken a strategic review of our investment in Hellers and as part of the review we have invited expressions of interest from potential purchasers. At this stage no final decision has been made.



In the 12 months to 31 March 2018 the NZX50 returned 15.6%, the average wholesale growth fund returned 6.8% and Rangatira returned 20.3%. Over the last 10 years, the NZX50 had a 9.1%, the average wholesale growth fund 5.2% and Rangatira returned 11.1% compounded annual return. Therefore, we are pleased to have outperformed all of our benchmarks for the 12 months to 31 March 2018.



DIVIDENDS

An interim dividend for the year ended 31 March 2018 of 24 cents a share was paid in December 2017. Directors have declared a final dividend of 36 cents paid in June 2018, bringing the total dividend for the year to 60 cents compared to the 54 cents paid in the prior period.

With the aim being to deliver market competitive returns over the long term and steadily increase dividends to our shareholders, it is noteworthy to add that we increased our total dividends paid out by $1m to $10.6m for the 2018 financial year.

Looking forward to the 2019 year we have had a positive start to the year and while it is still early days operating earnings from our private investments and interest are forecast to be up by 10 to 15% over the prior year. This assumes we retained our current level of investment in Hellers through year end.

That concludes my address and I would now like to hand over to Chris Bradshaw to provide further commentary on our investment portfolio. Just before doing so I want to acknowledge the role Chris has played as acting CEO following the departure of Phil Veal last November and thank him for his considerable efforts.

4. **CFO'S ADDRESS (Chris Bradshaw)**

Thanks David and welcome to all shareholders and directors.

I will now report on some of the progress we've made in 2018 in our public and private investments.

<u>Hellers</u>

moira mac's
Est. Bendigo 1983
CRAFTED QUALITY

We have just announced that Hellers acquired Moira Mac in July 2018 as part of Hellers growth strategy for Australia.

Moira Mac is a chicken meat processor with an established customer base and a processing facility in Bendigo, just outside Melbourne. It has an experienced management team and has additional manufacturing capacity for growth. However, it is only a processor and doesn't raise chickens but buys chicken from nearby chicken farms.

Moira Macs key products are:

- Sliced and chicken breast
- Sliced turkey
- BBQ oven roasted chicken breast – every member of the Moira Mac management team rated this as his or her best product.

We have previously reported that Hellers has been selling sausages in Australian supermarkets. While our sausages have been well received the real growth opportunity in Australia requires that we have a domestic manufacturing base with greater access to competitive raw material and Moira Mac is a key part of providing Hellers with the platform to expand.

The core Hellers NZ business had another busy year. Product innovation has been a key part of Hellers success over the last 10 years. Hellers have released a number of new products during the year and more are planned in the current year. You may have spotted the new Hellers soup range in your local supermarket or just an empty shelf as Hellers has had trouble keeping up with demand. My favourite is the fantastic pumpkin and bacon. Santa Rosa, Hellers brand for chicken products, released its first turkey products during the year and more turkey products are planned.

Bio-Strategy

bio-strategy
delivering technology

In March 2017 Bio-Strategy acquired U.S. multinational VWR's Australia and New Zealand business. Following the completion of this deal, Bio-Strategy's business is more than twice the size. We now have 140 people working across Australia and New Zealand providing customers with solutions for their scientific equipment. We distribute for more than 60 key brands and have a portfolio of more than 250 brands. Bio-Strategy is now the second largest scientific distributor in Australasia.

The integration of the two businesses resulted in a tough 2018, however the outlook for 2019 is more positive. We are fortunate to have strong management team, led by our co-investors

Graeme and Robert, who worked hard on the integration of the VWR business and continue to focus on growing the business.

The acquisition of VWR resulted in a total gain on acquisition of $5.5m, with Rangatira's share being $3.8m. Under accounting standards (NZ IFRS 3) we made a provisional estimate of the inventory acquired at 31 March 2017 as the business was only acquired on 1 March 2017. Subsequently we have determined that the inventory provision was well in excess of what was required and accordingly we have restated the 2017 Financial Statements to incorporate the true market values. The Bio-Strategy team has worked hard during the year validating the stock values, and dumping slow and obsolete stock, to ensure the reported gain is accurate.

Mrs Higgins

In December 2017 Rangatira acquired 50% of Mrs Higgins and we are now partners with Markus and Bronwyn Hasler. The new investment by Rangatira enables Mrs Higgins to complete a new high-tech factory including a state-of-the-art tunnel oven. The new factory adds significant new capacity and will enable Mrs Higgins to increase sales.

The majority of Mrs Higgins sales are to the food service industry, quick service restaurants and supermarkets. The franchise stores, such as the one on Lambton Quay, are a relatively small part of the business but they increase the market presence and their smell is amazing.

Mrs Higgins will look to expand its New Zealand sales now it has the production capacity. Other areas of opportunity for growth are the Asian and Australian markets where demand for premium NZ food is strong.

Rainbows End

In February 2018 we welcomed Karen Crabb as CEO of Rainbow's End. Karen has a background of sales, marketing, and the retail market.

Rainbows End's performance in 2018 was once again heavily hit by Auckland's wet weather. Over the 12 months ending July 2018, 156mm more rain fell in Auckland than the historical average; that is equal to two extra months of rainfall within a year. This hurt Rainbow's Ends visitor numbers, which were down 1% from a weak FY2017 and 6% on their record high in FY2016.

Polynesian Spa

Polynesian Spa had record numbers of international visitors in 2018, for the fourth year running. The Lions tour certainly helped visitor numbers from the UK but there was also strong growth in visitors from Australia and Korea. Gert and his management team continue to work hard to improve the customer experience with the redesign of the cafe and shop completed during the year and plans for a new entrance.

APC

In July 2017, APC acquired the assets of The Display Group in Auckland. This gave APC the ability to design and manufacture permanent product displays for retailers. This is an added offering from APC’s usual temporary packaging and point of purchase displays. For FY2018, this acquisition has been a great success, contributing to a 15% increase in NPAT from prior year.

Partner’s Life continues to grow and maintain their number two position in the market for new business. Partners is well capitalised for growth after Blackstone became a cornerstone investor in 2016.

<u>Public Equities</u>

Public Equities

New Zealand Public Equities	31-Mar-18 NZ$m	31-Mar-17 NZ$m
Fisher & Paykel Healthcare	2.7	3.9
Meridian	2.1	2.1
Auckland Airport	1.2	1.4
Green Cross Health	0.9	1.2
Fletcher Building	0.8	1.1
Contact Energy	0.6	1.8
Serko	0.3	0.04
IkeGPS	0.3	0.3
Tower	0.2	-
Port of Tauranga	-	2.5
Total	9.1	14.4

International Public Equities	31-Mar-18 NZ$m	31-Mar-17 NZ$m
Reckitt Benckiser	3.4	3.8
Rio Tinto	2.9	2.6
Commonwealth Bank	2.7	3.4
BHP Billiton	2.5	2.3
Xero	2.2	-
Royal Dutch Shell	1.7	1.5
BP	1.4	1.2
Wesfarmers	1.3	1.5
RCR Tomlinson	-	0.9
Teladoc	-	0.1
Total	18.0	17.2

	31-Mar-18 NZ$m	31-Mar-17 NZ$m
New Zealand Public Equities	9.1	14.4
International Public Equities	18.0	17.2
Total	27.1	31.6

We took some steps to rebalance our public investments with the selling of shares in Fisher and Paykel Healthcare, Port of Tauranga and Xero. In addition, we sold our Teladoc shares (from our Icon Venture Capital Investment) and Watt Land sold RCR Tomlinson.

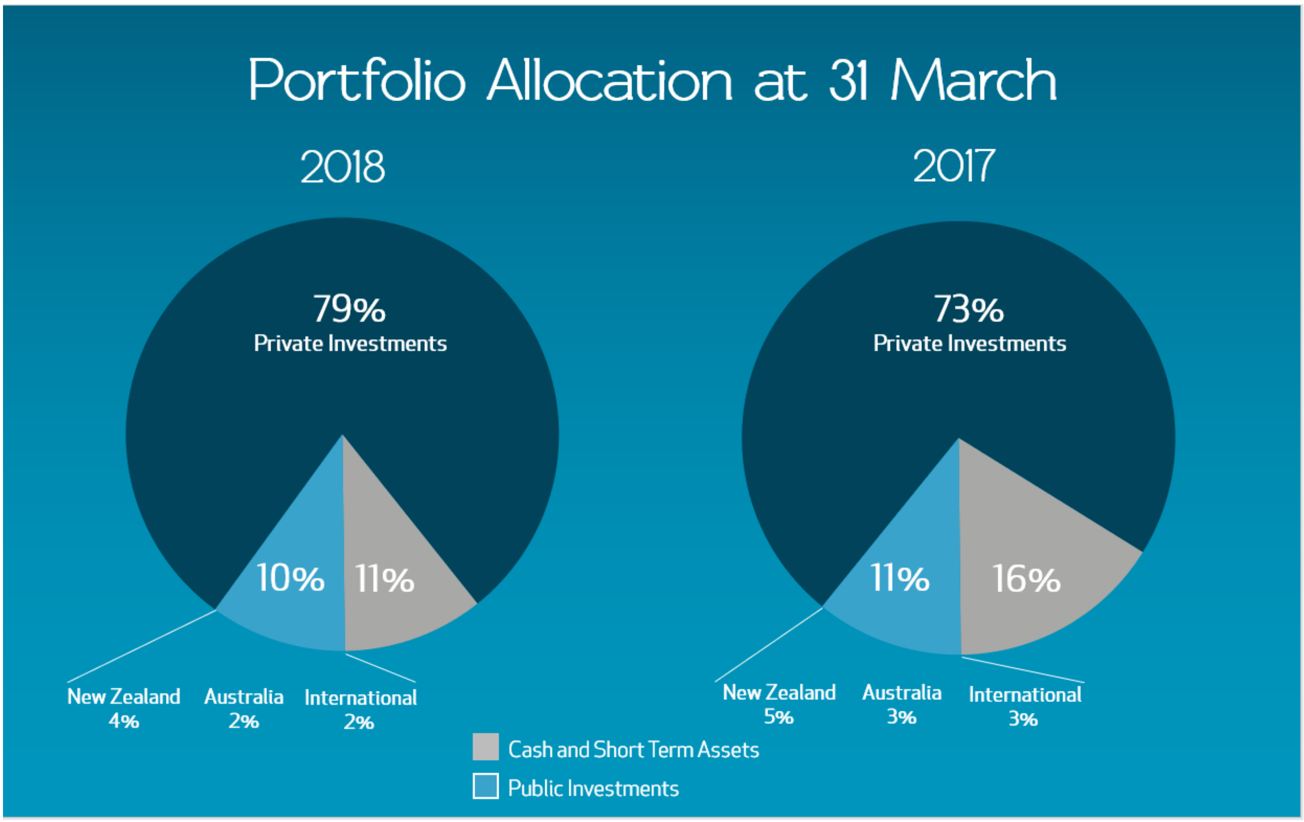
Public Equities TSR

	Total TSR	Benchmark
New Zealand Public Equities	15.8%	15.6%*
Australia Public Equities	- 1.5%	1.5%**
International Public Equities	2.5%	9.7%***
Total	8.5%	

* NZX50
** ASX200 converted to NZD
*** MSCI converted to NZD

Overall our total public portfolio achieved a TSR of 8.5%. Breaking down our public performance we note that New Zealand and international equities were all up. Our New Zealand equities returned a TSR of 15.8% against the NZX full year performance of 15.6%. Our international equities returned a TSR of 2.5% and Australian equities returned a TSR of -1.5% both below budget.

Portfolio Allocation



Our asset allocation shows that 79% of our portfolio is now in private investments. The increase is due to higher values for our existing private investments and the investment in Mrs Higgins.

Our cash balances are currently around $30m and we continue to have capacity to make new investments.

Our ideal target private company has revenues from $10M and up, and earnings of $2M plus. We look for opportunities to partner with successful owners, who want to grow their business and create iconic New Zealand businesses. Note that Hellers and Bio-Strategy now have significant Australian business. We like this model of co-investing with owners and it has seen successful with Todd and Brydon Heller at Hellers and the Lobb family at Polynesian Spa. At

Bio-Strategy our partners are Graeme and Robert and we recently invested alongside Markus and Bronwyn at Mrs Higgins.

We have seen a number of attractive private investment opportunities during the year but only Mrs Higgins met our investment criteria. We continue to see opportunities to invest our surplus cash.

Other matters

There has been some recent press covering Rangatira's dispute with the other shareholders of Tuatara. Rangatira has been vigorously defending its position from the claims of the other shareholders over the interpretation of the earn-out clause and we were pleased that the High Court ruled strongly in Rangatira's favour.

Thanks, that concludes my report.

5. **CEO ADDRESS**

As mentioned earlier we are delighted to welcome Mark as our new CEO. Mark comes to us from ACC where he has held the Chief Financial Officer position since 2012.

Mark began his career at KPMG and also worked at MAS Technology and Endeavour Capital before spending 3+ years at NZ Post as CFO of their Postal Services Business and most recently over 6 years as CFO of ACC.

Mark's appointment followed a comprehensive search for someone with the full range of skills to take Rangatira into the future. His experience in portfolio fund management and in performing due diligence on potential investments as well as acting as a director and mentor to portfolio companies, is well suited to drive Rangatira forward and to continuing it's long and successful legacy in delivering sustainable earnings growth to you the shareholders.

I would now like to invite him to say a few words.

Thank you, David, for the introduction and as you note I am reasonably new to the position, but in my short time I have had the chance to observe a little of how Rangatira operates. I would underscore David's compliments to both Chris and Peter for their significant contribution over the last year.

I am looking forward to joining Rangatira and was attracted to the role for a number of reasons.

I like the way it invests and builds companies in partnership with the founders and management over the long term. This is somewhat different to the traditional approach to Private Equity investing, which often has more aggressive time frames and less of a partnership model.

Secondly, Rangatira provides shareholders with a way to access opportunities that are not always available to them through the public markets.

Lastly, the underlying purpose of Rangatira was to create an enduring vehicle to support the philanthropic goals of a number of trusts and charities. This is an endearing feature for us as employees but also for the Companies that we invest into.

I am looking forward and excited at the prospect of working with Chris and the Board to continue to deliver great returns to the shareholders through both returning a dividend stream and capital gains.

The historical ten year returns of Rangatira sets a high bar and is something for the Board and Management to be proud of, comparing well to most if not all long-term NZ Investors including ACC and NZ Super.

I thought it useful to provide a little more on my background.

I grew up in Wellington and went to St Patrick College Silverstream after that I completed a Degree at Victoria University in Accounting and Economics. From there I joined KPMG and worked both in Wellington and Gibraltar.

After this I joined MAS Technology, which became a well-known and successful NZ Technology company based in Lower Hutt. Through my six years with MAS the Company expanded into 14 Countries, listed on the NASDAQ stock exchange and was ultimately purchased by a large US Corporate.

After this and with the founder of MAS I helped set up a Venture Capital company investing into NZ technology start-ups. This provided me with some great learnings into private investing and working with growth focused business.

After 8 years of this I then returned to the Corporate world firstly as CFO of the Postal Services Business of NZ Post and most recently for the last 6 and half years the CFO of ACC.

At ACC I was responsible for both the insurance and investment sides of ACC. Specifically, on the investments side I helped build stronger capability in the Direct Investment side and worked on investments into Ice Breaker, Bell Tea, Kiwibank and Transmission Gully to name a few.

From what I have seen to date at Rangatira there is a good flow of potential investment opportunities and a strong portfolio of current investments. Despite the market now having more Private Equity participants, Rangatira is both well placed and regarded to be an attractive source of capital to Companies in the future.

There does appears to be some clouds on the horizon of the NZ and Global economies, however this is where sometimes investment in private companies can provide better long term returns and less volatile than public markets particularly for organisations like Rangatira, as sometimes this also provides good opportunities for well-funded investors.

I thank you and the Board for this opportunity and am excited to work with the Board and Management to continue the success into the future. I will try to and would welcome the chance to meet with you over the coming months and please feel free to call me in the future if you have any questions.

Many thanks, now I will pass back to David.

6. **CLOSURE**

Thank shareholders for attendance and invite them to join Directors for refreshments out in the foyer