



RANGATIRA

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PRESS RELEASE

Begins

Rangatira Chairman Slates Offshore Investment Tax Proposal

Wellington investment company Rangatira is highly critical of the government proposal to tax capital gains on equity investments outside New Zealand.

Addressing the company's Annual Meeting yesterday, Chairman Murray Gough said "It is incomprehensible to us that such an irrational proposal can be under serious consideration."

Rangatira has nearly a quarter of its funds invested in the Australian share market.

"Most investors, including ourselves, do not see anywhere near enough market depth and industry spread in the companies on the New Zealand exchange to be happy to confine ourselves solely to this market," Mr Gough said. "In our view it is economic nonsense to use the tax laws to create such a major distortion in investment decisions. The outcome can only be significant over-valuation of New Zealand shares and investment property, with a lower rate of return and increased risk for the country's investment capital."

Commenting on Rangatira's performance, Mr Gough said that Rangatira is budgeting for an improvement in its operating earnings, and performance for the first quarter is in line with budget.

Ends

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