

31 August 2004

Media Release

RURAL EQUITIES LIMITED ANNUAL RESULT

The Directors of Rural Equities Limited (REL) are pleased to announce an after tax surplus of \$16.7 million for the eleven months to 30 June 2004. There is no comparable figure for the previous year as this is the first financial result for REL since it was separated from Williams & Kettle Limited (W&K).

The surplus includes the equity accounted results of the New Zealand Rural Property Trust (the Trust) which is 31.9% owned by REL. This contributed \$5.5 million to REL's result which was also boosted by the discount of \$10.6 million on acquisition of the units in the Trust from W&K.

Chairman Sir Selwyn Cushing said the result was pleasing, particularly the surplus achieved by the Trust which resulted primarily from the increase in the value of properties owned.

He noted that revenue from investment in rural property is typically low and this combined with the level of debt carried by REL, has meant the Directors have decided not to declare a dividend and do not expect that dividends will be paid in the foreseeable future.

The Directors expect the rural economy in the year ahead to be relatively stable. There is increasing demand for New Zealand farm products. REL is soundly placed through its significant stake in the Trust which has a diversified portfolio of quality properties.

For further information contact: Brian Burrough, Chief Executive Officer.
Ph (06) 323-6417 or (027) 446 9964
Fax (06) 323-6329