

8 September 2006

RURAL EQUITIES LIMITED ANNUAL RESULT

The Directors of Rural Equities Limited (REL) are pleased to announce an after tax surplus of \$10,486,000 for the year to 30 June 2006. This compares with \$18,600,000 for the previous year.

The surplus includes the consolidated results of the New Zealand Rural Property Trust (“the Trust”) which is 53.9% owned by REL.

In Hastings today, Chairman Sir Selwyn Cushing, said that, despite a more difficult year in the rural sector, this was another pleasing result. Much of the surplus achieved was contributed by the increase in value of properties owned by the Trust which have continued to increase in value in a tighter market.

Sir Selwyn also said that rural property values are now relatively stable following significant increases in value over recent years and there are indications that buyers are being more cautious.

In line with the current dividend policy Directors have confirmed that no dividend will be paid this year.

REL recently announced the expansion of its funds management business with the formation of REL – Pacific Equity Trust. This Trust will accumulate an investment portfolio of listed and unlisted securities principally in New Zealand and Australia.

Sir Selwyn said the management of REL – Pacific Equity Trust will be an exciting development adding a further dimension to the portfolio of funds under the Group’s management.

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