



Date: 25 February 2015
Media Release

Metlifecare Delivers Strong Half Year Result

Metlifecare achieved another strong result for the half year ended 31 December 2014 (1H15) as it continued its focus on construction, development and portfolio growth.

Net profit after tax of \$39.7 million for 1H15 was up 48% on 1H14 and achieved an underlying profit¹ of \$26.0 million, up 70%.

Sales activity remained strong in 1H15, with 29 sales and 202 resales generating gross cash flows of \$89.1 million, 28% up. New sales produced gross cash flows of \$16.1 million in 1H15, twice the value produced in 1H14. Realised resales gains of \$14.1 million were up 64%.

Metlifecare currently has 198 units, apartments and care beds under construction and is making good progress to lifting sustainable build rate to at least 200 per year.

On Auckland's North Shore, construction continues on The Poynton stage 4 (62 apartments), Greenwich Gardens stage 1 & 2 (27 villas), The Orchards stage 1 (17 apartments and 36 care beds) and stage 2 (37 apartments). Metlifecare expects to see the first residents move into these developments late in Q4 FY15 except at The Orchards stage 2 where occupation is expected in Q1 FY16. At Oakridge Villas in Kerikeri, Metlifecare has initiated construction of the Pavilion which will provide the residents with lounges, dining areas, an activities area, a swimming pool, gymnasium and a wellness centre and additional infrastructure is being built to support further development at this site.

Metlifecare has also progressed consenting and achieved resource consents to build 70 care beds and 16 serviced apartments at Somervale in Mount Maunganui. Resource consent was also achieved to build 42 apartments and 36 care beds at The Avenues in Tenth Avenue, Tauranga.

Revenue of \$48.9 million was a 4% improvement driven mainly by higher DMF income. Total expenses reduced slightly to \$41.2 million for 1H15. Operating cash flow increased to \$33 million (1H14: \$11.8 million) on the back of stronger sales volumes and higher realised resales gains.

Total assets grew 4% to \$2.09 billion during the period. This growth was due to the \$32.3 million increase in the fair value of investment properties and increased development activity, consisting of \$42.4 million of capitalised expenditure.

Metlifecare Chief Executive Officer, Alan Edwards, said: "We are pleased to report another strong result for the 2015 half year as we continue to build on our position as a leading New Zealand retirement village and care provider.

¹ Underlying profit before tax removes the impact of unrealised gains on investment properties and excludes one-off gains and deferred taxation. Underlying profit for 1H15 was \$26.0 million and for 1H14 was \$15.3 million – underlying profit is reconciled to reported profit in the key statistics attached to this announcement. This is a non-GAAP financial measure and is not prepared in accordance with NZ IFRS. Underlying profit is an industry-wide measure and Metlifecare believes it assists readers to understand the operating performance of the business.



"Growing Metlifecare profitably remains an important part of our focus for this year. The company is positioning itself to cater for the increasing demand for quality retirement living options.

"We have a number of exciting development projects currently underway. The conditional addition of the 5 hectare Red Beach property to our development pipeline is a significant highlight as it will add over 300 apartments and care beds. Identifying and assessing suitable land sites, particularly in the upper North Island, remains a priority for the company. The property market within our targeted geographical regions continues to perform well and we are taking a carefully considered approach to land acquisitions in these areas.

"Metlifecare is beginning to enjoy the material benefits of an experienced in-house development team and is looking at other opportunities to build its in-house capabilities and reduce costs as it advances the company's development pipeline.

"We are strategically located in prime residential markets, where there is good demand for our offering. New sales stock levels will increase as The Poynton stage 4, The Orchards stages 1 & 2 and Greenwich Gardens stages 1 & 2 reach completion late in Q4 FY15 and early Q1 FY16."

The directors have declared an interim dividend of 1.5 cents per share (up 20% on 1HY14), to be paid on 17 April 2015, with a record date of 2 April 2015. The Dividend Reinvestment Plan continues.

ENDS

For more information, please contact:

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About Metlifecare

Metlifecare is a publicly-listed aged care and retirement lifestyle company.

The happiness of our residents is at the heart of everything we do. We offer rewarding retirement lifestyle within vibrant social communities backed up by a full range of care services when required.

Established in 1984, the company has a proven track record of successfully owning and managing retirement villages in New Zealand. Metlifecare currently owns villages in prime locations throughout the North Island of New Zealand. Designed with our residents' personal freedom and sense of security in mind, our living options range from independent villas and apartments through to serviced apartments, rest homes and hospitals.

Attachment: Key Statistics for the Half Year Ended 31 December 2014



METLIFECARE

KEY STATISTICS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

	Half Year 15 31 Dec 14 Unaudited	Half Year 14 31 Dec 13 Unaudited	
Net Profit After Tax	39,701	26,832	48.0%
Non recurring item	(2,000)	0	
Net Profit Excluding non recurring item	37,701	26,832	40.5%
Fair value movement	(32,256)	(25,503)	26.5%
Realised gain on resales	14,099	8,613	63.7%
Realised development margin	3,357	1,092	207.4%
Tax Benefit/(Expense)	3,080	4,232	-27.2%
Underlying Profit	25,981	15,266	70.2%
Operating Cash Flow	32,998	11,819	179.2%
Earnings per share (cps)	18.78	12.76	47.2%
Dividend per share (cps)	1.50	1.25	20.0%
Resales & Sales of Occupation Right Agreements			
Sales Settlements (number)	29	19	52.6%
Resales Settlements (number)	202	172	17.4%
New units value (\$'000)	16,143	7,810	106.7%
Existing units value (\$'000)	72,949	61,911	17.8%
Realised resales margin (\$'000)	14,099	8,613	63.7%
Asset Base			
Retirement village units (number)	3,908	3,841	1.7%
Residential care beds (number)	359	359	0.0%
Totals assets (\$'000)	2,086,828	1,944,600	7.3%
Total Equity (\$'000)	830,060	750,870	10.5%
Net tangible assets per share (\$)	3.92	3.57	9.8%
Embedded value per unit (\$'000)	147.73	123.94	19.2%
Land Bank			
Retirement village units (number)	1,089	854	27.5%
Residential care beds (number)	370	205	80.5%
Total	1,459	1,059	37.8%
Shares on Issue	211,895	210,595	

Net profit after tax excluding non-recurring items, being one-off settlement figure referenced in the financial statements, is a non-GAAP financial measure and is not prepared in accordance with NZ IFRS. Metlifecare believes this assists readers to understand the operating performance of the business on a comparable basis.