



Strengthened value platform for Metlifecare following strategic acquisitions

Leading retirement village and aged care provider, Metlifecare Limited (NZX: MET), today announced it has signed merger agreements to acquire both Vision Senior Living Limited (Vision) and Private Life Care Holdings Limited (PLC) on a relative NTA basis using the company's scrip to settle the transaction.

The merger will improve Metlifecare's portfolio balance between mature villages, developing villages and growth opportunities, and will enhance the Company's development capability.

"This is an exciting initiative for Metlifecare, at very attractive valuation metrics", said Metlifecare Independent Director, Mr Brent Harman.

"The three companies offer different attributes which, when combined, will provide initial cost synergies through integration, increased scale and diversification, and will improve the outlook for village development and growth."

Managing Director of Metlifecare, Mr Alan Edwards, said: "The merger will strengthen Metlifecare's presence in the key Auckland retirement village market and ensure that the Company continues to compete strongly in the New Zealand retirement village sector.

"Vision has a strong development pipeline and an experienced development team, with growing cash flows from its existing five villages. PLC consists of three mature villages with good, reliable cash flows. Metlifecare's experience in providing a continuum of care will be extended to Vision and PLC villages.

"The merger will be immediately cash flow accretive and will provide an enhanced platform for Metlifecare to drive growth and shareholder value."

Vision and PLC offer complementary property portfolios with a total of eight villages in premium locations in Auckland, Hamilton, Papamoa and Kerikeri. The merger will see the Metlifecare portfolio increase from 16 villages to 24, including three villages at development stage. The number of units will grow from 2,460 to 3,902, with an increase in brownfield and greenfield development capacity from 380 units to 1,011 units. The number of Care Beds will remain at 407 with a land bank of an additional 110 beds.

The transactions will be funded by the issue of approximately 51.5 million new ordinary shares to the shareholders of Vision and PLC. The transaction terms and consideration were determined on a NTA to NTA basis for both Vision and PLC.

Metlifecare will also issue a further 4.2 million shares in exchange for \$10 million in capital raised from the existing Vision shareholders to pay down debt. The total transaction will increase the number of shares on issue from 144.1 million to approximately 199.8 million. Metlifecare will



refinance existing Vision and PLC debt with an extension to its own banking facilities. The Company's banking syndicate have confirmed an offer of funding to facilitate the transaction.

The transaction is conditional upon Overseas Investment Act approval, shareholder approval, certain third party consents and no material adverse changes. The resolutions to acquire Vision and PLC will be put to shareholders at a Special Meeting to be held in Auckland. Northington Partners has been commissioned to provide an independent appraisal report in advance of the meeting to approve the merger. The parties are working to satisfy all conditions by 30 June 2012, with settlement scheduled for 2 July 2012.

Vision is currently owned 68% by private equity funds managed by Goldman Sachs and the balance by private shareholders in Arrow International Group Limited. PLC is 100% owned by Retirement Villages New Zealand Limited, a subsidiary of unlisted investment fund, Retirement Villages Group (RVG), Metlifecare's major shareholder. Therefore, as a related party to the transaction, RVG will be excluded from voting on the resolution at the Special Meeting. RVG has indicated that it will sell down its expanded shareholding by 16.5 million shares to retail investors, through a documented process, which will take their shareholding to below 50%.

Mr Harman commented: "We have sought independent commercial advice throughout the process. The consideration being offered is equity, and therefore Metlifecare will effectively acquire Vision and PLC at the same discount as Metlifecare's shares are trading to NTA. The merger is designed to be NTA neutral prior to transaction costs and Vision contributing \$10m in cash."

Total assets will be in excess of \$2 billion, with total equity of approximately \$789 million. Metlifecare's debt as a percentage of investment property will increase to 18.7% following the merger.

The Metlifecare Board has also confirmed that it continues to be committed to increasing the ratio of Independent Directors on the Board, and is looking to appoint two additional Independent Directors before the end of the calendar year. This will see the number of Independent Directors increase to four by 31 December 2012.

The shares issued to Vision shareholders for the acquisition will be subject to transfer restrictions for 6 to 12 months and RVG has agreed to maintain its shareholding at not less than 35% for at least 12 months.

Metlifecare received financial advice on the merger from Grant Samuel & Associates and legal advice from Chapman Tripp.



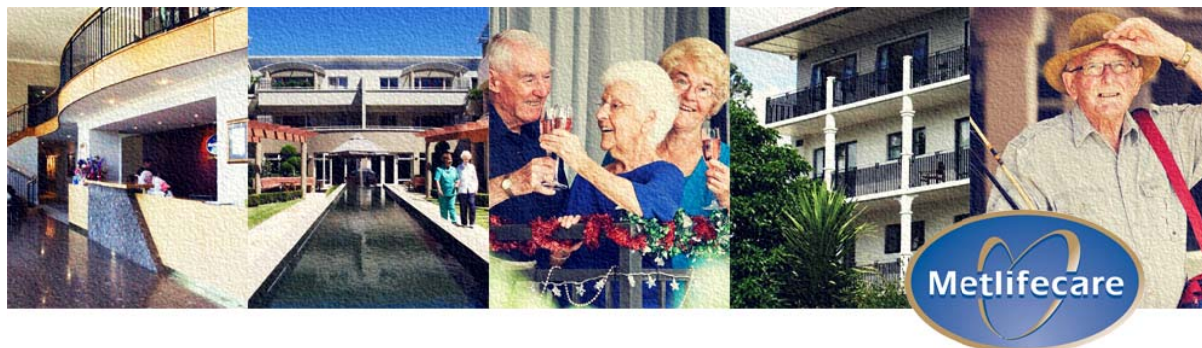
	MET	Combined Entity
Number of Existing Villages	16	24
Number of villages including development sites	17	26
Existing Units	2,460	3,902
Land Bank (Units)	380	1,011 ¹
Existing Care Beds	407	407
Land Bank (Care Beds)	70	110 ¹

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About Metlifecare:

Metlifecare is a publicly listed aged care and retirement lifestyle company. Established in 1986, 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 New Zealand, with most providing provide a full continuum of care from independent villas and apartments through to serviced apartments, rest homes and hospitals. www.metlifecare.co.nz

¹ Inclusive of Ilam Park, Unsworth Heights and Glenfield