Media Release
16 February 2012

Metlifecare Limited	
Results for announcement to the market	
Reporting Period	Six Months to 31 December 2011
Previous Reporting Period	Six Months to 31 December 2010

	Amount (000s)	Percentage change
Revenue from ordinary activities	$NZ 42,467	12.83%
Profit (loss) from ordinary activities after tax attributable to security holder.	$NZ 7,405	278.77%
Net profit (loss) attributable to security holders.	$NZ 7,405	278.77%

Interim/Final Dividend	Amount per security	Imputed amount per security
	Not Applicable	Not Applicable

Record Date	Not Applicable
Dividend Payment Date	Not Applicable
Comments	As below

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METLIFECARE LIMITED INTERIM RESULTS TO 31 DECEMBER 2011

The company reported a half year Net Profit After Tax of $7.41 million (1H FY11: $1.96 million). The profit result included $11.44 million attributable to the change in fair value of investment properties, with the increased value reflecting the stronger sales performance over the period.

Settlement volumes grew by 26% to 165 sales and re-sales in the period (1H FY11: 131), including 12 settlements at The Poynton. Gross cashflows from sales and resales increased by 9.3% however net cashflows were down as a result of deferred sales settlements and the mix and margin of the settled units during the period. Excluding The Poynton, occupancy levels rose to 92% (89% in Dec 2010), while the Poynton occupancy levels are now at 53%, up from 35% this time last year.

Operating revenue, excluding the change in fair value of investment properties, was $30.95 million. This was slightly lower than the previous corresponding half year period, which included revenues from the Merivale Village, which was sold in February 2011. Excluding Merivale, operating revenue increased slightly year on year, as a result of improved occupancy and fee increases.

Operating expenses for the period were slightly lower than the prior comparable period however, as noted above, the prior period included costs associated with the Merivale village. On a normalised basis, operating expenses were slightly higher for the period, despite a decrease in finance costs as a result of the reduction in the loan balance over the last 12 month period. The rise in costs was due to increased insurance, property and staff costs. Insurance costs in particular increased by 120% mainly because of the impact of the Christchurch earthquakes on the insurance market.

The increased staff costs were related to improved occupancy across the villages, as well as an increase in the actual number of staff, as management continue their focus on driving revenue from Village Services. Over the past six months, this revenue stream has steadily increased and this is expected to continue throughout the year.

Maintenance costs also increased, as additional units, apartments and hospital rooms were refurbished and refreshed, which in turn assisted in stronger settlement volumes in the first half.

	Six months to 31 December 2011	Six months to 31 December 2010
Revenue	$30.95m	$32.90m*
Change in fair value of investment properties	$11.44m	$4.54m
Net Profit After Tax	$7.41m	$1.96m
Earnings Per Share (cents)	5.79 cents	1.60 cents
Settlement volumes – sales and resales	165 units	131 units
Occupancy levels - excluding The Poynton	92%	89%
Debt	$76.30m	$164.95m

*Includes revenue from the Merivale village operations which were sold in February 2011

Debt levels at Metlifecare have dropped significantly year on year, following the successful completion of a capital raising programme in December 2011, which generated approximately $45.5 million in equity. The funds raised have been used to reduce bank debt, and the company now has a significantly stronger balance sheet. As at 31 December2011, bank debt was $76.30 million, down $88.65 million since 31 December 2010.

Managing Director of Metlifecare, Mr Alan Edwards, said: "The first half of the 2012 financial year saw us make good progress on our goals to lift sales performance, reduce stock and increase operating efficiency. We also generated solid operating cashflows from our three revenue streams – Village Operations, Village Services and Hospital Services. We have been trading well and expect to see these trends continue in the second half of the financial year."

Chairman of Metlifecare, Peter Brown, said: "The past two years have seen Metlifecare overcome some exceptionally difficult debt targets created by the global financial crisis. By being disciplined about spend, improving our sales performance and focussing on our goals, we have now positioned our company strongly for the future."

Key events for the six month period to 31 December 2011

- Raised $45.5 million in new equity, with the number of shares on issue increasing to 144,115,209 as at 31 December 2011
- Reduced bank debt to $76.30m as at 31 December 2011
- Total income (excluding Merivale) was up 23% compared to previous first half year
- Settlement volumes increased 26% to 165 units
- Achieved 12 settlements at The Poynton with a further 13 new contracts expected to settle in the second half year
- Invested in additional staff to increase village services on offer
- Improvement in serviced apartment occupancy from 78% to 87% (excluding stock under contract)

ENDS

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