Financial Statements
For the half year ended 31 December 2011

Directors' Report

The Directors have pleasure in presenting the Interim Financial Statements of Metlifecare Limited, for the half year ended 31 December 2011.

The Interim Financial Statements presented are signed for and on behalf of the Board, and were authorised for issue on 16 February 2012.

Chairman	Director
16 February 2012	16 February 2012

Consolidated Statement of Comprehensive Income

For the half year ended 31 December 2011

	NOTE	**Half year ended 31 December 2011 Unaudited $000**	Half year ended 31 December 2010 Unaudited $000
Income			
Operating revenue		**30,948**	32,895
Finance income		**84**	207
Change in fair value of investment properties	9	**11,435**	4,537
Total income		**42,467**	37,639
Expenses			
Employee costs		**(14,313)**	(14,665)
Property costs	4	**(8,618)**	(6,137)
Depreciation	4	**(605)**	(835)
Amortisation	4	**(149)**	(195)
Finance costs	4	**(4,456)**	(7,160)
Other expenses	4	**(6,921)**	(6,692)
Total expenses		**(35,062)**	(35,684)
Profit before income tax		**7,405**	1,955
Income tax expense	6	**-**	-
Profit for the period		**7,405**	1,955
Other comprehensive income		**-**	-
Total comprehensive income		**7,405**	1,955
Attributable to:			
Shareholders of the parent company		**7,405**	1,955
Profit per share for profit attributable to the equity holders of the Company during the period			
- Basic (cents)		**5.79**	1.60
- Diluted (cents)		**5.79**	1.60

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Movements in Equity

For the half year ended 31 December 2011

	Contributed Equity Unaudited $000	Retained Earnings Unaudited $000	Total Equity Unaudited $000
Balance at 1 July 2010	**81,958**	**423,434**	**505,392**
Comprehensive income			
Profit for the period	-	1,955	1,955
Other comprehensive income	-	-	-
Total comprehensive income	-	1,955	1,955
Transactions with owners	-	-	-
Balance at 31 December 2010	**81,958**	**425,389**	**507,347**
Balance at 1 July 2011	**81,958**	**444,208**	**526,166**
Comprehensive Income			
Profit for the period	**-**	**7,405**	**7,405**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income	**-**	**7,405**	**7,405**
Transactions with owners			
Proceeds from Shares Issued	**44,759**	**-**	**44,759**
Balance at 31 December 2011	**126,717**	**451,613**	**578,330**

The above consolidated statement of movements in equity should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2011

	NOTE	**As at 31 December 2011 Unaudited $000**	As at 31 December 2010 Unaudited $000	As at 30 June 2011 Audited $000
ASSETS				
Cash and cash equivalents		**1,632**	1,235	516
Trade receivables and other assets		**13,489**	25,546	13,980
Amount due from jointly controlled entity		**66**	50	85
Property, plant and equipment	7	**20,457**	21,824	20,816
Intangible assets	8	**415**	520	391
Investment properties	9	**1,271,769**	1,233,324	1,258,523
Total assets (excluding assets classified as held for sale)		**1,307,828**	1,282,499	1,294,311
Assets classified as held for sale	11	**-**	48,274	-
Total assets		**1,307,828**	1,330,773	1,294,311
LIABILITIES				
Trade and other payables		**13,111**	11,001	13,106
Derivative financial instruments		**1,762**	1,314	1,812
Bank loans	10	**75,612**	163,919	124,252
Finance leases	10	**213**	325	213
Deferred membership fees		**40,796**	38,561	39,076
Refundable occupation right agreements		**598,004**	584,917	589,686
Deferred tax liabilities	6	**-**	-	-
Total liabilities (excluding liabilities classified as held for sale)		**729,498**	800,037	768,145
Liabilities classified as held for sale	11	**-**	23,389	-
Total liabilities		**729,498**	823,426	768,145
Net assets		**578,330**	507,347	526,166
EQUITY				
Contributed equity	15	**126,717**	81,958	81,958
Retained earnings		**451,613**	425,389	444,208
Total equity		**578,330**	507,347	526,166
Net tangible assets per share ($)		**4.01**	4.14	4.29

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement

For the half year ended 31 December 2011

	NOTE	**Half year ended 31 December 2011 Unaudited $000**	Half year ended 31 December 2010 Unaudited $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from residents for village fees, care fees and other income		**28,138**	26,761
Receipts from residents for refundable occupation right agreements		**54,294**	49,684
Payments to suppliers and employees		**(29,090)**	(27,147)
Payments to residents for refundable occupation right agreements		**(40,684)**	(34,450)
Net GST paid		**(673)**	(964)
Interest received		**50**	12
Interest paid		**(4,760)**	(6,848)
Net cash inflow from operating activities	5	**7,275**	7,048
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and intangible assets		**(472)**	(555)
Repayment of advance from jointly controlled entity		**20**	145
Payments for investment properties		**(1,525)**	(2,339)
Capitalised interest paid		**(253)**	(284)
Net cash outflow from investing activities		**(2,230)**	(3,033)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		**44,759**	-
Net repayments from borrowings		**(48,688)**	(4,552)
Net cash outflow from financing activities		**(3,929)**	(4,552)
Net increase/(decrease) in cash and cash equivalents		**1,116**	(537)
Cash and cash equivalents at the beginning of the financial period		**516**	1,772
Cash and cash equivalents at end of period		**1,632**	1,235

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Statements

For the half year ended 31 December 2011

1. GENERAL INFORMATION

Metlifecare Limited ("the Company"), its subsidiaries and its jointly controlled entities (together "the Group") own and operate retirement villages in New Zealand. Metlifecare Limited is a limited liability company, incorporated and domiciled in New Zealand. The address of its registered office is Level 2, Metlifecare House, 302 Great South Road, Greenlane, Auckland.

These financial statements have been approved for issue by the Board of Directors on 16 February 2012.

The Group's owners do not have the power to amend these financial statements once issued. In approving these financial statements for issue the Directors have considered and concluded that the Group will continue to meet all funding requirements.

The Directors, in concluding, considered the following:

- the Group's forecast to 30 June 2013
- recent past performance, in light of the underlying economic environment
- consensus opinion on the expected economic environment for the forecast period
- forecast covenant compliance
- the Development Facility repayment requirements (refer note 10).

In the absence of an unanticipated deterioration in the Group's operating performance, the Directors consider the business can meet its obligations under the funding facilities. The forecast by its very nature is uncertain and based on best estimate assumptions of events and transactions that may or may not occur as expected.

On the basis of the above, the financial statements have been prepared under the going concern convention.

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entities reporting

The interim financial statements are for the consolidated group comprising Metlifecare Limited ("the Company"), its subsidiaries and its jointly controlled entity (together "the Group").

The Group is designated as a profit‐oriented entity for financial reporting purposes.

Statutory base

Metlifecare Limited is a company registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978. The Company is also listed on the New Zealand Stock Exchange (NZX). The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

These consolidated interim financial statements for the half year reporting period ended 31 December 2011 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

They comply with New Zealand Equivalents to International Accounting Standard 34 and International Accounting Standard 34, Interim Financial Reporting.

The accounting policies that materially affect the measurement of the Statement of Comprehensive Income, Balance Sheet and the Cash Flow Statement have been applied on a basis consistent with those used in the audited financial statements for the year ended 30 June 2011.

The interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these consolidated interim financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2011, prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

The interim financial statements for the six months ended 31 December 2011 are unaudited. The interim financial statements are presented in New Zealand Dollars ($), which is the Company's functional and presentation currency. All financial information has been presented in thousands, unless stated otherwise.

The consolidated balance sheet for the Group is presented on the liquidity basis where the assets and liabilities are presented in the order of their liquidity.

Changes in accounting policies

All accounting policies have been applied on a basis consistent with the prior annual financial statements.

Restated Balances

Where necessary, certain comparative information has been reclassified in order to conform to changes in presentation in the current year.

In preparing the financial statements for the period ended 31 December 2011, cashflows derived from sales, resales and repurchase of refundable occupation right agreements (ORAs) have been reclassified from cash flows from financing activities to cash flows from operating activities. As a result, the following comparative amounts have been reclassified in the Consolidated Cash Flow Statement: Cash flows from operating activities now includes receipts from residents for refundable occupation right agreements $49,684,000 (previously $nil); payments to residents for refundable occupation right agreements $34,450,000 (previously $nil). Cash flows from financing activities now includes receipts from residents for refundable occupation rights agreements $nil (previously $49,684,000); and payments to residents for refundable occupation rights agreements $nil (previously $34,450,000). Receipts from residents for refundable occupation right agreements and payments to residents for refundable occupation right agreements were also reduced by $5,570,000 to ensure consistency with the recognition adopted in the prior annual financial statements.

The reason for the reclassification is the Group considers cashflows derived from sales, resales and repurchase of ORAs as operating activities since they relate to the main revenue-producing activity of the Group.

3. SEGMENT INFORMATION

The Group operates in one operating segment. The chief operating decision maker ("the Board") reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results. The Board makes resource allocation decisions on the basis of expected cash flows and the results of the Group as a whole.

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive Resthome or Hospital level care. Government aged care subsidies received from the Ministry of Health included in rest home, hospital and service fees and villages fees amounted to $9.7m (2010: $10.3m).

The nature of the products and services provided and the type and class of residents have similar characteristics within the operating segment.

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

4. EXPENSES

	Half year ended 31 December 2011 Unaudited $000	Half year ended 31 December 2010 Unaudited $000
Profit before income tax includes the following specific expenses:		
Property Costs		
- Utilities and other property costs	**3,716**	3,294
- Repairs and maintenance on investment properties	**4,677**	2,579
- Repairs and maintenance on plant, furniture and equipment	**225**	264
Total property costs	**8,618**	6,137
Depreciation		
- Plant, furniture and equipment	**389**	530
- Motor vehicles	**36**	30
- Freehold buildings	**180**	275
Total depreciation	**605**	835
Amortisation of software	**149**	195
Finance Costs		
- Change in fair value of derivatives	**(50)**	428
- Interest expense	**4,506**	6,732
Total finance costs	**4,456**	7,160
Other Expenses		
- Resident costs	**2,306**	2,356
- Marketing and promotion	**1,547**	1,287
- Other employment costs	**586**	563
- Communication costs	**727**	681
- Rental and operating lease expenses	**107**	115
- Loss on disposal of property, plant and equipment	**48**	5
- Donations	**3**	-
- Other (no items of individual significance)	**1,459**	1,589
Fees paid to Auditors		
- Audit	**35**	6
- Taxation	**11**	3
- Other assurance services	**7**	-
Directors fees		
- Parent	**79**	79
- Jointly controlled entity	**6**	8
Total other expenses	**6,921**	6,692

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

5. RECONCILIATION OF PROFIT AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

	Half year ended 31 December 2011 Unaudited $000	Half year ended 31 December 2010 Unaudited $000
Profit for the period	**7,405**	1,955
Adjustments for:		
Change in fair value of investment properties	**(11,435)**	(4,537)
Change in fair value of residents' share of capital gains	**(39)**	76
Change in fair value of derivative financial instruments	**(50)**	428
Depreciation	**605**	835
Amortisation	**149**	195
Loss on disposal of property, plant and equipment	**48**	5
Changes in working capital relating to operating activities:		
Trade receivables and other assets	**536**	(1,950)
Trade and other payables	**(18)**	(829)
Deferred membership fees	**1,720**	137
Refundable occupation right agreements	**8,354**	10,733
Net cash inflow from operating activities	**7,275**	7,048

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

6. INCOME TAX EXPENSE

	Half year ended 31 December 2011 Unaudited $000	Half year ended 31 December 2010 Unaudited $000
(a) Income tax expense		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**7,405**	1,955
Tax at the New Zealand tax rate of 28% (2010: 30%)	**2,074**	586
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Temporary differences not previously brought to account	**909**	(2,284)
Non-recognised permanent differences	**(3,272)**	(1,421)
Repurchase obligations deductible	**(341)**	(174)
Taxation losses generated during the period	**630**	3,293
Income tax expense	**-**	-

The weighted average applicable tax rate was 28% (2010: 30%).

(c) Unrecognised deferred tax asset:		
Temporary differences arising from normal operations	**44,392**	38,190
Unused tax losses	**84,607**	72,156
Investment properties and care facilities	**(126,480)**	(96,115)
Unrecognised deferred tax balances	**2,519**	14,231
Unrecognised deferred tax balance @ 28% (2010: 28%)	**705**	3,985

No income tax was paid or payable during the period. The deferred tax liability on investment properties recognises the temporary differences in accounting and tax bases of investment properties.

The Group does not recognise a deferred tax asset where it exceeds the deferred tax liability.

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

7. PROPERTY, PLANT AND EQUIPMENT

There have been no material movements in Property, Plant and Equipment during the six months to 31 December 2011 (2010: no material movements).

8. INTANGIBLE ASSETS

	Half year ended 31 December 2011 Unaudited $000	Half year ended 31 December 2010 Unaudited $000	Year ended 30 June 2011 Audited $000
Computer Software			
Opening net book amount	**391**	395	395
Additions	**173**	320	416
Amortisation charge	**(149)**	(195)	(411)
Disposals	**-**	-	(9)
Closing net book amount	**415**	520	391
Total intangible assets	**415**	520	391
Computer Software			
Cost	**2,053**	1,850	1,921
Accumulated amortisation	**(1,638)**	(1,330)	(1,530)
Net book value	**415**	520	391

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

9. INVESTMENT PROPERTIES

	Half year ended 31 December 2011 Unaudited	Half year ended 31 December 2010 Unaudited	Year ended 30 June 2011 Audited
	$000	$000	$000
Investment Properties Under Development at Fair Value			
Opening balance	**18,749**	19,397	19,397
Transferred to held for sale/business disposal (note 11)	**-**	(1,120)	(1,120)
Capitalised subsequent expenditure	**1,766**	872	2,951
Completed Developments transferred to Completed Investment Properties	**(1,513)**	(594)	(1,871)
Change in fair value recognised during the period	**(402)**	-	(608)
Closing balance	**18,600**	18,555	18,749
Completed Investment Properties at Fair Value			
Opening balance Investment Properties	**1,239,774**	1,248,779	1,248,779
Transferred to held for sale/business disposal (note 11)	**-**	(39,733)	(39,733)
Capitalised subsequent expenditure	**45**	592	728
Completed Developments transferred from Completed Investment Properties under Development	**1,513**	594	1,871
Change in fair value during the period	**11,837**	4,537	28,129
Closing balance	**1,253,169**	1,214,769	1,239,774
Total Investment Properties	**1,271,769**	1,233,324	1,258,523

The value of the completed investment properties and investment properties under development reflect the fair value, being $618.6m and $18.6m respectively (Dec 2010: $606.9m and $18.6m). The Directors, in assessing fair value, have adopted the independent valuer's net valuation as at 30 June 2011 of $635.0m (2010: $646.4m including Merivale $19.1m which was sold in February 2011) rolled forward to 31 December 2011, after taking into consideration management's assessment of the net changes that occured in the six month period.

The roll forward changes amounted to a $13.2m net increase in investment properties (Dec 2010: $6.0m increase prior to the adjustment for the Merivale held for sale asset of $40.9m). The net increase is a combination of the movement in fair value of $11.4m (Dec 2010: $4.5m) and expenditure capitalised or transferred to investment properties under development or completed investment properties of $1.8m (2010: $1.5m).

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

The valuation of investment properties is adjusted for cash flows relating to refundable occupation right agreements, residents' share of capital gains, deferred management fees and membership fee receivables which are already recognised separately on the balance sheet and also reflected in the cash flow model. A reconciliation between the valuation amount and the amount recognised on the balance sheet as investment properties is as follows:

	As at 31 December 2011 Unaudited	As at 31 December 2010 Unaudited	As at 30 June 2011 Audited
	$000	$000	$000
Investment Properties under Development at fair value	**18,600**	18,555	18,749
Completed Investment Properties at fair value	**618,598**	606,905	616,261
Total Valuation	**637,198**	625,460	635,010
Plus: Refundable occupation right agreement amounts	**704,638**	678,525	689,345
Plus: Residents' share of capital gains	**31,881**	33,769	33,176
Plus: Deferred membership fee	**40,796**	38,561	39,076
Less: Membership fee receivables	**(134,455)**	(124,242)	(129,475)
Less: Occupation right agreement receivables	**(8,289)**	(18,749)	(8,609)
Total investment properties	**1,271,769**	1,233,324	1,258,523

Registered mortgages in favour of the statutory supervisors of the village owning subsidiary companies are recognised as a first charge over the freehold land of those companies to protect the interests of the residents in the event of failure by the subsidiary companies as operators of the villages to observe obligations under the deeds of supervision, occupation right agreements and Lifecare agreements.

Metlifecare Limited holds a second registered mortgage and second registered general security agreement over all its wholly owned subsidiaries to secure funding made available by Metlifecare Limited to each of these subsidiaries.

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

10. INTEREST BEARING LIABILITIES

	As at 31 December 2011 Unaudited	As at 31 December 2010 Unaudited	As at 30 June 2011 Audited
	$000	$000	$000
Bank loan	**76,301**	164,948	124,990
Capitalised debt costs	**(689)**	(1,029)	(738)
	75,612	163,919	124,252
Finance leases	**213**	325	213
Bank overdraft	**-**	-	-
Total interest bearing liabilities	**75,825**	164,244	124,465
Expected maturity			
Within one year	**10,366**	165,111	45,107
Later than one year	**66,148**	162	80,096
Total interest bearing liabilities excluding capitalised debt costs	**76,514**	165,273	125,203

Bank loans

The Bank Loan comprises the Cash Advance and Development facility (CADF), effective 21 May 2010, and expiring on 31 March 2013. In summary, the CADF is:

Cash Advance Facility – a term loan facility of NZD$89.0m, expiring 31 March 2013

Development Facility – a term loan facility of $37.5m, reducing six monthly as per below, and expiring 31 March 2013

Date	Facility Limit
31 December 2011	$37,500,000
30 June 2012	$30,000,000
31 December 2012	$20,000,000

The amount of the facility drawn down at 31 December 2011 was $76.3m (2010: $164.9m) comprising $46.1m (2010: $86.0m) under the Cash Advance Facility and $30.2m (2010: $78.9m) under the Development Facility.

The Group also has an overdraft facility totalling NZD$2.0 million ("the Overdraft") (2010: $2.0m)

Interest

Interest on loans and advances is charged using the BKBM Bill Rate plus a margin.

Interest rates applicable in the period to 31 December 2011 ranged from 4.41% to 4.6% per annum (2010: 4.94% to 6.0%).

Security

Bank loans are secured by investment properties as set out in note 9.

A Negative Pledge Deed has been entered into by the operating subsidiaries in favour of the Banks in which the subsidiaries have undertaken not to create or permit to exist any mortgage or other charge over their assets or revenues without obtaining the prior written consent of the Group's bankers.

The bank overdraft is secured in the same manner as the bank loans. Interest is charged at the wholesale prime overdraft rate for any overdraft facilities utilised.

Metlifecare Limited has issued a letter of support for the bank borrowings of the 50% owned jointly controlled entity Metlifecare Palmerston North Limited.

At 31 December 2011, Metlifecare Palmerston North Limited had an overdraft facility of $350,000, of which $350,000 was undrawn.
(2010: $350,000, $350,000).

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

Covenants

The covenants that the Group must comply with require a certificate to be provided on a quarterly basis and include:

- Financial Covenant - Interest Cover Ratio (calculated on the Cash Advance Facility);
- Financial Covenant - Facility Limit Ratio (calculated on the Cash Advance Facility to net cash flows); and
- Financial Covenant - Loan to Value Ratio (calculated on the combined CADF).

The Interest Cover is based on the net cash flows available for debt servicing for the prior 12 month period as a multiple of the corresponding interest costs.

The Facility Limit Ratio is based on the net cash flows available for debt servicing for the prior 12 month period as a multiple of the facility limit.

The Loan to Value Ratio stipulates a minimum ratio of drawn debt to the most recent independent portfolio valuation.

In the event of a failure to satisfy the facility limit reduction requirement or the facility limit ratio, the Group has 60 calendar days to remedy the requirement before a breach occurs.

An un-remedied breach of the Interest Cover Ratio, the Loan to Value Ratio or the Development Facility Limits are events of default. Following an event of default the Banks may do any of the following:

Negotiate new terms; and/or

Cancel the facilities with immediate effect; and/or

Declare all or any part of the outstanding moneys to be immediately due and payable; and/or

Exercise all or any of their respective rights under the debt facility agreement and at law.

During the period ended 31 December 2011 the Company did not breach any of its financial covenants.

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

11. HELD FOR SALE

In the period ended 31 December 2010, the assets and liabilities related to Metlifecare Merivale Limited, a subsidiary company, were classified as held for sale as the Group entered into an agreement to sell the assets of Metlifecare Merivale Ltd. The agreement was for $26m and became unconditional on 11 February 2011. Settlement was on 14 February 2011. The assets and liabilities relating to Metlifecare Merivale Limited comprised:

	Half year ended 31 December 2010 Unaudited $000
Financial Position	
Trade and other receivables	238
Property, plant and equipment	7,183
Investment properties	40,853
Total assets held for sale	48,274
Trade and other payables	149
Deferred membership fees	1,110
Refundable occupation right agreements	22,130
Total liabilites held for sale	23,389
Net assets held for sale	24,885

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

12. CONTINGENCIES

Contingent liabilities

There are no material contingent liabilities as at 31 December 2011 (2010: nil).

13. COMMITMENTS

	As at 31 December 2011 Unaudited $000	As at 31 December 2010 Unaudited $000	As at 30 June 2010 Audited $000
Capital commitments			
Estimated commitments contracted for at balance date but not provided for to purchase, construct or develop investment properties	**-**	60	-
	-	60	-
Operating lease commitments			
Non-cancellable			
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	**197**	251	318
Later than one year but not later than five years	**596**	797	798
Later than five years	**-**	-	-
	793	1,048	1,116

The Group leases head office premises and various property, plant and equipment under non-cancellable operating lease agreements. The leases reflect normal commercial arrangements with varying terms, escalation clauses and renewal rights.

Notes to the Interim Financial Statements (continued)

For the half year ended 31 December 2011

14. RELATED PARTY TRANSACTIONS

In conjunction with the issue of new shares, as detailed in note 15, the controlling shareholder Retirement Villages NZ Limited reduced its shareholding in Metlifecare Limited to 50.07% (30 June 2011: 81.96%).

The names of persons who were Directors of the Company at any time during the six months to 31 December 2011 are as follows: P R Brown, O G Eady, W A Edwards (appointed 22 August 2011), G D Flood (resigned 21 December 2011), M Tucker, P B Harman, D A Hunt, J J Loughlin.

15. CONTRIBUTED EQUITY

The Group issued 19,047,620 shares by private placement on 10 November 2011 and 2,619,048 shares by share purchase plan on 13 December 2011 (15.0% of the total ordinary share capital issued). The ordinary shares issued have the same rights as the other shares on issue. The fair value of the shares issued amounted to $45,500,000 ($2.10 per share). The related transaction costs amounting to $741,000 have been netted off with the deemed proceeds.

16. SUBSEQUENT EVENTS

O G Eady resigned as a Director on 13 January 2012.

There are no further subsequent events between 31 December 2011 and the date that the financial statements were authorised for use.