

**PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT**

**Metlifecare Limited**

**For the Half Year Ended 31 December 2011**

(referred to in this report as the "current half year")

Preliminary half year report on consolidated results (including the results for the previous corresponding half year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on **unaudited** financial statements.

The Listed Issuer **has** a formally constituted Audit Committee of the Board of Directors.

1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Consolidated Statement of Financial Performance		
	Current Half Year \$NZ'000	*Up/Down %	Previous Corresponding Half Year \$NZ'000
<b>1.1 OPERATING REVENUE</b>			
(a) Operating Revenue	30,948	-5.92%	32,895
(b) Change in fair value of investment properties	11,435	152.04%	4,537
(c) Finance Income	84	-59.42%	207
(d) Total Operating Revenue	42,467	12.83%	37,639
<b>1.2 OPERATING SURPLUS (DEFICIT) BEFORE TAXATION</b>	<b>7,405</b>	<b>278.77%</b>	<b>1,955</b>
(a) Less taxation on operating result	-	-	-
<b>1.3 OPERATING SURPLUS (DEFICIT) AFTER TAX</b>	<b>7,405</b>	<b>278.77%</b>	<b>1,955</b>
(a) Extraordinary Items after Tax [detail in Item 3]	-	-	-
<b>1.4 NET SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>7,405</b>	<b>278.77%</b>	<b>1,955</b>
(a) Net Surplus (Deficit) attributable to minority interests	-	-	-
<b>1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	<b>7,405</b>	<b>278.77%</b>	<b>1,955</b>

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR HALF YEAR	Consolidated Statement of Financial Performance	
	Current Half Year \$NZ'000	Previous Corresponding Half Year \$NZ'000
<b>2.1 INCLUDED IN CONSOLIDATED INCOME STATEMENT</b>		
(a) Interest revenue included in Item 1.1(c)	84	207
(b) Unusual items for separate disclosure (gain/loss) (detail - Item 3)	-	-
(c) Equity earnings (gain/loss) (detail - Item 16)	-	-
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	4,506	6,732
(e) Leasing and renting expenses	107	115
(f) Depreciation	605	835
(g) Diminution in the value of assets (other than depreciation)	-	-
(h) Impairment of goodwill	-	-
(i) Amortisation of other intangible assets	149	195
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets	-	-

**2.2 SUPPLEMENTARY ITEMS**

- (a) Interest costs excluded from Item 2.1(d) and capitalised
- (b) Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles
- (c) Unrecognised differences between the carrying value and market value of publicly traded investments

<b>Consolidated Statement of Financial Performance</b>	
Current Half Year \$NZ'000	Previous Corresponding Half Year \$NZ'000
253	284
-	-
-	-
-	-
-	-

**3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP**

**Group - Current Half Year**

**DETAILS AND COMMENTS**

Discontinued Activities:

(Disclose Operating Revenue and Operating Surplus)

**TOTAL DISCONTINUED ACTIVITIES**

Material Unusual (including Non Recurring) Items (included in 1.2)

Description:

**TOTAL MATERIAL NON RECURRING ITEMS**

Extraordinary Items (Ref. Item 1.3(a))

Description:

**TOTAL EXTRAORDINARY ITEMS**

	Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

**Statement of Movements  
In Equity**

**4 CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY**

**4.1 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER**

- (a) Net Surplus (Deficit) attributable to minority interest

**4.2 OTHER RECOGNISED REVENUE AND EXPENSES**

- (a) Increases (decreases) in revaluation reserves
- (b) Current Translation Differences
- (c) Minority interest in other recognised revenue and expenses

**4.3 TOTAL RECOGNISED REVENUES AND EXPENSES**

**4.4 OTHER MOVEMENTS**

- (a) Contributions by Owners
- (b) Distributions to Owners
- (c) Other

**4.5 EQUITY AT BEGINNING OF HALF YEAR**

**4.6 EQUITY AT END OF HALF YEAR**

	Current Half Year \$NZ'000	Previous Corresponding Half Year \$NZ'000
	<b>7,405</b>	<b>1,955</b>
	-	-
	-	-
	-	-
	-	-
	<b>7,405</b>	<b>1,955</b>
	-	-
	44,759	-
	-	-
	-	-
	<b>526,166</b>	<b>505,392</b>
	<b>578,330</b>	<b>507,347</b>

		Earnings Per Security	
		Current Half Year \$NZ'000	Previous Corresponding Half Year \$NZ'000
<b>5 EARNINGS PER SECURITY</b>	Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		
(a)	Basic EPS	5.8 CPS	1.6 CPS
(b)	Diluted EPS (if materially different from (a))	-	-
<b>6 MATERIAL ACQUISITIONS OF SUBSIDIARIES</b>			
(a)	Name of subsidiary or group of subsidiaries	N/A	
(b)	Percentage of ownership acquired	-	
(c)	Contribution to consolidated net (Deficit) (Item 1.4)	-	
(d)	Date from which such contribution has been calculated	-	
<b>7 MATERIAL DISPOSALS OF SUBSIDIARIES</b>			
(a)	Name of subsidiary or group of subsidiaries	N/A	
(b)	Contribution to consolidated net Surplus (Deficit) (Item 1.4)	-	
(c)	Date from which such contribution has been calculated	-	
(d)	Contribution to consolidated net Surplus (Deficit) (Item 1.4) for the previous corresponding half year/full year	-	
(e)	Contribution to consolidated net Surplus (Deficit) (Item 1.4) from sale of subsidiary	-	
<b>8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS</b>			

Information on the industry and geographical segments of the Listed Issuer is to be reported for the half year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the half year report:

**SEGMENTS**

The Group operates in one industry, the accommodation and care of the aged through the ownership and management of retirement villages. All operations are carried out in New Zealand.

				<b>Consolidated Balance Sheet</b>		
<b>9 CURRENT ASSETS:</b>				At End Of Current Half Year \$NZ'000	As Shown In Last Annual Report \$NZ'000	If Half Yearly As Shown In Last Half Yearly Report \$NZ'000
<b>9.1</b>	(a)	Cash and cash equivalents		1,632	516	1,235
	(b)	Trade and other receivables		13,489	13,980	25,546
	(c)	Amount due from jointly controlled entities		66	85	50
	(d)	Property, plant and equipment		20,457	20,816	21,824
	(e)	Intangible assets		415	391	520
	(f)	Investment properties		1,271,769	1,258,523	1,233,324
	(g)	Assets held for sale		-	-	48,274
		<b>TOTAL ASSETS</b>		<b>1,307,828</b>	<b>1,294,311</b>	<b>1,330,773</b>
<b>9.2</b>		<b>CURRENT LIABILITIES</b>				
	(a)	Trade and other payables		13,111	13,106	11,001
	(b)	Bank loans		75,612	124,252	163,919
	(c)	Derivative financial instruments		1,762	1,812	1,314
	(d)	Finance leases		213	213	325
	(e)	Deferred membership fees		40,796	39,076	38,561
	(f)	Refundable occupation right agreements		598,004	589,686	584,917
	(g)	Liabilities held for sale		-	-	23,389
		<b>TOTAL LIABILITIES</b>		<b>729,498</b>	<b>768,145</b>	<b>823,426</b>
<b>9.3</b>		<b>NET ASSETS</b>		<b>578,330</b>	<b>526,166</b>	<b>507,347</b>
<b>9.4</b>		<b>SHAREHOLDERS' EQUITY</b>				
	(a)	Contributed equity		126,717	81,958	81,958
	(b)	Retained profits		451,613	444,208	425,389
<b>9.5</b>		<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>		<b>578,330</b>	<b>526,166</b>	<b>507,347</b>
	(a)	Minority equity interests in subsidiaries		-	-	-
<b>9.6</b>		<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>578,330</b>	<b>526,166</b>	<b>507,347</b>
	(a)	Returns on Assets (%) (EBIT divided by Total Assets)		0.90%	2.52%	0.64%
	(b)	Return on Assets (%) (Net Profit excluding fair value adjustments and finance costs divided by Total Assets).		0.04%	0.40%	0.31%
	(c)	Return on Equity (%) (Net Income divided by Shareholders' Equity)		1.28%	3.95%	0.39%
	(d)	Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)		126.14%	145.99%	162.30%

**Net Tangible Assets per security**

\$	4.01	\$	4.29	\$	4.14
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10 CASH FLOWS RELATING TO OPERATING ACTIVITIES	Consolidated Statement Of Cashflows For Half Year	
	Current Half Year \$NZ'000	Corresponding Half Year \$NZ'000
(a) Receipts from residents for village fees, care fees and other income	28,138	26,761
(b) Receipts from residents for refundable occupation right agreements	54,294	49,684
(c) Payments to suppliers and employees	(29,763)	(28,111)
(d) Payments to customers for refundable occupation right agreements	(40,684)	(34,450)
(e) Interest received	50	12
(f) Interest paid	(4,760)	(6,848)
<b>NET OPERATING FLOWS</b>	<b>7,275</b>	<b>7,048</b>

11 CASH FLOWS RELATING TO INVESTING ACTIVITIES		
(a) Payments for property, plant and equipment	(472)	(555)
(b) Advances to jointly controlled entity	20	145
(c) Payments for investment properties	(1,525)	(2,339)
(d) Capitalised interest paid	(253)	(284)
<b>NET INVESTING CASH FLOWS</b>	<b>(2,230)</b>	<b>(3,033)</b>

12 CASH FLOWS RELATED TO FINANCING ACTIVITIES		
(a) Proceeds from issuance of ordinary shares	44,759	-
(b) Proceeds from borrowings	-	-
(c) Repayments of borrowings	(48,688)	(4,552)
<b>NET FINANCING CASH FLOWS</b>	<b>(3,929)</b>	<b>(4,552)</b>

13 NET INCREASE (DECREASE) IN CASH HELD		
(a) Cash at beginning of half year	516	1,772
(b) Exchange rate adjustments to Item 12.3(a) above	-	-
(c) <b>CASH AT END OF HALF YEAR</b>	<b>1,632</b>	<b>1,235</b>

**14 NON-CASH FINANCING AND INVESTING ACTIVITIES**  
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:

.....

.....

.....

.....

15 RECONCILIATION OF CASH		
For the purposes of the above Statement of cash flows, cash includes:	Current Half Year NZ\$'000	Previous Corresponding Half Year NZ\$'000
.....		
Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:		
Cash on hand and at bank	1,632	1,235
Deposits at call	-	-
Bank overdraft	-	-
Other (provide details eg Term Deposits)	-	-
<b>Total = Cash at End of half Year (Item 13(c) above)</b>	<b>1,632</b>	<b>1,235</b>

**16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES**

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

**16.1 GROUP SHARE OF RESULTS OF ASSOCIATES**

- (a) **OPERATING SURPLUS (DEFICIT) BEFORE TAX**
- (b) Less tax
- (c) **OPERATING SURPLUS (DEFICIT) AFTER TAX**
  - (i) Extraordinary items
- (d) **NET SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX**

Equity Earnings	
Current Half Year \$NZ'000	Previous Corresponding Half Year \$NZ'000
-	-
-	-
-	-
-	-
-	-

**16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES**

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage Of Ordinary Shares Held At End Of Half Year		Contribution To Net *Surplus/(deficit) (Item 1.5)	
	Current Half Year	Previous Corresponding Half Year	Current Half Year NZ\$'000	Previous Corresponding Half Year NZ\$'000
<b>Equity Accounted Associates</b>			<i>Equity Accounted in Current Year</i>	
	N/A	N/A	-	-
<b>Other Material Interests</b>			<i>Not Equity Accounted in Current Year</i>	
	N/A	N/A	-	-

- (b) Investments in Associates

	Current Half Year \$NZ'000	Previous Corresponding Half Year \$NZ'000
Carrying value of investments in associates beginning of half year	-	-
Share of changes in associates' post acquisition surpluses/and reserves:		
- Retained surplus	-	-
- Reserves	-	-
Net goodwill amortisation and impairment adjustments in the period	-	-
Less Dividends received in the period	-	-
Equity carrying value of investments at the end of half year	-	-
Amount of goodwill included in carrying value at end of that half year	-	-

**17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR**

Category of Securities	Number Issued	Number Quoted	Paid-Up Value (If not fully paid)
<b>PREFERENCE SHARES:</b>			
Issued during current half year	NIL		NIL
<b>ORDINARY SHARES:</b>			
	144,115,209	144,115,209	
Issued during current half year	21,666,668	NIL	
<b>CONVERTIBLE NOTES</b>			
Issued during current half year	NIL	NIL	
<b>OPTIONS:</b>			
	Issued	Quoted	Exercise Price
Issued during current half year	NIL		
Executive Share Option Plan	NIL		
<b>DEBENTURES - Totals only:</b>	NIL	\$	
<b>UNSECURED NOTES - Totals only:</b>	NIL	\$	
<b>OTHER SECURITIES</b>	NIL	\$	\$

**18 COMMENTS BY DIRECTORS**

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current half year

NIL

- (b) Significant trends or events since end of current half year

NIL

- (c) Changes in accounting policies since last Annual Report to be disclosed

NIL

- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

NIL

- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

NIL

- (f) Other comments

NIL

**19 DIVIDEND**

(a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)

NIL

(b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)

NIL

**20 ANNUAL MEETING (if full year report)**

(a) To be held at

N/A

(b) Date

Time

(c) Approximate date of availability of Annual Report

If this half year report was approved by resolution of the Board of Directors, please indicate date of meeting:

.....  
(signed by) Authorised Officer of Listed Issuer

.....  
(date)