



**2 November 2011**

**Metlifecare Announces Strategic Review Initiatives**

Metlifecare Limited ("Metlifecare") today announces the completion of its strategic review of its capital and ownership structure. As a result of the review, the Board is proposing a range of initiatives to reposition the Company's capital and governance structure to provide a platform for growth and to unlock value for all shareholders. The initiatives include:

Metlifecare, and its majority shareholder Retirement Villages New Zealand Limited ("RVG"), will make a placement of new and existing shares to institutions and other eligible investors. The capital raising will comprise:

- a Primary Offer of new shares of \$40m and in addition up to \$5.5m from a share purchase plan (SPP). The new capital will provide Metlifecare with a prudent level of financial flexibility which together with ongoing sales of already completed new units will provide a strong capital base for future growth and re-introduction of a dividend policy; and
- A Secondary Offer of existing shares of approximately \$50-70m which will reduce RVG's shareholding in Metlifecare to 50-55% on a diluted basis.

The Primary and Secondary Offers are inter-conditional on both being completed. Goldman Sachs will be acting as sole lead manager, placement agent and bookrunner.

Following completion of the capital raising, Metlifecare expects to return to a dividend policy initially targeting between 2 and 4 cps. Metlifecare expects that the first dividend payments will be made following the completion of FY2012.

The Board of Metlifecare, with the support of RVG, have committed to change the Board to a structure of 3 Independent Directors and 3 RVG representatives and the Managing Director. The Board has commenced an Independent Director search and has appointed Heidrick & Struggles to assist in this process. Heidrick & Struggles will be asked as part of its role to canvass the views of non-RVG shareholders for nominations. The Board changes will be implemented as soon as is practicable but with an objective of being completed within 12 weeks. As well as this the Board is considering moving to an Independent Chairman structure to reflect best practice corporate governance and this will be considered once the new Board structure is in place.

Mr John Schaap, Chairman of Retirement Villages Australia Limited said, "We see significant value in our Metlifecare shareholding and are pleased to support the strategic review initiatives which will position the Company for that value to emerge. The partial sell down of our cornerstone position would



considerably increase the liquidity of Metlifecare shares and RVG does not, in the medium term, anticipate a further sell down in its Metlifecare shareholding”.

Metlifecare Managing Director Mr Alan Edwards said, “The current range of initiatives would enable Metlifecare to maximise the value of its existing high quality portfolio of retirement villages as well as to position the Company to immediately pursue some of the profitable brownfield growth opportunities and pursuing future growth in a focused way”.

The Primary and Secondary Offers will be available to qualifying habitual investors. Expressions of interest to participate in the offer or requests for further information should be directed to Tony Glucina at Goldman Sachs Ph 09 353 2305.

For further information, please contact

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Metlifecare Limited

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