



24 June 2010

NZX ANNOUNCEMENT

IMPACT OF TAX CHANGES

The New Zealand Government's budget announcement on 20 May 2010 will result in the removal of building depreciation for tax purposes and a reduction in the company's income tax rate from 30% to 28%. Both changes will be effective for Metlifecare from 1 July 2011. The changes will result in the recognition of a deferred tax liability and corresponding tax expense in the 30 June 2010 annual accounts. The deferred tax liability adjustment is a one-off, non-cash, accounting entry and has no impact on Metlifecare's underlying profitability and short term cash flows.

The impact on Metlifecare's 30 June 2010 financial statements cannot be determined until the movement in the company's 30 June 2010 valuation of its investment properties has been completed. Based on the opening valuations as at 30 June 2009, Metlifecare estimates that the deferred tax liability will be in the vicinity of \$45million.

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