

12 February 2009

Metlifecare to undertake capital raising

Following an announcement to NZX on 23 December 2008 of a planned capital raising, Metlifecare Limited ("Metlifecare") is to make a pro rata renounceable rights issue for up to NZ\$37.8m (the "Offer"). The Offer will be made to existing Metlifecare shareholders who hold shares on the Record Date.

The terms of the intended Offer comprise one new share for consideration of \$1.08, with entitlements to subscribe for shares ("Rights") based on 2 Rights for every 5 shares held on the Record Date, which is 5.00pm (NZ time) on 27 February 2009. This entitlement ratio will result in a maximum of up to 34,979,417 new shares being issued. Upon allotment, the new shares will rank equally with existing shares. Trading of Rights is expected to commence on 2 March 2009, closing on 25 March 2009.

An Investment Statement and Prospectus ("Offer Document") will be lodged with the New Zealand Companies Office prior to the opening of the Offer.

The rights issue will be made pursuant to the Offer Document, which is expected to be dispatched to existing shareholders over the week beginning 2 March 2009. Eligible shareholders who wish to participate in the Offer will need to complete the Entitlement and Acceptance Form accompanying the Offer Document in accordance with the instructions set out in the Offer Document. As the Rights will be renounceable, Eligible Shareholders will also have the alternative of selling their Rights.

Metlifecare will use the proceeds of the capital raising to reduce the Company's existing bank debt in order to strengthen the balance sheet. Metlifecare is currently negotiating the terms of new banking facilities to apply from 1 April 2009 and will suspend the payment of dividends until at least 30 June 2010.

Metlifecare's largest shareholder, Retirement Villages New Zealand Limited, which holds an 81.98% shareholding, has confirmed that it will participate in the raising for its full pro rata entitlement and that it has received OIO approval to do so.

Key dates in the current proposed timetable for the Offer are as follows:

Record date	5.00pm (NZ time), 27 February 2009
Rights trading commences	2 March 2009
Rights trading closes	25 March 2009
Offer closes	27 March 2009
Allotment date and issue of new shares	31 March 2009

-End-

Contact:
Richard de Haast
Chief Executive Officer
Metlifecare Limited
Ph 09 539 8033

Notice of event affecting securities

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10. For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant details on additional pages)

Full name of Issuer: **Metlifecare Limited**

Name of officer authorised to make this notice: **Russell McVeagh / Paul Oldfield** Authority for event, e.g. Directors' resolution: **Directors' resolution**

Contact phone number: **09 367 8139** Contact fax number: **09 367 8596** Date: **12 / 02 / 2009**

Nature of event Tick as appropriate

Bonus Issue If ticked, state whether: Taxable / Non Taxable Conversion Interest Rights Issue Renouncable

Rights Issue non-renouncable Capital change Call Dividend If ticked, state whether: Interim Full Year Special

EXISTING securities affected by this If more than one security is affected by the event, use a separate form.

Description of the class of securities: **Ordinary Shares** ISIN: **NZMETE0001S2**
If unknown, contact NZX

Details of securities issued pursuant to this event If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities: **Rights to subscribe for ordinary shares** ISIN: **NZMETE0001S2**
If unknown, contact NZX

Number of Securities to be issued following event: **34979417 *** Minimum Entitlement: **100 shares** Ratio, e.g. 1 for 2: **2** for **5**

Conversion, Maturity, Call Payable or Exercise Date: **N/A** * (assuming all rights exercised and ignoring increases for rounding or minimum holdings) Treatment of Fractions: **Rounded to nearest whole number**

Strike price per security for any issue in lieu or date Strike Price available: **N/A** Tick if *pari passu* OR provide an explanation of the ranking

Monies Associated with Event Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security: **\$1.08** Source of Payment: _____

Currency: **NZD** Supplementary dividend details - Listing Rule 7.12.7: _____ Amount per security in dollars and cents: \$ _____

Total monies: **\$37,777,770** Date Payable: _____

Taxation Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: **N/A** Resident Withholding Tax: \$ _____ Credits (Give details): \$ _____

Timing (Refer Appendix 8 in the Listing Rules)

Record Date 5pm For calculation of entitlements - must be the last business day of a week: **Friday, 27 February 2009**

Application Date Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week: **Friday, 27 March 2009** Closing Date: _____

Notice Date Entitlement letters, call notices, conversion notices mailed: **Monday, 2 March 2009**

Allotment Date For the issue of new securities. Must be within 5 business days of record date: **Tuesday, 31 March 2009**

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:
Security Code:

