Metlifecare Limited	
Results for announcement to the market	
Reporting Period	6 months to 31 December 2008
Previous Reporting Period	6 months to 31 December 2007

	Amount (000s)	Percentage change
Revenue from ordinary activities	(25,244)	-243%
Profit (loss) from ordinary activities after tax attributable to security holder.	(61,858)	-401%
Net profit (loss) attributable to security holders.	(61,858)	-401%

Interim/Final Dividend	Amount per security	Imputed amount per security
Interim Dividend	NIL	NIL

Record Date	
Dividend Payment Date	

Comments:	

	31 December 2008	31 December 2007
Net Asset backing per security	$5.24	$6.93

NZX / MEDIA RELEASE
12 February 2009

METLIFECARE ANNOUNCES PROPERTY REVALUATION

Metlifecare today announced a loss of $61.9 million for the six months ended 31 December 2008 following a further downward revaluation of the Company's property assets to reflect the current property market conditions.

"In response to the slowing property market, the Directors have written down the carrying value of Investment Properties by $55.3m to $1.12 billion", said Metlifecare Chairman Hon. Jim McLay. In accordance with IFRS reporting standards, the negative revaluation has been reflected in the Income Statement.

Metlifecare's interim financial statements report an increase in total operating revenue of $1.7 million to $29.9 million.

"The company's operational activities are performing well," Hon McLay said. "Enquiry levels remain high and in fact in the last couple of months we have seen a steady increase in new enquiries. The number of signed agreements is comparable with prior years. However, the slowing property market has meant that prospective residents are finding it difficult to sell their homes. This has resulted in a slowing of the settlement of Occupation Right Agreements which reduced the operating net cash flow by $10.2 million."

"Directors are focused on ensuring that the Company remains resilient in the current market though reducing debt and retaining cash within the business. We will not be declaring an interim dividend. We are being conservative but we are also positioning the company for the future by actively managing the company's performance in the current challenging market conditions," said the Chairman.

As at 31 December 2008, Metlifecare had 2,392 units in 16 lifestyle villages and one new village under development on Auckland's North Shore. Completion of Metlifecare Takapuna's stage one comprising 78 apartments is scheduled for June 2009. Further stages are planned for the site.

"The Company is already home to more than 3,100 New Zealanders of whom 94.2% report that they are either satisfied or very satisfied with living in the villages. With the inevitable improvement in the property market, superb locations, quality villages and strong demographic growth, Metlifecare is confident the Company is well placed for the future," said Metlifecare's Chief Executive Officer, Richard de Haast

- Ends -

For further information please contact:
Richard de Haast
Chief Executive Officer
Metlifecare Limited
Phone: 09 539 8033

Metlifecare Limited

Interim Report 2009

Metlifecare Limited
Interim Report
For the half year ended 31 December 2008

Directors' Report

The Directors have pleasure in presenting the Interim Financial Statements of Metlifecare Limited, for the half year ended 31 December 2008.

The Interim Financial Statements presented are signed for and on behalf of the Board, and were authorised for issue on 12 February 2009.

Director

M. A.

Director

Metlifecare Limited
Consolidated Cash Flow Statement
For the half year ended 31 December 2008

	Notes	**Half year ended 31 December 2008 Unaudited $000**	Half year ended 31 December 2007 Unaudited $000
Cash flows from operating activities			
Receipts from customers		**53,438**	68,653
Payments to customers		**(19,204)**	(27,107)
Payments to suppliers and employees		**(28,319)**	(25,131)
Interest received		**31**	46
Interest paid		**(3,208)**	(3,563)
Net cash inflow from operating activities	5	**2,738**	12,898
Cash flows from investing activities			
Payments for property, plant and equipment	6	**(26,258)**	(3,883)
Payments for investment properties		**(125)**	(14,256)
Payments for acquired village assets		**-**	(44,321)
Capitalised interest paid		**(2,538)**	(1,593)
Net cash outflow from investing activities		**(28,921)**	(64,053)
Cash flows from financing activities			
Proceeds from borrowings		**38,115**	61,700
Repayment of loan		**(4,325)**	-
Dividends paid		**(7,596)**	(10,994)
Net cash inflow from financing activities		**26,194**	50,706
Net increase (decrease) in cash and cash equivalents		**11**	(449)
Cash and cash equivalents at the beginning of the financial period		**1,146**	49
Cash and cash equivalents at end of period		**1,157**	(400)

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

Metlifecare Limited
Consolidated Balance Sheet
As at 31 December 2008

	Notes	**As at 31 December 2008 Unaudited $000**	As at 31 December 2007 Unaudited $000	As at 30 June 2008 Audited $000
ASSETS				
Cash and cash equivalents		**1,157**	-	1,146
Trade and other receivables		**24,939**	32,832	26,006
Derivative financial instruments		**-**	1,238	531
Property, plant and equipment	6	**127,204**	80,965	98,478
Intangible assets	7	**3,734**	5,627	6,151
Investment properties	8	**1,120,368**	1,208,776	1,175,551
Total assets		**1,277,402**	1,329,438	1,307,863
LIABILITIES				
Bank overdraft		**-**	400	-
Trade and other payables		**15,194**	12,844	14,192
Bank loans		**199,986**	142,000	161,871
Other loans		**-**	4,325	4,325
Derivative financial instruments		**1,170**	-	-
Finance leases		**454**	79	65
Deferred membership fees		**37,321**	32,222	34,983
Refundable occupation right agreements		**561,649**	555,154	561,325
Total liabilities		**815,774**	747,024	776,761
Net assets		**461,628**	582,414	531,102
EQUITY				
Contributed equity		**44,596**	44,596	44,596
Retained profits		**409,791**	529,920	478,645
Minority interest		**7,241**	7,898	7,861
Total equity		**461,628**	582,414	531,102
Net Tangible assets per security ($)		**5.24**	6.93	6.00

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

Metlifecare Limited
Consolidated Income Statement
For the half year ended 31 December 2008

	Notes	Half year ended 31 December 2008 Unaudited $000	Half year ended 31 December 2007 Unaudited $000
Revenue			
Operating revenue		**29,994**	28,294
Change in fair value of investment properties		**(55,308)**	(10,719)
Finance income		**70**	96
Total income		**(25,244)**	17,671
Expenses	4		
Employee costs		**(14,660)**	(12,485)
Depreciation		**(927)**	(796)
Amortisation		**(72)**	(91)
Impairment of goodwill		**(2,468)**	-
Finance costs		**(6,990)**	(3,913)
Other expenses		**(11,517)**	(12,733)
Total expenses		**(36,634)**	(30,018)
Loss before income tax		**(61,878)**	(12,347)
Income tax expense		**-**	-
Loss for the period		**(61,878)**	(12,347)
Attributable to:			
Shareholders of the parent company		**(61,858)**	(11,414)
Minority interest		**(20)**	(933)
Loss per share for loss attributable to the equity holders of the Company during the period			
- Basic and Diluted (cents)		**(70.74)**	(13.05)

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

Metlifecare Limited
Consolidated Statement of Movements in Equity
For the half year ended 31 December 2008

	Contributed Equity Unaudited $000	Retained Earnings Unaudited $000	Minority Interest Unaudited $000	Total Equity Unaudited $000
Balance at 1 July 2007	**44,596**	**551,828**	**9,331**	**605,755**
Loss for the period	-	(11,414)	(933)	**(12,347)**
Total recognised income and expenses for the period	-	(11,414)	(933)	**(12,347)**
Dividends paid	-	(10,494)	(500)	**(10,994)**
Balance at 31 December 2007	**44,596**	**529,920**	**7,898**	**582,414**
Loss for the period	-	(41,656)	(37)	**(41,693)**
Total recognised income and expenses for the period	-	(41,656)	(37)	**(41,693)**
Dividends paid	-	(9,619)	-	**(9,619)**
Balance at 30 June 2008	**44,596**	**478,645**	**7,861**	**531,102**
Loss for the period	-	(61,858)	(20)	**(61,878)**
Total recognised income and expenses for the period	-	(61,858)	(20)	**(61,878)**
Dividends paid	-	(6,996)	(600)	**(7,596)**
Balance at 31 December 2008	**44,596**	**409,791**	**7,241**	**461,628**

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

1 General information

Metlifecare Limited ("the Company") and its subsidiaries (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.

The interim financial statements have been approved for issue by the Board of Directors on 12 February 2009.

The group's owners do not have the power to amend these interim financial statements once issued.

2 Summary of significant accounting policies

Entities reporting
The interim financial statements are for the consolidated group comprising Metlifecare Limited and its subsidiaries.

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 2008 have been prepared in accordance with generally accepted accounting practice in New Zealand, New Zealand equivalent to International Accounting Standard 34 and International Accounting Standard 34, Interim Financial Reporting.

The accounting policies that materially affect the measurement of the Income Statement, 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 2008 and unaudited interim financial statements for the six months ended 31 December 2007.

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 2008, prepared in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

The investment property balance reported for the six months ended 31 December 2007 has been restated following the finalisation of the transition adjustments to New Zealand equivalents to International Financial Reporting Standards that were included in the financial statements for the year ended 30 June 2008. This has resulted in the redirection of the investment property balance as at 31 December 2007 and 30 June 2007 by $23.65 million.

The interim financial statements for the six months ended 31 December 2008 are unaudited. The interim financial statements are presented in New Zealand Dollars ($), which is the Group's functional 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 liquidity.

Changes in accounting policies
There have been no changes in accounting policies during the current financial period. Accounting policies have been applied on a basis consistent with the prior half year and annual financial statements.

3 Segment information

The Group operates in one business segment. The chief operating decision maker reviews the operating results on a regular basis and makes decisions on resource allocation based on the review of Group results.

4 Expenses

	Half year ended 31 December 2008 Unaudited $000	Half year ended 31 December 2007 Unaudited $000
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant, furniture and equipment	**568**	509
Motor vehicles	**46**	45
Freehold buildings	**313**	242
Total depreciation	**927**	796
Impairment of goodwill	**2,468**	-
Amortisation of intangible assets	**72**	91
Changes in fair value of derivatives	**1,701**	(16)
Loss on disposal of property, plant and equipment	**-**	5
Rental and operating lease expenses	**117**	198
Repairs and maintenance on plant, furniture and equipment	**318**	357
Repairs and maintenance on investment property	**940**	1,690
Directors fees		
- Parent	**78**	63
- 50% subsidiary	**25**	13
Fees paid to Auditors		
- Audit	**21**	76
- Taxation	**56**	-
- Other assurance services	**-**	14

5 Cash generated from operations

	Half year ended 31 December 2008 Unaudited $000	Half year ended 31 December 2007 Unaudited $000
Net surplus/(loss) after tax	**(61,858)**	(11,414)
Adjustments for:		
Change in fair value of investment property	**55,308**	10,719
Change in fair value of derivative financial instruments	**1,701**	(16)
Depreciation	**927**	796
Amortisation	**72**	91
Impairment of goodwill	**2,468**	-
Loss of disposal of property, plant and equipment	**-**	5
Changes in working capital:		
Debtors and prepayments	**1,050**	(9,915)
Creditors and accruals	**418**	914
Deferred membership fees	**2,338**	3,227
Refundable occupation right agreements	**324**	19,429
Working capital relating to investing or financing activities	**(10)**	(938)
Net cash flow from operating activities	**2,738**	12,898

6 Property, plant and equipment

The increase in property, plant and equipment during the period is due to the construction of a retirement village in Takapuna. At 31 December 2008 the WIP balance for this capital project was $70.5m (June 2008: $42.8m, Dec 2007: $20.1m).

7 Intangible assets

	Half year ended 31 December 2008 Unaudited $000	Half year ended 31 December 2007 Unaudited $000	Year ended 30 June 2008 Audited $000
Goodwill			
Opening balance	**5,982**	-	-
Additions	**-**	5,413	5,982
Impairment	**(2,468)**	-	-
Closing balance	**3,514**	5,413	5,982
Computer Software			
Opening balance	**169**	290	290
Additions	**123**	15	59
Amortisation charge	**(72)**	(91)	(180)
Closing balance	**220**	214	169
Total intangible assets	**3,734**	5,627	6,151

Goodwill impairment test
The goodwill arose in the acquisition of the business of Merivale Retirement Village by Metlifecare Merivale Limited. The recoverable amount of the goodwill is assessed on a 'fair value less cost to sell' basis and is tested for impairment by assessing the cash flow for each cash generating unit that the intangible relates to. These calculations use cash flow projections based on management forecasts to the maturity of the village. Cash flows beyond this are extrapolated using the growth rates of 6.05% (2008: 6.45%, 2007: 5.25%). The discount rate used is 14.6% (2008: 14.0%, 2007: 12.0%). The impairment charge recognised above is the difference between the carrying value and the recoverable amount of the goodwill on the acquisition of Merivale Retirement Village.

8 Investment properties

	Half year ended 31 December 2008 Unaudited $000	Half year ended 31 December 2007 Unaudited $000	Year ended 30 June 2008 Audited $000
Fair Value			
Opening balance	**1,175,551**	1,155,095	1,155,095
Capitalised subsequent expenditure	**125**	64,400	64,862
Change in fair value during the period	**(55,308)**	(10,719)	(44,406)
Closing balance	**1,120,368**	1,208,776	1,175,551

Investment properties were valued at 31 December 2008 by the Directors, at a total of $532.2m (2007: $639.7m). The fair values are based on a discounted cash flow model applied to the expected future cash flows generated by the investment properties. The valuation calculates the expected cash flows for a 40 year period (2008: 40 years, 2007: 40 years), based on occupancy turnover of 8-20% pa (2008: 8-20%, 2007: 8-16% pa) for units and 15-23% pa (2008: 15-23%, 2007: 14-23% pa) for serviced apartments which is extrapolated at a real growth rate of 0-4% (2008: 0-4%, 2007: 0-4%) and discounted to present value at pre-tax discount rates of 11.1%-15.1% (2008: 10.5-14.5, 2007: 10.0-14.0%).

The valuation of investment properties is grossed up for cash flows relating to refundable occupation right agreements recognised separately on the balance sheet. Reconciliation between the valuation amount and the amount recognised on the balance sheet as investment properties is as follows:

	As at 31 December 2008 Unaudited $000	As at 31 December 2007 Unaudited $000	As at 30 June 2008 Audited $000
Valuation of investment properties	**532,212**	639,665	591,833
Plus: Refundable occupation right agreement amounts	**635,669**	613,031	626,109
Residents' share of capital gains	**35,364**	33,041	35,817
Deferred membership fee	**37,321**	32,222	34,983
Less: Membership fee receivables	**(106,227)**	(88,019)	(97,518)
Less: Occupation right agreement receivables	**(19,008)**	(27,680)	(20,621)
Plus: First time occupation right agreement receivables	**5,037**	6,516	4,948
	1,120,368	1,208,776	1,175,551

Memoranda of encumbrance 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.

In relation to Metlifecare Greenwood Park Limited, freehold land is subject to a first registered mortgage charge to the statutory supervisor, Covenant Trustee Company Limited, to secure the amounts payable to residents under repurchase arrangements.

In relation to Metlifecare Powley Limited, a first mortgage in favour of the statutory supervisor is registered over the freehold land of the company to protect the interests of residents in the event of failure by Metlifecare Powley Limited, as operator of the village, to observe obligations under the deed of supervision and occupation right agreements.

9 Contingencies

Contingent liabilities

There are no contingent liabilities as at 31 December 2008 (2007: nil).

10 Commitments

	As at 31 December 2008 Unaudited $000	As at 31 December 2007 Unaudited $000	As at 30 June 2008 Audited $000
Capital commitments			
Estimated capital commitments contracted for at balance date but not provided for	**16,904**	49,186	40,963
Operating lease commitments			
Non-cancellable			
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows			
Within one year	**200**	262	279
Later than one year but not later than five years	**120**	299	181
Later than five years	**-**	-	-
	320	561	460

11 Subsequent event

Capital Raising

On 23 December 2008, the company announced the intention to strengthen its balance sheet through a capital raising, as a result of the impact of ongoing weakness in the New Zealand property market.
The company is considering raising up to $37.8m through the issue of new shares by way of a renounceable pro rata rights issue. Our largest shareholder, Retirement Villages New Zealand, which holds an 82% shareholding, has confirmed it will participate in the raising. No money is currently being sought and no applications for securities will be accepted or money received unless subscribers have received an investment statement.
The net proceeds of the raising will be used for the purpose of reducing the Company's bank debt. The company is currently negotiating new banking facilities to apply from 1 April 2009 and expects to be required to suspend the payment of dividends until 30 June 2010.

Banking Facility Arrangements

In November 2008, the Company identified the possibility that it might not meet financial ratios under its banking facility, and approached its bankers to seek a waiver of certain covenants in that facility. The bankers agreed to this, on the condition (amongst others) that the term of the facility has been shortened so that it expires on 31 March 2009. The Company is currently renegotiating with its bankers to set revised banking facility arrangements, including revised covenants, to extend the facility arrangement beyond 31 March 2009. The Interim Financial Statements have been prepared on the basis that the banking facility arrangements are extended past 31 March 2009.

Dividend

The Directors have suspended its dividend for the foreseeable future to retain cash flows and reduce debt.