



22 December 2008

NZX Announcement

Metlifecare plans capital raising in first quarter of 2009

Key points:

- The Board of Metlifecare plans to strengthen the company's balance sheet with a capital raising in the first quarter of 2009
 - Metlifecare's largest shareholder, Retirement Villages New Zealand, has confirmed it will support the raising
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Metlifecare today announced that it is planning to strengthen its balance sheet by raising approximately \$30 million to \$40 million through the issue of new shares. The proceeds of the raising will be used to reduce existing debt in the company's bank facilities, which the company is in the process of renegotiating based on the planned capital raising.

The company continues to have positive operating cashflows, however ongoing weakness in the property market has led the Directors to believe it prudent to actively manage Metlifecare's balance sheet.

Metlifecare's largest shareholder, Retirement Villages New Zealand (RVNZ), which holds an 82% shareholding, has confirmed it will participate in the raising and has applied for OIO approval.

Existing shareholders will also be provided with an opportunity to participate in the capital raising. The current intention is to conduct the raising prior to 31 March 2009. Further details of the capital raising will be released once the Board has determined and finalised the appropriate structure.

Metlifecare also intends to suspend its dividend for the foreseeable future to retain cashflows and reduce gearing.

These balance sheet strengthening initiatives will leave the company better positioned for a recovery in the residential housing market.

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