

Metlifecare Limited	
Results for announcement to the market	
Reporting Period	6 months to 31 December 2007
Previous Reporting Period	6 months to 31 December 2006

	Amount (000s)	Percentage change
Revenue from ordinary activities	17,671	- 87.4%
Profit (loss) from ordinary activities after tax attributable to security holder.	(11,414)	- 109.8%
Net profit (loss) attributable to security holders.	(11,414)	- 109.8%

Interim/Final Dividend	Amount per security	Imputed amount per security
Interim Dividend	\$NZ 0.11	\$ 0.00

Record Date	14 March 2008
Dividend Payment Date	25 March 2008

Comments:	This is the Company's first report under NZ IFRS.
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	31 December 2007	31 December 2006
Net Asset backing per security	\$6.93	\$7.39

MEDIA RELEASE

28 February 2008

METLIFECARE ANNOUNCES HALF YEAR RESULT

The company's financial statements for the six months ended 31 December 2007 are the first financial statements prepared under International Financial Reporting Standards (IFRS).

The company reports a loss of \$12.3m for the period ended 31 December 2007.

The key driver for this result arises from the changes resulting from the application of IFRS and in particular, the inclusion of unrealised gains or losses arising from revaluations of investment property in the income statement. Previously, revaluations were recorded in reserves and only realised gains from the sale and resale of occupation rights agreements were recorded in the income statement. As a result, reported profits are now strongly influenced by the underlying property market and can vary significantly from period to period.

However, it is important to note that the cash flow of the business is not affected by a change in accounting standards. The company delivered a cash operating surplus of \$12.9m for the period.

Taking into account the company's underlying cash flows, and the outlook going forward, the Directors have resolved to declare an interim dividend of 11c per share (without imputation credits), an increase of 10% on the prior comparable period. The date of record for the interim dividend entitlement is 14 March 2008 and the date of payment is 25 March 2008.

Independently prepared valuations of the group's investment property resulted in a gross investment property value of \$1.232 billion at 31 December 2007 compared to \$1.243 billion opening balance and additions. This resulted in a negative revaluation movement for the half year of \$10.7 million (representing a 0.86% valuation movement). This essentially flat movement in the gross value of investment property reflects an underlying flat residential housing market over the same period and is therefore not unexpected. It should also be noted that there was an exceptionally strong revaluation gain of \$117.2 million for the comparative half year period to December 2006, which was driven by the impact of lower discount rates arising from the re-rating of the sector as a result of acquisition and consolidation activity in the period.

Further changes as a result of the application of IFRS are:

- Membership fee revenue is recognised over the average period of occupancy whereas previously it was recognised on the basis of legal entitlement, and
- Investment property is shown gross of the refundable occupation rights agreements with the amount owing to residents being recorded as a separate liability. Previously, investment property was shown net of refundable occupation rights agreements.

During the period the company acquired Merivale Retirement Village in Christchurch. Merivale has 61 villas, apartments and serviced apartments and an 80 bed care facility, comprising 47 resthome beds and 33 hospital beds. In addition, construction of 28 apartments was completed at Metlifecare Pinesong. This development now completes the village and the village comprises of 359 villas, apartments and serviced apartments and 10 resident only care suites. Construction of 17 serviced apartments and 6 care suites was also completed at Metlifecare Bayswater. This development completes the village and the village now comprises of 232 villas, apartments and serviced apartments and 6 resident only care suites. In December, bulk earthworks were commenced at Metlifecare Takapuna on Auckland's North Shore. On completion, the village will comprise of 246 lifestyle apartments, 15 serviced apartments and 4 resident only care suites. Completion of Stage 1 is scheduled for late 2009.

As at 31 December 2007, Metlifecare owns and operates 16 lifestyle villages incorporating 10 care facilities. At the end of this period Metlifecare has 2,385 villas and apartments, providing a continuum of care for more than 3,300 residents.

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