

PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

Metlifecare Limited

For Six Months Ended 31 December 2006

(referred to in this report as the "current half year")

(Comparatives are for the 6 months ended 30 June 2006)

Preliminary half year report on consolidated results (including the results for the last six month financial reporting period which was to 30 June 2006 due to a change in balance date) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on **unaudited** financial statements.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE	*Consolidated Statement Financial Performance		
	Current Half year \$NZ'000	*Up/Down %	Previous Half year \$NZ'000
1.1 OPERATING REVENUE			
(a) Trading Revenue	84,308		59,038
(b) Other Revenue	209		89
(c) Total Operating Revenue	84,517	42.94%	59,127
1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION	15,103	28.08%	11,792
(a) Less taxation on operating result			
1.3 OPERATING *SURPLUS (DEFICIT) AFTER TAX	15,103	28.08%	11,792
(a) Extraordinary Items after Tax [detail in Item 3]			
(b) Unrealised net change in value of investment properties			
1.4 NET *SURPLUS (DEFICIT) FOR THE PERIOD	15,103	28.08%	11,792
(a) Net *Surplus (Deficit) attributable to minority interests	536		270
1.5 NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	14,567	26.43%	11,522

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR HALF YEAR	*Consolidated Statement of Financial Performance	
	Current Half year \$NZ'000	Previous Half year \$NZ'000
2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
(a) Interest revenue included in Item 1.1(b)	50	52
(b) # Unusual items for separate disclosure (gain/loss) (detail - Item 3)		
(c) Equity earnings (gain/loss) (detail - Item 16)		
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	1,982	1,023
(e) Leasing and renting expenses	179	176
(f) Depreciation	782	775
(g) Diminution in the value of assets (other than depreciation)		
(h) Amortisation of goodwill	NIL	NIL
(i) Amortisation of other intangible assets		
(j) Impairment of goodwill		
(k) Impairment of other intangible assets		

5 EARNINGS PER SECURITY	Earnings Per Security	
	Current	Previous
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share	Half year	Half year
	\$NZ'000	\$NZ'000
(a) Basic EPS	16.7 CPS	13.2 CPS
(b) Diluted EPS (if materially different from (a))		

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES	
(a) Name of subsidiary or group of subsidiaries
(b) Percentage of ownership acquired
(c) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)
(d) Date from which such contribution has been calculated

7 MATERIAL DISPOSALS OF SUBSIDIARIES	
(a) Name of subsidiary or group of subsidiaries
(b) Contribution to consolidated net *Surplus (Deficit) (Item 1.4)	\$
(c) Date from which such contribution has been calculated
(d) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) for the previous corresponding half year/full year
(e) Contribution to consolidated net *Surplus (Deficit) (Item 1.4) from sale of subsidiary	\$

8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

The Group operates in one industry, the accommodation and care of the aged through the ownership and management of retirement villages. All operations are carried out in New Zealand.

	Consolidated Statement of Financial Position		
	At 31 December 2006 \$NZ'000	At 30 June 2006 \$NZ'000	At 31 December 2005 \$NZ'000
9 CURRENT ASSETS:			
(a) Cash	450	1,576	
(b) Trade receivables	2,562	2,544	2,128
(c) Investments			
(d) Inventories	34,716	39,399	37,085
(e) Other assets - Taxation Receivable	17	17	20
- Amenities Contribution Receivable	5,824	5,824	5,090
- Unconditional Sale and Resale Receivable	23,508	17,650	18,923
- Sundry Debtors and Prepayments	2,227	1,675	2,081
TOTAL CURRENT ASSETS	69,304	68,685	65,327
9.1 NON-CURRENT ASSETS			
(a) Loans to Residents	2,706	2,817	2,579
(b) Investments			
(c) Inventories			
(d) Property, plant and equipment	34,229	33,461	33,447
(e) Investment Properties (refer Note)	193,035	195,540	161,654
(f) Goodwill			
(g) Deferred Taxation Assets			
(h) Other Intangible Assets			
(i) Other assets - Amenities Contribution Receivable	62,805	56,161	46,055
9.2 TOTAL NON-CURRENT ASSETS	292,775	287,979	243,735
9.3 TOTAL ASSETS	362,079	356,664	309,062
9.4 CURRENT LIABILITIES			
(a) Trade Creditors	13,216	12,718	11,629
(b) Income in advance, current			
(c) Secured loans	24	24	418
(d) Unsecured loans			
(e) Provisions, current			
(f) Other liabilities - Amortising Liabilities to Residents	144	144	195
- Occupation Licences Payable	8,973	9,925	5,584
TOTAL CURRENT LIABILITIES	22,357	22,811	17,826
9.5 NON-CURRENT LIABILITIES			
(a) Accounts payable, non-current	80	92	104
(b) Secured loans	88,725	78,575	59,325
(c) Unsecured loans			
(d) Provisions, non-current			
(e) Deferred Taxation Liability, non-current			
(f) Other liabilities - Amortising Liabilities to Residents	36	132	180
- Occupation Licences Payable	1,543	1,692	2,002
9.6 TOTAL NON-CURRENT LIABILITIES	90,384	80,491	61,611
9.7 TOTAL LIABILITIES	112,741	103,302	79,437
9.8 NET ASSETS	249,338	253,362	229,625
9.9 SHAREHOLDERS' EQUITY			
(a) Share capital (optional)	44,470	44,470	44,470
(b) Reserves (optional)	102,523	112,590	100,655
(i) Revaluation reserve			
(ii) Other reserves			
(c) Retained Surplus (accumulated Deficit) (optional)	97,296	90,590	79,068
9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	244,289	247,650	224,193
(a) Minority equity interests in subsidiaries	5,049	5,712	5,432
9.11 TOTAL SHAREHOLDERS' EQUITY	249,338	253,362	229,625
(a) Returns on Assets (%) (EBIT divided by Total Assets)	4.59%	3.75%	8.06%
(b) Return on Equity (%) (Net Income divided by Shareholders' Equity)	6.01%	4.88%	10.51%
(c) Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)	45.22%	40.77%	34.59%

Note to Item 9.1 (d)
Investment Properties

Completed Facilities at net current values
Development Properties
Less: Refundable Occupation Licences
Net Investment Properties

721,700	692,588	562,840
20,881	21,331	18,265
(549,546)	(518,379)	(419,451)
193,035	195,540	161,654

Net Tangible Assets per security

\$ 2.85	\$ 2.90	\$ 2.63
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10 CASH FLOWS RELATING TO OPERATING ACTIVITIES	Consolidated Statement of cashflows for Half year	
	Current Half year \$NZ'000	Previous Half year \$NZ'000
(a) Receipts from customers	72,217	52,465
(b) Interest received	12	41
(c) Dividends received		
(d) Payments to suppliers and employees	(21,738)	(18,745)
(e) Interest paid	(1,936)	(672)
(f) Income taxes paid		
(g) Other cash flows relating to operating activities	(25,151)	(15,147)
NET OPERATING FLOWS	23,404	17,942

11 CASH FLOWS RELATING TO INVESTING ACTIVITIES		
(a) Cash proceeds from sale of property, plant and equipment	6	
(b) Cash proceeds from sale of equity investments		
(c) Loans repaid by other entities		
(d) Cash paid for purchases of:		
- property, plant and equipment	(1,329)	(767)
- investment property and development in progress	(23,071)	(29,398)
(e) Interest paid - capitalised	(1,625)	(1,426)
(f) Cash paid for purchases of equity investments		
(g) Loans to other entities		
(h) Other cash flows relating to operating activities		(3,630)
NET INVESTING CASH FLOWS	(26,019)	(35,221)

12 CASH FLOWS RELATED TO FINANCING ACTIVITIES		
(a) Cash proceeds from issue of shares, options, etc.		
(b) Borrowings	10,150	19,250
(c) Repayment of borrowings		
Repayment of Shareholder Advances		
(d) Dividends paid	(7,861)	
(e) Dividends paid to Minority Interest	(800)	
NET FINANCING CASH FLOWS	1,489	19,250

13 NET INCREASE (DECREASE) IN CASH HELD	(1,126)	1,971
(a) Cash at beginning of Half year	1,576	(395)
(b) Exchange rate adjustments to Item 12.3(a) above		
(c) CASH AT END OF HALF YEAR	450	1,576

14 NON-CASH FINANCING AND INVESTING ACTIVITIES
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:

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15 RECONCILIATION OF CASH	Current Half year NZ\$'000	Previous Half year NZ\$'000
For the purposes of the above Statement of cash flows, cash includes:		
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Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:		
Cash on hand and at bank	450	1,576
Deposits at call		
Bank overdraft		
Other (provide details eg Term Deposits		
Total = Cash at End of Half Year (Item 13(c) above)	450	1,576

16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16 GROUP SHARE OF RESULTS OF ASSOCIATES

- (a) OPERATING *SURPLUS (DEFICIT) BEFORE TAX
- (b) Less tax
- (c) OPERATING *SURPLUS (DEFICIT) AFTER TAX
 - (i) Extraordinary items
- (d) NET *SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX

Equity Earnings	
Current Half year \$NZ'000	Previous Half year \$NZ'000

16 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of Half year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Half year	Previous Half year	Current Half year NZ\$'000	Previous Half year NZ\$'000
Equity Accounted Associates				
			<i>Equity Accounted in current year</i>	
Other Material Interests			<i>Not Equity Accounted in current year</i>	

- (b) Investments in Associates

Carrying value of investments in associates beginning of Half year

Share of changes in associates' post acquisition surpluses/and reserves:

- Retained surplus
- Reserves

Net goodwill amortisation and impairment adjustments in the period

Less Dividends received in the period

Equity carrying value of investments at the end of Half year

Amount of goodwill included in carrying value at end of that Half year

Current Half year \$NZ'000	Previous Half year \$NZ'000

17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR

Category of Securities	Number Issued	Number Quoted	Paid-Up Value (If not fully paid)	
PREFERENCE SHARES:				
# (Description)				
Issued during current Half year	NIL			
ORDINARY SHARES:				
	87,348,541	87,348,541		
Issued during current Half year	NIL			
CONVERTIBLE NOTES				
# (Description)				
Issued during current half year	NIL			
OPTIONS:	Issued	Quoted	Exercise Price	Expiry Date
Issued during current half year	NIL			
Outstanding	100,000		\$1.26	23/05/2007
DEBENTURES - Totals only:	NIL	\$		
UNSECURED NOTES - Totals only:	NIL	\$		
OTHER SECURITIES	NIL	\$	\$	

Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

18 COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current Half year

NIL

- (b) Significant trends or events since end of current Half year

NIL

- (c) Changes in accounting policies since last Annual Report to be disclosed

NIL

- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain
Refer to 2006 Annual Report

- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

NIL

- (f) Other comments

NIL

