



NZX/MEDIA ANNOUNCEMENT
25 October 2006

Annual Meeting

Chairman's Address

Metlifecare is pleased to report an operating surplus (before interest, tax, unusual items and minority interest) for the six months ended 30 June 2006 of \$12.8 million (compared with \$24.4 million for the twelve months ended 31 December 2005).

Metlifecare has changed its balance date to 30 June to align with the financial year-end of its new majority shareholder.

The net surplus (after minority interest) was \$11.5 million (as against \$21.7 million for the twelve months ended 31 December 2005).

Total revenue for the period was \$59.1 million, compared with revenues of \$127.6 million for the twelve months ended 31 December 2005.

Total assets stood at \$356.7 million (as against \$309.1 million at 31 December 2005) with the total value of all properties, including chattels, valued at \$786.8 million (compared with \$651.6 million at 31 December 2005).

Total liabilities were \$103.3 million (\$79.4 million at 31 December 2005) with the Group's bank debt at \$74.3 million (against \$55 million at 31 December 2005).

The Group's operating cash flow for the six months was \$17.9 million (\$38.5 million for the twelve months ended 31 December 2005).

The revenue from Membership Fees for the period was \$8.9 million (\$13.5 million for the twelve months ended 31 December 2005).

The average resale price for the period was \$267,000 compared with \$248,000 for the twelve months ended 31 December 2005.

As at 30 June 2006, Metlifecare's portfolio of villas and apartments totalled 2,172 comprising 1,395 villas and 777 apartments (1,842 villas and apartments as at 31 December 2005 comprising 1,167 villas and 675 apartments).

The increase was due to the construction of additional apartments and villas and the acquisition of two existing villages, Kapiti Village and The Avenues Retirement Resort.

Metlifecare Kapiti (formerly Kapiti Village), in Paraparaumu became part of the Metlifecare group on 1 May 2006.

The village contains 225 villas and extensive resident amenities and facilities.

Metlifecare The Avenues (formerly The Avenues Retirement Resort), in Tauranga became part of the Metlifecare group on 1 June 2006.

That village has extensive resident amenities and facilities, 81 lifestyle apartments together with land suitable for future development.

Metlifecare Kapiti and Metlifecare The Avenues are very successful villages and Metlifecare will continue to build on their success, ensuring that both current and prospective residents receive excellent customer service, backed by the proven quality and resources of New Zealand's premier lifestyle retirement village operator.

During the period under review, the construction programme at Metlifecare 7 Saint Vincent was completed.

This saw the addition of 12 serviced apartments and 2 care suites to the existing 81 apartments, thus finalising the development of this village.

During the period, Metlifecare sold 22 new villas and apartments with an average selling price of \$449,000 (\$549,000 for the twelve months ended 31 December 2005).

Work continues on feasibility and other work in respect of Metlifecare Takapuna.

Metlifecare expects to finalise detailed design work by December of this year.

The Directors declared a final dividend of 9.0 cents per share, without imputation credits, being the total dividend paid for the period.

Metlifecare's focus continues on being the pre-eminent operator of lifestyle retirement villages in New Zealand, entering development and making acquisitions to deliver high quality villages for long-term management by the company.

Hand-in-hand with our business strategy is an ongoing focus on providing a superior level of service for our residents as evidenced by our satisfaction surveys.

Acquisition opportunities, together with our target market demographics and the continued achievements of Metlifecare all combine to position the company favourably to continue its trend of improved performance.

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