

PRIVATE HEALTH CARE (NZ) LIMITED

***Level 5, 25 Broadway,
Newmarket
Auckland***
PO Box 109311
Newmarket
Telephone 09 309 1700
Facsimile 09 379 3342

16 June 2005

Metlifecare Limited
Level 2 Metlifecare House
302 Great South Road
Greenlane

Attention: Peter Fitzsimmons

Fax:

Potential disposal of shareholding of Private Health Care (NZ) Limited

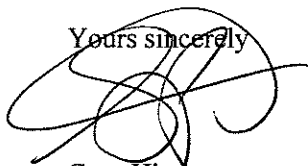
Private Health Care provides the following update on the process associated with the potential disposal of its shareholding in Metlifecare.

The sale process initiated by Private Health Care in February 2005 has now progressed to due diligence and detailed discussions with a number of parties. PHC expects these discussions will continue beyond the 20th June, being the last date that PHC can exercise its current right to "drag along" Todd Capital's shares into a takeover offer. In the event PHC reaches agreement with a party by 20th June it would be able to rely on the current "drag along" right however, in the event PHC reaches agreement after 20th June it would need to recommence the notification process pursuant to the Pre-emptive Agreement.

PHC and its advisors remain optimistic of a favourable outcome for it and other Metlifecare shareholders and will keep the Independent Directors of Metlifecare apprised of any relevant developments.

We would appreciate it if you could advise us when you propose to release this matter to the market so that we can make calls to our bidders.

Yours sincerely



Greg Hinton
Director
Private Health Care (NZ) Limited