



**NZX/MEDIA ANNOUNCEMENT**  
**28 April 2005**

## **Annual Meeting**

### **Chairman's Address**

I am pleased to report another year of strong growth for Metlifecare.

The Company's value enhancing focus has resulted in the development of a well-structured business well placed to meet the expectations of our residents and shareholders.

Metlifecare continued to make good gains on the previous year, with a net surplus of \$17.5 million, a 23% improvement on the 2003 outcome of \$14.2 million.

Total revenue of \$108.9 million was down on the previous year's revenues of \$110.1 million, due to a lower volume of sales of new villas and apartments during the year.

At year-end, total assets stood at \$277.4 million compared to \$200.6 million in 2003.

As at 31 December 2004, the total value of all properties, including Investment and Development Properties, Inventory and Property Plant, and Equipment was \$585.1 million compared to \$481.2 million in 2003.

Total liabilities increased from \$49.0 million to \$79.4 million.

The Company's bank debt increased during the year by \$26.8 million to \$59.5 million.

This was largely due to commencement of development at 7 Saint Vincent, Remuera, Auckland, the purchase of land for future development at Takapuna and an increase in inventory at year end, due to the timing of the completion of construction programmes.

The Company's Operating cashflow for the year was \$27.8 million, compared with \$35.8 million for 2003. This result reflects the higher level of unconditional contracts which have settled in early 2005.

The Company remains in a strong financial position and its continuing strong performance ensures capacity to fund growth activities.

The Directors have declared a final dividend of 3.5 cents per share, without imputation credits, bringing the total dividend paid for the year to 5.5 cents per share.

Metlifecare's core competency continues to be the day-to-day operational management of its retirement villages.

During 2004, focus on core competencies and improving quality has again led to improved operational and financial outcomes as illustrated by:

An increase of 17% in resales price from 2003 with an average achieved of \$242,000 and revenue from Amenities Contributions increasing 16% on the previous year to \$11.3 million.

This growth is attributable to the increasing scale and value of Metlifecare's assets.

During 2004, the overall occupancy levels for care facilities decreased slightly to an average of 91.2% with nursing homes achieving 90.7% and hospitals achieving 92.1%.

Metlifecare's development programme of building new villas and apartments is flexible to meet market demand.

During 2004, Metlifecare completed construction on an additional 105 villas and apartments bringing the portfolio of villas and apartments to 1,768.

At the end of 2004 Metlifecare owned land available for further development of 535 villas and apartments within its existing villages.

In November 2004 Metlifecare achieved Resource Consent and purchased a 1.8 hectare site located in Takapuna, North Shore City.

Metlifecare plans to build one of New Zealand's largest lifestyle retirement villages at the Takapuna location comprising approximately 260 luxury apartments plus a care facility.

The purchase of the Takapuna, North Shore land has added to Metlifecare's land bank and when developed will significantly strengthen an existing well located, comprehensive portfolio of villages.

The land bank allows the Company to maintain development growth at current levels for the next five to six years.

A specific focus in 2005 will be on completing 7 Saint Vincent, in Remuera, where the last stage of luxury apartments are currently under construction together with the sale of the remaining 'Point' apartments at Metlifecare Pinesong, Titirangi and the final stage of the 'Palms' apartments completed in February this year at Metlifecare Bayswater, Mount Maunganui.

Our overall focus continues on being an operator of lifestyle retirement villages which enters into development in response to demand to deliver high quality villages for long term management by the Company.

The Company is committed to profitable growth and value creation for shareholders. We will continue to identify and pursue opportunities which enhance shareholder value through the disciplined acquisition of existing villages and land suitable for future development

Implicit in our business strategy is a continued emphasis on providing a superior level of service for our residents through the delivery of excellent products and services.

Metlifecare is a strong New Zealand brand within the retirement village industry.

In February 2005 Metlifecare launched a new advertising campaign and new marketing collateral which reinforces our market leadership position and brand values based on "Experience Metlifecare".

Copies of the Metlifecare brochure and the Experience magazine will be available at the conclusion of today's meeting.

On 11 October 2004 Metlifecare announced the resignation of Gavin Aleksich effective from 1 April 2005. The Board have thanked Gavin on behalf of shareholders for his hard work and commitment during his tenure as CEO of the company.

The Board has commenced the recruitment process for the new Chief Executive Officer with considerable interest in the position being registered by a range of strong candidates.

During the year two new appointments were made to the Executive team.

Richard de Haast was appointed to the position of General Manager Operations in May 2004 and Neil MacCulloch to the role of Chief Financial Officer in August 2004.

Further to the corporate governance detail provided in the Annual Report the Board implemented enhanced corporate governance policies and procedures consistent with current best practice prior to this Annual Meeting. These statements are to be published on the Company's Website.

I wish to take this opportunity to record appreciation to my fellow directors for their diligent attention to the Company during the past year.

To residents of our villages thank you for your continuing confidence in Metlifecare.

To all members of our staff thank you for your contribution to a successful 2004.

Demand for the retirement lifestyle we offer within our villages remains strong, reflecting the quality of the accommodation, facilities and services offered. We expect this trend to continue into 2005.

The continued achievements of Metlifecare favourably position the Company to continue the trend of improved performance in 2005.

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