23 August 2013

SIGNIFICANT TURNAROUND FOR METLIFECARE - NET PROFIT $120.3 MILLION

Metlifecare Limited Annual Result for Year Ended 30 June 2013

Metlifecare Limited is pleased to release its audited results for the year ended 30 June 2013. Net Profit after Tax for the year was $120.3 million, representing a significant turnaround from last year's result. This included a one-off gain on acquisitions of $63.6 million and an increase in the fair value of investment properties of $59.1 million.

The company delivered net operating cashflows excluding interest and merger costs of $74.2 million[1]. This figure exceeded the guidance provided in June 2012 in connection with the merger with Vision Senior Living and Private Life Care Holdings by 22%.

Sales activity was strong with 113 sales and 424 resales over the year (financial year 2012: 36/294), generating $199.1 million in gross cashflows.

The uplift in Metlifecare's results follows the successful merger with Vision Senior Living and Private Life Care Holdings in July 2012, with the company reporting increased cashflows, margins and profitability for the 2013 financial year.

"We are very pleased with Metlifecare's performance over the year and the results achieved," said Peter Brown, Chairman of Metlifecare. "It has been a busy year, starting with the merger and subsequent sell down by Retirement Villages New Zealand and then the capital raising this year which has positioned the company for future growth.

"Management focused on successfully integrating the merged businesses and maximising synergies. The benefits can be seen in our improved results and performance. We were particularly pleased with our sales and resales results, which reflect the ongoing demand for homes in our villages and continue the steady increase in volumes we have seen over the last three years.

"We exceeded our forecast operating cashflow target and realised development margins of 16.5%. Our Loan to Value ratio was 6.8%, better than our prospectus target of 'less than 25%'. This was due in part to the capital raising carried out in May and June 2013 which substantially eliminated all non-development related debt."

The company's portfolio grew by 46% to 4,195 units and care beds over the twelve month period. The company is targeting a sustainable build rate of 200+ units and care beds by 2015 and is well positioned to achieve this, with a current land bank of 827 units and 173 care beds.

[1] Net operating cashflows excluding interest and merger costs is an alternative performance measure used by the company to assist investors in assessing the company's underlying performance. This measure is calculated by taking the net cashflows from operating activities per the Cash Flow Statement of $60.9 million and adding back interest paid of $9.2 million and acquisition and integration costs of $4.1 million.

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Mr Brown said: "While the focus was primarily on integration following the merger, we also completed the construction of new units across several different villages and celebrated the completion of the final stage of construction at Forest Lake Gardens in Hamilton, a uniquely located village overlooking the Te Rapa racecourse.

"Auckland's North Shore is an important area for us and we have commenced work on Stage 3 of The Poynton village in Takapuna, with a further 55 units to be built this year and a further 62 units planned in Stage 4. Planning for two other North Shore villages is well underway. We are planning to build 310 units and 61 care beds at the prime 4.4 hectare site in Unsworth Heights, Albany. We have also lodged resource consent for our new village in Glenfield, comprising 96 apartments and a 36 bed care facility."

The directors announced an interim dividend of 1 cps which was paid in April 2013 and have today confirmed that a final dividend of 2 cps will be paid on 17 October 2013. That brings the total dividend for the 2013 financial year to 3 cps, within the range noted in the June 2012 prospectus.

Mr Brown said: "We are looking forward to another successful year, as we realise the benefits of scale and invest in growth. We have a high quality land bank and continue to investigate opportunities to add to this in our key areas of Auckland, Tauranga and Hamilton.

"Continuum of care remains an important area for us and we are looking to build on our in-home care offer and specialist care facilities in our existing villages as well as ensure an appropriate care offer in our new developments.

"Metlifecare has a strong Board, with the appointment of three new independent directors during the year and an experienced and proven management team.

"In the 2013 financial year, we provided total shareholder returns of 53.8%, making Metlifecare one of the top ten performers in the NZX 50. We look forward to continuing to deliver shareholder value and wealth in the 2014 financial year as we focus on growth and expand our care offering."

ENDS

Released on behalf of Metlifecare by Jackie Ellis, spice communications group
tel +64 9 360 8500 or email Jackie@spice.co.nz

For more information, please contact:

Alan Edwards
CEO and Managing Director
Tel: +64 9 539 8000

About Metlifecare

Metlifecare is a publicly-listed aged care and retirement lifestyle company.

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Established in 1984, the company has a proven track record of successfully owning and managing retirement villages in New Zealand. Metlifecare currently owns villages in prime locations throughout the North Island of New Zealand, with most providing a full continuum of care from independent villas and apartments through to serviced apartments, rest homes and hospitals.

www.metlifecare.co.nz