Metlifecare Limited
Special Meeting 21 June 2012
Text for Shareholders' Meeting

Chairman – Peter Brown

Good Morning ladies and gentlemen.

It is my pleasure, as Chairman of Metlifecare Limited, to welcome you to the Company's Special Meeting.

Before we move to the formal part of the meeting, I would like to take the opportunity for our Managing Director, Alan Edwards, to give you a trading update. This includes some information that was released to the NZX this morning. I will now hand over to Alan for his presentation.

Alan Edwards delivers his presentation (as attached).

Peter Brown: Given the sole item of business today concerns a related party transaction involving RVG, it is appropriate that one of the Company's independent directors, John Loughlin, chairs the rest of this meeting.

John Loughlin: In accordance with the Company's Constitution and the Companies Act, a Notice of Meeting, which detailed today's business, was circulated to shareholders within the required period. With that formality confirmed, I formally declare the meeting open.

It is my pleasure to introduce to you my fellow Directors and members of senior management:

From my right –

Our Directors:

- Brent Harman
- The Chairman, Peter Brown;
- The Managing Director, Alan Edwards.

We have an apology from a Director, David Hunt.

Also

- Chief Financial Officer, Tristram van der Meijden;
- Company Secretary, Andrew Peskett.

In addition, we have advisers Peter Jackson from Grant Samuel, Stephen Grant from Northington Partners, Sam Shuttleworth & Colum Rice from PricewaterhouseCoopers and Roger Wallis from Chapman Tripp present and seated in the front rows.

As set out in the Notice of Meeting, we have one matter of business to consider, namely:

Approval of the merger with Private Life Care Holdings and Vision Senior Living and the associated issue of shares.

The text of the full resolution is set out in the Notice of Meeting. I will take the text as read.

There have been some late changes in the terms of the transaction which were announced to NZX this morning. These changes are all favourable to Metlifecare shareholders. We can confirm that these changes are consistent with the wording of the Notice of Meeting, thus today's meeting can approve the transaction on its revised terms. The key changes to the transaction are:

Firstly, the consideration paid to the owners of Vision Senior Living has been reduced from 20 million Metlifecare shares (which was made up of 13 million Ordinary shares on settlement plus 7 million conditional earn-out shares), to 10m Ordinary Metlifecare shares on settlement. No conditional shares will now be issued.

Secondly, there will be no additional capital raising. The previously proposed issuance of $10-15 million of share capital to third party investors to reduce Metlifecare debt has been cancelled. As an alternative capital management plan, we intend to complete some asset rationalisation in the medium term to provide further headroom in our balance sheet. This change has the full support of the our banking syndicate

Before opening this matter up for shareholder discussion I would like to speak about why I support this transaction. Brent and I wrote to you stating our reasons for supporting the resolution and I don't intend to repeat all those comments. I do wish to touch on a few matters.

The most fundamental reason for my support is that combining with Private Life Care and Vision Senior Living is entirely consistent with our business strategy. We have recognised that a combination of mature villages, provision of care and an element of village development is likely to produce a more valuable organisation with stronger cashflows than a portfolio of mature villages. This is demonstrated by the financial performance and market recognition of other players in the sector. A merged company will have a portfolio with a greater development emphasis. We will be able to accelerate our development strategy and substantially reduce the operational risk of execution as the Vision business brings both an existing development pipeline and a capable, experienced development team. Vision alone would have probably overbalanced us towards debt funded development and the Private Life Care component restores a comfortable, more prudent balance.

My second reason is that the original transaction immediately increased our cashflow generated per share, by 6 cents per share to 26 cents per share. The revised terms announced today increases this to a 8 cents per share increase to 28 cents per share. This is a very significant increase. It is my belief that with operational synergies and the delivery of our strategy we can deliver improved cashflows per share and thus shareholder value on an ongoing basis.

It is true that a merger would increase the debt load of the business. Debt was originally projected to increase to $184 million or 18.3% of total assets less resident refundable deposits. Taking account of the the revised transaction terms and the latest revaluation of our assets, the debt will now be at $202 million, but now is likely to represent around 22% of total assets less refundable deposits. This level of debt, while higher than current debt ratios, is still at prudent levels, is capable of being serviced from our improved cashflows and is similar to the ratios of our two listed competitors in the sector. It is important to recognise that completed new stock of units will have a value of $54.2 million and the sale proceeds of these will be used to pay down debt.

In addition this transaction is accompanied by a sell down of the shareholding of the major shareholder Retirement Villages Group. This is also a significant change. Other factors that have impacted on the market perception of this company are that the register is tightly held creating a lack of market liquidity and that the stock is ex takeover. These impediments to market recognition will be removed by the sell down. Following completion of the transaction the Board will appoint additional independent directors, giving a majority of independents.

On balance I think this transaction opportunity has the potential to significantly change both the performance and market recognition of Metlifecare. This view has been shared by our independent advisors Grant Samuel and by Northington Partners who prepared the Independent Appraisal report who found that the previous terms were fair to shareholders. The revised terms are even better. The view is also shared by the vendors of the Vision and Private Life Care businesses. They are not walking away with cash from this. They have locked in major shareholdings for the medium term. They are backing Metlifecare to deliver value through the merged business. They have exchanged their assets for shares at a substantial discount to Net Asset Backing. They will only realise the valuation of their existing assets if Metlifecare succeeds and is recognised by the market as having succeeded.

It is now time to open up shareholder discussion of the resolution. Does any shareholder have a question or comment on the resolution?

Shareholders and proxies should complete the voting forms included with the attendance card for today's meeting, or provided by Computershare when you came here today. PricewaterhouseCoopers, the company's auditors, will act as scrutineers. We will arrange for the vote to be counted and it will then be announced to the stock exchange and to those of you that wish to stay.

Conclusion
Ladies and Gentlemen, thank you for your attendance.

There being no further business I declare the meeting closed. Please feel free to join the Directors for light refreshments.