



21 June  
2012

# Metlifecare Special Meeting of Shareholders



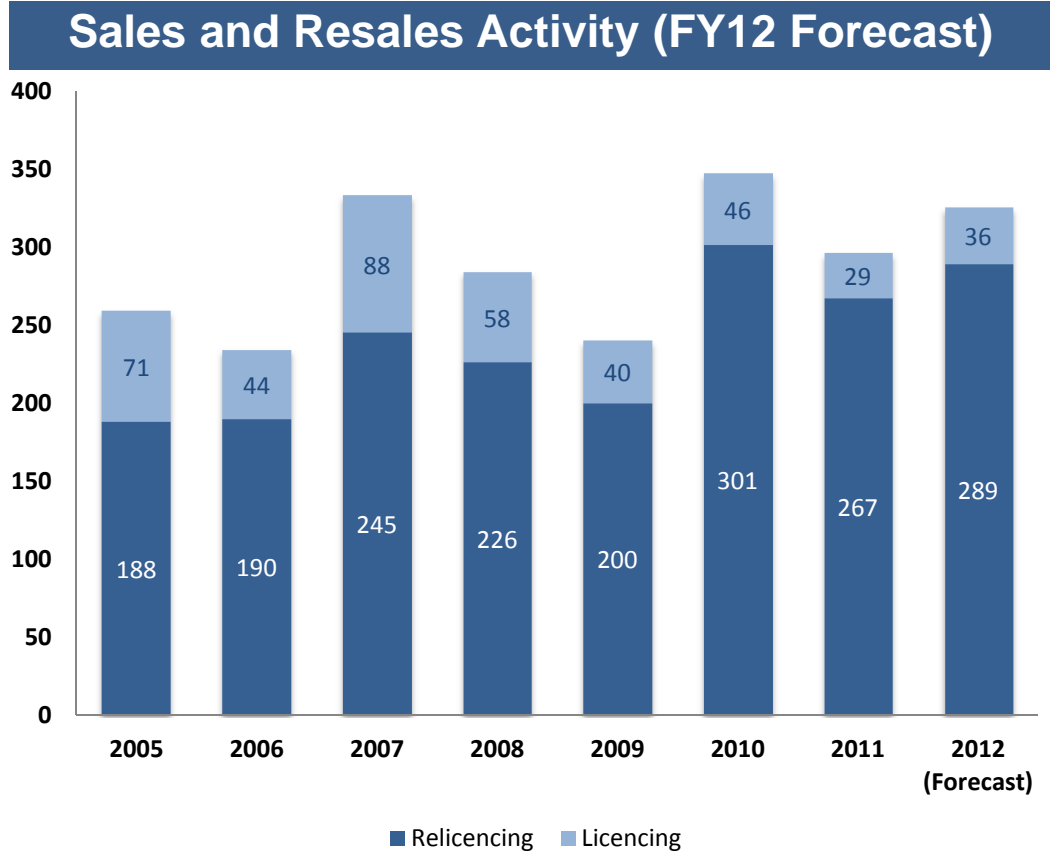


# 1 Market Update



# Sales and Resales Activity

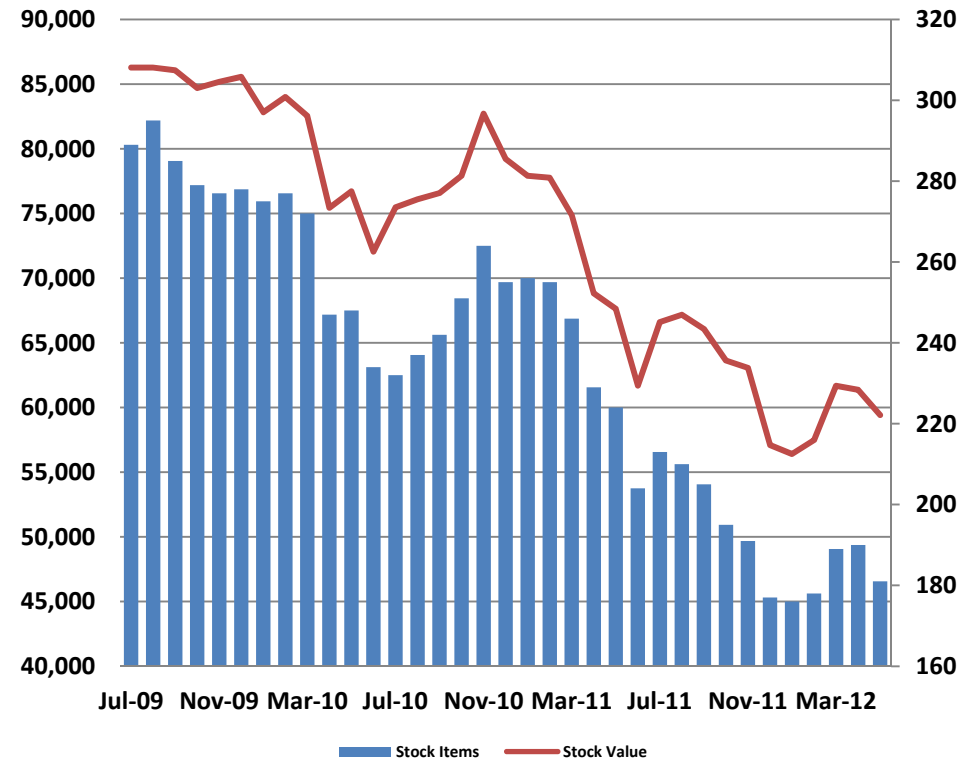
- Record – 347 settlements FY 2010
- June 2011 – 296 settlements
- Forecast June 2012 – 325 settlements
- Three year average 322



# Stock Reduction

- Considerable stock levels built up during GFC
- Continuous focus on stock reduction
- Introduced new marketing strategies
- Stock levels now at comfortable levels around 5% (uncontracted)

## Stock Reduction – Last 3 years



# Occupancy

	CORE BUSINESS		THE POYNTON	
% Occupied	FY11	FY12 (Forecast)	FY11	FY12 (Forecast)
Independent Living Units	94%	93%	48%	68%
Serviced Apartments	79%	87%	13%	33%
Total	91%	92%	44%	64%

- Occupancy levels (excluding The Poynton) increased to 92%
- Significant increase in Serviced Apartment occupancy
- Care Facility occupancy remained consistent with June 2011 at 96%
- The Poynton occupancy increased to 64%
  - Currently hold 10 contracts, 4 unconditional
  - Stock depletion 14 to 16 months at current sales rate



# Investment Property Valuation

- Metlifecare has appointed CBRE to perform the valuation of its investment Properties for the completion of the 30 June 2012 Financial Statements.
- The valuer has inspected all properties and has given initial indication on key drivers for the valuation being:
  - discount rate;
  - property price growth; and
  - turnover rates.
- Initial indication from the valuer, market conditions and recent market evidence are likely to result in changes to various key assumption which will result in a reduction of our net assets of between 15% - 20% relative to 31 December 2011.
- Initial discount rate ranges are from 12.5% to 15%
- Property price growth ranges are from 0 to 3.5%
- Turnover rates for ILU's and ILA's range from 6.8 to 8.8 years and for SA's between 3.8 and 4.8

	NTA (\$m)	NTA (\$m)
Metlifecare NTA – 31 December 2011	578.0	578.0
Valuation Movement	15%	20%
NTA Impact	86.7m	115.6m
NTA Impact cents per share	0.60	0.80



# Operating Cash

- Our operating cashflows for the year remain consistent with our market guidance of \$33.5m excluding interest costs.
- Closing debt balances are anticipated to be slightly higher than our previous guidance (\$62.5 net of cash at bank) as a result of several sales and resales settlements moving from June to the following year and timing of payments for transaction costs and development expenses being earlier than forecast.
- The bulk of this movement relates to the timing of 3 settlements at The Poynton. These sale have been deferred to the FY13 year as a result of the timing of the sale and settlement of family homes of the incoming residents.





## 2 Recent Developments





# Recent Developments

- Following the announcement on 7 May 2012 of the merger of MET, Vision Senior Living Limited (VSL) and Private Life Care Holdings Limited (PLC), MET management and its independent directors engaged with large institutional shareholders, who communicated specific changes to the consideration and financing terms for the deal
- MET and the VSL and PLC shareholders entered into an amendment agreement for the merger on 21 May 2012
- MET and the VSL and PLC shareholders have agreed some further amendments to the merger, late on 20 June 2012
- These amendments further enhance value for existing MET shareholders from the merger
- Settlement now expected to be late July



# Amendments

Amendments are:

- **Vision Consideration reduced** – from 20m MET shares to 10m Shares
- **No additional capital raised** – issuance of \$10-15m of share capital to third party investors to reduce MET debt has been cancelled. As an alternative capital management plan, MET expects to complete some asset rationalisation in the medium term to provide further headroom in its balance sheet. This change has the full support of the MET's banking syndicate



# Board Composition

- The Board has also confirmed that it continues to be committed to increasing the ratio of independent directors on the Board
- It is currently in a process to identify and appoint two additional independent directors, the first within 30 days of completion of the merger, if it proceeds
- This will see the number of Independent Directors increase to four



# Resolution

*“That the shareholders ratify, confirm and approve, pursuant to merger agreements between the Company and the shareholders of Vision and PLC dated 5 May 2012, as amended:*

- the acquisition of all of the shares of Vision and PLC; and*
- in consideration for the acquisition, the issue of up to 10,000,000 ordinary shares in the Company to the shareholders of Vision and to Te Rapa Racing Limited and the issue of up to 29,730,000 ordinary shares in the Company to Retirement Villages New Zealand Limited and/or persons nominated by it,*

*as more particularly described in the Explanatory Notes, and that the directors be authorised to take all actions, do all things and execute all necessary documents and agreements necessary or considered by them to be expedient to give effect to such transactions.”*



# Questions

