

PRELIMINARY FULL YEAR REPORT ANNOUNCEMENT

Metlifecare Limited

For the Full Year Ended 30 June 2012

(referred to in this report as the "current full year")

Preliminary full year report on consolidated results (including the results for the previous corresponding full year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on **audited** financial statements.

The Listed Issuer **has** a formally constituted Audit Committee of the Board of Directors.

1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Consolidated Statement Financial Performance		
	Current Full Year \$NZ'000	*Up/Down %	Previous corresponding full year \$NZ'000
1.1 OPERATING REVENUE			
(a) Operating Revenue	63,364	(2.53%)	65,007
(b) Finance income	819	576.86%	121
(c) Total Operating Revenue	64,183	(1.45%)	65,128
1.2 OPERATING SURPLUS (DEFICIT) BEFORE TAXATION	(103,683)	(599.10%)	20,774
(a) Less taxation on operating result	(37,968)	-100.00%	-
1.3 OPERATING SURPLUS (DEFICIT) AFTER TAX	(141,651)	(781.87%)	20,774
(a) Extraordinary Items after Tax [detail in Item 3]	-		-
1.4 NET SURPLUS (DEFICIT) FOR THE PERIOD	(141,651)	(781.87%)	20,774
(a) Other Comprehensive Income, Net of Tax	9,611	100.00%	-
1.5 TOTAL COMPREHENSIVE INCOME	(132,040)	(735.60%)	20,774
(a) Total comprehensive income attributable to minority interests	-		-
1.6 TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER	(132,040)	(735.60%)	20,774

2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/ EXPENSES FOR FULL YEAR	Consolidated Statement of Financial Performance	
	Current Full Year \$NZ'000	Previous corresponding full year \$NZ'000
2.1 INCLUDED IN CONSOLIDATED INCOME STATEMENT		
(a) Interest revenue included in Item 1.1(c)	167	121
(b) Unusual items for separate disclosure (gain/loss) (detail - Item 3)		
(c) Equity earnings (gain/loss) (detail - Item 16)		
(d) Interest expense included in Item 1.2 (include all forms of interest, etc)	8,416	12,885
(e) Leasing and renting expenses	214	221
(f) Depreciation	1,310	1,445
(g) Diminution in the value of assets (other than depreciation)		
(h) Amortisation of goodwill		
(i) Amortisation of other intangible assets	246	411
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets		
(l) Change in fair value of investment properties - gain / (loss)	(99,808)	27,521

2.2 SUPPLEMENTARY ITEMS

- (a) Interest costs excluded from Item 2.1(d) and capitalised
- (b) Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles
- (c) Unrecognised differences between the carrying value and market value of publicly traded investments

Consolidated Statement of Financial Performance	
Current Full Year	Previous corresponding full year
\$NZ'000	\$NZ'000
513	560

3 DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP

Group - Current Full Year

DETAILS AND COMMENTS

Discontinued Activities:

(Disclose Operating Revenue and Operating Surplus)

TOTAL DISCONTINUED ACTIVITIES

Material Unusual (including Non Recurring) Items (included in 1.2)

Description:

TOTAL UNUSUAL ITEMS

Extraordinary Items (Ref. Item 1.3(a))

TOTAL EXTRAORDINARY ITEMS

Operating Revenue \$NZ'000	Operating Surplus \$NZ'000
-	

4 CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

Statement of Movements In Equity

	Current Full Year \$NZ'000	Previous corresponding full year \$NZ'000
4.1 TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER	(132,040)	20,774
(a) Net Surplus (Deficit) attributable to minority interest	-	-
4.2 OTHER RECOGNISED REVENUE AND EXPENSES		
(a) Increases (decreases) in revaluation reserves		
(b) Current Translation Differences		
(c) Minority interest in other recognised revenue and expenses		
4.3 TOTAL RECOGNISED REVENUES AND EXPENSES	(132,040)	20,774
4.4 OTHER MOVEMENTS		
(a) Contributions by Owners	44,759	-
(b) Distributions to Owners	-	-
(c) Other	-	-
4.5 EQUITY AT BEGINNING OF FULL YEAR	526,166	505,392
4.6 EQUITY AT END OF FULL YEAR	438,885	526,166

5 EARNINGS PER SECURITY	Earnings Per Security	
	Current Full Year \$NZ'000	Previous corresponding full year \$NZ'000
Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		
(a) Basic EPS	-104.1 CPS	17.0 CPS
(b) Diluted EPS (if materially different from (a))		

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES	
(a) Name of subsidiary or group of subsidiaries
(b) Percentage of ownership acquired
(c) Contribution to consolidated net (Deficit) (Item 1.4)
(d) Date from which such contribution has been calculated

7 MATERIAL DISPOSALS OF SUBSIDIARIES	
(a) Name of subsidiary or group of subsidiaries
(b) Contribution to consolidated net Surplus (Deficit) (Item 1.4)
(c) Date from which such contribution has been calculated
(d) Contribution to consolidated net Surplus (Deficit) (Item 1.4) for the previous corresponding Full year/full year
(e) Contribution to consolidated net Surplus (Deficit) (Item 1.4) from sale of subsidiary

8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

Information on the industry and geographical segments of the Listed Issuer is to be reported for the full year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the full year report:

SEGMENTS

The Group operates in one industry, the accommodation and care of the aged through the ownership and management of retirement villages. All operations are carried out in New Zealand.

				Consolidated Balance Sheet		
9 CURRENT ASSETS:				At End of Current Full Year \$NZ'000	As shown in last Annual Report \$NZ'000	If half yearly as shown in last half yearly report \$NZ'000
9.1	(a)	Cash and cash equivalents		9,221	516	1,632
	(b)	Trade and other receivables		15,058	13,980	13,489
	(c)	Amounts due from jointly controlled entities		52	85	66
	(d)	Property, plant and equipment		33,056	20,816	20,457
	(e)	Intangible assets		358	391	415
	(f)	Investment properties		1,168,780	1,258,523	1,271,769
		TOTAL ASSETS		1,226,525	1,294,311	1,307,828
9.2		CURRENT LIABILITIES				
	(a)	Trade and other payables		15,035	13,106	13,111
	(b)	Derivative financial instruments		1,160	1,812	1,762
	(c)	Bank loans		68,675	124,252	75,612
	(d)	Finance leases		106	213	213
	(e)	Deferred membership fees		42,586	39,076	40,796
	(f)	Refundable occupation right agreements		618,814	589,686	598,004
	(g)	Deferred tax liability		41,264	-	-
		TOTAL LIABILITIES		787,640	768,145	729,498
9.3		NET ASSETS		438,885	526,166	578,330
9.4		SHAREHOLDERS' EQUITY				
	(a)	Contributed equity		126,717	81,958	126,717
	(b)	Revaluation reserve		9,611	-	-
	(c)	Retained profits		302,557	444,208	451,613
9.5		SHAREHOLDERS' EQUITY ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER		438,885	526,166	578,330
	(a)	Minority equity interests in subsidiaries		-	-	-
9.6		TOTAL SHAREHOLDERS' EQUITY		438,885	526,166	578,330
	(a)	Returns on Assets (%) (EBIT divided by Total Assets)		-6.73%	2.59%	0.90%
	(b)	Return on Assets (%) (Net Profit excluding fair value adjustments and finance costs divided by Total Assets).		-2.99%	0.47%	0.04%
	(c)	Return on Equity (%) (Net Income divided by Shareholders' Equity)		-30.09%	3.95%	1.28%
	(d)	Debt to Equity Ratio (%) (Total Liabilities divided by Shareholders' Equity)		179.46%	145.99%	126.14%
Net Tangible Assets per security				\$ 3.04	\$ 4.29	\$ 4.01

		Consolidated Statement of Cashflows for Full Year	
		Current Full Year \$NZ'000	Corresponding full year \$NZ'000
10 CASH FLOWS RELATING TO OPERATING ACTIVITIES			
(a)	Receipts from customers	56,376	53,850
(b)	Receipts from residents for refundable occupation right agreements	113,921	113,733
(c)	Payments to suppliers and employees	(55,892)	(52,416)
(d)	Payments from residents for refundable occupation right agreements	(74,098)	(78,550)
(e)	Net GST paid	(1,782)	(1,973)
(f)	Interest received	104	42
(g)	Interest paid	(7,629)	(11,682)
	NET OPERATING FLOWS	31,000	23,004
11 CASH FLOWS RELATING TO INVESTING ACTIVITIES			
(a)	Proceeds from disposal of business	-	24,428
(b)	Payments for property, plant and equipment	(1,156)	(618)
(c)	Advances to jointly controlled entity	34	110
(d)	Payments for investment properties	(9,552)	(3,110)
(e)	Capitalised interest paid	(513)	(560)
	NET INVESTING CASH FLOWS	(11,187)	20,250
12 CASH FLOWS RELATED TO FINANCING ACTIVITIES			
(a)	Proceeds from issuance of ordinary shares	44,759	-
(b)	Net repayments of borrowings	(55,867)	(44,510)
	NET FINANCING CASH FLOWS	(11,108)	(44,510)
13 NET INCREASE (DECREASE) IN CASH HELD		8,705	(1,256)
(a)	Cash at beginning of full year	516	1,772
(b)	Exchange rate adjustments to Item 12.3(a) above		
(c)	CASH AT END OF FULL YEAR	9,221	516
14 NON-CASH FINANCING AND INVESTING ACTIVITIES			
Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows:			
.....			
.....			
.....			
.....			
15 RECONCILIATION OF CASH			
For the purposes of the above Statement of cash flows, cash includes:		Current Full Year NZ\$'000	Previous Corresponding Full Year NZ\$'000
.....			
.....			
Cash at the end of the full year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:			
	Cash on hand and at bank	9,221	516
	Deposits at call		
	Bank overdraft	-	-
	Other (provide details eg Term Deposits)		
	Total = Cash at End of Full Year (Item 13(c) above)	9,221	516

16 EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests is to be disclosed by way of separate note below (refer FRS-38 Accounting for Investments in Associates).

16.1 GROUP SHARE OF RESULTS OF ASSOCIATES

- (a) **OPERATING SURPLUS (DEFICIT) BEFORE TAX**
 (b) Less tax
 (c) **OPERATING SURPLUS (DEFICIT) AFTER TAX**
 (i) Extraordinary items
 (d) **NET SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX**

Equity Earnings	
Current Full Year \$NZ'000	Previous corresponding full year \$NZ'000

16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of Full Year		Contribution to net *surplus (deficit) (Item 1.5)	
	Current Full Year	Previous Corresponding Full Year	Current Full Year NZ\$'000	Previous Corresponding Full Year NZ\$'000
Equity Accounted Associates			<i>Equity Accounted in current year</i>	
Other Material Interests			<i>Not Equity Accounted in current year</i>	
Metlifecare Palmerston North Ltd	50%	50%	-2,259	1,042

- (b) Investments in Associates

Carrying value of investments in associates beginning of full year

Share of changes in associates' post acquisition surpluses/and reserves:

- Retained surplus
- Reserves

Net goodwill amortisation and impairment adjustments in the period

Less Dividends received in the period

Equity carrying value of investments at the end of full year

Amount of goodwill included in carrying value at end of full year

Current Full Year \$NZ'000	Previous corresponding full year \$NZ'000

17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT FULL YEAR

Category of Securities	Number Issued	Number Quoted	Paid-Up Value (If not fully paid)
PREFERENCE SHARES:			
Issued during current full year	NIL		
ORDINARY SHARES:			
	144,115,209	122,448,541	
Issued during current full year	21,666,668		
CONVERTIBLE NOTES			
Issued during current full year	NIL		
OPTIONS:			
	Issued	Quoted	Exercise Price
Issued during current full year	NIL		
Executive Share Option Plan			
DEBENTURES - Totals only:	NIL	\$	
UNSECURED NOTES - Totals only:	NIL	\$	
OTHER SECURITIES	NIL	\$	\$

18 COMMENTS BY DIRECTORS

If no report in any section, state NIL. If insufficient space below, provide details in the form of notes to be attached to this report.

- (a) Material factors affecting the revenues and expenses of the group for the current full year

Investment properties were valued at 30 June 2012 by CBRE Limited (CBRE) (2011: Darroch Limited) who are independent registered valuers and associates of the New Zealand Institute of Valuers, at a total of \$514.1m (2011: \$635.0m). The impact in the statement of comprehensive income is \$99.8m.

CBRE are appropriately qualified and experienced in valuing retirement village properties in New Zealand. The fair values are based on a discounted cash flow model applied to the expected future cash flows generated by the investment properties. The valuation calculates the expected cash flows for a 20 year period (2011: 40 years), based on occupancy turnover of 11.1% - 14.5% pa (2011: 12.5% - 14.3%pa) for units and 20.8% - 26.3% pa (2011: 25% - 28.6% pa) for serviced apartments which is extrapolated at a nominal growth rate of 2.7% - 3.2% (2011: 3.25% - 4%) and discounted to present value at pre-tax discount rates of 12.5% - 15.0% (2011: 12.5%).

- (b) Significant trends or events since end of current full year

On 23 July 2012 (the date of acquisitions), Metlifecare Limited acquired 100% of the issued ordinary share capital in Vision Senior Living Limited (VSL) and Private Life Care Holdings Limited (PLC) (collectively referred to as the "Acquisitions").

In consideration for the Acquisitions, Metlifecare issued 29,730,000 ordinary shares to Retirement Village Investments Limited (the PLC Vendor), and 10,000,000 ordinary shares to the VSL Vendors. Retirement Village Investments Limited is a related party to the Company through common ownership. The issue price for the issued ordinary shares at the date of acquisitions was \$2.31 resulting in a total consideration value of \$91,776,300.

- (c) Changes in accounting policies since last Annual Report to be disclosed

The Group has changed its accounting policy for the measurement of land and buildings for care facilities, effective from 30 June 2012. The Group now measures land and buildings for care facilities at their revalued amount, which is the fair value at the date of revaluation. Previously, land and buildings for care facilities were measured at cost less accumulated depreciation. As land and buildings for care facilities are now carried at fair value, less subsequent accumulated depreciation, the Directors consider this provides reliable and more relevant information to the readers of the financial statements.

In preparing the financial statements for the year ended 30 June 2012, cashflows derived from sales, resales and repurchase of refundable occupation right agreements (ORAs) have been reclassified from cash flows from financing activities to cash flows from operating activities. As a result, the following comparative amounts have been reclassified in the Consolidated Cash Flow Statement: Cash flows from operating activities now includes receipts from residents for refundable occupation right agreements \$113,733,000 (previously \$nil); payments to residents for refundable occupation right agreements \$78,550,000 (previously \$nil). Cash flows from financing activities now includes receipts from residents for refundable occupation rights agreements \$nil (previously \$113,733,000); and payments to residents for refundable occupation rights agreements \$nil (previously \$78,550,000).

All other accounting policies have been applied on a consistent basis with the prior year.

- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies. That is they are both important to the portrayal of the Issuer's financial condition and results, as they require management to make judgments and estimates about matters that they are inherently uncertain

NIL

- (e) Management's discussion and analysis of financial condition, result and/or operations (optional) - this section should contain forward looking statements that should outline where these involve risk and uncertainty

NIL

- (f) Other comments

NIL

19 DIVIDEND

- (a) Dividend Yield as at balance date (%) (Annual dividend per share divided by price per share)
NIL
- (b) Tax Adjusted Dividend Yield as at balance date (%) (Annual net dividend per share divided by price per share)
NIL

20 ANNUAL MEETING (if full year report)

- (a) To be held at Pakuranga Hunt Room Ellerslie Stand, Ellerslie Event Centre, 80-100 Ascot Avenue, Greenlane East, Auckland
- (b) Date: 30 October 2012 Time: 3:00pm
- (c) Approximate date of availability of Annual Report 28 September 2012

If this full year report was approved by resolution of the Board of Directors, please indicate date of meeting:

(signed by) Authorised Officer of Listed Issuer

22 August 2012
(date)