



Metlifecare FY13 Results Presentation

22 August 2013

The Poynton. Takapuna, Auckland

PART OF THE
METLIFECARE
FAMILY OF VILLAGES



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FY13 Results Highlights

Merger completed

- On 23 July 2012, completed the merger of Metlifecare, Vision Senior living (VSL) and Private Life Care Holdings Limited (PLC)
- Gain on acquisition of \$63.6m in line with provisional estimate at 30 June 2012 of \$64.7m. The gain on acquisition arises as a result of the purchase price being lower than the assessment of fair value of the assets.
- Successfully completed the integration by 30 June 2013

Financial

- Net Profit after tax is \$120.3m
- FY 13 Final dividend declared of 2.0 cents per share payable 17 October 2013
- Underlying profit of \$32.1m¹

Development Activity

- Completed the development of 62 units during the year
- Settled 113 units with development margin of 16.6%
- 60 units currently under construction
- Development pipeline of 767 units and 173 care beds
- Targeted sustainable development rate of 200+ units per annum by 2015

Asset Rationalisation

- Sold Ilam development land in Christchurch for \$9.4m
- Sold Oakwoods village in Nelson for \$29.0m
- All proceeds to debt repayment

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¹ Refer page 7 for additional detail on the underlying profit

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FY13 Results Highlights

Operating cash flows

- Net Operating cash of \$74.2m¹, an increase of 22% on the 26 June 2012 guidance of \$60.7m²

Revaluations

- CBRE completed valuations of investment properties
- Property revaluations resulted in a fair value movement increase of \$59.1m across the portfolio.

Operating metrics

- Occupancy of resales stock 96%
- 51 completed sales stock items available as at 30 June 2013, with 17 under contract
- Total settlements of 537 units in FY13 v 330 units in FY12
 - Resales settlements 424 units
 - Sales settlements 113 units

Capital & Governance Activity

- Private placement of \$70m and subsequent Share Purchase Plan (SPP) of \$10m
- Substantially eliminated non-development debt
- Progressing an ASX listing
- 3 new independent directors appointed to the board
- Dividend Reinvestment Plan introduced

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¹ Net operating cash as disclosed above excludes interest, merger and acquisition costs. Refer page 8 for additional detail.

² Refer page 30 of 26 June 2012 prospectus.

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7 Saint Vincent. Remuera, Auckland

2. FY13 Financial Performance

FY13 - Financial Performance

- FY13 revenue and expenses up as expected following the merger
- Fair Value movement for the year of \$59.1m
- Net Profit turnaround relative to the FY12 loss
- Underlying profit up from \$18.3m to \$32.1m – refer page 7
- FY13 final dividend of 2 cents per share payable on 17 October 2013

Profit & Loss	FY13 (\$'000)	FY12 (\$'000)
Total Revenue	92,154	64,183
Fair Value movement of Investment Property	59,079	(99,808)
Gain on Acquisition	63,620	-
Total Expenses	(87,281)	(59,642)
Finance Costs	(8,589)	(8,416)
Net Profit before tax	118,983	(103,683)
Tax benefit / (expense)	1,288	(37,968)
Net Profit after tax¹	120,271	(141,651)

FY13 - Financial Performance

- Underlying profit up from \$18.2m to \$32.1m
- Sold new sales stock through FY13 delivering realised development margins of 16.6%
- Resales gains increased with the larger portfolio

Underlying Profit ¹	FY13 (\$000)	FY12 (\$000)
Net profit after tax	120,271	(141,651)
Fair Value movement of Investment Property	(59,079)	99,808
Gain on acquisition	(63,620)	-
Realised gain on resales	27,630	19,451
Realised development margin	8,139	2,642
Tax benefit / (expense)	(1,288)	37,968
Underlying profit	32,053	18,218

¹ Underlying profit differs from IFRS net profit after tax. The directors have provided the underlying profit measure to assist readers in determining the realised and non-realised components of the fair value movement of investment property and tax expense in the Group's income statement. Underlying profit is an industry-wide measure. The underlying profit is subject to volatility around the realised development margins and realised gains on resales.

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FY13 - Financial Performance

Operating Cash flow	FY13 (\$000)	FY12 (\$000)
Resident Receipts	77,688	56,376
ORA Sales & Resales	199,064	113,921
Payments to Suppliers	(77,940)	(54,917)
ORA Repurchases	(122,564)	(74,098)
GST	(2,138)	(1,782)
Interest Received	116	104
Interest Paid	(9,210)	(7,629)
Acquisition & integration costs	(4,140)	(975)
Net Operating Cash (per statutory cash flow)	60,876	31,000
Operating Cash flow with Sales & Resales Split		
Sales Revenue	48,870	20,372
Net Resales Revenue	27,630	19,451
Net ORA Revenue	76,500	39,823
Net Operating Performance	(2,274)	(219)
Net Operating Cash (excluding interest and merger Cost)	74,226	39,604
Interest Paid	(9,210)	(7,629)
Acquisition & integration costs	(4,140)	(975)
Net Operating Cash	60,876	31,000

- Operating cash flow 96% ahead of FY12
- Operating cash flow excluding interest and merger costs was \$74.2m¹, 22% ahead of the 26 June 2012 prospectus guidance
- Net Operating performance a significant improvement since the half year – (\$4.980m)

FY13 – Financial Performance

- Total Assets have grown 55% as a result of the PLC and VSL merger and revaluations
- Net Equity has increased by 63% as a result of the gain on acquisition, fair value movement and the \$70m equity placement in June 2013
- NTA per share up 14%
- Embedded Value per unit up slightly following the merger

Balance Sheet	FY13 (\$'000)	FY12 (\$'000)
Cash & Other Assets	14,674	24,689
Property Plant & Equipment	28,561	33,056
Investment Properties (refer page 10)	1,861,044	1,168,780
Total Assets	1,904,279	1,226,525
Payables & Other Liabilities	17,194	16,195
Bank Loans (refer page 11)	55,476	68,781
Deferred Membership Fees	73,320	42,586
Refundable Occupation Right Agreements	981,319	618,814
Deferred Tax	59,174	41,264
Total Liabilities	1,186,483	787,640
Total Equity	717,796	438,885
NTA ¹ (\$ per share)	3.46	3.04
Embedded Value ² (\$'000)	431,354	265,091
Embedded Value per Unit (\$'000)	116	114

¹ Shares on issue for the purpose of NTA per share excludes shares held as treasury stock for the executive share scheme as detailed in note 15 of the half year financial statements

² Embedded value above is calculated by taking the sum of the list prices of units across our portfolio, deducting the resident refundable loan liability as per the balance sheet and company-owned stock items. Management Fee receivable is as per note 17 of the Financial Statements. Adjustments have been made for the Palmerston North joint venture.

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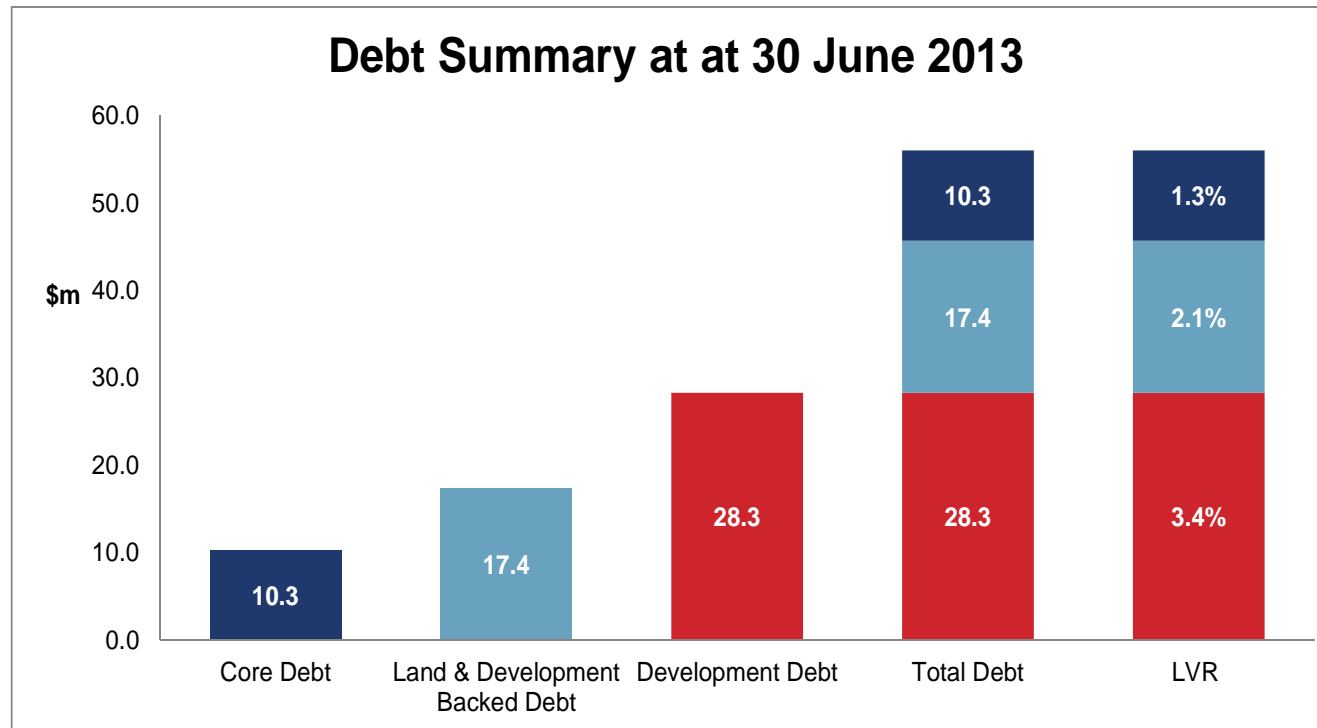


FY13 – Financial Performance

Investment Properties	FY13 (\$'000)	FY12 (\$'000)
Investment Properties Under Development	52,045	23,297
Completed Investment Properties at Fair Value	758,415	490,785
Total Valuation	810,460	514,082
Plus: Refundable Occupation Right Agreement Amounts	1,192,469	733,893
Plus: Residents' Share of Capital Gains	29,822	29,044
Plus: Deferred Membership Fees	73,320	42,586
Less: Membership Fee Receivables	(236,797)	(140,515)
Less: Occupation Right Agreement Receivables	(8,230)	(10,310)
Total Investment Properties	1,861,044	1,168,780

- The value of total investment properties has grown by 59% on FY12 and is in line with the 26 June 2012 prospectus guidance
- Investment properties under development has grown with the purchase of the Vision land bank, Unsworth Heights, Glenfield and development activity at The Poynton (stage 3)
- CBRE completed its second year of valuations. Discount rates and property price growth assumptions have remained largely unchanged:
 - Discount rates range between 12.3% – 16.5%
 - Property price growth assumptions range between 1.8% – 3.5%

FY13 – Financial Performance



- Core facility limit \$50m expiring 30 September 2015
- Development facility limit \$100m expiring 30 September 2016

- Following the equity placement with proceeds repaying debt the balance was \$56.0m
- The Loan to Value Ratio is 6.8%¹
- The SPP proceeds received in July 2013 repaid the remaining Core Debt
- Capital raising activities have achieved the objective of substantially removing all non-development based debt



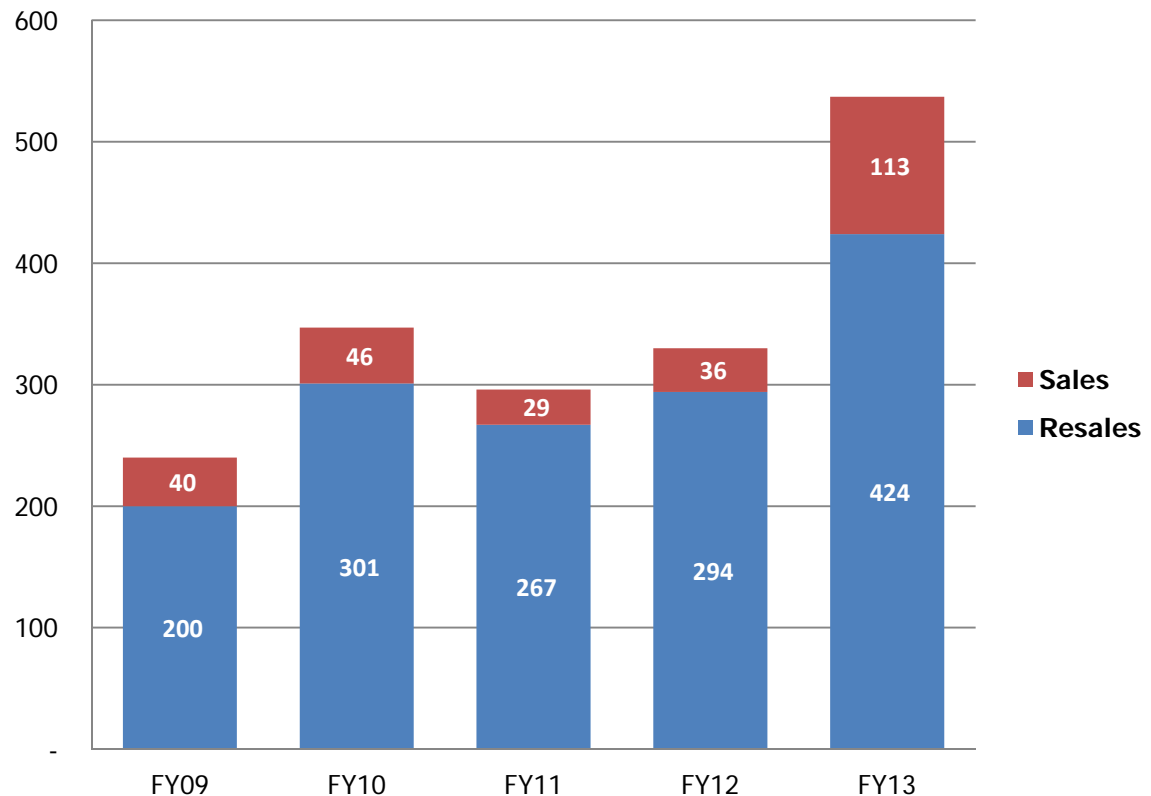
Pinesong. Titirangi, Auckland

3. Operating Metrics

Operating Metrics – Sales & Resales Volumes

- Settlement volumes up 63% on FY12 predominantly as a result of the merger
- Gross resales cash flows \$150.2m (\$93.5m for FY12)
- Gross sales cash flows \$48.9m (\$20.4m for FY12)
- ILU resales were 327 (183 FY12) and SA resales were 97 (111 FY12)

Sales & Resales



The operating metrics section includes non-GAAP financial measures for sales, resales and occupancy which assists the reader with understanding the volumes of units settled during the period and the impact that sales and resales during the period have had on occupancy as at the end of the period.

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Operating Metrics – Sales & Resales Cash

Settlements	FY13	FY12	FY11
	\$'000	\$'000	\$'000
Sales Cash	48,870	20,372	15,707
Resales Cash	150,194	93,549	98,026
Total Settlements Cash	199,064	113,921	113,733
Resales Cash net of repurchases	27,630	19,451	19,476
DMF Realised	23,833	12,944	11,089

- Net resales cash (capital gain) per resale consistent with FY12
- DMF cash has grown significantly with the larger portfolio
- DMF cash per settlement has also grown strongly with the larger portfolio from \$44k to \$56k per settlement

The operating metrics section includes non-GAAP financial measures for sales, resales and occupancy which assists the reader with understanding the volumes of units settled during the period and the impact that sales and resales during the period have had on occupancy as at the end of the period.

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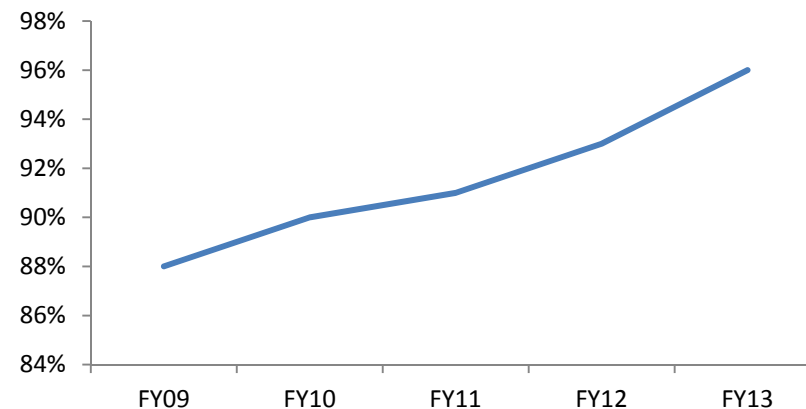


Operating Metrics – Resales Occupancy

Resales % Occupancy	FY13 ¹	FY12	FY11
Independent Living Units	97%	94%	94%
Serviced Apartments	88%	87%	79%
Total Resales Occupancy	96%	93%	91%

- Occupancy has continued to improve over the last 3 years
- The occupancy numbers above exclude units which are currently under contract. If these contracts were included total occupancy would be 97%
- There were 51 completed sales stock items available as at 30 June 2013, including 17 under contract

Resales Stock Occupancy



The operating metrics section includes non-GAAP financial measures for sales, resales and occupancy which assists the reader with understanding the volumes of units settled during the period and the impact that sales and resales during the period have had on occupancy as at the end of the period.

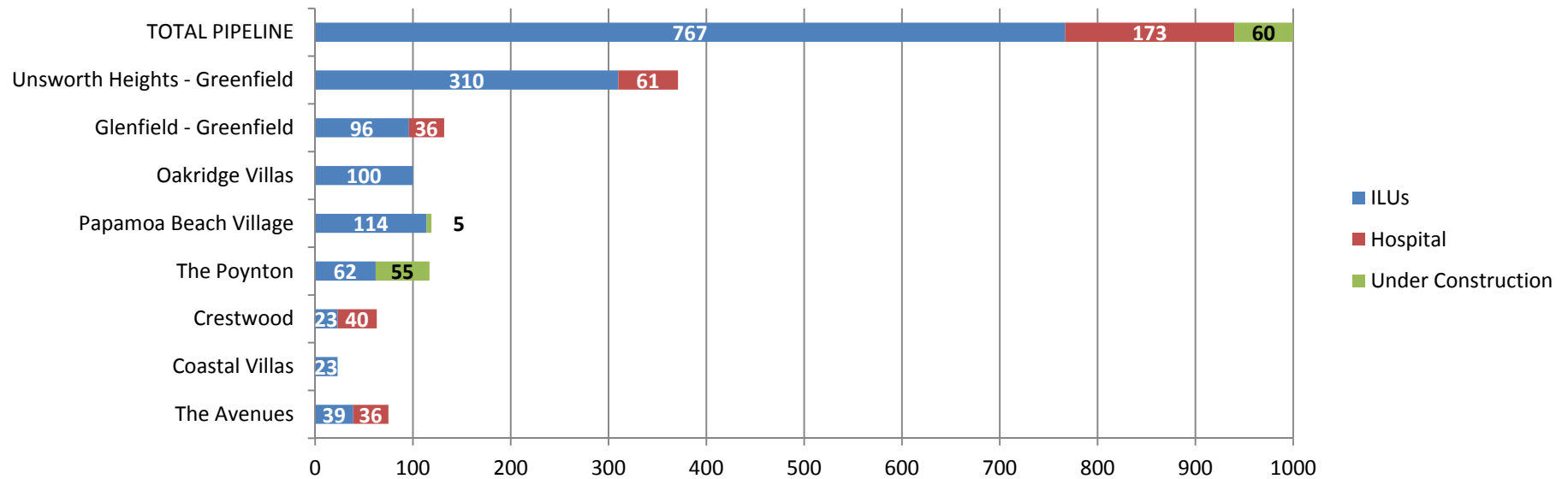


4. Development & Growth

Stage 3 July 2013 – The Poynton - Auckland

Development & Growth

Development Pipeline as at 30 June 2013

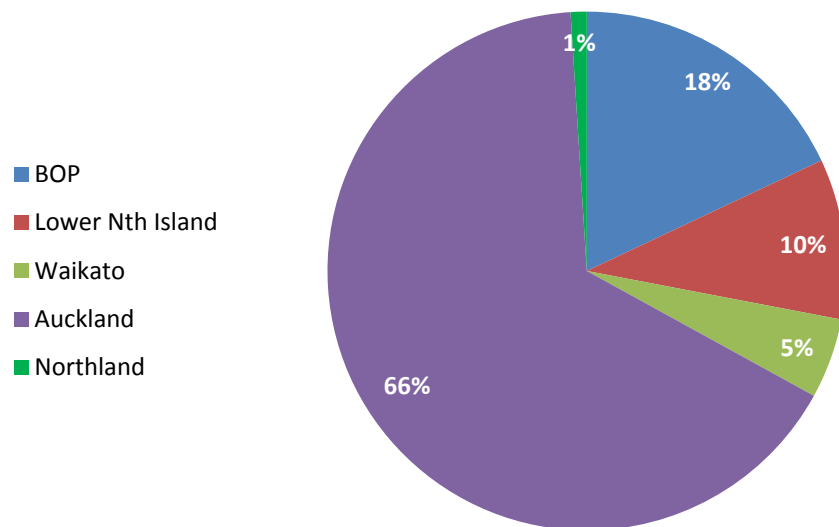


- Brownfield and greenfield development pipeline of 1,000 units and care beds
 - 60 currently under construction
- Target sustainable development rate of 200+ unit per annum by FY15

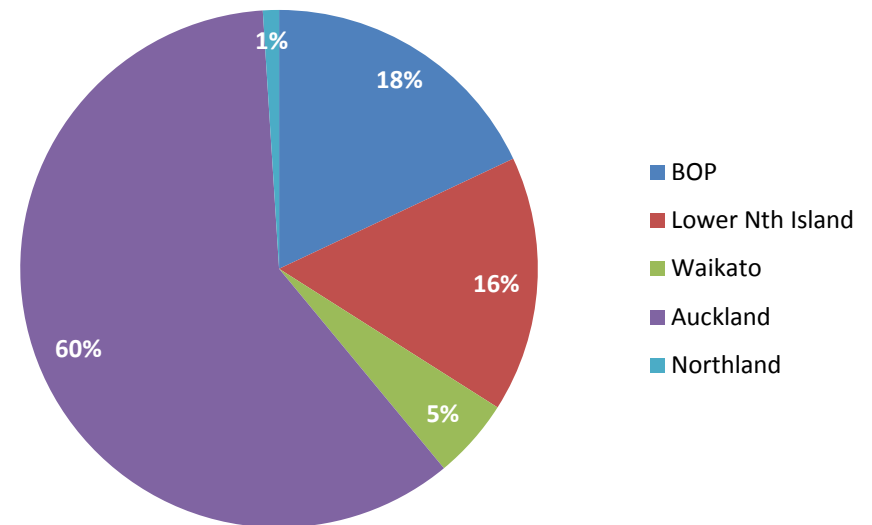
Development & Growth

Metlifecare will continue to focus on the premium Auckland, Hamilton and Bay of Plenty regions.

Metlifecare Comparison
Exposure by Value



Metlifecare Comparison
Exposure by Units



Development & Growth

Continuum of Care - Metlifecare is seeking to increase the proportion of care within the organisation by offering care in new developments as well as increasing care where possible on brownfield sites

- Metlifecare will seek to establish new villages with a minimum of 20% of the new built stock being care-related beds or apartments
- Greenfield sites Unsworth Heights and Glenfield will be developed as follows:
 - Glenfield: 36 care beds and 96 Apartments
 - Unsworth Heights: 61 care beds and apartments and 310 independent living units





The Avenues, Tauranga

5. Business & Market

Market & Business

Our Business

- Provision of quality retirement living and aged care services
- Development of retirement and aged care facilities designed to meet the unique needs of each community in which we are located
- Five revenue streams
 - Village Operations
 - Village Services
 - Care Services
 - Sales and Resales
 - Development Margins



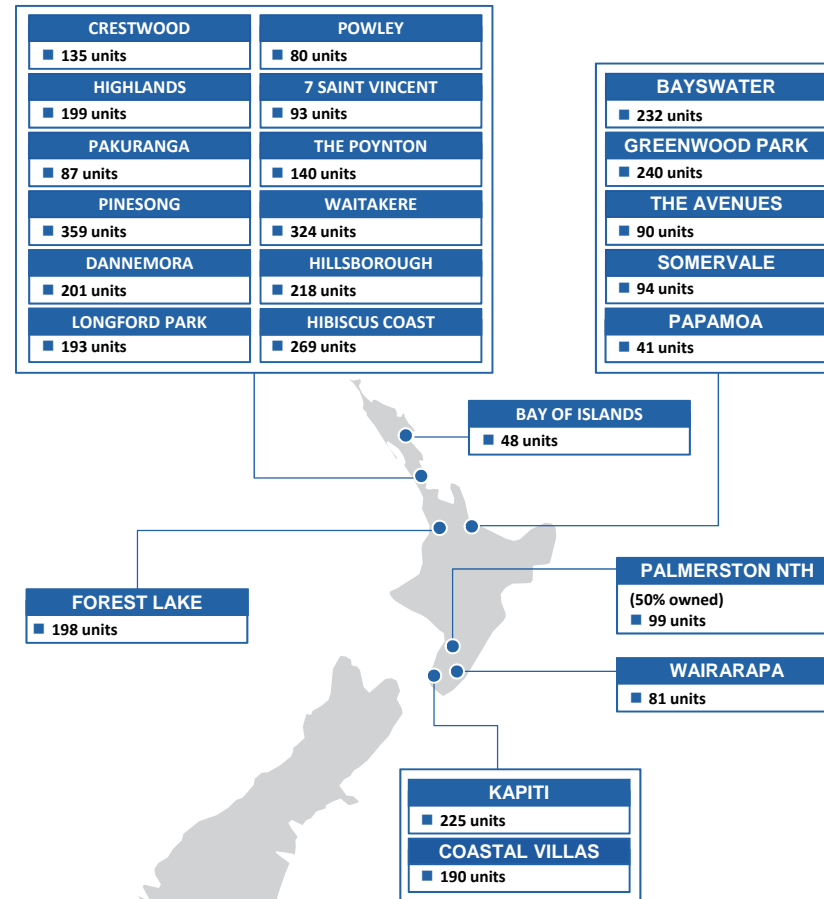
Our Goals

- To maintain a leadership position in the industry and.....
 - To achieve a sustainable build rate of 200 units per year by 2015 through both greenfield and brownfield development
 - To increase the company's exposure to rest home and hospital care services
 - To optimise cash flows through strategic portfolio management
 - To further enhance the performance of the existing villages

Portfolio Overview

Metlifecare Portfolio Statistics

23	Villages (12 in Auckland)
3,836	Units (60% in Auckland by volume)
359	Care Beds
940	Units and Care beds available for development
60	Units under construction
4,700 plus	Residents
92% plus	Resident satisfaction within Villages

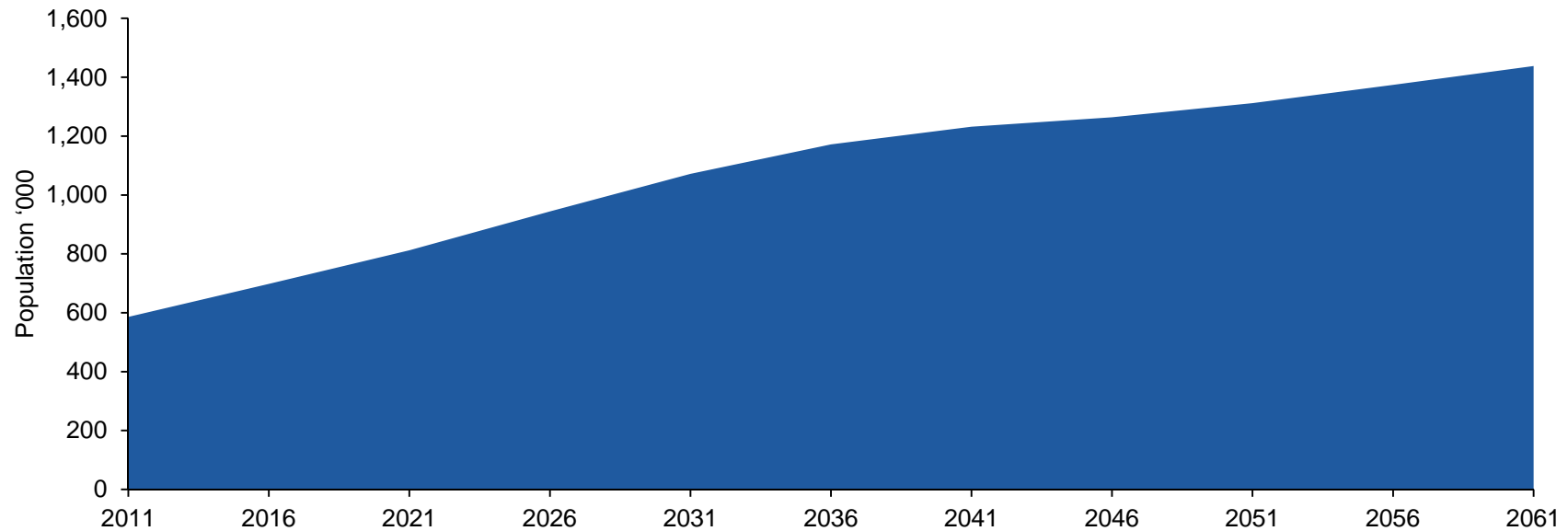


Market Opportunity

Compelling Demographic story

- Over 20,000 pa growth in + 65 age group in New Zealand
- Over 12,000 pa growth in + 75 age group in New Zealand
- Life span will increase – males from 78 to 85 years and females from 82 to 89 years

Population Aged 64 Years and Older



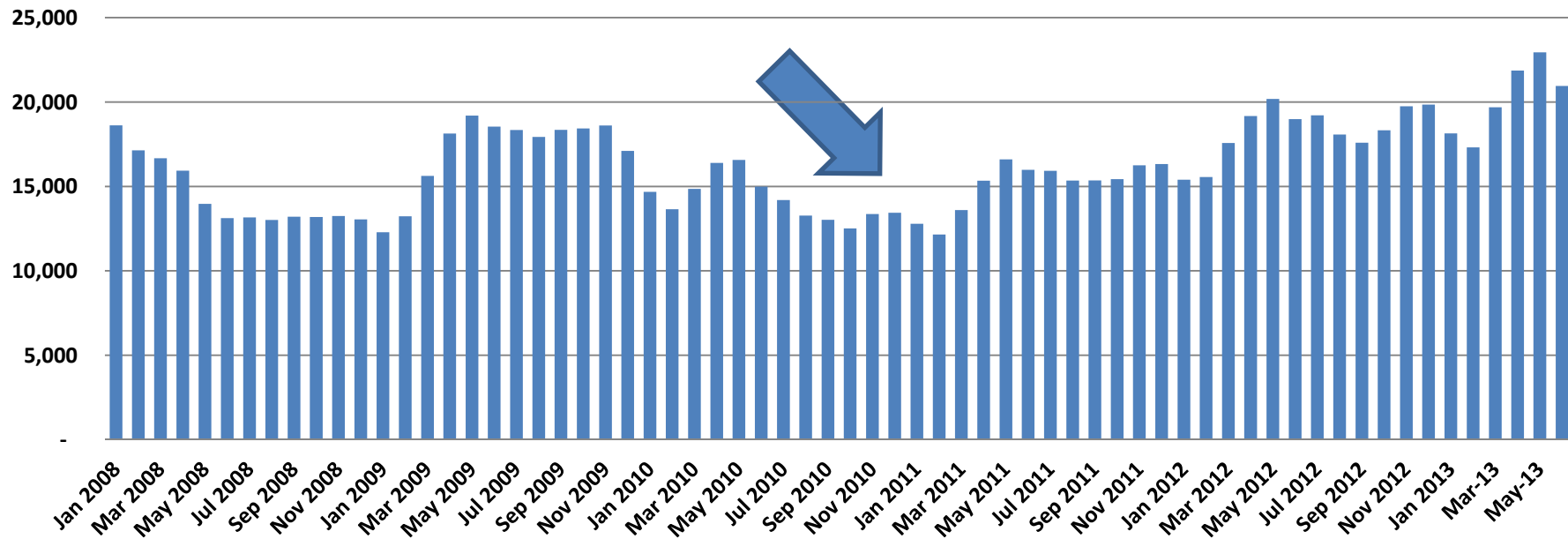
Source: Statistics New Zealand

Market Conditions

Residential property market volumes

- The ability to enter a retirement village almost always requires the sale of the family home
- Low sales volumes negatively impact the saleability of intending residents homes
- Volumes are have improved relative to lows during first half of calendar year 2011

New Zealand – No of sales (Rolling 3 month average)



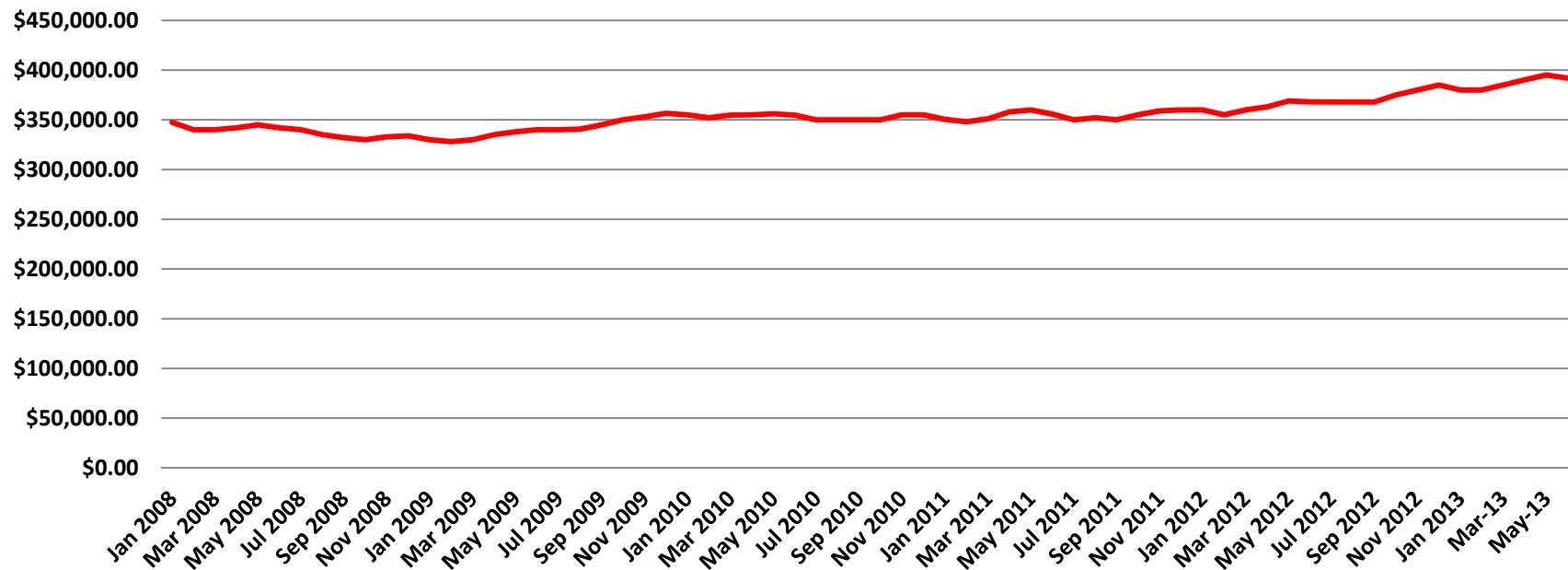
Source: REINZ

Market Conditions

Residential property market pricing

- Pricing in the residential property market has held up over the past 12 months showing signs of steady increases

New Zealand Real Estate Market (Medium Sale Price Rolling 3 Month Average)



Source: REINZ

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Dannemora Gardens, Auckland

Appendix

Portfolio Summary

Metlifecare Portfolio as at 30 June 2013												
Villages	ILU's	ILA's	SA's	Total	Care Beds	Care Suits	Total	Future ILU's and ILA's	Under Construction	Future Hosp	Total	Overall Total
Avenues	-	90	-	90	-	-	0	39	-	36	75	165
Bayswater	159	56	17	232	-	6	6	-	-	-	0	238
Coastal	133	8	49	190	30	-	30	23	-	-	23	243
Crestwood	121	-	14	135	41	-	41	23	-	40	63	239
Dannemora Gardens	-	201	-	201	-	-	0	-	-	-	0	201
Forest Lake Gardens	142	56	-	198	-	-	0	-	-	-	0	198
Glenfield - Greenfield	-	-	-	0	-	-	0	96	-	36	132	132
Greenwood Park	146	79	15	240	-	-	0	-	-	-	0	240
Hibiscus Coast Village	150	71	48	269	-	-	0	-	-	-	0	269
Highlands	129	-	70	199	41	-	41	-	-	-	0	240
Hillsborough Heights Village	176	-	42	218	-	-	0	-	-	-	0	218
Kapiti	225	-	-	225	-	-	0	-	-	-	0	225
Longford Park Village	144	7	42	193	-	-	0	-	-	-	0	193
Oakridge Villas	48	-	-	48	-	-	0	100	-	-	100	148
Pakuranga	69	-	18	87	60	-	60	-	-	-	0	147
Palmerston	49	-	50	99	38	-	38	-	-	-	0	137
Papamoa Beach Village	41	-	-	41	-	-	0	114	5	-	119	160
Pinesong	100	232	27	359	-	10	10	-	-	-	0	369
Powley	46	-	34	80	45	-	45	-	-	-	0	125
Poynton	-	125	15	140	-	5	5	62	55	-	117	262
Seven Saint Vincent	-	81	12	93	-	2	2	-	-	-	0	95
Somervale	83	-	11	94	40	-	40	-	-	-	0	134
Unsworth Heights - Greenfield	-	-	-	0	-	-	0	310	-	61	371	371
Wairarapa	56	-	25	81	41	-	41	-	-	-	0	122
Waitakere Gardens	-	324	-	324	-	-	0	-	-	-	0	324
Total	2,017	1,330	489	3,836	336	23	359	767	60	173	1,000	5,195

Glossary of Terms

- Sales: The first time sale of ORA (new stock)
- Resales: The sale of an ORA where a sale has previously been completed
- ORA: Occupation Right Agreement
- LTO: License to Occupy
- Gross Settlement Value: Total purchase price paid
- Net Settlement Value: Total purchase price paid less existing repayment obligation
- Net Bank Debt: Bank loans less cash at bank
- ILU: Independent Living Unit
- SA: Serviced Apartment
- Relicensing: Resales of ORAs
- DMF – Deferred Management Fees

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