

12 August 2014

Company Announcements Office
Australian Stock Exchange Centre
Level 6
20 Bridge Street
Sydney NSW 2000
AUSTRALIA

Dear Sir/Madam

SUMMERSET GROUP HOLDINGS LIMITED (SNZ)
INTERIM RESULT (FOR THE SIX MONTHS TO 30 JUNE 2014)

Please find attached the financial information required by ASX Listing Rule 4.2A as well as other relevant documents.

Documents included in this release:

- Media release;
- Results presentation;
- Unaudited financial statements for the six months ended 30 June 2014 (including Ernst & Young's review report);
- Appendix 4D (and NZX Appendix 1);
- Appendix 7 (as required by NZX Listing Rule 7.12.2) detailing the interim dividend of NZ 1.4 cents per ordinary share to be paid on 8 September 2014 to those shareholders on the company's share register as at 5pm on 26 August 2014.
- Directors' declaration (ASX Listing Rule 4.2A.2) in respect of the interim financial statements and notes.

Yours faithfully



Leanne Walker
Company Secretary

NZX, ASX & MEDIA RELEASE

12 AUGUST 2014

SUMMERSET GROWTH REMAINS STRONG

- Underlying profit for 1H14 NZ\$9.4m compared to \$10.0m in 1H13
- Net profit after tax of NZ\$15.3 million, up 42% on 1H13
- Total assets of NZ\$921 million, up 21% on 1H13
- Two new villages opened in Karaka and Hobsonville
- 195 sales of occupation rights, up 3% on 1H13
- 136 new retirement units delivered, up 33% on 1H13, and a first half record
- Interim dividend of NZ 1.4 cents per share announced

Summerset Group Holdings Limited has announced its interim 2014 results, which show the retirement village operator progressing well with openings of new villages and care facilities around the country.

CEO Julian Cook said, "The business is trading well and we are investing in three new village openings this year. Karaka and Hobsonville have just opened and we are on track to open our New Plymouth village later in 2014. We are seeing good demand for homes in these villages, and they will all contribute to settlements over the second half of 2014 as residents move in."

The company's net profit after tax for 1H14 was NZ\$15.3 million, an increase of 42% in 1H13.

Total assets increased over the last 12 months by NZ\$157m, and are 21% higher than 1H13. Over the last three years the total assets of the company have grown by 69%.

Underlying profit for the first half of 2014 was NZ\$9.4 million. This includes costs related to new village starts and the start-up phase of new care facilities. In the last 12 months Summerset has opened new villages in Hobsonville and Karaka, and has opened care facilities in Nelson, Dunedin and Hamilton. Summerset's New Plymouth village will be opening in the second half of this year.

The Board has declared an interim dividend of 1.4 cents per share, amounting to a total of NZ\$3.0 million. The Board announced in February that Summerset will now pay both an interim and a final dividend. There is no change to the dividend policy whereby the total annual dividend will be between 30-50% of underlying profit in that year.

The dividend reinvestment plan will apply to this dividend with a discount of 2% applicable to those shareholders participating in the plan.

Resales of occupation rights were strong with a 23% increase on the first half of 2013 despite similar stock levels. While new sales were 9% lower than the same period of 2013, this is due to

the timing of retirement unit deliveries. Mr Cook said, "We have just opened two villages in Auckland, and together with the opening of New Plymouth and the extension to our Trentham village in the second half of the year we expect strong settlements of homes over the remainder of 2014."

Both Karaka and Hobsonville villages have seen stages of construction released early to cope with the high demand.

The company built 136 retirement units in the first six months of 2014 across six sites, including the two new Auckland sites.

Retirement units were also delivered at existing villages in Nelson, Dunedin, Katikati and Warkworth.

Mr Cook said, "Having delivered 136 retirement units in the first half of this year, we are in good stead to achieve our target of delivering 250 retirement units this year. We are on track to achieve a build of 300 retirement units per annum from next year."

As well as faster delivery of retirement units as Summerset heads towards its goal of 300 retirement units per annum from 2015, Mr Cook said the company is also seeing increased development margins at developing villages. "We have now internalised the management of construction on all of our sites, and we are seeing the results of this coming through in our development margins," he said.

Construction recently began at two sites the company acquired last year. The first stage of homes to be built in New Plymouth is underway. The completed village will have around 150 homes and a village centre with a 49-bed care facility. First homes are expected to be completed by the end of this year.

Construction also recently began in Trentham, where Summerset's existing village is to be almost doubled and new recreational facilities built, including care apartments; an innovation where residents can receive DHB-certified rest home-level care provided by Summerset, within the comfort of their care apartment.

Village centres and care facilities have opened at both Nelson and Dunedin during the first half of the year. The Dunedin village is now complete, while construction continues at Nelson. A village centre is also under construction at Summerset's Katikati village. When completed, this village centre will include a 49-bed care facility.

ENDS

Underlying profit differs from IFRS net profit after tax. The directors have provided an underlying profit measure to assist readers in determining the realised and non-realised components of fair value movement of investment property and tax expense in the group's income statement. Underlying profit is reconciled to IFRS profit in the results presentation attached to this announcement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions. Underlying profit is an industry wide measure which the group uses consistently across reporting periods.

For investor relations enquiries:

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ABOUT SUMMERSET

- Summerset is a leading nationwide retirement village operator with a focus on providing residents with a continuum of care. The integration of care facilities into Summerset's villages provides residents with the knowledge that care is available for them should their needs change.
- Summerset is the third largest operator, and the second largest developer of retirement villages in New Zealand, with 18 villages across the country. In addition, Summerset has five quality land sites in Casebrook, Ellerslie, Lower Hutt, New Plymouth and Wigram bringing the total number of sites to 23.
- The company is continually evaluating new sites to support the development of further villages based on demand.
- It provides a range of living options and aged-care facilities and services to more than 2,900 residents.
- Summerset was named best retirement village operator in New Zealand and Australia at the Australasian Over-50s Housing Awards in 2010, 2011 and 2012 and 2013.
- Summerset's senior management team is led by CEO Julian Cook.
- The Summerset Group has villages in Aotea, Dunedin, Hamilton, Hastings, Havelock North, Hobsonville, Karaka, Katikati, Levin, Manukau, Napier, Nelson, Palmerston North, Paraparaumu, Taupo, Trentham, Wanganui and Warkworth.



HALF YEAR RESULTS PRESENTATION

SIX MONTHS ENDED 30 JUNE 2014

SUMMERSET GROUP HOLDINGS LIMITED

12 August 2014





AGENDA

1H14 Result Highlights

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Business Overview

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1H14 RESULT HIGHLIGHTS





1H14 RESULT HIGHLIGHTS

STRONG SUMMERSET GROWTH CONTINUES

		1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Operational	New sales of occupation rights	105	116	-9.5%	228
	Resales of occupation rights	90	73	23.3%	174
	Total sales	195	189	3.2%	402
	New retirement units delivered	136	102	33.3%	209
Financial (NZ\$m)	Net operating cash flow	36.5	43.4	-15.8%	88.6
	Total assets	921.3	764.2	20.6%	844.9
	Underlying profit **	9.4	10.0	-6.1%	22.2
	Net profit before tax (IFRS)	15.1	10.5	43.3%	31.8
	Net profit after tax (IFRS)	15.3	10.8	41.9%	34.2

* Percentage movements based on unrounded amounts

** Underlying profit differs from net profit after tax (IFRS). Refer to slide 21 for the definition of underlying profit



1H14 RESULT HIGHLIGHTS

ON TRACK FOR 250 RETIREMENT UNITS IN FY14

- 136 new retirement units delivered, up 33% on 1H13 – on track for delivery of 250 retirement units in FY14
- New sales 9% lower than 1H13, due to timing of delivery
- Expect higher new sales in 2H14 driven by new villages – Karaka, Hobsonville, Trentham extension and New Plymouth
- Resale volumes up 23% - stock levels remain in line with 1H13
- Resales revenue has a lower tenure, higher mix of apartments, and a higher mix of developing villages
- Total revenue up 19% on 1H13, driven by increased occupancy of newer villages
- 1H14 net profit after tax (NZ IFRS) of \$15.3m up 42% on 1H13:
 - Fair value gain of \$14.2m includes \$6.2m related to development land in Auckland
- 1H14 underlying profit of \$9.4m
- Total assets of \$921m, up 21% on 1H13
- Interim dividend of 1.4 cents per share declared, amounting to \$3.0m

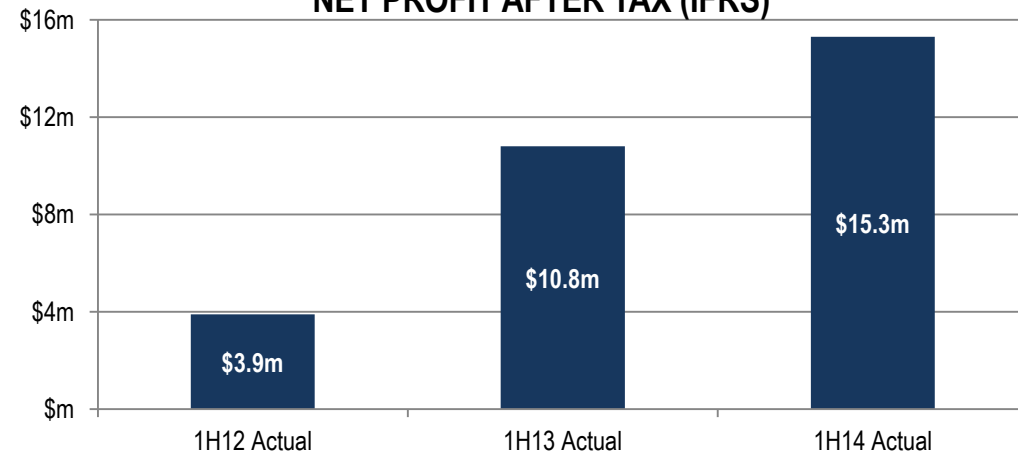




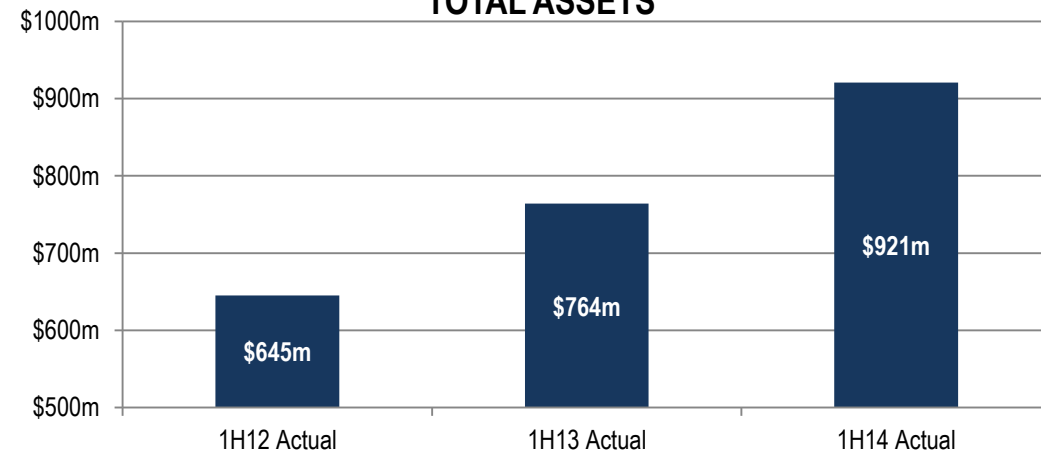
1H14 RESULT HIGHLIGHTS

POSITIVE TRENDS CONTINUE

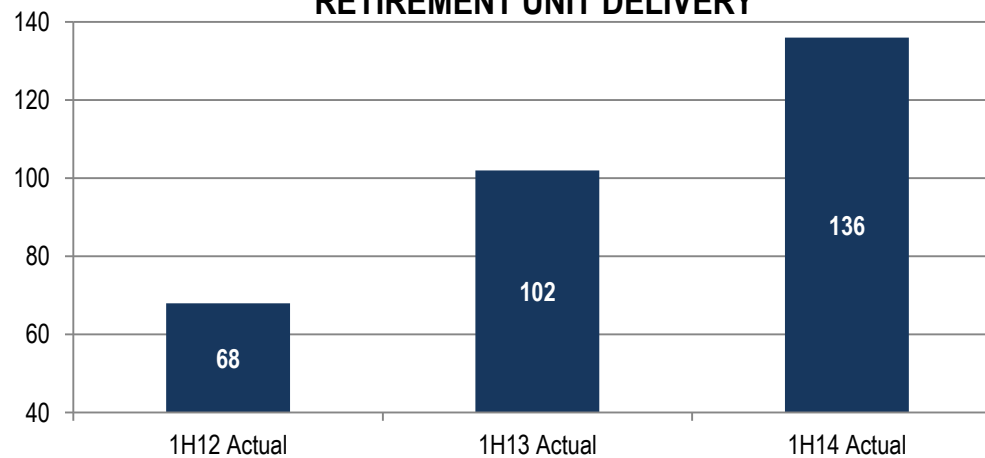
NET PROFIT AFTER TAX (IFRS)



TOTAL ASSETS



RETIREMENT UNIT DELIVERY





BUSINESS OVERVIEW





1H14 REVIEW

CONTINUED FOCUS ON GROWTH AND DELIVERY OF BUILD PROGRAMME

- Delivered 136 retirement units in 1H14, a record for Summerset, and 33% more than 1H13
- On track for delivery of 250 retirement units in FY14
- Karaka and Hobsonville villages opened in 1H14
- Two new village centres opened in Nelson and Dunedin
- Three care facilities opened in the last 12 months – Nelson, Hamilton and Dunedin
- Dunedin village now completed
- Commenced construction on the New Plymouth village as well as the Trentham village extension – these will open in 2H14
- Announced extension of existing Karaka site

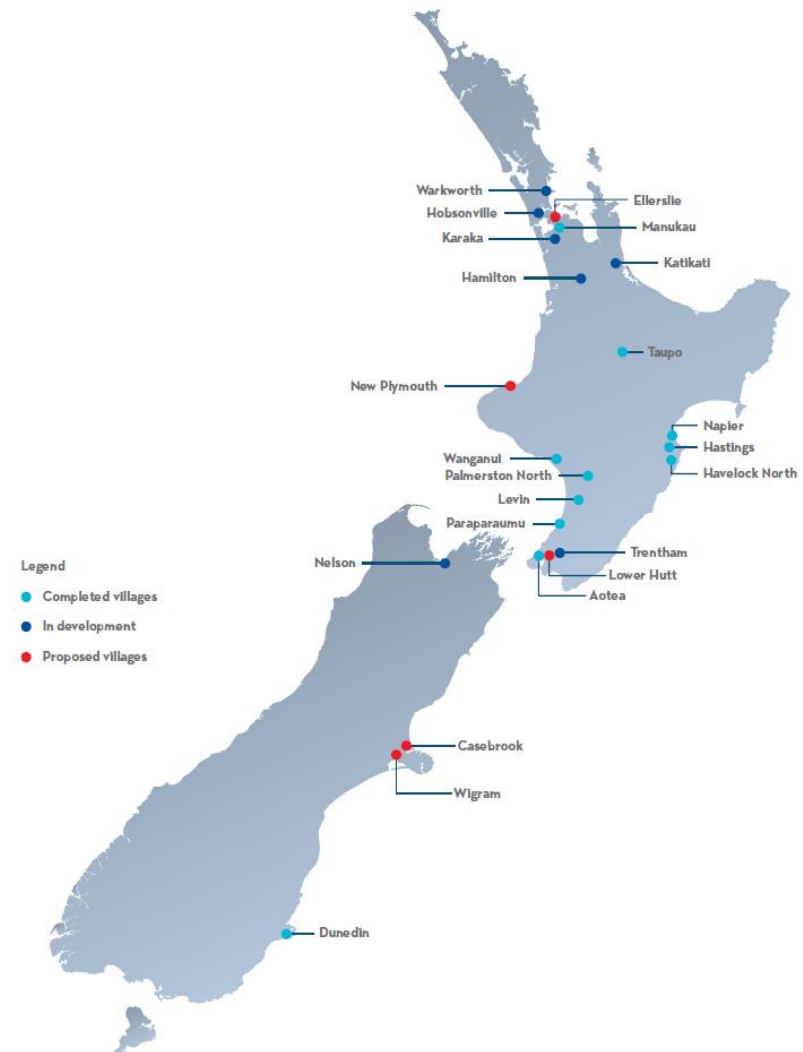




SUMMERSET SNAPSHOT

THIRD LARGEST OPERATOR, SECOND LARGEST DEVELOPER

- 1,991 retirement units (villas, apartments and care apartments)
- 483 care beds
- More than 2,900 residents
- 136 retirement units delivered in 1H14
- Build rate of around 250 retirement units in FY14
- Build rate guidance of 300 retirement units per annum by FY15





SUMMERSET STRATEGY

SUMMERSET BUILDS, OWNS AND OPERATES RETIREMENT VILLAGES IN NZ

- Focus on continuum of care model
- Internal development model
- Nationwide brand offering
- Customer centric philosophy – “we love the life you bring to us”
- Respect for everyday New Zealanders

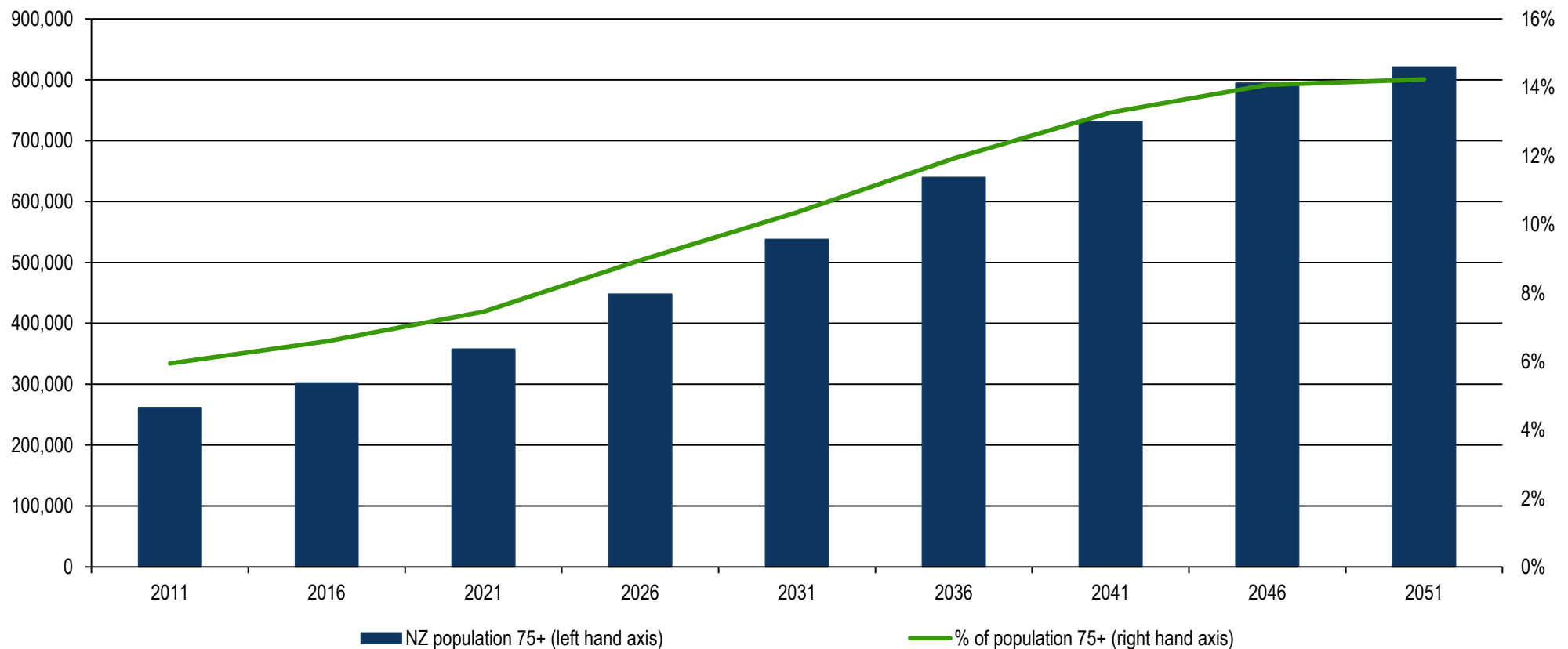




DEMOGRAPHICS

POPULATION OVER 75 YEARS FORECAST TO TRIPLE FROM 2011 TO 2051

POPULATION GROWTH 75 YEARS AND OVER

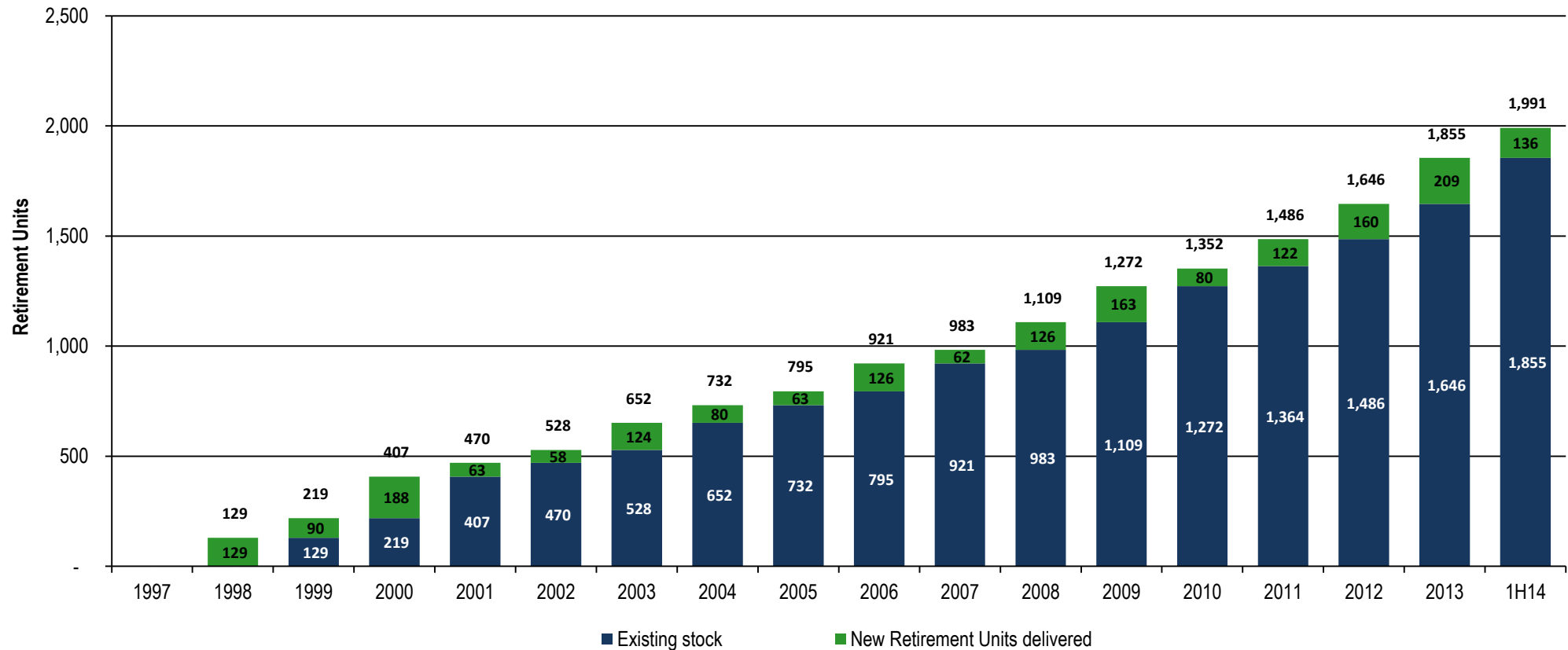




SUMMERSET GROWTH

17 YEARS OF CONSISTENT DELIVERY AND GROWTH

SUMMERSET PORTFOLIO GROWTH





1H14 DEVELOPMENT ACTIVITY

DELIVERY OF 136 RETIREMENT UNITS IN 1H14 ACROSS SIX SITES

- 136 retirement units delivered across six villages
- First retirement units in Karaka and Hobsonville delivered
- Dunedin village completed during 1H14
- Large main building programme underway:
 - Recently delivered main buildings in Nelson, Hamilton and Dunedin
 - Main building in Katikati currently underway, as well next stage extensions to the Nelson and Hamilton main buildings
 - Build of Hobsonville, Karaka and New Plymouth main buildings to commence shortly

Unit Delivery 1H14	Villas	Apartments	Care Apartments	Total	Care Beds
Dunedin	-	20	20	40	41
Hobsonville	11	-	-	11	-
Karaka	10	-	-	10	-
Katikati	20	-	-	20	-
Nelson	26	-	15	41	-
Warkworth	14	-	-	14	-
Total	81	20	35	136	41



1H14 DEVELOPMENT ACTIVITY

DELIVERY OF 136 RETIREMENT UNITS IN 1H14 ACROSS SIX SITES

Nelson



Dunedin



Hobsonville



Katikati



Warkworth



Karaka



FUTURE DEVELOPMENT

LAND BANK OF 2,001 RETIREMENT UNITS AND 587 CARE BEDS

- Land bank of 2,001 retirement units spread across brownfield and greenfield sites
- Additional pipeline of 587 care beds across existing sites
- Build target remains 300 retirement units by 2015
- Land bank provides in excess of six years of supply at build rate target
- Care bed build is additional to this target

	Land Bank - as at 30 June 2014 *				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Casebrook	195	-	38	233	80
Ellerslie	50	150	50	250	80
Hamilton	113	-	25	138	46
Hobsonville	114	70	30	214	90
Karaka	184	24	20	228	49
Katikati	113	20	-	133	49
Lower Hutt	40	96	42	178	49
Nelson	54	-	25	79	46
New Plymouth	108	-	40	148	49
Trentham	134	-	20	154	-
Warkworth	1	-	36	37	-
Wigram	156	-	53	209	49
Total	1,262	360	379	2,001	587

* Land bank reflects current intentions as at 30 June 2014



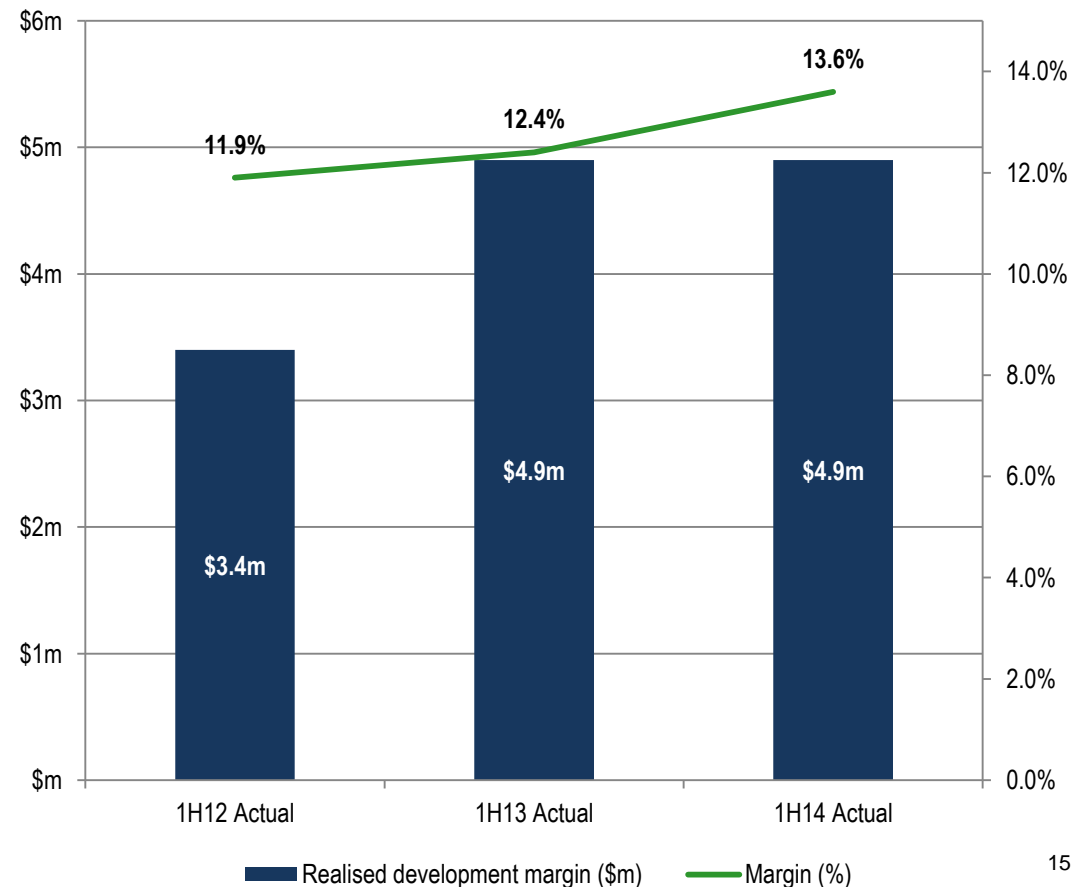
DEVELOPMENT MARGIN

REALISED DEVELOPMENT MARGIN \$4.9M

- Development margin continues to trend up
- Development margins on sites with internal construction management in line with medium term target of 17%+
- Construction on all sites managed by Summerset in FY14



REALISED DEVELOPMENT MARGIN





NEW SALES OF OCCUPATION RIGHTS

105 NEW SALES FOR 1H14

- 2H14 lift in sales expected associated with continued build programme and new villages opening
- New sales of occupation rights down versus 1H13:
 - Apartments: 10, up 100% on 1H13
 - Care Apartments: 10, up 100% on 1H13
- Settlements in four new villages due to commence in 2H14 – expect a corresponding lift in new sales

	1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Gross proceeds (\$m)	36.5	39.9	-8.4%	79.3
Villas	85	106	-19.8%	204
Apartments	10	5	100%	18
Care apartments	10	5	100%	6
Total occupation rights	105	116	-9.5%	228

* Percentage movements based on unrounded amounts



RESALES OF OCCUPATION RIGHTS

RESALES OF 90 OCCUPATION RIGHTS VERSUS 1H13 OF 73

- Realised resale gains up on 1H13:
 - Gross proceeds: \$28.9m, up 36% on 1H13
 - DMF realisation: \$3.1m, up 29% on 1H13
 - Occupation rights resold: 90, up 23% on 1H13
- Higher proportion of apartments sold 1H14 relative to 1H13
- Lower average resale gains per unit associated with higher mix of both newer villages and shorter tenure
- 32 resale occupation rights available for sale at 30 June 2014

	1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Gross proceeds (\$m)	28.9	21.2	36.4%	51.6
Realised resale gains (\$m)	3.6	4.6	-22.6%	9.7
DMF realisation (\$m)	3.1	2.4	29.3%	6.2
Villas	46	42	9.5%	105
Apartments	33	17	94.1%	34
Care apartments	11	14	-21.4%	35
Total occupation rights	90	73	23.3%	174

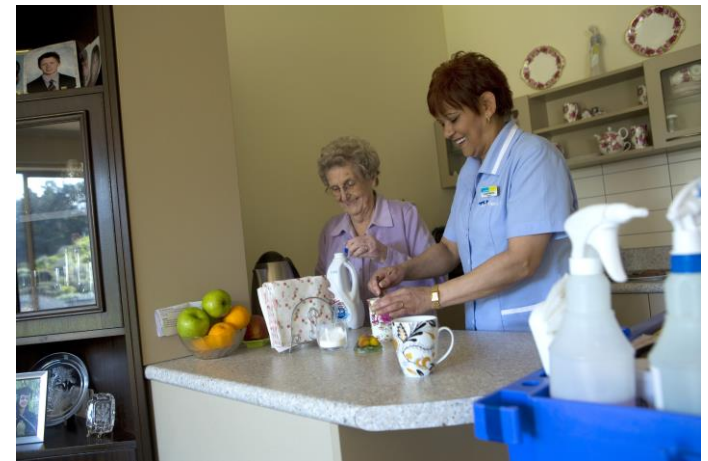
* Percentage movements based on unrounded amounts



OPERATIONS AND STAFF

FOCUS ON CLINICAL QUALITY AND STAFF TRAINING

- Further pay increases for care staff aligned to qualifications - enhancements to Stepping Up programme
- Continuing focus on a strong clinical quality framework, including additions to the clinical quality team
- New clinical quality sub-committee of the Board in line with our commitment to providing excellence in care
- Care beds recently added to portfolio in both Nelson and Dunedin





FINANCIAL RESULTS





1H14 REPORTED PROFIT (IFRS)

NET PROFIT AFTER TAX UP 42% VERSUS 1H13

- NPAT up \$4.5m relative to 1H13
- 1H14 total revenue up 19% versus 1H13
- 1H14 total expenses up 18% versus 1H13, which include higher operating costs associated with new villages and opening of care facilities
- Fair value movement of investment property up 41% versus 1H13 reflecting:
 - Positive property market movements over the last six months
 - Includes \$6.2m fair value gain on development land in Auckland

NZ (\$m)	1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Total revenue	25.2	21.2	19.3%	45.2
Fair value movement of investment property	14.2	10.1	40.7%	29.7
Total income	39.5	31.3	26.2%	74.9
Total expenses	21.4	18.1	18.1%	38.6
Net finance costs	2.9	2.6	13.6%	4.6
Net profit before tax	15.1	10.5	43.3%	31.8
Tax (credit)/ expense	(0.2)	(0.3)	-24.0%	(2.5)
Net profit after tax	15.3	10.8	41.9%	34.2

* Percentage movements based on unrounded amounts



1H14 UNDERLYING PROFIT

UNDERLYING PROFIT \$9.4M FOR 1H14

- Continuing strong underlying profit performance
- Underlying profit of \$9.4m includes costs related to new village starts and the start-up phase of new care facilities
- Higher development margin % achieved, resulting in similar realised development margin despite less new sales in the period

NZ (\$m)	1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Reported profit after tax	15.3	10.8	41.9%	34.2
Less fair value movement of investment property	(14.2)	(10.1)	40.7%	(29.7)
Add realised gain on resales	3.6	4.6	-22.6%	9.7
Add realised development margin	4.9	4.9	0.0%	10.5
Less deferred tax credit	(0.2)	(0.2)	-24.0%	(2.5)
Underlying profit	9.4	10.0	-6.1%	22.2

* Percentage movements based on unrounded amounts

Underlying profit differs from IFRS net profit after tax. The directors have provided an underlying profit measure to assist readers in determining the realised and non-realised components of fair value movement of investment property and tax expense in the group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions. Underlying profit is an industry wide measure which the group uses consistently across reporting periods.



1H14 CASH FLOWS

STRONG INVESTMENT IN NEW VILLAGE BUILDS

- Net operating cash flow of \$36.5 million for 1H14
- Expect an increase in net operating cash flow in 2H14 in line with sales in new villages
- Strong investment in new villages, with a spend of \$54.9 million in new land and builds in 1H14
- Dividend paid in 1H14 for a total of \$7.0m

NZ (\$m)	1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Care fees and village services	16.7	14.2	17.2%	31.8
Interest received	0.1	0.1	25.0%	0.2
Payments to suppliers and employees	(19.6)	(16.3)	20.5%	(36.9)
Net receipts for resident loans	39.4	45.4	-13.2%	93.5
Net operating cash flow	36.5	43.4	-15.8%	88.6
Acquisition of PPE & IP	(54.9)	(38.8)	41.6%	(108.1)
Other investing cash flows	(1.2)	(0.3)	285%	(1.5)
Net investing cash flow	(56.1)	(39.1)	43.5%	(109.5)
Proceeds from / (repayment of) bank loans	27.2	0.5	4930%	27.1
Dividends paid	(7.0)	(5.3)	31.3%	(5.3)
Proceeds from issue of shares	2.9	3.2	-8.4%	3.7
Other financing cash flows	(1.9)	(1.9)	3.5%	(4.3)
Net financing cash flows	21.1	(3.5)	N/A	21.2
Net increase in cash	1.5	0.8	91.2%	0.3

* Percentage movements based on unrounded amounts



1H14 BALANCE SHEET

TOTAL ASSETS OF \$921M, UP 21% FROM \$764M IN 1H13

- Net asset growth of 14% from 1H13
- Investment property valuation of \$845m
- Other assets include land and buildings (primarily care facilities)
- Uplift in bank lending reflects continued increase in build rates and infrastructure investment
- Embedded value of \$167m, \$84k per retirement unit, as at 30 June 2014:
 - \$97m capital gain
 - \$70m deferred management fee

NZ (\$m)	1H14 Actual	1H13 Actual	1H14 Actual vs. 1H13 Actual *	FY13 Actual
Investment property	844.6	706.2	19.6%	776.6
Other assets	76.7	58.0	32.2%	68.3
Total assets	921.3	764.2	20.6%	844.9
Residents' loans	447.2	374.0	19.6%	414.2
Bank loans	132.4	78.7	68.3%	105.3
Other liabilities	48.8	53.9	-9.5%	43.5
Total liabilities	628.4	506.6	24.0%	563.0
Net assets	292.9	257.6	13.7%	281.9
Embedded value	167.3	143.4	16.6%	147.3
NTA (cents per share)	135	120	12.5%	131

* Percentage movements based on unrounded amounts



INTERIM DIVIDEND





1H14 INTERIM DIVIDEND

SUMMERSET BOARD DECLARES 1H14 INTERIM DIVIDEND

- The Summerset Board have declared an interim dividend of 1.4 cents per share, unimputed
- This represents a total pay-out of approximately \$3.0m
- The board has announced Summerset will now pay an interim and final dividend. There is no change to the dividend policy whereby the total annual dividend will be between 30-50% of underlying profit in that year
- The dividend reinvestment plan (DRP) will apply to this dividend enabling shareholders to take shares in lieu of the cash dividend
- A discount of 2% will be applied when determining the price per share of shares issued under the DRP
- Eligible investors wishing to take up the DRP must register by 5pm NZT on the 27th of August 2014. Any applications received on or after this time will be applied to subsequent dividends
- The interim dividend will be paid on the 8th September 2014. The record date for final determination of entitlements to the interim dividend is the 26th August 2014



QUESTIONS?



DISCLAIMER

This presentation may contain projections or forward looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties.

Actual results may differ materially from those stated in any forward looking statement based on a number of important factors and risks.

Although management may indicate and believe the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised.

Furthermore, while all reasonable care has been taken in compiling this presentation, Summerset accepts no responsibility for any errors or omissions.

This presentation does not constitute investment advice.

APPENDIX





PORTFOLIO AS AT 30 JUNE 2014

1,991 RETIREMENT UNITS AND 483 CARE BEDS

	Existing Portfolio – as at 30 June 2014				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Aotea	96	33	38	167	-
Dunedin	61	20	20	101	41
Hamilton	74	-	10	84	30
Hastings	146	5	-	151	-
Havelock North	94	28	-	122	41
Hobsonville	11	-	-	11	-
Karaka	10	-	-	10	-
Katikati	43	-	-	43	-
Levin	64	22	-	86	28
Manukau	89	67	27	183	52
Napier	94	26	20	140	48
Nelson	160	-	15	175	42
Palmerston North	90	12	-	102	41
Paraparaumu	92	22	-	114	41
Taupo	94	34	18	146	-
Trentham	92	12	20	124	41
Wanganui	70	18	12	100	37
Warkworth	122	2	8	132	41
Total	1,502	301	188	1,991	483



LAND BANK AS AT 30 JUNE 2014

LAND BANK OF 2,001 RETIREMENT UNITS AND 587 CARE BEDS

	Land Bank - as at 30 June 2014 *				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Casebrook	195	-	38	233	80
Ellerslie	50	150	50	250	80
Hamilton	113	-	25	138	46
Hobsonville	114	70	30	214	90
Karaka	184	24	20	228	49
Katikati	113	20	-	133	49
Lower Hutt	40	96	42	178	49
Nelson	54	-	25	79	46
New Plymouth	108	-	40	148	49
Trentham	134	-	20	154	-
Warkworth	1	-	36	37	-
Wigram	156	-	53	209	49
Total	1,262	360	379	2,001	587

* Land bank reflects current intentions as at 30 June 2014



SUMMERSET GROUP HOLDINGS LIMITED

Interim Financial Statements

For the six months ended 30 June 2014

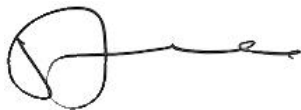
Directors' Report

The directors have pleasure in presenting the interim financial statements of Summerset Group Holdings Limited and its subsidiaries (the "Group") for the six months ended 30 June 2014.

The interim financial statements of the Group have been prepared in accordance with New Zealand law and generally accepted accounting practice, and give a true and fair view of the financial position of the Group at 30 June 2014 and the results of the Group's operations and cash flows for the six months ended 30 June 2014.

The interim financial statements presented are signed for and on behalf of the Board and were authorised for issue on 11 August 2014.

The interim financial statements have been subject to review by the Group's auditors, Ernst & Young.



Rob Campbell
Director and Chairman of the Board



James Ogden
Director and Chairman of the Audit Committee

Summerset Group Holdings Limited
Income Statement
For the six months ended 30 June 2014

	Note	6 months Jun 2014 unaudited \$000	6 months Jun 2013 unaudited \$000	12 months Dec 2013 audited \$000
Care fees and village services		17,297	14,460	30,724
Deferred management fees		7,812	6,591	14,275
Interest received		125	100	209
Total revenue		25,234	21,151	45,208
Fair value movement of investment property		14,242	10,121	29,722
Total income		39,476	31,272	74,930
Operating expenses	2	20,264	17,244	36,644
Depreciation and amortisation expense		1,151	886	1,922
Total expenses		21,415	18,130	38,566
Operating profit before financing costs		18,061	13,142	36,364
Finance costs		2,949	2,595	4,609
Profit before income tax		15,112	10,547	31,755
Income tax credit		(171)	(225)	(2,468)
Profit for the period		15,283	10,772	34,223
Basic earnings per share (cents)	6	7.11	5.04	15.99
Diluted earnings per share (cents)	6	7.04	5.00	15.87
Net tangible assets per share (cents)	6	135.45	119.92	131.24

Statement of Comprehensive Income
For the six months ended 30 June 2014

	6 months Jun 2014 unaudited \$000	6 months Jun 2013 unaudited \$000	12 months Dec 2013 audited \$000
Profit for the period	15,283	10,772	34,223
Other comprehensive income			
Fair value movement of interest rate swaps	(328)	290	1,417
Tax on items of other comprehensive income	92	(81)	(397)
Other comprehensive income which will be reclassified subsequently to profit or loss for the period net of tax	(236)	209	1,020
Total comprehensive income for the period	15,047	10,981	35,243

All profit and total comprehensive income is attributable to Parent Company shareholders and is from continuing operations.

The accompanying notes form an integral part of these interim financial statements.

Summerset Group Holdings Limited
Statement of Changes in Equity
For the six months ended 30 June 2014

	Share capital \$000	Hedging reserve \$000	Revaluation reserve \$000	Maintenance reserve \$000	Retained earnings \$000	Total equity \$000
At 1 January 2013	233,875	(577)	7,504	47	7,945	248,794
Profit for the period	-	-	-	-	10,772	10,772
Other comprehensive income for the period	-	209	-	-	-	209
Total comprehensive income for the period	-	209	-	-	10,772	10,981
Dividends paid	-	-	-	-	(5,342)	(5,342)
Shares issued	3,155	-	-	-	-	3,155
Transfer (from) / to maintenance reserve	-	-	-	(47)	47	-
Employee share plan option cost	32	-	-	-	-	32
At 30 June 2013	237,062	(368)	7,504	-	13,422	257,620
Profit for the period	-	-	-	-	23,451	23,451
Other comprehensive income for the period	-	811	-	-	-	811
Total comprehensive income for the period	-	811	-	-	23,451	24,262
Employee share plan option cost	30	-	-	-	-	30
At 31 December 2013	237,092	443	7,504	-	36,873	281,912
Profit for the period	-	-	-	-	15,283	15,283
Other comprehensive income for the period	-	(236)	-	-	-	(236)
Total comprehensive income for the period	-	(236)	-	-	15,283	15,047
Dividends paid	-	-	-	-	(7,014)	(7,014)
Shares issued	2,891	-	-	-	-	2,891
Employee share plan option cost	82	-	-	-	-	82
At 30 June 2014	240,065	207	7,504	-	45,142	292,918

The accompanying notes form an integral part of these interim financial statements.

Summerset Group Holdings Limited
Statement of Financial Position
As at 30 June 2014

	Note	As at Jun 2014 unaudited \$000	As at Jun 2013 unaudited \$000	As at Dec 2013 audited \$000
Cash and cash equivalents		4,568	3,582	3,044
Trade and other receivables		12,983	9,271	10,313
Interest rate swaps		287	-	615
Limited recourse loans		1,520	2,260	2,260
Property, plant and equipment		56,317	42,229	51,421
Intangible assets		979	625	642
Investment property	3	844,616	706,245	776,637
Total assets		921,270	764,212	844,932
Trade and other payables		20,168	25,450	16,926
Employee benefits		2,653	2,297	2,048
Revenue received in advance		12,942	10,413	11,275
Interest rate swaps		-	511	-
Residents' loans	4	447,157	374,015	414,226
Interest-bearing loans and borrowings	5	132,420	78,702	105,268
Deferred tax liability		13,012	15,204	13,277
Total liabilities		628,352	506,592	563,020
Net assets		292,918	257,620	281,912
EQUITY				
Share capital		240,065	237,062	237,092
Reserves		7,711	7,136	7,947
Accumulated profit		45,142	13,422	36,873
Total equity attributable to shareholders		292,918	257,620	281,912

The accompanying notes form an integral part of these interim financial statements.

Summerset Group Holdings Limited
Statement of Cash Flows
For the six months ended 30 June 2014

		6 months Jun 2014 unaudited \$000	6 months Jun 2013 unaudited \$000	12 months Dec 2013 audited \$000
	Note			
Cash flows from operating activities				
Receipts from residents for care fees and village services		16,650	14,201	31,797
Interest received		125	100	209
Payments to suppliers and employees		(19,636)	(16,291)	(36,910)
Receipts for residents loans		62,680	60,654	129,447
Repayment of residents loans		(23,318)	(15,289)	(35,953)
Net cash flow received from operating activities	8	36,501	43,375	88,590
Cash flows from investing activities				
Acquisition of investment property		(49,932)	(38,315)	(97,109)
Acquisition of property, plant and equipment		(4,938)	(441)	(10,961)
Acquisition of intangibles		(518)	(103)	(292)
Capitalised interest paid		(691)	(211)	(1,171)
Net cash flow used in investing activities		(56,079)	(39,070)	(109,553)
Cash flows from financing activities				
Proceeds from borrowings		27,152	540	27,109
Interest paid on borrowings		(2,666)	(2,411)	(4,270)
Proceeds from issue of shares		2,890	3,155	3,705
Dividends paid		(7,014)	(5,342)	(5,342)
Proceeds from repayment of limited recourse loans		740	550	-
Net cash flow (used in) / received from financing activities		21,102	(3,508)	21,202
Net increase in cash and cash equivalents		1,524	797	259
Cash and cash equivalents at beginning of period		3,044	2,785	2,785
Cash and cash equivalents at end of period		4,568	3,582	3,044

The accompanying notes form an integral part of these interim financial statements.

Summerset Group Holdings Limited
Notes to the financial statements
For the six months ended 30 June 2014

1. Summary of accounting policies

Summerset Group Holdings Limited (the "Company") is a Tier 1 for-profit listed public company incorporated and domiciled in New Zealand and is registered under the Companies Act 1993. The Company is listed on both the New Zealand Stock Exchange ("NZX") and the Australian Stock Exchange ("ASX") with NZX being the Company's primary exchange.

The interim financial statements presented for the six months ended 30 June 2014 are those of Summerset Group Holdings Limited and its subsidiaries ("the Group"). The Group develops, owns and operates integrated retirement villages, rest homes and hospitals for the elderly within New Zealand. The Group is a reporting entity for the purposes of the Financial Reporting Act 1993 and these interim financial statements comply with that Act.

The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and are in compliance with NZ IAS – 34: Interim Financial Reporting and IAS – 34: Interim Financial Reporting.

These interim financial statements have been prepared using the same accounting policies, and should be read in conjunction with, the Group's financial statements for the year ended 31 December 2013. The interim financial statements for the six months ended 30 June 2014 are unaudited. They are presented in New Zealand dollars (\$), which is the Group's functional currency.

2. Operating expenses

	As at Jun 2014 unaudited \$000	As at Jun 2013 unaudited \$000	As at Dec 2013 audited \$000
Employee expenses	9,675	7,727	16,271
Property related expenses	3,346	2,840	6,363
Other operating expenses	7,243	6,677	14,010
Total operating expenses	20,264	17,244	36,644

3. Investment property

	As at Jun 2014 unaudited \$000	As at Jun 2013 unaudited \$000	As at Dec 2013 audited \$000
Balance at beginning of period	776,637	644,506	644,506
Additions	53,737	51,618	102,409
Fair value movement			
Realised	8,540	9,589	20,121
Unrealised	5,702	532	9,601
Total investment property	844,616	706,245	776,637

The fair value of investment property as at 30 June 2014 was determined by CBRE Limited, an independent registered valuer and associate of the New Zealand Institute of Valuers. The fair value of the Group's investment property is determined on a semi-annual basis, based on a discounted cash flow model applied to the expected future cash flows generated by the investment properties. There has been no change in valuation technique since the previous valuation which was completed as at 31 December 2013.

Significant assumptions used by the valuer include a discount rate of between 14% and 16.5% (Jun 2013 and Dec 2013: between 14% and 16.5%) and a long term nominal house price inflation rate of between 0% and 3.5% (Jun 2013 and Dec 2013: between 0% and 3.5%). Other assumptions used by the valuer include the average age of entry of residents and occupancy periods of units.

Summerset Group Holdings Limited
Notes to the financial statements
For the six months ended 30 June 2014

3. Investment property (continued)

The Group has deemed the most reliable method to value non-land capital work in progress is at cost. The value at 30 June 2014 was \$36.2 million (Jun 2013: \$35.2 million, Dec 2013: \$38.1 million).

As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement*.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of investment property are the discount rate, the long-term nominal house price inflation rate, the average age of entry of residents and the occupancy period of units. A significant decrease (increase) in the discount rate or the occupancy period of units would result in a significantly higher (lower) fair value measurement and a significant increase (decrease) in the average age of entry of residents or the long-term nominal house price inflation rate would result in a significantly higher (lower) fair value measurement.

4. Residents' loans

	As at Jun 2014 unaudited \$000	As at Jun 2013 unaudited \$000	As at Dec 2013 audited \$000
Balance at beginning of period	458,872	368,978	368,978
less: amounts repaid on termination	(22,448)	(15,289)	(39,553)
add: amounts received on new licences issued	62,680	59,284	129,447
Total residents' loans	499,104	412,973	458,872
Deferred management fee receivable	(51,947)	(38,958)	(44,646)
Net residents' loans	447,157	374,015	414,226

The fair value of residents' loans at 30 June 2014 is \$295,400 (Jun 2013: \$248,269, Dec 2013: \$274,959). The method of determining fair value is disclosed in Note 20 of the Group's financial statements for the year ended 31 December 2013. As the fair value of resident's loans is determined using inputs that are unobservable, the Group has categorised residents' loans as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement*.

5. Interest-bearing loans and borrowings

	As at Jun 2014 Unaudited \$000	As at Jun 2013 unaudited \$000	As at Dec 2013 audited \$000
Repayable within 12 months			
Finance lease liabilities	16	64	60
Total interest bearing loans	16	64	60
Repayable after 12 months			
Secured bank loans	132,404	78,582	105,208
Finance lease liabilities	-	56	-
Total interest bearing loans	132,404	78,638	105,208
Total loans and borrowings	132,420	78,702	105,268

The weighted average interest rate for the six months to 30 June 2014 was 4.00% (Jun 2013: 3.81%, Dec 2013: 3.82%). This excludes the impact of interest rate swaps and other finance costs.

Summerset Group Holdings Limited
Notes to the financial statements
For the six months ended 30 June 2014

5. Interest-bearing loans and borrowings (continued)

The expiry date of the secured bank loans was extended in January 2014 from 27 January 2016 to 30 June 2018. The secured bank loan facility has a maximum of \$180.0 million (Jun 2013 and Dec 2013: \$180.0 million). The bank loans are secured by a general security agreement over the assets of Summerset Holdings Limited (a subsidiary of the Company) and its subsidiaries, subject to a first priority to the Statutory Supervisor over the village assets.

6. Earnings per share and net tangible assets

Basic earnings per share

	6 months Jun 2014 unaudited	6 months Jun 2013 unaudited	12 months Dec 2013 audited
Earnings (\$000)	15,283	10,772	34,223
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	214,927	213,764	214,040
Basic earnings per share (cents per share)	7.11	5.04	15.99

Diluted earnings per share

	6 months Jun 2014 unaudited	6 months Jun 2013 unaudited	12 months Dec 2013 audited
Earnings (\$000)	15,283	10,772	34,223
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	216,950	215,439	215,706
Diluted earnings per share (cents per share)	7.04	5.00	15.87

Number of shares

	6 months Jun 2014 unaudited 000's	6 months Jun 2013 unaudited 000's	12 months Dec 2013 audited 000's
Weighted average number of ordinary shares for the purpose of earnings per share (basic)	214,927	213,764	214,040
Weighted average number of ordinary shares issued under employee share plans	2,023	1,675	1,666
Weighted average number of ordinary shares for the purpose of earnings per share (diluted)	216,950	215,439	215,706

At 30 June 2014, there were 1,756,973 shares issued under employee share plans (Jun 2013: 1,607,143 shares, Dec 2013: 2,231,699 shares).

Net tangible assets per share

	As at Jun 2014 unaudited	As at Jun 2013 unaudited	As at Dec 2013 audited
Net tangible assets (\$000)	291,939	256,995	281,271
Shares on issue at end of period (basic and in thousands)	215,540	214,311	214,311
Net tangible assets per share (cents per share)	135.45	119.92	131.24

Summerset Group Holdings Limited
Notes to the financial statements
For the six months ended 30 June 2014

7. Dividends

On 24 March 2014 a dividend of 3.25 cents per ordinary share was paid to shareholders (2013: on 20 March 2013 a dividend of 2.5 cents per ordinary share was paid to shareholders).

A dividend reinvestment plan applied to the dividend paid on 24 March 2014 and 585,959 ordinary shares were issued in relation to the plan (2013: 1,099,175 ordinary shares).

8. Reconciliation of operating results and operating cash flows

	6 months Jun 2014 unaudited \$000	6 months Jun 2013 unaudited \$000	12 months Dec 2013 audited \$000
Net profit for the period	15,283	10,772	34,223
<i>Adjustments for:</i>			
Depreciation and amortisation expense	1,151	886	1,922
Fair value adjustment of investment property	(14,242)	(10,121)	(29,722)
Net finance costs	2,949	2,595	4,609
Deferred tax	(171)	(225)	(2,468)
Deferred management fee amortisation	(7,812)	(6,591)	(14,275)
Employee share plan option cost	82	32	62
	(18,043)	(13,424)	(39,872)
Movements in working capital			
(Increase)/decrease in trade and other receivables	(4,539)	(1,107)	631
Increase in employee entitlements	605	742	493
Increase/(decrease) in trade and other payables	786	895	(1,139)
Increase in residents loans net of non-cash amortisation	42,409	45,497	94,254
	39,261	46,027	94,239
Net cash flows from operating activities	36,501	43,375	88,590

9. Subsequent events

On 11 August 2014, the directors approved an interim dividend of 1.4 cents per share. The dividend record date is 26 August 2014 with payment on 8 September 2014.

There have been no other events subsequent to 30 June 2014 which materially impact on the results reported (Jun 2013 and Dec 2013: nil).

Review Report to the Shareholders of Summerset Group Holdings Limited

We have reviewed the interim financial statements of Summerset Group Holdings Limited and its subsidiaries (together the “group”) on pages 3 to 10, which comprise the statement of financial position as at 30 June 2014, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, and a summary of significant accounting policies and other explanatory information. This information is stated in accordance with the accounting policies set out in the group’s annual financial statements dated 24 February 2014.

Directors’ Responsibility for the interim financial statements

The directors of Summerset Group Holdings Limited are responsible for the preparation and fair presentation of the interim financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial statements are not presented fairly, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting*. As the auditor of Summerset Group Holdings Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

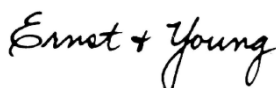
A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other than in our capacity as auditor, we have no relationship, with or interest in, Summerset Group Holdings Limited or any of its subsidiaries.

Partners and employees of our firm may deal with the group on normal terms within the ordinary course of trading activities of the business of the group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements of the group and its subsidiaries do not present fairly, in all material respects, the financial position of the group as at 30 June 2014, and its financial performance and cash flows for the period ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*.



Wellington
11 August 2014

Appendix 4D	
Summerset Group Holdings Limited	
ARBN 164 228 399, incorporated in New Zealand	
Results for announcement to the market	
Reporting Period	Six months to 30 June 2014
Previous Reporting Period	Six months to 30 June 2013

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$NZ25,234	Up 19.3%
Profit from ordinary activities after tax attributable to security holder	\$NZ15,283	Up 41.9%
Net profit attributable to security holders	\$NZ15,283	Up 41.9%

Interim Dividend	Amount per Security	Imputed amount per Security
	1.4 NZ cents per share	Not imputed

Record Date	26 August 2014
Dividend Payment Date	8 September 2014
Dividend Reinvestment Plan	Applies at 2% discount

Comments:	See also other attached documents (unaudited financial statements, media release and results presentation).
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	30 June 2014 NZ cents	30 June 2013 NZ cents
Net tangible assets per security	135.45	119.92

Summerset Group Holdings Limited	
Results for announcement to the market	
Reporting Period	Six months to 30 June 2014
Previous Reporting Period	Six months to 30 June 2013

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$NZ25,234	+19.3%
Total income from ordinary activities	\$NZ39,476	+26.2%
Profit from ordinary activities after tax attributable to security holder	\$NZ15,283	+41.9%
Net profit attributable to security holders	\$NZ15,283	+41.9%

Interim Dividend	Amount per security	Imputed amount per security
	1.4 NZ cents per share	Not imputed

Record Date	26 August 2014
Dividend Payment Date	8 September 2014
Dividend Reinvestment Plan	Applies at 2% discount

Comments:	See also other attached documents (unaudited financial statements, media release and results presentation).
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Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

Full name of issuer **Summerset Group Holdings Limited**

Name of officer authorised to
make this notice

Leanne Walker

Authority for event,
e.g. Directors' resolution

Directors' Resolution

Contact phone
number

(04) 894 7361

Contact fax
number

Date

11 / 08 / 2014

Nature of event
Tick as appropriate

Bonus
Issue

☐

If ticked,
state whether:

Taxable

☐

/ Non Taxable

☐

Conversion

☐

Interest

☐

Rights Issue
Renounceable

☐

Rights Issue
non-renounceable

☐

Capital
change

☐

Call

☐

Dividend

☒

If ticked, state
whether:

☒

Interim

☒

Full
Year

☐

Special

☐

DRP Applies

☒
EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the
class of securities

Ordinary Shares

ISIN

NZSUME0001S0

If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the
class of securities

ISIN

If unknown, contact NZX

Number of Securities to
be issued following event

Minimum
Entitlement

Ratio, e.g.
① for ②

☐

for

Conversion, Maturity, Call
Payable or Exercise Date

Treatment of Fractions

Enter N/A if not
applicable

Tick if
pari passu

☐

OR
provide an
explanation
of the
ranking

Strike price per security for any issue in lieu or date
Strike Price available.

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security
(does not include any excluded income)

1.4 cents per share

Source of
Payment

Revenue Reserves

Excluded income per security
(only applicable to listed PIEs)

Nil

Currency

New Zealand Dollars

Supplementary
dividend
details -
NZSX Listing Rule 7.12.7

Amount per security
in dollars and cents

Nil

Total monies

\$3,042,161

Date Payable

8 September, 2014

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus
issue state strike price

\$

Resident
Withholding Tax

0.462 cents per share

Imputation Credits
(Give details)

Nil

Foreign
Withholding Tax

\$

FDP Credits
(Give details)

Timing

(Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm

For calculation of entitlements -

26 August, 2014

Application Date

Also, Call Payable, Dividend /
Interest Payable, Exercise Date,
Conversion Date. In the case
of applications this must be the
last business day of the week.

26 August, 2014

Notice Date

Entitlement letters, call notices,
conversion notices mailed

Allotment Date

For the issue of new securities.
Must be within 5 business days
of application closing date.

8 September, 2014

OFFICE USE ONLY

Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:



SUMMERSET GROUP HOLDINGS LIMITED

("Company")

Directors' declaration in respect of the Group Financial Statements for the half year ended 30 June 2014

Introduction

It is a requirement of the Australian Stock Exchange Listing Rules 4.2A.2 that a declaration be given by the directors of the Company in respect of the financial statements for the Company and its subsidiaries (Summerset) for the half year ended 30 June 2014. This declaration must be filed with the Australian Stock Exchange.

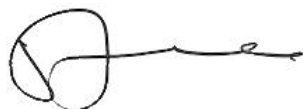
Declaration

The directors of the Company hereby declare that in the directors' opinion:

- the Summerset financial statements for the half year ended 30 June 2014 and the notes to those financial statements comply with the accounting standards issued by the External Reporting Board of New Zealand;
- the Summerset financial statements for the half year ended 30 June 2014 and the notes to those financial statements give a true and fair view of the financial position and performance of the Company; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors dated 11 August 2014 and is signed for and on behalf for the directors by the Board Chairman.

Signed

A handwritten signature in black ink, consisting of a large, stylized capital 'R' followed by a horizontal line and a small flourish.

Rob Campbell
Chairman

11 August 2014