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24 February 2016

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

Dear Sir/Madam

SUMMERSET GROUP HOLDINGS LIMITED (SNZ)
FULL YEAR RESULT (FOR THE YEAR ENDED 31 DECEMBER 2015)

Please find attached the financial information required by ASX Listing Rule 1.15.2 as well as other relevant documents.

Documents included in this release:

- Media release;
- Results presentation;
- Audited financial statements for the year ended 31 December 2014;
- NZX Appendix 1;
- NZX Appendix 7 (as required by NZX Listing Rule 7.12.2) detailing the dividend of NZ 3.4 cents per ordinary share to be paid on 24 March 2016 to those shareholders on the company's share register as at 5pm on 9 March 2016. The ASX Online Appendix 3A.1 is provided as a separate announcement.

Yours faithfully

Leanne Walker
Company Secretary

Summerset Group Holdings Limited
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NZX, ASX AND MEDIA RELEASE

24 FEBRUARY 2016

MOMENTUM CONTINUES FOR SUMMERSET, UP 55%

- Underlying profit for FY15 of NZ$37.8m, up 55% on FY14
- Net profit after tax of NZ$84.2m, up 56% on FY14
- $225 million invested into new and existing villages, up 58% on FY14
- Total assets of NZ$1.36b, up 31% on FY14
- 578 total sales of occupation rights, up 26% on FY14
- 303 new retirement units delivered
- Final dividend of NZ 3.4 cents per share
- Development margin of 20.0%, up from 15.7% for FY14
- FY16 build rate target increased to 400 retirement units, up from 300 for FY15

Retirement village and aged care operator Summerset Group today announced underlying profit for the 2015 financial year of NZ$37.8 million, a 55% increase on profit from the previous year.

The result reflects continued momentum for the company which benefited from strong sales across its nationwide network of villages and an increase in resales of occupation rights.

Net profit after tax for FY15 was NZ$84.2 million, 56% higher than FY14. This figure includes unrealised valuation gains in the fair value of investment properties, land and buildings. The company's total asset value increased by 31% to NZ$1.36 billion, up from NZ$1.04 billion in 2014. The development margin on new retirement units also increased to 20.0% in 2015, up from 15.7% in the prior year.

Summerset CEO Julian Cook said that the company's financial performance reflected Summerset's continued focus on expansion across New Zealand and delivering on its core focus of bringing the best of life to older New Zealanders.

"We are very pleased with our results for 2015. Our growing presence in Auckland coupled with strong demand across our other villages resulted in a record 578 retirement unit sales. We opened our first village in Christchurch, Summerset at Wigram, as well as three village and care centres in the North Island and commenced construction on our Ellerslie village in Auckland. We also delivered a record 303 retirement units across the country and secured three new sites - which sets us up for continued expansion growth into the future."

"2015 was a milestone year for us. We achieved our long standing target of building 300 retirement units and saw our development margin increase to 20%. At the time of our IPO we had indicated a target development margin of around 17%. These are good results but we continue to look ahead and remain on track for our build target for 2016 of 400 retirement units."

This is the fifth year running the company has increased its occupation right sales, up 26% from sales in 2014. Proceeds from the sales of occupation rights totalled $208 million, compared with $161 million in 2014, a 29% increase.

"With a significant lift in investment in 2014, we anticipated a higher level of earnings growth. In 2015, we invested $225 million back into the business. We continue to realise the benefits of our internalised development model and strong demand across our villages is demonstrating that we continue to deliver high quality retirement living and care to our residents."

The opening of village and care centres in Katikati, Karaka and New Plymouth were key milestones over the year for Summerset's developing villages. Mr Cook said that the village and care centres provide the services, support and security that residents want and need.

"Our village centres provide a real sense of community for our residents. They also house our care centres. Care is critically important to our overall services to residents and over 2015 we continued to develop this area. During the year we introduced a new Head of Clinical role as well as clinical nurse leads to support our nurse managers. We also began benchmarking clinical indicators across our care centres which enable us to measure and maintain our high standards."

It was a busy year for the company in terms of developing villages and securing new development opportunities. Summerset purchased three new sites in Auckland over the course of the year and construction continued on its Ellerslie location, which is due to open in 2017. Last week the company also announced the purchase of a 6.3 hectare site situated in one of the leading suburbs of Hamilton, Rototuna.

"While we are always looking for opportunities across New Zealand, Auckland is clearly constrained for living and care services for older people. In July we purchased sites in St Johns and Parnell, we also secured a third site which sits adjacent to our existing village in Warkworth. These sites are all very well located and we are looking forward to getting these villages underway."

Work continued on other development sites across the country, with the company's second Christchurch site receiving resource consent in September. Construction is due to commence in early 2017 for the $100 million retirement village in Casebrook. As at 31 December 2015, Summerset's total land bank represented 2,414 retirement units and 406 care beds.

It was also announced today that Norah Barlow will be stepping down as a director of the company, retiring by rotation at the upcoming Annual Meeting in April. Summerset Chairman, Rob Campbell, expressed his thanks to Norah.

"Norah has been part of Summerset since the very beginning and on behalf of the board and shareholders we thank her for her outstanding contribution over many years."

The board has commenced a search process for a replacement director.

Summerset announced a final 2015 dividend for shareholders of 3.4 cents per share, bringing the total dividend payment to 5.25 cents for the year. This is an increase of 1.75 cents per share on the total dividend paid for the prior year. The dividend reinvestment plan will apply to the dividend, with a discount of 2% applicable to those shareholders participating in the plan.

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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04 894 6993 or 027 601 2001

ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 21 villages across the country. In addition, Summerset has five sites for development in Casebrook, Lower Hutt, Parnell, Rototuna and St Johns, bringing the total number of sites to 26.
- It provides a range of living options and care services to more than 3,500 residents.
- Summerset's senior management team is led by CEO Julian Cook.
- Four-time winner of Retirement Village of the Year and recognised by the Reader's Digest Quality Service Awards 2015.
- The Summerset Group has villages in Aotea, Dunedin, Hamilton, Hastings, Havelock North, Hobsonville, Karaka, Katikati, Levin, Manukau, Napier, Nelson, New Plymouth, Palmerston North, Paraparaumu, Taupo, Trentham, Wanganui, Warkworth and Wigram.

FULL YEAR RESULTS PRESENTATION

YEAR ENDED 31 DECEMBER 2015

SUMMERSET GROUP HOLDINGS LIMITED

24 February 2016

Summerset

AGENDA

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FY15 RESULT HIGHLIGHTS

FY15 RESULT HIGHLIGHTS

RECORD SALES AND RETIREMENT UNIT DELIVERY HIGHLIGHTS FOR FY15

		FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual**	FY13 Actual
Operational	New sales of occupation rights	333	286	*16.4%*	228
	Resales of occupation rights	245	172	*42.4%*	174
	Total sales	578	458	*26.2%*	402
	New retirement units delivered	303	261	*16.1%*	209
Financial (NZ$m)	Net operating cash flow	142.6	110.4	*29.1%*	88.6
	Total assets	1,364	1,043	*30.7%*	845
	Underlying profit**	37.8	24.4	*54.8%*	22.2
	Net profit before tax (IFRS)	82.8	54.0	*53.3%*	31.8
	Net profit after tax (IFRS)	84.2	54.2	*55.5%*	34.2

* Percentage movements based on unrounded amounts

** Underlying profit differs from net profit after tax (IFRS). Underlying profit is unaudited. Refer to slide 22 for the definition of underlying profit

FY15 RESULT HIGHLIGHTS

RECORD NEW SALES AND RETIREMENT UNIT DELIVERY HIGHLIGHTS FOR FY15

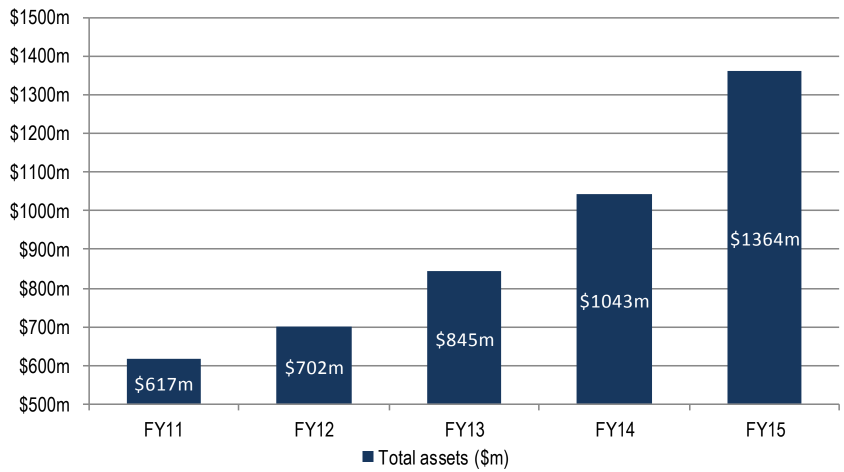
- FY15 underlying profit of $37.8m, up 55% on FY14
- FY15 net profit after tax (NZ IFRS) of $84.2m, up 56% on FY14
- New sales 16% higher than FY14 – strong sales across NZ
- Resales 42% higher than FY14 – record number in a FY
- Development margin of 20.0%, exceeding the 17% IPO “medium term” target
- Final dividend of 3.4 cents per share declared, amounting to $7.5m
- Total dividends paid for 2015 are at the highest level yet, amounting to approximately $11.5m for the full year
- Operating cash flow up 29% on FY14
- Total assets of $1.4b, up 31% on FY14
- Total assets have increased by $746.6m or 121% since listing on the NZX

BE SUMMERSET SURE

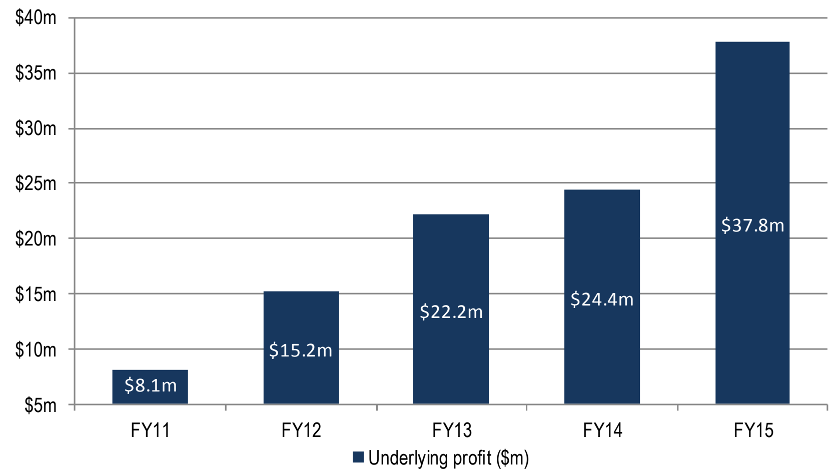
FY15 RESULT HIGHLIGHTS

STRONG TRENDS CONTINUE ACROSS THE BUSINESS

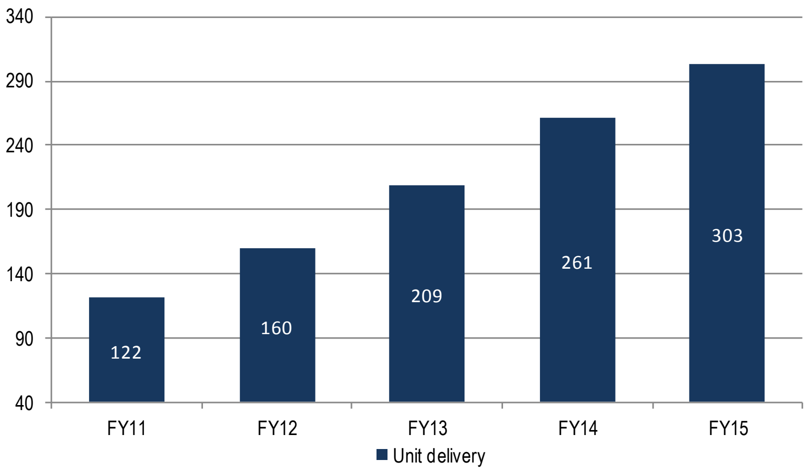
TOTAL ASSETS



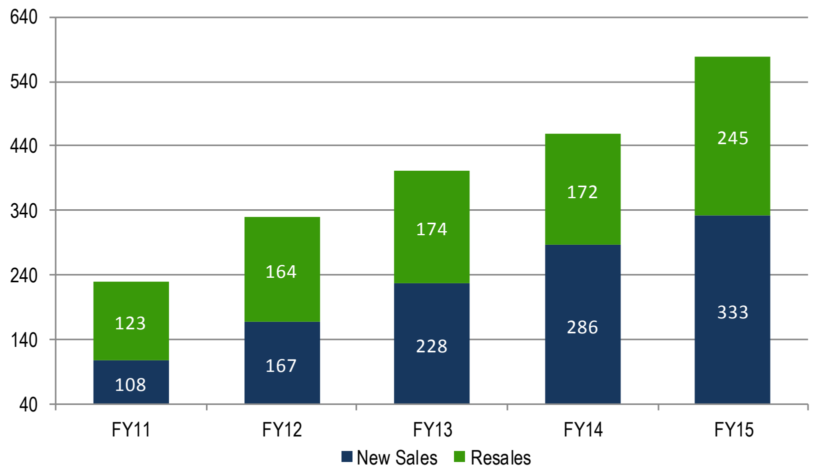
UNDERLYING PROFIT



RETIREMENT UNIT DELIVERY



SALE OF OCCUPATION RIGHTS



BUSINESS OVERVIEW

FY15 REVIEW

RECORD UNDERLYING PROFIT OF $37.8M IN FY15

- Delivered 303 retirement units in FY15, a record for Summerset, and 16% more than FY14
- On track for delivery of 400 retirement units in FY16, increases will predominately come from existing sites
- Opened Wigram village, our first village in Christchurch
- Two new village centres opened in Karaka and New Plymouth
- Commenced construction of the Ellerslie village – this will open in late 2016
- Announced land acquisitions in Parnell, St Johns and adjacent to our existing Warkworth village
- Obtained resource consent for our Casebrook village in Christchurch
- Record high levels of care occupancy throughout FY15
- Record level of sales in FY15 with 578 units sold, a 26% increase on FY14

Underlying profit differs from net profit after tax (IFRS). Underlying profit is unaudited. Refer to slide 22 for the definition of underlying profit.

SUMMERSET SNAPSHOT

THIRD LARGEST OPERATOR, SECOND LARGEST DEVELOPER

- 2,419 retirement units (villas, apartments and care apartments)
- 616 care beds
- More than 3,500 residents
- 303 retirement units delivered in FY15
- 18 years of consistent delivery and growth
- 21 villages completed or in development
- 4 greenfield sites at Casebrook, Boulcott and the FY15 purchases in Parnell and St Johns
- Land bank will enable Summerset to close to double in size

SUMMERSET STRATEGY

SUMMERSET BUILDS, OWNS AND OPERATES RETIREMENT VILLAGES IN NZ

- Focus on continuum of care model
- Looking to pilot our first dementia facility in 2016
- High quality care and facilities within every village
- Village designed to integrate into local communities
- Internal development model
- Nationwide brand offering
- Customer centric philosophy – “we love the life you bring to us”
- New Zealand focus
- Lift in build rate to 400 retirement units per annum in 2016 to meet strong demand

OPERATIONS AND STAFF

FOCUS ON CLINICAL QUALITY AND STAFF TRAINING

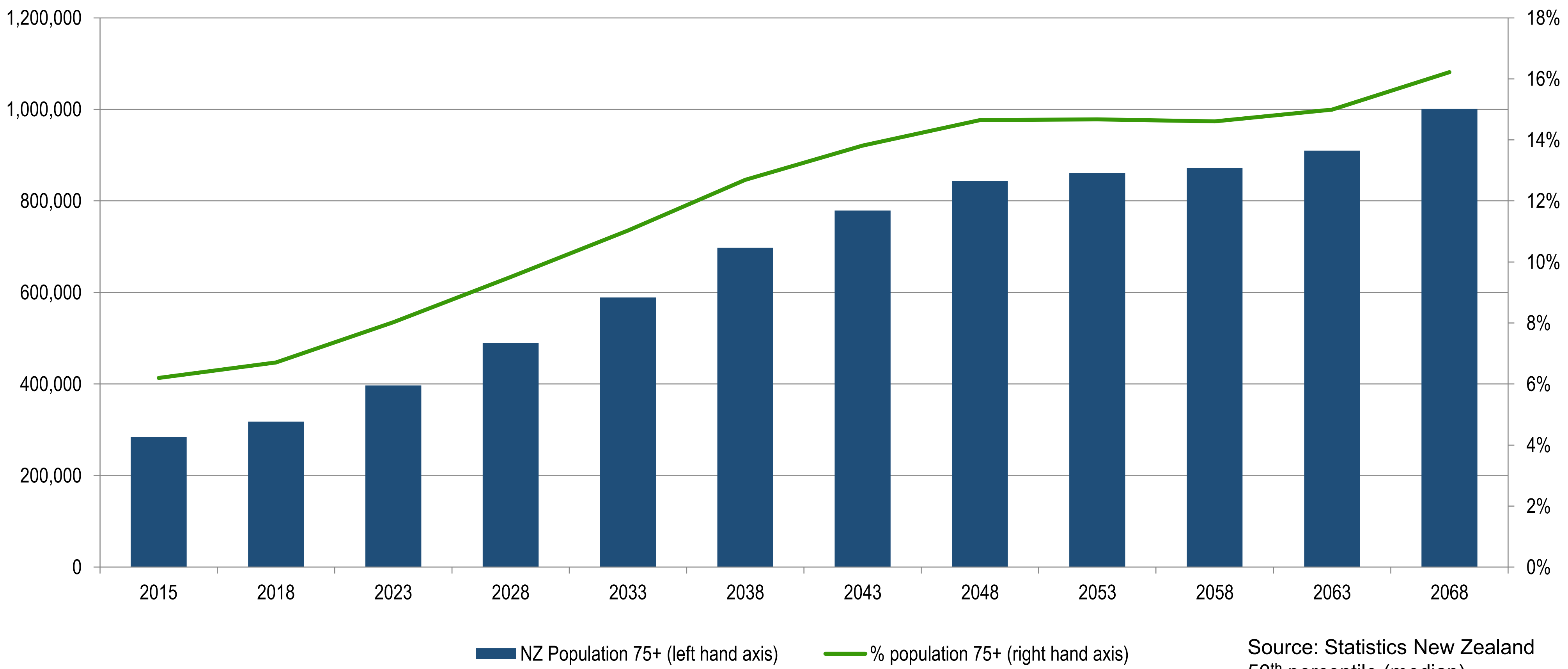
- Continued Careerforce training programme participation, and qualification attainment
- 92% industry leading care customer satisfaction rating
- 97% village customer satisfaction rating
- Benchmarking of key clinical indicators introduced in 2015
- Continued focus on quality of care

BE SUMMERSET SURE

DEMOGRAPHICS

POPULATION OVER 75 YEARS FORECAST TO GROW 250% FROM 2015 TO 2068

POPULATION GROWTH 75 YEARS AND OVER



Source: Statistics New Zealand
50th percentile (median)

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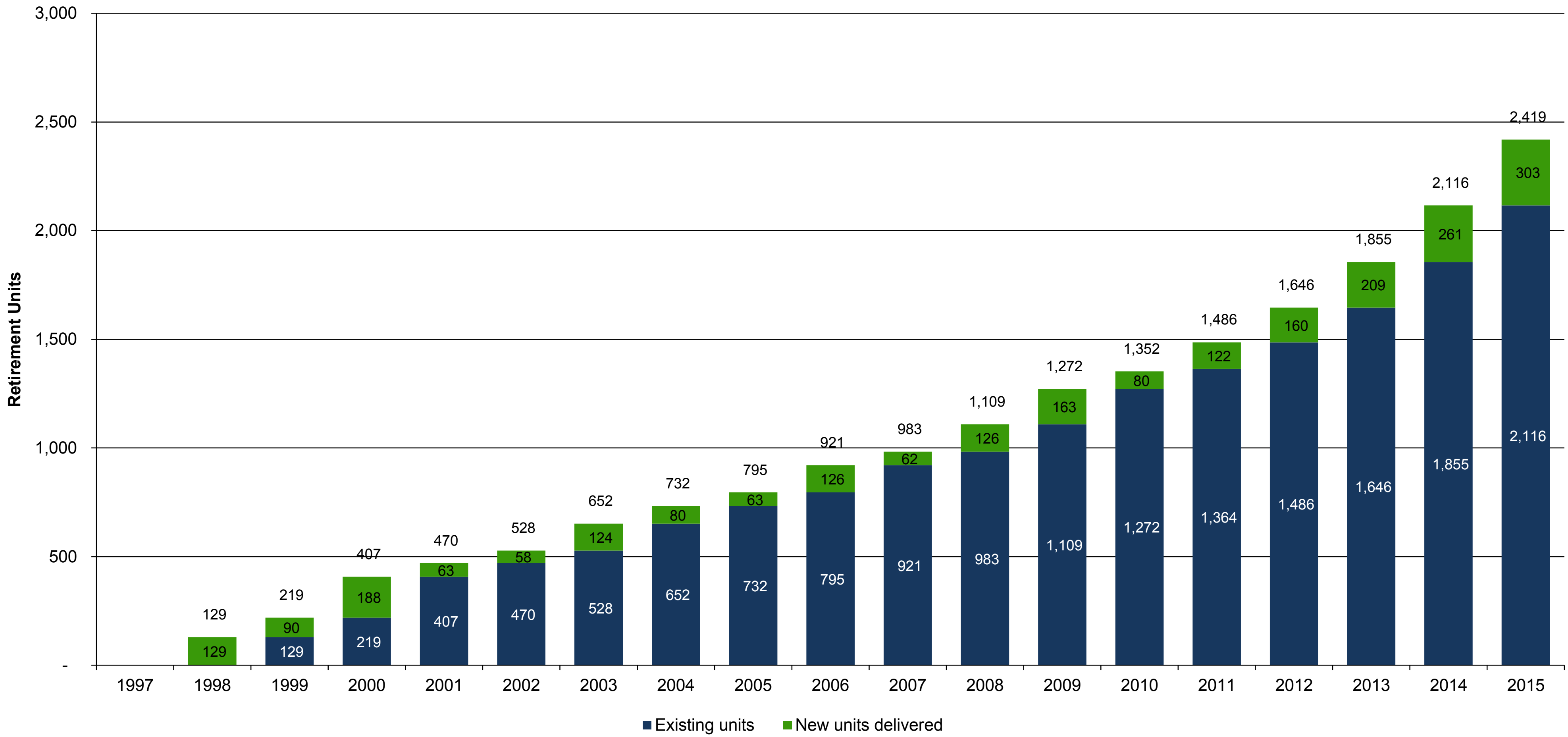
SUMMERSET GROWTH

18 YEARS OF CONSISTENT DELIVERY AND GROWTH

SUMMERSET BUILD RATE



FY15 DEVELOPMENT ACTIVITY

DELIVERY OF 303 RETIREMENT UNITS IN FY15 ACROSS EIGHT SITES

Unit Delivery FY15	Villas	Apartments	Care Apartments	Total ILU’s	Care Beds	Total Build
Hamilton	32	-	10	42	19	61
Hobsonville	43	-	-	43	-	43
Karaka	39	-	10	49	30	79
Katikati	-	-	10	10	30	40
Nelson	26	-	10	36	19	55
New Plymouth	32	-	8	40	28	68
Trentham	48	-	-	48	-	48
Wigram	35	-	-	35	-	35
Total	**255**	**-**	**48**	**303**	**126**	**429**

- 303 retirement units delivered across eight villages with a fairly even weighting across all villages excluding Katikati
- 30% of build within Auckland, 70% across the rest of the country
- Opened our first Christchurch village in Wigram
- Opened main buildings in Karaka and New Plymouth and completed main buildings in Hamilton and Nelson
- Villages with main buildings currently under development include Ellerslie, Hobsonville, Karaka, Katikati, New Plymouth and Wigram
- Care apartment buildings are currently under development in Nelson and Warkworth
- We expect to build over 10 sites in 2016 with additional site deliveries in Ellerslie and Warkworth

FY15 DEVELOPMENT ACTIVITY

DELIVERY OF 303 RETIREMENT UNITS IN FY15 ACROSS EIGHT SITES

Hamilton

Karaka

Trentham

Wigram

Nelson

Katikati

FY15 DEVELOPMENT ACTIVITY

DELIVERY OF 303 RETIREMENT UNITS IN FY15 ACROSS EIGHT SITES

Hobsonville

New Plymouth

Katikati

Hobsonville

New Plymouth

Karaka

BE SUMMERSET SURE

FUTURE DEVELOPMENT

LAND BANK OF 2,414 RETIREMENT UNITS AND 406 CARE BEDS

	Land Bank - as at 31 December 2015 *				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Casebrook	184	0	53	237	49
Ellerslie	42	221	57	320	58
Hamilton	53	0	30	83	0
Hobsonville	46	73	50	169	52
Karaka	116	0	49	165	19
Katikati	109	0	10	119	20
Lower Hutt	42	96	43	181	49
Nelson	12	0	30	42	0
New Plymouth	62	0	32	94	24
Trentham	67	0	20	87	0
Warkworth	77	0	36	113	0
Wigram	121	0	53	174	49
St Johns	0	220	70	290	38
Parnell	3	261	76	340	48
Grand Total	**934**	**871**	**609**	**2,414**	**406**

* Land bank reflects current intentions as at 31 December 2015

* Excludes acquisition of land in Rototuna post balance date. This adds an additional 270 retirement units

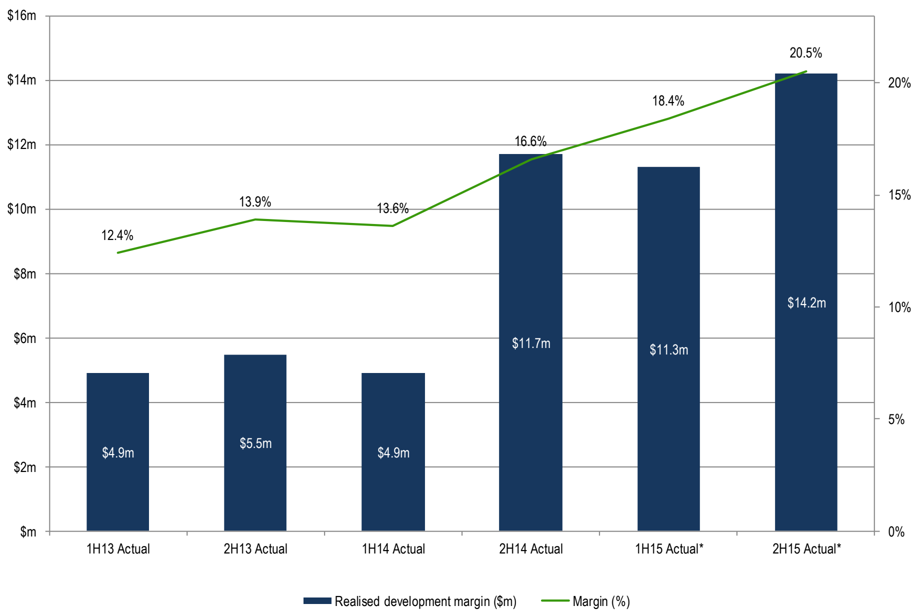
- Land bank of 2,414 retirement units spread across brownfield and greenfield sites
- Additional pipeline of 406 care beds across existing sites, this will increase our care bed portfolio by 66%
- Build target of 400 retirement units in 2016
- Land bank provides around six years of supply at build rate target

DEVELOPMENT MARGIN

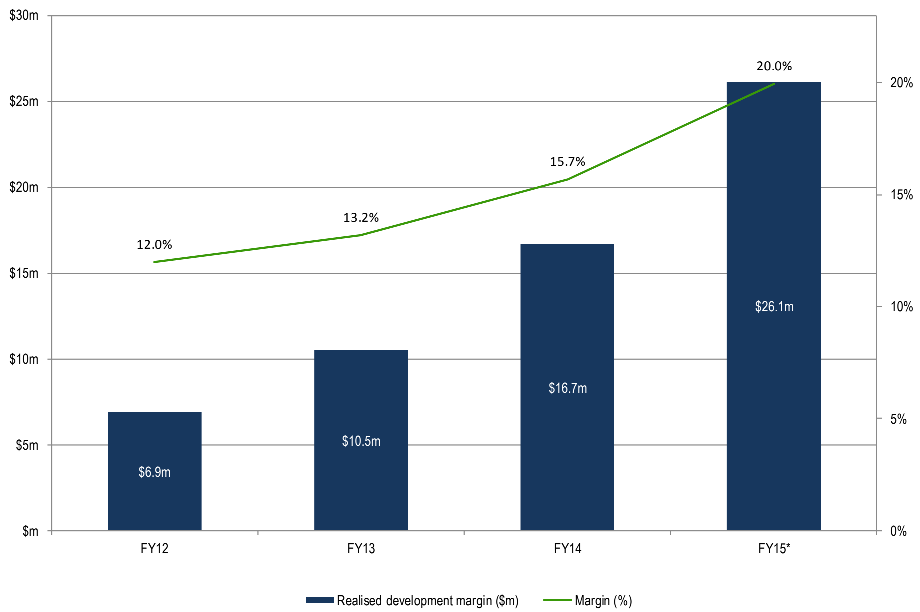
RECORD PERFORMANCE IN REALISED DEVELOPMENT MARGIN

- Realised development margin of $26.1m, up 57% from $16.7m in FY14
- Record development margin of 20.0% in FY15, this is up from 15.7% in FY14 and above our medium term target of 17.0%
- Strong 2H15 development margin of 20.5%, up from 18.4% in 1H15

REALISED DEVELOPMENT MARGIN - HALF ON HALF MARGINS



REALISED DEVELOPMENT MARGIN - FULL YEAR MARGINS



* Development margin is post impairments

BE SUMMERSET SURE

NEW SALES OF OCCUPATION RIGHTS

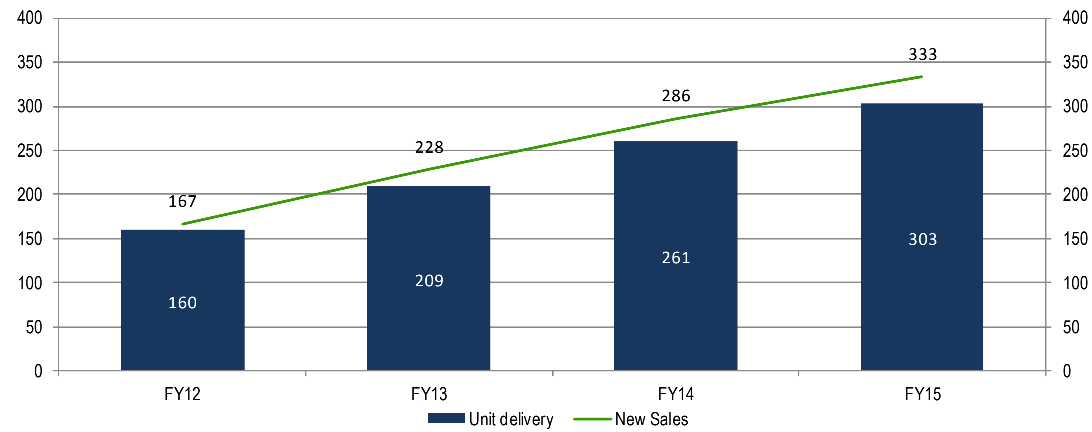
NEW SALES GROSS PROCEEDS UP 23% ON FY14 TO $131M

- FY15 lift in sales associated with continued build programme and new villages opening
- Successful year with 30 more sales than retirement units delivered in 2015
- Over the last two years, annual new sale rates have lifted 25% and 16% year-on-year
- Strong new sales volumes in Hamilton, Karaka, Hobsonville, and Nelson
- New sale gross proceeds of $131.0m in FY15, a $24.8m increase in proceeds relative to FY14
- New sales of occupation rights up versus FY14:
  - Villas: 279, up 18% on FY14
  - Apartments: 5, down 75% on FY14
  - Care apartments: 49, up 69% on FY14

New Sales	FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual **	FY13 Actual
Gross proceeds ($m)	131.0	106.3	*23.3%*	79.3
Villas	279	237	*17.7%*	204
Apartments	5	20	*-75.0%*	18
Care apartments	49	29	*69.0%*	6
Total occupation rights	**333**	**286**	*16.4%*	**228**

* Percentage movements based on unrounded amounts

NEW SALES AND RETIREMENT UNIT DELIVERY



BE SUMMERSET SURE

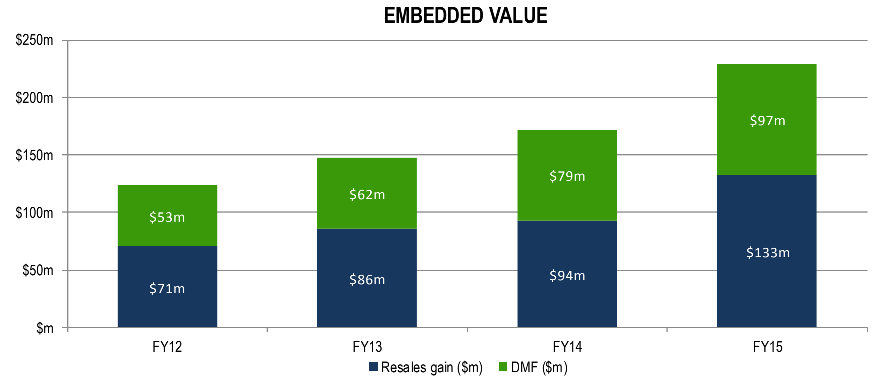
RESALES OF OCCUPATION RIGHTS

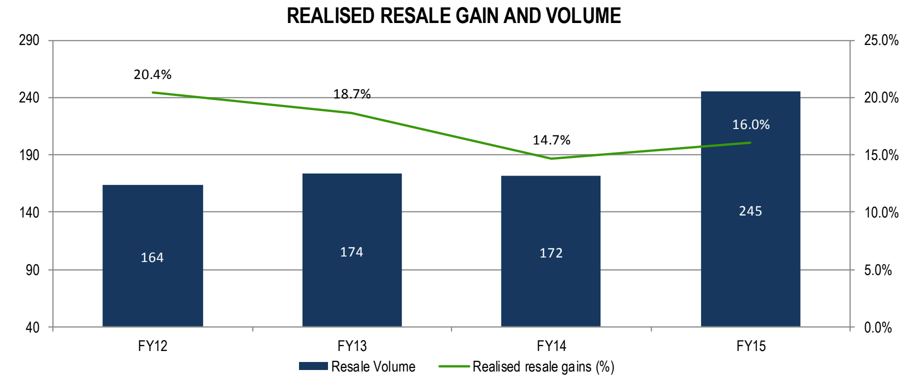
RESALES OF 245 OCCUPATION RIGHTS IN FY15, UP 42.4% ON FY14

- Gross proceeds of $77.0m, up 40% on FY14
- Enhanced sophistication in sales pricing assisting with driving realised resale gains up to 16.0%
- Increase in turnover is driven by continued build, maturity of developing villages, and new villages beginning to turnover
- Only 36 resale occupation rights available for sale at 31 December 2015
- Embedded value $95k per retirement unit, as at 31 December 2015

Resales	FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual **	FY13 Actual	FY12 Actual
Gross proceeds ($m)	77.0	54.9	*40.4%*	51.6	44.5
Realised resale gains ($m)	12.3	8.1	*52.6%*	9.7	9.1
Realised resale gains (%)	16.0%	14.7%	*9.1%*	18.7%	20.4%
DMF realisation ($m)	9.4	6.2	*53.0%*	6.2	5.2
Villas	139	99	*40.4%*	105	93
Apartments	63	51	*23.5%*	34	38
Care apartments	43	22	*95.5%*	35	33
Total occupation rights	**245**	**172**	*42.4%*	**174**	**164**

* Percentage movements based on unrounded amounts





FINANCIAL RESULTS

FY15 REPORTED PROFIT (IFRS)

NET PROFIT AFTER TAX UP 56% VERSUS FY14

- NPAT up $30.1m relative to FY14
- FY15 total revenue up 27% versus FY14
- FY15 total expenses up 28% versus FY14
- 2015 expenses include higher operating costs associated with both new villages and opening of care facilities
  - New care facilities in Hamilton, Nelson, Karaka, Katikati, and New Plymouth
  - Opened our village in Wigram
  - Higher sales and marketing costs associated with the additional FY15 sales achieved
- FV movement of $83.5m for FY15

NZ$m	FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual **	FY13 Actual
Total revenue	68.8	54.3	*26.7%*	45.2
Reversal of impairment on land and buildings	-	1.9	*-100.0%*	-
Fair value movement of investment property	83.5	52.5	*59.0%*	29.7
Total income	152.2	108.6	*40.1%*	74.9
Total expenses	61.1	47.8	*27.7%*	38.6
Net finance costs	8.4	6.8	*22.5%*	4.6
Net profit before tax	**82.8**	**54.0**	*53.3%*	**31.8**
Tax (credit) / expense	(1.5)	(0.2)	*721.2%*	(2.5)
Net profit after tax	**84.2**	**54.2**	*55.5%*	**34.2**

* Percentage movements based on unrounded amounts

FY15 UNDERLYING PROFIT

UNDERLYING PROFIT UP 55% ON FY14

- Record underlying profit of $37.8m, up 55% on FY14
- Record development margin achieved in FY15, with an additional $9.4m of revenue generated, driven by both increased volume and the margin on retirement units sold
- Realised gain on resales increase largely volume driven, relating to 73 more retirement units sold relative to FY14
- Underlying profit has seen a 47% cumulative average growth rate since listing on the NZX

NZ$m	FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual **	FY13 Actual
Reported profit after tax	84.2	54.2	*55.5%*	34.2
Less fair value movement of investment property	(83.5)	(52.5)	*59.0%*	(29.7)
Reversal of impairment on land and buildings	-	(1.9)	*-100.0%*	-
Add realised gain on resales	12.3	8.1	*52.6%*	9.7
Add realised development margin	26.1	16.7	*56.5%*	10.5
Less/add deferred tax credit/expense	(1.5)	(.2)	*721.2%*	(2.5)
Underlying profit	**37.8**	**24.4**	*54.8%*	**22.2**

* Percentage movements based on unrounded amounts

Underlying profit differs from IFRS net profit after tax. The directors have provided an unaudited 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.

FY15 CASH FLOWS

CONTINUED INVESTMENT IN NEW VILLAGE BUILDS

- Net operating cash flow of $142.6m for FY15, up 29% on FY14
- Positive cash flow increases in both care and village revenue, and receipts associated with sales
- Net investing cash flow of $225.1m, up 58% on FY14, with continued investment in new village builds

NZ$m	FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual **	FY13 Actual
Care fees and village services	46.4	36.2	*28.3%*	31.8
Interest received	0.5	0.3	*70.4%*	0.2
Payments to suppliers and employees	(54.7)	(42.0)	*30.1%*	(36.9)
Net receipts for resident loans	150.3	115.9	*29.6%*	93.5
Net operating cash flow	**142.6**	**110.4**	*29.1%*	**88.6**
Acquisition of PPE & IP	(223.0)	(139.8)	*59.4%*	(108.1)
Other investing cash flows	(2.1)	(2.2)	*-6.1%*	(1.5)
Net investing cash flow	**(225.1)**	**(142.1)**	*58.4%*	**(109.5)**
Proceeds from bank loans	97.4	45.6	*113.8%*	27.1
Dividends paid	(8.6)	(10.0)	*-14.5%*	(5.3)
Proceeds from issue of shares	3.0	4.4	*-31.9%*	3.7
Other financing cash flows	(7.6)	(6.5)	*16.9%*	(4.3)
Net financing cash flows	**84.3**	**33.5**	*151.7%*	**21.2**
Net increase in cash	1.8	1.8	*-3.0%*	.3

* Percentage movements based on unrounded amounts

FY15 BALANCE SHEET

TOTAL ASSETS OF $1.4B, UP 31% FROM $1.0B IN FY14

- Total assets of $1.4b, up 31% on FY14
- Investment property valuation of $1.3b, up 26% on FY14
- Other assets include land and buildings (primarily care facilities)
- Embedded value of $229.7m, $95k per retirement unit, as at 31 December 2015:
    - $132.9m resales gain
    - $96.8 deferred management fee
- Bank facility increased from $255m to $450m to support the increase in build rate to 400 retirement units in 2016 and beyond and to provide additional financial flexibility
- Gearing ratio of 37.1% up from 30.5% in FY14. This is in line with expectations and remains at a prudent level

NZ$m	FY15 Actual	FY14 Actual	*FY15 Actual vs. FY14 Actual **	FY13 Actual
Investment property	1,261.2	958.2	*31.6%*	776.6
Other assets	102.4	85.0	*20.4%*	68.3
Total assets	**1,363.5**	**1,043.2**	*30.7%*	**844.9**
Residents' loans	637.2	513.7	*24.0%*	414.2
Bank loans	248.2	150.8	*64.6%*	105.3
Other liabilities	68.3	46.4	*47.2%*	43.5
Total liabilities	**953.8**	**710.9**	*34.2%*	**563.0**
Net assets	**409.8**	**332.3**	*23.3%*	**281.9**
Embedded value	**229.7**	**172.1**	*33.5%*	**147.3**
NTA (cents per share)	**188.5**	**153.3**	*23.0%*	**131**

* Percentage movements based on unrounded amounts

BE SUMMERSET SURE

5 YEAR METRICS SUMMARY

UNDERLYING PROFIT UP $29.7M OR 368% ON FY11

		4 Year CAGR	FY15	FY14	FY13	FY12	FY11
Operational	New sales of occupation rights	33%	333	286	228	167	108
	Resales of occupation rights	19%	245	172	174	164	123
	Total sales	26%	578	458	402	331	231
	New units delivered	26%	303	261	209	160	122
	Retirement units in portfolio	13%	2419	2116	1855	1646	1486
	Care beds in portfolio	17%	616	485	442	327	327
Financial (NZ$m)	Total revenue ($m)	20%	68.8	54.3	45.2	38.1	33.7
	Net profit after tax ($m)	110%	84.2	54.2	34.2	14.8	4.3
	Underlying profit* ($m)	47%	37.8	24.4	22.2	15.2	8.1
	Net operating cash flow ($m)	34%	142.6	110.4	88.6	66.3	43.7
	Total assets ($m)	22%	1,363.5	1,043.2	844.9	702.3	616.9
	Total equity ($m)	15%	409.8	332.3	281.9	248.8	233.4
	Interest bearing loans and borrowings ($m)	38%	248.2	150.8	105.3	78.2	69.1
	Cash and cash equivalents ($m)	-7%	6.7	4.9	3.0	2.8	9.0
	Gearing ratio (Net D/ Net D+E)	16%	37.1%	30.5%	26.6%	23.3%	20.5%
	EPS (cents) (IFRS profit)	101%	38.94	25.16	15.99	6.96	2.39
	NTA (cents)	15%	188.52	153.33	131.24	116.49	109.33
	Development margin (%)	34%	20.0%	15.7%	13.2%	12.0%	6.2%

FINAL DIVIDEND

BE SUMMERSET SURE

FY15 FINAL DIVIDEND

SUMMERSET BOARD DECLARES FY15 FINAL DIVIDEND

- The Summerset Board have declared a final dividend of 3.4 cents per share, unimputed
- This represents a total pay-out for the second half of 2015 of approximately $7.5m
- Total dividends paid for the 2015 year (interim and final) of 5.25 cents per share, being approximately $11.5m, representing 30.5% of FY15 underlying profit
- 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 Thursday the 10th of March 2016. Any applications received on or after this time will be applied to subsequent dividends
- The final dividend will be paid on Thursday the 24th of March 2016. The record date for final determination of entitlements to the final dividend is Wednesday the 9th of March 2016

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QUESTIONS?

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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

BE SUMMERSET SURE

PORTFOLIO AS AT 31 DECEMBER 2015

2,419 RETIREMENT UNITS AND 617 CARE BEDS

	Existing Portfolio – as at 31 December 2015				
	Villas	**Apartments**	**Care Apartments**	**Total Retirement Units**	**Care Beds**
Aotea	96	33	38	167	0
Dunedin	61	20	20	101	41
Hamilton	130	0	20	150	49
Hastings	146	5	0	151	0
Havelock North	94	28	0	122	41
Hobsonville	79	0	0	79	0
Karaka	66	0	10	76	30
Katikati	47	0	10	57	30
Levin	64	22	0	86	30
Manukau	89	67	27	183	53
Napier	94	26	20	140	48
Nelson	202	0	25	227	59
New Plymouth	46	0	8	54	28
Palmerston North	90	12	0	102	44
Paraparaumu	92	22	0	114	44
Taupo	94	34	18	146	0
Trentham	164	12	20	196	41
Wanganui	70	18	12	100	37
Warkworth	123	2	8	133	41
Wigram	35	0	0	35	0
Total	**1,882**	**301**	**236**	**2,419**	**616**

BE SUMMERSET SURE

LAND BANK AS AT 31 DECEMBER 2015

LAND BANK OF 2,414 RETIREMENT UNITS AND 406 CARE BEDS

	Land Bank - as at 31 December 2015 *				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Casebrook	184	0	53	237	49
Ellerslie	42	221	57	320	58
Hamilton	53	0	30	83	0
Hobsonville	46	73	50	169	52
Karaka	116	0	49	165	19
Katikati	109	0	10	119	20
Lower Hutt	42	96	43	181	49
Nelson	12	0	30	42	0
New Plymouth	62	0	32	94	24
Trentham	67	0	20	87	0
Warkworth	77	0	36	113	0
Wigram	121	0	53	174	49
St Johns	0	220	70	290	38
Parnell	3	261	76	340	48
Grand Total	**934**	**871**	**609**	**2,414**	**406**

* Land bank reflects current intentions as at 31 December 2015

* Excludes acquisition of land in Rototuna post balance date. This adds an additional 270 retirement units

SUMMERSET GROUP HOLDINGS LIMITED

Financial Statements

For the year ended 31 December 2015

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Summerset Group Holdings Limited

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 $000	2014 $000
Care fees and village services	3	46,455	37,452
Deferred management fees	3	21,779	16,526
Interest received	3	523	307
Total revenue		**68,757**	**54,285**
Reversal of impairment on care facility land and buildings	8	-	1,882
Fair value movement of investment property	10	83,458	52,481
Total income		**152,215**	**108,648**
Operating expenses	4	(57,337)	(44,922)
Depreciation and amortisation expense	8, 9	(3,733)	(2,897)
Total expenses		**(61,070)**	**(47,819)**
Operating profit before financing costs		**91,145**	**60,829**
Net finance costs	5	(8,370)	(6,835)
Profit before income tax		**82,775**	**53,994**
Income tax credit	6	1,470	179
Profit for the period		**84,245**	**54,173**
Basic earnings per share (cents)	18	38.94	25.16
Diluted earnings per share (cents)	18	38.46	24.94
Net tangible assets per share (cents)	18	188.52	153.33

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 $000	2014 $000
Profit for the period		84,245	54,173
Fair value movement of interest rate swaps	13	(2,109)	(1,628)
Tax on items of other comprehensive income	6	592	455
Other comprehensive income which will be reclassified subsequently to profit or loss for the period net of tax		**(1,517)**	**(1,173)**
Fair value movement of care facility land and buildings	8	-	5,053
Tax on items of other comprehensive income	6	-	(1,514)
Other comprehensive income which will not be reclassified subsequently to profit or loss for the period net of tax		**-**	**3,539**
Total comprehensive income for the period		**82,728**	**56,539**

The accompanying notes form part of these financial statements.

Summerset Group Holdings Limited

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	SHARE CAPITAL $000	HEDGING RESERVE $000	REVALUATION RESERVE $000	RETAINED EARNINGS $000	TOTAL EQUITY $000
As at 1 January 2014	**237,092**	**443**	**7,504**	**36,873**	**281,912**
Profit for the period	-	-	-	54,173	54,173
Other comprehensive income for the period	-	(1,173)	3,539	-	2,366
Total comprehensive income for the period	-	(1,173)	3,539	54,173	56,539
Dividends paid	-	-	-	(10,035)	(10,035)
Shares issued	3,691	-	-	-	3,691
Employee share plan option cost	163	-	-	-	163
As at 31 December 2014	**240,946**	**(730)**	**11,043**	**81,011**	**332,270**
As at 1 January 2015	**240,946**	**(730)**	**11,043**	**81,011**	**332,270**
Profit for the period	-	-	-	84,245	84,245
Other comprehensive income for the period	-	(1,517)	-	-	(1,517)
Total comprehensive income for the period	-	(1,517)	-	84,245	82,728
Dividends paid	-	-	-	(8,575)	(8,575)
Shares issued	3,018	-	-	-	3,018
Employee share plan option cost	345	-	-	-	345
As at 31 December 2015	**244,309**	**(2,247)**	**11,043**	**156,681**	**409,786**

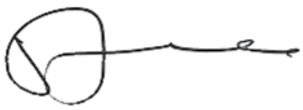
The accompanying notes form part of these financial statements.

Summerset Group Holdings Limited
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	NOTE	2015 $000	2014 $000
Assets			
Cash and cash equivalents		6,682	4,890
Trade and other receivables	7	16,074	13,685
Limited recourse loans	19,20	1,520	1,520
Property, plant and equipment	8	77,041	63,559
Intangibles	9	1,052	1,364
Investment property	10	1,261,170	958,171
Total assets		**1,363,539**	**1,043,189**
Liabilities			
Trade and other payables	11	28,520	13,462
Employee benefits	12	4,314	2,548
Revenue received in advance	3	20,291	15,237
Interest rate swaps	13	3,122	1,013
Residents' loans	14	637,200	513,683
Interest-bearing loans and borrowings	15	248,211	150,819
Deferred tax liability	6	12,095	14,157
Total liabilities		**953,753**	**710,919**
Net assets		**409,786**	**332,270**
Equity			
Share capital	17	244,309	240,946
Reserves	17	8,796	10,313
Retained Earnings		156,681	81,011
Total equity attributable to shareholders		**409,786**	**332,270**

The accompanying notes form part of these financial statements.

On behalf of the Board



Rob Campbell
Director and Chairman

James Ogden
Director and Chairman of the Audit Committee

Authorised for issue on 23 February 2016

Summerset Group Holdings Limited

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 $000	2014 $000
Cash flows from operating activities		
Receipts from residents for care fees and village services	46,444	36,211
Interest received	523	307
Payments to suppliers and employees	(54,664)	(42,023)
Receipts for residents' loans	218,339	159,167
Repayment of residents' loans	(68,068)	(43,229)
Net cash flow from operating activities	**142,574**	**110,433**
Cash flows from investing activities		
Purchase and construction of investment property	(202,398)	(130,725)
Purchase and construction of property, plant and equipment (including care facilities)	(20,560)	(9,105)
Purchase of intangibles	(359)	(333)
Capitalised interest paid	(1,745)	(1,907)
Net cash flow from investing activities	**(225,062)**	**(142,070)**
Cash flows from financing activities		
Net proceeds from borrowings	97,392	45,551
Repayment of limited recourse loans	-	740
Proceeds from issue of shares	3,018	3,691
Interest paid on borrowings	(7,556)	(6,464)
Dividends paid	(8,575)	(10,035)
Net cash flow from financing activities	**84,279**	**33,483**
Net increase in cash and cash equivalents	1,792	1,846
Cash and cash equivalents at beginning of period	4,890	3,044
Cash and cash equivalents at end of period	**6,682**	**4,890**

Reconciliation of operating results and operating cash flows

	2015 $000	2014 $000
Net profit for the period	**84,245**	**54,173**
Adjustments for:		
Depreciation and amortisation expense	3,733	2,897
Reversal of impairment on care facility land and buildings	-	(1,882)
Loss on disposal or impairment of furniture and fittings	255	445
Fair value movement of investment property	(83,458)	(52,481)
Net finance costs paid	8,370	6,835
Deferred tax	(1,470)	(179)
Deferred management fee amortisation	(21,779)	(16,526)
Employee share plan option cost	345	163
	(94,004)	(60,728)
Movements in working capital		
Decrease in trade and other receivables	(1,155)	(5,235)
Increase in employee benefits	1,766	500
Increase in trade and other payables	805	269
Increase in residents' loans net of non-cash amortisation	150,917	121,454
	152,333	116,988
Net cash flows from operating activities	**142,574**	**110,433**

The accompanying notes form part of these financial statements.

1. Summary of accounting policies

Reporting entity
The financial statements presented are for Summerset Group Holdings Limited ('The Company') and its subsidiaries (collectively, 'The Group').

Summerset Group Holdings Limited is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. The reporting entity is listed on the New Zealand Stock Exchange (NZX), being the primary exchange, and on the Australian Securities Exchange (ASX) as a foreign exempt listing.

Basis of preparation
These consolidated financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and the Financial Markets Conduct Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

These financial statements are expressed in New Zealand dollars, which is Summerset's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The measurement basis adopted in the preparation of these financial statements is historical cost with the exception of the items noted below.

- Interest rate swaps – see Note 13
- Investment property – see Note 10
- Land and buildings – see Note 8
- Limited recourse loans – see Notes 19, 20

Basis of consolidation
Subsidiaries are fully consolidated at the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements are prepared for the same reporting period as the parent company, Summerset Group Holdings Limited, using consistent accounting policies. All intra-group transactions and balances arising within the Group are eliminated in full.

All subsidiary companies are 100% owned and incorporated in New Zealand with a balance date of 31 December. The subsidiaries are:

Summerset Care Limited	Summerset Villages (Havelock North) Limited	Summerset Villages (Paraparaumu) Limited
Summerset Holdings Limited	Summerset Villages (Hobsonville) Limited	Summerset Villages (Parnell) Limited
Summerset LTI Trustee Limited	Summerset Villages (Karaka) Limited	Summerset Villages (St Johns) Limited
Summerset Management Group Limited	Summerset Villages (Katikati) Limited	Summerset Villages (Taupo) Limited
Summerset Properties Limited	Summerset Villages (Levin) Limited	Summerset Villages (Trentham) Limited
Summerset Villages (Aotea) Limited	Summerset Villages (Lower Hutt) Limited	Summerset Villages (Wanganui) Limited
Summerset Villages (Casebrook) Limited	Summerset Villages (Manukau) Limited	Summerset Villages (Warkworth) Limited
Summerset Villages (Dunedin) Limited	Summerset Villages (Napier) Limited	Summerset Villages (Wigram) Limited
Summerset Villages (Ellerslie) Limited	Summerset Villages (Nelson) Limited	Welhom Developments Limited
Summerset Villages (Hamilton) Limited	Summerset Villages (New Plymouth) Limited	
Summerset Villages (Hastings) Limited	Summerset Villages (Palmerston North) Limited	

Notes to the Financial Statements (continued)

Accounting policies
Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

There are no new standards, amendments or interpretations that have been issued and are not yet effective, that are expected to have a significant impact on the Group.

Critical accounting estimates and judgements
In preparing the financial statements management has made estimates and assumptions about the future that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The principal areas of judgement in preparing these financial statements are described in the following notes:

- Deferred management fee – Note 3
- Interest rate swaps – Note 13
- Revenue in advance – Note 3
- Valuation of investment property – Note 10
- Valuation of land and buildings – Note 8

2. Segment reporting

The Group operates in one industry, being the provision of integrated retirement villages in New Zealand. The services provided across all of the Group's villages are similar, as are the type of customer and the regulatory environment. On this basis, the Group has one reportable segment, and the Group results are the same as the results of the reportable segment. All resource allocation decisions across the Group are made to optimise the consolidated Group's result.

The Ministry of Health is a significant customer of the Group, as the Group derives care fee revenue in respect of eligible government subsidised aged care residents. Fees earned from the Ministry of Health for the year ended 31 December 2015 were approximately 59% of total care fees (2014: 52%). No other customers individually contribute a significant proportion of the Group revenue. All revenue is earned in New Zealand.

3. Revenue

Care fees and villages services income is recognised over the period in which the service is rendered.

Deferred management fees, which entitle residents to accommodation and the use of the community facilities within the village, are recognised over the period of service, being the greater of the expected period of tenure or the contractual right to revenue. The expected periods of tenure, being based on historical industry averages are estimated to be seven to eight years for villas, five years for apartments and three years for care apartments. Where the deferred management fees over the contractual period exceeds the amortisation of the deferred management fee based on estimated tenure, the amount is recorded as a liability (revenue in advance). Deferred management fees are recognised on a gross basis in the receipts for residents' loans section of the statement of cashflows.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

Notes to the Financial Statements (continued)

4. Operating expenses

	2015 $000	2014 $000
Employee expenses	32,215	25,549
Property-related expenses	8,726	7,049
Other operating expenses	16,396	12,323
Total operating expenses	**57,337**	**44,922**

The prior year figures in this table have been reclassified to be consistent with the current year classification.

Other operating expenses include:

	2015 $000	2014 $000
Remuneration paid to auditors:		
Audit and review of financial statements	184	180
Donations	4	6
Rent	451	423

5. Net finance costs

Interest expense comprises interest payable on borrowings and is calculated using the effective interest rate method.

	2015 $000	2014 $000
Interest on bank loans and related fees	9,655	7,959
Interest on swaps	685	592
Capitalised finance costs	(1,999)	(1,750)
Finance charges on finance leases	29	34
Net finance costs	**8,370**	**6,835**

Borrowing costs are capitalised for property, plant and equipment (Note 8) and investment property (Note 10) if they are directly attributable to the construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset commence and expenditures and borrowing costs are incurred. Capitalisation of borrowing costs continues until the assets are substantially ready for their intended use.

6. Income tax

Tax expense comprises current and deferred tax, calculated using the tax rate enacted or substantively enacted at balance date and any adjustment to tax payable in respect of prior years. Tax expense is recognised in the income statement except when it relates to items recognised directly in the statement of comprehensive income, in which case the tax expense is recognised in the statement of comprehensive income.

Deferred tax expense is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent it is probable it will be utilised. Temporary differences for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, unless they arise from business combination, are not provided for.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Financial Statements (continued)

6. Income tax (continued)

(a) Income tax recognised in the income statement

	2015 $000	2014 $000
Tax expense comprises:		
Deferred tax relating to the origination and reversal of temporary differences	(1,470)	(179)
Total tax credit reported in income statement	**(1,470)**	**(179)**

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2015		2014	
	$000	%	$000	%
Profit before tax	**82,775**		**53,994**	
Income tax using the corporate tax rate	23,177	28.0%	15,118	28.0%
Capitalised interest	(560)	(0.7%)	(490)	(0.9%)
Other non-deductible expenses	97	0.1%	69	0.1%
Non-assessable investment property revaluations	(23,368)	(28.2%)	(14,695)	(27.2%)
Other	(565)	(0.7%)	405	0.8%
Prior period adjustments	(251)	(0.3%)	(586)	(1.1%)
Total income tax credit	**(1,470)**	**(1.8%)**	**(179)**	**(0.3%)**

(b) Amounts charged or credited to other comprehensive income

	2015 $000	2014 $000
Tax expense comprises:		
Net gain on revaluation of care facility land and buildings	-	1,514
Fair value movement of interest rate swaps	(592)	(455)
Total tax (credit)/expense reported in statement of comprehensive income	**(592)**	**1,059**

(c) Imputation credit account

There were no imputation credits received or paid during the year and the balance at 31 December 2015 is nil (2014: nil).

(d) Deferred tax

The deferred tax balance comprises:

	2015 $000	2014 $000
Property, plant and equipment	10,080	9,764
Investment property	12,896	12,248
Revenue in advance	(5,681)	(4,266)
Interest rate swaps	(875)	(283)
Income tax losses not yet utilised	(3,620)	(2,754)
Other items	(705)	(552)
Net deferred tax liability	**12,095**	**14,157**

6. Income tax (continued)

Movement in the deferred tax balance comprises:

	BALANCE 1 JAN 2015 $000	RECOGNISED IN INCOME $000	RECOGNISED IN OCI* $000	BALANCE 31 DEC 2015 $000
Property, plant and equipment	9,764	316	-	10,080
Investment property	12,248	648	-	12,896
Revenue in advance	(4,266)	(1,415)	-	(5,681)
Interest rate swaps	(283)	-	(592)	(875)
Income tax losses not yet utilised	(2,754)	(866)	-	(3,620)
Other items	(552)	(153)	-	(705)
Net deferred tax liability	**14,157**	**(1,470)**	**(592)**	**12,095**

	BALANCE 1 JAN 2014 $000	RECOGNISED IN INCOME $000	RECOGNISED IN OCI* $000	BALANCE 31 DEC 2014 $000
Property, plant and equipment	7,604	646	1,514	9,764
Investment property	11,310	938	-	12,248
Revenue in advance	(3,157)	(1,109)	-	(4,266)
Interest rate swaps	172	-	(455)	(283)
Income tax losses not yet utilised	(2,198)	(556)	-	(2,754)
Other items	(454)	(98)	-	(552)
Net deferred tax liability	**13,277**	**(179)**	**1,059**	**14,157**

* Other comprehensive income

7. Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses. Trade receivables are not significant on an individual basis and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate, less an allowance for impairment. Impairment is assessed on an individual basis.

Sundry debtors includes amounts owing for occupation right agreements settled but not yet paid in full at balance date.

	2015 $000	2014 $000
Trade receivables	1,244	1,145
Allowance for doubtful debts	(43)	(40)
	1,201	1,105
Prepayments	1,426	912
Accrued income	435	336
Sundry debtors	13,012	11,332
Total trade and other receivables	**16,074**	**13,685**

Notes to the Financial Statements (continued)

8. Property, plant and equipment

Property, plant and equipment includes care facilities, both complete and under development, and corporate assets held.

All property, plant and equipment is initially recorded at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes material and direct labour, and any other costs directly attributable to bringing the asset to its working condition for its intended use.

Subsequent to initial recognition, land and buildings related to care facilities are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses, if any, since the assets were last revalued. Plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, if any. Where an item of plant and equipment is disposed of, the gain or loss recognised in the income statement is calculated as the difference between the net sales price and the carrying amount of the asset.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Any revaluation surplus is recognised in other comprehensive income unless it reverses a revaluation decrease of the same asset previously recognised in the income statement. Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus in the same asset in other comprehensive income. Any accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Note 5 provides details on capitalised borrowing costs.

Depreciation is charged to the income statement on a diminishing value basis over the estimated useful lives of each item of property, plant and equipment, with the exception of land, which is not depreciated, and buildings which are depreciated on a straight-line basis. Depreciation methods, useful lives and residual values are reassessed at the reporting date. Major depreciation rates are as follows:

Buildings	2%
Furniture and fittings	9% to 30%
Motor vehicles	20% to 36%
Plant and equipment	8% to 80%

8. Property, plant and equipment (continued)

	LAND $000	BUILDINGS $000	MOTOR VEHICLES $000	PLANT AND EQUIPMENT $000	FURNITURE AND FITTINGS $000	TOTAL $000
Cost						
Balance at 1 January 2014	4,100	46,007	2,073	3,815	2,655	58,650
Additions	-	4,000	270	3,072	846	8,188
Reclassification	(1,100)	1,100	-	-	-	-
(Impairment)/reversal of impairment through profit or loss	(15)	1,897	-	-	(835)	1,047
Revaluations through other comprehensive income	95	2,108	-	-	-	2,203
Balance at 31 December 2014	3,080	55,112	2,343	6,887	2,666	70,088
Additions	-	14,120	669	3,932	2,913	21,634
Disposals	-	(16)	(221)	(1,479)	(533)	(2,249)
Reclassification	-	(4,900)	-	-	-	(4,900)
Balance at 31 December 2015	3,080	64,316	2,791	9,340	5,046	84,573
Accumulated depreciation						
Balance at 1 January 2014	-	1,594	1,317	2,512	1,806	7,229
Depreciation charge for the year	-	1,256	251	785	248	2,540
Revaluations through other comprehensive income	-	(2,850)	-	-	-	(2,850)
Impairment	-	-	-	-	(390)	(390)
Balance at 31 December 2014	-	-	1,568	3,297	1,664	6,529
Depreciation charge for the year	-	1,228	289	1,213	335	3,065
Disposals	-		(185)	(1,381)	(496)	(2,062)
Balance at 31 December 2015	-	1,228	1,672	3,129	1,503	7,532
Carrying amounts						
As at 31 December 2014	**3,080**	**55,112**	**775**	**3,590**	**1,002**	**63,559**
As at 31 December 2015	**3,080**	**63,088**	**1,119**	**6,211**	**3,543**	**77,041**

Revaluations

An independent valuation to determine the fair value of all completed care facilities which are classified as land and buildings was carried out as at 31 December 2014 by CBRE Limited, an independent registered valuer. Valuations are carried out every three years unless there are indicators of a significant change in fair value. CBRE determine the fair value of all care facility assets using an earnings-based multiple approach. Significant assumptions used in the most recent valuation include market value per care bed of between $79,000 and $144,000 and individual unit earning capitalisation rate of between 12.25% and 15.5%.

As the fair value of land and buildings is determined using inputs that are unobservable, the Group has categorised property, plant and equipment 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 land and buildings are the capitalisation rates applied to individual unit earnings and the market value per care bed. A significant decrease (increase) in the capitalisation rate would result in a significantly higher (lower) fair value measurement and a significant increase (decrease) in the market value per care bed would result in a significantly higher (lower) fair value measurement.

Notes to the Financial Statements (continued)

8. Property, plant and equipment (continued)

Cost model

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2015			2014		
	LAND $000	BUILDINGS $000	TOTAL $000	LAND $000	BUILDINGS $000	TOTAL $000
Cost	3,115	61,066	64,181	3,115	46,962	50,077
Accumulated depreciation and impairment losses	-	(8,696)	(8,696)	-	(7,468)	(7,468)
Net carrying amount	**3,115**	**52,370**	**55,485**	**3,115**	**39,494**	**42,609**

Security

At 31 December 2015, care centres registered under the Retirement Villages Act 2003 are subject to a registered first mortgage in favour of the Statutory Supervisor.

9. Intangibles

Intangible assets acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the income statement on a diminishing value basis over the estimated useful lives of intangible assets from the date that they are available for use. The major amortisation rates are between 48% to 60%.

	SOFTWARE $000	TOTAL $000
Cost		
Balance at 1 January 2014	1,857	1,857
Additions	1,078	1,078
As at 31 December 2014	2,935	2,935
Additions	359	359
Disposals	(493)	(493)
As at 31 December 2015	2,801	2,801
Accumulated amortisation		
Balance at 1 January 2014	1,214	1,214
Amortisation charge for the year	357	357
As at 31 December 2014	1,571	1,571
Amortisation charge for the year	668	668
Disposals	(490)	(490)
Balance at 31 December 2015	1,749	1,749
Carrying amounts		
As at 31 December 2014	**1,364**	**1,364**
As at 31 December 2015	**1,052**	**1,052**

10. Investment property

Investment properties are held to earn rental income and for capital appreciation. They comprise land and buildings and associated equipment and furnishings relating to independent living units, care apartments and common facilities in the retirement village. Investment properties include buildings under development. Initial recognition of investment property is at cost and it is subsequently measured at fair value with any change in fair value recognised in the income statement.

Land acquired with the intention of constructing an investment property on it is classified as investment property from the date of acquisition.

Rental income from investment property, being deferred management fees, is accounted for as described in Note 3. Depreciation is not charged on investment property.

Notes to the Financial Statements (continued)

10. Investment property (continued)

Note 5 provides details on capitalised borrowing costs.

	2015 $000	2014 $000
Balance at beginning of period	958,171	776,637
Additions	220,117	129,080
Disposals	(576)	(27)
Fair value movement:		
Realised	38,483	24,789
Unrealised	44,975	27,692
Total investment property	**1,261,170**	**958,171**

The fair value of investment property as at 31 December 2015 was determined by CBRE Limited, an independent registered valuer. The fair value of the Group's investment property is determined on a semi-annual basis, based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. To assess the fair value of the Group's interest in the village, CBRE has undertaken a cashflow analysis to derive a net present value.

Significant assumptions used by the valuer include a discount rate of between 14.0% and 16.0% (2014: 14.0% to 16.5%) and a long term nominal house price inflation rate of between 0% and 3.5% (2014: 0% to 3.5%). Other assumptions used by the valuer include the average entry age of residents and occupancy periods of units.

The Group has deemed it is unable to reliably determine the fair value of non-land capital work in progress at 31 December 2015 and therefore is carried at cost. This equates to $99.5 million of investment property (2014: $56.3 million).

	2015 $000	2014 $000
Valuation of manager's net interest	623,970	444,488
Liability for residents' loans	637,200	513,683
Total investment property	**1,261,170**	**958,171**

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 entry age 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 entry age of residents or the long-term nominal house price inflation rate would result in a significantly higher (lower) fair value measurement.

Operating expenses

Direct operating expenses arising from investment property that generated rental income during the period amounted to $17.7 million (2014: $14.1 million). There were 23 retirement units excluding work in progress (2014: 60) in investment property that did not generate rental income during the period.

Notes to the Financial Statements (continued)

10. Investment property (continued)

Security

At 31 December 2015, all investment property relating to registered retirement villages under the Retirement Villages Act 2003 are subject to a registered first mortgage in favour of the Statutory Supervisor to secure the Group's obligations to the occupation agreement holders.

11. Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short-term nature they are not discounted.

	2015 $000	2014 $000
Trade payables	849	715
Accruals	21,848	11,689
Other payables	5,823	1,058
Total trade and other payables	**28,520**	**13,462**

12. Employee benefits

A provision is made for benefits accruing to employees in respect of wages, salaries, annual leave and short term incentives when it is probable that settlement will be required and the amount can be estimated reliably.

	2015 $000	2014 $000
Holiday pay accrual	2,390	1,889
Other employee benefits	1,924	659
Total employee benefits	**4,314**	**2,548**

13. Interest rate swaps

The Group uses interest rate swaps to manage its risk associated with interest rate fluctuations. Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the interest rate swaps are determined based on cash flows discounted to present value using current market interest rates.

When interest rate swaps meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to reserves are transferred out of reserves and included in the measurement of the hedged transaction when the forecast transaction occurs. When interest rate swaps do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instrument are recognised in the income statement.

Under the interest rate swap agreements, the Group has a right to receive interest at variable rates and to pay interest at fixed rates. At 31 December 2015, the Group had interest rate swap agreements in place with a total notional principal amount of $236 million (2014: $94 million). Of the swaps in place, at 31 December 2015 $94 million (2014: $94 million) are being used to cover approximately 38% (2014: 62%) of the loan principal outstanding. These agreements effectively change the Group's interest exposure on the principal covered by the interest rate swaps from a floating rate to fixed rates, which range between 3.15% and 4.47% (2014: 3.55% and 4.43%).

The fair value of these agreements at 31 December 2015 is $3.1 million liability, comprised of $3.9 million of swap liabilities and $0.8 million of swap assets (2014: liability of $1.0 million). Of this, a liability of $134,000 (2014: $8,000) is estimated to be current. The agreements cover notional amounts for a term of between one and ten years.

13. Interest rate swaps (continued)

The notional principal amounts and the period of expiry of the interest rate swap contracts are as follows:

	2015 $000	2014 $000
Less than 1 year	30,000	5,000
Between 1 and 2 years	22,000	30,000
Between 2 and 3 years	27,000	29,000
Between 3 and 4 years	37,000	10,000
Between 4 and 5 years	30,000	10,000
Between 5 and 6 years	10,000	10,000
Between 6 and 7 years	30,000	-
Between 7 and 8 years	10,000	-
Between 8 and 9 years	20,000	-
Between 9 and 10 years	20,000	-
Total	**236,000**	**94,000**

14. Residents' loans

An occupation right agreement confers a right of occupancy to a villa, apartment or care apartment. The consideration received on the grant of an occupation right agreement is allocated to the resident loan payment in full. Residents' loans are amounts payable under occupation right agreements. These loans are non-interest-bearing and are payable when both an occupation right agreement is terminated and there has been settlement of a new occupation right agreement for the same retirement unit and the proceeds from the new settlement have been received by the Group. Residents' loans are initially recognised at fair value and subsequently measured at amortised cost.

The Group holds a contractual right to set-off the deferred management fee receivable on termination of an agreement against the resident's loan to be repaid. Residents' loans are therefore recognised net of the deferred management fee receivable on the balance sheet. Deferred management fees are payable by residents in consideration for the supply of accommodation and the right to share in the use of community facilities. Deferred management fees are paid in arrears with the amount payable calculated as a percentage of the resident loan amount as per the resident's occupation right agreement. Deferred management fee receivable is calculated and recorded based on the current tenure of the resident and the contractual right to deferred management fee earned at balance date. Refer to Note 3 for further detail on recognition of deferred management fee revenue.

	2015 $000	2014 $000
Balance at beginning of period	574,718	458,872
Amounts repaid on termination of occupation right agreements	(60,479)	(43,321)
Amounts received on issue of new occupation right agreements	218,339	159,167
Total gross residents' loans	732,578	574,718
Deferred management fees receivable	(95,378)	(61,035)
Total residents' loans	**637,200**	**513,683**

Note 16 provides a split between current and non-current residents' loans.

Notes to the Financial Statements (continued)

15. Interest-bearing loans and borrowings

As at 31 December 2015, secured bank loans totaled $248.2 million (2014: $150.8 million). These loans were repayable after 12 months.

Interest-bearing loans and borrowings are recognised initially at fair value net of directly attributable transaction costs, with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest rate basis.

The weighted average interest rate for the year to 31 December 2015 was 4.08% (2014: 4.27%). This excludes the impact of interest rate swaps (see Note 13).

The secured bank loan facility was extended in August 2015 and has a maximum of $450.0 million (2014: $255.0 million). $125.0 million of lending expires in August 2018 and $325.0 million of lending expires in August 2020.

Security

The bank loans are secured by a general security agreement over the assets of Summerset Holdings Limited (a subsidiary of the Company) subject to a first priority to the Statutory Supervisor over the village assets.

16. Financial instruments

Exposure to credit, market and liquidity risk arises in the normal course of the Group's business. The Board reviews and agrees on policies for managing each of these risks as summarised below. The Group has no exposure to foreign currency or any other substantial market price risk.

Categories of financial instruments

All financial assets are classified as loans and receivables except for limited recourse loans which are designated as fair value through profit or loss and interest rate swaps which are classified as derivatives held for trading. All financial liabilities except interest rate swaps are classified as liabilities at amortised cost.

Credit risk

Credit risk is the risk of financial loss to the Group if a resident or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk relates to receivables from residents, bank balances and limited recourse loans. The Group manages its exposure to credit risk. The Group's cash is held with its principal banker, with the level of exposure to credit risk considered minimal with low levels of cash generally held. Receivables balances are monitored on an ongoing basis and funds are placed with high-credit quality financial institutions. The level of risk associated with sundry debtors is considered minimal. The Group does not require collateral from its debtors and the Directors consider the Group's exposure to any concentration of credit risk to be minimal.

Notes to the Financial Statements (continued)

16. Financial instruments (continued)

The carrying amount of financial assets represents the Group's maximum credit exposure. The status of trade receivables is as follows:

	2015		2014	
	GROSS RECEIVABLE $000	IMPAIRMENT $000	GROSS RECEIVABLE $000	IMPAIRMENT $000
Not past due	1,041	-	763	-
Past due 31 to 60 days	101	-	181	-
Past due 61 to 90 days	46	-	98	-
Past due more than 90 days	56	(43)	103	(40)
Total	**1,244**	**(43)**	**1,145**	**(40)**

In summary, trade receivables are determined to be impaired as follows:

	2015 $000	2014 $000
Gross trade receivables	1,244	1,145
Impairment	(43)	(40)
Net trade receivables	**1,201**	**1,105**

All amounts past due but not impaired have been reviewed and are considered recoverable.

Market risk
Market risk is the risk that changes in market prices such as interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk
The Group's exposure to interest rate risk is managed by seeking to obtain the most competitive rate of interest at all times. The Group has also entered into interest rate swap agreements in order to provide an effective cash flow hedge against the variability in floating interest rates. See Note 13 for details of the interest rate swap agreements.

At 31 December 2015 it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before income tax by $2.4 million (2014: $1.5 million) and decrease total comprehensive income by approximately $1.5 million (2014: decrease by $0.5 million).

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity by maintaining adequate reserves and undrawn banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group manages liquidity risk on residents' loans and related sundry debtors through the contractual requirements of occupation rights agreements, whereby a resident's loan is only repaid on receipt of the loan monies from the incoming resident.

Notes to the Financial Statements (continued)

16. Financial instruments (continued)

The following table sets out the contractual cash flows for all financial liabilities for the Group (including contractual interest obligations on bank loans):

	2015		2014	
	LESS THAN 1 YEAR $000	GREATER THAN 1 YEAR $000	LESS THAN 1 YEAR $000	GREATER THAN 1 YEAR $000
Financial liabilities				
Trade and other payables	28,520	-	13,462	-
Residents' loans	55,287	581,913	42,924	470,759
Interest-bearing loans and borrowings	10,127	288,719	6,440	176,579
Interest rate swaps	24	9,970	7	2,095
Total	**93,958**	**880,602**	**62,833**	**649,433**

Residents' loans are non-interest bearing and are not required to be repaid following termination of an occupation right agreement until receipt of cash for the new resident loan from the incoming resident. The figures above have been calculated using best estimates of resident loan repayments based on historical information. To date, cash for new residents' loans received has always exceeded cash from repaid residents' loans, net of deferred management fees.

Fair values

The carrying amounts shown in the balance sheet approximate the fair value of the financial instruments, with the exception of residents' loans, shown below:

	2015		2014	
	CARRYING AMOUNT $000	FAIR VAUE $000	CARRYING AMOUNT $000	FAIR VAUE $000
Residents' loans	(637,200)	(401,150)	(513,683)	(332,859)
Total	**(637,200)**	**(401,150)**	**(513,683)**	**(332,859)**

The fair value of residents' loans is based on the present value of projected cash flows. Future cash flows are based on the assumption that the average tenure periods are those disclosed above and have been discounted at 14% (2014: 14%). The fair value of residents' loans is categorised as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement*.

The fair value of interest rate swaps and limited recourse loans are determined using inputs from third parties that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Based on this, the Company and Group has categorised these financial instruments as Level 2 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurement*.

Capital management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure a strong credit rating to support business growth and maximise shareholder value. The Group's capital is managed through Summerset Holdings Limited and its subsidiaries ("SHL Group"). The SHL Group is subject to capital requirements imposed by the bank through the Group Deed of Covenant. The SHL Group has met all externally imposed capital requirements for the year ended 31 December 2015 (2014: all requirements met). The SHL Group capital structure is managed, and adjustments are made, with Board approval. During the year the Group's Treasury policy was changed to increase the maximum tenure for hedging instruments and adjust the spreading of maturities permitted for these. There were no other changes to objectives, policies or processes during the year ended 31 December 2015 (2014: nil).

Notes to the Financial Statements (continued)

17. Share capital and reserves

At 31 December 2015, there were 220,263,506 ordinary shares on issue (2014: 218,548,736). All ordinary shares are fully paid and have no par value. All shares carry one vote per share and carry the right to dividends.

	2015 $000	2014 $000
Share capital		
On issue at beginning of year	240,946	237,092
Shares issued under the dividend reinvestment plan	2,671	2,791
Shares paid under employee share plan	347	900
Employee share plan option cost	345	163
On issue at end of year	**244,309**	**240,946**

	2015	2014
Share capital (in thousands of shares)		
On issue at beginning of year	215,815	214,311
Shares issued under the dividend reinvestment plan	770	861
Shares issued under the employee share plan	232	643
On issue at end of year	**216,817**	**215,815**

The total shares on issue at 31 December 2015 of 220,263,506 for Summerset Group Holdings Limited differs from the share capital for the Group due to shares held in 100% owned subsidiary, Summerset LTI Trustee Limited. As at 31 December 2015, 3,446,448 shares are held by Summerset LTI Trustee Limited for employee share plans which are eliminated on consolidation. Refer to Note 19 for further details on employee share plans.

Revaluation reserve

The revaluation reserve is used to record the revaluation of care facility land and buildings.

Hedging reserve

The hedging reserve is used to record gains or losses on instruments used as cash flow hedges. The amounts are recognised in profit and loss when the hedged transaction affects profit and loss.

Dividends

On 25 March 2015 a dividend of 2.1 cents per ordinary share was paid to shareholders and on 7 September 2015 a dividend of 1.85 cents per ordinary share was paid to shareholders. (2014: on 24 March 2014 a dividend of 3.25 cents per ordinary share was paid to shareholders and on 8 September 2014 a dividend of 1.4 cents per ordinary share was paid to shareholders).

A dividend reinvestment plan applied to the dividends paid. 447,575 ordinary shares were issued in relation to the plan for the March 2015 dividend and 322,297 ordinary shares were issued in relation to the plan for the September 2015 dividend (2014: 585,959 ordinary shares were issued in March 2014 and 274,956 ordinary shares were issued in September 2014).

Notes to the Financial Statements (continued)

18. Earnings per share and net tangible assets

Basic earnings per share	2015	2014
Earnings ($000)	84,245	54,173
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	216,342	215,322
Basic earnings per share (cents per share)	**38.94**	**25.16**

Diluted earnings per share	2015	2014
Earnings ($000)	84,245	54,173
Weighted average number of ordinary shares for the purpose of earnings per share (in thousands)	219,050	217,254
Diluted earnings per share (cents per share)	**38.46**	**24.94**

Number of shares (in thousands)	2015	2014
Weighted average number of ordinary shares for the purpose of earnings per share (basic)	216,342	215,322
Weighted average number of ordinary shares issued under employee share plans	2,708	1,932
Weighted average number of ordinary shares for the purpose of earnings per share (diluted)	**219,050**	**217,254**

At 31 December 2015, there were 3,446,488 shares issued under employee share plans (Dec 2014: 2,733,572 shares).

Net tangible assets per share	2015	2014
Net tangible assets ($000)	408,734	330,906
Shares on issue at end of period (basic and in thousands)	216,817	215,815
Net tangible assets per share (cents per share)	**188.52**	**153.33**

Net tangible assets is calculated as the total assets of the Group minus intangible assets and minus total liabilities. This measure is provided as it is a commonly calculated figure and is useful for comparison with other entities.

Notes to the Financial Statements (continued)

19. Employee share plan

The Group operates employee share plans for selected senior employees ("Participants") to purchase shares in Summerset Group Holdings Limited. The shares for the plans are held by a nominee on behalf of Participants, until such time after the vesting of shares that the nominee is directed by the Participant to transfer or sell the shares, or the shares are sold by the nominee if vesting criteria are not met. The shares carry the same rights as all other ordinary shares.

The Group has provided Participants with interest-free limited recourse loans to fund the acquisition of the shares for these plans.

The issue price of shares under the 2011 plan was determined using the offer price on the company's NZX listing on 1 November 2011. The issue price of shares under the 2013 plan is determined from the volume weighted average price on the NZX during the ten trading days prior to issue.

	2011 SHARE PLAN	2013 SHARE PLAN (2013 issues)	2013 SHARE PLAN (2014 issue)	2013 SHARE PLAN (2015 issue)
Commencement date	1 Nov 2011	16 Dec 2013	16 Dec 2013	16 Dec 2013
Issue price	$1.40	$3.20 & $3.47	$2.68	$3.91
Expiry date of interest free limited recourse loans	31 Oct 2017	30 Jun 2018	30 Jun 2019	30 Jun 2020
Years that the performance goals relate to	2012 to 2013	2014 to 2016	2015 to 2017	2016 to 2018
% of shares vested	100%	0%	0%	0%
Vesting date of final tranche	Passed	31 Dec 2016	31 Dec 2017	31 Dec 2018

The share plans are equity-settled schemes and are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate that the shares will vest. These options were valued using the Black Scholes valuation model and the option cost for the year ending 31 December 2015 of $345,000 has been recognised in the income statement of the Company and the Group for that period (2014: $163,000).

	2015				2014		
	2011 SHARE PLAN	2013 SHARE PLAN (2013 issues)	2013 SHARE PLAN (2014 issues)	2013 SHARE PLAN (2015 issues)	2011 SHARE PLAN	2013 SHARE PLAN (2013 issues)	2013 SHARE PLAN (2014 issues)
Shares held at year end (in thousands)	750	793	959	945	964	793	977
Share plan shares held at year end as a percentage of shares on issue	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Valuation assumptions							
Discount to reflect shares may not meet vesting criteria	20%	30%	30%	0-30%	20%	30%	30%
Volatility	20%	21-22%	21%	22%	20%	21%	21%

214,286 shares were sold under the 2011 Share Plan and 17,696 shares were sold under the 2013 Share Plan on 31 August 2015. The share price at the date of exercise was $3.85. The range of exercise prices at 31 December 2015 is $1.40 to $3.91 (2014: $1.40 to $3.47).

	2015		2014	
	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES 000's	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES 000's
Balance at beginning of the period	$2.40	2,734	$1.90	2,232
Issued during the year	$3.91	945	$2.80	1,145
Issued to employees following vesting and repayment of loans	$1.50	(232)	$1.40	(643)
Forfeited during the year	$2.88	(305)	-	-
Balance at end of the period	**$2.89**	**3,142**	**$2.40**	**2,734**

Notes to the Financial Statements (continued)

20. Related party transactions

The Group has loans to employees' receivable at 31 December 2015 of $1.5 million (2014: $1.5 million) with repayment due by 31 October 2016.

Refer to Note 19 for employee share plan details. All loans outstanding in relation to employee share plans are interest-free limited recourse loans.

21. Key management personnel compensation

The compensation of the key management personnel of the Group is set out below:

	2015 $000	2014 $000
Directors' fees	538	485
Short-term employee benefits	2,596	2,535
Share-based payments	345	163
Termination payments	337	-
Total	**3,816**	**3,183**

Refer to Note 19 for employee share plan details for key management personnel and Note 20 for loans advanced to key management personnel.

22. Commitments and contingencies

Operating lease commitments
Non–cancellable operating lease rentals are payable as follows:

	2015 $000	2014 $000
Less than 1 year	398	469
Between 1 and 5 years	2,287	2,752
More than 5 years	4,068	4,576
Total operating lease commitments	**6,753**	**7,797**

During the year ended 31 December 2015 $0.5 million was recognised in the income statement in respect of operating leases (2014: $0.4 million).

Guarantees
At 31 December 2015, NZX Limited held a guarantee in respect of the Group, as required by the NZX Listing Rules, for $75,000 (2014: $75,000).

At 31 December 2015, Boulcott's Farm Heritage Golf Club held a guarantee in respect of the Group for $1,142,760 (2014: $2,542,760).

Capital commitments
At 31 December 2015, the Group had capital commitments in relation to construction contracts of $51.1 million (2014: $35.4 million).

Contingent liabilities
There were no known material contingent liabilities at 31 December 2015 (2014: nil).

23. Subsequent events

Subsequent to balance date the Group has purchased a 6.3ha piece of land in Rototuna, Hamilton.

On 23 February 2016, the directors approved a final dividend of 3.4 cents per share. The dividend record date is 9 March 2016 with a payment date of 24 March 2016.

There have been no other events subsequent to 31 December 2015 which materially impact on the results reported (2014: nil).

Chartered Accountants

Independent Auditor's Report

To the Shareholders of Summerset Group Holdings Limited

Report on the Financial Statements

We have audited the financial statements of Summerset Group Holdings Limited (the "company") and its subsidiaries ("the group") on pages 2 to 24, which comprise the statement of financial position of the group as at 31 December 2015, and the statement of comprehensive income, income statement, statement of changes in equity and statement of cash flows for the year then ended of the group, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders as a body. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible on behalf of the company for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the group.

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.

Opinion

In our opinion, the financial statements on pages 2 to 24 present fairly, in all material respects, the financial position of the group as at 31 December 2015 and the financial performance and cash flows of the group for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Ernst + Young

23 February 2016
Wellington

Summerset Group Holdings Limited Results for announcement to the market	
Reporting Period	12 months to 31 December 2015
Previous Reporting Period	12 months to 31 December 2014

	Amount (000s)	Percentage change
Revenue from ordinary activities	$NZ68,757	+26.7%
Total income from ordinary activities	$NZ152,215	+40.1%
Profit from ordinary activities after tax attributable to security holder	$NZ84,245	+55.5%
Net profit attributable to security holders	$NZ84,245	+55.5%
Underlying profit	$NZ37,800	+54.8%

Final Dividend	Amount per security	Imputed amount per security
	3.4 NZ cents per share	Not imputed

Record Date	9 March 2016
Dividend Payment Date	24 March 2016
Dividend Reinvestment Plan	Applies at 2% discount

Comments:	See also other attached documents (audited financial statements, media release, results presentation and Appendix 7). Underlying profit differs from NZ IFRS net profit after tax. The directors have provided an unaudited 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.

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

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

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.

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	23 / 02 / 2016

Nature of event
Tick as appropriate

Bonus Issue	[ ]
If ticked, state whether: *Taxable* / *Non Taxable*	[ ] / [ ]
Conversion	[ ]
Interest	[ ]
Rights Issue Renouncable	[ ]
Rights Issue non-renouncable	[ ]
Capital change	[ ]
Call	[ ]
Dividend	[x]
If ticked, state whether: Interim	[ ]
Full Year	[x]
Special	[ ]
DRP Applies	[x]

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 (*Enter N/A if not applicable*)	
Treatment of Fractions	
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)	3.4 cents per share
Source of Payment	Revenue Reserves
Excluded income per security (only applicable to listed PIEs)	Nil
Currency	New Zealand Dollars
Total monies	$7,488,959

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	Nil
Date Payable	

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	1.122 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 -*	9 March, 2016
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.*	24 March, 2016
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.*	24 March, 2016

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:

NZX