

Investor NEWS

Issue 3, September 2016.

Update from the CEO



Bill McDonald
Chief Executive Officer
Arvida Group

It is pleasing to be able to write this following the positive results of our first full year trading. This is a significant benchmark for Arvida to see the realisation of the benefits of the Group with an exciting trajectory ahead.

Arvida Highlights

I sincerely thank my management team who have made fantastic progress across so many fronts over the past 12 months. We materially exceeded our IPO financial forecasts and this was reflective of a high quality effort from the team.

FY2016 Highlights include:

- Integration of 18 independent businesses into a single cohesive entity.
- Creation of a positive new culture across the Group.
- Acquisition of three high quality retirement villages and aged care facilities situated in prime Auckland locations – Aria Park, Aria Bay and Aria Gardens. This acquisition was a first step in delivering our stated

growth strategy.

- Announcement of the acquisition of Lansdowne Park in Masterton. This acquisition is now complete and I am pleased to report a smooth transition. All four acquisitions were all immediately accretive to earnings.
- Completion of the leadership team, with a depth of capability and expertise necessary for current operations and for our future growth aspirations.
- New look branding and collateral introduced across the Group.
- Sales momentum building with a new consumer offering introduced to the market.
- Establishment of development project teams in both the North and South Islands to execute on significant brownfield projects already commenced.
- Completion of developments at Glenbrae, Park Lane and Aria Gardens, adding a combination of 32 units and care beds. 149 units were also refurbished for resale, plus 79 care beds at Aria Gardens, St Allisa and Glenbrae.

...continued over

FY2016 FINANCIAL HIGHLIGHTS

Total Revenue

\$82.5m

+19%

Ahead of IPO
forecast of \$69.5m

Operating Earnings¹

\$17.4m

+19%

Ahead of IPO
forecast of \$14.6m

Reported Net Profit After Tax (IFRS)

\$24.0m

+127%

Ahead of IPO
forecast of \$10.6m

Underlying Profit²

\$15.8m

+19%

Ahead of IPO
forecast of \$13.3m

Total Assets

\$461m

+26%

Ahead of IPO
forecast of \$365m

We are on a tremendous journey and I am pleased to see the Arvida Group of villages continue to emerge as a leading provider of aged care services in New Zealand. Our 22 villages provide a national footprint but more importantly, they hold a unique market position and valuable points of difference that are resonating with residents and staff alike.

We have started the new financial year with good momentum and are doing a lot of ground work to embed new initiatives that will deliver further significant gains across the business. Consolidation of the Arvida brand and being part of a national group provides real benefits to our villages.

However, in our business, success is measured by the level of care and wellbeing we provide to our residents. Programmes to enhance

the lives of residents have been, and will continue to be, a primary focus at Arvida. With great leadership from our senior executives and the efforts of the over 1,300 Arvida staff members, we continue to make our residents' lives better each day. This commitment will help us to transform the ageing experience.

By taking a holistic approach to retirement living and aged care, we are creating a compelling offering for senior New Zealanders. One that is more focused on each individual and their specific needs, along with strongly developed links to the community.

The way in which our staff deliver our services every day embodies our underlying culture and values. This represents what we call the 'Arvida Attitude' – an environment which empowers our people to achieve, to innovate and to care.

Finally thank you for your continued support as a shareholder in Arvida. We have a simple aim to make our residents, staff and shareholders our greatest advocates.

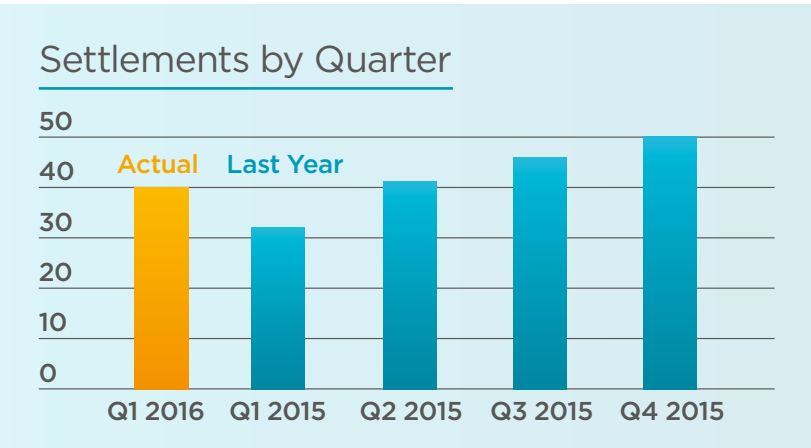
Bill McDonald
CEO, Arvida Group



Sales momentum continuing

It has been a pleasing start to the year with positive momentum in our sales in the first quarter, 25% up on the same period last year.

We have regional and village specific resources now in place and the new customer offer in the market is being very well received.



Arvida is one of the larger operators of retirement villages and aged care facilities in New Zealand.

Arvida's villages are located nationally, with over 2,100 residents spread across 22 locations. Every village operates independently and expresses its own character, personality and identity.

The corporate structure provides the background support to ensure quality and consistency across group operations, which ultimately benefits residents, village staff and shareholders.



OUR VISION

Improving the lives and wellbeing of our residents by transforming the ageing experience

OUR MISSION

To challenge ourselves to make our residents' lives better with everything we do

OUR PROMISE

Feel younger for longer and actively engaged in life

¹ Total revenue less employee, property and other costs.
² Underlying Profit is a non-GAAP financial measure and differs from NZ IFRS net profit after tax by replacing the fair value adjustment in investment property values with the Board's estimate of realised components of movements in investment property value and to eliminate deferred tax and one-off items. Please refer to page 15 of the 2016 Annual Report for a reconciliation to Reported Profit under IFRS.

Development Update

“Our brownfield developments demonstrate Arvida’s commitment to meet the growing demand for care and retirement living options. “

Jonathan Ash
General Manager
Development



Above: The site at Park Lane in Christchurch has been cleared in preparation for the construction of 73 new units.

Resource Consents Granted

Following a number of submissions, alterations and hearings, we are delighted to have received Resource Consents for the following developments:

- Resource Consent has been granted for a significant expansion of **73 units** with associated common and community facilities at Park Lane, Christchurch. We have cleared the site and commenced ground improvement works.
- Resource Consent has just been granted for **31 units and 37 aged care units** at Rhodes on Cashmere in Christchurch. We are mobilising to commence construction during October.
- Resource consent has also been granted for **24 new Villas** for Oakwoods, Nelson with earthworks and construction to commence in the coming months.

These Resource consents and other opportunities we are working on, represent a development pipeline of over 300 new units or beds for delivery over the next 2-3 years.

We’ve continued to grow our in-house development team who are making excellent progress in advancing brownfield developments across the country:

- Construction of 11 apartments at Glenbrae in Rotorua was completed at the end of March 2016. These are now being sold down. A new entrance and associated amenity is currently under construction.
- Construction of 24 new luxury apartments at Aria Bay in Auckland is well underway.
- A significant upgrade and earthquake remediation is almost complete at St Allisa in Christchurch. This will be finished well ahead of schedule.
- We have commenced St Albans earthquake remediation and planning for new build apartments and care beds at this village.
- Master planning at other villages with brownfield development opportunities is well underway.

Top: 24 new apartments are currently under construction at Aria Bay in Auckland.

Far left: Construction of the new entry and reception area at Glenbrae is progressing.

Left: Under-slab grouting is part of earthquake remedial works at St Albans village in Christchurch.



Lansdowne Park joins the Arvida Group

On June 30th, 2016 we completed the purchase of the newest village in our family, Lansdowne Park in Masterton, from previous owners Trevor and Suzanne Marshall.

Lansdowne Park is the premium village in Masterton with 64 two and three bedroom villas, 29 one bedroom serviced apartments and studios and a 50 bed hospital

and resthome. Most homes enjoy spectacular views of the nearby Tararua Ranges.

Occupying a commanding position on the prestigious Lansdowne Hill at the north end of Masterton, Lansdowne Park offers residents all the facilities and services possible for a secure and fulfilling retirement.

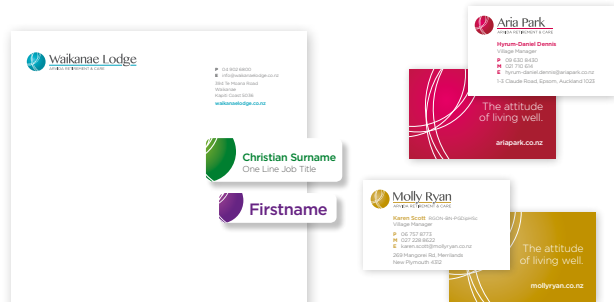


Marketing & Sales Update

Tristan Saunders
General Manager
Marketing & Sales



Village Open Home flags & sandwich boards



Village stationery



Village vans

New look Arvida Group branding rolled out

The last 3 months have seen the implementation of our new look branding and customer offer throughout the country.

This incorporates a wide range of customer facing material including new application forms, village, Arvida and Serviced Apartment brochures, new Care Packages and van livery.



Village collateral marketing packs



Tristan is working his way around all the Arvida villages nationwide giving updates to staff on the new look branding and what it means for our residents, managers and caregivers.

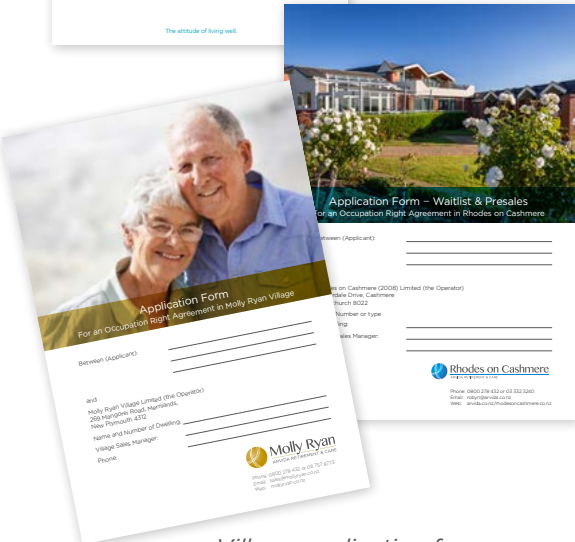
The next stage will be refreshing village entrances and reception areas, plus new look name badges.

Seven new bikes for Cycling Without Age

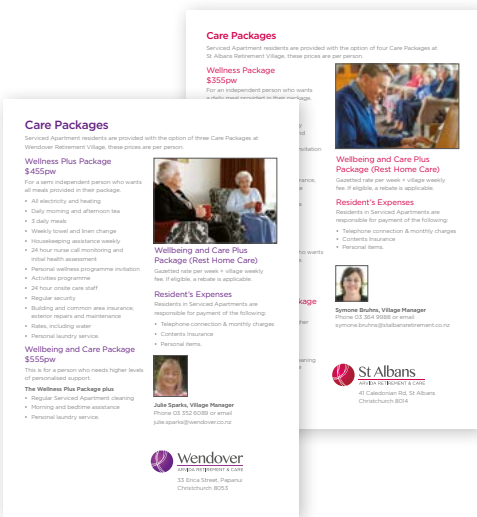
Arvida brought Cycling without Age to New Zealand with the first bike launched at Arvida's villages in November last year.

We're committed to this exciting programme and have purchased another 7 'trishaws' to be available to more Arvida villages and their communities. These will be distributed to selected villages throughout the country with an official media launch planned for October when the weather warms up. Bill McDonald comments: 'We first discovered Cycling Without Age on a TED Talk and approached them immediately. It's a terrific initiative linking the community (through volunteer cyclists) with our residents who still enjoy feeling the wind in their hair. We're delighted to be the first to bring the initiative to New Zealand, but not as delighted as those lucky enough to be involved in the rides happening all over the country!'

'This supports our wellness programme and vision to be leaders and innovators in the New Zealand retirement and aged care industry. It also delivers on Arvida's mission of 'improving the lives and wellbeing of our residents by transforming the aging experience'. The specially designed bikes or 'trishaws' are able to sit two passengers up front in a unique 'rickshaw' style design. Sturdy enough to offer a smooth and safe cycling experience, an electric motor also assists with steeper terrain. 'Cycling Without Age' is a global phenomenon founded in Denmark and is now available in 26 countries around the world. Dorte Pederson, one of the founders back in 2012, supported the launch by travelling to each village and region promoting the initiative.



Village application forms



Village care packages



Village newspaper marketing inserts



Arvida Group

Investor Centre

We look to publish an investor update twice yearly. Your feedback and suggestions are greatly welcomed. See contact details below.

Investor Calendar

Financial year end:

31 March (half year 30 September).

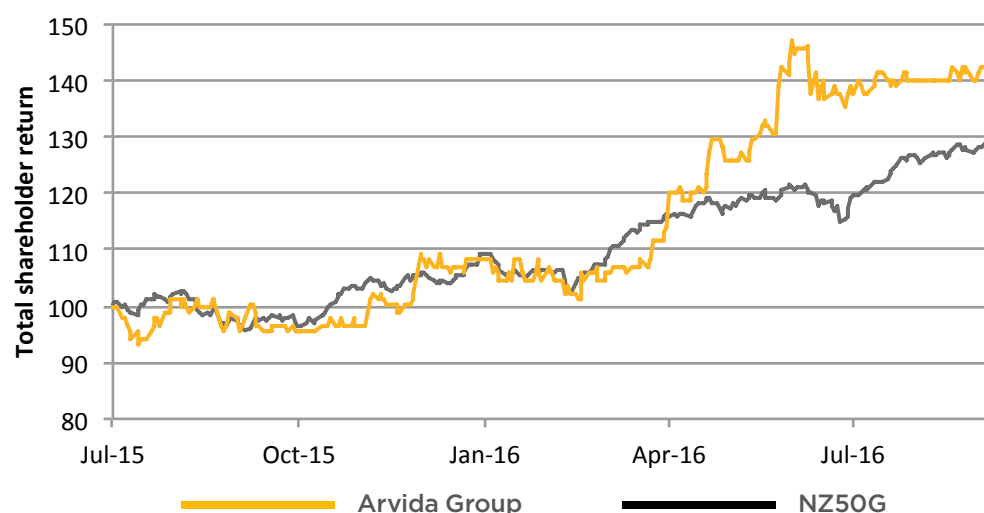
Dividend payments:

September, December, March, June.

Annual shareholder meeting:

August.

Relative Shareholder Returns



Source: IRESS as at September 2016

Research Coverage

The following analysts publish regular research on Arvida Group:

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Contact Us

You can contact us at any of the addresses and numbers below with enquiries, feedback or suggestions:

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