

RYMAN HEALTHCARE

Half Year Report 2018



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For more information on any of
Ryman Healthcare's retirement villages:

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\$97.1 million

Unaudited underlying
profit up 13.9%

\$169.5 million

Reported (IFRS)
profit down 16.3%

\$2.1 billion

In net assets

11,000

Residents at 33 villages

Half Year Highlights

23 villages

With four-year Ministry
of Health certification in
New Zealand

16 new
villages

In the pipeline

\$304 million

Invested in new and
existing villages

280

Staff have completed
leadership development
courses

Key statistics

For the period ended 30 September 2018

		30 Sept 2018 Six months	30 Sept 2017 Six months	31 March 2018 12 months
Financial				
Underlying profit (non-GAAP)	\$m	97.1	85.2	203.5
Reported net profit after tax	\$m	169.5	202.6	388.2
Net operating cash flows	\$m	217.8	175.1	349.3
Net assets	\$m	2,052.7	1,805.4	1,940.5
Interest bearing-debt to interest bearing-debt plus equity ratio	%	37%	34%	35%
Dividend per share	cents	10.8	9.5	20.4
Villages				
New sales of occupation rights	no.	168	157	458
Resales of occupation rights	no.	405	394	825
Land bank (to be developed) ^{1,2,3}	no.	6,078	5,640	5,952
Total units and beds	no.	10,061	9,341	9,781

1 Includes retirement-village units and aged-care beds. Land bank is subject to resource and building consent.

2 In May 2018, Ryman entered into an unconditional sale and purchase agreement for the acquisition of land at Aberfeldie, Melbourne. This site added an additional 120 retirement-village units and 80 residential-care beds to the land bank at 31 March 2018.

3 In November 2018, Ryman entered into an unconditional sale and purchase agreement for the acquisition of land at Ocean Grove, Victoria. This site added an additional 121 retirement-village units and 120 residential-care beds to the land bank at 30 September 2018.

Key statistics

For the period ended 30 September 2018

		30 Sept 2018 Six months	30 Sept 2017 Six months	31 March 2018 12 months
Underlying profit (non-GAAP)	\$m	97.1	85.2	203.5
Plus unrealised gains on retirement-village units	\$m	72.8	118.3	185.3
Less deferred tax movement	\$m	(0.4)	(0.9)	(0.6)
Reported net profit after tax	\$m	169.5	202.6	388.2

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. Underlying profit is used by the Group, in conjunction with other measures, to measure performance. Underlying profit is a measure which the Group uses consistently across reporting periods.

Underlying profit excludes deferred taxation, taxation expense, and unrealised gains on investment properties because these items do not reflect the trading performance of the Company. Underlying profit determines the dividend payout to shareholders.

Report to shareholders

We are pleased to report another solid first half for Ryman Healthcare, with momentum building across the company to support our aim of providing the best of care for residents.

Our unaudited first half underlying profit rose 13.9% to \$97.1 million thanks to strong demand at new villages, and momentum is expected to build in the second half, with two new villages coming on stream in Auckland.

Shareholders will receive an increased interim dividend of 10.8 cents per share, up 13.7% in line with underlying profit growth. The dividend record date was December 7, with payment date of December 14.

Reported (IFRS) profit, which includes unrealised fair-value gains on investment property, was \$169.5 million, down \$33.1 million (16.3%). Last year's first half result was boosted by changes to the independent valuation assumptions. There have been no significant changes to the assumptions in the first half.

The growth in underlying profit was driven by strong development margins, particularly from our second village in Melbourne, Nellie Melba.

Our unique villages and high-quality care offering continued to be in strong demand. We finished the half with a low level of resale stock and care occupancy in established villages was 97%.

Operating cashflows were a record \$217.8m, up 24.4% on the same period last year.

Our passion is care

The fundamental passion we have as a company is to care for our residents as well as we possibly can. We put care at the heart of everything we do.

We continued to be in a strong financial position to support these care ambitions in the first half.

Net assets passed the \$2 billion mark and we invested a record \$304 million in new and existing villages.

*We put care
at the heart
of everything
we do.*

Demand for our new villages was strong, with the highest ever value of units sold off plan going into the second half.

New villages have come on stream and we have a great pipeline of villages to develop.

Safer Together

Safety of our people is our number one priority. In September we closed 10 construction sites for the day for Safer Together, a safety summit and expo.

We gathered together 350 people – including leaders from all our villages and construction sites who have responsibility for the safety of staff, as well as subcontractors – in one room to talk about safety.



Our staff know they have our express permission to feel able to stop what they are doing if they don't feel safe doing it; to stop others doing unsafe things and to speak up if they aren't being supported to work safely.

We hope it is clear that everyone at Ryman – and everyone who works on a Ryman site – should feel confident to do what they need to do to keep themselves and our people safe.

Developing our people

We remain acutely aware that our employee experience is absolutely critical. Investment in our staff has been extensive over the last couple of years, and we continued this support.

We made a significant investment in our registered nurses' remuneration, at a cost of \$5 million this year alone.

This investment, along with other initiatives, has ensured that we are not in the position of many other aged-care providers who are reporting significant nursing vacancies.

Staff are motivated by much more than just what arrives in the bank each pay day. We've identified three main motivators – purpose, mastery and autonomy. Staff are engaged when they have a purpose, they understand their role, they like it and feel a sense of passion for it.

They also have to feel they are acquiring mastery of the skills that are needed. They want to be the best at what they do.

And finally, they want autonomy – they want to be trusted in their role. Trust is essential in care, and we have a huge amount of trust in what they do.

We know we have a highly engaged workforce with a passion for care, we see that in each village every day.

We have invested in systems and development for staff to support them in mastering their roles. The investment we've made in tools such as the myRyman platform, which is now fully operational in New Zealand, is proving to be very successful.

We're excited about the potential it has to improve the clinical care of our residents.

Our staff are wonderful and inherently feel a passion for what we do and make us all proud every day.



Audit results

Our New Zealand village teams achieved the best clinical audit results in the company's history, with 23 care centres now having 'gold standard' four-year Ministry of Health accreditation, up from 15 last year.

The rollout of myRyman Care in New Zealand finished in the first half; we are delighted with the benefits to residents, and to see staff spending less time on paperwork. We are also really excited about the potential for using the data to give us even better insights into resident care.

This reflects a wonderful effort by all our care staff who have worked together to achieve an outstanding result.

Investment in our leadership development programme across the whole company has also been an area of significant focus and investment. Staff development like this will continue in perpetuity.

More than 280 staff will have completed Ryman Leap leadership development courses by the end of the year, and we are also running a successful coaching programme for senior leaders.

We have also been investing in improving our existing portfolio of villages. We have recently refurbished our Rowena Jackson and Malvina Major villages and we will continue to refurbish at least two villages each year.

Clinical focus

We recently commissioned Stirling University from the United Kingdom to undertake an audit of the physical spaces and environment that we develop for our residents with dementia.

They are an international authority on care facilities for residents with dementia and cognitive impairment.

From this we have learnt ways in which we can improve our design.

We have also engaged a medical practitioner who is a well-regarded researcher. Her skills combined with the investment we have made in business intelligence and data collection over recent years, enable extensive comparisons between village operations on matters as diverse as the frequency of falls, the frequency of infections, and the usefulness of drugs being prescribed.

Investment in our core business – the care of residents and the happiness of the staff who look after them – stepped up in the first half and we are committed to constantly improving.

Momentum on both sides of the Tasman

A highlight of the first half was our progress in Victoria, where we now have nine sites in total.

We continued to achieve the best clinical audit results in our history.

We welcomed our first residents to Nellie Melba, our second village in Melbourne. We bought new sites at Ocean Grove in Victoria and Aberfeldie in Melbourne during the first half, and development approval was received for a new village at Burwood East.

We are in advanced discussions with the council over our application to build in Geelong and applications are due to be lodged in the next few months for our Aberfeldie, Mt Martha and Mt Eliza villages. The team is also expecting to have work under way at our new villages at Burwood East and Coburg shortly.

With two villages open, two about to start and a number of development applications in the pipeline, we've built momentum towards achieving our target of having five villages open in Victoria by 2020.

We are just as busy in New Zealand.

We have received consent to build a new village at Lincoln Road in Auckland and planning applications are due to be lodged over the next three or four months for villages in Karori, Havelock North and Hobsonville.



Our Devonport and Lynfield villages will come on stream in the second half, and work has resumed at River Road in Hamilton.

Board focus

The board has recognised this momentum in the development and construction side of Ryman by forming a new development and construction subcommittee.

It has been great to see the executive leaders of these areas embrace the value proposition of such a committee.

We also welcomed Anthony Leighs to the board in October. Anthony has extensive experience in construction and development and has already proven himself to be an excellent appointment.

Outlook

Full year underlying profit is expected to be in the range of \$223 million to \$238 million, with two new villages coming on stream in the second half.

We've had a good first half and it's really exciting to see our progress in Victoria where, by 2055, the 80 plus population is expected to exceed one million.

Our long-term success in Victoria will be defined by building trust and communities where people choose to live and work, just as it is in New Zealand.

That's why we will continue to invest in developing our people, care and systems so that our residents and staff are delighted with their choice.

Thanks

None of the progress we have reported would have been possible without the continued support of our residents and their families, our superb team of 5,000 staff, and our loyal shareholders.

We expect to continue to gain momentum in the second half, which will give us the financial strength we need to fulfil our purpose of taking Ryman out into as many communities as we can in New Zealand and Victoria.

Thank you all for your support, and we look forward to reporting back to you in six months' time.

We will continue to invest in developing our people, care and systems so that our residents and staff are delighted with their choice.



A stylized handwritten signature of Dr. David Kerr.

Dr. David Kerr
Chairman



A stylized handwritten signature of Gordon MacLeod.

Gordon MacLeod
Chief Executive

Consolidated income statement

For the six months ended 30 September 2018

	Notes	Six months ended 30 Sept 2018 unaudited	Six months ended 30 Sept 2017 unaudited	Year ended 31 March 2018 audited
		\$000	\$000	\$000
Care fees		147,748	130,494	270,483
Management fees		38,840	33,756	70,087
Interest received		211	201	441
Other income		391	725	1,528
Total revenue		187,190	165,176	342,539
Fair-value movement of investment properties	3	155,438	186,775	351,514
Total income		342,628	351,951	694,053
Operating expenses		(152,528)	(130,506)	(268,040)
Depreciation and amortisation expense		(11,250)	(9,832)	(20,580)
Finance costs		(8,958)	(8,045)	(16,577)
Total expenses		(172,736)	(148,383)	(305,197)
Profit before income tax		169,892	203,568	388,856
Income-tax expense		(359)	(938)	(640)
Profit for the period		169,533	202,630	388,216
Earnings per share				
Basic and diluted (cents per share)		33.9	40.5	77.6

All profit and total comprehensive income is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these financial statements.

Consolidated statement of comprehensive income

For the six months ended 30 September 2018

	Six months ended 30 Sept 2018 unaudited	Six months ended 30 Sept 2017 unaudited	Year ended 31 March 2018 audited
	\$000	\$000	\$000
Profit for the period	169,533	202,630	388,216
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair-value movement and reclassification of interest-rate swaps	(753)	(523)	(725)
Movement in deferred tax related to interest-rate swaps	211	146	203
(Loss) / Gains on hedge of foreign-owned subsidiary net assets	(2,051)	150	2,193
Gain / (Loss) on translation of foreign operations	5,375	(251)	(5,502)
	2,782	(478)	(3,831)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Revaluation of property, plant and equipment (unrealised)	-	-	-
	-	-	-
Other comprehensive income	2,782	(478)	(3,831)
Total comprehensive income	172,315	202,152	384,385

All profit and total comprehensive income is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the six months ended 30 September 2018

	Issued capital	Asset revaluation reserve	Interest- rate swap reserve	Foreign- currency translation reserve	Treasury stock	Retained earnings	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Six months ended 30 Sept 2017 unaudited							
Opening balance	33,290	233,319	(5,391)	1,066	(20,540)	1,410,347	1,652,091
Profit and total comprehensive income for the period	-	-	(377)	(101)	-	202,630	202,152
Treasury stock movement	-	-	-	-	(2,295)	-	(2,295)
Dividends paid to shareholders	-	-	-	-	-	(46,500)	(46,500)
Closing balance at 30 Sept 2017	33,290	233,319	(5,768)	965	(22,835)	1,566,477	1,805,448
Year ended 31 March 2018 audited							
Opening balance	33,290	233,319	(5,391)	1,066	(20,540)	1,410,347	1,652,091
Profit and total comprehensive income for the period	-	-	(522)	(3,309)	-	388,216	384,385
Treasury stock movement	-	-	-	-	(1,957)	-	(1,957)
Dividends paid to shareholders	-	-	-	-	-	(94,000)	(94,000)
Closing balance at 31 March 2018	33,290	233,319	(5,913)	(2,243)	(22,497)	1,704,563	1,940,519
Six months ended 30 Sept 2018 unaudited							
Opening balance	33,290	233,319	(5,913)	(2,243)	(22,497)	1,704,563	1,940,519
Profit and total comprehensive income for the period	-	-	(542)	3,324	-	169,533	172,315
Treasury stock movement	-	-	-	-	(5,611)	-	(5,611)
Dividends paid to shareholders	-	-	-	-	-	(54,500)	(54,500)
Closing balance at 30 Sept 2018	33,290	233,319	(6,455)	1,081	(28,108)	1,819,596	2,052,723

The accompanying notes form part of these interim financial statements.

Consolidated balance sheet

At 30 September 2018

	Notes	30 Sept 2018 unaudited \$000	30 Sept 2017 unaudited \$000	31 March 2018 audited \$000
Assets				
Trade and other receivables		298,880	248,034	357,483
Advances to employees		8,524	6,264	5,836
Property, plant and equipment		1,093,717	1,011,950	1,014,514
Investment properties	3	4,754,479	4,002,859	4,398,304
Intangible assets		24,574	13,390	20,713
Total assets		6,180,174	5,282,497	5,796,850
Equity				
Issued capital	6	33,290	33,290	33,290
Asset revaluation reserve		233,319	233,319	233,319
Interest-rate swap reserve		(6,455)	(5,768)	(5,913)
Foreign-currency translation reserve		1,081	965	(2,243)
Treasury stock		(28,108)	(22,835)	(22,497)
Retained earnings		1,819,596	1,566,477	1,704,563
Total equity		2,052,723	1,805,448	1,940,519
Liabilities				
Trade and other payables	7	76,990	77,491	98,308
Employee entitlements		22,607	18,491	20,237
Revenue in advance		55,071	49,064	51,955
Interest-rate swaps		8,965	8,010	8,212
Refundable accommodation deposits		31,189	29,485	30,757
Bank loans (secured)		1,214,337	945,038	1,060,493
Occupancy advances (non-interest bearing)	4	2,646,458	2,277,429	2,514,683
Deferred tax liability (net)		71,834	72,041	71,686
Total liabilities		4,127,451	3,477,049	3,856,331
Total equity and liabilities		6,180,174	5,282,497	5,796,850
Net tangible assets				
Basic and diluted (cents per share)		405.6	358.4	384.0

The accompanying notes form part of these interim financial statements.

Consolidated statement of cash flows

For the six months ended 30 September 2018

	Notes	Six months ended 30 Sept 2018 unaudited	Six months ended 30 Sept 2017 unaudited	Year ended 31 March 2018 audited
		\$000	\$000	\$000
Operating activities				
Receipts from residents		518,267	423,887	875,140
Interest received		265	160	515
Payments to suppliers and employees		(149,785)	(132,753)	(270,231)
Payments to residents		(145,286)	(109,078)	(241,676)
Interest paid		(5,624)	(7,105)	(14,491)
Net operating cash flows	2	217,837	175,111	349,257
Investing activities				
Purchase of property, plant and equipment, and intangible assets		(107,624)	(114,965)	(185,304)
Purchase of investment properties		(181,546)	(106,683)	(269,936)
Capitalised interest paid		(14,775)	(10,985)	(22,701)
Advances to employees		(2,688)	(1,380)	(952)
Net investing cash flows		(306,633)	(234,013)	(478,893)
Financing activities				
Drawdown of bank loans (net)		148,907	107,697	225,592
Dividends paid		(54,500)	(46,500)	(94,000)
Purchase of treasury stock (net)		(5,611)	(2,295)	(1,956)
Net financing cash flows		88,796	58,902	129,636
Net increase in cash and cash equivalents		-	-	-
Cash and cash equivalents at the beginning of the period		-	-	-
Cash and cash equivalents at the end of the period		-	-	-

The accompanying notes form part of these interim financial statements.

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

1. Summary of significant accounting policies

Significant accounting policies

The financial statements presented are those of Ryman Healthcare Limited (the Company), and its subsidiaries (the Group). Ryman Healthcare Limited is a profit-oriented entity incorporated in New Zealand that develops, owns, and operates integrated retirement villages, resthomes, and hospitals for the elderly within New Zealand and Australia.

Ryman Healthcare Limited is a Financial Markets Conduct reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013, and its financial statements comply with these Acts.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The statements comply with New Zealand equivalents to International Accounting Standard 34 (NZ IAS 34) *Interim Financial Reporting* and International Accounting Standard 34 (IAS 34) *Interim Financial Reporting*.

Basis of preparation

The financial statements for the six months ended 30 September 2018 and the comparative six months ended 30 September 2017 are unaudited.

Apart from the new standards adopted in the current period (see below) these financial statements have been prepared under the same accounting policies and methods as the Company's Annual Report at 31 March 2018. These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2018.

The financial statements were approved by the Board of Directors on 22 November 2018.

The information is presented in thousands of New Zealand dollars.

All references to AUD refer to Australian dollars.

Adoption of new and revised standards and interpretations

In the current period, the Group adopted all mandatory new and amended standards and interpretations. During the period, NZ IFRS 15 *Revenue from Contracts with Customers* and NZ IFRS 9 *Financial Instruments* have been adopted with no material impact on the accounting policies or disclosures of the Group.

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

2. Reconciliation of net profit after tax for the period with net cash flow from operating activities

	Six months ended 30 Sept 2018 unaudited	Six months ended 30 Sept 2017 unaudited	Year ended 31 March 2018 audited
	\$000	\$000	\$000
Net profit after tax	169,533	202,630	388,216
Adjusted for:			
Movements in balance-sheet items			
Occupancy advances	157,615	167,034	428,670
Refundable accommodation deposits	432	1,012	2,284
Accrued management fees	(25,417)	(26,901)	(51,571)
Revenue in advance	3,116	4,362	7,253
Trade and other payables	(271)	(8,317)	(2,402)
Trade and other receivables	58,603	8,580	(100,869)
Employee entitlements	2,370	2,324	4,070
Non-cash items:			
Depreciation and amortisation	11,250	9,832	20,580
Deferred tax	359	938	640
Unrealised foreign-exchange loss	(4,315)	392	3,900
Adjusted for:			
Fair-value movement of investment properties	(155,438)	(186,775)	(351,514)
Net operating cash flows	217,837	175,111	349,257

Net operating cash flows include occupancy advance receipts from retirement village residents of \$370.6 million (six months ended 30 September 2017: \$292.8 million and year ended 31 March 2018: \$603.7 million).

Also included in operating cash flows are net payments from refundable accommodation deposits of \$0.4 million (six months ended 30 September 2017: net receipts of \$1.1 million and year ended 31 March 2018: net receipts of \$3.1 million).

Net operating cash flows also include management fees collected of \$20.2 million (six months ended 30 September 2017: \$14.9 million and year ended 31 March 2018: \$34.7 million).

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

3. Investment properties

	Six months ended 30 Sept 2018 unaudited	Six months ended 30 Sept 2017 unaudited	Year ended 31 March 2018 audited
	\$000	\$000	\$000
At fair value			
Balance at beginning of financial period	4,398,304	3,661,445	3,661,445
Additions	192,213	155,041	391,221
Fair-value movement:			
<i>Realised fair-value movement:</i>			
• new retirement-village units	32,850	15,612	58,955
• existing retirement-village units	49,762	52,844	107,233
	82,612	68,456	166,188
<i>Unrealised fair-value movement</i>	72,826	118,319	185,326
	155,438	186,775	351,514
Net foreign-currency exchange differences	8,524	(402)	(5,876)
Net movement for period	356,175	341,414	736,859
Balance at end of financial period	4,754,479	4,002,859	4,398,304

The realised fair-value movement arises from the sale and resale of occupancy advances to residents. Investment properties are not depreciated and are fair valued.

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, at 30 September 2018.

The valuer used significant assumptions that include long-term house-price inflation (ranging from 0.5 percent to 3.5 percent nominal) (30 September 2017 and 31 March 2018: 0.5 percent to 3.5 percent) and discount rate (ranging from 12 percent to 16.5 percent) (30 September 2017 and 31 March 2018: 12 percent to 16 percent).

Investment property includes investment property work in progress of \$329.0 million (six months ended 30 September 2017: \$198.4 million and year ended 31 March 2018: \$252.9 million), which has been valued at cost.

The CBRE valuation also includes within its forecast cash flows the Group's expected costs relating to rebuild works at Malvina Major. The estimate of the gross cash outflows included for remediation works is \$10 million over a remaining 6-month period (30 September 2017: \$17.5 million over an 18-month period and 31 March 2018: \$17.5 million over an 18-month period). The estimates are based on currently available information.

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

4. Occupancy advances (non-interest bearing)

	Six months ended 30 Sept 2018 unaudited	Six months ended 30 Sept 2017 unaudited	Year ended 31 March 2018 audited
	\$000	\$000	\$000
Gross occupancy advances (see below)	2,993,929	2,574,678	2,836,314
Less management fees and resident loans	(347,471)	(297,249)	(321,631)
Closing balance	2,646,458	2,277,429	2,514,683
Movement in gross occupancy advances			
Opening balance	2,836,314	2,407,644	2,407,644
Plus net increases in occupancy advances:			
• new retirement-village units	120,447	90,520	307,282
• existing retirement-village units	49,762	52,844	107,233
Net foreign-currency exchange differences	5,245	(305)	(4,457)
(Decrease)/increase in occupancy advance receivables	(17,839)	23,975	18,612
Closing balance	2,993,929	2,574,678	2,836,314

Gross occupancy advances are non-interest bearing.

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

5. Dividend

On 22 November 2018 an interim dividend of 10.8 cents per share was declared and will be paid on 14 December 2018 (prior year: 9.5 cents per share). The record date for entitlements is 7 December 2018.

6. Share capital

Issued and paid-up capital consists of 500,000,000 fully paid ordinary shares (30 September 2017: 500,000,000 and 31 March 2018: 500,000,000). All shares rank equally in all respects.

Basic and diluted earnings and net tangible assets per share have been calculated on the basis of 500,000,000 ordinary shares (30 September 2017: 500,000,000 and 31 March 2018: 500,000,000 shares).

Shares purchased on market under the senior management share scheme are treated as treasury stock until vesting to the employee.

7. Trade and other payables

Trade payables are typically paid within 30 days of invoice date or the 20th of the month following the invoice date. Other payables at 30 September 2018 includes \$19.6 million (30 September 2017: \$39.3 million and 31 March 2018: \$45.5 million) for the purchase of land.

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

8. Operating segments

The Ryman Group operates in one industry, being the provision of integrated retirement villages for older people in New Zealand and Australia. In presenting information on the basis of geographical areas, net profit, underlying profit, and revenue are based on the geographical location of operations. Assets are based on the geographical location of the assets.

	New Zealand	Australia	Group
	\$000	\$000	\$000
Six months ended 30 Sept 2018 unaudited			
Revenue	176,872	10,318	187,190
Underlying profit (non-GAAP)	75,659	21,407	97,066
less deferred tax expense	(359)	-	(359)
plus unrealised fair-value movement	60,701	12,125	72,826
Profit for the period	136,001	33,532	169,533
Non-current assets	5,237,233	635,537	5,872,770
Six months ended 30 Sept 2017 unaudited			
Revenue	155,994	9,182	165,176
Underlying profit (non-GAAP)	80,899	4,350	85,249
less deferred tax expense	(938)	-	(938)
plus unrealised fair-value movement	118,470	(151)	118,319
Profit for the period	198,431	4,199	202,630
Non-current assets	4,596,719	431,480	5,028,199

Notes to the consolidated interim financial statements

For the six months ended 30 September 2018

8. Operating segments (continued)

	New Zealand	Australia	Group
	\$000	\$000	\$000
Year ended 31 March 2018 audited			
Revenue	324,672	17,867	342,539
Underlying profit (non-GAAP)	184,813	18,717	203,530
less deferred tax expense	(640)	-	(640)
plus unrealised fair-value movement	179,164	6,162	185,326
Profit for the year	363,337	24,879	388,216
Non-current assets	4,939,996	493,535	5,433,531

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. Underlying profit is used by the Group, in conjunction with other measures, to measure performance. Underlying profit is a measure which the Group uses consistently across reporting periods.

Underlying profit excludes deferred taxation, taxation expense, and unrealised gains on investment properties because these items do not reflect the trading performance of the Company. Underlying profit determines the dividend payout to shareholders.

9. Commitments

The Group had commitments relating to construction contracts amounting to \$129.9 million at 30 September 2018 (30 September 2017: \$87.9 million and 31 March 2018: \$101.2 million).

10. Subsequent events

Other than the dividends in note 5, there are no subsequent events.

Directory

Registered office

Airport Business Park
92 Russley Road, Christchurch
PO Box 771, Christchurch 8042
New Zealand

Share registrar

Link Market Services
PO Box 91976, Auckland 1142
New Zealand
P: +64 9 375 5998
E: enquiries@linkmarketservices.com

Melbourne office

Suite 10.03, Level 10
420 St Kilda Road, Melbourne
PO Box 33119, Melbourne
Victoria 3004, Australia

Auckland office

93 Ascot Avenue, Remuera
Auckland 1051, New Zealand

Retirement villages

Anthony Wilding Retirement Village

5 Corbett Crescent, Aidanfield, Christchurch

Bert Sutcliffe Retirement Village

2 Rangatira Road, Birkenhead, Auckland

Bob Owens Retirement Village

112 Carmichael Road, Bethlehem, Tauranga

Bob Scott Retirement Village

25 Graham Street, Petone, Lower Hutt

Bruce McLaren Retirement Village

795 Chapel Road, Howick, Auckland

Charles Fleming Retirement Village

112 Parata Street, Waikanae

Charles Upham Retirement Village

24 Charles Upham Drive, Rangiora

Diana Isaac Retirement Village

1 Lady Isaac Way, Mairehau, Christchurch

Edmund Hillary Retirement Village

221 Abbotts Way, Remuera, Auckland

Ernest Rutherford Retirement Village

49 Covert Drive, Stoke, Nelson

Essie Summers Retirement Village

222 Colombo Street, Beckenham,
Christchurch

Evelyn Page Retirement Village

30 Ambassador Glade, Orewa, Auckland

Frances Hodgkins Retirement Village

40 Fenton Crescent, St Clair, Dunedin

Grace Joel Retirement Village

184 St Heliers Bay Road, St Heliers, Auckland

Hilda Ross Retirement Village

30 Ruakura Road, Hamilton

Jane Mander Retirement Village

262 Fairway Drive, Kamo, Whangarei

Jane Winstone Retirement Village

49 Oakland Avenue, St Johns Hill, Whanganui

Jean Sandel Retirement Village

71 Barrett Road, New Plymouth

Julia Wallace Retirement Village

28 Dogwood Way, Clearview Park,
Palmerston North

Kiri Te Kanawa Retirement Village

12 Gwyneth Place, Lytton West, Gisborne

Logan Campbell Retirement Village

187 Campbell Road, Greenlane, Auckland

Malvina Major Retirement Village

134 Burma Road, Khandallah, Wellington

Margaret Stoddart Retirement Village

23 Bartlett Street, Riccarton, Christchurch

Nellie Melba Retirement Village

6 Brandon Park Drive, Wheelers Hill,
Melbourne

Ngaio Marsh Retirement Village

95 Grants Road, Papanui, Christchurch

Possum Bourne Retirement Village

5 Lisle Farm Drive, Pukekohe

Princess Alexandra Retirement Village

145 Battery Road, Napier

Rita Angus Retirement Village

66 Coutts Street, Kilbirnie, Wellington

Rowena Jackson Retirement Village

40 O'Byrne Street North, Waikiwi, Invercargill

Shona McFarlane Retirement Village

66 Mabey Road, Lower Hutt

Weary Dunlop Retirement Village

242 Jells Road, Wheelers Hill, Melbourne

Woodcote Retirement Village

29 Woodcote Avenue, Hornby, Christchurch

Yvette Williams Retirement Village

383 Highgate, Roslyn, Dunedin

New villages in the pipeline

Aberfeldie

2 Vida Street, Aberfeldie, Melbourne

Burwood East

78 Middleborough Road, Burwood East,
Melbourne

Christchurch

78 Park Terrace, Christchurch

Coburg

81a Bell Street, Coburg, Melbourne

Geelong

157 South Valley Road, Highton, Victoria

Hamilton

1765 River Road, Hamilton

Havelock North

94-148 Te Aute Road,
Havelock North

Hobsonville

3 Scott Road, Hobsonville, Auckland

Karori

26 Donald Street, Karori, Wellington

Lincoln Road

221 Lincoln Road, Henderson, Auckland

Lynfield

20 Tropicana Drive, Lynfield, Auckland

Mt Eliza

70 Kunyung Road, Mt Eliza, Melbourne

Mt Martha

180 Bentons Road, Mt Martha, Melbourne

Newtown

192 Adelaide Road, Newtown, Wellington

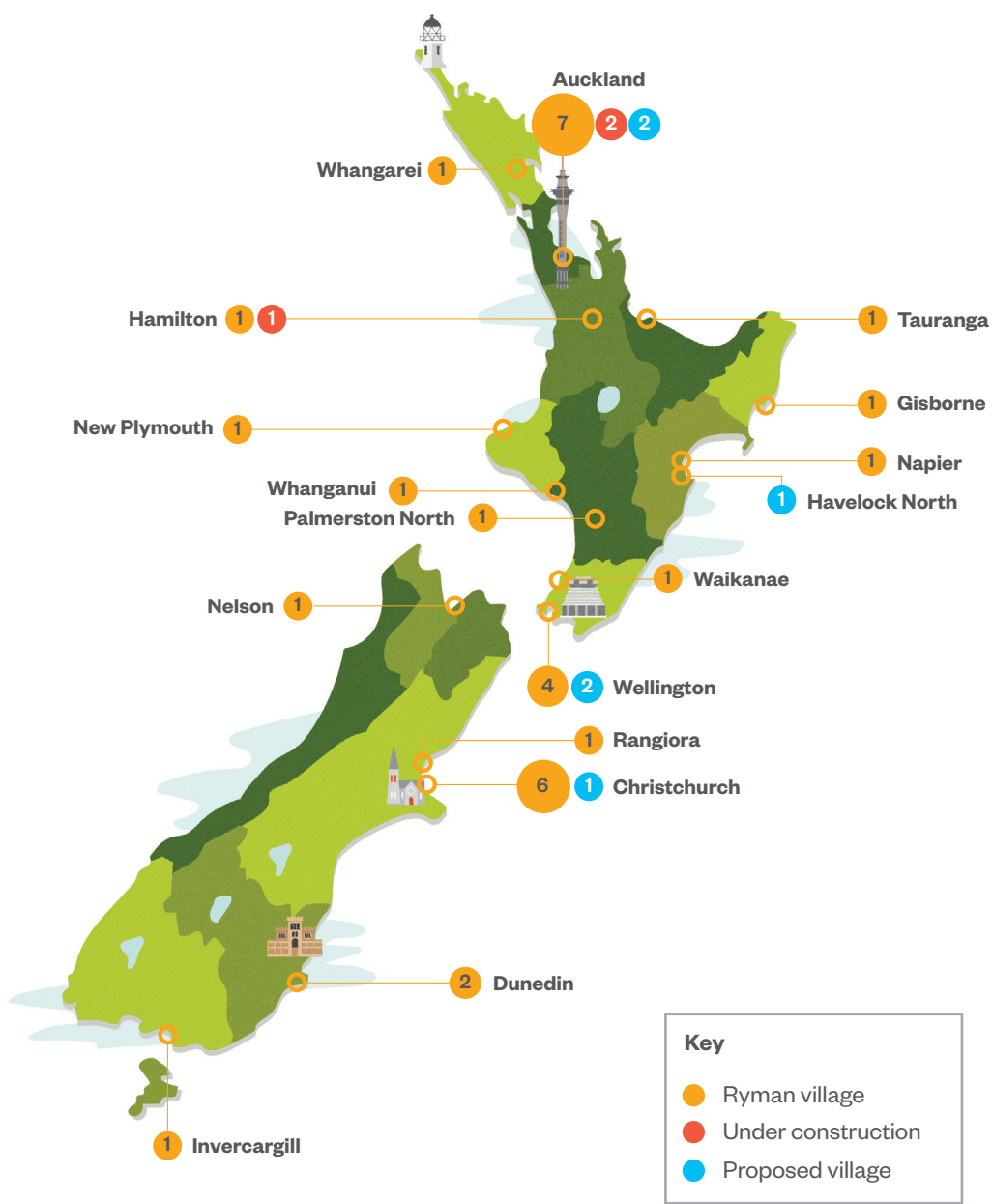
Ocean Grove

181 -195 Shell Road, Ocean Grove, Victoria

William Sanders

2 Ngataringa Road, Devonport, Auckland

Our villages in New Zealand



Whangarei

- Jane Mander

Auckland

- Bert Sutcliffe
- Bruce McLaren
- Edmund Hillary
- Evelyn Page
- Grace Joel
- Hobsonville
- Lincoln Road
- Logan Campbell
- Lynfield
- Possum Bourne
- William Sanders

Hamilton

- Hilda Ross
- River Road

Tauranga

- Bob Owens

Gisborne

- Kiri Te Kanawa

New Plymouth

- Jean Sandel

Napier

- Princess Alexandra

Havelock North

- Te Aute Road

Whanganui

- Jane Winstone

Palmerston North

- Julia Wallace

Waikanae

- Charles Fleming

Wellington

- Bob Scott
- Karori
- Malvina Major

- Newtown

- Rita Angus
- Shona McFarlane

Nelson

- Ernest Rutherford

Rangiora

- Charles Upham

Christchurch

- Anthony Wilding
- Diana Isaac
- Essie Summers
- Margaret Stoddart
- Ngaio Marsh
- Park Terrace
- Woodcote

Dunedin

- Frances Hodgkins
- Yvette Williams

Invercargill

- Rowena Jackson

Our villages in Victoria, Australia



- Aberfeldie
- Coburg
- Burwood East
- Nellie Melba
- Weary Dunlop
- Geelong
- Mt Eliza
- Mt Martha
- Ocean Grove



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