

Arvida Group Limited (ARV) Market Release

21 NOVEMBER 2017

MOMENTUM BUILDS

- **Momentum in earnings with Net Profit After Tax of \$12.4 million**
- **Lift in underlying earnings per share of 7% on prior corresponding period**
- **Care occupancy remains solid at 96% underpinning revenue generation**
- **Heightened brownfield development activity on track for second half delivery**
- **Strong interest in new product generating significant pre-sales**

Arvida Group Limited (NZX:ARV) today reported unaudited net profit after tax of \$14.5 million and underlying profit¹ of \$12.4 million for the six months ended 30 September 2017.

Revenue grew to \$60.0 million for the first half underpinned by growth in care fees which continued to represent over 70% of total revenue. Care facility occupancy in September increased to 96% and remains significantly above the industry average.

Core underlying earnings per share were up 7% on the prior corresponding period to 3.7 cents per share.

Total assets were \$310 million higher at \$847 million following the acquisition of Bethlehem Views, Cascades, Copper Crest and Lauriston Park in the second half of last year and a material increase in development expenditure.

Arvida Group Chief Executive Bill McDonald said “construction has continued to progress well on our major developments with around \$50 million of work in progress. Our development pipeline now includes over 1,000 units and beds to be progressively completed over the next five years.”

The delivery of 94 new units and settlement of around 70 of these units is expected to occur over the second half of the financial year. This follows highly successful launch events that generated strong pre-sale support for the new developments. Sales of 20 new units have already settled since 1 October.

Resale volume and price growth contributed to net operating cash flows of \$14.5 million. Second half cash flows will receive the benefit of new units coming available for occupation by residents as well as earnings contributions from the three recently acquired villages.

“We were very pleased to acquire three large villages recently adding to our national footprint that now comprises 29 villages.” Bill McDonald said integration of the three villages was already well advanced following settlement in October, with the villages set to be immediately accretive to earnings.

A dividend of 1.15 cents per share was declared by the Directors for the September quarter, up 5% on the comparative period. The dividend is partially imputed at 0.4 cents per share. A supplementary dividend of 0.18 cents per share will be paid to non-resident shareholders. The record date for the dividend is 7 December 2017 and payment will be made on 15 December 2017.

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¹ Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax. A reconciliation to Reported Net Profit after Tax is included in the accompanying investor presentation released to NZX and available at www.arvida.co.nz/For-Investors/Results.

About Arvida:

Arvida Group Limited (Arvida) is a retirement village group with an emphasis on providing a continuum of care from independent living through to high quality aged care services. Arvida has 29 villages across New Zealand comprising: Aria Bay, Aria Gardens and Aria Park, Auckland; Copper Crest and Bethlehem Views, Tauranga; Cascades, Hamilton; Lauriston Park, Cambridge; Glenbrae, Rotorua; Molly Ryan, New Plymouth; Mary Doyle, Havelock North; Lansdowne Park, Masterton; Olive Tree, Palmerston North; Waikanae Lodge, Waikanae; Village at the Park, Wellington; Oakwoods and The Wood, Nelson; Ashwood, Blenheim; Ilam, The Maples, Mayfair, Park Lane, Rhodes on Cashmere, St Albans, St Allisa and Wendover, Christchurch; Bainlea House, Bainswood House and Bainswood on Victoria, Rangiora; and Strathallan, Timaru. Arvida's shares trade on the NZX Main Board under the code ARV. See www.arvida.co.nz.

