

28 May 2015

Listed Company Relations
NZX Limited
Level 2, NZX Centre
Wellington
New Zealand

Dear Sir/Madam

Arvida Group Limited unaudited results announcement (for the year ended 31 March 2015)

Please find attached the financial information required by NZX Limited Main Board Listing rules:

1. Media Announcement in relation to the FY2015 results
2. Unaudited results presentation
3. Unaudited preliminary financial statements for the year ended 31 March 2015
4. NZX Appendix 1
5. NZX Appendix 7

Yours sincerely,

Jeremy Nicoll
Chief Financial Officer
Arvida Group Limited

NZX RELEASE

28 May 2015

Arvida announces FY2015 unaudited financial results in line with IPO guidance, declares maiden dividend in line with forecast

- NPAT of \$3.1 million, ahead of IPO forecast
- Underlying Profit¹ of \$4.0 million, in line with IPO forecast
- FY2015 final dividend of \$2.3 million (representing 1.03 cps) declared, in line with IPO forecast
- National footprint established with the successful acquisition of 17 retirement villages and aged care facilities
- Key integration tasks completed
- Existence of synergy benefits confirmed and initial benefits locked in
- New Support Centre team in place with key leaders appointed
- Development of Arvida brand, culture and values across the group
- Arvida affirms FY2016 guidance in line with IPO forecast

Financial Performance

Arvida Group Limited (**NZX:ARV**) today announced unaudited financial results for the financial year ended 31 March 2015 in line with the financial forecasts set out in the Initial Public Offering (**IPO**) prospectus dated 17 November 2014.

Commenting on Arvida's financial performance, Chairman Peter Wilson said "this is a very pleasing result within a period of considerable organisational change that saw a number of milestones achieved.

Arvida is performing well and in line with forecasts set out at the time of our IPO. This reflects the significant progress made integrating the 17 retirement village and aged care facilities and the benefits resulting from implementation of our support centre structure, built to manage the group going forward."

This result is the first to be released by Arvida since listing on NZX in December last year. Acquisition of the assets occurred on 17 December 2014 and the unaudited financial results reflect the village operations since then. Directors anticipate receiving an unqualified opinion from the auditors in relation to the FY2015 financial statements.

Statutory Result

On a statutory basis, revenue was up \$1.0 million on forecast at \$20.0 million with care and village fees 2.5% higher than forecast.

¹ Underlying Profit is a non-GAAP measure and is not prepared in accordance with NZ IFRS. Please refer to the Annual Results Presentation for a reconciliation to Statutory Net Profit After Tax. Underlying Profit is an industry-wide measure that Arvida intends to report going forward.

Operating profit before financing and offer costs at \$6.9 million compares to the forecast of \$3.6 million. Arvida recorded \$1.4 million of unrealised valuation gains in the fair value of investment properties, up \$1.2 million on forecast, and a \$1.6 million gain on acquisition of subsidiaries. Operating expenses were \$15.4 million, \$0.1 million above forecast.

Operating profit before unrealised valuation gains, one-off items and offer costs was \$0.3 million higher than forecast.

Preliminary statutory net profit after tax attributable to equity holders was \$3.1 million for the year ended 31 March 2015, \$5.4 million better than forecast. Lower IPO costs and a higher allocation of IPO costs to equity, in combination, delivered a \$1.8 million one-off benefit compared to forecast.

Total assets grew to \$358.3 million, up \$8.7 million on forecast and includes an \$11.0 million increase in goodwill resulting from shares in the IPO being issued at 95 cents as opposed to a model assumption of 90 cents and from the gains made on acquisition. Valuations of all retirement village land and buildings were completed by CBRE as at 31 March 2015. The directors of the subsidiaries completed a director's valuation of the aged care facilities and determined that the values had remained constant from 31 March 2014. It is the intention that all aged care facilities will have an independent valuation completed on a two yearly basis. In comparison to the forecast, \$9.8 million of intangible assets relating to operating rights have been transferred into a combination of investment property and accrued income.

During the period there were 33 resales of existing units and, on a pro-forma basis over the full 12 month period, 143 units resold. Sales of new units were in line with IPO forecast.

Dividend

Arvida has declared a dividend of 1.03 cents per share for the year ending 31 March 2015. The record date for the dividend is 12 June 2015, with payment on 22 June 2015. The dividend is partially imputed at 0.24 cents per share.

A supplementary dividend of 0.11 cents per share will be paid on 22 June 2015 to non-resident holders of Arvida shares.

Operational Review

CEO Bill McDonald highlighted the progress made with the integration plan and renegotiation of terms with a number of key suppliers. The benefit of procurement savings will be evident in FY2016 and future periods.

Appointments to the senior management team have been made to broaden Arvida's support capabilities in development, finance, human resources and operations.

"Our intention is to create a lean operating structure enabling us to implement strategy and support scale increases without burdening the core business. Central to core operations will be a focus on operational delivery, finance and business development; thus providing a

framework for our individual properties to deliver strong results. This structure also permits us to confidently leverage our model, enabling delivery of our real growth opportunities”, said Bill McDonald.

A key operational strategy implemented during the period was the ongoing development of a common culture with consistent values across the organisation. In an environment where each of Arvida’s properties are different and formed from a unique heritage, Mr McDonald emphasised the value in creating a common link and set of behaviours allowing the unique identity of each individual property to be maintained, while still delivering consistent service.

At an operational level CEO Bill McDonald said “we have a vision to be true leaders and innovators in the New Zealand retirement industry.

We are investing in individualised wellness programmes and actively seeking opportunities to engage our residents in their local communities and the interests and activities that are valuable to them. We also highly value our residents’ sense of social utility knowing it is key to a healthier and happier resident population.”

In line with our strong focus on care, a group-wide benchmarking analysis of key clinical indicators is underway, enabling us to continually measure and improve the quality of care of our residents.

Importantly, occupancy at Arvida’s aged care facilities was constant at 94%, significantly above the national average of 86% recorded in recent DHB survey data.

Development Activities

A number of development activities are ongoing within existing villages. As at 31 March 2015, 5 villas at Park Lane Retirement Village in Christchurch had been delivered with an additional 3 villas completed since year end. Refurbishment and enhancement of existing units continues across the group.

The design of the significant developments at Park Lane and Rhodes on Cashmere is being progressed. Investment decision approval is pending final planning and feasibility. Current assumptions anticipate further development activity commencing 4th quarter FY2016.

Arvida continues to remediate and refurbish its villages in Christchurch affected by earthquake damage as finalisation of insurance claims with the insurers proceeds.

Outlook for FY2016

On current expectations, the Board considers the financial forecasts contained in the Prospectus to be appropriate.

Arvida Chairman Peter Wilson said “The Board is pleased with progress made to date on implementing the integration plan outlined in the Prospectus. Focus will continue on the integration program and securing the related benefits.”

Beyond this Mr Wilson said “a number of acquisition opportunities continue to present themselves. Arvida will continue to investigate acquisition opportunities that are accretive to the business.”

--Ends--

For more information contact:

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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 17 villages located across New Zealand comprising Glenbrae, Bay of Plenty; Molly Ryan, New Plymouth; Olive Tree, Palmerston North; Waikanae Lodge, Waikanae; Oakwoods and The Wood, Nelson; Ashwood, Blenheim; Ilam, The Maples, Mayfair, Park Lane, Rhodes on Cashmere, St Albans, St Allisa and Wendover, Christchurch; and Bainlea and Bainswood, Rangiora. Arvida’s shares trade on the NZX Main Board under the code ARV. See www.arvida.co.nz