PRESENTATION OF UNAUDITED FY2016 RESULTS

Arvida Group Limited
Year Ended 31 March 2016

25 May 2016

ArvidaGroup

FY2016 HIGHLIGHTS

Arvida meets IPO forecasts and positions itself for growth

IPO Forecast Achieved

Underlying profit[1] of $15.8 million exceeds IPO forecast

Accretive Acquisitions

Three villages in prime Auckland locations acquired and integrated

Development Activity

32 new units/beds delivered, 187 in planning and consenting phase

Integration Completed

Integration tasks outlined at IPO completed and synergies captured

Platform Established

Support and development capabilities deepened, scalable

Dividends Lifted

Above IPO forecast performance and executing on strategy

1. 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. A reconciliation to Statutory Profit is provided on page 9.

FY2016 RESULT HIGHLIGHTS

FY2016 financial performance was ahead of IPO forecasts

Revenue

$82.5 million

19% ahead of IPO forecast of $69.5 million

EBITDA

$17.4 million

19% ahead of IPO forecast of $14.6 million

Net Profit After Tax

$24.0 million

127% ahead of IPO forecast of $10.6 million

- Strong result for FY2016 includes nine months of Aria Village contribution
- Sales momentum built and high occupancy in aged care facilities maintained
- $19.1 million gain in the fair value of investment properties
- Total Assets up $108 million to $461 million
- Final dividend lifted to 1.10 cps, total net dividends of 4.25 cps ahead IPO forecast

Underlying Profit[1]

$15.8 million

19% ahead of FY2016 IPO forecast of $13.3 million

1. 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. A reconciliation to Statutory Profit is provided on page 9.

FINANCIAL RESULTS

INCOME STATEMENT

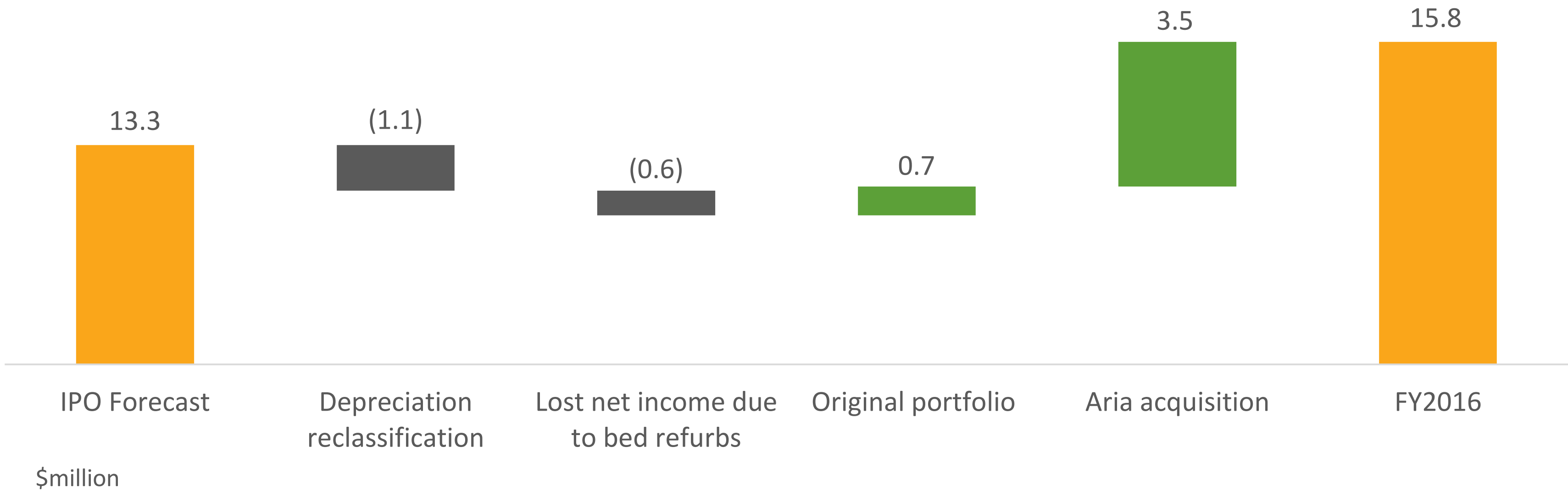
Year ended 31 March Unaudited (NZ$m)	Actual FY2015	Actual FY2016	IPO Forecast FY2016
Care & village service fees	17.5	72.4	61.4
Deferred management fees	2.0	7.8	6.9
Other revenue	0.6	2.3	1.2
Total revenue	**20.0**	**82.5**	**69.5**
Gain on acquisition of subsidiaries	1.6	0.0	0.0
Change in fair value of investment property	1.4	19.1	1.2
Change in fair value of PPE	-	(3.1)	-
Total income	**23.1**	**98.5**	**70.7**
Operating expenses	(15.4)	(65.1)	(54.8)
Depreciation	(0.8)	(2.9)	(1.3)
Total expenses	**(16.2)**	**(68.0)**	**(56.1)**
Operating profit before financing, one-off costs	**6.9**	**30.5**	**14.6**
Financing costs	(0.3)	(0.9)	(0.4)
One-off costs	(2.8)	(1.4)	0.0
Profit before income tax	**3.8**	**28.2**	**14.2**
Income taxation	(0.7)	(4.2)	(3.6)
Net profit after tax	**3.1**	**24.0**	**10.6**

Commentary:

- FY16 includes nine-months of operations of the Aria villages, which performed strongly
- Operating performance exceeded IPO forecast
- $62.1m generated from care fees
- Operating cost increases mainly in employee costs where we continue to reinvest in staff and systems
- Fair value movement of Investment properties at $19.1m from CBRE valuations of the retirement village land and buildings
- Decreases in fair value of PPE offset by gains below the line
- Depreciation includes the care facility building depreciation that was forecast to be off-set by revaluation gains

EARNINGS BRIDGE

Movements in Underlying Profit compared with FY16 IPO forecast



BALANCE SHEET

Year ended 31 March Unaudited (NZ$m)	Actual FY2015	Actual FY2016	IPO Forecast FY2016
Cash and cash equivalents	1.8	1.8	5.0
Property, plant and equipment	77.7	110.0	89.4
Investment property	212.2	295.8	226.2
Goodwill	33.0	39.0	31.3
Insurance receivable	18.5	0.0	0.0
Intangible assets – operating rights	0.0	0.0	9.1
Other assets	9.8	14.1	4.0
TOTAL ASSETS	353.0	460.7	365.0
External debt	7.3	13.3	6.3
Residents' loans	106.8	142.2	123.4
Deferred tax liability	11.4	16.6	14.3
Other liabilities	17.7	23.8	22.7
TOTAL LIABILITIES	143.2	195.9	166.7
NET ASSETS	209.7	264.8	198.3
Issued capital	206.4	246.6	201.4
Reserves	0.4	2.3	0.0
Retained earnings	2.9	15.8	(3.1)
TOTAL EQUITY	209.7	264.8	198.3

Commentary:

- All insurance claim proceeds have been received
- PP&E and Investment Property balances increased mainly due to Aria acquisition and gains on revaluation
- Goodwill includes $6.1m in relation to the Aria transaction
- External Debt remains well within the $40m facility limit
- $41m of new shares issued during the period in relation to the Aria transaction

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CASH FLOW

Year ended 31 March Unaudited (NZ$m)	Actual FY2015	Actual FY2016	IPO Forecast FY2016
Receipts from residents for care fees and village services	18.1	70.8	62.2
Residents' loans	7.8	41.3	36.6
Repayment of residents' loans	(4.7)	(20.4)	(18.3)
Payments to suppliers and employees	(14.2)	(63.7)	(54.1)
Other operating cash flows	0.1	(0.2)	0.9
Financing costs	(0.3)	(0.9)	(0.5)
Taxation	(0.8)	(2.8)	(3.3)
Net cash flow from operating activities	**5.9**	**24.1**	**5.9**
Bank overdraft acquired from subsidiaries	(4.0)	0.1	(7.6)
Purchase of investment property	(0.7)	(11.4)	(7.2)
Purchase of property, plant and equipment	(0.7)	(3.2)	0.0
Payments for investments in subsidiaries	0.0	(29.3)	0.0
Net insurance claim proceeds	0.0	17.8	0.0
Net cash flow from investing activities	**(5.4)**	**(26.1)**	**(14.8)**
Net cash flow from financing activities	**0.4**	**1.8**	**(8.7)**
Net (decrease) / increase in cash	0.9	(0.0)	0.0
Opening cash balance	0.9	1.8	5.0
Closing cash balance	**1.8**	**1.8**	**5.0**

Commentary:

- $41.3m of cash generated from ORA transactions offset by repayments of $20.4m
- $29.2m paid in cash for the Aria villages
- Net insurance claim proceeds of $17.8m received during the period
- Included in financing activities are $35.0m of proceeds from new shares issued in relation to the Aria transaction, net bank debt repayments of $20.5m and dividends of $11.1m
- Overall cash balance at $1.8m and drawn debt balance of $13.3m

RECONCILIATION TO UNDERLYING PROFIT[1]

Year ended 31 March Unaudited (NZ$m)	Actual FY2015	Actual FY2016	IPO Forecast FY2016
Net profit after tax	**3.1**	**24.0**	**10.6**
Less: Change in fair values	(1.4)	(16.0)	(1.2)
Add: Deferred tax	0.2	(0.1)	0.3
Less: Gain on acquisition of subsidiaries	(1.6)	-	-
Add: One-off costs	2.8	1.4	-
Underlying operating profit	**3.0**	**9.3**	**9.7**
Add: Gains on resale of existing units	0.8	5.0	3.5
Add: Gain on sale of new units	0.2	1.5	0.1
Underlying profit	**4.0**	**15.8**	**13.3**

[1] Underlying Profit is a non-GAAP 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.

Commentary:

- Underlying Profit of $15.8m is up 19% on IPO forecast of $13.3m for FY16
- Transaction expenses and earthquake remediation costs have been removed from the calculation of underlying profit
- Total of 149 resales of existing units with notional sales proceeds of $36.5m. Excluding resales subject to unit titles, 131 resales generated $32.5m of sale proceeds and gains of $5.0m
- Total of 20 sales of new units generated $9.3 of sale proceeds and gains of $1.5m

BUSINESS OVERVIEW

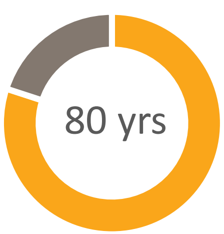
FY2016 BUSINESS HIGHLIGHTS

Key operating statistics

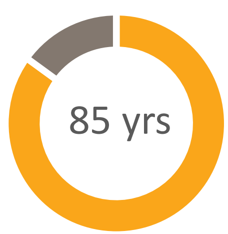
	Actual FY2015	Actual FY2016	IPO Forecast FY2016
Facilities	18	21	18
Aged Care Beds	944	1,246	944
Retirement Units	817	908	817
Care facility occupancy	94%	94%	94%

Independent Living Units

Ave. Ingoing Age

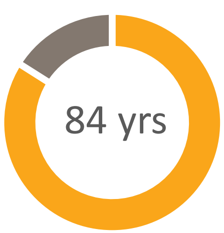


Ave. Current Age

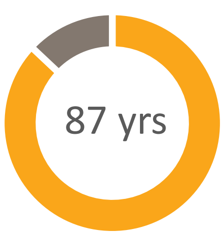


Serviced Apartments

Ave. Ingoing Age



Ave. Current Age



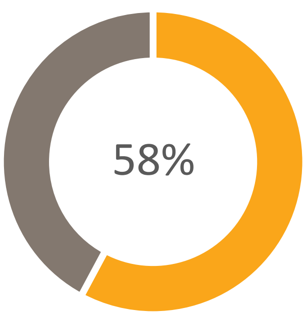
NATIONAL FOOTPRINT INCREASED TO 21 VILLAGES

Arvida has commenced executing on its growth strategy

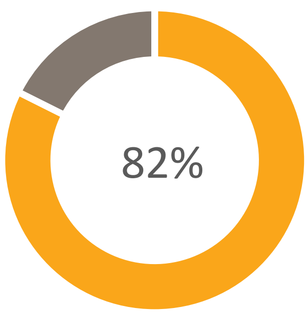
Portfolio Update

- 3 Auckland-based villages acquired since listing in December 2014
- 1 additional village under contract
- Completed 32 new villas / beds
- Refurbished 238 villas

Aged Care Composition



Needs-Based Composition



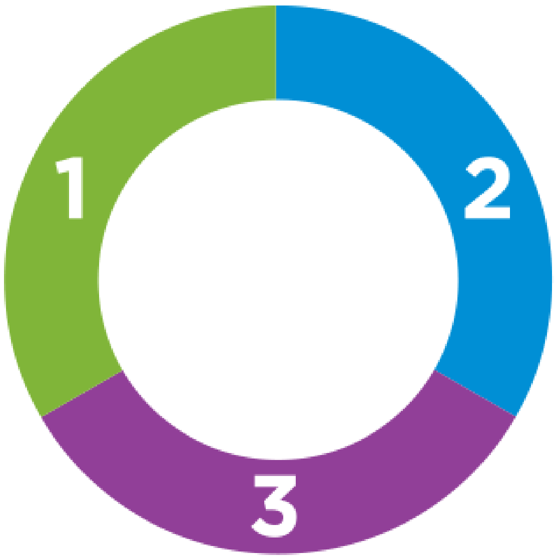
Key Portfolio Statistics[1]

	Acquired[2]	Developed	Actual FY2016
No. of Facilities	**3**	**-**	**21**
Rest Home	140	-	610
Dementia	20	-	131
Hospital	117	18	505
Total Aged Care Beds	**277**	**18**	**1,246**
Serviced Apartments	70	11	529
Apartments/Villas	9	3	379
Total Retirement Units	**79**	**14**	**908**
Total Beds/Units	**356**	**32**	**2,154**

1. As at 31 March 2016.
2. Aria Villages.

ARVIDA STRATEGY

Three core components remain central to Arvida's strategy



Operations

- Ongoing focus on enhancing our high quality care offering

Developments

- Progressing identified development opportunities within our existing properties

Acquisitions

- Continue to evaluate complementary opportunities

CREATED LEADERSHIP MODEL

1 STRATEGY

Arvida has developed a unique leadership model that empowers village managers

- Core philosophy to push responsibility and decision making to villages
- Critical to preserving valuable local culture existing within successful villages
- Continuous investment and improvement of village staff leadership and skill capabilities
- Centralised support functions ensures continuous improvement of care while minimising risks
- Appointments made during the year to Support Centre roles in Sales & Marketing, Operations, Wellness & Care and IT
- Business as Usual looks to make further operational and financial improvements across Group

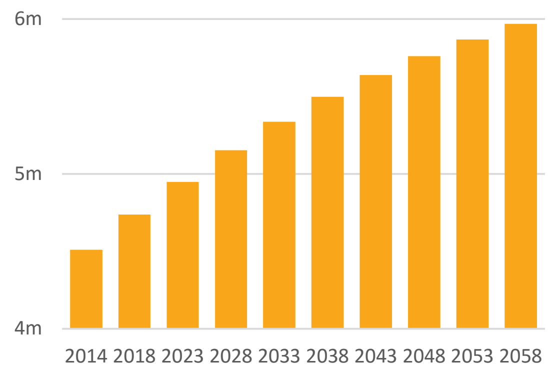
IPO Integration Tasks	→	2016/2017 Key Initiatives	
✓ Completed		Village Management	Standardised Systems & Procedures

CAPTURING DEVELOPMENT OPPORTUNITY

Core element of Arvida's strategy is to grow through expanding its facilities

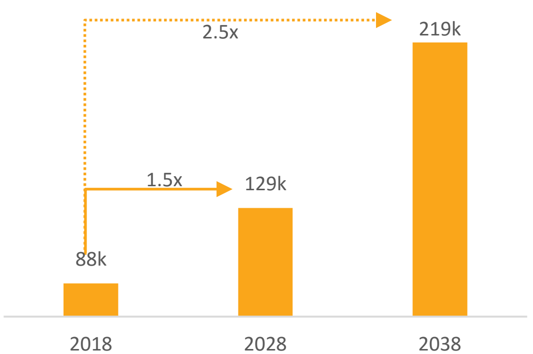
- Development capabilities deepened to position the company to execute the opportunities ahead:
  - Regional focused development teams, located in the North and South Island, manage project activity on a daily basis
- Targeting:
  - Delivery on time
  - Cost control & development margin capture
  - Sell down of units
- Market fundamentals support continued demand side growth

NZ Population – 5.5m by 2038



Source: Statistics New Zealand – 50th percentile (median)

2.5x increase in aged 85+ years



EXPANSION PIPELINE – PLANNED GROWTH WITHIN EXISTING FILLITIES

STRATEGY 2

Status of current and planned development projects

Development[1]	Beds	Units	Planning complete	Resource consents	Works commenced	Status	Expected date of first resident
Aria Bay		24	✓	✓	✓	■ Resource consents obtained ■ Enabling works underway	Q1 FY18
Oakwoods		22	✓			■ Land secured ■ Consenting application lodged	Q4 FY17
Park Lane		73	✓	✓		■ Resource consent obtained ■ Construction expected to commence Q2 FY17	Q2 FY18
Rhodes on Cashmere	37	31	✓			■ Resource consent hearing held in May ■ Construction start expected mid FY17	Q4 FY18
TOTALS	**37**	**150**					

- Estimate an additional 100+ beds/units within existing villages that are yet to be assessed

1. Subject to final investment decision approval.

ACQUISITION STRATEGY

STRATEGY 3

Three Auckland-based villages were acquired in FY2016

Acquisitions

- Continue to see single village and group prospects offered through both exclusive and competitive processes
- A large number of aged care facilities and retirement villages are privately held
- Preference is to target acquisitions that are aligned with the care focused nature of Arvida, located in key NZ geographies and in close proximity to communities exhibiting specific characteristics, offer brownfield development opportunities and are immediately earnings accretive

Greenfield Developments

- Focus is on progressing existing brownfield development pipeline
- In time, Arvida will look to source sites that exhibit attractive demographics in the 5 -10km radius catchment area including adjacent land to existing villages

ARIA ACQUISITION SUMMARY STATISTICS

STRATEGY 3

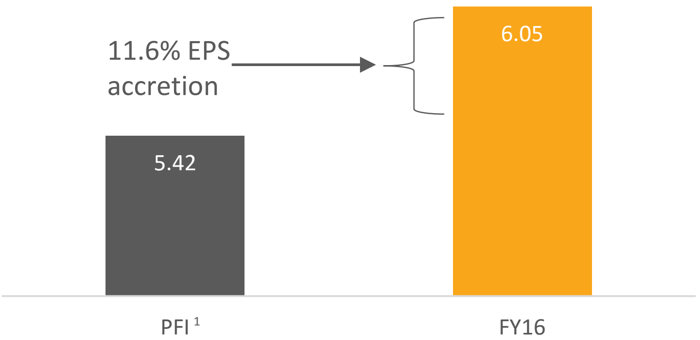
The Aria villages were acquired as one portfolio in July 2015 for $63.8m

- Acquisition was on strategy supported by strong transaction rationale
- Has assisted to deliver EPS growth ahead of metrics outlined at the time of acquisition

Key Transaction Rationale

Geography:	Exposure to the Auckland market	✓
Location:	Premium locations	✓
Asset Mix:	Strong care focus, high quality assets	✓
Financial Metrics:	High occupancy levels, established and well run with potential to realise synergies	✓
Brownfield:	Meaningful development opportunities	✓
Earnings:	Immediately earnings accretive	✓

Earnings Per Share (cps)



1. FY2016 Projected Financial Information (PFI) adjusted for $1.1 million depreciation charge.

LANSDOWNE PARK

STRATEGY 3

Conditional agreement to acquire 100% of the shares in Lansdowne Park

Facilities	■ Retirement village and integrated aged care facility located in Masterton ■ First occupied 2003, progressively developed to 2014 ■ 93 retirement units and 50 care beds ■ High quality facility proactively maintained ■ Extended catchment with half residents not local ■ Occupancy of aged care facilities at 98% ■ 170+ residents with an average age of c.82 yrs ■ Majority of ORAs on 30% DMF over 3 years
Funding	■ CBRE valuation of $21.75 million ■ Acquiring for $20.6 million ■ $14.6 million drawn on existing bank facilities increasing gearing to 9.7% ■ $6 million shares subscribed by vendors for balance of acquisition price ■ Acquisition immediately accretive to earnings


Community Facilities at Lansdowne Park


Villa at Lansdowne Park


Site Plan at Lansdowne Park

DIVIDEND AND FY2017 OUTLOOK

FY2016 dividend declared ahead of IPO forecast

Final Dividend Declared	■ Arvida has declared a final dividend of $3 million, representing 1.10 cps for the 4Q FY16 ■ Brings total dividends for year to 4.25 cps, ahead of IPO forecast ■ Record date is 9 June 2016, payment on 17 June 2016 ■ Partially imputed with 0.40 cps of imputation credits ■ Supplementary dividend of 0.18 cps for non-resident shareholders
Dividend Policy	■ Arvida distributes 60% to 80% of Underlying Profit per annum ■ FY16 dividend represents 74% of Underlying Profit
FY2017 Guidance	■ Business continues to perform strongly ■ Lift in 4Q dividend sustainable, with development activity to deliver continued momentum in revenue and earnings

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