

Investor NEWS

Issue 7, September 2018.

UPDATE FROM THE CEO

BILL
MCDONALD



LIVING WELL

Our Vision
is to improve the lives and wellbeing of our residents by transforming the ageing experience.

Our commitment
is to challenge ourselves to make our residents' lives better with everything we do.

BUILDING WELL

Brownfield
development activity within existing villages.

Greenfield
development where we see value.

BUYING WELL

Acquisition criteria are
location, quality of assets and current management, opportunities for development and immediately earnings accretive.

ENGAGING WELL

Customer focused
approach to health service delivery in the broader community.

We are nearing the half year and the business is performing significantly above last year.

With development projects currently in progress across nine sites, Arvida is undertaking the largest volume of development work to date. We are pleased to report projects are proceeding to time and budget.

Notable achievements year to date:

- Strong sales and gains on sales recorded, at levels significantly above last year
- Acquired 18ha of land for future greenfield development in Kerikeri
- Village at the Park received the Stand-Out Individual Award and Community Connections Award at industry body NZACA's 2018 annual conference
- Completed developments at Aria Bay and Park Lane, delivering 53 new premium apartments
- Maintained very high occupancy in our care facilities
- Received strong MOH certification results in latest audits.

Arvida to build new village in Kerikeri

We announced in August that 18 hectares of land in Kerikeri had been acquired by Arvida. This represented Arvida's second acquisition of a greenfield development site.

We confirmed a new \$130 million retirement village is planned for the site that would "help provide for the expected 60% increase in people aged over 75 years in

Kerikeri and the surrounding area within the next decade."

According to Statistics New Zealand, Kerikeri and the surrounding area has an older population relative to other areas in Northland and New Zealand. The aged population in Kerikeri is also projected to continue to grow over the next decade.

Kerikeri is essential to nearby communities, with residents coming into Kerikeri for shopping, services, school and employment.



A \$130m retirement village is planned for Arvida's new 18 hectare site in Kerikeri.

“We looked at the demographic and found there is room for a development of our scale. We believe there is an ongoing need for further aged care facilities in the region.

“Kerikeri is becoming more popular for retirees and there’s a few things driving that including the level of house pricing in Auckland and also the fact so many people are holidaying in the north and gaining an understanding of its appealing aspects.”

The site is located close to Kerikeri’s town centre and local amenities. It has sufficient capacity for a village comprising of some 200 villas and serviced apartments, along with 80 care beds and community facilities. The orchard setting lends itself to green space.

Planning and obtaining consents would take 12-15 months with construction likely to commence in 2020.

First stages of new developments completed

Arvida announced the first stages of developments at Aria Bay and Park Lane were recently completed delivering 25 and 28 apartments respectively. Residents commenced moving into new apartments at Aria

Bay in June and into Park Lane in August. ORAs for the new units are selling at an average price of \$1 million at Aria Bay and \$600,000 at Park Lane.

Construction planning for the next stages of development at both villages is well advanced.



5 Acres Café now open at Living Well Park Lane



Development Update

An update on construction progress at key developments:

- The apartment block at **Village at the Park** is largely enclosed and construction continues to progress well.
- Bulk earthworks on the first stage at **Richmond** are complete and civil works have commenced. Villa construction will commence this month.
- Stage One at **Rhodes on Cashmere** is largely enclosed and fitout is well underway.
- Construction of the **St Albans** apartments has commenced with demolition of units on Durham St.
- Construction planning of the next stage of development at **Aria Bay** has commenced.

Village	Units	Status
Aria Bay	25 Apts 115 Care & Apts	Completed June 2018 Consented
Copper Crest	30 Villas 79 Care & Apts	Under construction, 6 now complete Consented
Lauriston Park	12 Villas 90 Care & Apts	Under construction, due FY20 Master planning in progress
Mary Doyle	42 Villas	Under construction, 1 now complete
Village at the Park	24 Apts 16 Villas	Under construction, due FY20 Consented
St Albans	21 Apts 24 Care & Apts	Under construction, due FY20 Consented
Park Lane	28 Apts 51 Apts	Completed August 2018 Consented
Rhodes on Cashmere	73 Care & Apts	Under construction, 23 Apts due FY19
Richmond site	267 Villas, Care & Apts	Consented



Village at the Park



Rhodes on Cashmere

A total of 111 new units are expected to be delivered in the current financial year. Completion of the planned developments over the next five to six years will deliver 1,299 new units or increase Arvida’s existing portfolio by more than one third.

Sales & Marketing Update

With the completion of Stage 1 developments at Aria Bay and Park Lane, the key focus for our recent sales and marketing campaigns has been to present these new apartments to the market and build strong interest from prospective residents.



The new apartment showhomes at Aria Bay were launched in September

Further lift in sales

At the end of August, Arvida had completed 136 ORA sales, a 70% lift on last year's performance. This reflected more new stock coming available from completed developments as well as the regular turnover of units from a larger village base.

Inventory remains low at less than 2% of existing units.

Gains from ORA sales in the first quarter were up 130% on last year at \$5.9 million with a further \$4.3 million delivered in July and August. Arvida said this resulted from a higher volume of ORA sales at improved margins. The average



Browns Bay luxury apartments, contemporary design and spectacular elevated outlooks.



If you're looking for independent living in a brand new retirement apartment in Browns Bay, this could be just what you're looking for. You'll enjoy a friendly and welcoming retirement community right in the heart of the village and close to the sea. These wonderful luxury homes offer all the mod cons without the worries of property maintenance.



resale margin for the period to August was 23%, higher than experienced in 2018 with no sign of impacts from any changing property market conditions.

Key Metrics 1Q19

96% Occupancy of care facilities (95% 1Q18)

63 1Q19 Resales (41 1Q18)

16 1Q19 New Sales (2 1Q18)

Since balance date, one more care facility has achieved four-year certification by the Ministry of Health. We now have 13 facilities, out of 26, holding this gold standard certification.

AGM roundup

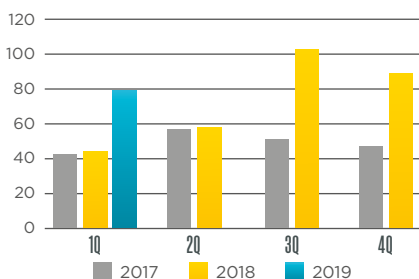
The annual meeting for Arvida shareholders was held in Auckland this year with around 100 shareholders in attendance at the July event plus media representatives.

The level of discussion and engagement was good and welcomed by the Board and management alike. Bill McDonald said "the meeting provides an opportunity for shareholders to interact with our Board and management on a formal basis and informally after the meeting close."

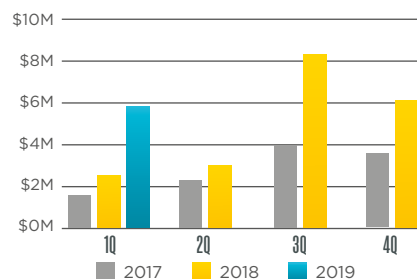
The next annual shareholders meeting is planned to be held in Christchurch in July 2019. Arvida shareholders are encouraged to attend the annual meeting.

In addition, annual resident meetings for all Arvida villages have been held over the last three weeks. These meetings are for residents and, although a legal requirement, are seen as a very important part of preserving resident advocacy. Bill McDonald or Jeremy Nicoll attended most of these meetings, along with other senior Arvida management.

TOTAL NUMBER OF SALES



TOTAL GAINS ON SALES



ARVIDA GROUP

INVESTOR CENTRE

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

* Expected dates, subject to confirmation.

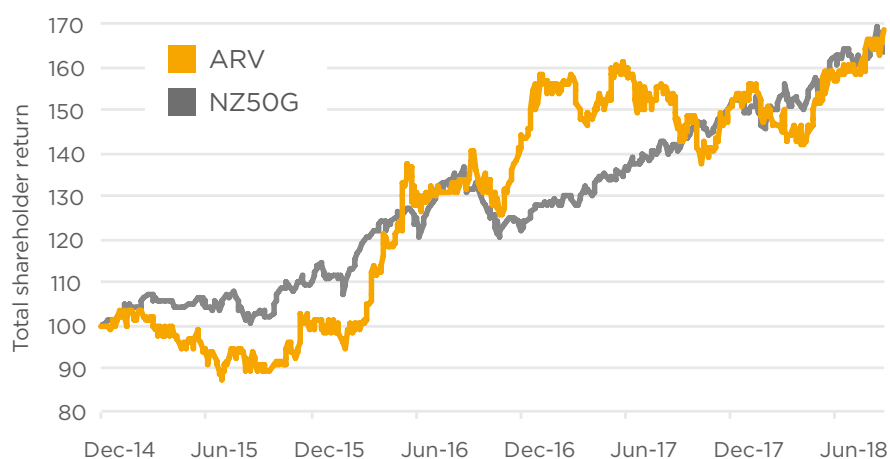
Investor Calendar*

Financial Year End:
31st March (half year 30 September)

Release of Interim Result:
27 November 2018

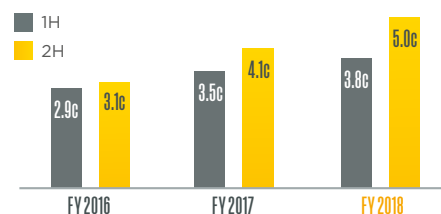
Dividend Payment:
19 September 2018 (1Q FY2019)
20 December 2018 (2Q FY2019)

Total Shareholder Returns Relative to NZ50 Index SINCE IPO

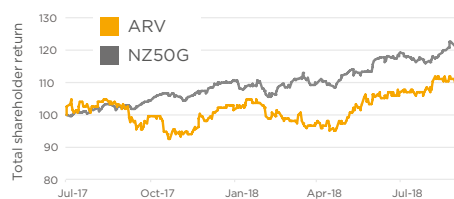


Source: IRESS as at August 2018.

REPORTED UNDERLYING EARNINGS (Cents per share)



TOTAL SHAREHOLDER RETURNS RELATIVE TO NZ50 INDEX - LAST 12 MONTHS



Investor Tours

As part of the Arvida investor relations programme, Bill McDonald and Jeremy Nicoll presented the 2018 annual result to advisors of Forsyth Barr, FNZC, Craigs Investment Partners and Hobson Wealth in a series of presentations hosted by those sharebroking firms.

A series of one-on-one meetings was also held with a range of both New Zealand and Australian institutional investors. The feedback in the meetings was positive with a high level of engagement from parties which included a number of new institutional investors.

In addition, Forsyth Barr hosted a group of institutional investors at Arvida villages in Christchurch in early August and earlier in the year at Tauranga. The response from the group was again positive with all expressing a very favourable view on the quality of Arvida villages.

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You will need your CSN/ Shareholder number and FIN to use this online service. However, once setup, you will be able to access this service with your own User ID and Password.

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Alternatively, you can contact Computershare at +64 9 488 8777 or enquiry@computershare.co.nz

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