

2018

SHAREHOLDER HOLDER MEETING

CEO'S REVIEW



STRATEGY UPDATE

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.

EXCELLENCE IN CARE

- 96% care occupancy – significantly above sector at 88%
- Exceptional NPS result from resident survey
 - +53 in villages and +51 in care facilities, much higher than industry context
- Continued excellent Ministry of Health audit results:
 - 13 facilities gold standard of 4 years certification
 - 83% of FY2018 audits achieved 4 years
 - Clinical standard is substantially above national level
- Continue to invest in our people

TRANSFORMING THE CARE MODEL

- Attitude of Living Well delivering better resident outcomes
- Household model provokes move in culture
- Resident-led quality care services overarching principle



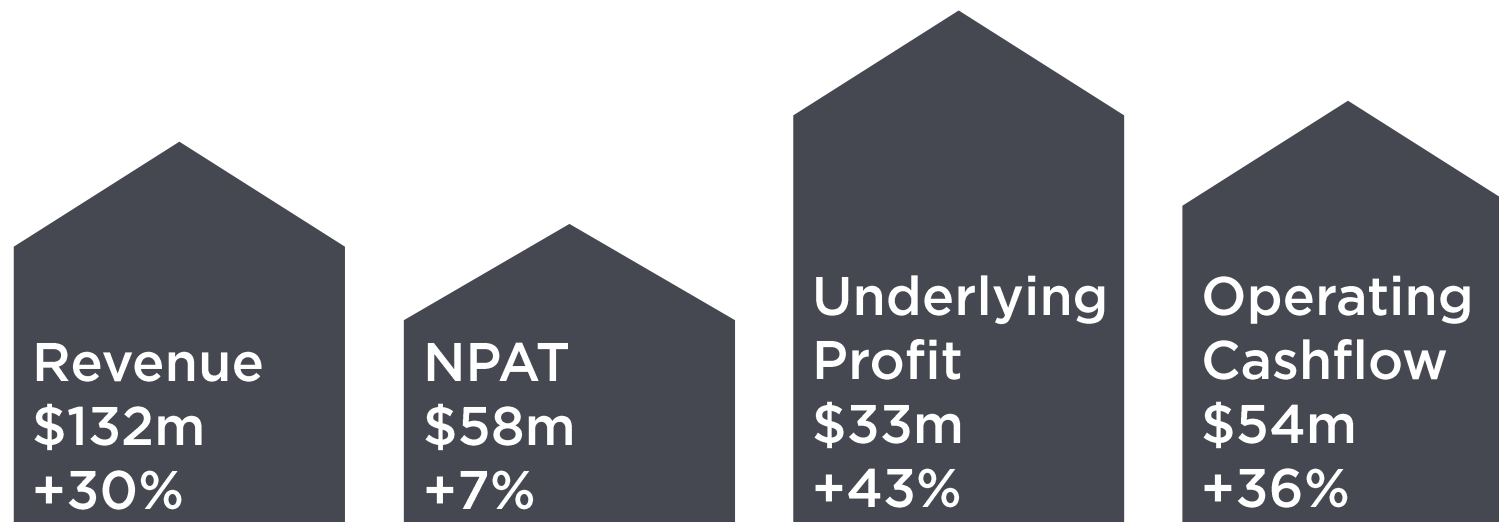


OVERVIEW OF OPERATIONS

- Funding increases for both residential care and pay equity
- SafePlus audit of seven villages found high level of Health & Safety practices:
 - National health & safety manager
- Resident management system in 23 villages

FINANCIAL OUTPERFORMANCE

- Strong FY2018 result up on all measures again



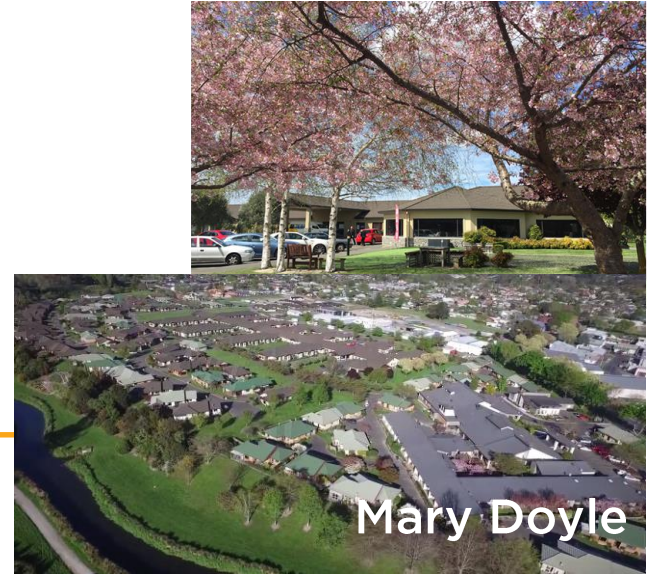
- 16% accretion in Underlying Profit per share
- 49% increase in ORA sales – 216 resales and 79 new sales:
 - Low levels of vacant stock but continue to monitor property sector outlook

INCREASED ASSET BASE

- Total asset base now in excess of \$1.1b
- Investment property increased \$221m (vs HY18):
 - Settlement of \$106m of village acquisitions
 - Fair value movements at existing and completed villages
- Valuation panel used for the first time:
 - CBRE and Jones Lang LaSalle
- \$93m new capital – rights issue raised \$77m + \$16m to vendors
- Gearing remains conservative with headroom to undertake development programme and acquisitions:
 - \$250m syndicated facility with ANZ and BNZ



3 ACQUISITIONS ADDED 750+ UNITS





1,000+ UNITS IN DEVELOPMENT PIPELINE

	CARE	ILUs	TOTAL	NEEDS %
CURRENT	1,743	1,850	3,593	68%
Development in progress	-	111	111	-
Future development	391	330	721	54%
Greenfield development	81	186	267	30%
Total development	472	627	1,099	43%
ON COMPLETION	2,215	2,477	4,692	62%



RICHMOND - NELSON



Artist impression of Richmond, Nelson



RICHMOND - NELSON



PARK LANE – STAGE 1



NEW CARE AT COPPER CREST



Artist impression of Copper Crest Care, Tauranga



DIVIDENDS

4th Quarter FY2018
Dividend

1.56 cps

Ordinary 1.30 cps
+ Special 0.26 cps
Imputed at 0.25 cps
Ordinary sustainable

Total Net FY2018
Dividend

5.01 cps

13% up on last year
60% of Underlying Profit

- Momentum in revenue and earnings continuing
- Fundamentals continue to underpin sector outlook



PERFORMANCE UPDATE



Source: IRESS