RYMAN HEALTHCARE ANNUAL REPORT 2005

RYMAN
HEALTHCARE LTD

contents

2005 financial year

Highlights

- Net Surplus up 28% to $23.5 million
- Dividends lifted 28% to 11.5 cents
- Successful opening of Princess Alexandra Retirement Village in Napier
- Total land bank increased to 866 units and 391 beds
- Awarded "Best Retirement Village in New Zealand"



chairman's report

Introduction

The Directors are delighted to present the 2005 Annual Report of Ryman Healthcare Limited.

The 2005 year was one of very good growth for the company, which exceeded the company's own target of 15% growth in earnings per annum.

Financial Reports

The Group posted a record net surplus after taxation of $23.5 million for the year ended 31 March 2005, up 28% on the previous year.

This result is the third record profit in succession and continues the company's rapid growth path since listing in 1999.

The Group continues to generate strong cash flows, with operating cash flows for the year of $54 million, which were used to fund the development of new facilities and to acquire new land for expansion.

Shareholders funds increased from $147 million to $186 million, and the company's debt to assets ratio reduced to 24%.

Dividends

A final dividend of 6.5 cents per share has been declared, and will be paid on the 24 June 2005. The record date for entitlements is 10 June 2005.

The final dividend lifts the total payout for the year to 11.5 cents per share, which represents a 28% increase on the previous year. The directors are committed to increasing dividends in line with the growth in the company's profits.

Corporate Governance

A full and separate statement of corporate governance has been provided this year.

We are very pleased to be able to report that our Charter was reviewed and updated during the past year to ensure that it complies fully with the NZX Corporate Governance Best Practice Code.

There has been no change to the membership of the Board during the year. Andrew Clements and Don Trow retire by rotation at this year's Annual Meeting, and both have offered themselves for re-election.

The remuneration of the Board has been reviewed and we are seeking shareholder approval for an increase in directors' fees from the level approved in 2002. The proposal to be considered at the Annual Meeting is for total directors fees to increase from $200,000 to $240,000 per annum. We believe the proposal is reasonable, given the increased scale of the company and the larger demands placed on the directors.

We are recommending that Deloitte be reappointed as auditor for the 2006 financial year. Deloitte are engaged in an audit capacity only, and we took the opportunity this year to change the lead audit partner in accordance with the best practice code issued by the NZX.

chairman's report

International Financial Reporting Standards

All listed companies are required to adopt the New Zealand equivalents to International Financial Reporting Standards over the next three years. The new International Standards must be reflected in our financial statements no later than the 2008 financial year, however, if appropriate, we have the option to adopt them in an earlier financial year.

The Company is currently working to complete the adoption of the International Financial Reporting Standards. The most significant differences in accounting policies, that are expected to make an impact on the financial statements, are as follows:

Revaluation of Investment Properties:

Our Investment Properties are valued by an independent registered valuer at each balance date (refer to note 3(c) of the Statement of Accounting Policies). Any surplus or deficit determined by the annual revaluation is taken directly to Reserves. The International Standards require any surplus or deficit arising from the revaluation to be included in the Net Surplus After Tax.

Liability for Deferred Taxation:

We will be required to make a provision for deferred taxation on the comprehensive basis, including the recognition of deferred tax associated with revaluations of assets. The further liability to be recorded is substantially the amount that has been disclosed by the company as an unrecognised deferred tax liability (refer to note 3(b) of the Notes to the Financial Statements). The opening balance will be recorded as a liability and charged against Reserves. The increase, or decrease in the amount of the liability each year thereafter will result in a decrease or increase in the Net Surplus after Tax.

Future Benefit of Tax Losses:

The company will be required to set up an asset to recognise the future benefit from tax losses. The amount of this unrecognised asset has been disclosed by the company as a future tax benefit (refer to note 3(b) of the Notes to the Financial Statements). The opening balance will be recorded as an asset and credited to Reserves. The increase, or decrease in the amount of the asset each year thereafter will result in a increase or decrease in the Net Surplus after Tax.

Overall Impact on Net Surplus After Tax:

In the absence of any unusual events or circumstances, the total effect of these changes is likely to be an increase in the Net Surplus after Tax.

The Outlook

Our strategy remains unchanged – to be focussed on the design, construction and management of integrated retirement villages. We have developed a high level of competence in our field of expertise, and as a result we have consistently delivered good steady growth.

We are involved in a sector which has significant growth potential as the number of people over the age of 65 years will more than double over the next 25 years.



chairman's report

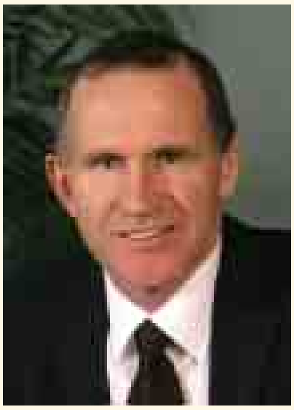
Looking to the year ahead we are pleased to advise that we are on target to achieve 15% growth in earnings again this year.

The company's success in recent years has not been achieved easily. The results reflect the leadership provided by the senior management team, and the hard work of all the staff. The Board are very proud of their efforts and are grateful to them.

We have established a growing and loyal group of shareholders over the past six years, for whom the company has been a rewarding investment. Thank you for your support.

Dr David Kerr
Chairman

managing director's report



The year to 31 March has seen the company expanding at an ever faster pace. Compound annual growth over the last six years is 25% per annum, and in the past year we generated a 28% increase in net profit.

Princess Alexandra Retirement Village

The highlight of the year was the opening of the new Princess Alexandra Retirement Village in Napier. The village has been very well received by the local community and has provided Napier residents with a top quality retirement option.

At year end the Princess Alexandra village was expanded when we took over the Salvation Army resthome on land adjoining the new village. Planning is progressing in order to rebuild the resthome, and fully integrate it into the village.

On completion, the Princess Alexandra village will provide a full continuum of care from independent living in the townhouses, to serviced apartments, resthome, special care and hospital beds.

Development

Construction is almost complete at the highly successful Grace Joel Retirement Village in St Heliers, Auckland. Construction is also drawing to a close on a further 36 townhouses at Hilda Ross Retirement Village in Hamilton. During the past year the final block of apartments at Rita Angus village was finished and is now complete.

The company is gearing up its development and construction areas in order to substantially raise the level of construction of new retirement units. Ray Versey, formerly Construction Manager, has moved into the Development Manager role. Steven Cromwell, who has just completed the project management of the highly successful Christchurch Women's Hospital project, has been recruited as the new National Construction Manager. Our design team and project management teams have also been strengthened to deliver on an increased level of production.

Ryman Development Team

Left to Right: Ray Versey, Development Manager; Taylor Allison, Chief of Design; Steven Cromwell, Construction Manager

managing director's report

In Auckland, our construction team is due to move from Grace Joel village to the new site at Abbotts Way in Remuera, where construction is about to commence. This is a huge 23 acre site and on completion will have over 550 elderly residents.

Development of further townhouses at Hilda Ross in Hamilton continues. The Princess Alexandra site in Napier is a hive of activity with further townhouses and a special care centre to be constructed, and the resthome rebuilt.

Aerial photograph of the new Wanganui village site in St Johns Hill and Lake Virginia reserve.

Construction of our new Wanganui village in St Johns Hill has commenced, with the first stage due for completion before the end of the financial year. We have also commenced building a further 62 townhouses on land purchased from the Wellington Regional Council, which will be incorporated into the sold out Shona McFarlane Retirement Village. Planning is still progressing on a 44 apartment block due for construction at Malvina Major Retirement Village this year.

In the South Island, construction of a further 40 townhouse units at Rowena Jackson Retirement Village in Invercargill is under way and, subject to resource consent issues being completed, we hope to commence construction on the large Aidanfield retirement village in Christchurch this year.

We are currently carrying out due diligence on two further sites.

In the current year we will have construction teams operating in Auckland, Hamilton, Napier, Wanganui, Lower Hutt, Wellington, Christchurch, and Invercargill. In addition, planning and resource consent applications will be processed for further development sites. We believe our management team are now ready to control the increased rate of development, which should result in strong growth for the company going forward.

Ryman is experiencing a very strong demand for its retirement products. New sales are buoyant and resale stock is turning over rapidly. Occupancy of hospital and resthome beds is continuing to improve.

managing director’s report

$90,000 Raised for Age Concern New Zealand

Left to Right: Terri Potroz, Age Concern New Zealand President; Janice Fensom, Caregiver, Shona McFarlane Retirement Village; Kerry Dalton, Age Concern New Zealand CEO; Donald Trow, Ryman Healthcare Board Member

Aged Care Sector

There are currently a number of religious and welfare agencies selling their resthome and hospital operations. There has been a lot of interest from Australian merchant banking interests in particular. Ryman have looked closely at the facilities offered for sale, but following detailed analysis there appears to be little value for Ryman in these assets. It continues to be our favoured policy to develop our own villages at the top end of the market, creating value as we develop. We see little gain in acquiring ageing facilities at retail prices.

Community Involvement

The Company successfully raised $90,000 for Age Concern New Zealand during the past year.

Age Concern is a charitable organisation whose aim is to promote the quality of life and well-being of older people. They achieve this by providing advocacy and education services from their 28 branches throughout New Zealand. The valuable services they provide to older people include a volunteer visitor service and assistance to victims of abuse or neglect.

This year the staff and residents held fetes, movie nights, galas, poetry book sales, raffles and garage sales to achieve their individual fund raising targets. The money raised by the staff and residents was then matched dollar for dollar by the Company.

This was a fantastic achievement and we are proud to be able to support Age Concern's efforts in the community.

managing director's report

Shareholders

It is pleasing to look back to when the company was floated in 1999 and see that we have delivered on our promise of developing Ryman as a growth company. In this period, earnings per share have grown from 6.2 cents in 1999 to 23.5 cents per share in the year to 31 March 2005. This is a compound annual growth rate of just under 25%.

It is interesting to see how shareholders have fared over this period. Since 1999 shareholders have received more than 175% appreciation in the share price, which, together with dividends, equates to an annual return after tax of 34.5% per annum. Dividends have grown steadily over the same period from 2.4 cents to 11.5 cents per share.

The staff and management of Ryman intend to maintain the culture of hard work and delivery in order to continue this growth.

I would like to conclude by thanking all the staff at Ryman for their continued efforts, on behalf of our residents and shareholders.

Kevin Hickman,
Managing Director

Ryman Healthcare Management Team

Left to Right: Philip Mealings, Property/Purchasing Manager; Steven Cromwell, Construction Manager; Barbara Reynen, Operations Manager; Simon Challies, General Manager/CFO; Tracy van Beek, Finance Manager; Kevin Hickman, Managing Director; Debbie Jarratt, Group Sales Manager and Ray Versey, Development Manager.

statement of corporate governance

The Board's primary role is to effectively represent and promote the interests of Shareholders with a view to adding long-term value to the Company's shares.

The Directors are responsible for the corporate governance practices of the company. The practices adopted by the Board are prescribed in a Charter which sets out the protocols for operation of the Board, and in the Code of Ethics which sets out the manner in which directors and the senior management team should conduct themselves.

The Charter is reviewed annually, and was updated in the past year to ensure that it was consistent with the NZX Corporate Governance Best Practice Code. The Charter was also reviewed in light of the 'Corporate Governance in New Zealand: Principles and Guidelines' published by the Securities Commission in February 2004.

The Board of Directors

The Board currently carries out its responsibilities according to the following mandate:

- the Board should comprise a majority of non-executive directors;
- at least a third of the directors should be independent - in the sense of being independent of management and free from any business or other relationship or circumstance that could materially interfere with the exercise of a director's independent judgement;
- the chairman of the board should be a non-executive director;
- directors should possess a broad range of skills, qualifications and experience, and remain current on how to best perform their duties as directors;
- information of sufficient content, quality and timeliness as the Board considers necessary shall be provided by management to allow the Board to effectively discharge its duties;
- the effectiveness and performance of the Board and its individual members should be re-evaluated on an annual basis.

The board consists of five non-executive directors, being Sid Ashton, Michael Cashin, Andrew Clements, David Kerr and Don Trow, plus the Managing Director, Kevin Hickman. More information on the directors, including their interests, qualifications and shareholdings, is provided in the 'Directors Disclosures' section of this report.

The primary responsibilities of the Board include:

- ensuring that the Company's goals are clearly established and that strategies are in place for achieving them;
- establishing policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business;
- appointing the Managing Director, setting the terms of the Managing Director's employment contract;
- monitoring the performance of management;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and otherwise conform with law;

statement of corporate governance

- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring that the Company has appropriate risk management/regulatory compliance policies in place.

Independent Professional Advice

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the company's expense concerning any aspect of the company's operations or undertakings to assist in fulfilling their duties and responsibilities as directors.

Board Committees

The Board has three standing committees, being the audit, remuneration/nominations and treasury committees. Each committee operates under specific terms of reference approved by the Board, and they all make recommendations to the Board. The terms of reference for each committee are reviewed annually.

Audit Committee:

The audit committee consists of three non-executive directors, at least two of whom must be independent directors. The members are currently Sidney Ashton (Chair), Don Trow and Michael Cashin, who are all members of the Institute of Chartered Accountants, and are all independent directors.

The committee provides a forum for the effective communication between the board and external auditors. The committee has a number of specific responsibilities, including:

- reviewing the appointment of the external auditor, the annual audit plan, and addressing any recommendations arising out of the audit;
- reviewing all financial information to be issued to the public, and any dividend proposals;
- ensuring that appropriate financial systems and internal controls are in place.

The committee generally invites the Managing Director, Chief Financial Officer and the external auditors to attend audit committee meetings. The committee also meets and receives regular reports from the external auditors without management present, concerning any matters which arise in connection with the performance of their role.

Remuneration & Nominations Committee:

The Remuneration & Nominations Committee objectives are to:

- assist the Board in the establishment of remuneration policies and practices for the company;
- assist in discharging the board's responsibilities relative to reviewing the Managing Director and directors remuneration;
- advise and assist the Managing Director in remuneration setting for the senior management team; and
- regularly review, and recommend changes to, the composition of the Board, and identify and recommend individuals for nomination as members of the Board and its committees.

The committee comprises David Kerr (Chair) and Michael Cashin, who are both independent directors.

statement of corporate governance

Particulars of the directors' and senior management's remuneration are set out in the 'Directors Disclosures' section of this report.

Treasury Committee:

The Treasury Committee is responsible for overseeing our treasury policies and monitoring our debt and equity position. The members are Michael Cashin and Andrew Clements.

Reporting & Disclosure

The Board focuses on providing accurate, adequate and timely information both to existing shareholders and to the market generally. This enables all investors to make good quality decisions about the Company. All significant announcements made to the NZX and reports issued are posted on the Company's website for ease of reference.

The audit committee makes recommendation to the Board on the appointment of external auditors, to ensure that they are independent and to also ensure that the company provides for five yearly rotation of the lead audit partner.

The directors' shareholdings and all trading of shares during the year is disclosed in the section headed 'Directors Disclosures'. The NZX is advised immediately if a director or officer trades in the Company's shares.

Directors, senior employees, their families and related parties must seek Board approval to trade in the company's shares, and trading is limited to two "window" periods. They are between the full year announcement date and 31 August, and between the half year announcement date and 31 January each year.

Risk Management

The Board is responsible for the company's system of internal controls to manage the key risks identified.

The group operates an extensive internal accreditation programme, which addresses such wide ranging issues as service delivery, health & safety, and administration. Internal audits are undertaken on a regular basis. The results of these audits and critical indicators are reported to the Board on a regular basis.

Through the audit committee, the Board considers the recommendations and advice of external auditors, and ensures that those recommendations are investigated, and where considered necessary, appropriate action is taken.

Code of Ethics

As part of the Board's commitment to the highest standards of behaviour and accountability, the company has adopted a code of ethics to guide directors and senior management, in carrying out their duties and responsibilities. The code addresses such matters as:

- relations with residents, suppliers and employees
- acceptance of gifts or other benefits
- conflicts of interest
- protection of company assets
- compliance with laws and policies
- confidentiality
- reporting breaches



performance trends

		2005	2004	2003	2002
Revenue	$m	121,218	109,551	94,359	61,944
EBIT	$m	24,778	19,661	16,890	12,373
Net Profit after Tax	$m	23,525	18,396	15,312	11,073
Net Assets	$m	185,756	146,987	123,987	112,356
Debt to Asset Ratio	%	24%	25%	32%	35%
Net Operating Cash Flows	$m	53,503	52,631	39,756	36,060
Earnings per Share	cents	23.5	18.4	15.3	11.1
Dividend per Share	cents	11.5	9.0	7.5	5.6
Sales of Occupation Rights					
New	no.	137	158	175	115
Resales	no.	179	168	170	96
Facilities					
Hospital Beds	no.	375	351	319	205
Resthome Beds	no.	702	622	566	618
Retirement Village Units	no.	1203	1058	932	830

financial statements

Statement of Financial Performance for the year ended 31 March 2005

	Note	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Revenue	1	**121,218**	**109,551**	**22,795**	**18,272**
Earnings before Interest, Tax & Depreciation		27,341	21,850	13,292	9,610
Depreciation	2	(2,563)	(2,189)	(330)	(269)
Net Interest	1,2	(1,253)	(1,265)	76	(43)
Operating Surplus before Taxation	2	**23,525**	**18,396**	**13,038**	**9,298**
Taxation	3	-	-	-	-
Net Surplus for the Year		**23,525**	**18,396**	**13,038**	**9,298**
Earnings per share (cents)		**23.5**	**18.4**		

Statement of Movements in Equity for the year ended 31 March 2005

	Note	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Equity at Beginning of Year		**146,987**	**123,987**	**81,772**	**80,768**
Net Surplus for the Year		23,525	18,396	13,038	9,298
Revaluation of Investment Properties	9	18,583	13,104	(146)	206
Revaluation of Property, Plant & Equipment	9	6,661	-	298	-
Total Recognised Revenues and Expenses		**48,769**	**31,500**	**13,190**	**9,504**
Dividends Paid		(10,000)	(8,500)	(10,000)	(8,500)
Equity at End of Year		**185,756**	**146,987**	**84,962**	**81,772**

The statement of accounting policies and notes to the financial statements on pages 18-27 form part of these financial statements.



financial statements

Statement of Financial Position as at 31 March 2005

		GROUP		PARENT	
	Notes	2005 $000	2004 $000	2005 $000	2004 $000
Equity					
Share Capital	8	33,290	33,290	33,290	33,290
Asset Revaluation Reserve	9	77,571	52,327	39,714	39,562
Retained Earnings		74,895	61,370	11,958	8,920
		185,756	**146,987**	**84,962**	**81,772**
Non-Current Liabilities					
Bank Loans (Secured)	7	**34,800**	**24,500**	**34,800**	**24,500**
Current Liabilities					
Bank Overdraft (Secured)	6	365	-	104	250
Creditors and Accruals		5,085	5,021	3,843	3,680
Employee Entitlements		2,135	1,704	536	405
Bank Loans (Secured)	7	15,000	17,000	15,000	17,000
		22,585	**23,725**	**19,483**	**21,335**
Total Funds Employed		**243,141**	**195,212**	**139,245**	**127,607**
Non-Current Assets					
Net Investment Properties	5	112,289	81,015	1,108	1,169
Property, Plant & Equipment	4	115,565	92,908	4,585	3,896
Investments in Subsidiaries		-	-	49,185	48,785
Advances to Employees	18	143	200	143	200
		227,997	**174,123**	**55,021**	**54,050**
Current Assets					
Bank		-	394	-	-
Debtors and Prepayments		14,667	19,403	293	868
Inventory		350	468	238	272
Advances to Employees	18	127	144	127	144
Advances to Subsidiary Companies	12	-	-	83,566	72,273
Properties Intended for Sale		-	680	-	-
		15,144	**21,089**	**84,224**	**73,557**
Total Assets		**243,141**	**195,212**	**139,245**	**127,607**

The statement of accounting policies and notes to the financial statements on pages 18-27 form part of these financial statements.

financial statements

Statement of Cash Flows for the year ended 31 March 2005

	Note	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Operating Activities					
Receipts from Residents		120,717	105,612	8,013	7,945
Interest Received		324	244	1,740	1,596
Dividends Received		-	-	13,000	8,500
Tax Refund		-	103	-	-
		121,041	**105,959**	**22,753**	**18,041**
Payments to Suppliers and Employees		(40,132)	(30,871)	(6,606)	(5,659)
Payments to Residents		(25,770)	(20,767)	(512)	(400)
Interest Paid		(1,636)	(1,690)	(1,611)	(1,648)
		(67,538)	**(53,328)**	**(8,729)**	**(7,707)**
Net Operating Cash Flows	15	**53,503**	**52,631**	**14,024**	**10,334**
Investing Activities					
Repayment of Advances from Subsidiaries		-	-	**14,230**	**21,866**
Purchase of Property, Plant & Equipment		(16,326)	(7,987)	(419)	(716)
Purchase of Investment Properties		(34,416)	(23,745)	(11)	(7)
Capitalised Interest Paid		(1,775)	(1,734)	-	-
Advances to Employees		(45)	(324)	(45)	(324)
Investment in Subsidiaries		-	-	(400)	(500)
Advances to Subsidiaries		-	-	(25,533)	(11,458)
		(52,562)	**(33,790)**	**(26,408)**	**(13,005)**
Net Investing Cash Flows		**(52,562)**	**(33,790)**	**(12,178)**	**8,861**
Financing Activities					
Drawdown of Bank Loans		**8,300**	-	**8,300**	-
Repayment of Bank Loans		-	(10,886)	-	(10,886)
Dividends Paid		(10,000)	(8,500)	(10,000)	(8,500)
		(10,000)	**(19,386)**	**(10,000)**	**(19,386)**
Net Financing Cash Flows		**(1,700)**	**(19,386)**	**(1,700)**	**(19,386)**
Net Increase (Decrease) in Cash Held		**(759)**	**(545)**	**146**	**(191)**
Cash at Beginning of Year		394	939	(250)	(59)
Cash at End of Year		**(365)**	**394**	**(104)**	**(250)**

The statement of accounting policies and notes to the financial statements on pages 18-27 form part of these financial statements.

accounting policies

Statement of Accounting Policies for the year ended 31 March 2005

1. Reporting Entity

The Group consists of Ryman Healthcare Limited and its subsidiaries, which develops and operates retirement villages, resthomes, and hospitals for the elderly within New Zealand. Ryman Healthcare Limited is listed on the New Zealand Exchange (NZX) and is an issuer for the purposes of the Financial Reporting Act 1993. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Financial Reporting Act 1993.

2. General Accounting Policies

The general accounting policies recognised as appropriate for the measurement and reporting of financial performance and financial position under the historical cost method are followed by the Group, except where modified by the revaluation of property, plant & equipment, and investment properties.

3. Particular Accounting Policies

The following is a summary of the significant accounting policies adopted by the Group in the preparation of the consolidated financial statements.

(a) Basis of Consolidation

The Group's financial statements include the financial statements of the parent and its subsidiaries, which have been consolidated using the purchase method. All significant transactions within the Group are eliminated on consolidation.

(b) Revenue Recognition

Care Fees

Resthome, hospital and retirement village care fees are recognised on an accruals basis.

Sales of Occupation Rights to Retirement Village Units

Revenues from initial sales of Occupation Rights to retirement village units are recognised when the group has an unconditional sale contract and practical completion of the unit has been achieved. Surpluses and deficits from the sale of Occupation Rights are recognised as the difference between the Occupation Right revenue and the average cost of developing the new units including the cost of land, construction, capitalised interest and other sundry items.

Resales of Occupation Rights to Retirement Village Units

Revenues from resales of Occupation Rights for existing retirement village units are recognised when the group has an unconditional sale contract. Surpluses and deficits from the resale of Occupation Rights are recognised as the difference between the Occupation Right revenue and the cost of repurchasing the Occupation Right, less selling and refurbishment costs.

Management Fees

Management fees are fees charged during the tenancy of the resident which are offset against the occupancy advance, and settled on repayment of the advance.

(c) Investment Properties

Investment properties include freehold land and buildings, equipment and furnishings, relating to retirement village units and community facilities that are intended to be held for the long term.

Investment properties are initially recorded at cost. Completed and occupied retirement village units and community facilities are subsequently

accounting policies

Statement of Accounting Policies for the year ended 31 March 2005

revalued on an annual basis and restated to net current values as determined by an independent registered valuer. Any surplus or deficit determined by the annual revaluation is taken directly to reserves.

Costs relating to the construction of retirement village units and community facilities are separately identified and capitalised in the Statement of Financial Position. Typically these costs include the cost of land, materials, wages and interest incurred during the period that is required to complete and prepare the investment property for its intended use.

(d) Occupation Agreements

Occupation Agreements confer the right of occupancy of the retirement village unit, until the resident's occupancy terminates and the Occupation Rights are repurchased by the Group.

Amounts payable under Occupation Agreement repurchase arrangements ("Occupancy Advances") are deducted from the Investment Properties balance in the Statement of Financial Position.

(e) Inventory

The cost of Occupation Rights to retirement village units repurchased and awaiting resale are excluded from Investment Properties and are classified as inventory.

(f) Property, Plant & Equipment

Property, plant & equipment comprises resthomes, hospitals and properties held pending development of a new retirement village. All property, plant & equipment is initially recorded at cost. Typically these costs include the cost of land, materials, wages and interest incurred during the period that is required to complete and prepare the asset for its intended use.

Fully constructed and operational freehold land and buildings (including plant and equipment and fixtures and fittings contained within), included within the definition of property, plant & equipment, are subsequently revalued every three years and restated at net current values determined by an independent registered valuer. Revaluation surpluses are taken directly to the reserve. Decreases in value are debited directly to the revaluation reserve to the extent that they reverse previous surpluses within the class of asset concerned and are otherwise recognised as expenses in the statement of financial performance.

(g) Depreciation

Depreciation is provided on all tangible property, plant & equipment, other than freehold land, at rates calculated to allocate the assets' cost or valuation, less estimated residual value, over their estimated useful lives, commencing from the time the assets are held ready for use, as follows:

Freehold Buildings	2%SL
Plant and Equipment	10-20%SL
Furniture and Fittings	20%SL
Motor Vehicles	20%SL

Surpluses and deficits on disposal of property, plant & equipment are taken into account in determining the operating result for the year.

No depreciation is provided in respect of investment properties.

accounting policies

Statement of Accounting Policies

Statement of Accounting Policies for the year ended 31 March 2005

(h) Operating Leases

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the Statement of Financial Performance over the periods of expected benefit.

(i) Trade Debtors

Trade Debtors are valued at expected realisable value after writing off any debt considered uncollectable and providing for any debts considered doubtful.

(j) Investments in Subsidiaries

Investments in Subsidiaries are valued at the net asset value of the subsidiary in the parent company's financial statements at 31 March 2000, plus additional investments since that date at cost, or at recoverable amount if this is less.

(k) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Financial Performance. Cash includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash and includes all call borrowing such as bank overdrafts used by the company and the group as part of their day-to-day cash management.

Operating activities include all transactions and other events that are not investing or financing activities. Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets. Financing activities are those activities relating to changes in the equity and debt capital structure of the company and group and those activities relating to the cost of servicing the company's and the group's equity capital.

(l) Taxation

The taxation expense shown in the Statement of Financial Performance includes both current and deferred taxation, and is calculated after deducting all available allowances. Deferred taxation, calculated using the liability method on a partial basis, is provided to cover future taxation benefits and liabilities arising from the reversal of timing differences between deductions under the Group's policies and those allowed under the income tax legislation. Debit balances in the deferred taxation account are recognised only to the extent that there is virtual certainty of their recovery in future periods.

(m) Consumables

Purchases of supplies by the villages are expensed in the period they are incurred.

(n) Maintenance Costs

Maintenance costs are accounted for in the period they are incurred.

(o) Financial Instruments

The Group is party to financial instruments with off balance sheet risk due to fluctuating interest rates in the meeting of its financing needs. These financial instruments consist of bank overdraft facilities and bank loans. The Group has entered into various interest rate swap agreements to hedge its interest rate exposure. The Group has no foreign exchange contracts or other exchange rate exposure.

4. Comparative Figures

Comparative information has been reclassified, where necessary, to achieve consistency in disclosure with the current year.

5. Changes in Accounting Policies

There have been no material changes in accounting policies. All policies have been applied on bases consistent with those used in the previous financial statements.

notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

1. Revenue

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Care Fees	42,294	37,382	3,568	4,234
Sales of Occupation Rights	36,483	40,441	-	-
Resales of Occupation Rights	32,925	25,714	742	704
Management Fees	6,595	5,347	89	90
Interest	445	403	1,749	1,605
Dividends	-	-	13,000	8,500
Other	2,476	264	3,647	3,139
Total Revenue	**121,218**	**109,551**	**22,795**	**18,272**

2. Expenses

Operating surplus before taxation is stated after charging:				
Audit Fees	57	57	53	54
Other Services Provided by Auditors	-	5	-	5
Depreciation				
- Buildings	1,331	1,180	54	55
- Plant and Equipment	518	424	235	179
- Furniture and Fittings	622	502	29	30
- Motor Vehicles	92	83	12	5
Directors Fees	180	184	180	184
Donations	64	42	56	30
Interest	1,698	1,668	1,673	1,648
Rent	245	194	248	287

3. Taxation

(a) Current Taxation

Net Surplus before taxation	23,525	18,396	13,038	9,298
Prima facie taxation at 33%	7,763	6,071	4,302	3,068
Tax effect of permanent differences:				
Gain on sale of occupancy rights	(5,346)	(3,617)	(54)	(22)
Non taxable dividends	-	-	(4,290)	(2,805)
Development costs	(298)	(401)	(298)	(401)
Depreciation	(1,645)	(2,496)	34	(35)
Interest	(586)	(575)	(586)	(575)
Other expenses	313	78	(13)	52
Tax losses incurred (utilised)	(201)	940	905	718
Tax Expense	**-**	**-**	**-**	**-**

notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
(b) Deferred Taxation				
Deferred Tax Liability (not recognised)	16,513	11,796	683	405
Tax Losses Available	15,719	16,317	9,377	12,264
Future Tax Benefit of Tax Losses (not recognised)	5,187	5,385	3,095	4,047
(c) Imputation Credit Account				
Opening Balance	100	203	98	98
Income Tax Refunds	-	(103)	-	-
Closing Balance	**100**	**100**	**98**	**98**

4. Property, Plant & Equipment

	GROUP 2005 $000	GROUP 2004 $000	PARENT 2005 $000	PARENT 2004 $000
Land (at cost)	15,048	11,285	-	2
Land (at valuation)	17,498	6,171	485	236
	32,546	**17,456**	**485**	**238**
Buildings (at cost)	14,578	16,063	30	144
Buildings (at valuation)	61,419	55,836	2,597	2,634
Accumulated Depreciation	(1)	(2,318)	(1)	(109)
	75,996	**69,581**	**2,626**	**2,669**
Plant and Equipment (at cost)	2,032	2,517	1,741	1,094
Plant and Equipment (at valuation)	2,712	1,562	91	88
Accumulated Depreciation	(563)	(797)	(531)	(339)
	4,181	**3,282**	**1,301**	**843**
Furniture and Fittings (at cost)	424	1,786	142	133
Furniture and Fittings (at valuation)	2,142	1,402	39	53
Accumulated Depreciation	(86)	(954)	(59)	(60)
	2,480	**2,234**	**122**	**126**
Motor Vehicles (at cost)	590	488	74	30
Accumulated Depreciation	(228)	(133)	(23)	(10)
	362	**355**	**51**	**20**
Total Property, Plant & Equipment	**115,565**	**92,908**	**4,585**	**3,896**

All completed resthomes and hospitals included within the definition of property, plant & equipment were revalued to net current value based on an independent valuation report prepared by registered valuers, DTZ New Zealand Limited, as at 31 March 2005. These revaluations are undertaken every three years.

notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

The properties held pending development of a retirement village amounted to $24.4 million (2004: $13.8 million) and are valued at cost. A proportion of this balance will be transferred to investment properties once development commences.

Interest of $1.433 million (2004: $1.087 million) has been capitalised during the current period of construction.

The assets shown at cost include head office assets and village assets under development.

5. Investment Properties

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Total Investment Properties	**321,271**	**252,147**	**3,829**	**3,800**
Occupancy Advances	(208,982)	(171,132)	(2,721)	(2,631)
Net Investment Properties	**112,289**	**81,015**	**1,108**	**1,169**

Completed and occupied investment properties were revalued to net current value based on an independent valuation report by DTZ New Zealand Limited as at 31 March 2005. Investment properties stated at cost, and included in total investment properties as at 31 March 2005, amounted to $19.3 million (2004: $14.6 million).

Interest of $0.342 million (2004: $0.647 million) has been capitalised during the period of construction.

Residents make interest free advances ("Occupancy Advances") to the retirement villages in exchange for the right of occupancy to retirement village units. Under the terms of the Occupancy Agreement, the resident receives a unit title for life and a first mortgage over the residual interest for security purposes.

6. Bank Overdraft

The bank overdraft facilities are secured by a general security agreement and mortgages over the freehold Land and Buildings of the Group in the same manner as the bank loans (see note 7). The rate on all overdraft facilities at 31 March 2005 was 10.85% (2004: 10.10%).

7. Non-Current Liabilities

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Bank Loans (secured)	49,800	41,500	49,800	41,500
Less Current Portion	(15,000)	(17,000)	(15,000)	(17,000)
Non Current Portion	**34,800**	**24,500**	**34,800**	**24,500**
Within 1–2 years	34,800	24,500	34,800	24,500
Average interest rates	7.79%	6.41%	7.79%	6.41%



notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

The bank loans are secured by a general security agreement over the parent and subsidiary companies and first mortgages over the freehold Land and Buildings (excluding retirement village unit titles provided as security to residents - refer note 5).

The subsidiary companies listed at note 16 have all provided guarantees in respect of the Group's secured loans as parties to the general security agreement.

8. Share Capital

Issued and paid up capital consists of 100,000,000 fully paid ordinary shares. All shares rank equally in all respects.

9. Asset Revaluation Reserve

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Opening Balance	52,327	39,223	39,562	39,356
Revaluation of Investment Properties	18,583	13,104	(146)	206
Revaluation of Property, Plant & Equipment	6,661	-	298	-
Closing Balance	**77,571**	**52,327**	**39,714**	**39,562**
Balance as at 31 March 2005 consists of:				
Revaluation of Investment Properties	46,909	28,326	23	169
Revaluation of Property, Plant & Equipment	30,662	24,001	1,720	1,422
Revaluation of Investment in Subsidiaries	-	-	37,971	37,971
Closing Balance	**77,571**	**52,327**	**39,714**	**39,562**

10. Commitments

At balance date there were commitments relating to the acquisition of land and construction contracts amounting to $1.768 million (2004: $4.980 million). There were no conditional contracts relating to land purchases at 31 March 2005 (2004: $6.900 million).

11. Contingent Liabilities

The Group had no contingent liabilities as at 31 March 2005. (2004: $Nil).

12. Related Party Transactions

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Amounts owing by Subsidiary companies	-	-	83,566	72,273
Dividend Revenue	-	-	10,000	8,500
Salaries (Shareholders / Directors)	486	428	486	428

notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

Advances owing by subsidiary companies result from the need to fund the development of new villages.

No related party debts have been written off or forgiven during the year.

A management agreement relating to use of land has been entered into by Ryman Napier Limited and the Ryman Charitable Trust. The Ryman Charitable Trust was settled by Ryman Healthcare Limited.

13. Financial Instruments

The financial instruments consist of bank balances, receivables, payables, subsidiary advances and loans and employee advances.

(a) Credit Risk:
Financial instruments, which potentially subject the group to credit risk, principally consist of bank balances and receivables. The company does not require collateral from its debtors, and the directors consider the group's exposure to any concentration of credit risk to be minimal. The total credit risk to the company as at 31 March 2005 was $15.2 million and is represented by the following:

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Bank Balance	-	394	-	-
Debtors and prepayments	14,667	19,403	293	868
Advances to employees	270	344	270	344
Fair value of interest rate swaps	237	-	237	-

(b) Interest Rate Risk:
The interest rate applicable to the bank overdraft is variable. The interest rates applicable to the bank loans are reviewed at each rollover. The Group seeks to obtain the most competitive rate of interest at all times.

Ryman Healthcare Limited has entered into interest rate swap agreements in order to reduce the impact of changes in interest rates on its floating rate long term debt. At 31 March 2005 the Group had interest rate swap agreements in place with a total notional principal amount of $30.0 million (2004: $25.0 million). The agreements effectively change Ryman Healthcare's interest rate exposure on the floating rate to a fixed rate of 6.71% (2004: 6.82%). The interest rate swap agreements are for terms of between one and five years.

(c) Fair Values:
The fair value of interest rate swaps as at 31 March 2005 was $0.237 million (2004: -$0.585 million). The carrying amount is the fair value for all other classes of financial instruments.



notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

14. Operating Leases

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Commitments within:				
One year	389	273	210	210
One to Two years	251	215	210	210

15. Cash Flows

Reconciliation of Net Surplus for the Year and Net Operating Cash Flows

	GROUP		PARENT	
	2005 $000	2004 $000	2005 $000	2004 $000
Net Surplus for the year	**23,525**	**18,396**	**13,038**	**9,298**
Cost of Sales of Occupation Rights	28,632	36,754	19	239
Non Cash Items:				
Management Fees	(6,595)	(5,347)	(89)	(90)
Depreciation	2,563	2,189	330	269
Other	(269)	(397)	149	(106)
Items classified as Investing Activities:				
Movement in Fixed Assets	(301)	-	(301)	-
Movements in Working Capital:				
Creditors and Accruals	101	1,215	172	820
Taxation	-	103	-	-
Debtors and Prepayments	4,736	(1,410)	575	(261)
Properties Intended for Sale	680	663	-	-
Employee Entitlements	431	465	131	165
Net Operating Cash Flows	**53,503**	**52,631**	**14,024**	**10,334**


notes to the financial statements

Notes to the Financial Statements for the year ended 31 March 2005

16. Subsidiary Companies

All subsidiaries operate in the aged care sector in New Zealand, are 100% owned, and have a balance date of 31 March. The operating subsidiaries are:

- Beckenham Courts Retirement Village Limited
- Frances Hodgkins Retirement Village Limited
- Glamis Private Hospital Limited
- Grace Joel Retirement Village Limited
- Hilda Ross Retirement Village Limited
- Malvina Major Retirement Village Limited
- Margaret Stoddart Retirement Village Limited
- Ngaio Marsh Retirement Village Limited
- Rita Angus Retirement Village Limited
- Rowena Jackson Retirement Village Limited
- Ryman Abbotts Way Limited
- Ryman Christchurch Limited
- Ryman Napier Limited
- Ryman Wanganui Limited
- Shona McFarlane Retirement Village Limited

17. Segment Information

The Group operates in one industry, the provision of care to the elderly. All operations are carried out in New Zealand.

18. Advances to Employees

The advances to employees are made on an interest free basis to facilitate the purchase by employees of shares in the company.

The company has established an employee share scheme for certain senior employees, other than Directors, to purchase shares in the company on-market.

The company provides the employees with non-recourse loans for a term of up to three years on an interest free basis to assist employees' participation in the scheme. The balance of the non-recourse loans as at 31 March 2005 was $0.270 million.

The employees are obliged to apply bonuses payable to them by the company, to repay the loan. Shares purchased under the scheme are held by the employees and the shares carry the same rights as all other ordinary shares.

19. Subsequent Event

The directors resolved to pay a final dividend of 6.5 cents per share or $6.5 million, with no imputation credits attached, to be paid on 24 June 2005.

20. Authorisation

The directors authorised the issue of these financial statements on 18 May 2005.

S.B. Ashton

Sidney Ashton

Kevin Hickman



auditors report

Deloitte.

We have audited the financial statements on pages 15 to 27. The financial statements provide information about the past financial performance and financial position of Ryman Healthcare Limited and group as at 31 March 2005. This information is stated in accordance with the accounting policies set out on pages 18 to 20.

Board of Directors Responsibilities

The Board of Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of Ryman Healthcare Limited and group as at 31 March 2005 and of the results of their operations and cash flows for the year ended on that date.

Auditors Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board of Directors and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing;

- the significant estimates and judgements made by the Board of Directors in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the company and group circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand auditing standards. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in our capacity as auditor we have no relationship with or interests in Ryman Healthcare Limited or any of its subsidiaries.

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- proper accounting records have been kept by Ryman Healthcare Limited as far as appears from our examination of those records; and
- the financial statements on pages 15 to 27:
  - comply with generally accepted accounting practice in New Zealand;
  - give a true and fair view of the financial position of Ryman Healthcare Limited and group as at 31 March 2005 and the results of their operations and cash flows for the year ended on that date.

Our audit was completed on 18 May 2005 and our unqualified opinion is expressed as at that date.

Deloitte

Chartered Accountants
Christchurch, New Zealand.

directors disclosures

General Disclosures

David Kerr

Chairman:	Centre Care Limited
Advisor:	Canterbury District Health Board
Consultant:	Pegasus Health
Trustee:	Health Ed Trust NZ Inc
Advisor:	Medical Protection Society Limited

Kevin Hickman

Director/Shareholder:	Opus Developments Limited
Trustee:	The Hickman Family Trust
Director:	James Lloyd Developments Limited
Director/Shareholder:	Rita May Limited
Director:	Valachi Downs Limited

Michael Cashin

Chairman:	Mooring Systems Limited
Chairman:	Burleigh Evatt Group Limited
Director:	Allied Farmers Limited*
Director:	Farmers Wools Limited*
Director:	Cashin Corporate Services Limited
Director:	Capital Properties of New Zealand Limited
Director:	Allied Farmers Finance Limited*
Trustee:	The Wellington Anaesthesia Trust

Andrew Clements

Executive Director:	Emerald Capital Limited & Subsidiaries
Director:	New Zealand Experience Limited & Subsidiaries
Director:	Airwork (NZ) Limited & Subsidiaries
Director:	The Walshe Group Limited*
Director:	Orion Corporation Limited
Director:	Paringa Lodge Limited
Director:	TVD Holdings Limited
Alternate Director:	The New Zealand Refining Company Limited
Director:	Jacon Investments Limited
Director:	TPI Management Limited
Director:	Zeus Capital Limited & Subsidiaries
Director:	Zeus Management Limited
Director:	Goldpine Group Limited
Director:	Goldpine Properties Limited
Director:	Open Holdings Limited
Director:	Open Networks Pty Limited
Director:	UNZIP Properties (No.1) Limited

Sidney Ashton

Chairman:	Te Runanga o Ngai Tahu Audit & Risk Committee
Chairman:	Charities Commission
Trustee:	Diabetes Training & Research Trust
Member:	Nominating Committee for the Guardians of NZ Superannuation
Director:	Lamb and Hayward Limited

Donald Trow

Chairman:	Smartshares Limited
Chairman:	Advisory Committee to Statutory Managers of Equiticorp Group
Professor of Accountancy:	Victoria University of Wellington
Chairman:	NZX Discipline

* Denotes positions no longer held.

directors disclosures

Specific Disclosures

The Company have received a notice under section 145 (2) of the Companies Act 1993 to the effect that information received by Andrew Clements in his capacity as a director would be disclosed to the directors of Emerald Capital Holdings Limited.

In accordance with the company's constitution and the Companies Act 1993 the company has provided insurance for, and indemnities to, directors of the company.

Shareholdings

Director	Relevant Interest 2005	Relevant Interest 2004
Kevin Hickman	15,166,991[1]	15,166,991[1]
David Kerr	18,518	18,518
Donald Trow	37,037	37,037
Michael Cashin	37,037	37,037
Sidney Ashton	190,000[2]	170,000[2]
Andrew Clements	2,000,000[3]	2,000,000[3]

1 Held as a trustee of The Hickman Family Trust
2 Shares held jointly by S B and J E Ashton
3 Held by Zeus Delta Ltd

Share Dealing

Director	Nature of Interest	Shares Acquired (Disposed)	Consideration	Date
Sidney Ashton	Beneficial	20,000	$3.29	29 November 2004

directors disclosures

Directors Remuneration

Directors remuneration paid during the financial year:

Director	Directors Fees	Salaries and Bonuses
Kevin Hickman	-	486,000
David Kerr	60,000	-
Donald Trow	30,000	-
Michael Cashin	30,000	-
Sidney Ashton	30,000	-
Andrew Clements	30,000	-

Employees Remuneration

The number of employees or former employees of the Company, not being directors, who received remuneration and other benefits valued at or exceeding $100,000 during the financial year under review were:

Remuneration	No of Employees
$250,000 - $260,000	1
$220,000 - $230,000	1
$170,000 - $180,000	2
$160,000 - $170,000	2
$140,000 - $150,000	1
$130,000 - $140,000	1
$120,000 - $130,000	1

shareholder information

Top 20 Shareholders as at 23 May 2005

Rank	Registered Shareholder	No of Ordinary Shares Held	% of Ordinary Shares
1	Emerald Capital Holdings Limited	16,000,000	16.00
2	K J Hickman, J Hickman, J W D Ryder & J A Callaghan[1]	15,166,991	15.17
3	Ngai Tahu Equities Limited	14,900,000	14.90
4	The Trustees Executors and Agency Company of New Zealand[2]	7,572,241	7.57
5	833763 Alberta Incorporated	4,990,000	4.99
6	MFL Mutual Fund Limited[2]	2,994,081	2.99
7	NZ Superannuation Fund Nominees Limited[2]	2,914,545	2.92
8	G Cumming	2,000,000	2.00
9	Zeus Delta Limited	2,000,000	2.00
10	P H Masfen & J A Masfen	1,450,000	1.45
11	A Ross	1,200,000	1.20
12	Premier Nominees Ltd (Armstrong Jones Property Securities Fund)	908,331	0.91
13	Citibank Nominees (New Zealand) Limited[2]	681,665	0.68
14	W M G Yovich & J J Yovich	618,713	0.62
15	N Webb	600,000	0.60
16	Leveraged Equities Custodians Limited	557,478	0.56
17	Direct Capital Private Equity Limited	547,038	0.55
18	E Calibar Limited	500,000	0.50
19	R H J Jones & M M Jones & WMG Yovich	500,000	0.50
20	M Smith	460,000	0.46
		76,561,083	**76.56**

1 Held as trustees of The Hickman Family Trust

2 Held by New Zealand Central Securities Depository Ltd as custodian

Distribution of Shareholders as at 23 May 2005

Size of Shareholding	Number of Shareholders		Shares Held	
1 – 999	287	10.04%	153,827	0.15%
1,000 - 4,999	1592	55.72%	3,708,158	3.71%
5,000 - 9,999	492	17.22%	3,145,656	3.15%
10,000 - 99,999	445	15.58%	9,348,290	9.35%
Over 100,000	41	1.44%	83,644,069	83.64%
	2,857	**100.00%**	**100,000,000**	**100.00%**

Substantial Security Holder Notices Received as at 23 May 2005

Shareholder	Relevant Interest	%	Date of Notice
Emerald Capital Holdings Limited	16,000,000	16.00	19 June 2003
J W D Ryder, K J Hickman, J Hickman & J A Callaghan[1]	15,166,991	15.17	19 June 2003
Ngai Tahu Equities Limited	15,000,000	15.00	17 June 2004
Fisher Funds Management Limited	9,847,608	9.85	12 April 2005

1 Held as trustees of The Hickman Family Trust

directory

Head Office / Registered Office

Level 11, Clarendon Tower
Cnr Worcester Boulevard &
Oxford Terrace
PO Box 771
Christchurch
Telephone: 64 3 366 4069
Facsimile: 64 3 366 4861
Email: ryman@rymanhealthcare.co.nz
Website: www.rymanhealthcare.co.nz

Auditors

Deloitte

Bankers

ANZ Bank

Share Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1020
Telephone: 64 9 488 8777
Facsimile: 64 9 488 8787
Email: enquiry@computershare.co.nz

Non Executive Directors

Sidney Ashton ONZM, FCA, FNZIM
Michael Cashin ACA, CPA, FCIS, Dip Bus Admin
Andrew Clements BCom
David Kerr (Chairman) MB ChB, FRNZGP
Donald Trow BCom, FCA

Managing Director

Kevin Hickman

Company Secretary

Simon Challies BCom, LLB, CA

Villages

Beckenham Courts Retirement Village
222 Colombo Street, Beckenham, Christchurch.
Ph: (03) 337 2702

Frances Hodgkins Retirement Village
40 Fenton Crescent, St Clair, Dunedin.
Ph: (03) 455 0277

Glamis Hospital
28 Montpellier Street, Mornington, Dunedin.
Ph: (03) 477 6966

Grace Joel Retirement Village
184 St Heliers Bay Road, St Heliers, Auckland.
Ph: (09) 575 1572

Hilda Ross Retirement Village
30 Ruakura Road, Hamilton.
Ph: (07) 855 9542

Leinster of Merivale
154 Leinster Road, Christchurch.
Ph: (03) 355 5015

Malvina Major Retirement Village
134 Burma Road, Khandallah, Wellington.
Ph: (04) 478 3754

Margaret Stoddart Retirement Village
23 Bartlett Street, Riccarton, Christchurch.
Ph: (03) 348 4955

Ngaio Marsh Retirement Village
95 Grants Road, Papanui, Christchurch.
Ph: (03) 352 5140

Princess Alexandra Retirement Village
145 Battery Road, Napier.
Ph: (06) 835 9085

Rita Angus Retirement Village
66 Coutts Street, Kilbirnie, Wellington.
Ph: (04) 387 7626

Rowena Jackson Retirement Village
40 O'Byrne Street North, Waikiwi, Invercargill.
Ph: (03) 215 9988

Shona McFarlane Retirement Village
66 Mabey Road, Lower Hutt.
Ph: (04) 577 1090

Woodcote Retirement Village
29 Woodcote Avenue, Hornby, Christchurch.
Ph: (03) 349 8788

RYMAN HEALTHCARE ANNUAL REPORT 2005

RYMAN
HEALTHCARE LTD