

HALF YEAR
REPORT | 2011



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2011 HIGHLIGHTS

- Underlying profit up 15% to \$41.4 million
- Interim dividend up 15% to 3.9 cents per share
- Opened a record 369 new units and beds
- Acquired new sites in Howick and Melbourne

KEY STATISTICS

		30 Sept 11 Six Months	30 Sept 10 Six Months
Underlying Profit	\$million	41.4	36.1
Operating Cash Flows	\$million	91.6	72.9
Net Assets	\$million	605.2	490.5
Dividend per Share	cents	3.9	3.4
Sales of Occupation Rights ¹	number	389	350
Completed Facilities ²	number	5,107	4,524
Landbank(to be developed) ²	number	2,199	1,961

1 New and existing retirement village units.

2 Includes both retirement village units and resthome/hospital beds.



REPORT TO SHAREHOLDERS

It is our pleasure to report to you on a challenging, yet successful first six months of the 2012 financial year.

Challenging in the sense that our Christchurch team were dealing with the aftermath of the 22 February quake, both in terms of physical damage and the emotional toll on our people. Despite these challenges we were able to forge ahead with our growth plans and make significant gains in the first half.

We acquired new sites in Howick (Auckland) and Wheelers Hill (Melbourne) – our first site in Australia. We exceeded our build target by opening 369 new units and beds and we also managed to lift our profit by 15%.

FINANCIAL HIGHLIGHTS

The underlying profit for the six months was \$41.4 million, up 15% on the same period last year – and a new record for the company. We continue to highlight the underlying profit as it more closely reflects the underlying or cash profits generated by the company, and it is the benchmark we use when setting dividends.

In turn, the interim dividend has been lifted 15% to 3.9 cents per share. The interim dividend will be paid on 9 December and the record date for entitlements is set down for 2 December.

The overall reported net profit after tax, which includes deferred tax adjustments and unrealised property valuation gains, increased 14% to \$59.6 million.

Six Months Ended (Unaudited)	30 Sept 2011 \$m	30 Sept 2010 \$m
Underlying Profit	41.4	36.1
Less Deferred tax expense	(4.8)	(0.2)
Plus Unrealised valuation gains	23.0	16.3
Reported Profit	59.6	52.2

We completed a record number of units and beds in the period however the lift in profit was not generated from the new facilities built this year. It was the earnings from management fees, care fees and resales which grew, with the vast majority of the growth being generated from facilities which were completed in prior years.

Management fees lifted due to residents taking possession of new units built over the past 12-18 months, as well as older units being repriced to the current market on resale. Care fees lifted due to the aged care facilities opened in 2010 starting to generate profits as they approach full occupancy. The lift in resales earnings reflects the new units added between 2003 and 2008 becoming available for resale for the first time.

At any one time the earnings from our completed villages are well below their full potential as it can take from 12-18 months (in the case of management fees), to up to a decade (in the case of resales gains) for the earnings from these assets to reach maturity.

Half of the Ryman portfolio has been completed in the past five years, which indicates that there is substantial earnings growth yet to be realised from the completed stock.

We are able to fund our new build programme internally as we continue to generate substantial operating cash flows. For the six month period under review we generated \$92 million in operating cash flows, most of which was reinvested in the development of new retirement units and aged care facilities.

As we internally fund our growth our balance sheet continues to strengthen. Shareholders equity lifted 7% to \$605 million, and our bank debt to equity remained steady at 28%.

We are trading well, and are experiencing strong levels of pre-sales at our new villages so we expect to achieve our target of 15% underlying profit growth for the full year.

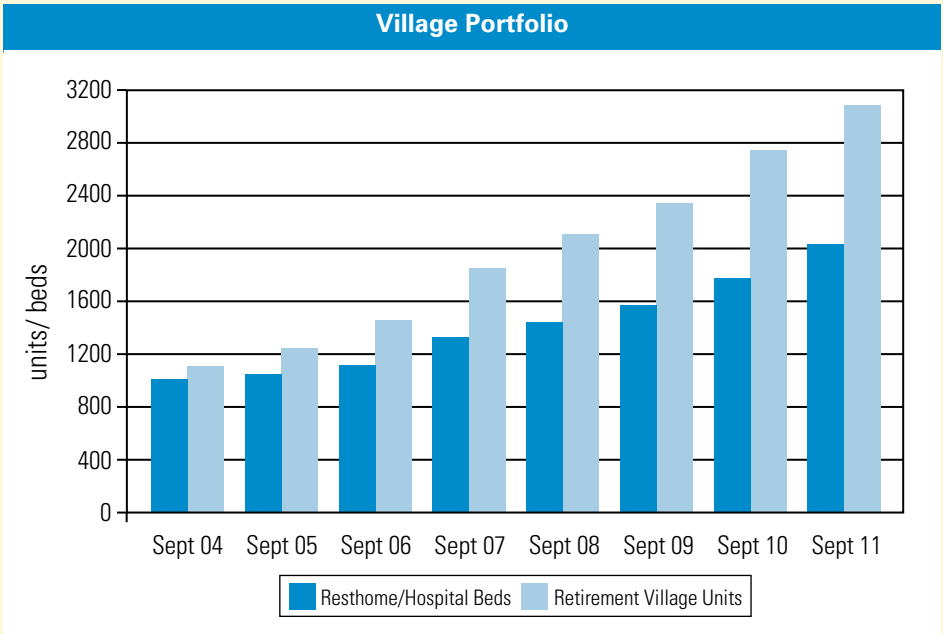


BUILDING ACTIVITY

This six month period was our most prolific ever from a building perspective, with over 369 units and beds completed. We opened new hospital and dementia facilities in Hamilton, Auckland and New Plymouth, which completes all three care centres and means that those villages all provide the full continuum of care. We completed retirement village units in Whangarei, Orewa, Auckland, Gisborne, New Plymouth, Palmerston North and Christchurch.

On the new village front we broke ground on new villages in Tauranga and Christchurch, and submitted our Waikanae village for planning approval. In the second half we will submit planning applications for our Howick and Wheelers Hill villages, and open the new Gisborne and Tauranga villages.

We are committed to building at least 550 units and beds each year, a number that we are likely to exceed comfortably this year due to the extra investment we have made in aged care beds.





OUTLOOK

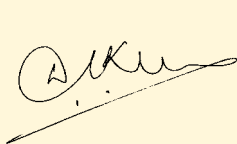
Last year's Government review of aged care in New Zealand concluded that there is a need for significant investment - in both new capacity and in the existing facilities - to meet the growth in demand the country will experience over the next 15 years.

The report identified that an additional 12,000 to 20,000 aged care beds are required by 2026 – which amounts to between 800 and 1,300 new beds per annum – and that the increasing demand is likely to be for hospital and dementia care. The report also found that the current returns were inadequate to attract new investment, or to sustain the existing facilities, most of which are already over 20 years old and will need substantial refurbishment over the next 15 years.

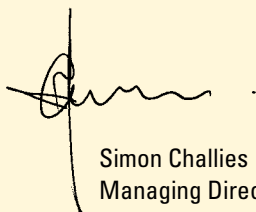
We are committed to building and operating retirement villages offering a full continuum of care in New Zealand, and are looking forward to the challenge of successfully establishing our first village in Australia.

The demographic story remains unchanged. The number of New Zealanders aged 75 plus is expected to more than double from 250,000 to 516,000 over the next 20 years. The picture is similar in Australia where the number aged 75 plus is forecast to double to 2.8 million.

We are enjoying growth in demand for our product however it would be a mistake to attribute the company's success to demographic factors alone. More importantly, the success of the company reflects the experience and unwavering commitment of a large team of people to building a stronger and even more successful organisation. An organisation which is dedicated to providing our residents with the very best in care and retirement living, providing our staff with employment and career opportunities and providing you, our shareholders, with a great return on your investment.



Dr. David Kerr
Chairman



Simon Challies
Managing Director



Ryman Triple A launched in 2007 as a group exercise class to encourage fitness and general wellbeing. Every week over 1500 residents are enjoying the Triple A classes and our exclusive programme recently won the 'Community Award' in the 2011 Fitness Industry Awards. The classes are designed so that everyone can participate, from the most independent and active through to resthome and hospital residents.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

		Six Months Ended 30 Sept 2011 unaudited	Six Months Ended 30 Sept 2010 unaudited	Year Ended 31 March 2011 audited
	Note	\$000	\$000	\$000
Revenue				
Care fees		60,523	51,278	105,753
Management fees		13,195	11,171	23,337
Interest received		261	130	501
Other income		158	20	59
Total revenue		74,137	62,599	129,650
Fair value movement of investment properties	2	51,572	41,995	80,796
Total income		125,709	104,594	210,446
Operating expenses		(54,463)	(45,366)	(93,626)
Depreciation expense		(3,336)	(2,989)	(6,090)
Finance costs		(3,522)	(3,777)	(7,958)
Total expenses		(61,321)	(52,132)	(107,674)
Profit before income tax		64,388	52,462	102,772
Income tax expense		(4,751)	(195)	(2,595)
Profit for the period		59,637	52,267	100,177
Earnings per share				
Basic and Diluted		11.9 cents	10.4 cents	20.1 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

Profit for the period	59,637	52,267	100,177
Fair value movement of interest rate swaps	(1,015)	(1,843)	(1,664)
Movement in deferred tax related to interest rate swaps	284	436	386
Revaluation of Property, plant and equipment (unrealised)	-	-	44,319
Deferred tax impact on revaluation reserve	-	435	435
Total comprehensive income	58,906	51,295	143,653

Note: All profit and total comprehensive income is attributable to Parent Company shareholders and is from continuing operations. The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Issued Capital	Asset Revaluation Reserve	Interest Rate Swap Reserve	Treasury Stock	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 April 2010	33,290	83,303	(2,795)	(4,573)	347,329	456,554
Total comprehensive income for the period	-	435	(1,407)	-	52,267	51,295
Treasury stock movement	-	-	-	(377)	-	(377)
Dividends paid to shareholders	-	-	-	-	(17,000)	(17,000)
Closing Balance at 30 Sept 2010	33,290	83,738	(4,202)	(4,950)	382,596	490,472
Balance at 1 April 2010	33,290	83,303	(2,795)	(4,573)	347,329	456,554
Total comprehensive income for the period	-	44,754	(1,278)	-	100,177	143,653
Treasury stock movement	-	-	-	(377)	-	(377)
Dividends paid to shareholders	-	-	-	-	(34,000)	(34,000)
Closing Balance at 31 March 2011	33,290	128,057	(4,073)	(4,950)	413,506	565,830
Balance at 1 April 2011	33,290	128,057	(4,073)	(4,950)	413,506	565,830
Total comprehensive income for the period	-	-	(731)	-	59,637	58,906
Treasury stock movement	-	-	-	(575)	-	(575)
Dividends paid to shareholders	-	-	-	-	(19,000)	(19,000)
Closing Balance at 30 Sept 2011	33,290	128,057	(4,804)	(5,525)	454,143	605,161

The accompanying notes form part of these interim financial statements.

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2011

		As at 30 Sept 2011 unaudited	As at 30 Sept 2010 unaudited	As at 31 March 2011 audited
	Note	\$000	\$000	\$000
Assets				
Cash and cash equivalents		2,464	752	667
Trade and other receivables		70,127	58,408	77,394
Advances to employees	7	2,861	2,162	2,084
Property, plant and equipment		347,103	257,101	322,858
Investment properties	2	1,307,230	1,131,808	1,206,312
Total assets		1,729,785	1,450,231	1,609,315
Equity				
Issued capital		33,290	33,290	33,290
Asset revaluation reserve		128,057	83,738	128,057
Interest rate swap reserve		(4,804)	(4,202)	(4,073)
Treasury stock		(5,525)	(4,950)	(4,950)
Retained earnings		454,143	382,596	413,506
Total equity		605,161	490,472	565,830
Liabilities				
Trade and other payables		32,881	24,982	37,920
Employee entitlements		6,549	5,582	5,980
Revenue in advance		18,598	15,126	16,858
Interest rate swaps		6,672	5,836	5,657
Bank loans (secured)		170,000	152,500	157,500
Occupancy advances (non interest bearing)	3	854,650	727,376	788,763
Deferred tax liability (net)		35,274	28,357	30,807
Total liabilities		1,124,624	959,759	1,043,485
Total equity and liabilities		1,729,785	1,450,231	1,609,315
Net tangible assets per share		121.0 cents	98.1 cents	113.2 cents

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

		Six Months Ended 30 Sept 2011 unaudited	Six Months Ended 30 Sept 2010 unaudited	Year Ended 31 March 2011 audited
	Note	\$000	\$000	\$000
Operating activities				
Receipts from residents		195,207	156,956	306,826
Interest received		237	265	578
Payments to suppliers and employees		(54,147)	(45,787)	(95,727)
Payments to residents		(46,195)	(34,192)	(70,343)
Interest paid		(3,465)	(4,342)	(8,249)
Net operating cash flows	1	91,637	72,900	133,085
Investing activities				
Purchase of property, plant and equipment		(30,742)	(10,025)	(25,762)
Purchase of investment properties		(48,922)	(53,972)	(84,589)
Capitalised interest paid		(2,325)	(1,774)	(3,768)
Advances repaid by employees		369	124	991
Net investing cash flows		(81,620)	(65,647)	(113,128)
Financing activities				
Drawdown of bank loans		12,500	10,500	15,500
Dividends paid		(19,000)	(17,000)	(34,000)
Purchase of treasury stock (net)		(1,720)	(1,011)	(1,800)
Net financing cash flows		(8,220)	(7,511)	(20,300)
Net increase/(decrease) in cash and cash equivalents		1,797	(258)	(343)
Cash and cash equivalents at beginning of period		667	1,010	1,010
Cash and cash equivalents at the end of period		2,464	752	667

The accompanying notes form part of these interim financial statements.

ACCOUNTING POLICIES

Statement of Accounting Policies

Reporting entity

Ryman Healthcare Limited ("the Company") is a profit oriented entity incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and listed on the NZX.

The Company and its wholly owned subsidiaries comprise the Ryman Group ("the Group").

The Company is an issuer for the purposes of the Financial Reporting Act 1993.

Basis of preparation

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the New Zealand Equivalent to International Accounting Standard 34 (NZ IAS 34) "Interim Financial Reporting" and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

The financial statements for the six months ended 30 September 2011 and the comparative six months ended 30 September 2010 are unaudited.

These financial statements have been prepared under the same accounting policies and method of computation as the Company's Annual Report as at 31 March 2011 and should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2011.

The financial statements were approved by the Board of Directors on 16 November 2011.

The information is presented in thousands of New Zealand dollars.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

1. Reconciliation of net profit after tax for the period with net cash flows from operating activities

	Six Months Ended 30 Sept 2011 unaudited	Six Months Ended 30 Sept 2010 unaudited	Year Ended 31 March 2011 audited
	\$000	\$000	\$000
Net profit after tax	59,637	52,267	100,177
<i>Movements in balance sheet items:</i>			
Occupancy advances	75,637	82,573	152,959
Accrued management fees	(8,013)	(8,014)	(15,281)
Trade and other payables	25	(549)	495
Trade and other receivables	7,267	(14,848)	(33,834)
Employee entitlements	569	282	680
<i>Non-cash items:</i>			
Depreciation	3,336	2,989	6,090
Deferred tax	4,751	195	2,595
<i>Adjusted for:</i>			
Fair value movement of investment properties	(51,572)	(41,995)	(80,796)
Net operating cash flows	91,637	72,900	133,085

Net operating cash flows include occupancy advance receipts from retirement village residents of \$134.1 million (30 September 2010: \$106.0 million and 31 March 2011: \$201.8 million).

2. Investment properties

	Six Months Ended 30 Sept 2011 unaudited	Six Months Ended 30 Sept 2010 unaudited	Year Ended 31 March 2011 audited
	\$000	\$000	\$000
Balance at beginning of financial period	1,206,312	1,035,162	1,035,162
Additions at fair value	49,346	54,651	90,354
Fair value movement			
Realised	28,608	25,652	50,167
Unrealised	22,964	16,343	30,629
	51,572	41,995	80,796
Net movement for period	100,918	96,646	171,150
Balance at end of financial period	1,307,230	1,131,808	1,206,312

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

2. Investment properties (continued)

Realised fair value gains arise from the sale and resale of occupancy advances to residents. Investment properties are not depreciated and are fair valued.

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CB Richard Ellis Limited as at 30 September 2011. Principal assumptions are unchanged from the prior year. Significant assumptions used by the valuer include long term house price inflation (which ranges from 1% to 3% nominal) and discount rate (which ranges from 13% to 16%).

3. Occupancy advances (non interest bearing)

Occupancy advances comprise the following balances:

	Six Months Ended 30 Sept 2011 unaudited	Six Months Ended 30 Sept 2010 unaudited	Year Ended 31 March 2011 audited
	\$000	\$000	\$000
Gross occupancy advances	956,733	809,012	880,966
Less: management fees & resident loans	(102,083)	(81,636)	(92,203)
Closing balance	854,650	727,376	788,763

Gross occupancy advances are non interest bearing.

4. Operating segments

The Group operates in one industry, the provision of care and accommodation to the elderly. All operations are carried out in New Zealand. The Board makes resource allocation decisions based on expected cash flows and results of the Group's operations as a whole.

5. Dividend

On 16 November 2011 an interim dividend of 3.90 cents per share was declared and will be paid on 9 December 2011 (Prior year: 3.40 cents per share). The record date for entitlements is 2 December 2011.

6. Commitments

The Group had commitments relating to land purchases and construction contracts amounting to \$21.9 million as at 30 September 2011 (30 September 2010: \$10.7 million and 31 March 2011: \$19.7 million).

7. Advances To Employees

Advances to employees are interest free loans for shares purchased on market for senior management of the Company, where these shares are fully vested to the employee in accordance with share scheme rules.

8. Subsequent Events

Other than the dividends noted above, there are no other subsequent events.

DIRECTORY

Head Office / Registered Office

Airport Business Park, 92b Russley Road, Christchurch
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Telephone: 64 3 366 4069, Fax: 64 3 366 4861
Email: ryman@rymanhealthcare.co.nz
Website: www.rymanhealthcare.co.nz

Auditor

Deloitte

Bankers

ANZ National Bank
Commonwealth Bank of Australia / ASB Bank

Share Registrar

Link Market Services
PO Box 91976, Auckland 1142
Telephone: 64 9 375 5998
Fax: 64 9 375 5990
Email: Imsenquiries@linkmarketservices.com

Directors

Jo Appleyard
Sidney Ashton
Warren Bell
Simon Challies (Managing Director)
Andrew Clements
Kevin Hickman
David Kerr (Chairman)

CFO & Company Secretary

Gordon MacLeod

VILLAGE DIRECTORY

Anthony Wilding Retirement Village

5 Corbett Crescent, Aidanfield, Christchurch
Ph: (03) 338 5820

Beckenham Courts Retirement Village

222 Colombo Street, Beckenham, Christchurch
Ph: (03) 337 2702

Bob Owens Retirement Village

112 Carmichael Road, Bethlehem, Tauranga
Ph: (07) 579 3041

Diana Isaac Retirement Village

Off East Ellington Drive, Shirley, Christchurch
Ph: (03) 386 3018

Edmund Hillary Retirement Village

221 Abbotts Way, Remuera, Auckland
Ph: (09) 570 0070

Ernest Rutherford Retirement Village

49 Covent Drive, Stoke, Nelson
Ph: (03) 538 0880

Evelyn Page Retirement Village

30 Ambassador Glade, Orewa, Auckland
Ph: (09) 421 1915

Frances Hodgkins Retirement Village

40 Fenton Crescent, St Clair, Dunedin
Ph: (03) 455 0277

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

Jane Mander Retirement Village

262 Fairway Drive, Kamo West, Whangarei
Ph: (09) 435 3850

Jane Winstone Retirement Village

49 Oakland Avenue, St Johns Hill, Wanganui
Ph: (06) 345 6783

Jean Sandel Retirement Village

71 Barrett Road, Whalers Gate, New Plymouth
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Julia Wallace Retirement Village

28 Dogwood Way, Clearview Park, Palmerston North
Ph: (06) 354 9262

Kiri Te Kanawa Retirement Village

12 Gwyneth Place, Riverdale, Gisborne
Ph: (06) 863 3636

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, 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, Waikiki, 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

Yvette Williams Retirement Village

383 Highgate, Roslyn, Dunedin
Ph: (03) 464 0390



VILLAGE LOCATIONS





HALF YEAR REPORT | 2011



NGAIO MARSH RETIREMENT VILLAGE, CHRISTCHURCH