HALF YEAR REPORT 2012

RYMAN HEALTHCARE

CONTENTS

RYMAN HEALTHCARE

2012 HIGHLIGHTS

- Underlying profit up 16% to $48.1 million
- Interim dividend up 18% to 4.6 cents per share
- Opened new Christchurch village
- Acquired site in Petone
- Received planning approval for Melbourne village

KEY STATISTICS

		30 Sept 12 Six Months	30 Sept 11 Six Months
Underlying Profit	$million	48.1	41.4
Operating Cash Flows	$million	109.4	91.6
Net Assets	$million	691.3	605.2
Dividend per Share	cents	4.6	3.9
Sales of Occupation Rights[1]	number	447	389
Completed Facilities[2]	number	5,882	5,107
Landbank (to be developed)[2]	number	2,295	2,199

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

We are pleased to report on a very successful first six months. Our profit was up, as was the dividend to shareholders. We maintained our build rate of 700 units and beds per annum, including the opening of the new Diana Isaac Retirement Village in Christchurch. We extended our landbank with the purchase of a superb site in Petone, and we received planning approval for our Waikanae and Melbourne villages.

Record financial results

The underlying profit for the six months was $48.1 million, up 16.2% on last year and another record for the company.

Six Months Ended (Unaudited)	30 Sept 2012 $m	30 Sept 2011 $m
Underlying Profit	**48.1**	**41.4**
Less Deferred tax expense	(6.6)	(4.8)
Plus Unrealised valuation gains	27.3	23.0
Reported Profit	**68.8**	**59.6**

We focus on the underlying profit as it more closely reflects the cash profits generated, and it's the benchmark we use when setting dividends.

The underlying profit growth was primarily due to the significant investment made in aged care beds and retirement units over the past 18 months. Each time we open or extend a village we create new recurring income streams in the form of management fees, care fees and, several years later, resales gains.

We ramped up our expansion from 550 to 700 units and beds in the 2012 financial year, including a significant investment in new hospital and dementia care facilities. Some of these new care facilities reached full occupancy during the half, and therefore started providing a return.

New sales of occupation rights lifted 13% to 212 units. These sales were achieved at a slightly healthier margin, and had the added benefit of providing a new stream of management fees.

In light of the increase in underlying profit we lifted the interim dividend by 18% to 4.6 cents per share. The interim dividend will be paid on 7 December and the record date for entitlements is set down for 30 November.

Large investment in new villages

Our investment programme has increased, reflecting the lift in our New Zealand build rate plus the acquisition of our first site in Australia. Capital expenditure for the six months amounted to just under $100 million, the majority of which was funded from our operating cashflows of $109 million.

Our largest investments in New Zealand during the past six months have been at the Bob Owens village in Tauranga and the Diana Isaac village in Christchurch. We completed over 130 retirement units and 200 new aged care beds at these two villages alone.

The Diana Isaac village is a special project for the company. It was fast-tracked after the February 2011 earthquake, and is the largest construction project to be designed and built post-quake. The village services North East Christchurch, one of the worst affected residential areas, and an area that lost more than 700 retirement units and resthome beds (more than half the existing stock) in the earthquakes. The village is therefore meeting a very real need in the local community.

In addition to meeting the needs of the older people of Christchurch we saw the development of the Diana Isaac village as an opportunity for us to take a lead in the rebuild. We were happy to display our confidence in the city by investing over $100 million of new capital.

The new retirement units completed during the six month period were valued by an independent valuer for the first time, and the valuation uplift on these units provided the bulk of the $27 million in unrealised property gains. These gains, combined with the 50% of underlying profits retained, boosted equity by 7% to $691 million.

Developing the team

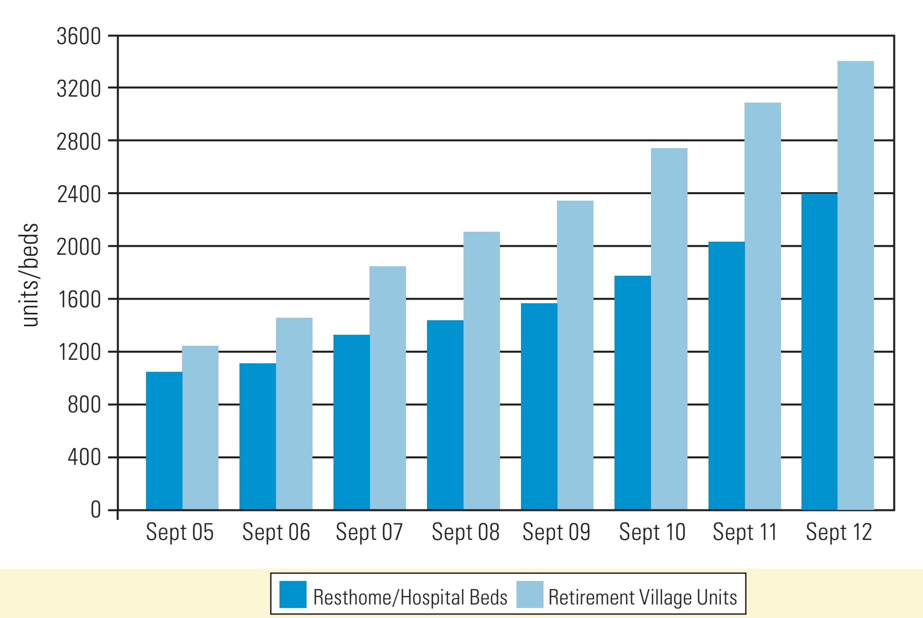
We have taken several significant steps this year on the personnel front.

Firstly our management team has been extended to allow us to manage a larger scale organisation. The operating villages have grown markedly in recent years and we are supporting a higher build rate in New Zealand. We also recognise that the first Australian village will be a large commitment for the management team. We want to successfully establish this first village, but we also want to be ready to extend our presence in Melbourne once we have achieved our first goal.

We successfully introduced a new share scheme for all staff – providing modest interest free loans to those employees who wished to invest in the company. We were very pleased with the uptake and the response from the new employee-shareholders.

We chose to substantially increase the pay rates of our caregivers and housekeeping staff. At a time when the Government could only afford a fee increase of just over 1% we dipped into our pockets and lifted the rates for these staff by over 5%. As a result of this increase we are now one of the top payers in the sector.

Village Portfolio



New villages progressing well

After some initial consenting delays the construction team are underway on the new Waikanae village. They will complete the first stages of townhouses this year, and the main building will open in the first half of next year.

We are currently waiting for planning approval for the Howick village, and an extension to the Diana Isaac village.

We were delighted to receive development (planning) approval for the Wheelers Hill village in Melbourne. We are currently gaining the necessary approvals so we can establish ourselves on-site and start building in January.

At the AGM we announced our plans for a new village in Petone. We were delighted to secure this site for two reasons. Firstly, Lower Hutt is not well serviced by retirement units and has a growing need for new aged care beds. Secondly, there are very few large scale sites available in Lower Hutt. This site was particularly attractive as it is surrounded by reserves and enjoys views of the valley, the river and Wellington city.

Outlook is positive

We are trading well, enjoying strong demand for our completed villages and have strong pre-sales for our new retirement units. We are therefore expecting to meet our target of 15% growth in underlying profit for the full year.

We are committed to investing in retirement and aged care communities in New Zealand. To understand why, you need to appreciate the demographic changes which have taken place in recent times, and those which lie ahead.

There are currently 262,000 people aged 75 plus in New Zealand. Over the past ten years that number has grown fairly consistently at the rate of 5,000 per annum. By 2016 that growth rate will have lifted to 11,000. With the advent of the baby boomers in 2022 this number will lift again to 18,000 per annum, and this growth rate will be sustained for at least 20 years.

Our mission is simple - to provide these people with a first class choice of retirement living and care, when the need arises.

Dr. David Kerr
Chairman

Simon Challies
Managing Director

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	Note	Six Months Ended 30 Sept 2012 unaudited $000	Six Months Ended 30 Sept 2011 unaudited $000	Year Ended 31 March 2012 Audited $000
Revenue				
Care fees		71,812	60,523	126,869
Management fees		15,702	13,195	27,253
Interest received		313	261	662
Other income		97	158	393
Total revenue		**87,924**	**74,137**	**155,177**
Fair value movement of investment properties	2	59,134	51,572	101,857
Total income		**147,058**	**125,709**	**257,034**
Operating expenses		(64,024)	(54,463)	(112,820)
Depreciation expense		(4,069)	(3,336)	(6,995)
Finance costs		(3,547)	(3,522)	(7,066)
Total expenses		**(71,640)**	**(61,321)**	**(126,881)**
Profit before income tax		**75,418**	**64,388**	**130,153**
Income tax expense		(6,643)	(4,751)	(9,382)
Profit for the period		**68,775**	**59,637**	**120,771**
Earnings per share Basic & Diluted		13.8 cents	11.9 cents	24.3 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Profit for the period	**68,775**	**59,637**	**120,771**
Fair value movement of interest rate swaps	(1,205)	(1,015)	(670)
Movement in deferred tax related to interest rate swaps	337	284	188
Gain on hedge of overseas subsidiary net assets	158	-	161
(Losses) on translation of foreign operations	(158)	-	(161)
Other comprehensive income	**(868)**	**(731)**	**(482)**
Total comprehensive income	**67,907**	**58,906**	**120,289**

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 2012

	Issued Capital	Asset Revaluation Reserve	Interest Rate Swap Reserve	Foreign Currency Translation Reserve	Treasury Stock	Retained Earnings	Total Equity
	$000	$000	$000	$000	$000	$000	$000
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**
Balance at 1 April 2011	**33,290**	**128,057**	**(4,073)**	**-**	**(4,950)**	**413,506**	**565,830**
Total comprehensive income for the period	-	-	(482)	-	-	120,771	120,289
Treasury stock movement	-	-	-	-	(400)	-	(400)
Dividends paid to shareholders	-	-	-	-	-	(38,500)	(38,500)
Closing Balance at 31 March 2012	**33,290**	**128,057**	**(4,555)**	**-**	**(5,350)**	**495,777**	**647,219**
Balance at 1 April 2012	**33,290**	**128,057**	**(4,555)**	**-**	**(5,350)**	**495,777**	**647,219**
Total comprehensive income for the period	-	-	(868)	-	-	68,775	67,907
Treasury stock movement	-	-	-	-	(1,375)	-	(1,375)
Dividends paid to shareholders	-	-	-	-	-	(22,500)	(22,500)
Closing Balance at 30 Sept 2012	**33,290**	**128,057**	**(5,423)**	**-**	**(6,725)**	**542,052**	**691,251**

The accompanying notes form part of these interim financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2012

	Note	As at 30 Sept 2012 unaudited	As at 30 Sept 2011 unaudited	As at 31 March 2012 Audited
		$000	$000	$000
Assets				
Cash and cash equivalents		2,250	2,464	2,771
Trade and other receivables		80,038	70,127	91,786
Advances to employees	7	3,495	2,861	2,420
Property, plant and equipment		404,309	347,103	382,295
Investment properties	2	1,554,797	1,307,230	1,434,225
Total assets		**2,044,889**	**1,729,785**	**1,913,497**
Equity				
Issued capital		33,290	33,290	33,290
Asset revaluation reserve		128,057	128,057	128,057
Interest rate swap reserve		(5,423)	(4,804)	(4,555)
Treasury stock		(6,725)	(5,525)	(5,350)
Retained earnings		542,052	454,143	495,777
Total equity		**691,251**	**605,161**	**647,219**
Liabilities				
Trade and other payables		40,433	32,881	50,485
Employee entitlements		8,269	6,549	7,436
Revenue in advance		22,053	18,598	20,267
Interest rate swaps		7,532	6,672	6,327
Bank loans (secured)	8	226,392	170,000	213,234
Occupancy advances (non interest bearing)	3	1,002,640	854,650	928,528
Deferred tax liability (net)		46,319	35,274	40,001
Total liabilities		**1,353,638**	**1,124,624**	**1,266,278**
Total equity and liabilities		**2,044,889**	**1,729,785**	**1,913,497**
Net tangible assets per basic and diluted share (cents)		138.3 cents	121.0 cents	130.1 cents

The accompanying notes form part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	Note	Six Months Ended 30 Sept 2012 unaudited	Six Months Ended 30 Sept 2011 unaudited	Year Ended 31 March 2012 Audited
		$000	$000	$000
Operating activities				
Receipts from residents		240,709	195,207	371,796
Interest received		207	237	572
Payments to suppliers and employees		(64,129)	(54,147)	(109,028)
Payments to residents		(63,846)	(46,195)	(86,937)
Interest paid		(3,545)	(3,465)	(7,232)
Net operating cash flows	1	**109,396**	**91,637**	**169,171**
Investing activities				
Purchase of property, plant and equipment		(35,153)	(30,742)	(75,018)
Purchase of investment properties		(59,594)	(48,922)	(103,069)
Capitalised interest paid		(3,378)	(2,325)	(5,478)
Advances to employees		(1,075)	369	1,389
Net investing cash flows		**(99,200)**	**(81,620)**	**(182,176)**
Financing activities				
Drawdown of bank loans		13,158	12,500	55,734
Dividends paid		(22,500)	(19,000)	(38,500)
Purchase of treasury stock (net)		(1,375)	(1,720)	(2,125)
Net financing cash flows		**(10,717)**	**(8,220)**	**15,109**
Net (decrease)/ increase in cash and cash equivalents		**(521)**	**1,797**	**2,104**
Cash and cash equivalents at beginning of period		2,771	667	667
Cash and cash equivalents at the end of period		**2,250**	**2,464**	**2,771**

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 2012 and the comparative six months ended 30 September 2011 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 2012 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 2012.

The financial statements were approved by the Board of Directors on 14 November 2012.

The information is presented in thousands of New Zealand dollars.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

	Six Months Ended 30 Sept 2012 unaudited	Six Months Ended 30 Sept 2011 unaudited	Year Ended 31 March 2012 Audited
	$000	$000	$000
Net profit after tax	**68,775**	**59,637**	**120,771**
Movements in balance sheet items:			
Occupancy advances	84,483	75,637	161,135
Accrued management fees	(7,396)	(8,013)	(16,118)
Trade and other payables	(636)	25	1,938
Trade and other receivables	11,748	7,267	(14,531)
Employee entitlements	833	569	1,456
Non-cash items:			
Depreciation	4,069	3,336	6,995
Deferred tax	6,654	4,751	9,382
Adjusted for:			
Fair value movement of investment properties	(59,134)	(51,572)	(101,857)
Net operating cash flows	**109,396**	**91,637**	**169,171**

Net operating cash flows include occupancy advance receipts from retirement village residents of $169.8 million (six months ended 30 September 2011: $134.1 million and year ended 31 March 2012: $244.6 million).

2. Investment properties

	Six Months Ended 30 Sept 2012 unaudited	Six Months Ended 30 Sept 2011 unaudited	Year Ended 31 March 2012 Audited
	$000	$000	$000
Balance at beginning of financial period	1,434,225	1,206,312	1,206,312
Additions at fair value	61,438	49,346	126,056
Fair value movement			
Realised	31,838	28,608	55,762
Unrealised	27,296	22,964	46,095
	59,134	**51,572**	**101,857**
Net movement for period	120,572	100,918	227,913
Balance at end of financial period	**1,554,797**	**1,307,230**	**1,434,225**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 2012. 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 2012 unaudited	Six Months Ended 30 Sept 2011 unaudited	Year Ended 31 March 2012 Audited
	$000	$000	$000
Gross occupancy advances	1,127,401	956,733	1,042,710
Less: management fees & resident loans	(124,761)	(102,083)	(114,182)
Closing balance	**1,002,640**	**854,650**	**928,528**

Gross occupancy advances are non interest bearing.

4. Operating segments

The Group operates in one industry, being the provision of integrated retirement villages for the elderly in New Zealand. The Board makes resource allocation decisions based on expected cash flows and results of the Group's operations as a whole. In addition, the Group acquired land in Melbourne, Australia, in November 2011 which is intended to be developed into an integrated retirement village. Construction activities are scheduled to commence in the second half of this financial year.

5. Dividend

On 14 November 2012 an interim dividend of 4.60 cents per share was declared and will be paid on 7 December 2012 (Prior year: 3.90 cents per share). The record date for entitlements is 30 November 2012.

6. Commitments

The Group had commitments relating to land purchases and construction contracts amounting to $18.1 million as at 30 September 2012 (30 September 2011: $21.9 million and 31 March 2012: $15.5 million).

7. Advances To Employees

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

8. Bank Loans

Group bank debt of $226.4 million (30 September 2011: $170.0 million and 31 March 2012: $213.2 million) includes $34.4 million in respect of the Australian development activities (30 September 2011: $Nil and 31 March 2012: $27.2 million).

9. Subsequent Events

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

DIRECTORY

Head Office / Registered Office

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Telephone: 0800 588 222, Fax: 64 3 366 4861
Email: ryman@rymanhealthcare.co.nz
Website: www.rymanhealthcare.co.nz

Auditor

Deloitte

Bankers

ANZ Bank New Zealand
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: lmsenquiries@linkmarketservices.com

Directors

Jo Appleyard
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

Beckenham Courts Retirement Village
222 Colombo Street, Beckenham, Christchurch

Bob Owens Retirement Village
112 Carmichael Road, Bethlehem, Tauranga

Charles Fleming Retirement Village
112 Parata Street, Waikanae

Diana Isaac Retirement Village
1 Lady Isaac Way, Mairehau, Christchurch

Edmund Hillary Retirement Village
221 Abbotts Way, Remuera, Auckland

Ernest Rutherford Retirement Village
49 Covent Drive, Stoke, Nelson

Evelyn Page Retirement Village
30 Ambassador Glade, Orewa, Auckland

Frances Hodgkins Retirement Village
40 Fenton Crescent, St Clair, Dunedin

Grace Joel Retirement Village
184 St Heliers Bay Road, St Heliers, Auckland

Hilda Ross Retirement Village
30 Ruakura Road, Hamilton

Jane Mander Retirement Village
262 Fairway Drive, Kamo West, Whangarei

Jane Winstone Retirement Village
49 Oakland Avenue, St Johns Hill, Wanganui

Jean Sandel Retirement Village
71 Barrett Road, Whalers Gate, New Plymouth

Julia Wallace Retirement Village
28 Dogwood Way, Clearview Park, Palmerston North

Kiri Te Kanawa Retirement Village
12 Gwyneth Place, Lytton West, Gisborne

Malvina Major Retirement Village
134 Burma Road, Khandallah, Wellington

Margaret Stoddart Retirement Village
23 Bartlett Street, Riccarton, Christchurch

Ngaio Marsh Retirement Village
95 Grants Road, Christchurch

Princess Alexandra Retirement Village
145 Battery Road, Napier

Rita Angus Retirement Village
66 Coutts Street, Kilbirnie, Wellington

Rowena Jackson Retirement Village
40 O'Byrne Street North, Waikiwi, Invercargill

Shona McFarlane Retirement Village
66 Mabey Road, Lower Hutt.

Woodcote Retirement Village
29 Woodcote Avenue, Hornby, Christchurch

Yvette Williams Retirement Village
383 Highgate, Roslyn, Dunedin

For more information on any of the Ryman Healthcare retirement villages please phone 0800 588 222.


Melbourne
Jane Mander
RETIREMENT VILLAGE
Whangarei
Evelyn Page
RETIREMENT VILLAGE
Auckland
Grace Joel
Retirement Village
Howick
EDMUND HILLARY
RETIREMENT VILLAGE
BOB OWENS
RETIREMENT VILLAGE
Hamilton
Tauranga
Hilda Ross
Retirement Village
Jean Sandel
RETIREMENT VILLAGE
New Plymouth
Gisborne
Kiri Te Kanawa
RETIREMENT VILLAGE
Napier
PRINCESS ALEXANDRA
RETIREMENT VILLAGE
Jane Winstone
RETIREMENT VILLAGE
Wanganui
Julia Wallace
RETIREMENT VILLAGE
Ernest Rutherford
RETIREMENT VILLAGE
CHARLES FLEMING
RETIREMENT VILLAGE
Palmerston North
Waikanae
Shona McFarlane
RETIREMENT VILLAGE
Nelson
Rita Angus
Wellington
Petone
Malvina Major
Retirement Village
Ngaio Marsh
RETIREMENT VILLAGE
ANTHONY WILDING
RETIREMENT VILLAGE
Christchurch
MARGARET STODDART
RETIREMENT VILLAGE
WOODCOTE
RETIREMENT VILLAGE
BECKENHAM COURTS
RETIREMENT VILLAGE
Diana Isaac
RETIREMENT VILLAGE
FRANCES HODGKINS
RETIREMENT VILLAGE
Dunedin
Yvette Williams
RETIREMENT VILLAGE
Invercargill
Rowena Jackson
RETIREMENT VILLAGE
Proposed village

RYMAN HEALTHCARE

HALF YEAR REPORT 2012

EVELYN PAGE RETIREMENT VILLAGE, OREWA