

RYMAN HEALTHCARE LIMITED
KEY STATISTICS

	Sept 16	Sept 15	Mar 16
	Half Year	Half Year	Full Year
	Unaudited	Unaudited	Audited
Underlying Profit (\$m)	76.5	70.3	157.7
Less: Tax expense (\$m)	-	-	-
Plus: Unrealised fair value movement (\$m) (note 3)	118.2	65.2	151.6
Plus: Deferred tax (expense)/credit (\$m)	(7.7)	(2.9)	(3.9)
Reported Profit after tax (\$m)	187.0	132.6	305.4
Operating Cash Flows (\$m)	161.2	157.4	312.5
Earnings per share (cents) – Basic & Diluted	37.4	26.5	61.1
Dividend per share (cents)	8.5	7.3	15.8
Net Tangible Assets per share (cents) – Basic & Diluted	292.5	238.4	265.5
Sales of Occupation Right Agreements			
New Units (no.)	243	206	518
Existing Units (no.)	351	337	690
Total (no.)	594	543	1,208
New Units (\$m)	110.5	103.2	226.2
Existing Units (\$m)	147.1	127.9	272.9
Total (\$m)	257.6	231.1	499.1
Asset Base			
Retirement Village Units (no.)	5,650	4,958	5,347 ^
Residential Care Beds (no.)	3,281	2,807	3,121
Total (no.)	8,931	7,765	8,468
Landbank - to be developed			
Retirement Village Units (no.)	3,850 *	3,262	3,102
Residential Care Beds (no.)	1,315 *	1,300	1,109
Total (no.)	5,165 *	4,562	4,211

* includes Coburg site which went unconditional in October 2016

^ Adjusted for 40 units in 2016 which were included in error.

RYMAN HEALTHCARE LIMITED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Note	Six Months Ended 30 Sept 2016 unaudited \$000	Six Months Ended 30 Sept 2015 unaudited \$000	Year Ended 31 March 2016 audited \$000
Revenue				
Care fees		111,072	101,728	209,431
Management fees		27,306	24,452	50,632
Interest received		304	419	711
Other income		157	186	296
Total revenue		138,839	126,785	261,070
Fair value movement of investment properties	3	175,810	119,328	274,627
Total income		314,649	246,113	535,697
Operating expenses				
Operating expenses		(107,477)	(99,434)	(204,175)
Depreciation expense		(7,129)	(6,384)	(12,658)
Finance costs		(5,360)	(4,879)	(9,533)
Total expenses		(119,966)	(110,697)	(226,366)
Profit before income tax		194,683	135,416	309,331
Income tax (expense)		(7,677)	(2,833)	(3,908)
Profit for the period		187,006	132,583	305,423
Earnings per share				
Basic & diluted (cents per share)		37.4	26.5	61.1

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.

RYMAN HEALTHCARE LIMITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Six Months Ended 30 Sept 2016 unaudited \$000	Six Months Ended 30 Sept 2015 unaudited \$000	Year Ended 31 March 2016 audited \$000
Profit for the period	187,006	132,583	305,423
<u>Items that may be reclassified subsequently to profit or loss</u>			
Fair value movement of interest rate swaps	(1,200)	(2,636)	(4,647)
Movement in deferred tax related to interest rate swaps	336	738	1,301
Gains / (Losses) on hedge of foreign owned subsidiary net assets	4,061	(4,056)	(4,539)
(Losses) / Gains on translation of foreign operations	(7,175)	5,228	6,211
	(3,978)	(726)	(1,674)
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Revaluation of Property, plant and equipment	-	-	-
	-	-	-
Other comprehensive income	(3,978)	(726)	(1,674)
Total comprehensive income	183,028	131,857	303,749

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.

RYMAN HEALTHCARE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Issued Capital \$000	Asset Revaluation Reserve \$000	Interest Rate Swap Reserve \$000	Foreign Currency Translation Reserve \$000	Treasury Stock \$000	Retained Earnings \$000	Total Equity \$000
Six months ended 30 Sept 2015							
(unaudited):							
Opening balance	33,290	176,806	(3,334)	(316)	(11,355)	906,230	1,101,321
Total comprehensive income for the period	-	-	(1,898)	1,172	-	132,583	131,857
Treasury stock movement	-	-	-	-	(4,665)	-	(4,665)
Dividends paid to shareholders	-	-	-	-	-	(36,500)	(36,500)
Closing balance	33,290	176,806	(5,232)	856	(16,020)	1,002,313	1,192,013
Year ended 31 March 2016							
(audited):							
Opening balance	33,290	176,806	(3,334)	(316)	(11,355)	906,230	1,101,321
Total comprehensive income for the period	-	-	(3,346)	1,672	-	305,423	303,749
Treasury stock movement	-	-	-	-	(4,545)	-	(4,545)
Dividends paid to shareholders	-	-	-	-	-	(73,000)	(73,000)
Closing balance	33,290	176,806	(6,680)	1,356	(15,900)	1,138,653	1,327,525
Six months ended 30 Sept 2016							
(unaudited):							
Opening balance	33,290	176,806	(6,680)	1,356	(15,900)	1,138,653	1,327,525
Total comprehensive income for the period	-	-	(864)	(3,114)	-	187,006	183,028
Treasury stock movement	-	-	-	-	(5,446)	-	(5,446)
Dividends paid to shareholders	-	-	-	-	-	(42,500)	(42,500)
Closing balance	33,290	176,806	(7,544)	(1,758)	(21,346)	1,283,159	1,462,607

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2016

	Note	As at 30 Sept 2016 unaudited \$000	As at 30 Sept 2015 unaudited \$000	As at 31 March 2016 audited \$000
Assets				
Cash and cash equivalents		-	1,722	-
Trade and other receivables		215,626	201,994	219,228
Advances to employees		5,231	3,608	3,407
Property, plant and equipment		860,716	695,121	754,530
Investment properties	3	3,341,831	2,699,424	2,996,305
Total assets		4,423,404	3,601,869	3,973,470
Equity				
Issued capital	6	33,290	33,290	33,290
Asset revaluation reserve		176,806	176,806	176,806
Interest rate swap reserve		(7,544)	(5,232)	(6,680)
Foreign currency translation reserve		(1,758)	856	1,356
Treasury stock		(21,346)	(16,020)	(15,900)
Retained earnings		1,283,159	1,002,313	1,138,653
Total equity		1,462,607	1,192,013	1,327,525
Liabilities				
Bank overdraft (secured)		-	-	961
Trade and other payables	8	125,162	62,211	92,342
Employee entitlements		14,610	13,143	14,428
Revenue in advance		40,748	34,663	37,032
Interest rate swaps		10,477	7,267	9,278
Refundable accommodation deposits		27,660	21,179	28,302
Bank loans (secured)		703,475	495,419	544,917
Occupancy advances (non interest bearing)	4	1,966,871	1,712,032	1,854,232
Deferred tax liability (net)		71,794	63,942	64,453
Total liabilities		2,960,797	2,409,856	2,645,945
Total equity and liabilities		4,423,404	3,601,869	3,973,470
Net tangible assets per basic and diluted share (cents)		292.5	238.4	265.5

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

	Note	Six Months Ended 30 Sept 2016 unaudited \$000	Six Months Ended 30 Sept 2015 unaudited \$000	Year Ended 31 March 2016 audited \$000
Operating activities				
Receipts from residents		367,726	337,654	698,617
Interest received		302	388	748
Payments to suppliers and employees		(100,634)	(101,132)	(209,190)
Payments to residents		(99,924)	(75,803)	(167,319)
Interest paid		(6,224)	(3,673)	(10,393)
Net operating cash flows	2	161,246	157,434	312,463
Investing activities				
Purchase of property, plant and equipment		(109,191)	(87,730)	(129,574)
Purchase of investment properties		(155,595)	(104,550)	(224,654)
Capitalised interest paid		(7,789)	(6,630)	(15,353)
Advances to employees		(1,824)	(59)	142
Net investing cash flows		(274,399)	(198,969)	(369,439)
Financing activities				
Drawdown of bank loans		162,059	83,915	133,044
Dividends paid		(42,500)	(36,500)	(73,000)
Purchase of treasury stock (net)		(5,445)	(4,665)	(4,545)
Net financing cash flows		114,114	42,750	55,499
Net increase/(decrease) in cash and cash equivalents		961	1,215	(1,477)
Cash and cash equivalents at beginning of period		(961)	409	409
Translation of foreign cash balances		-	98	107
Cash and cash equivalents at the end of period		-	1,722	(961)

The accompanying notes form part of these interim financial statements.

<p style="text-align: center;">RYMAN HEALTHCARE LIMITED ACCOUNTING POLICIES</p>

I. STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Ryman Healthcare Limited is a profit-oriented entity incorporated in New Zealand and develops, owns and operates integrated retirement villages, resthomes and hospitals for the elderly within New Zealand and Australia. Ryman Healthcare Limited is a Financial Markets Conduct reporting entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013, and its financial statements comply with these Acts.

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

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 2016 and the comparative six months ended 30 September 2015 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 2016. These financial statements 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 2016.

The financial statements were approved by the Board of Directors on 17 November 2016.

The information is presented in thousands of New Zealand dollars (\$).

RYMAN HEALTHCARE LIMITED NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. RECONCILIATION OF NET PROFIT AFTER TAX FOR THE PERIOD WITH NET CASH FLOWS FROM OPERATING ACTIVITIES

	Six Months Ended 30 Sept 2016 unaudited \$000	Six Months Ended 30 Sept 2015 unaudited \$000	Year Ended 31 March 2016 audited \$000
Net profit after tax	187,006	132,583	305,423
<i>Movements in balance sheet items:</i>			
Occupancy advances	131,894	150,284	309,535
Refundable accommodation deposits	(642)	9,333	16,456
Accrued management fees	(18,595)	(17,424)	(33,653)
Revenue in advance	3,716	2,582	4,951
Trade and other payables	6,730	(758)	(7,160)
Trade and other receivables	4,187	(5,141)	(22,375)
Employee entitlements	182	1,053	2,338
<i>Non-cash items:</i>			
Depreciation	7,129	6,384	12,658
Deferred tax	7,677	2,833	3,908
Translation of foreign operations	7,772	(4,967)	(4,991)
<i>Adjusted for:</i>			
Fair value movement of investment properties	(175,810)	(119,328)	(274,627)
Net operating cash flows	161,246	157,434	312,463

Net operating cash flows include occupancy advance receipts from retirement village residents of \$257.5 million (six months ended 30 September 2015: \$235.1 million and year ended 31 March 2016: \$476.8 million). Also included are net receipts from refundable accommodation deposits of \$0.8 million (six months ended 30 September 2015: \$8.4 million and year ended 31 March 2016: \$15.5 million). Net operating cash flows also include management fees collected of \$13.8m (six months ended 30 September 2015: \$10.5 million and year ended 31 March 2016: \$24.0 million).

3. INVESTMENT PROPERTIES

	Six Months Ended 30 Sept 2016 unaudited \$000	Six Months Ended 30 Sept 2015 unaudited \$000	Year Ended 31 March 2016 Audited \$000
Balance at beginning of financial period	2,996,305	2,434,631	2,434,631
Additions	179,642	136,627	277,455
Net foreign currency exchange differences	(9,926)	8,838	9,592
<i>Fair value movement:</i>			
<i>Realised fair value movement:</i>			
- New retirement village units	23,004	28,245	62,396
- Existing retirement village units	34,638	25,920	60,613
	57,642	54,165	123,009
Unrealised fair value movement	118,168	65,163	151,618
	175,810	119,328	274,627
Net movement for period	345,526	264,793	561,674
Balance at end of period	3,341,831	2,699,424	2,996,305

RYMAN HEALTHCARE LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. INVESTMENT PROPERTIES (continued)

The realised fair value movement arises from the sale and resale of occupation rights to residents. Investment properties are not depreciated and are fair valued.

The carrying value of completed investment properties is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited as at 30 September 2016. Significant assumptions used by the valuer include long term house price inflation (which ranges from 1% to 3% nominal (30 September 2015 and 31 March 2016: 1% to 3%)) and discount rate (which ranges from 12% to 16% (30 September 2015 and 31 March 2016: 13% to 16%)). Investment property includes investment property work in progress of \$177.9 million (six months ended 30 September 2015: \$135.4 million and year ended 31 March 2016: \$114.2 million), which has been fair valued at cost.

4. OCCUPANCY ADVANCES (non interest bearing)

Occupancy advances comprise the following balances:

	Six Months Ended 30 Sept 2016 unaudited \$000	Six Months Ended 30 Sept 2015 unaudited \$000	Year Ended 31 March 2016 Audited \$000
Gross occupancy advances (see below)	2,213,280	1,922,135	2,081,386
Less: management fees & resident loans	(246,409)	(210,103)	(227,154)
Closing balance	1,966,871	1,712,032	1,854,232
<i>Movement in gross occupancy advances:</i>			
Opening balance	2,081,386	1,771,851	1,771,851
Net foreign currency exchange differences	(8,174)	6,074	7,709
Plus: Increases in occupancy advances:			
- New retirement village units	110,552	103,226	226,214
- Existing retirement village units	34,638	25,920	60,613
(Decrease)/Increase in occupancy advance receivables	(5,122)	15,064	14,999
Closing balance	2,213,280	1,922,135	2,081,386

Gross occupancy advances are non interest bearing.

5. DIVIDEND

On 17 November 2016 an interim dividend of 8.50 cents per share was declared and will be paid on 9 December 2016 (Prior year: 7.30 cents per share). The record date for entitlements is 2 December 2016.

6. SHARE CAPITAL

Issued and paid up capital consists of 500,000,000 fully paid ordinary shares (30 September 2015: 500,000,000 and 31 March 2016: 500,000,000). All shares rank equally in all respects.

Basic and diluted earnings per share has been calculated on the basis of 500,000,000 ordinary shares (30 September 2015: 500,000,000 and 31 March 2016: 500,000,000). Shares purchased on market under the senior executive share scheme are treated as treasury stock until vesting to the employee. Net tangible assets is represented by net equity.

RYMAN HEALTHCARE LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. COMMITMENTS

The Group had commitments relating to construction contracts amounting to \$60.6 million as at 30 September 2016 (30 September 2015: \$44.0 million and 31 March 2016: \$88.3 million).

8. TRADE AND OTHER PAYABLES

Trade payables are typically paid within 30 days of invoice date or the 20th of the month following invoice date. Other payables at 30 September 2016 includes \$71.1m (30 September 2015: \$23.1m and 31 March 2016: \$48.0m) in relation to the purchase of land.

9. OPERATING SEGMENTS

The Ryman Group operates in one industry, being the provision of integrated retirement villages for the elderly. The Group operates predominantly in New Zealand with some operations now within Australia. In presenting information on the basis of geographical segments, segment net profit, underlying profit, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

	New Zealand \$000	Australia \$000	Group \$000
Six months ended 30 Sept 2016 unaudited			
Revenue	131,989	6,850	138,839
Underlying profit	73,858	2,657	76,515
Less: Current tax expense	-	-	-
Plus: Unrealised fair value movement	108,108	10,060	118,168
Less: Deferred tax (expense)/benefit	(7,677)	-	(7,677)
Profit for the period	174,289	12,717	187,006
Non-current assets	3,867,365	335,182	4,202,547
Six months ended 30 Sept 2015 unaudited			
Revenue	121,414	5,371	126,785
Underlying profit	58,820	11,433	70,253
Less: Current tax expense	-	-	-
Plus: Unrealised fair value movement	59,395	5,768	65,163
Less: Deferred tax (expense)/benefit	(2,833)	-	(2,833)
Profit for the period	115,382	17,201	132,583
Non-current assets	3,157,955	236,590	3,394,545
Year ended 31 March 2016 audited			
Revenue	248,703	12,367	261,070
Underlying profit	136,245	21,468	157,713
Less: Current tax expense	-	-	-
Plus: Unrealised fair value movement	131,796	19,822	151,618
Less: Deferred tax (expense)/benefit	(3,908)	-	(3,908)
Profit for the period	264,133	41,290	305,423
Non-current assets	3,453,830	297,005	3,750,835

<p style="text-align: center;">RYMAN HEALTHCARE LIMITED NOTES TO THE INTERIM FINANCIAL STATEMENTS</p>

10. SUBSEQUENT EVENTS

In addition to the dividends as per note 5, the group entered an unconditional sale and purchase agreement in respect of a land acquisition in Melbourne for AUD\$23 million in October 2016.

In mid-November 2016, the upper South Island and lower North Island of New Zealand experienced a series of significant earthquakes. Earthquake damage at one of our villages has resulted in us evacuating 40 independent apartments, which will be subject to further detailed engineering assessments. The financial effect will not be material to financial position of the group.

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

1

Full name of Issuer	Ryman Healthcare Limited		
Name of officer authorised to make this notice	Gordon MacLeod	Authority for event, e.g. Directors' resolution	Directors' Resolution
Contact phone number	03 366 4069	Contact fax number	03 366 4861
Date	17 / 11 / 2016		
Nature of event Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/> Interest <input type="checkbox"/> Rights Issue Renounceable <input type="checkbox"/>
	Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/> Call <input type="checkbox"/> Dividend <input checked="" type="checkbox"/>	If ticked, state whether: Interim <input checked="" type="checkbox"/> Full Year <input type="checkbox"/> Special <input type="checkbox"/> DRP Applies <input type="checkbox"/>

EXISTING securities affected by this

If more than one security is affected by the event, use a separate form.

Description of the class of securities	Ordinary Shares	ISIN	NZRYME0001S4
			If unknown, contact NZX

Details of securities issued pursuant to this event

If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities		ISIN	
			If unknown, contact NZX
Number of Securities to be issued following event		Minimum Entitlement	
Conversion, Maturity, Call Payable or Exercise Date		Treatment of Fractions	
Strike price per security for any issue in lieu or date Strike Price available.		Tick if <i>pari passu</i> <input type="checkbox"/> OR provide an explanation of the ranking	

Monies Associated with Event

Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents		Source of Payment	
Amount per security (does not include any excluded income)	8.500000 cents		
Excluded income per security (only applicable to listed PIEs)			
Currency	\$NZ	Supplementary dividend details - NZSX Listing Rule 7.12.7	Amount per security in dollars and cents \$Nil
Total monies	\$42,500,000	Date Payable	

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	\$	Resident Withholding Tax	2.805 cents	Imputation Credits (Give details)	\$Nil
		Foreign Withholding Tax	\$Nil	FWP Credits (Give details)	\$Nil

Timing

(Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm

For calculation of entitlements -

2 December, 2016

Application Date

Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.

9 December, 2016

Notice Date

Entitlement letters, call notices, conversion notices mailed

Allotment Date

For the issue of new securities. Must be within 5 business days of application closing date.

OFFICE USE ONLY

Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:
Security Code:

