



**Media release – July 27, 2017**

### **Annual Meeting release: Ryman marches on in Melbourne**

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Ryman Healthcare has started work on its second Melbourne village and shareholders can expect more progress in the coming year as it ramps up its expansion plans in Victoria.

Dr David Kerr, Chairman of Ryman Healthcare, told shareholders at the company's annual meeting in Charles Upham Retirement Village in Rangiora today that planning consents for new villages in Burwood East and Coburg had been lodged and work was under way at Brandon Park as the Melbourne expansion gathered pace.

Ryman's design team was also busy developing plans for new villages at Mt Eliza on the Mornington Peninsula, and Geelong.

"Earthworks are under way at Brandon Park, and we had very positive public meetings there last week to launch the village - with pre-sales already much stronger than anticipated," Ryman Chief Executive Gordon MacLeod said.

"We've found great acceptance of our terms in Australia since we opened at Wheelers Hill three years ago. Our unique Ryman-style villages, with a full range of care options, and our fair and simple to understand terms are key points of difference in Australia. Our aim is for residents to be delighted with the experience of living in a Ryman village."

"We're also about to get started on new villages at Devonport and Lynfield in Auckland so we have a busy year ahead."

Dr Kerr told shareholders that demand at existing villages had been strong in the first quarter, occupancy at established care centres was running at 97% and trading was in line with expectations.

Development earnings would be heavily weighted towards the back end of the second half, in line with the timing of the construction programme at Ryman's developing villages. Growth in the first half of the year would be limited as a result.

Ryman's bank facility had been extended by \$125 million to \$1.125 billion, providing increased working capital to fund the expansion and landbank in Melbourne, along with the greater up-front investment required for apartment style villages.

Dr Kerr said Ryman's care team was busy with the company-wide rollout of its new myRyman Care application. The app – which eliminates paperwork for nursing and care staff – would be operational in all villages by the end of 2018.

Ryman's Chairman told shareholders that Immigration New Zealand's proposed policy changes for skilled migrant workers had created uncertainty for many employees and Ryman had written to Ministers and met with them to express its concerns.

"We have a lot of immigrant nurses and caregivers who have been in New Zealand for several years, serving our residents well, and they've told us they are worried about the changes. We have asked the Government to grandfather their skills and to provide a clearer pathway to residency. We want their hard work and commitment to our residents recognised. They deserve it."

Dr Kerr said the aged care industry was expecting a sharp increase in demand as the population rapidly ages.

"We will do our level best to recruit staff locally as we grow, and the increased funding the Government has provided to increase pay rates in the sector will definitely help with local recruitment. That said, there is a skills gap which we need to fill each year and skilled migrants are likely to continue to be a critical part of our workforce."

Dr Kerr said demand in Auckland remained strong but resources remained tight because of the high level of construction activity.

"We have been building in Auckland for a long time so we have good momentum, which means we can move teams from site to site. We're expecting our first residents at our new Greenlane village in the second half, new stages at Bert Sutcliffe in Birkenhead are progressing and we're about to get under way at our two recently consented Auckland sites at Lynfield and Devonport."

Last month Ryman revealed it would be expanding in West Auckland after securing a 4.5-hectare site on Lincoln Rd.

Ryman has five villages under construction and another 11 in the pipeline as it gears up for a step-change in the growth of the population aged over 75 in New Zealand and Australia.

"Demand for the essential services we provide in care and support is about to escalate rapidly, and we are investing to meet that real need in the communities we serve."

In May Ryman reported a 13% lift in underlying profit to \$178 million in the year to March 31, 2017. Ryman's medium term target is to growing underlying profit by 15%.

**Ryman developments:****New villages under construction:**

Greenlane, Auckland: Construction continuing.

Brandon Park, Melbourne: Earthworks under way.

Rangiora, North Canterbury: Village complete, expansion planned.

Pukekohe: Construction continuing.

Petone, Lower Hutt: Construction continuing.

**New villages consented:**

Devonport, Auckland: Site works due to begin.

Lynfield, Auckland: Site works due to begin.

**New villages in design/consenting phase:**

Burwood East, Melbourne.

Coburg, Melbourne.

River Rd, Hamilton.

Mt Eliza, Victoria.

Highton, Geelong.

Hobsonville, Auckland.

Newtown, Wellington.

Lincoln Rd, Auckland.

Site A, New Zealand.

**About Ryman Healthcare:** Ryman was founded in 1984 and has become one of New Zealand's largest listed companies. The company owns 31 villages which are home to more than 10,000 residents in New Zealand and Australia. Each village offers a combination of retirement living and aged care.

**Media advisory:** For further information, photos, interviews or comment please contact Corporate Affairs Manager David King on 03 366 4069 or 021 499 602.