

RYMAN HEALTHCARE LIMITED
UNAUDITED RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting Period	Six months to 30 September 2017
Previous Reporting Period	Six months to 30 September 2016

	Amount (000s)	Percentage change
Revenue from ordinary activities	\$165,176	+ 19.0%
Total Income from ordinary activities	\$351,951	+ 11.9%
Underlying Profit ¹	\$85,249	+ 11.4%
Profit (loss) from ordinary activities after tax attributable to security holders	\$202,630	+8.4%
Net profit (loss) attributable to security holders	\$202,630	+8.4%

Interim Dividend	Amount per security	Imputed amount per security
	9.5 cents	Not imputed

Record Date	1 December 2017
Dividend Payment Date	8 December 2017

Audit	The financial statements for the six months ended 30 September 2017 have not been audited.
-------	--

Comments	Refer to Media Release below
----------	------------------------------

¹ Underlying profit excludes deferred taxation, taxation expense and unrealised gains on investment properties because these items do not reflect the trading performance of the company. Underlying profit determines the dividend payout to shareholders, and is reconciled to reported profit in the key statistics attached to this release.



MEDIA RELEASE NOVEMBER 23, 2017

Ryman reports first half underlying profit of \$85.2 million, up 11.4%

Highlights:

- Underlying profit up 11.4% to \$85.2 million
- Reported (IFRS) profit up 8.4% to \$202.6 million
- Interim dividend lifted to 9.5 cents per share
- Full year underlying profit expected to be between \$195-\$210 million (+9% to +18%)
- Total assets \$5.3 billion, up 19% on September last year
- Seventh site in Victoria secured, 14 new villages in the pipeline
- Continued investment in people and systems to support long term growth and to improve the resident experience

Ryman Healthcare's underlying profit rose 11.4% to \$85.2 million thanks to continued growth in resale volumes and demand, and the company has secured its seventh site in Victoria.

Ryman shareholders will receive an increased interim dividend of 9.5 cents per share, in line with the growth in underlying profit. The dividend will be paid on December 8, and the record date for entitlements is December 1.

Chairman Dr David Kerr said strong gains from the resale of occupancy rights had driven the result, as Ryman's unique villages and high-quality care offering continued to be in strong demand.

"We are pleased to be able to report another good first half result and we have a great pipeline of villages to develop. We are in a very strong financial position, and our total assets are now \$5.3 billion."

Ryman continued to expand its landbank, buying a site for its seventh village in Victoria at Mt Martha on the Mornington Peninsula. The landbank in Victoria is now close to matching New Zealand, reflecting Ryman's plans to expand at the same pace in both markets.

Work is now well under way on three new villages in Auckland and one in Melbourne, and in addition to this Ryman has another 10 villages in its landbank. Dr Kerr said the development team was busy looking for new sites in Victoria and New Zealand with long-term demand just beginning to take off.

"We know that we have great demand ahead but we will only be successful if our residents and their families love what we do. Our latest survey results show that the investments we've made in improving the resident experience have hit the mark, and our retirement village residents are telling us they are happier than ever."

“As a board, we are also delighted to see that we are achieving consistently excellent external clinical audit results, which shows that our care is of the highest quality and is continuously improving.”

Occupancy in Ryman’s established care centres was running at 97% during the first half, well ahead of the industry average of 87%.

Dr Kerr said it was pleasing to see resale volumes at Ryman’s villages grow by 12%, despite volumes in the real estate market dropping by more than 20%.

“We are keeping an eye on the property market like everyone else. It is also important to remember that moving into a Ryman village is usually a decision based on health needs, rather than a purely market-driven decision.”

Chief Executive Gordon MacLeod said village staff had been given further pay increases and improved entitlements. A new leadership programme is also being rolled out to support Ryman’s current leaders and identify the next generation needed as the company grows.

Ryman remained concerned about New Zealand’s immigration settings and would continue to lobby at a Government level to support members of the Ryman family who were born outside of New Zealand, Mr MacLeod said.

“A great resident experience depends on staff who are passionate about caring for people. It takes years of training and commitment,” Mr MacLeod said.

“We are about to experience huge growth in demand and the reality is there is likely to be a shortfall locally.”

On outlook, Dr Kerr said full year underlying profit was expected to be in the range of \$195 million to \$210 million.

“We have reviewed how we are going and we are expecting a busier second half with construction activity weighted towards the end of the year. We are expecting steady growth for the full year as we make further progress at Birkenhead, Greenlane and Brandon Park. We are also busy getting the next generation of villages through the design and consenting process, so we have a springboard for future growth.”

Dr Kerr said Ryman’s long-term focus remained to double underlying profits every five years and to expand with new villages in communities where better retirement living options and high-quality care were needed. Ryman is on track to increase profit for the 16th year this year.

“Our long-term goal remains to grow to meet the massive amount of demand we see ahead as the population ages. Each new village we build represents a long-term investment in care for the communities we operate in, and the villages create a new economic engine to support our future growth as a company.”

“That focus on care and meeting a long term social need and the commitment of our wonderful staff make Ryman a very special company.”

New villages under construction:

Greenlane, Auckland: First stages nearing completion.

Brandon Park, Melbourne: Construction under way.

Devonport, Auckland: Earthworks under way.

Lynfield, Auckland: Earthworks under way.

New villages in planning and design phase:

River Rd, Hamilton

Burwood East, Melbourne

Mt Eliza, Victoria

Coburg, Melbourne

Geelong, Victoria

Hobsonville, Auckland

Lincoln Rd, Auckland

Newtown, Wellington

Park Terrace, Christchurch

Mt Martha, Victoria

About Ryman: Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 31 retirement villages in New Zealand and Australia. Ryman villages are home to over 10,500 residents, and the company employs over 4,500 staff.

Contacts: For media information or images contact David King, Corporate Affairs Manager, on 021 499 602 (+64 21 499 602) or email david.king@rymanhealthcare.com.

For investor relations information contact Michelle Perkins, Investor Relations Manager, on 027 222 9684 (+64 27 222 9684) or email michelle.perkins@rymanhealthcare.com.

RYMAN HEALTHCARE LIMITED
KEY STATISTICS

	Sept 17 Half Year Unaudited	Sept 16 Half Year Unaudited	Mar 17 Full Year Audited
Underlying Profit (\$m)	85.2	76.5	178.3
Plus: Unrealised fair value movement (\$m) (note 3)	118.3	118.2	184.7
Plus: Deferred tax expense (\$m)	(0.9)	(7.7)	(6.3)
Reported Profit after tax (\$m)	202.6	187.0	356.7
Operating Cash Flows (\$m)	175.1	161.2	322.8
Earnings per share (cents) – Basic and diluted	40.5	37.4	71.3
Dividend per share (cents)	9.5	8.5	17.8
Net Tangible Assets per share (cents) – Basic and diluted	361.1	292.5	330.4
Sales of Occupation Right Agreements			
New Units (no.)	157	243	600
Existing Units (no.)	394	351	718
Total (no.)	551	594	1,318
New Units (\$m)	90.5	110.5	263.3
Existing Units (\$m)	201.8	147.1	311.3
Total (\$m)	292.3	257.6	574.6
Asset Base			
Retirement Village Units (no.)	6,060	5,650	5,968
Residential Care Beds (no.)	3,281	3,281	3,281
Total (no.)	9,341	8,931	9,249
Landbank - to be developed			
Retirement Village Units (no.)	4,036 *	3,850	4,025
Residential Care Beds (no.)	1,604 *	1,315	1,529
Total (no.)	5,640 *	5,165	5,554

* includes Mount Martha site which went unconditional in October 2017

RYMAN HEALTHCARE LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Note	Six Months Ended 30 Sept 2017 unaudited \$000	Six Months Ended 30 Sept 2016 unaudited \$000	Year Ended 31 March 2017 audited \$000
Revenue				
Care fees		130,494	111,072	227,391
Management fees		33,756	27,306	60,988
Interest received		201	304	456
Other income		725	157	355
Total revenue		165,176	138,839	289,190
Fair value movement of investment properties	3	186,775	175,810	324,966
Total income		351,951	314,649	614,156
Operating expenses		(130,506)	(107,477)	(225,573)
Depreciation and amortisation expense		(9,832)	(7,129)	(14,934)
Finance costs		(8,045)	(5,360)	(10,660)
Total expenses		(148,383)	(119,966)	(251,167)
Profit before income tax		203,568	194,683	362,989
Income tax expense		(938)	(7,677)	(6,295)
Profit for the period		202,630	187,006	356,694
Earnings per share:				
Basic and diluted (cents per share)		40.5	37.4	71.3

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 2017

	Six Months Ended 30 Sept 2017 unaudited \$000	Six Months Ended 30 Sept 2016 unaudited \$000	Year Ended 31 March 2017 audited \$000
Profit for the period	202,630	187,006	356,694
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Fair value movement and reclassification of interest rate swaps	(523)	(1,200)	1,790
Movement in deferred tax related to interest rate swaps	146	336	(501)
Gains / (losses) on hedge of foreign owned subsidiary net assets	150	4,061	1,102
(Losses) / gain on translation of foreign operations	(251)	(7,175)	(1,392)
	(478)	(3,978)	999
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Revaluation of property, plant and equipment	-	-	56,513
	-	-	56,513
Other comprehensive income	(478)	(3,978)	57,512
Total comprehensive income	202,152	183,028	414,206

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 2017

	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 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
Year ended 31 March 2017 (audited):							
Opening balance	33,290	176,806	(6,680)	1,356	(15,900)	1,138,653	1,327,525
Total comprehensive income for the period	-	56,513	1,289	(290)	-	356,694	414,206
Treasury stock movement	-	-	-	-	(4,640)	-	(4,640)
Dividends paid to shareholders	-	-	-	-	-	(85,000)	(85,000)
Closing balance	33,290	233,319	(5,391)	1,066	(20,540)	1,410,347	1,652,091
Six months ended 30 Sept 2017 (unaudited):							
Opening balance	33,290	233,319	(5,391)	1,066	(20,540)	1,410,347	1,652,091
Total comprehensive income for the period	-	-	(377)	(101)	-	202,630	202,152
Treasury stock movement	-	-	-	-	(2,295)	-	(2,295)
Dividends paid to shareholders	-	-	-	-	-	(46,500)	(46,500)
Closing balance	33,290	233,319	(5,768)	965	(22,835)	1,566,477	1,805,448

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	As at 30 Sept 2017 unaudited \$000	As at 30 Sept 2016 unaudited \$000	As at 31 March 2017 audited \$000
Assets				
Trade and other receivables		248,034	215,626	256,614
Advances to employees		6,264	5,231	4,884
Property, plant & equipment		1,011,950	860,716	1,013,547
Investment properties	3	4,002,859	3,341,831	3,661,445
Intangible assets		13,390	-	8,329
Total assets		5,282,497	4,423,404	4,944,819
Equity				
Issued capital	6	33,290	33,290	33,290
Asset revaluation reserve		233,319	176,806	233,319
Interest rate swap reserve		(5,768)	(7,544)	(5,391)
Foreign currency translation reserve		965	(1,758)	1,066
Treasury stock		(22,835)	(21,346)	(20,540)
Retained earnings		1,566,477	1,283,159	1,410,347
Total equity		1,805,448	1,462,607	1,652,091
Liabilities				
Trade and other payables	7	77,491	125,162	149,855
Employee entitlements		18,491	14,610	16,167
Revenue in advance		49,064	40,748	44,702
Interest rate swaps		8,010	10,477	7,488
Refundable accommodation deposits		29,485	27,660	28,473
Bank loans (secured)		945,038	703,475	837,520
Occupancy advances (non interest bearing)	4	2,277,429	1,966,871	2,137,274
Deferred tax liability (net)		72,041	71,794	71,249
Total liabilities		3,477,049	2,960,797	3,292,728
Total equity and liabilities		5,282,497	4,423,404	4,944,819
Net tangible assets per basic and diluted share (cents)		361.1	292.5	330.4

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 2017

	Note	Six Months Ended 30 Sept 2017 unaudited \$000	Six Months Ended 30 Sept 2016 unaudited \$000	Year Ended 31 March 2017 audited \$000
Operating activities				
Receipts from residents		423,887	367,726	759,829
Interest received		160	302	476
Payments to suppliers and employees		(132,753)	(100,634)	(214,028)
Payments to residents		(109,078)	(99,924)	(212,548)
Interest paid		(7,105)	(6,224)	(10,930)
Net operating cash flows	2	175,111	161,246	322,799
Investing activities				
Purchase of property, plant & equipment and intangible assets		(114,965)	(109,191)	(192,364)
Purchase of investment properties		(106,683)	(155,595)	(314,920)
Capitalised interest paid		(10,985)	(7,789)	(16,991)
Advances to employees		(1,380)	(1,824)	(1,477)
Net investing cash flows		(234,013)	(274,399)	(525,752)
Financing activities				
Drawdown of bank loans (net)		107,697	162,059	293,554
Dividends paid		(46,500)	(42,500)	(85,000)
Purchase of treasury stock (net)		(2,295)	(5,445)	(4,640)
Net financing cash flows		58,902	114,114	203,914
Net increase in cash and cash equivalents		-	961	961
Cash and cash equivalents at beginning of period		-	(961)	(961)
Cash and cash equivalents at the end of period		-	-	-

The accompanying notes form part of these interim financial statements.

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 condensed consolidated 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 2017 and the comparative six months ended 30 September 2016 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 2017. 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 2017.

The financial statements were approved by the Board of Directors on 22 November 2017.

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

All references to AUD refer to Australian dollars.

RYMAN HEALTHCARE LIMITED
NOTES TO THE CONSOLIDATED 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 2017 unaudited \$000	Six Months Ended 30 Sept 2016 unaudited \$000	Year Ended 31 March 2017 audited \$000
Net profit after tax	202,630	187,006	356,694
<i>Movements in balance sheet items:</i>			
Occupancy advances	167,034	131,894	326,259
Refundable accommodation deposits	1,012	(642)	171
Accrued management fees	(26,901)	(18,595)	(44,966)
Revenue in advance	4,362	3,716	7,670
Trade and other payables	(8,317)	6,730	13,100
Trade and other receivables	8,580	4,187	(36,798)
Employee entitlements	2,324	182	1,739
<i>Non-cash items:</i>			
Depreciation and amortisation	9,832	7,129	14,934
Deferred tax	938	7,677	6,295
Unrealised foreign exchange loss	392	7,772	2,667
<i>Adjusted for:</i>			
Fair value movement of investment properties	(186,775)	(175,810)	(324,966)
Net operating cash flows	175,111	161,246	322,799

Net operating cash flows include occupancy advance receipts from retirement village residents of \$292.8 million (six months ended 30 September 2016: \$257.5 million and year ended 31 March 2017: \$531.6 million). Also included are net receipts from refundable accommodation deposits of \$1.1 million (six months ended 30 September 2016: \$0.8 million and year ended 31 March 2017: \$0.6 million). Net operating cash flows also include management fees collected of \$14.9m (six months ended 30 September 2016: \$13.8 million and year ended 31 March 2017: \$28.7 million).

3. INVESTMENT PROPERTIES

	Six Months Ended 30 Sept 2017 unaudited \$000	Six Months Ended 30 Sept 2016 unaudited \$000	Year Ended 31 March 2017 audited \$000
Balance at beginning of financial period	3,661,445	2,996,305	2,996,305
Additions	155,041	179,642	342,869
Net foreign currency exchange differences	(402)	(9,926)	(2,695)
<i>Fair value movement:</i>			
Realised fair value movement:			
- New retirement village units	15,612	23,004	62,959
- Existing retirement village units	52,844	34,638	77,286
	68,456	57,642	140,245
Unrealised fair value movement	118,319	118,168	184,721
	186,775	175,810	324,966
Net movement for period	341,414	345,526	665,140
Balance at end of period	4,002,859	3,341,831	3,661,445

RYMAN HEALTHCARE LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. INVESTMENT PROPERTIES (continued)

The realised fair value movement arises 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 CBRE Limited as at 30 September 2017. Significant assumptions used by the valuer include long term house price inflation (which ranges from 0.5% to 3.5% nominal (30 September 2016 and 31 March 2017: 1% to 3%)) and discount rate (which ranges from 12% to 16% (30 September 2016 and 31 March 2017: 12% to 16%)).

Investment property includes investment property work in progress of \$198.4 million (six months ended 30 September 2016: \$177.9 million and year ended 31 March 2017: \$186.5 million), which has been fair valued at cost.

The CBRE valuation also includes within its forecast cash flows the Group's expected costs relating to rebuild works at Malvina Major. The estimate of the gross cash outflows included for remediation works is \$17.5m over an 18-month period. The estimates are based on currently available information.

4. OCCUPANCY ADVANCES (non interest bearing)

Occupancy advances comprise the following balances:

	Six Months Ended 30 Sept 2017 unaudited \$000	Six Months Ended 30 Sept 2016 unaudited \$000	Year Ended 31 March 2017 audited \$000
Gross occupancy advances (see below)	2,574,678	2,213,280	2,407,644
Less: management fees & resident loans	(297,249)	(246,409)	(270,370)
Closing balance	2,277,429	1,966,871	2,137,274
<i>Movement in gross occupancy advances:</i>			
Opening balance	2,407,644	2,081,386	2,081,386
Net foreign currency exchange differences	(305)	(8,174)	(2,189)
Plus: Net increases in occupancy advances:			
- New retirement village units	90,520	110,552	263,282
- Existing retirement village units	52,844	34,638	77,286
Increase/(decrease) in occupancy advance receivables	23,975	(5,122)	(12,121)
Closing balance	2,574,678	2,213,280	2,407,644

Gross occupancy advances are non interest bearing.

5. DIVIDEND

On 22 November 2017 an interim dividend of 9.50 cents per share was declared and will be paid on 8 December 2017 (Prior year: 8.50 cents per share). The record date for entitlements is 1 December 2017.

6. SHARE CAPITAL

Issued and paid up capital consists of 500,000,000 fully paid ordinary shares (30 September 2016: 500,000,000 and 31 March 2017: 500,000,000). All shares rank equally in all respects.

RYMAN HEALTHCARE LIMITED
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. SHARE CAPITAL (continued)

Basic and diluted earnings per share has been calculated on the basis of 500,000,000 ordinary shares (30 September 2016: 500,000,000 and 31 March 2017: 500,000,000). Net tangible assets is represented by net equity.

Shares purchased on market under the senior executive share scheme are treated as treasury stock until vesting to the employee.

7. 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 2017 includes \$39.3m (30 September 2016: \$71.1m and 31 March 2017: \$95.6m) in relation to the purchase of land.

8. 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 areas, net profit, underlying profit, and revenue are based on the geographical location of operations. Assets are based on the geographical location of the assets.

	New Zealand \$000	Australia \$000	Group \$000
Six months ended 30 Sept 2017 unaudited			
Revenue	155,994	9,182	165,176
Underlying profit	80,899	4,350	85,249
Plus: Unrealised fair value movement	118,470	(151)	118,319
Less: Deferred tax expense	(938)	-	(938)
Profit for the period	198,431	4,199	202,630
Non-current assets	4,596,719	431,480	5,028,199
Six months ended 30 Sept 2016 unaudited			
Revenue	131,989	6,850	138,839
Underlying profit	73,858	2,657	76,515
Plus: Unrealised fair value movement	108,108	10,060	118,168
Less: Deferred tax expense	(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
Year ended 31 March 2017 audited			
Revenue	275,493	13,697	289,190
Underlying profit	172,830	5,438	178,268
Plus: Unrealised fair value movement	173,817	10,904	184,721
Less: Deferred tax expense	(6,295)	-	(6,295)
Profit for the period	340,352	16,342	356,694
Non-current assets	4,269,071	414,250	4,683,321

9. COMMITMENTS

The Group had commitments relating to construction contracts amounting to \$87.9 million as at 30 September 2017 (30 September 2016: \$60.6 million and 31 March 2017: \$68.6 million).

10. SUBSEQUENT EVENTS

In addition to the dividends as per note 5, the group entered into an unconditional sale and purchase agreement in respect of a land acquisition in Victoria for AUD\$14 million in October 2017.