

NZX & ASX RELEASE

28 OCTOBER 2016

SUMMERSET PROVIDES EARNINGS GUIDANCE FOR THE 2016 YEAR

Summerset Group advises that its underlying profit for the year ended 31 December 2016 is forecast to be in the range of NZ\$53 million to NZ\$55 million. This represents a 40% to 46% increase on the \$37.8 million underlying profit reported for the 2015 financial year and reflects positive trading conditions across all of our villages.

Occupation right sales have been strong since the half year, and are the key driver of the underlying profit forecast.

No forecast has been provided for NZ IFRS net profit after tax due to the inherent uncertainty in fair value movement of investment property, a key component of this profit measure.

Underlying profit differs from NZ IFRS net profit after tax. The directors provide an underlying profit measure to assist investors in determining the realised and non-realised components of fair value movement of investment property and tax expense in the Group's income statement. Underlying profit is an industry-wide measure which the Group use consistently from period to period.

ENDS

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ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 21 villages across the country. In addition, Summerset has six sites for development in Richmond, Rototuna, Casebrook, Lower Hutt, St Johns and Parnell, bringing the total number of sites to 27.
- It provides a range of living options and care services to more than 3,800 residents.
- Four-time winner of Retirement Village of the Year and Silver Award winner in the Reader's Digest Quality Service Awards 2016.
- The Summerset Group has villages in Aotea, Dunedin, Ellerslie, Hamilton, Hastings, Havelock North, Hobsonville, Karaka, Katikati, Levin, Manukau, Napier, Nelson, New Plymouth, Palmerston North, Paraparaumu, Taupo, Trentham, Wanganui, Warkworth and Wigram.