



HALF YEAR RESULTS PRESENTATION

SIX MONTHS ENDED 30 JUNE 2012

SUMMERSET GROUP HOLDINGS LIMITED

21 August 2012





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1H12 RESULT HIGHLIGHTS





1H12 RESULT HIGHLIGHTS

STRONG 1H12 SALES AND PROFIT GROWTH

	NZ\$000	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Operational	New sales of occupation rights	83	41	+102%	134
	Resales of occupation rights	88	58	+52%	124
	New units delivered	68	0	N/A	155
Financial	Net operating cash flow	\$28,801	\$14,049	+105%	\$51,992
	Net profit before tax (NZ IFRS)	\$3,708	(\$1,023)	N/A	\$12,219
	Net profit after tax (NZ IFRS)	\$3,938	(\$1,162)	N/A	\$13,259
	Underlying profit *	\$6,887	\$2,957	+133%	\$9,749

IPO forecast refers to the prospective financial information contained in the investment statement and prospectus dated 27 September 2011.

* Underlying profit differs from NZ IFRS net profit after tax. Refer to slide 14 for further detail.



1H12 RESULT HIGHLIGHTS

PERFORMANCE IN ALL KEY AREAS UP ON PCP

- Strong growth on 1H11 in all areas of the business
- 88 resales, a 52% increase on 1H11
- 83 new sales, a 102% increase on 1H11
- Operating cash flow \$28.8m, up 105% on 1H11
- Increase to reported net profit before tax in 1H11 by \$4.7m to \$3.7m for 1H12
- Underlying profit up 133% on 1H11:
 - Higher level of resales
 - Increasing development margin
- Tax credit of \$0.2m in 1H12. FY12 tax expense expected to be approximately nil
- Expect FY12 final result to exceed IPO forecast if trading momentum continues
- Expect FY12 dividend to be declared following FY12 results as indicated during IPO. No dividend to be paid for 1H12



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BUSINESS OVERVIEW

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1H12 BUSINESS HIGHLIGHTS

CONTINUED FOCUS ON GROWTH AND DELIVERY OF BUILD PROGRAMME TO MEET DEMAND

- Purchase of a 7.6 hectare waterfront site in Hobsonville, Auckland
- Commenced construction on 15th village, Summeret at Bishops court, Dunedin
- Completion of main building in Hastings
- Commencement of main building in Hamilton
- Strong financial performance



Dunedin



1H12 DEVELOPMENT ACTIVITY

DELIVERY OF 68 UNITS IN 1H12 ACROSS THREE SITES

- 68 units delivered across three villages – on track to meet FY12 IPO forecast of 155 units
- Completion of main building in Hastings 1H12
- Construction commenced on main building in Hamilton
- Land bank of 1,234 retirement units – both on brownfield and greenfield sites
- Move towards delivering units consistently throughout year

	Unit delivery 1H12 Actual		
	Villas	Care Apartments	Total
Hastings	-	5	5
Nelson	43	-	43
Warkworth	20	-	20
Total	63	5	68



1H12 DEVELOPMENT ACTIVITY

DELIVERY OF 68 UNITS IN 1H12 ACROSS THREE SITES

Nelson



Warkworth



Hastings

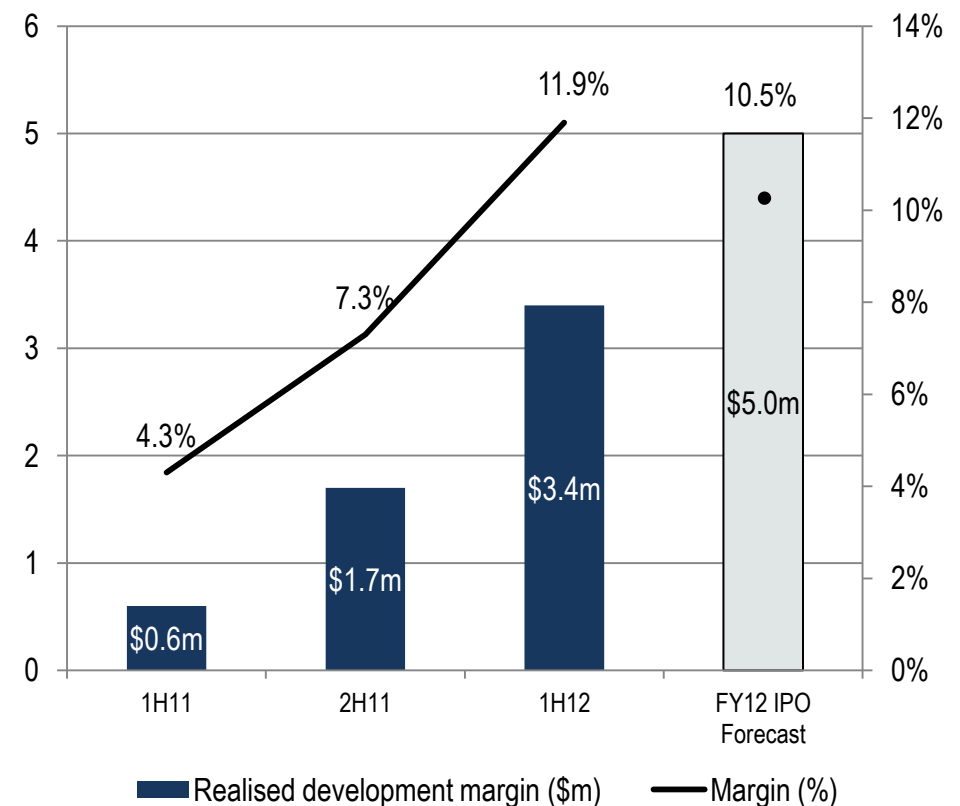


DEVELOPMENT MARGIN

REALISED DEVELOPMENT MARGIN \$3.4M VERSUS \$0.6M PCP

- Realised development margin of \$3.4m in 1H12, compared to \$0.6m in 1H11 and FY12 IPO forecast of \$5.0m
- Development process now largely internal:
 - Project and cost management fully internal
 - Design team in-house
 - Construction management increasingly internal
- Development margin % increasing with internalisation and project efficiency:
 - 11.9% for 1H12 compared to 6.2% for FY11
 - Surpassed FY12 IPO forecast of 10.5%
- Development margin on sites with full internal construction management in line with medium term target in the IPO forecast
- Benefits of internal development process will take time to be fully reflected in financial results

REALISED DEVELOPMENT MARGIN





NEW SALES OF OCCUPATION RIGHTS

STRONG GROWTH IN NEW SALES OF OCCUPATION RIGHTS

- New sales of occupation rights up versus 1H11:
 - Gross proceeds: \$28.7m, 107% increase on 1H11
 - Occupation rights: 83, up 102% on 1H11

	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Gross proceeds (\$000)	\$28,754	\$13,883	107%	\$47,313
Villas	52	23		97
Apartments	26	11		25
Care apartments	5	7		12
Total occupation rights	83	41	102%	134



RESALES OF OCCUPATION RIGHTS

RESALES OF OCCUPATION RIGHTS UP 52% ON PCP

- Resales of occupation rights up versus 1H11:
 - Realised resale gains: \$4.2m, 35% up on 1H11
 - Occupation rights resold: 88, 52% up on 1H11
- 27 resale occupation rights available for sale at 30 June

	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Realised resale gains (\$000)	\$4,166	\$3,094	+34.6%	\$6,283
Villas	46	31		73
Apartments	21	10		23
Care apartments	21	17		28
Total occupation rights	88	58	51.7%	124

A wooden sign with a scalloped edge is mounted on a wooden fence. The sign reads "GRANDPA'S PLACE" in white, bold, sans-serif capital letters. A small white flower with a red center is perched on the top right corner of the sign. The background is a blurred outdoor scene with a blue sky and a white lattice fence.

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FINANCIAL RESULTS

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1H12 REPORTED PROFIT (NZ IFRS)

NET PROFIT BEFORE TAX UP \$4.7M ON PCP

- 1H12 revenue up 12.5% versus 1H11 due to strong operational performance
- Fair value movement on investment property at \$4.4m
- Total expenditure includes costs incurred in setting up operations for new villages
- 1H12 tax credit of \$230k:
 - FY12 tax expense expected to be approximately nil
 - FY12 IPO forecast of \$1.04m assumed booking of tax losses. No tax losses are expected to be booked for FY12
- 1H12 net profit before tax up \$4.7 on 1H11, and net profit after tax up \$5.1m on 1H11

NZ\$000	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Total revenue	\$18,203	\$16,184	12.5%	\$35,388
Fair value movement of investment property	\$4,406	(\$284)	N/A	\$14,144
Total income	\$22,609	\$15,900	42.2%	\$49,532
Total expenses	\$16,397	\$14,162	15.8%	\$32,176
Finance costs	\$2,504	\$2,761	(9.3%)	\$5,137
Net profit before tax	\$3,708	(\$1,023)	N/A	\$12,219
Tax (credit)/expense	(\$230)	\$139	N/A	(\$1,040)
Net profit after tax	\$3,938	(\$1,162)	N/A	\$13,259



1H12 UNDERLYING PROFIT *

UNDERLYING PROFIT \$6.9M, UP 133% ON PCP

- Strong underlying profit performance, driven by:
 - Realised gains on resales (88 occupation licenses resold in 1H12 compared to 58 in 1H11)
 - Development margin – increased new sales on PCP at an improved margin

NZ\$000	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Reported profit after tax	\$3,938	(\$1,162)	N/A	\$13,259
Fair value movement of investment property	(\$4,406)	\$284	(1,651%)	(\$14,144)
Realised gain on resales	\$4,166	\$3,094	34.6%	\$6,283
Realised development margin	\$3,419	\$602	468%	\$4,974
Deferred tax (credit)/expense	(\$230)	\$139	N/A	(\$623)
Underlying profit *	\$6,887	\$2,957	133%	\$9,749

* Underlying profit differs from NZ IFRS net profit after tax. The directors have provided an underlying profit measure to assist readers 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 uses consistently across reporting periods.



1H12 CASH FLOWS

NET OPERATING CASH FLOW UP 105% ON PRIOR YEAR AT \$28.8M

- Operating cash strong due to high occupation rights sales and good operating performance

NZ\$000	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Care fees and village services	\$13,328	\$9,331	42.8%	\$25,143
Interest received	\$96	\$59	62.7%	\$62
Payments to suppliers and employees	(\$16,483)	(\$14,740)	11.8%	(\$30,826)
Net receipts for residents' loans	\$31,860	\$19,399	64.2%	\$57,613
Net operating cash flow	\$28,801	\$14,049	105%	\$51,992
Development build cash outflow	(\$23,744)	(\$8,977)	165%	(\$64,408)
Other investing cash flows	(\$1,508)	(\$1,075)	40.3%	(\$5,907)
Net investing cash flow	(\$25,252)	(\$10,052)	151%	(\$70,315)
(Repayment of)/proceeds from bank loans	(\$5,877)	(\$1,667)	253%	\$22,836
Other financing cash flows	(\$2,378)	(\$1,693)	40.5%	(\$7,287)
Net financing cash flow	(\$8,255)	(\$3,360)	146%	\$15,549
Net (decrease)/increase in cash	(\$4,706)	\$637	N/A	(\$2,774)



1H12 BALANCE SHEET

TOTAL ASSETS UP 18% ON PRIOR YEAR AT \$645M

- Net asset growth of 37% from June 2011
- Investment property valued at \$588m
- Other assets include land and buildings (primarily care facilities)
- Other liabilities include deferred tax and trade payables
- Embedded value of \$120m, \$77,000 per unit, as at 30 June 2012

NZ\$000	1H12 Actual	1H11 Actual	1H12 Actual vs. 1H11 Actual	FY12 IPO Forecast
Investment property	\$588,397	\$501,936	17.2%	\$632,622
Other assets	\$56,709	\$44,785	26.6%	\$44,034
Total assets	\$645,106	\$546,721	18.0%	\$676,656
Residents' loans	\$306,916	\$247,132	24.2%	\$322,347
Bank loans	\$63,244	\$97,623	(35.2%)	\$98,115
Other liabilities	\$37,292	\$28,894	29.1%	\$17,388
Total liabilities	\$407,452	\$373,649	9.0%	\$437,850
Net assets	\$237,654	\$173,072	37.3%	\$238,806
Embedded value	\$119,997	\$119,532	0.4%	
NTA (cents per share)	111.29	99.07	12.3%	



QUESTIONS?



DISCLAIMER

This presentation may contain projections or forward looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties.

Actual results may differ materially from those stated in any forward looking statement based on a number of important factors and risks.

Although management may indicate and believe the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised.

Furthermore, while all reasonable care has been taken in compiling this presentation, Summerset accepts no responsibility for any errors or omissions.

This presentation does not constitute investment advice.



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APPENDIX

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EXISTING PORTFOLIO AT 30 JUN 2012

1,554 EXISTING RETIREMENT UNITS AND 327 CARE BEDS

	Existing Portfolio– as at 30 June 2012				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Wanganui	70	18	12	100	37
Paraparaumu	92	12	10	114	40
Palmerston North	90	12	-	102	41
Havelock North	94	18	10	122	40
Trentham	92	12	20	124	41
Levin	64	12	10	86	28
Taupo	94	34	18	146	-
Napier	94	26	20	140	48
Aotea	96	51	20	167	-
Manukau	89	71	23	183	52
Hastings	78	5	-	83	-
Warkworth	66	-	-	66	-
Nelson	81	-	-	81	-
Hamilton	40	-	-	40	-
Karaka	-	-	-	-	-
Katikati	-	-	-	-	-
Dunedin	-	-	-	-	-
Total	1,140	271	143	1,554	327



LAND BANK AT 30 JUN 2012

LAND BANK OF 1,234 RETIREMENT UNITS AND 280+ CARE BEDS

	Land bank– as at 30 June 2012				
	Villas	Apartments	Care Apartments	Total Retirement Units	Care Beds
Dunedin	31	64	29	124	40
Hamilton	140	50	10	200	40
Hastings	69	-	-	69	-
Karaka	60	85	10	155	40
Katikati	111	26	20	157	40
Nelson	141	25	30	196	40
Warkworth	73	2	8	83	40
Hobsonville	156	75	19	250	40
Total	781	327	126	1,234	280+