

NZX, ASX AND MEDIA RELEASE

15 AUGUST 2016

SUMMERSET ACHIEVES RECORD HALF YEAR PROFIT

- Underlying profit for 1H16 NZ\$24.7m, up 44% on 1H15
- Net profit after tax of NZ\$50.6m, up 42% from 1H15
- Total assets of NZ\$1.5b, up 31% on 1H15
- 306 total sales of occupations rights, up 13% on 1H15
- 190 new retirement homes delivered, up 35% on 1H15
- Interim dividend of 2.6 NZ cents per share announced
- Development margin of 20.3%

Retirement village operator Summerset Group Holdings Limited has announced an underlying profit of NZ\$24.7 million for the half year to 30 June 2016, up 44% on the same period last year. This continues Summerset's strong profit growth since listing in 2011, delivering annual growth of 44% on average every year since.

Summerset CEO Julian Cook said the result was a record for any half year period for the group and strengthened its position as the fastest growing retirement village provider in New Zealand.

"The company has experienced a strong six month period with increased sales and number of homes delivered, particularly during the second quarter where we delivered the highest number of quarterly sales in the company's history," he said.

Summerset's net profit after tax for the first half of 2016 was NZ\$50.6 million, an increase of 42% from the first half of 2015.

Summerset's operating cashflow grew 33% to NZ\$84.4 million, up from NZ\$63.6 million for the first six months of 2015. The total value of assets grew to NZ\$1.5 billion.

"We expect this growth to continue as the first stage of our Ellerslie village opens in September and we focus on further developing our Wigram and Hobsonville villages, and extending our existing Trentham and Warkworth villages," said Mr Cook. "As the number of our villages continues to grow, it is a huge privilege to be able to welcome more residents to the Summerset family."

New sales of occupation rights were 14% higher and resales 12% higher than the first half of 2015.

A total of 190 homes were delivered across nine villages. Mr Cook said this was a new build record for the company in a six month time period. "This ensures we're on track to meet our build rate target of 400 homes delivered in 2016."

A development margin of 20.3% was achieved, in line with the company's target of 20%.

"We also continue to invest in our older villages with the extension of recreation areas at the Levin, Wanganui and Hastings villages under way and a new village centre at Trentham currently under construction," Mr Cook said.

"We are growing our offering to residents with the introduction of an exercise programme in the last six months as well as shouting the Happy Hour drinks each week across all our villages."

At the end of the first half of 2016, Summerset's total land bank represented approximately 2,818 retirement homes and 485 care beds. This is a total of seven years' supply at Summerset's current build rate.

Looking ahead to the second half of 2016, Summerset will continue to focus on developing its sites across the country, including the opening of a dementia centre at the Levin village later this year. "We believe the level of facilities which will be offered in Levin will be a first for New Zealand, and we are excited to be able to offer this to residents and their families," Mr Cook said. "Dealing with dementia is difficult for those affected and their families and we are focussed on making life easier and more meaningful for everyone involved. This will be Summerset's first dementia facility and it is intended that new villages will incorporate dementia capability."

The new Eilerslie village in Auckland is proving popular with a record number of presales. Construction of the first stage is almost complete with the first homes opening in September.

Next month the village centre, care centre and serviced apartments at the Wigram, Christchurch village will open.

The board has declared an interim dividend of 2.6 NZ cents per share. This will be paid on 9 September.

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, Eilerslie, Hamilton, Hastings, Havelock North, Hobsonville, Karaka, Katikati, Levin, Manukau, Napier, Nelson, New Plymouth, Palmerston North, Paraparaumu, Taupo, Trentham, Wanganui, Warkworth and Wigram.