



SUMMERSET HALF YEAR REPORT 2013



CONTENTS

"It's really like being in the country but having the convenience of the city. There is a sense of peace here, it's calm."

Val, Summerset down the Lane, Hamilton



Our Hastings village is nearing completion

SUMMERSET HALF YEAR REPORT 2013

Summerset Snapshot	4
Half Year Business Highlights	6
Half Year Financial Highlights	8
Joint Chairman and CEO's Report	10
Financial Statements	15
Directory	26

SUMMERSET SNAPSHOT

- 16 villages nationwide
- Home to more than 2,200 residents
- Approximately 500 staff employed
- Five high quality greenfield sites with a combined landbank of 1,022 retirement units and 280+ care beds
- On track for build target of at least 200 retirement units in 2013, rising to 300 retirement units per annum by 2015
- Nationwide brand offering
- Focus on continuum of care model



Resident Peter in our Taupo blokes' shed



Norah Barlow and Wellington's mayor, Celia Wade-Brown

- Current portfolio
 - 1,748 retirement units
 - 370 care beds

- Completed villages
- In development
- Proposed villages



HALF YEAR BUSINESS HIGHLIGHTS

- Purchase of 3.1ha site at Lower Hutt, a 4ha site at New Plymouth and 4ha site adjoining our existing Trentham village
- Both Dunedin and Katikati villages welcomed first residents
- Main building at Warkworth completed with 41-bed care centre up and running, and construction underway on main buildings at Nelson, Hamilton and Dunedin villages
- On track to deliver at least 200 retirement units in 2013 with 102 retirement units built in first half
- Admitted onto the Australian Securities Exchange (ASX)

- Summerset continues to develop and build at sites across the country with two new villages opened; Dunedin and Katikati, and three main buildings currently under construction
- As the number of our residents increases, so too does the number of our investors; our listing on the ASX is another important step in Summerset's growth



Progress on our main building in Nelson



Our Warkworth main building opening in March



The Lower Hutt site bordering Boulcott's Farm Heritage Golf Course



Summerset at Bishopscourt already has a lively community



New Plymouth, our proposed 21st village

HALF YEAR FINANCIAL HIGHLIGHTS

“The results for the first six months of 2013 show that we are on track to achieving our targets.”

Chairman Rob Campbell and CEO Norah Barlow

UNDERLYING PROFIT

NZ000s	1H13 Actual	1H12 Actual	% Change	FY12 Actual
Reported profit after tax*	\$10,772	\$3,938	174%	\$14,821
Fair value movement of investment property*	(\$10,121)	(\$4,406)	130%	(\$15,128)
Realised gain on resales	\$4,629	\$4,166	11.1%	\$9,073
Realised development margin	\$4,960	\$3,419	45.1%	\$6,864
Deferred tax credit*	(\$225)	(\$230)	(2.20%)	(\$407)
Underlying profit	\$10,015	\$6,887	45.4%	\$15,223

*Figure has been extracted from financial statements.

Underlying profit differs from 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. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions. Underlying profit is an industry wide measure which the Group uses consistently across reporting periods.

- Underlying profit of \$10.0 million, up 45% on 1H12
- Net profit after tax of \$10.8 million, up 174% on 1H12
- 116 new sales of occupation rights, up 40% on 1H12
- Net operating cash flow of \$43.4 million, up 51% on 1H12
- Total assets of \$764 million, up 19% on 1H12

1H13 RESULTS HIGHLIGHTS – FINANCIAL

NZ000s	1H13 Actual	1H12 Actual	% Change	FY12 Actual
Net operating cash flow	\$43,375	\$28,801	50.6%	\$66,254
Net profit before tax (IFRS)	\$10,547	\$3,708	184%	\$14,414
Net profit/(loss) after tax (IFRS)	\$10,772	\$3,938	174%	\$14,821
Underlying profit	\$10,015	\$6,887	45.4%	\$15,223
Total assets	\$764,212	\$645,106	18.5%	\$702,339
NTA (cents per share)	119.92	111.29	7.8%	116.49

Underlying profit differs from IFRS net profit after tax. See reconciliation (previous page).

1H13 RESULTS HIGHLIGHTS – OPERATIONAL

	1H13 Actual	1H12 Actual	% Change	FY12 Actual
New sales of occupation rights	116	83	39.8%	167
Resales of occupation rights	73	88	(17.0%)	164
New units delivered	102	68	50.0%	160
Realised development margin (\$000)	\$4,960	\$3,419	45.1%	\$6,864
Gross proceeds (new sales) (\$000)	\$39,858	\$28,754	38.6%	\$57,739
Realised gain on resales (\$000)	\$4,629	\$4,166	11.1%	\$9,073

“Ultimately, providing an unwavering customer-centric philosophy to our residents and potential residents is what will continue to see Summerset succeed. ”

HALF YEAR REPORT

CHAIRMAN ROB CAMPBELL

MANAGING DIRECTOR AND CEO NORAH BARLOW



After a successful 2012, our focus has been on continuing to grow our village portfolio, increasing our sales of occupation rights and continuing to produce excellent outcomes for our shareholders and residents alike.

The results for the first six months of 2013 show that we are on track to achieving our targets. The underlying profit for the first half of 2013 was \$10.0 million, an increase of 45% on the first half of 2012. Net profit after tax also increased to \$10.8 million, up 174% on the previous half year.

Occupation right sales for the first half of 2013 were strong. New sales in the first half increased by 33 to 116 driven by an increasing portfolio and good demand. There were 73 resales in first half 2013. This was down from

88 in first half 2012 due to low levels of available resale stock during the period. We expect this to return to normal levels.

Our progress in bringing construction management and design in-house has continued and this year for the first time we will manage the construction internally on a majority of the sites where we build.

We were admitted to the Official List of the Australian Securities Exchange (ASX) in July, with trading commencing on 18 July. This dual listing enables more investors to participate in Summerset's growth and will be of benefit to all shareholders. We see expanding our offering to include Australian investors as an important step in Summerset's growth.

We have purchased three new sites which significantly increases our landbank, and which brings our total number of sites to 21.

The first purchase is a 4ha site adjacent to our Trentham village, which will enable us to extend the existing 5.4ha village by more than 100 retirement units. We intend to build new recreational facilities, care apartments and care beds to the existing 124 retirement units and 41 care beds at the village.

The second purchase is at Boulcott's Farm Heritage Golf Course in Lower Hutt. This 3.1ha site is in the planning stages to build a \$100 million village which will be home to some 200 residents.

The third site we have purchased is 4ha at New Plymouth, where we intend to build

some 150 homes.

Development continues at other Summerset villages around the country. With 102 retirement units delivered in the first half of 2013, we are on track to achieving the guidance we have set of at least 200 retirement units for 2013. We are progressing resource consenting for our other greenfield sites; Karaka, Ellerslie, and Hobsonville, and remain on track to reach our target of 300 retirement units per annum by 2015. Developing these greenfield sites, three of which are in Auckland, will see us firmly embedded in New Zealand's largest markets.

We are committed to providing the best quality care for our residents in state-of-the-art care centres which

JOINT CHAIRMAN AND CEO'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2013

are housed in each new village's main building. Construction is underway on main buildings at Dunedin, Hamilton and Nelson. When completed, these village centres will have high quality care facilities such as the 41-bed care centre we opened at Warkworth in March this year, and will add a further 120 care beds to our portfolio. At our larger Auckland greenfield sites, Ellerslie and Hobsonville, we plan to build larger care facilities than we traditionally have. These are likely to be 80 care beds each.

Dunedin's first residents moved in during January following completion of their units. They have formed a lively and caring community who have watched with interest as progress continues on their main building, which will complete the village. Our construction programme has been driven proportionally to sales demand, and is the fastest build for the company yet. We have managed the construction of this site internally.

Work will soon be starting on the main

building at Katikati. The first residents at this village moved in during early July, bringing the total number of operational villages in our portfolio to 16. Reaching the milestone of 16 villages in 16 years is a great reminder for us that the dream we had when this business was in its infancy of building 20 villages in 20 years seems imminently achievable.

We've been very fortunate in recent months to have had our business achievements acknowledged by others; we were awarded the Supporting Gold Award for services and infrastructure at the Wellington Gold Awards in June. These awards celebrate business in the Capital. Summerset and Norah Barlow were also honoured to receive two awards in the inaugural Women in Governance awards, celebrating gender diversity in leadership and governance. Summerset is committed to continuing to support the best person for the position, in management or at Board level while promoting diversity in line with our policy.



Julian Cook

Having been at the helm of the business for 12 years, Mrs Barlow has announced she will retire in the first half of 2014. Mrs Barlow's contribution to this company and to the retirement village industry has been tremendous. She has taken this business from a family operation to the third largest operator and second largest developer of retirement villages in New Zealand. Mrs Barlow is one of the key leaders in the industry and was President of the Retirement Villages Association for six years. During this time, she led the industry as the Retirement Villages Act was put in place to replace the patchwork regulatory environment prior to this. We are pleased to have Mrs Barlow continue as a director of

the company and we look forward to her ongoing contribution and insight. This business continuity of culture and direction is important.

The incoming Chief Executive Officer is Julian Cook, who is currently our Chief Financial Officer. Mr Cook has provided a great contribution to the business since starting three years ago and the Board has a high degree of confidence in him. He will commence this role in April next year. Mr Cook is a member of the Executive Committee for the Retirement Villages Association.

We are also pleased to welcome Dr Marie Bismark to the Board of Directors. Dr Bismark is dually trained as a lawyer and doctor, and divides her time between Australia and New Zealand.



Dr Marie Bismark

JOINT CHAIRMAN AND CEO'S REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2013

Dr Bismark has worked in the health sector for many years. Her areas of expertise include patient safety and healthcare complaints resolution. Currently she is a senior research fellow at Melbourne University and a consultant at legal firm Buddle Finlay in Wellington on the health law team. Dr Bismark joined the Board as a non-executive independent director and commenced on 1 September 2013. Her appointment reflects the company's position of being a leader in the provision of care to older New Zealanders and its goal of maintaining the highest standards at all times. Care will be an increasingly important aspect of the business going forward.

OUTLOOK

We remain focussed on delivering on our promises and have an excellent platform for growth.

Our target remains to deliver at least 200 retirement units this year. We remain on track to raise that number to 300 retirement units by 2015.

We have five greenfield sites in our development pipeline and we are continuing to look at other quality sites on which to develop new villages around New Zealand and continue to grow as a business.

Providing high quality care centres staffed by trained and engaged staff is a fundamental part of our business, and it remains a top priority. Ultimately, providing an unwavering customer-centric philosophy to our residents and potential residents is what will continue to see Summerset succeed.



Rob Campbell
Chairman



Norah Barlow
Managing Director
and CEO

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2013

DIRECTORS' STATEMENT

The directors of Summerset are pleased to present to shareholders the financial statements of Summerset Group Holdings Limited and its subsidiaries (the "Group") for the six months ended 30 June 2013.

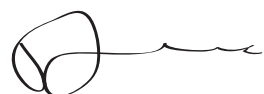
The directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 30 June 2013 and the results of the Group's operations and cash flows for the six months ended 30 June 2013.

The directors consider the financial statements of the Group have been prepared using appropriate accounting policies which have been consistently applied and supported by reasonable and prudent judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The financial statements were authorised for issue for and on behalf of the Board on 13 August 2013 by:



Rob Campbell
Director and Chairman



Norah Barlow
Managing Director and CEO

INCOME STATEMENT

For the six months ended 30 June 2013

	NOTE	6 MONTHS JUN 2013 UNAUDITED \$'000	6 MONTHS JUN 2012 UNAUDITED \$'000	12 MONTHS DEC 2012 AUDITED \$'000
Care fees and village services		14,460	13,349	27,349
Deferred management fees		6,591	4,758	10,612
Interest received		100	96	159
Total revenue		21,151	18,203	38,120
Fair value movement of investment property		10,121	4,406	15,128
Total income		31,272	22,609	53,248
Operating expenses	2	17,244	15,707	32,361
Depreciation and amortisation expense		886	690	1,577
Total expenses		18,130	16,397	33,938
Operating profit before financing costs		13,142	6,212	19,310
Finance costs		2,595	2,504	4,896
Profit before income tax		10,547	3,708	14,414
Income tax credit		(225)	(230)	(407)
Profit for the period		10,772	3,938	14,821
Basic and diluted earnings per share (cents)		5.04	1.85	6.96
Net tangible assets per share (cents)		119.92	111.29	116.49

The accompanying notes form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2013

	6 MONTHS JUN 2013 UNAUDITED \$000	6 MONTHS JUN 2012 UNAUDITED \$000	12 MONTHS DEC 2012 AUDITED \$000
Profit for the period	10,772	3,938	14,821
Other comprehensive income			
Fair value movement of interest rate swaps	290	143	356
Fair value movement transferred to income statement on de-designation	-	120	120
Tax on items of other comprehensive income	(81)	(74)	(133)
Other comprehensive income which will be reclassified subsequently to profit or loss for the period net of tax	209	189	343
Total comprehensive income for the period	10,981	4,127	15,164

All profit and total comprehensive income is attributable to Parent Company shareholders and is from continuing operations.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013


	SHARE CAPITAL \$000	HEDGING RESERVE \$000	REVALUATION RESERVE \$000	MAINTENANCE RESERVE \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
At 1 January 2012	233,669	(920)	7,504	491	(7,320)	233,424
Loss for the period	-	-	-	-	3,938	3,938
Other comprehensive income for the period	-	189	-	-	-	189
Total comprehensive income for the period	-	189	-	-	3,938	4,127
Interest on maintenance reserve	-	-	-	7	(7)	-
Employee share plan option cost	103	-	-	-	-	103
At 30 June 2012	233,772	(731)	7,504	498	(3,389)	237,654
Profit for the period	-	-	-	-	10,883	10,883
Other comprehensive income for the period	-	154	-	-	-	154
Total comprehensive income for the period	-	154	-	-	10,883	11,037
Transfer (from) / to maintenance reserve	-	-	-	(452)	452	-
Interest on maintenance reserve	-	-	-	1	(1)	-
Employee share plan option cost	103	-	-	-	-	103
At 31 December 2012	233,875	(577)	7,504	47	7,945	248,794
Profit for the period	-	-	-	-	10,772	10,772
Other comprehensive income for the period	-	209	-	-	-	209
Total comprehensive income for the period	-	209	-	-	10,772	10,981
Dividends paid	-	-	-	-	(5,342)	(5,342)
Shares issued	3,155	-	-	-	-	3,155
Transfer (from) / to maintenance reserve	-	-	-	(47)	47	-
Employee share plan option cost	32	-	-	-	-	32
At 30 June 2013	237,062	(368)	7,504	-	13,422	257,620

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	NOTE	AS AT JUN 2013 UNAUDITED \$'000	AS AT JUN 2012 UNAUDITED \$'000	AS AT DEC 2012 AUDITED \$'000
ASSETS				
Cash and cash equivalents		3,582	4,281	2,785
Trade and other receivables		9,271	12,221	9,003
Limited recourse loans		2,260	2,810	2,810
Property, plant and equipment		42,229	36,780	42,568
Intangible assets		625	617	667
Investment property	3	706,245	588,397	644,506
Total assets		764,212	645,106	702,339
LIABILITIES				
Trade and other payables		25,450	10,342	12,005
Employee benefits		2,297	1,742	1,554
Revenue received in advance		10,413	8,486	9,389
Residents' loans	4	374,015	306,916	336,133
Interest-bearing loans and borrowings	5	78,702	63,244	78,162
Interest rate swaps		511	1,256	954
Deferred tax liability		15,204	15,466	15,348
Total liabilities		506,592	407,452	453,545
Net assets		257,620	237,654	248,794
EQUITY				
Share capital		237,062	233,772	233,875
Reserves		7,136	7,271	6,974
Accumulated profit / (deficit)		13,422	(3,389)	7,945
Total equity attributable to shareholders		257,620	237,654	248,794



Rob Campbell
Director and Chairman



Norah Barlow
Managing Director and CEO

For and on behalf of the Board, who authorise the issue of these financial statements, 13 August 2013.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the six months ended 30 June 2013

	NOTE	6 MONTHS JUN 2013 UNAUDITED \$'000	6 MONTHS JUN 2012 UNAUDITED \$'000	12 MONTHS DEC 2012 AUDITED \$'000
Cash flows from operating activities				
Receipts from residents for care fees and village services		14,201	13,328	27,391
Interest received		100	96	159
Payments to suppliers and employees		(16,291)	(16,483)	(32,541)
Receipts for residents loans		60,654	47,662	101,471
Repayment of residents loans		(15,289)	(15,802)	(30,226)
Net cash flow received from operating activities	7	43,375	28,801	66,254
Cash flows from investing activities				
Acquisition of investment property		(38,315)	(23,744)	(67,655)
Acquisition of property, plant and equipment		(441)	(602)	(7,362)
Acquisition of intangibles		(103)	(147)	(378)
Capitalised interest paid		(211)	(759)	(1,525)
Net cash flow used in investing activities		(39,070)	(25,252)	(76,920)
Cash flows from financing activities				
Proceeds from/ (repayment of) borrowings		540	(5,877)	9,041
Interest paid on borrowings		(2,411)	(2,378)	(4,577)
Proceeds from issue of shares		3,155	-	-
Dividends paid		(5,342)	-	-
Proceeds from repayment of limited recourse loans		550	-	-
Net cash flow (used in) / received from financing activities		(3,508)	(8,255)	4,464
Net increase / (decrease) in cash and cash equivalents		797	(4,706)	(6,202)
Cash and cash equivalents at beginning of period		2,785	8,987	8,987
Cash and cash equivalents at end of period		3,582	4,281	2,785

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2013

1. Summary of accounting policies

Summerset Group Holdings Limited (the "Company") is a for-profit listed public company incorporated and domiciled in New Zealand, and registered under the Companies Act 1993. The Company is listed on both the New Zealand Stock Exchange ("NZX") and the Australian Securities Exchange ("ASX") with the NZX being the Company's primary exchange.

The financial statements presented for the six months ended 30 June 2013 are those of Summerset Group Holdings Limited and its subsidiaries ("the Group"). The Group develops, owns and operates integrated retirement villages, rest homes and hospitals for the elderly within New Zealand. The Group is an issuer for the purposes of the Financial Reporting Act 1993 and these financial statements comply with that Act.

The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and are in compliance with NZ IAS – 34: Interim Financial Reporting.

These interim financial statements have been prepared using the same accounting policies, and should be read in conjunction with, the Group's financial statements for the year ended 31 December 2012. The financial statements for the six months ended 30 June 2013 are unaudited. They are presented in New Zealand dollars (\$), which is the Group's functional currency.

2. Operating expenses

	AS AT JUN 2013 UNAUDITED \$'000	AS AT JUN 2012 UNAUDITED \$'000	AS AT DEC 2012 AUDITED \$'000
Employee expenses	7,727	7,617	15,593
Property related expenses	2,840	2,429	5,425
ASX initial listing expenses	519	-	-
Other operating expenses	6,158	5,661	11,343
Total operating expenses	17,244	15,707	32,361

ASX initial listing expenses include all one-off costs related to the initial listing of the Company on the ASX.

3. Investment property

	AS AT JUN 2013 UNAUDITED \$'000	AS AT JUN 2012 UNAUDITED \$'000	AS AT DEC 2012 AUDITED \$'000
Balance at beginning of period	644,506	557,140	557,140
Additions	51,618	26,851	72,238
Fair value movement			
Realised	9,589	7,585	15,937
Unrealised	532	(3,179)	(809)
Total investment property	706,245	588,397	644,506

3. Investment property (continued)

The fair value of investment property as at 30 June 2013 was determined by Michael Gunn, an independent registered valuer of the firm CBRE Limited (Jun 2012 and Dec 2012: fair value of the property determined by Michael Gunn of the firm CBRE Limited). Significant assumptions used by the valuer include a discount rate of between 14% and 16.5% (Jun 2012 and Dec 2012: between 14% and 16.5%) and a long term nominal house price inflation rate of between 0% and 3.5% (Jun 2012 and Dec 2012: 0% to 3.5%). Other assumptions used by the valuer include the average age of entry of residents and occupancy periods of units.

The Group has deemed it is unable to reliably determine the fair value of capital work in progress at 30 June 2013 and therefore it is carried at cost. This equates to \$35.2 million of investment property (Jun 2012: \$23.3 million, Dec 2012: \$24.5 million).

4. Residents' loans

	AS AT JUN 2013 UNAUDITED \$'000	AS AT JUN 2012 UNAUDITED \$'000	AS AT DEC 2012 AUDITED \$'000
Balance at beginning of period	368,978	301,533	301,533
less: amounts repaid on termination	(15,289)	(15,802)	(30,226)
add: amounts received on new licences issued	59,284	48,610	97,671
Total residents' loans	412,973	334,341	368,978
DMF receivable	(38,958)	(27,425)	(32,845)
Net residents' loans	374,015	306,916	336,133

5. Interest-bearing loans and borrowings

	AS AT JUN 2013 UNAUDITED \$'000	AS AT JUN 2012 UNAUDITED \$'000	AS AT DEC 2012 AUDITED \$'000
Repayable within 12 months			
Finance lease liabilities	64	91	46
Total interest bearing loans	64	91	46
Repayable after 12 months			
Secured bank loans	78,582	63,042	77,999
Finance lease liabilities	56	111	117
Total interest bearing loans	78,638	63,153	78,116
Total loans and borrowings	78,702	63,244	78,162

The weighted average interest rate for the six months to 30 June 2013 was 3.81% (Jun 2012: 4.41%, Dec 2012: 4.28%). This excludes the impact of interest rate swaps and other finance costs.

The bank loans have an expiry date of 27 January 2016 and are secured by a general security agreement over the assets of Summerset Holdings Limited (a subsidiary of the Company) subject to a first priority to the Statutory Supervisor over the village assets.

6. Dividends

On 20 March 2013 a dividend for the year ending 31 December 2012 of 2.5 cents per ordinary share was paid to shareholders (Jun 2012 and Dec 2012: nil).

7. Reconciliation of operating results and operating cash flows

	6 MONTHS JUN 2013 UNAUDITED \$'000	6 MONTHS JUN 2012 UNAUDITED \$'000	12 MONTHS DEC 2012 AUDITED \$'000
Net profit	10,772	3,938	14,821
Adjustments for:			
Depreciation and amortisation expense	886	690	1,577
Fair value adjustment of investment property	(10,121)	(4,406)	(15,128)
Net finance costs	2,595	2,504	4,896
Deferred tax	(225)	(230)	(407)
Deferred management fee amortisation	(6,591)	(4,758)	(10,612)
Employee share plan option cost	32	103	206
	(13,424)	(6,097)	(19,468)
Movements in working capital			
(Increase) in trade and other receivables	(1,107)	(2,575)	1,415
Increase in employee entitlements	742	126	(63)
Increase / (decrease) in trade and other payables	895	(112)	54
Increase in residents loans net of non-cash amortisation	45,497	33,521	69,495
	46,027	30,960	70,901
Net cash flows from operating activities	43,375	28,801	66,254

8. Subsequent events

Summerset Group Holdings Limited was admitted to the Official List of the ASX on 17 July 2013.

There have been no other events subsequent to 30 June 2013 which materially impact on the results reported (Jun 2012 and Dec 2012: nil).



Chartered Accountants

Review Report to the Shareholders of Summerset Group Holdings Limited

We have reviewed the interim financial statements of Summerset Group Holdings Limited (the "company") and its subsidiaries (together the "group") on pages 17 to 24. The interim financial statements provide information about the past financial performance of the company and group and their financial position as at 30 June 2013. This information is stated in accordance with the accounting policies set out in the company's annual financial statements dated 25 February 2013.

This report is made solely to the company's shareholders, as a body, in accordance with our engagement letter. Our review has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our review work, for this report, or for our findings.

Directors' Responsibilities

The directors are responsible for the preparation of interim financial statements which comply with generally accepted accounting practice in New Zealand as it relates to interim financial statements and which present fairly the financial position of the company and group as at 30 June 2013 and the results of their operations and cash flows for the six month period ended on that date.

Reviewer's Responsibilities

We are responsible for reviewing the interim financial statements presented by the directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the interim financial statements do not present fairly the matters to which they relate.

Basis of Statement

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

We have reviewed the interim financial statements of the company and group for the six months ended 30 June 2013 in accordance with the Review Engagement Standards issued by the External Reporting Board. These standards require that we plan and perform the review to obtain moderate assurance as to whether the statements are free of material misstatement whether caused by fraud or error. We also evaluated the overall adequacy of the presentation of information in the interim financial statements.

Other than in our capacity as auditor we have no relationship with, or interest in, the company or any of its subsidiaries.

Statement of Review Findings

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements, set out on pages 17 to 24, do not fairly present the financial position of the company and group as at 30 June 2013 and their financial performance and cash flows for the six month period ended on that date in accordance with generally accepted accounting practice in New Zealand as it relates to interim financial statements.

Our review was completed on 13 August 2013 and our findings are expressed as at that date.

Wellington

DIRECTORY

OUR VILLAGES

SUMMERSET AT AOTEA (AOTEA)

15 Aotea Drive, Aotea, Porirua 5024
Ph: (04) 235 0011

SUMMERSET AT BISHOPSCOURT (DUNEDIN)

36 Shetland Street, Wakari, Dunedin 9010
Phone: (03) 950 3110

SUMMERSET DOWN THE LANE (HAMILTON)

206 Dixon Road, RD 2, Hamilton 3282
Phone: (07) 843 2578

SUMMERSET IN THE ORCHARD (HASTINGS)

1228 Ada Street, Parkvale, Hastings 4122
Phone: (06) 974 1311

SUMMERSET IN THE VINES (HAVELOCK NORTH)

249 Te Mata Road, Havelock North 4130
Phone: (06) 877 1185

SUMMERSET BY THE SEA (KATIKATI)

181 Park Road, Katikati 3129
Phone: (07) 985 6890

SUMMERSET BY THE RANGES (LEVIN)

102 Liverpool Street, Levin 5510
Phone: (06) 367 0337

SUMMERSET BY THE PARK (MANUKAU)

7 Flat Bush School Road, Flat Bush, Manukau 2016
Phone: (09) 272 3950

SUMMERSET IN THE BAY (NAPIER)

79 Merlot Drive, Greenmeadows, Napier 4112
Phone: (06) 845 2840

SUMMERSET IN THE SUN (NELSON)

16 Sargeson Street, Stoke, Nelson 7011
Phone: (03) 538 0000

SUMMERSET ON SUMMERHILL (PALMERSTON NORTH)

180 Ruapehu Drive, Fitzherbert,
Palmerston North 4410
Phone: (06) 354 4964

SUMMERSET ON THE COAST (PARAPARAUMU)

104 Realm Drive, Paraparaumu Beach 5032
Phone: (04) 298 3540

SUMMERSET BY THE LAKE (TAUPO)

2 Wharewaka Road, Wharewaka, Taupo 3330
Phone: (07) 376 9470

SUMMERSET AT THE COURSE (TRENTHAM)

20 Racecourse Road, Trentham, Upper Hutt 5018
Phone: (04) 527 2980

SUMMERSET IN THE RIVER CITY (WANGANUI)

40 Burton Avenue, Wanganui East, Wanganui 4500
Phone: (06) 343 3133

SUMMERSET FALLS (WARKWORTH)

31 Mansel Drive, Warkworth 0910
Phone: (09) 425 1201

WELLINGTON OFFICE / REGISTERED OFFICE

Level 12, State Insurance Tower,
1 Willis Street,
Wellington 6145
PO Box 5187, Lambton Quay, Wellington 6145
Phone: (04) 894 7320
Email: reception@summerset.co.nz
Website: www.summerset.co.nz

AUDITOR

Ernst & Young

BANKERS

ANZ National Bank Limited
Bank of New Zealand Limited

STATUTORY SUPERVISOR

Public Trust

SHARE REGISTRAR

Link Market Services,
PO Box 91976, Auckland 1142
Phone: (09) 375 5998 Fax: (09) 375 5990
Email: enquiries@linkmarketservices.com

DIRECTORS

Rob Campbell
Norah Barlow
Marcus Darville
Chris Hadley
James Ogden
Dr Marie Bismark

CFO & COMPANY SECRETARY

Julian Cook



— THREE PROMISES —
SUMMERSET
SURE
— FOR YOUR FUTURE —

THE RIGHT HOME

Choose a home that is ideal for your stage of life.

THE RIGHT CARE

At the right time, in the place that is right for you.

LOVE IT – OR YOUR MONEY BACK*

90 days to be sure your new home is right
– or your money back.



* Terms and conditions apply

www.summerset.co.nz

Summerset

Welcome home