

A photograph of an elderly couple sitting together in a living room. The woman on the left has short grey hair, wears glasses, a gold necklace, and a patterned top. The man on the right has white hair and is wearing a checkered shirt. They are both smiling warmly at the camera. The background is a softly lit room with a plant and a wooden sculpture visible.

HALF YEAR RESULTS PRESENTATION

SIX MONTHS ENDED 30 JUNE 2016

SUMMERSET GROUP HOLDINGS LIMITED

15 August 2016 2





AGENDA

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A photograph of two elderly women smiling. The woman on the left has short white hair and is wearing a dark blue top. The woman on the right has short white hair, wears glasses, and a colorful beaded necklace. They are sitting in front of a floral patterned chair. A dark blue semi-transparent banner is overlaid on the bottom half of the image.

1H16 RESULT HIGHLIGHTS





1H16 RESULT HIGHLIGHTS

RECORD RETIREMENT UNIT DELIVERY AND UNDERLYING PROFIT

		1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual*	FY15 Actual
Operational	New sales of occupation rights	183	160	14.4%	333
	Resales of occupation rights	123	110	11.8%	245
	Total sales	306	270	13.3%	578
	New retirement units delivered	190	141	34.8%	303
Financial (NZ\$m)	Net operating cash flow	84.4	63.6	32.6%	140.3
	Total assets	1,521	1,161	31.1%	1,364
	Underlying profit**	24.7	17.1	44.1%	37.8
	Net profit before tax (IFRS)	51.0	34.7	47.1%	82.8
	Net profit after tax (IFRS)	50.6	35.7	41.6%	84.2

* Percentage movements based on unrounded amounts

** Underlying profit differs from net profit after tax (IFRS). Underlying profit is unaudited. Refer to slide 23 for the definition of underlying profit



1H16 RESULT HIGHLIGHTS

RECORD RETIREMENT UNIT DELIVERY AND UNDERLYING PROFIT

- 1H16 underlying profit of \$24.7m, up 44% on 1H15
- 1H16 net profit after tax (NZ IFRS) of \$50.6m, up 42% on 1H15
- New sales 14% higher than 1H15 – highest level of sales in a six month period
- Resales 12% higher than 1H15 – second highest level of sales in a six month period
- Development margin of 20.3%, up from 18.4% in 1H15
- Interim dividend of 2.6 cents per share declared, amounting to \$5.7m
- Operating cash flow up 33% on 1H15
- Total assets of \$1.5b, up 31% on 1H15

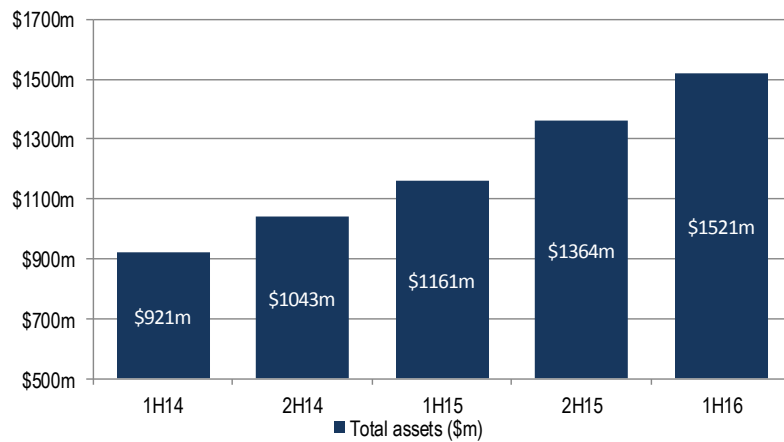




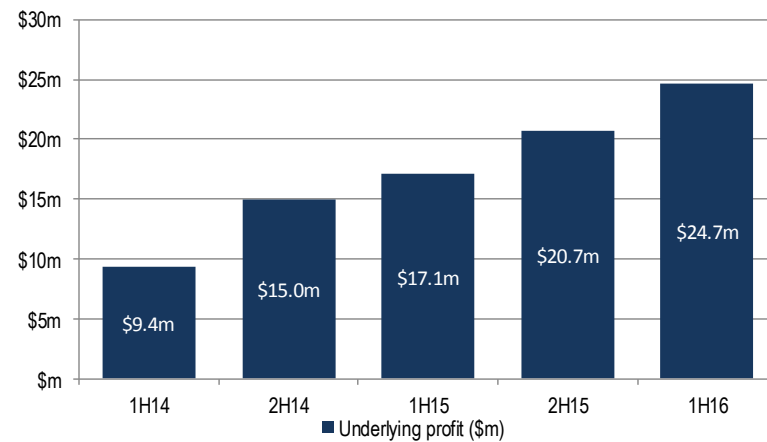
1H16 RESULT HIGHLIGHTS

STRONG TRENDS CONTINUE ACROSS THE BUSINESS

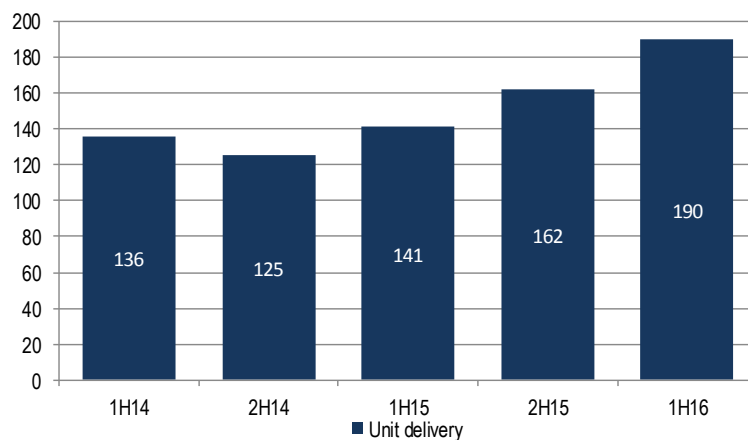
TOTAL ASSETS



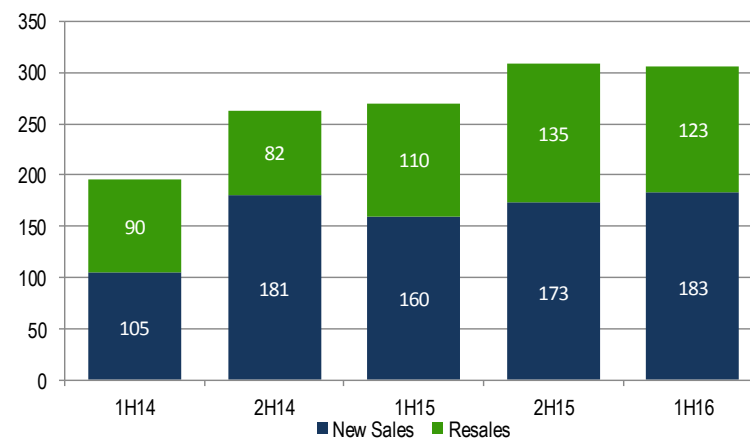
UNDERLYING PROFIT



RETIREMENT UNIT DELIVERY



SALE OF OCCUPATION RIGHTS



BUSINESS OVERVIEW





1H16 REVIEW

RECORD UNDERLYING PROFIT OF \$24.7M IN 1H16

- Delivered 190 retirement units in 1H16, a record for Summerset, and 35% more than 1H15
- On track for delivery of 400 retirement units in FY16
- New village centre opened in Hobsonville
- Serviced apartment buildings opened in Nelson and Warkworth
- Completed our village in Nelson
- Ellerslie village on track to be opened later this year
- Announced land acquisitions in Rototuna (Hamilton) and Richmond (Nelson)
- Strong sales across New Zealand with a total of 306 retirement units sold, up 13% on 1H15

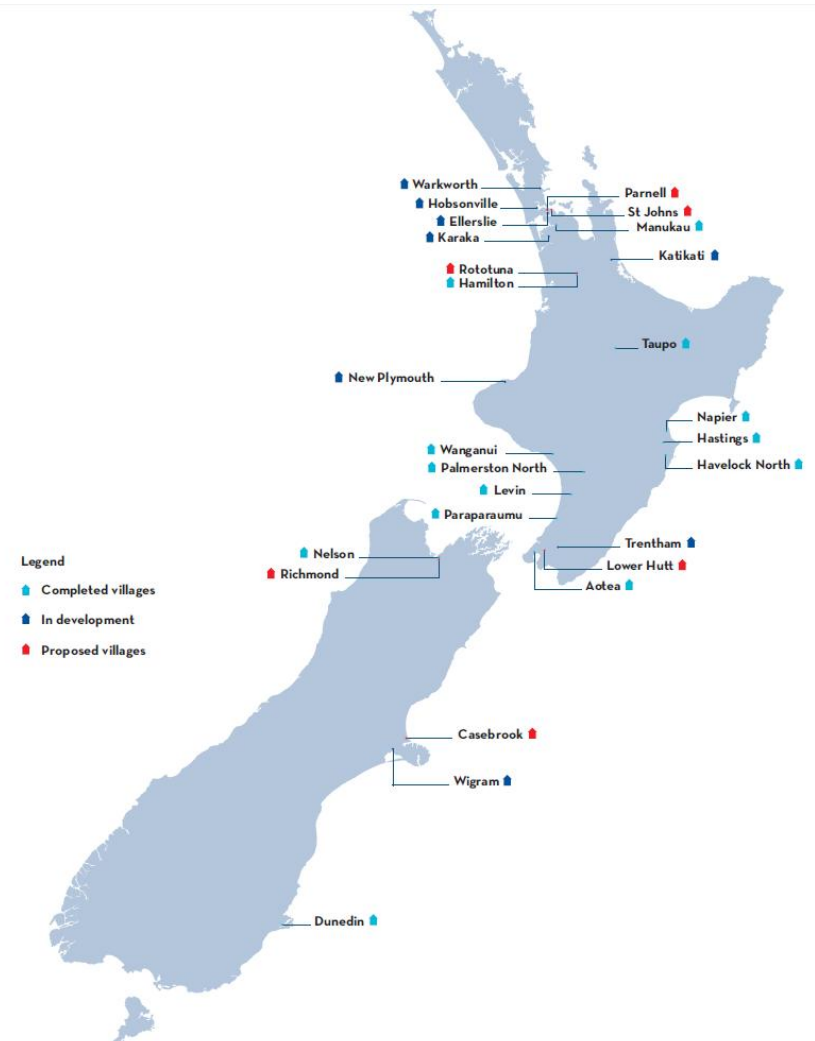




SUMMERSET SNAPSHOT

FASTEST GROWING RETIREMENT VILLAGE PROVIDER IN NEW ZEALAND

- 2,609 retirement units (villas, apartments and serviced apartments)
- 621 care beds
- More than 3,800 residents
- 190 retirement units delivered in 1H16
- 19 years of consistent delivery and growth
- 21 villages completed or in development
- 6 greenfield sites at Casebrook, Lower Hutt, Parnell, Richmond, Rototuna, and St Johns not yet started
- Land bank of just over 2,800 retirement units will enable Summerset to more than double in size
- Four-time winner of Retirement Village of the Year
- Silver Award winner in the Reader's Digest Quality Service Awards 2016
- Received a Highly Commended in the Reader's Digest Trusted Brands Survey in 2015 and 2016





SUMMERSET STRATEGY

SUMMERSET BUILDS, OWNS AND OPERATES RETIREMENT VILLAGES IN NZ

- Focus on continuum of care model
- Opening our first dementia facility later this year in Levin
- High quality care and facilities within every village
- Village designed to integrate into local communities
- Internal development model
- Nationwide brand offering
- Customer centric philosophy – “we love the life you bring to us”
- New Zealand focus
- On track to deliver 400 retirement units in 2016 to meet strong demand





OPERATIONS AND STAFF

FOCUS ON CLINICAL QUALITY AND STAFF TRAINING

- Continued Careerforce training programme participation, and qualification attainment
- 92% industry leading care customer satisfaction rating and 95% village customer satisfaction rating
- Excellent certification audit results continue with ten care centres achieving three years, and four care centres awarded the maximum four years certification
- New customer management system selected with new clinical care practice functionality
- Exercise programme, *Use it or Lose it*, introduced into our villages





OPERATIONS AND STAFF

FOCUS ON CLINICAL QUALITY AND STAFF TRAINING

- Launched an all staff share scheme with over 80% of our employees signing up
- Recently announced that we will shout the weekly happy hour across all our villages
- Continue to invest in our older villages with the extension of recreation areas at Levin, Wanganui and Hastings villages underway and a new village centre at Trentham currently under construction
- Opening our first dementia facility later this year in Levin and will incorporate dementia into the design of new villages
- We have renamed our care apartments to serviced apartments to better reflect the product offering and have aligned our Deferred Management Fee rates across the portfolio

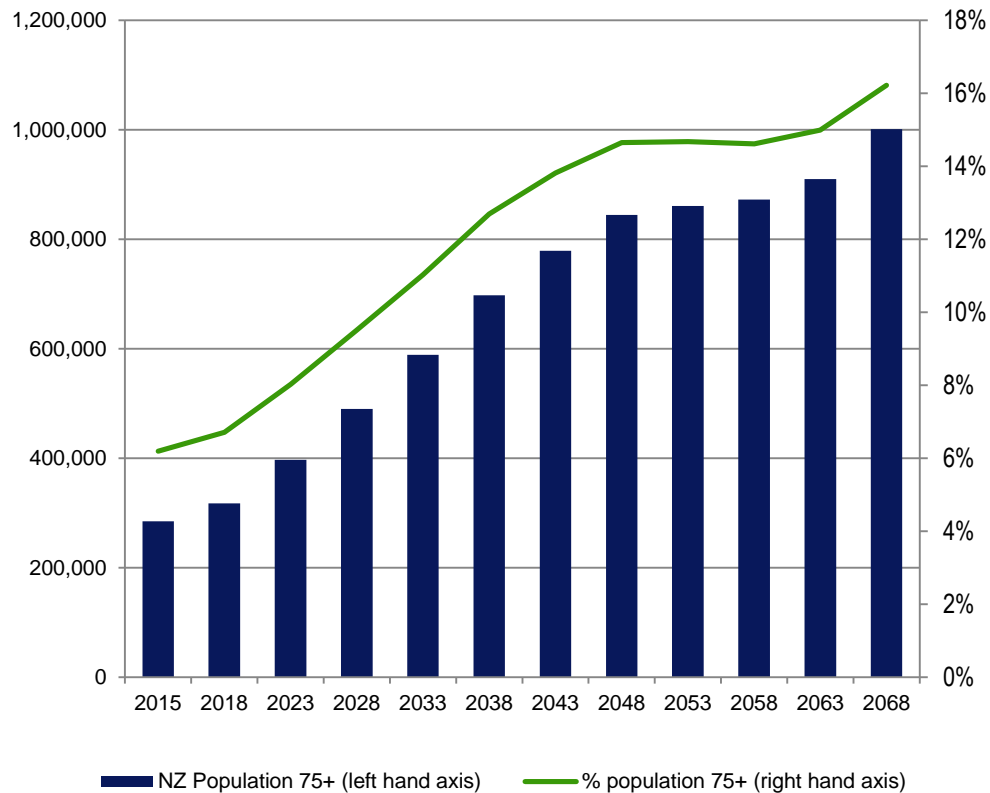




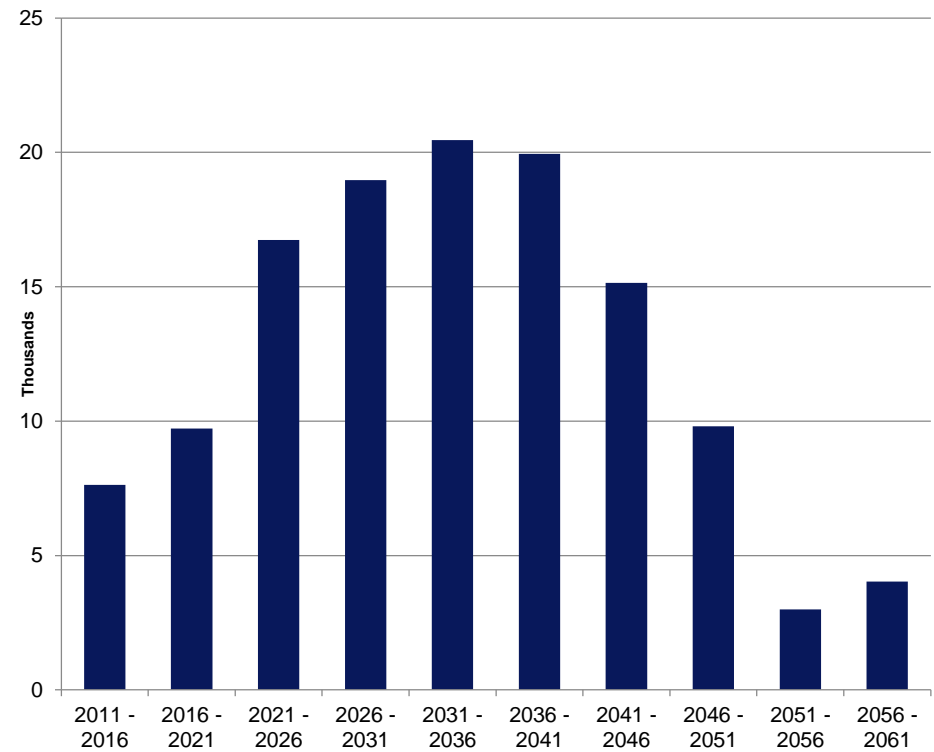
DEMOGRAPHICS

POPULATION OVER 75 YEARS FORECAST TO GROW 230% FROM 2015 TO 2065

POPULATION GROWTH 75 YEARS AND OVER



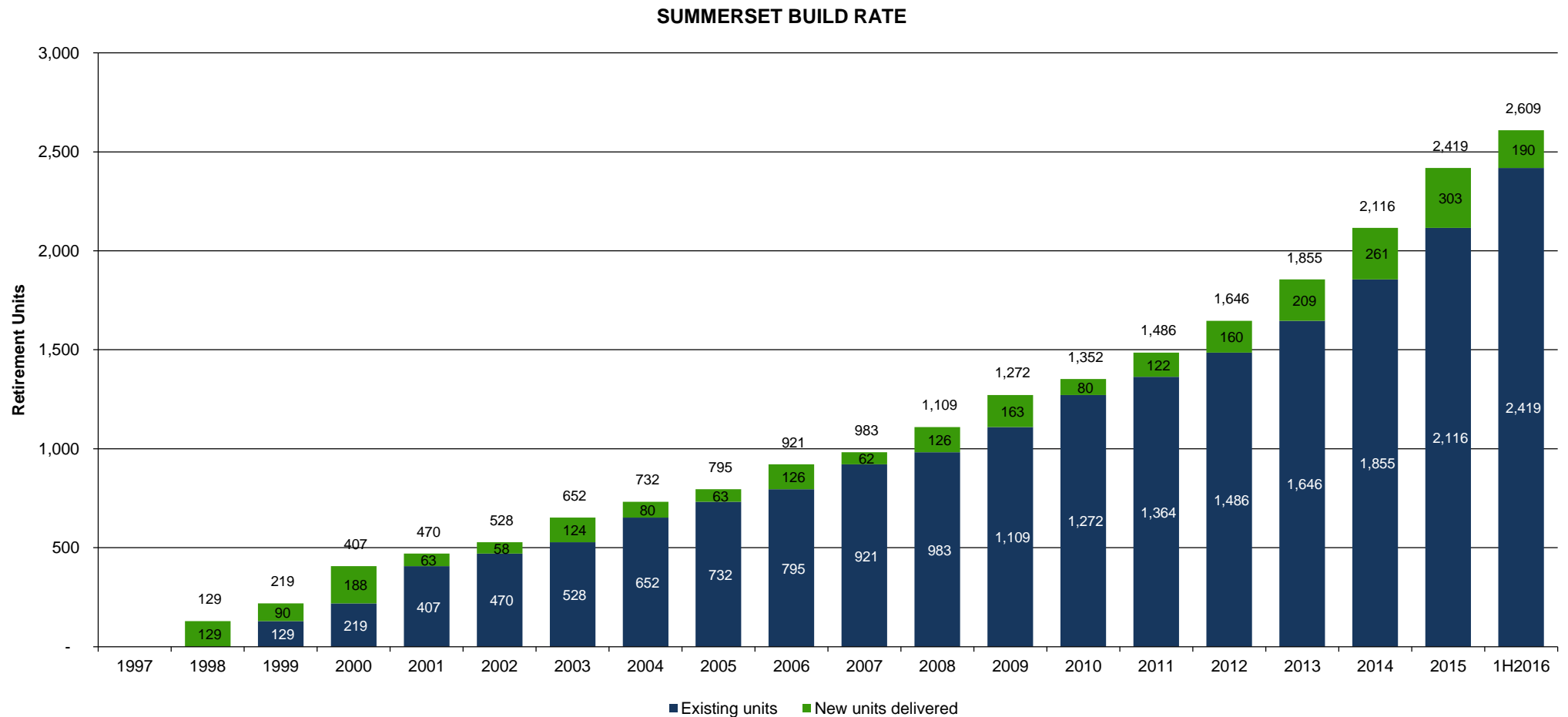
PER ANNUM POPULATION GROWTH 75 YEARS AND OVER





SUMMERSET GROWTH

19 YEARS OF CONSISTENT DELIVERY AND GROWTH





1H16 DEVELOPMENT ACTIVITY

DELIVERY OF 190 RETIREMENT UNITS IN 1H16 ACROSS NINE SITES

Unit Delivery 1H16	Villas	Apartments	Serviced Apartments	Total	Care Beds
Hamilton	18	0	0	18	0
Hobsonville	16	13	0	29	0
Karaka	9	0	0	9	0
Katikati	14	0	0	14	0
Nelson	12	0	30	42	0
New Plymouth	12	0	0	12	0
Trentham	16	0	0	16	0
Warkworth	0	0	36	36	0
Wigram	14	0	0	14	0
Total	111	13	66	190	0

- 190 retirement units delivered across nine villages
- 39% of build within Auckland, 61% across the rest of the country
- Completed our village in Nelson
- Opened the village centre in Hobsonville and delivered serviced apartment buildings in Nelson and Warkworth
- Villages with main buildings currently under development include Ellerslie, Hobsonville, Karaka, Katikati, New Plymouth and Wigram
- We expect to build over 10 sites in 2016 with the first of the Ellerslie units being delivered in 2H16



1H16 DEVELOPMENT ACTIVITY

DELIVERY OF 190 RETIREMENT UNITS IN 1H16 ACROSS NINE SITES

Hamilton



Hobsonville



Karaka



Katikati



Nelson



New Plymouth





1H16 DEVELOPMENT ACTIVITY

DELIVERY OF 190 RETIREMENT UNITS IN 1H16 ACROSS NINE SITES

Trentham



Warkworth



Wigram



Ellerslie



Ellerslie



New Plymouth





FUTURE DEVELOPMENT

LAND BANK OF 2,818 RETIREMENT UNITS AND 485 CARE BEDS

	Land Bank - as at 30 June 2016*				
	Villas	Apartments	Serviced Apartments	Total Retirement Units	Care Beds
Casebrook	182	0	83	265	40
Ellerslie	42	221	57	320	58
Hamilton	35	0	30	65	0
Hobsonville	30	60	50	140	52
Karaka	107	0	49	156	19
Katikati	95	0	10	105	20
Levin	0	0	10	10	10
Lower Hutt	42	96	43	181	49
Nelson	0	0	0	0	0
New Plymouth	50	0	32	82	24
Parnell	3	261	76	340	48
Richmond	220	0	60	280	38
Rototuna	191	0	80	271	40
St Johns	0	220	70	290	38
Trentham	51	0	20	71	0
Warkworth	79	0	0	79	0
Wigram	110	0	53	163	49
Grand Total	1,237	858	723	2,818	485

- Land bank of 2,818 retirement units spread across brownfield and greenfield sites

* Land bank reflects current intentions as at 30 June 2016

- On track to deliver 400 retirement units in 2016
- Land bank provides around seven years of supply at current build rate

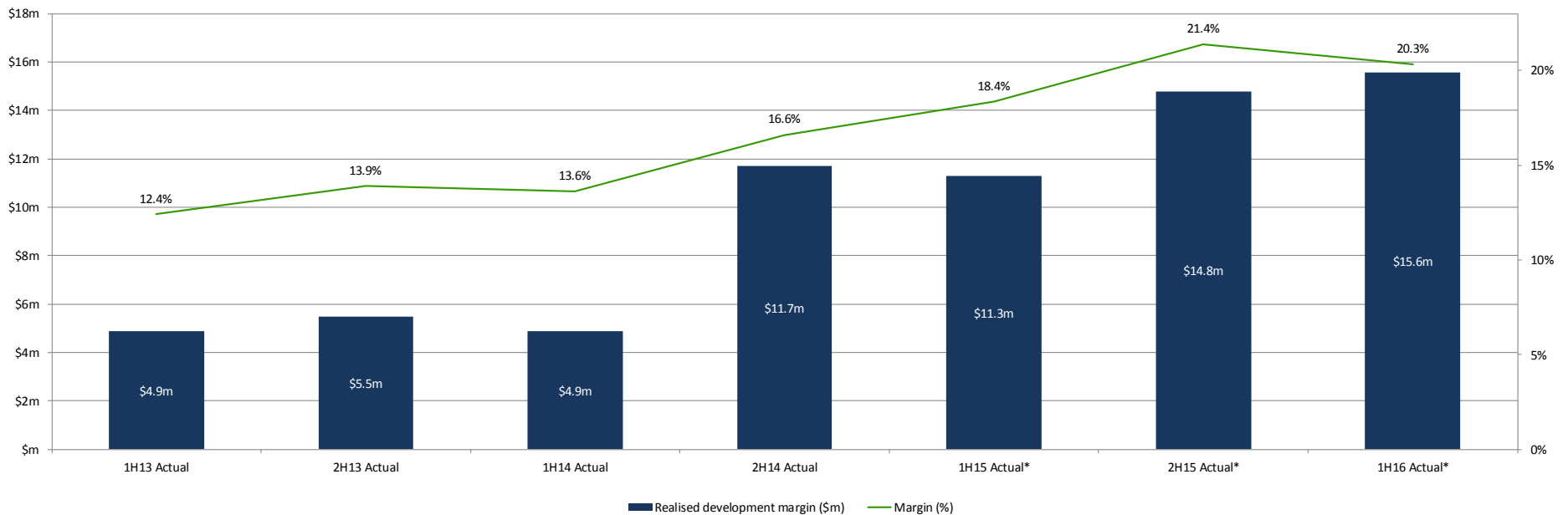


DEVELOPMENT MARGIN

REALISED DEVELOPMENT MARGIN OF \$15.6M

- Realised development margin of \$15.6m, up 38% from \$11.3m in 1H15
- Development margin of 20.3% in 1H16, this is up from 18.4% in 1H15
- Development margin has consolidated with 1H16 being the second period we have achieved a development margin of over 20%

REALISED DEVELOPMENT MARGIN - HALF ON HALF MARGINS



* Development margin is post movement in impairments



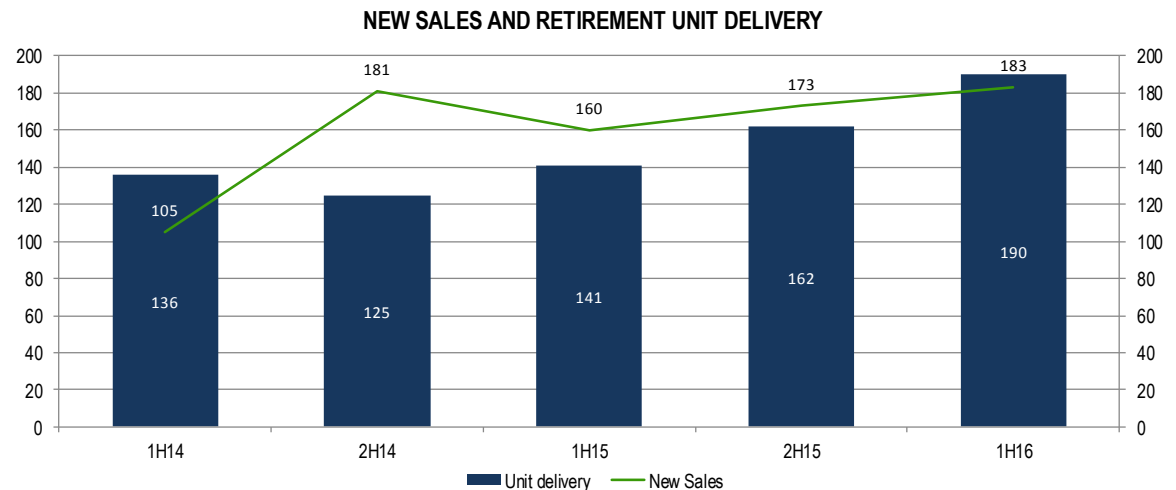
NEW SALES OF OCCUPATION RIGHTS

NEW SALES GROSS PROCEEDS UP 24% ON 1H15 TO \$77M

- 1H16 lift in sales associated with continued build programme with an additional 49 retirement units delivered compared to 1H15
- Strong new sales volumes in Trentham and Hamilton
- New sale gross proceeds of \$76.6m in 1H16, a \$14.8m increase in proceeds relative to 1H15
- New sales of occupation rights up versus 1H15:
 - Villas: 147, up 13% on 1H15
 - Apartments: 7, up 133% on 1H15
 - Serviced apartments: 29, up 7% on 1H15
- Strong interest in our Ellerslie village – presale numbers best of any Auckland village launch in company history so far
- Settlements in our Ellerslie village are due to commence in 2H16

New Sales	1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual *	FY15 Actual
Gross proceeds (\$m)	76.6	61.8	23.9%	131.0
Villas	147	130	13.1%	279
Apartments	7	3	133.3%	5
Serviced apartments	29	27	7.4%	49
Total occupation rights	183	160	14.4%	333

* Percentage movements based on unrounded amounts





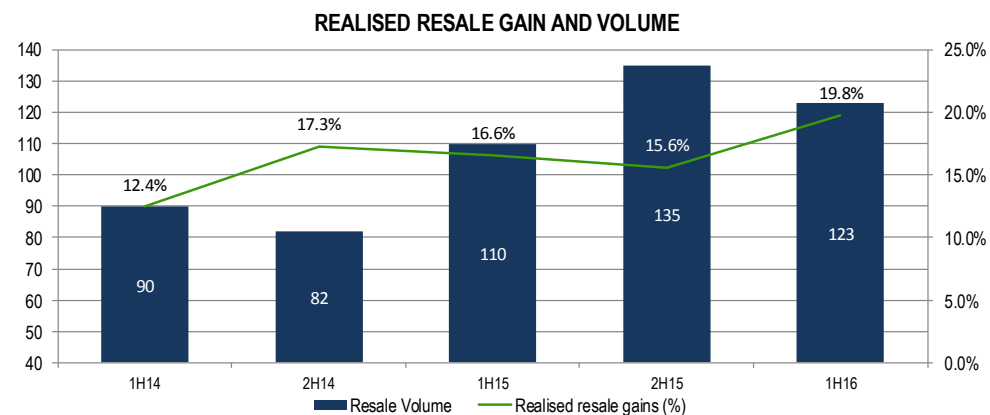
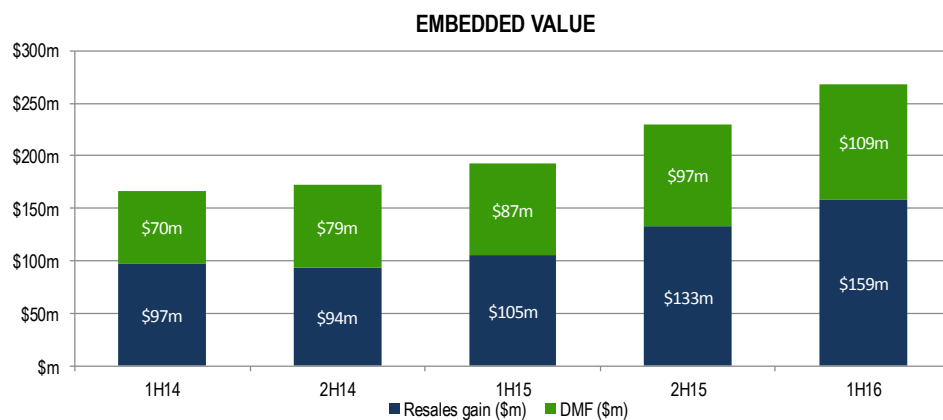
RESALES OF OCCUPATION RIGHTS

RESALES OF 123 OCCUPATION RIGHTS IN 1H16, UP 12% ON 1H15

- Gross proceeds of \$41.7m, up 24% on 1H15
- Realised resale gains up to 19.8% driven by a strong underlying property market and the continued sophistication of sales pricing
- Increase in turnover is driven by continued build, maturity of developing villages, and new villages beginning to turnover
- Only 27 resale occupation rights available for sale, as at 30 June 2016
- Embedded value up to \$103k per retirement unit, as at 30 June 2016

Resales	1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual *	FY15 Actual
Gross proceeds (\$m)	41.7	33.5	24.4%	77.0
Realised resale gains (\$m)	8.3	5.6	48.4%	12.3
Realised resale gains (%) *	19.8%	16.6%	19.3%	16.0%
DMF realisation (\$m)	5.3	4.2	26.1%	9.4
Villas	75	60	25.0%	139
Apartments	20	31	-35.5%	63
Serviced apartments	28	19	47.4%	43
Total occupation rights	123	110	11.8%	245

* Percentage movements based on unrounded amounts





FINANCIAL RESULTS





1H16 REPORTED PROFIT (IFRS)

NET PROFIT AFTER TAX UP 44% VERSUS 1H15

- NPAT up \$14.9m relative to 1H15
- 1H16 total revenue up 23% versus 1H15
- 1H16 total expenses up 21% versus 1H15
- 1H16 expenses include higher operating costs associated with new villages and opening of care facilities since 1H15
 - Opened our village in Wigram
 - Opened new care facilities in Karaka, Katikati and New Plymouth
 - Opened new serviced apartment buildings in Karaka, Katikati, New Plymouth, Nelson and Warkworth
- Fair value movement of \$50.2m for 1H15 driven by strong development margin on units both delivered and settled during the period, as well as unit price inflation across our sites

NZ\$m	1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual *	FY15 Actual
Total revenue	40.0	32.6	22.8%	68.8
Fair value movement of investment property	50.2	34.5	45.6%	83.5
Total income	90.2	67.1	34.5%	152.2
Total expenses	34.8	28.7	21.3%	61.1
Net finance costs	4.4	3.7	18.3%	8.4
Net profit before tax	51.0	34.7	47.1%	82.8
Tax (credit) / expense	0.4	(1.0)	-140.6%	(1.5)
Net profit after tax	50.6	35.7	41.6%	84.2

* Percentage movements based on unrounded amounts



1H16 UNDERLYING PROFIT

UNDERLYING PROFIT UP 44% ON 1H15

- Record half year underlying profit of \$24.7m, up 44% on 1H15
- Realised development margin of \$15.6m achieved in 1H16, a record half year result, driven mainly by increased volume
- Realised gain on resales of \$8.3m achieved in 1H16, a record half year result, driven mainly by strong sales price growth
- Underlying profit has seen an annual compounded increase of 44% since we listed in 2011

NZ\$m	1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual *	FY15 Actual
Reported profit after tax	50.6	35.7	41.6%	84.2
Less fair value movement of investment property	(50.2)	(34.5)	45.6%	(83.5)
Add realised gain on resales	8.3	5.6	48.4%	12.3
Add realised development margin	15.6	11.3	37.3%	26.1
Less/add deferred tax credit/expense	0.4	(1.0)	-140.6%	(1.5)
Underlying profit	24.7	17.1	44.1%	37.8

* Percentage movements based on unrounded amounts



1H16 CASH FLOWS

CONTINUED INVESTMENT IN NEW VILLAGE BUILDS

- Net operating cash flow of \$84.4m for 1H16, up 33% on 1H15
- Positive cash flow increases in both care and village revenue, and receipts associated with sales
- Net investing cash flow of \$86.7m, up 32% on 1H15, with continued investment in new village builds

NZ\$m	1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual *	FY15 Actual
Care fees and village services	26.4	21.7	21.8%	46.4
Interest received	0.1	0.2	-31.8%	0.5
Payments to suppliers and employees	(31.5)	(26.2)	20.2%	(57.0)
Net receipts for resident loans	89.4	68.0	31.5%	150.3
Net operating cash flow	84.4	63.6	32.6%	140.3
Acquisition of PPE & IP	(84.7)	(65.0)	30.2%	(220.7)
Other investing cash flows	(2.0)	(0.8)	164.0%	(2.1)
Net investing cash flow	(86.7)	(65.8)	31.8%	(222.8)
Proceeds from bank loans	14.5	10.1	44.2%	97.4
Dividends paid	(7.4)	(4.5)	62.7%	(8.6)
Proceeds from issue of shares	2.4	1.5	62.1%	3.0
Other financing cash flows	(4.5)	(3.3)	38.0%	(7.6)
Net financing cash flows	5.0	3.7	33.9%	84.3
Net increase in cash	2.7	1.6	70.0%	1.8

* Percentage movements based on unrounded amounts



1H16 BALANCE SHEET

TOTAL ASSETS OF \$1.5B, UP 31% FROM \$1.2B IN 1H15

- Total assets of \$1.5b, up 31% on 1H15
- Investment property valuation of \$1.4b, up 33% on 1H15
- Other assets include land and buildings (primarily care facilities)
- Embedded value of \$267.6m, \$103k per retirement unit, as at 30 June 2016:
 - \$158.7m resales gain
 - \$109.0 deferred management fee

NZ\$m	1H16 Actual	1H15 Actual	1H16 Actual vs. 1H15 Actual *	FY15 Actual
Investment property	1,416.2	1,066.9	32.7%	1,261.2
Other assets	105.2	94.4	11.4%	102.4
Total assets	1,521.4	1,161.3	31.0%	1,363.5
Residents' loans	711.4	570.1	24.8%	637.2
Bank loans	262.7	160.9	63.3%	248.2
Other liabilities	98.5	66.6	47.8%	68.3
Total liabilities	1,072.6	797.6	34.5%	953.8
Net assets	448.7	363.7	23.4%	409.8
Embedded value	267.6	192.6	38.9%	229.7
NTA (cents per share)	206.1	167.5	23.0%	188.5

* Percentage movements based on unrounded amounts



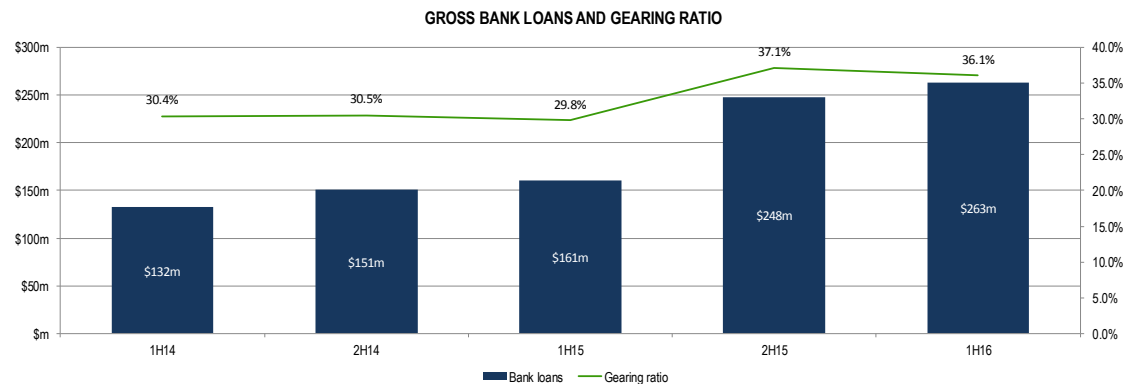
GEARING RATIO

GROSS DEBT OF \$263M AND GEARING RATIO OF 36.1%

- Gross debt of \$262.7m as at 30 June 2016, up \$14.5m from 31 December 2015
- Uplift of \$14.5m in gross debt driven primarily by large builds in Ellerslie and Wigram, and settlement of land in Warkworth
- Bank facility was increased from \$255m to \$450m in 2015 to support our increased build rate of 400 retirement units in 2016 and beyond and to provide additional financial flexibility
- Gearing ratio of 36.1% up from 29.8% as at 30 June 2015 but down from 37.1% as at 31 December 2015. This is in line with expectations and remains at a prudent level
- Gross debt does not include land purchases in Rototuna and Richmond

NZ\$m	1H16 Actual	FY15 Actual	1H16 Actual vs. FY15 Actual *
Bank loans	262.7	248.2	5.9%
Cash and cash equivalents	9.4	6.7	40.6%
Net debt	253.3	241.5	4.9%
Net assets	448.7	409.8	9.5%
Gearing ratio (%)	36.1%	37.1%	-2.7%

* Percentage movements based on unrounded amounts





4 YEAR METRICS SUMMARY

UNDERLYING PROFIT UP \$7.5M OR 44% ON 1H15

		5 Year CAGR*	1H16	2H15	1H15	2H14	1H14	2H13	1H13
Operational	New sales of occupation rights	28%	183	173	160	181	105	112	116
	Resales of occupation rights	15%	123	135	110	82	90	101	73
	Total sales	22%	306	308	270	263	195	213	189
	New units delivered	26%	190	162	141	125	136	107	102
	Retirement units in portfolio	14%	2609	2419	2257	2116	1991	1855	1748
	Care beds in portfolio	14%	621	616	523	485	483	442	370
Financial (NZ\$m)	Total revenue (\$m)	19%	40.0	36.2	32.6	29.1	25.2	24.1	21.2
	Net profit after tax (\$m)	88%	50.6	48.5	35.7	38.9	15.3	23.5	10.8
	Underlying profit (\$m)	44%	24.7	20.7	17.1	15.0	9.4	12.1	10.0
	Net operating cash flow (\$m)	31%	84.4	76.7	63.6	73.9	36.5	45.2	43.4
	Total assets (\$m)	20%	1,521.4	1,363.5	1,161.3	1,043.2	921.3	844.9	764.2
	Total equity (\$m)	14%	448.7	409.8	363.7	332.3	292.9	281.9	257.6
	Interest bearing loans and borrowings (\$m)	31%	262.7	248.2	160.9	150.8	132.4	105.3	78.7
	Cash and cash equivalents (\$m)	1%	9.4	6.7	6.5	4.9	4.6	3.0	3.6
	Gearing ratio (Net D/ Net D+E)	12%	36.1%	37.1%	29.8%	30.5%	30.4%	26.6%	22.6%
	EPS (cents) (IFRS profit)	81%	23.30	22.41	16.53	18.05	7.11	10.95	5.04
	NTA (cents)	14%	206.1	188.52	167.53	153.33	135.45	131.24	119.92
	Development margin (%)	27%	20.3%	21.4%	18.4%	16.6%	13.6%	13.9%	12.4%

* Compounded annual growth rate. Annualised 1H16 result compared to FY11

INTERIM DIVIDEND





1H16 INTERIM DIVIDEND

SUMMERSET BOARD DECLARES 1H16 INTERIM DIVIDEND

- The Summerset Board have declared a interim dividend of 2.6 cents per share, unimputed. This compares to a 2015 interim dividend of 1.85 cents per share
- This represents a pay-out for the first half of 2016 of approximately \$5.7m, up 41% on 1H15
- The dividend reinvestment plan (DRP) will apply to this dividend enabling shareholders to take shares in lieu of the cash dividend
- A discount of 2% will be applied when determining the price per share of shares issued under the DRP
- Eligible investors wishing to take up the DRP must register by 5pm NZT on Tuesday the 30th of August 2016. Any applications received on or after this time will be applied to subsequent dividends
- The interim dividend will be paid on Friday the 9th of September 2016. The record date for final determination of entitlements to the interim dividend is Monday the 29th of August 2016
- The dividend policy remains 30% to 50% of underlying profit for the full year period. As previously indicated, dividend payments are likely to continue to be at the bottom end of this range given the growth opportunities present for the business at this time



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.

APPENDIX





PORTFOLIO AS AT 30 JUNE 2016

2,609 RETIREMENT UNITS AND 621 CARE BEDS

Village	Existing Portfolio – as at 30 June 2016				
	Villas	Apartments	Serviced Apartments	Total Retirement Units	Care Beds
Aotea	96	33	38	167	0
Dunedin	61	20	20	101	41
Hamilton	148	0	20	168	49
Hastings	146	5	0	151	0
Havelock North	94	28	0	122	43
Hobsonville	95	13	0	108	0
Karaka	75	0	10	85	31
Katikati	61	0	10	71	30
Levin	64	22	0	86	31
Manukau	89	67	27	183	54
Napier	94	26	20	140	48
Nelson	214	0	55	269	59
New Plymouth	58	0	8	66	28
Palmerston North	90	12	0	102	44
Paraparaumu	92	22	0	114	44
Taupo	94	34	18	146	0
Trentham	180	12	20	212	41
Wanganui	70	18	12	100	37
Warkworth	123	2	44	169	41
Wigram	49	0	0	49	0
Total	1,993	314	302	2,609	621



LAND BANK AS AT 30 JUNE 2016

LAND BANK OF 2,818 RETIREMENT UNITS AND 485 CARE BEDS

	Land Bank - as at 30 June 2016*				
	Villas	Apartments	Serviced Apartments	Total Retirement Units	Care Beds
Casebrook	182	0	83	265	40
Ellerslie	42	221	57	320	58
Hamilton	35	0	30	65	0
Hobsonville	30	60	50	140	52
Karaka	107	0	49	156	19
Katikati	95	0	10	105	20
Levin	0	0	10	10	10
Lower Hutt	42	96	43	181	49
New Plymouth	50	0	32	82	24
Parnell	3	261	76	340	48
Richmond	220	0	60	280	38
Rototuna	191	0	80	271	40
St Johns	0	220	70	290	38
Trentham	51	0	20	71	0
Warkworth	79	0	0	79	0
Wigram	110	0	53	163	49
Total	1,237	858	723	2,818	485

* Land bank reflects current intentions as at 30 June 2016