ACQUISITION AND CAPITAL RAISING

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ArvidaGroup

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NZX

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TRANSACTION OVERVIEW

Agreement to acquire three retirement villages for $106 million[1]

- Agreement to purchase Mary Doyle Lifecare, Strathallan Lifecare and 50% of Village at the Park Lifecare, subject to customary approvals
- Funding to include $77m underwritten rights offer and issue of $16m of Arvida scrip to Vendors

Transaction builds upon existing portfolio and strategy

- Quality villages located in Havelock North, Wellington and Timaru
- Complementary to Arvida's existing portfolio with high needs-based component
- Demonstrable brownfield development opportunities (110+ beds/units)

Value accretive transaction

- Acquisition expected to be immediately accretive to underlying earnings with approximate 8% lift in Proforma FY18 EPS[2]
- Purchase price represents a 5% discount to CBRE 31 March 2017 valuations
- Further earnings growth from brownfield development and procurement synergies over time

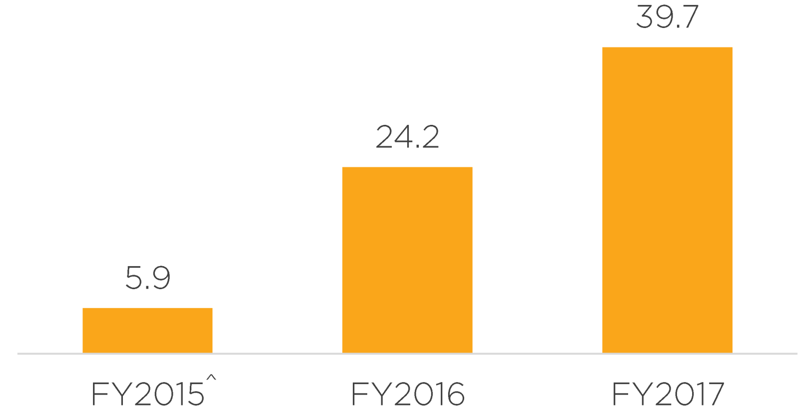
1. Enterprise value of $106m includes $10m of bank debt at Village at the Park (50% of Village at the Park's existing bank debt of $20m) and excludes estimated total transaction costs of $3m and working capital adjustments.
2. Underlying Profit is a non-GAAP (unaudited) measure and differs from NZ IFRS net profit after tax by replacing the unrealised fair value adjustment in property values with the Board's estimate of realised components of movements in investment property value and to eliminate deferred tax and one-off items


Overview
of Arvida

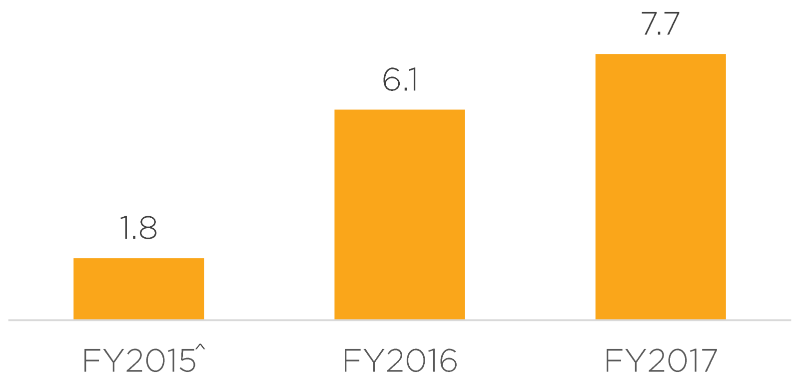
ARVIDA PERFORMANCE TO DATE

Underlying Profit ($m)

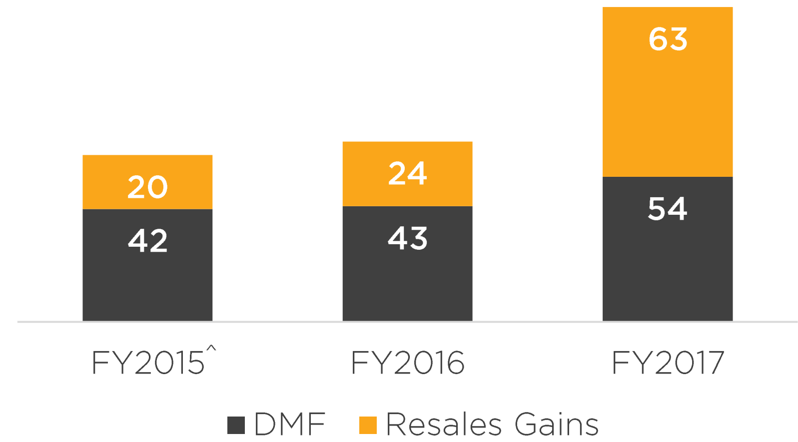
Operating Cash Flow ($m)



Underlying EPS (cents per share)



Embedded Value per unit ($000)



^ FY2015 represented a part period, from 18 December 2014 (date of listing) to 31 March 2015.

FY2017 HIGHLIGHTS

47%

Strong growth in Underlying Profit[1] up 47% on FY2016 to $23.1m, delivering 27% accretion in Underlying Profit per share

95%

Occupancy at our care facilities above the industry average; outstanding result from first resident and care satisfaction survey

$795m

Total assets up $334m to $795m, having acquired 5 high quality villages that have increased $14m in value since acquisition

262 units/beds

Brownfield development activity in progress across multiple sites (and a further 645 units/beds in planning stage)

$160m

Market capitalisation increased 60% or $160m following a $42m rights issue, $25m issue of vendor shares and significant share price appreciation. Growth resulted in inclusion in S&P/NZX50 Index

1.15cps

Final dividend lifted to 1.15cps; total net dividends up 5% to 4.45cps for year

Unless otherwise indicated, all numerical data is stated as at 31 March 2017.

1. Underlying Profit is a non-GAAP (unaudited) measure and differs from NZ IFRS net profit after tax by replacing the unrealised fair value adjustment in property values with the Board's estimate of realised components of movements in investment property value and to eliminate deferred tax and one-off items.

OUR STATED STRATEGY

Living Well + Development + Acquisition

Our vision is to improve the lives and wellbeing of our residents by transforming the ageing process

Our commitment is to challenge ourselves to make our residents' lives better with everything we do

Brownfield development activity within existing villages

Greenfield development where we see value

Acquisition criteria: location, quality of assets and current management, opportunities for development and immediately earnings accretive


Villages being Acquired

ACQUISITION HIGHLIGHTS

3 Villages

Quality villages of scale, complementary to existing portfolio broadening national footprint

Earnings Accretive

Immediately 8% accretive to pro forma FY18 EPS

Future Development[2]

Adds an 110+ units/beds to development pipeline[3]

Attractive Price

Purchase price at $106m[1] represents 5% discount to CBRE 2017 valuation

Strong Care Offering

High care facility occupancy and MOH accreditation

766 Units/Beds[2]

Continuum of care in all villages with 53% needs-based component

1. Enterprise value of $106m includes $10m of bank debt at Village at the Park and excludes estimated total transaction costs of $3m and working capital adjustments.
2. Arvida to acquire a 50% interest in Village at the Park. The portfolio metrics are presented as if a 100% interest was acquired.
3. Includes 28 apartments at Village at the Park that are due for delivery in November 2017 (21 apartments currently presold).

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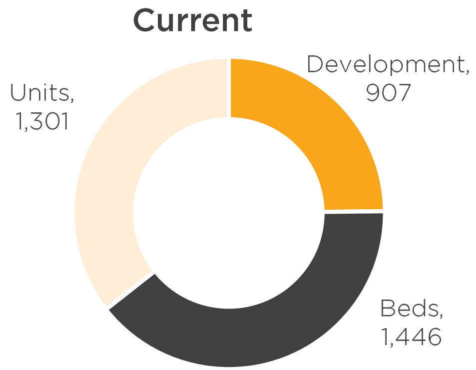
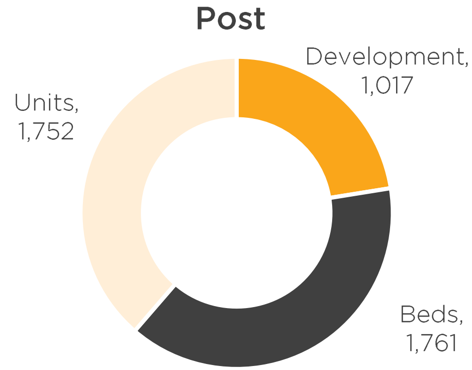
PORTFOLIO METRICS ON ACQUISITION

	MARY DOYLE	VILLAGE AT THE PARK[1]	STRATHALLAN	CURRENT	POST[1]
Rest Home	31	9	18	714	772
Dementia	64	33	20	150	267
Hospital	60	42	38	582	722
Total Aged Care	155	84	76	1,446	1,761
Serviced Apartments	41	-	47	588	676
Villas/Apartments	186	126	51	713	1,076
Total Retirement Units	227	126	98	1,301	1,752
Total Units/Beds	382	210	174	2,747	3,513
Needs-based Composition	51%	40%	71%	74%	69%
Development Units/Beds[2,3]	42	68	-	907	1,017





1. Arvida to acquire a 50% interest in Village at the Park. Portfolio metrics shown as if 100% interest acquired.
2. Excludes potential care suite conversions from the number of Beds.
3. Includes 28 apartments at Village at the Park that are due for delivery in November 2017 (21 apartments currently presold).

MARY DOYLE – HAVELOCK NORTH

Facilities	■ Located in central Havelock North, close to amenities and town centre ■ Large scale low density retirement village with co-located care facility offering rest home, dementia and hospital level care ■ Set in landscaped grounds spread across more than 13 hectares ■ Care suite conversion programme underway, 6 completed ■ Comprehensive common facilities ■ 4 year MOH certification
Financial	■ Embedded value per unit of $121k, comprising $68k DMF and $53k future resale gains ■ Care facility occupancy above 95% over last 24 months
Growth	■ ~21,500m^2 of development land consented for 42 villas to be developed over next 2-3 years ■ Continuation of care suite conversion programme

Note: Boundaries indicative only. Source: Google Maps, 2016.

VILLAGE AT THE PARK (50/50 JV) – WELLINGTON

Facilities	■ Central location, close to Wellington CBD and core amenities ■ Large scale village with good reputation in the Wellington market ■ A range of accommodation options including villas, independent and serviced apartments, and care ■ Care services include specialised dementia care with large room sizes and ensuite provision ■ 4 year MOH certification
Financial	■ Embedded value of $99k per unit, comprising $73k DMF and $26k resale gains ■ Care facility occupancy above 97% ■ Tenths Trust to retain 50% interest with Arvida to manage the village ■ Little Wonders Childcare as tenant
Growth	■ Completion of 28 Block D apartments in Nov 2017, 21 presold ■ Consented bare land to develop a further 24 apartments and 16 villas over next 2-4 years

1. Care facility, 2. Apartments, 3. Villas, 4. Development Land, 5 Childcare facility.

Block D Apartments, dated August 2017.

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VILLAGE AT THE PARK – JOINT VENTURE

- Arvida to acquire a 50% interest in Village at the Park:
  - Wellington Tenths Trust will retain its 50% interest and continue as an investor
- Pursuant to a management agreement, Arvida will assume responsibilities for the day-to-day management of the village:
  - Intention to manage Village at the Park as if a wholly owned Arvida village
  - Reports to a board comprising 3 directors appointed by each party
  - Standard commercial terms typical for agreements of this nature
  - Annual management fee of $393k
  - Perpetual term with usual pre-emptive rights
- Wellington Tenths Trust is a long term owner and manager of Wellington property:
  - Aligned with Arvida on the future outlook and strategy for the village
  - Morrie Love, Richard Te One and Euan Playle appointed directors to joint venture

Wellington Tenths Trust

The land included in Village at the Park was retained by Te Atiawa/Taranaki whanui in Wellington after the New Zealand Company Deed of Purchase of the Port Nicholson Block in 1839. In that deed one tenth of the land in Wellington was to be retained by the tribe and its Chiefs forever – hence the establishment of the Wellington Tenths Reserve at the start of the township of Wellington. A significant part of that one tenth in Wellington was in the land that became Athletic Park – and now Village at the Park. Wellington Tenths Trust now manages a significant portfolio of Wellington property assets for over 5,500 beneficial owners.

STRATHALLAN - TIMARU

Facilities

- Located in urban Timaru, close to facilities and amenities
- Mature village with strong reputation in the local market
- Well presented with Vendor completing additional remedial building works[1]
- Co-located care facility offering multiple levels of care
- High care occupancy experienced over an extended period
- 3 year MOH certification

Financial

- Embedded value of $88k per unit, comprising $57k DMF and $31k future resale gains
- Care occupancy near 100% over last 24 months

Growth

- Fully developed village with strong operating cash flow
- Opportunity to enhance profitability under new management and introduce care suites over time

Note: Boundaries indicative only. Source: Google Maps, 2017.

1. Additional works on the care facility to be completed by the Vendor post completion. A proportion of the purchase price has been retained until works are completed to Arvida's satisfaction.

DEVELOPMENT PIPELINE

Developments in progress at Mary Doyle and Village at the Park

MARY DOYLE

	FY18	Future Years^	
Current Stage	2 Villas		Sited within existing village, site works largely complete Floor areas range 130-150m² plus garaging Current pricing at $600-650k, but market indications now towards upper end Progressive build to continue over next 2-3 years
Next Stage		28 Villas	
Future Stage		14 Villas	~10,000m² of adjoining bare land with river/rural outlook Favours a mix of product including premium Villas

VILLAGE AT THE PARK

	FY18	Future Years^	
Current Stage	28 Apts		Ready for occupation Nov 2017, 21 conditionally sold Sales price av. $500k, with larger Apts (all sold) at $750k
Next Stage		24 Apts	Construction contracts currently being awarded Commencement Nov 2017; 2 years to completion
Future Stage		16 Villas	Duplex villas proposed with build commencement likely to overlap completion of Block E 24 Apts

^ Future developments are subject to final investment decision approval.

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INDICATIVE FINANCIAL IMPLICATIONS

Acquisition immediately earnings accretive to FY18 Proforma

- Based on Arvida's estimated earnings for each of the villages, an additional $17m of operating cash flow and $9m of underlying profit[1] is anticipated on a FY18 pro forma basis[2]
- Key assumptions:
  - Maintaining care occupancy at current levels
  - Sale of 21 Block D apartments at Village at the Park and Block E commencing construction
  - 2 new villas sold at Mary Doyle
  - 66 resales across the 3 villages

Pro-forma FY18 - acquired villages[1]	
Operating cash flow	$17m
Underlying EBITDA	$11m
Underlying profit	$9m

- The acquisition delivers anticipated pro forma FY18 underlying earnings per share accretion of approximately 8%[3], based on broker estimates for FY18 underlying profit of $28m[4]
- Further earnings expected beyond pro forma FY18 from synergies and future development at Mary Doyle and Village at the Park

1. Underlying EBITDA and Profit is a non-GAAP financial measure and differs from NZ IFRS net profit after tax by replacing the fair value adjustment in investment property values with the Board's estimate of realised components of movements in investment property value and to eliminate deferred tax and one-off items.
2. Based on Arvida management expectations for the pro forma 12 month earnings contribution (ie assuming a full 12 months of ownership) from the acquired villages in FY18 that were prepared as part of Arvida's due diligence, there being no material change to the run rate performance or growth of those businesses during the period, and excludes costs related to the transaction and equity raising.
3. Current shares outstanding of 334.3m (pre Rights Offer). Assumes $77m equity capital raising at $1.15 per share; and $16m of Arvida shares issued to the vendor shareholders.
4. Average of covering broker analysts estimates for FY18: Forsyth Barr 25 May 2017 at $26.4m and First NZ Capital 24 May 2017 at $29.1m.

FUNDING APPROACH

Financed through a combination of new equity issuance and draw down on increased bank facility

Vendor Equity

- $16m of Vendor shares escrowed for 12 months post rights issue allotment
- Issued at market price[1] adjusted for the rights offer

Capital Raising

- Fully underwritten Rights Offer to raise approximately $77m
- Level of capital raised provides additional flexibility to fund Arvida's growing brownfield development pipeline (1000+ units / beds)

Bank Debt

- Bank debt at $120m and gearing at 17%[2] immediately post settlement of acquisition and capital raising
- Settlement of transactions expected to occur 13 October 2017, subject to customary approvals

SOURCES	$m
Rights Offer	77m
Vendor Equity	16m
Bank Debt[3]	16m
Total	**109 m**
USES	
Acquisition of Villages[4]	106m
Transaction Costs[5]	3m
Total	**109m**

1. Calculated as the volume weighted share price over the 10 days immediately prior to announcement of the transaction.
2. Gearing represents net debt / net debt plus equity
3. Includes 50% of Village at the Park's existing bank debt facility of $20m.
4. Excluding any adjustments for working capital adjustments at settlement date.
5. Transaction costs estimated at $3m.

Capital Raising Summary

EQUITY RAISING TERMS

Fully underwritten rights issue at $1.15, a 9.2% discount to TERP[1]

Entitlement ratio	■ 1 New Share for every 5 Existing Shares held
Offer size	■ Approximately $77m
Maximum New Shares to be issued	■ 66,852,175 (subject to rounding)
Issue price	■ $1.15
Offer discount	■ 9.2% to TERP[1]
Eligibility	■ Available to persons recorded on Arvida's share register at 5pm on 20 September, with a registered address in New Zealand or Australia
Ranking	■ New shares issued on completion of the Rights Offer will rank equally with existing shares and will be quoted on NZX
Structure	■ Pro rata renounceable Rights Offer provides all Eligible Shareholders with the opportunity to participate ■ Shortfall bookbuild provides a mechanism for shareholders who have not taken up or sold their rights to realise some value
Underwriting	■ The Offer is underwritten by Forsyth Barr Group Limited
Director subscriptions	■ Arvida Directors and senior executives to subscribe for their full entitlements, other than Mr Ambrose whose associated interests intend to subscribe for 66,000 shares under the Offer

1.TERP is the theoretical ex rights price of $1.27 which is equal to the average price of 1 New Share at the Issue Price of $1.15 and 5 Existing Shares at $1.29 being the closing price as at 11 September 2017.

OFFER TIMETABLE

Key dates for the rights offer are outlined below

Shares quoted "ex-rights" and Rights Trading commences on the NZX Main Board	19 September 2017
Record Date	5pm, 20 September 2017
Offer Document, Acceptance Forms sent to Eligible Shareholders	21 September 2017
Rights Trading ceases	5pm, 3 October 2017
Rights Offer closes (and last date for receipt of renunciations)	7pm, 9 October 2017
Shortfall bookbuild close	11 October 2017
New Shares allotted	13 October 2017
Expected date for quotation	16 October 2017
Expected mailing of holding statements	By 18 October 2017

These dates are subject to change. Arvida reserves the right to amend the dates and times without prior notice, subject to applicable legal and regulatory requirements.

Appendix

CBRE VALUATION METRICS

Discount Rates	FY2017
Rate	15.0%

Long Term Property Price Growth	FY2017
High	3.5%
Low	3.0%

Short Term Property Price Growth	FY2017
High	2.5%
Low	0.0%

Tenure – Units (yrs)	FY2017
High	8.3
Low	6.8

Tenure – Serviced Apt (yrs)	FY2017
High	4.5
Low	4.0

Proforma EBITDA per Bed	FY2017
High	$13,200
Low	$8,600

Independent Living Units	FY2017
Av. Ingoing Age	78 yrs
Av. Current Age	83 yrs
Av. Current Price	$474,000

Independent Living Apts	FY2017
Av. Ingoing Age	81 yrs
Av. Current Age	84 yrs
Av. Current Price	$345,000

Serviced Apartments	FY2017
Av. Ingoing Age	84 yrs
Av. Current Age	86 yrs
Av. Current Price	$198,000

Total residents	~850