



Decision Summary

Case: 200821667

Decision	Consent granted Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
Decision Date	9 February 2009
Investment	<p>An overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in 100.0% of the shares of Metlifecare Limited which owns or controls:</p> <ul style="list-style-type: none">– a freehold interest in 1.8773 hectares of land at 12-20 Edgewater Drive, Pakuranga, Auckland; and– a freehold interest in 17.9020 hectares of land at 1 Henley Way, Paraparaumu; and– a freehold interest in 10.1014 hectares of land at 66 Avonleigh Road, Green Bay, Auckland; and– a freehold interest in 2.7389 hectares of land at 33 Gloucester Road, Mt Maunganui, Tauranga. <p>An overseas investment in significant business assets, being the Applicant's acquisition of rights or interests in 100.0% of the shares of Metlifecare Limited, the value of the assets of Metlifecare Limited and its 25% or more subsidiaries being greater than \$100m.</p>
Asset Value	\$1,307,863,000
Applicant	Retirement Villages New Zealand Limited Australia (93.7%), Various (6.3%)
Vendor	Metlifecare Ltd Australia (81.98%), Various (18.02%)
Background	<p>The Applicant currently holds approximately 81.98 percent of the share capital of Metlifecare Limited (Metlifecare). Metlifecare owns and operates 17 retirement villages throughout New Zealand, incorporating 10 care facilities and 8 hospitals.</p> <p>Metlifecare requires new capital and is proposing to raise up to approximately NZ\$37.8 million by way of a renounceable rights issue to existing shareholders ("Rights Issue").</p> <p>The Applicant intends to take up its entitlement under the Rights Issue. In the event that some shareholders of Metlifecare do not accept the offer, the Applicant would increase its percentage shareholding in Metlifecare and therefore has sought consent.</p> <p>The Rights Issue will provide Metlifecare with needed capital which will be used by Metlifecare to reduce debt and further develop its business. The Applicant takes a long-term view of its investments and recognises the attractive underlying demand demographics and essential service characteristics of the retirement village business of</p>

Metlifecare.

The overseas investment transaction has satisfied the criteria in sections 16 and 18 of the Overseas Investment Act 2005. The 'benefit to New Zealand' criterion was satisfied by particular reference to the following factors:

- Overseas Investment Regulations 2005
 - 28(c) – Affect image, trade or international relations
 - 28(e) – Previous investments
 - 28(f) – Advance significant government policy or strategy
 - 28(g) – Enhance the viability of other investments

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