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## Decision Summary

### Case: 200910052

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<b>Decision</b>	Consent granted Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
<b>Decision Date</b>	1 April 2009
<b>Investment</b>	<p>The acquisition by <b>FKP Limited and Macquarie Group Limited and their associates jointly or severally</b>, or a 100% subsidiary of <b>FKP Limited and Macquarie Group Limited and the associates jointly or severally</b> (the Applicant), of up to 100% of the stapled securities in Retirement Villages Group (which includes shares in RVNZ Investments Limited) either directly or indirectly in whatever proportions they may determine from time to time and giving effect to the transaction, which will result in an overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in 100.0% of the shares of RVNZ Investments Limited which owns or controls:</p> <ul style="list-style-type: none"><li>– a freehold interest in 2.7389 hectares of land at 33 Gloucester Road, Arataki, Mt Maunganui, Tauranga; and</li><li>– a freehold interest in 5.4022 hectares of land at 1381 Dominion Road, Mt Roskill, Auckland; and</li><li>– a freehold interest in 4.8129 hectares of land at 1, 2 and 5 Longford Park Drive, Papakura, Auckland; and</li><li>– a freehold interest in 1.8773 hectares of land at 12-30 Edgewater Drive, Pakuranga, Auckland; and</li><li>– a freehold interest in 10.1014 hectares of land at 66 Avonleigh Road, Green Bay, Waitakere City; and</li><li>– a freehold interest in 17.9020 hectares of land at 1 Henley Way off Guilford Drive, Paraparaumu.</li></ul> <p>An overseas investment in significant business assets, being the Applicant's acquisition of rights or interests in 100.0% of the shares of RVNZ Investments Limited, the value of the assets of RVNZ Investments Limited and its 25% or more subsidiaries being greater than \$100m.</p>
<b>Consideration</b>	To be advised.
<b>Applicant</b>	<b>FKP Limited and Macquarie Group Limited and their associates jointly and or severally</b> Australia (76.425%), Various (23.4455%), New Zealand (0.1295%)
<b>Vendor</b>	<b>Existing shareholders in RVNZ Investments Limited other than FKP Limited and Macquarie Group Limited</b> Australia (91.24%), Netherlands (8.76%)

## **Background**

Both Applicants presently hold (directly or indirectly) stapled securities in Retirement Villages Group (RVG), a group of stapled companies which includes RVNZ Investments Limited (RVNZI).

Presently, FKP Limited holds 16.77% of RVG, (and correspondingly in RVNZI); Macquarie Investment Holdings No. 2 Pty Limited holds 10.61%; Macquarie Financial Products Management Limited holds 10.61%; Macquarie Financial Products Management Limited holds 0.79%; and Retirement Villages Group Management Pty Limited (RVGMPL), which is jointly owned by FKP Limited and Macquarie Group, holds 0.14%.

The transaction involves three elements: FKP Limited seeks to acquire 99.1 million partly paid shares in RVNZI; RVGMPL seeks to apply fees that it is entitled to receive for advisory services to subscribe for RVNZI shares; and FKP, Macquarie Group and their associates may also acquire further shares in RVNZI over the next four years.

The issue is occurring to raise funds needed to strengthen RVG's balance sheet by repaying debt facilities that were drawn to fund the acquisition by RVG of a retirement village portfolio in Australia in November 2007. As one of the stapled entities, RVNZI is required to issue shares as a component of the stapled securities being offered.

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 Act 2005

17(2)(a)(v) – Additional investment for development purposes

Overseas Investment Regulations 2005

28(a) – Consequential Benefits

28(b) – Key person in a key industry

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

## **More information**

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