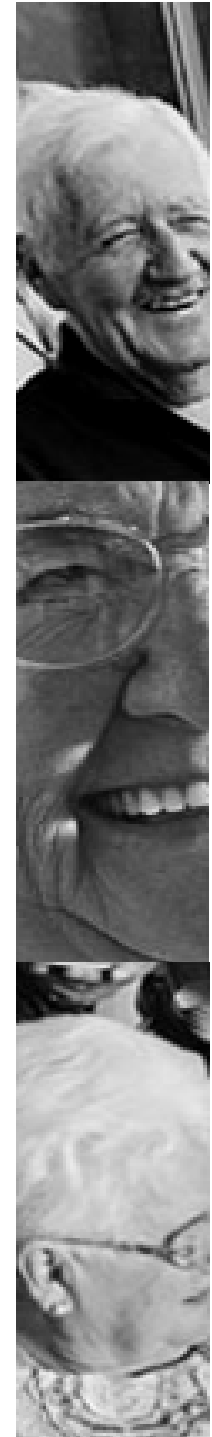


Aged Care Association Australia

25th Annual Congress – November 2006

New Structures for Capital Raising in Aged Care

Tony Stephenson – RCA, CFO



Organisations

Capital Raising Issues

Church/Not-for-Profit



**Unincorporated/Incorporated
Land & Buildings on Balance Sheet
Bed Licences with Approved Provider**

Private Companies



Asset Valuation/Gearing

Owner/Operator



Sale and lease back

Private Equity Funds



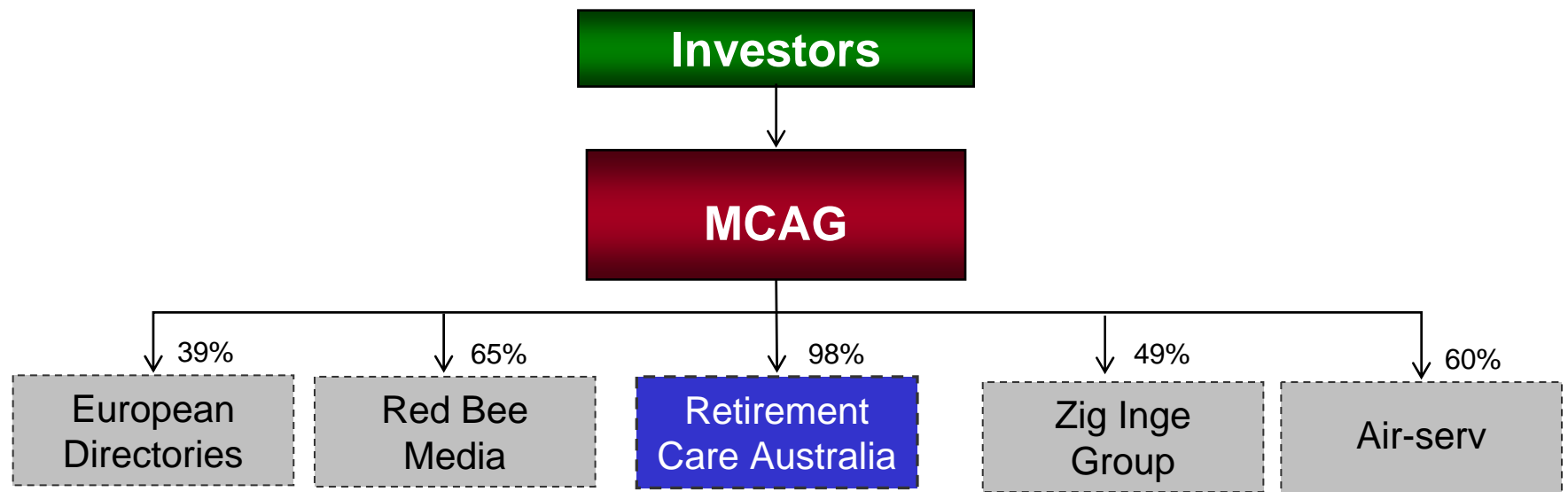
**Acquisition and Development
Equity Raising and Gearing**

Public Companies



Equity Raising and Gearing

RCA is 98% owned by Macquarie Capital Alliance Group and is one of its five investments.

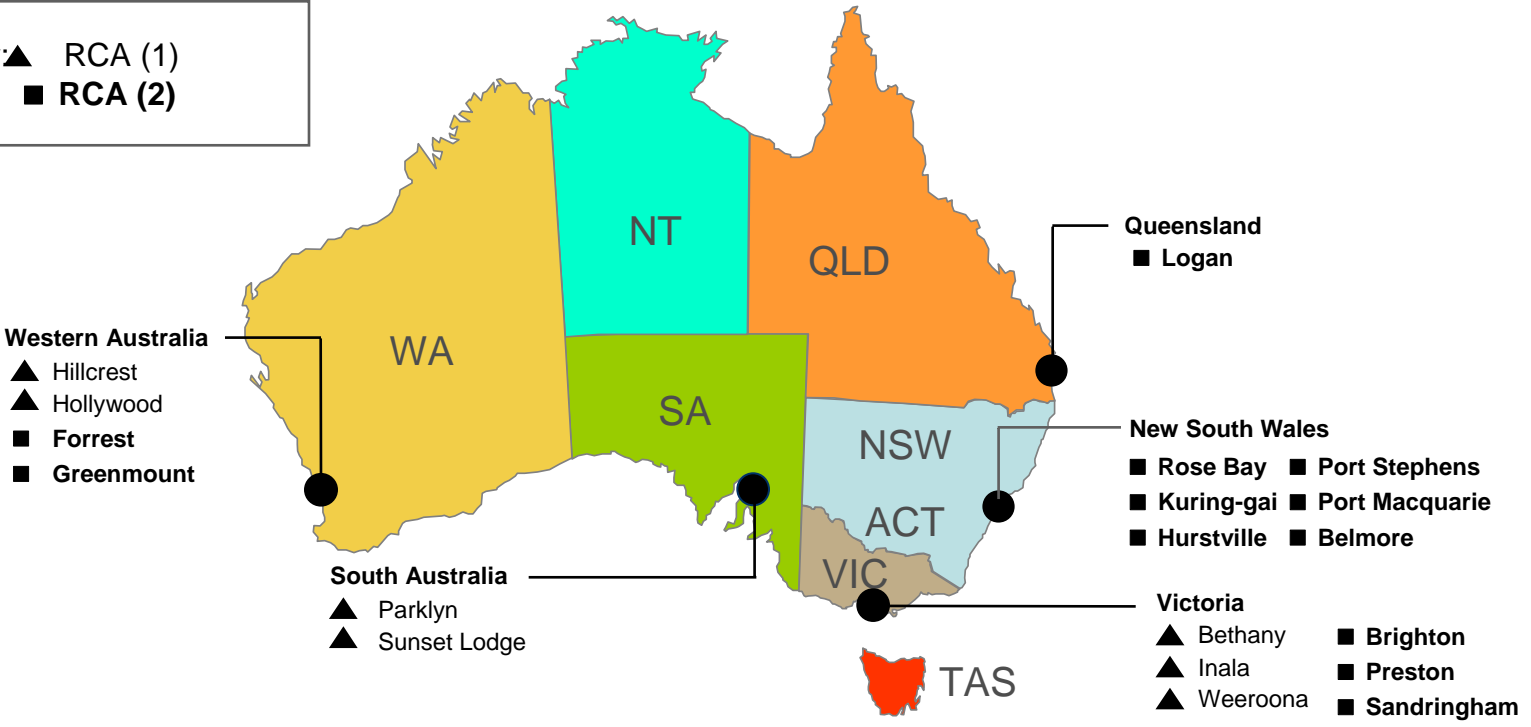


RCA has 19 campuses within five states with over 2,100 Aged Care Beds and over 750 ILUs

	RCA(1)	RCA(2)	Total
Sites	7	12	19
Beds	1,118	1,013	2,131
ILU	767	-	767

Note: At 31 October 2006

Key: ▲ RCA (1)
 ■ RCA (2)



Overview of RCA's four WA sites

	Low Care	High Care	ILUs	Size (m ²)
Forrest Gardens	30	48	-	17,811
Greenmount Gardens	55	42	-	26,000
Hillcrest	49	30	-	8,900
Hollywood	173	101	374	74,000



Forrest Gardens



Greenmount Gardens



Hillcrest



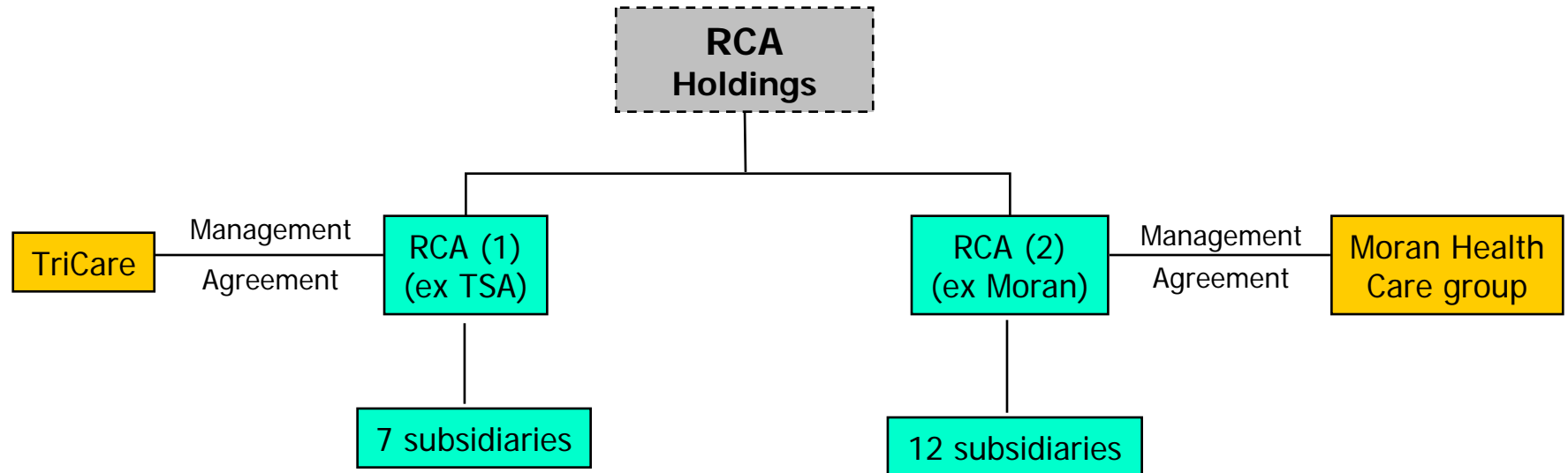
Hollywood



RCA Portfolio Overview

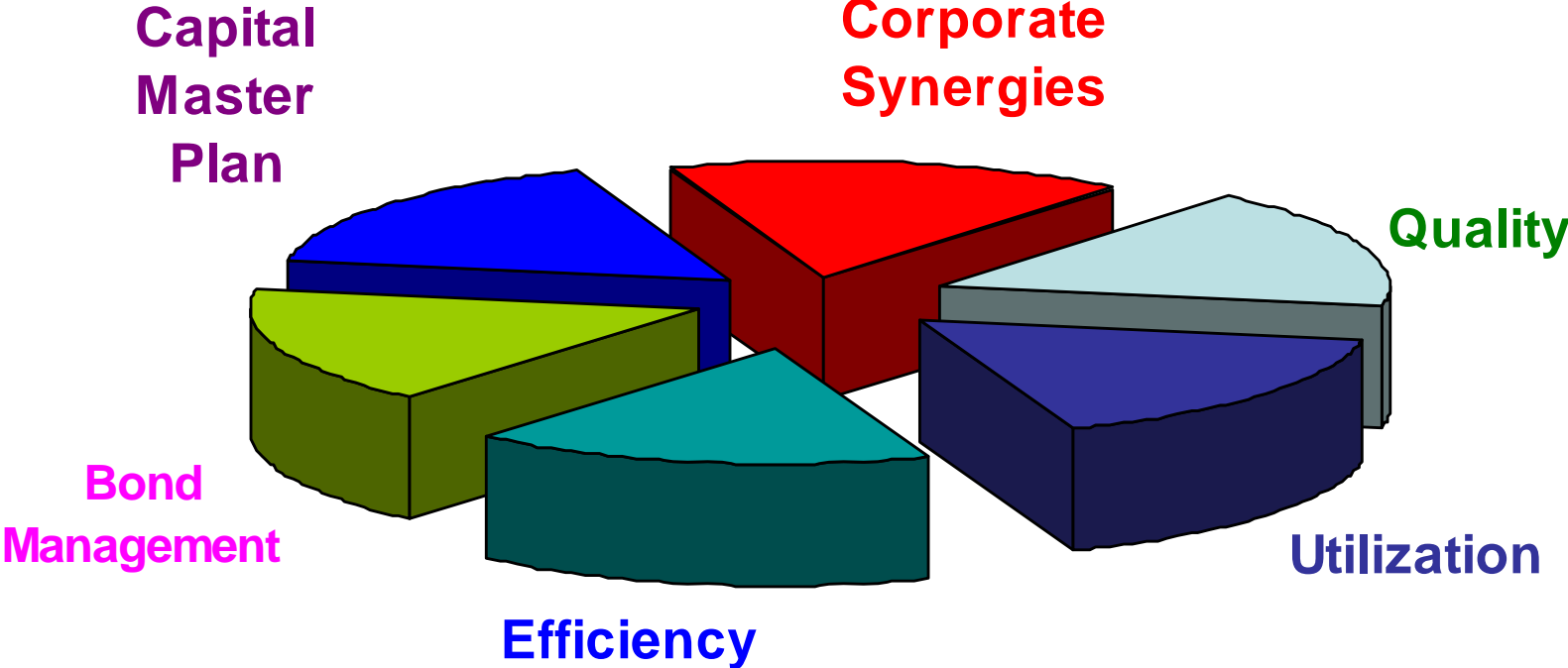
- RCA is one of the largest private aged care providers in Australia
- Annual turnover c\$120m
- 12 profitable and mostly new facilities from the Moran Health Care Group
- 7 predominantly older style facilities acquired from The Salvation Army, which present redevelopment opportunities (both RV and RACF). 7 facilities divested to local operators due to size/location
- Attractive mix of mature and ramp-up facilities
 - Facilities generally in well-established areas
 - Geographically diversified across five states
 - Significant operational and development potential
- Substantial land for future aged care expansion and retirement village development
- Further operational efficiencies to be realised across the portfolio

RCA has two Aged Care Providers contracts to provide their management expertise to operate the facilities



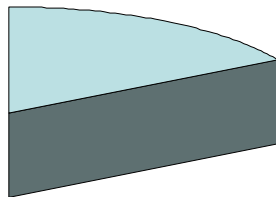
- The Management Agreements with two experienced, high quality operators, provide:
 - Immediate resourcing
 - Industry expertise
 - Best practice clinical care
 - Information systems and policies/procedures from day 1

RCA Key Strategic Focus in the First 12 Months



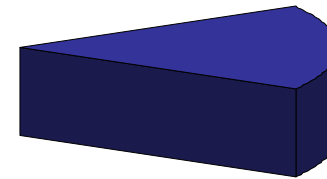
RCA Key Strategic Focus in the First 12 Months

Quality



- Resident Data base
- Electronic Care Plans Implemented (Ops 1)
- All OPS 1 Accredited under Round 3 – 44/44
- Fire and Safety Compliance
- Risk Management Strategies
- Occupational Health and Safety

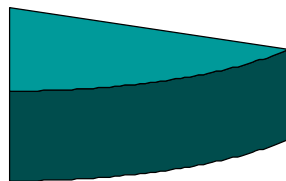
Utilisation



- Ramp up of newer facilities
- Development of ES wings at newer facilities
- Managing RCS documentation

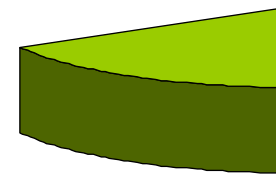
RCA Key Strategic Focus in the First 12 Months

Efficiency



- Agency Usage Reduced
- Full Time Staff Recruitment
- KPI Management
- Hotel Service Efficiency
- Centralisation of Back of House Services

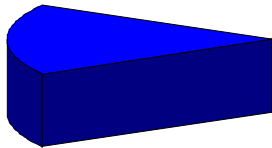
Accommodation Bond Management



- Resident Bond Agreement
- Resident Refund Compliance
- Bond Values Reviewed
- Cash Management
- Liquidity Management Strategy

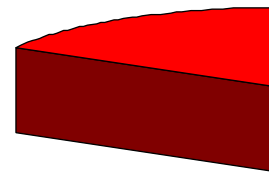
RCA Key Strategic Focus in the First 12 Months

Capital Master Plan



- **CMP (Capital Master Plan) being developed**
- **Redevelopment of a number of Aged Care Facilities**
- **Opportunity to expand RV**

Corporate Synergies



- **National Contracts**
- **Aged Care Purchasing Power**
- **Corporate Purchasing Power**
- **Hotel Services**
- **Debt Management**

THANK YOU FOR LISTENING

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