

ASX ANNOUNCEMENT

5 November 2014

Japara Healthcare assumes operations of Whelan Care, and is on track to deliver on FY15 guidance

Ahead of its Annual General Meeting today, Japara Healthcare advises it has assumed operations of the Whelan Care portfolio and confirms that the Company is on track to deliver its prospectus FY15 pro forma earnings forecast.

Whelan Care Update

Japara Healthcare has assumed operations of the Whelan Care portfolio, effective 1 November 2014, following settlement on the operating facilities on 31 October 2014. Whelan Care comprises four aged care facilities in South Australia and will increase Japara Healthcare's aged care portfolio by 258 aged care places and 41 independent living apartments upon completion of the new Trevu facility, which will settle upon finalisation of current construction works. These works are on schedule to be completed in the second half of FY2015.

The new 69 place Trevu facility, located in Gawler, will replace the existing 45 place facility located in Willaston, with residents expected to transfer from Willaston to the new facility when it becomes operational.

Whelan Care's EBITDA at settlement is estimated to be circa \$2.85 million on an annualised basis. Whelan Care is expected to contribute approximately \$1.4 million EBITDA in FY15 (post integration costs), and approximately \$4 million EBITDA in FY16, when the new Trevu facility is fully operational.

With the addition of Whelan Care, Japara Healthcare has 39 facilities in Victoria, New South Wales, Tasmania and South Australia comprising approx. 3,400 aged care places and 180 independent living apartments.

FY15 Outlook

Japara Healthcare expects FY15 EBITDA of approximately \$50.3 million, including Whelan Care. Excluding Whelan, Japara reaffirms its prospectus FY15 pro forma EBITDA guidance of \$48.9 million.

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