

MACQUARIE AUSTRALIA CONFERENCE

Presented by Paul Gregersen, Managing Director and CEO

8 May 2015



MEDIUM TERM GROWTH

Ambition to operate 10,000 places by FY2020



At 93% single rooms, we meet consumer needs today and for the medium term future given that single rooms are #1 choice driver

The appointment of

Steve Boggiano, former

Managing Director of

Barclays Investment Bank

from 13th July strengthens

our capability to execute

our growth strategy and

deliver strong returns.

+549 beds

Since IPO in December 2014, a total of 549 beds across 5 facilities has been acquired above Prospectus.

We see that

LIVING LONGER LIVING BETTER

reform, moves residential aged care into the delivery of specialised healthcare services. Our systems and networks are organised for us to deliver this efficiently.



MEDIUM TERM GROWTH STRATEGY*



·Y 2020

ACQUISITION

SINGLE SITES: 500 - 1,000 places pa

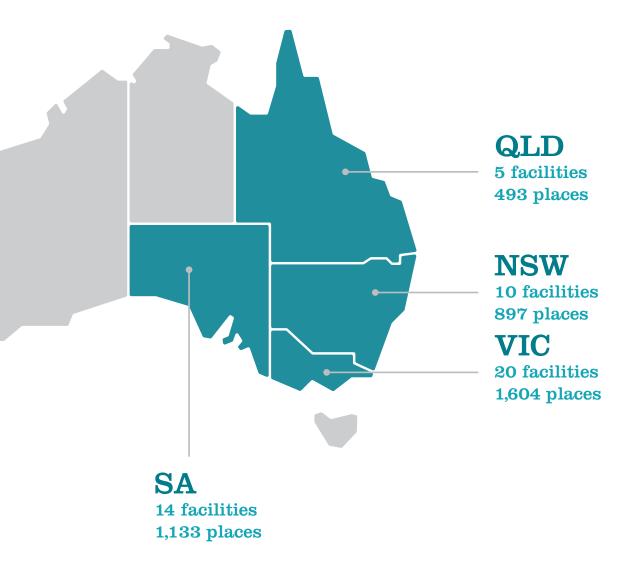
GROUP: one medium/large sized group

ORGANIC

BROWNFIELD: 300+ places

GREENFIELD: 500 - 1,000 places

HIGH QUALITY PORTFOLIO



No. of facilities 49

No. of operational places 4,127

Configuration % of single rooms 93%



INDEPENDENT CONSUMER RESEARCH*

Conjoint analysis allows us to understand what value consumers place on different product features without asking the direct question of 'would you buy this?' or 'how much would you pay for this?' as response can be unreliable.

Instead we ask consumers their opinion/preference on a range of options with different features such as price levels.

This allows us to determine statistically how much value is placed on the different features (e.g. payment options, room configuration). The end result is a robust analysis of consumer preference for residential aged care, which takes into account the trade-offs that help project influences on consumer behaviour.

WHO WE SAMPLED:

- We surveyed n=514 people around Australia:
- 49% females and 51% males
- All were aged 55yrs+
- 55-65yrs (58%)
- 65yrs+ (42%)

- From national capital cities and rural locations around Australia (nationally representative)
- All were told that the survey was about aged care industry in Australia and they were asked to take their time to consider each answer and respond as honestly as possible.

WHAT DO CONSUMERS VALUE MOST?

Room type

- Single room with ensuite
- Single room with shared ensuite
- Twin room with shared ensuite
- Multiple (3-4 people with shared ensuite)

Location

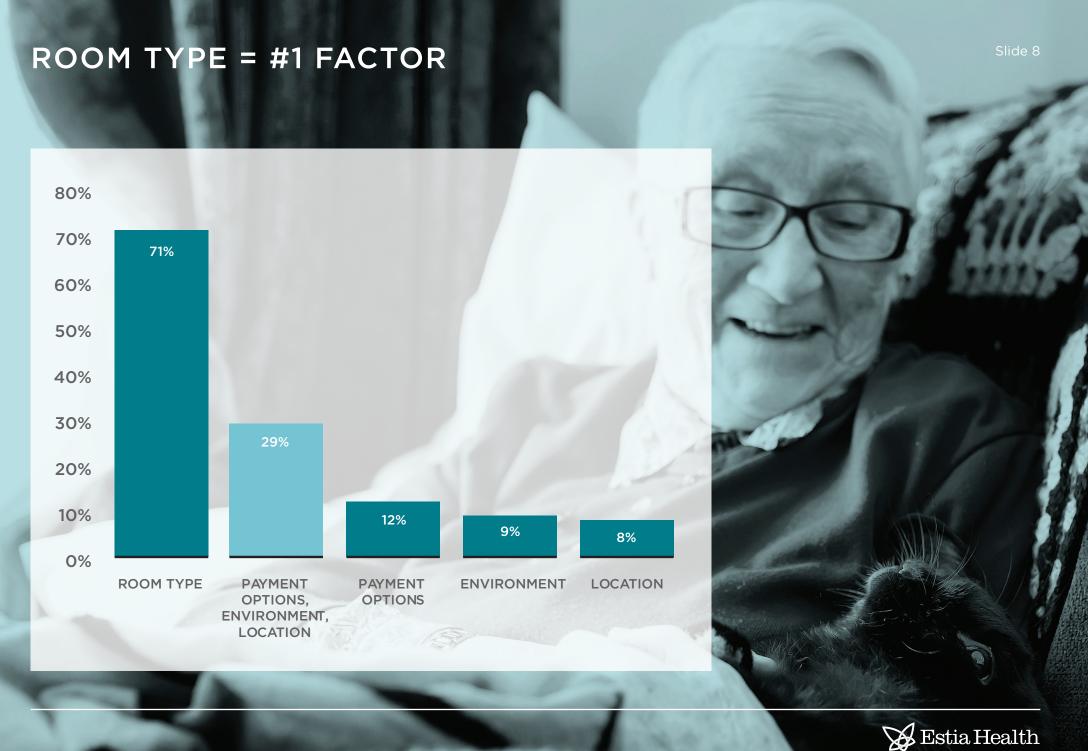
- Located close to where the resident lives now/their local neighbourhood
- Located outside their local neighbourhood within same town or city
- Located in a different town or city that is closer to the resident's family

Payment options

- Daily payment (non-refundable)
 of \$65 a day
- Fully refundable deposit of \$355,000
- Fully refundable deposit of \$200,000 plus payment (non-refundable) of \$28 a day

Environment

- Luxury (4.5 stars)
- Deluxe (3.5 stars)
- Basic (2.5 stars)



MARKET LANDSCAPE

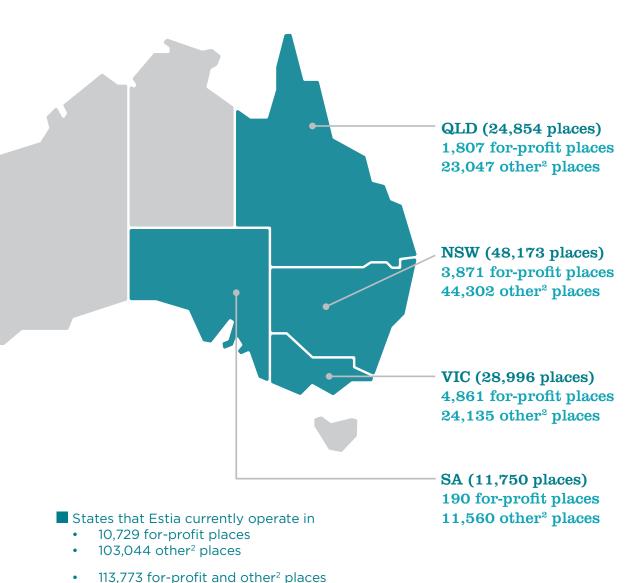
	No. of beds	No. of operators	% of operators
Single facilities	33,666	553	63%
Between 1 - 5	42,637	231	26%
Between 5 - 10	24,412	41	5%
Between 10 - 20	26,697	26	3%
Greater than 20 facilities	62,349	24	3%
Total	189,761	875	100%



Sources The Department of Health: Aged Care Service List - Australia - as at 30 June 2013, V & P Capital IQ, publicly available information and Grant Thornton analysis.

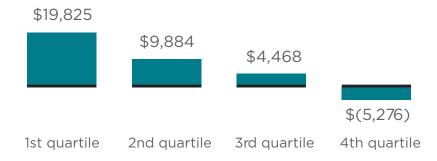


ACQUISITION OPPORTUNITIES¹



Profitability across the industry

EBITDA per resident (FY2013³)



^{3. &}quot;2014 Report on the Funding and Financing of the Aged Care industry". Aged Care Financing Authority, July 2014. 1st quartile 2nd quartile 3rd quartile 4th quartile



^{1.} Analysis based on the Department of Health data as of 30 June 2013. Excludes places which are operated by one of the largest five residential aged care providers in each of those states (ex Estia)

^{2. &#}x27;Other' places includes not-for-profit and Government places

SINGLE SITE ACQUISITION TRACK RECORD

CY 2013		CY 2014		CY 2015	
Coolaroo	60	Altona Meadows	90	Grovedale	120
Yarra Valley	95	Plenty Valley	68	Burton	80
Ardeer	55	Leopold	75	Acquisition #5*	60
Oakleigh	110	Albury	80	Coolum	120
		Wodonga	80	Forster	100
		Wattle Glen	90	Taree	120
		Prahran	58	Tuncurry	129
		Salisbury	71		
4 facilities	320	8 facilities	612	7 facilities	729
				5 facilities above Prospectus	549
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				5 facilities above Prospectus SINGLE SITES: 500 - 1,000 pla	

^{*} Included in Prospectus lodged 3 December 2014



^{**} Illustrative volumes for acquisition for FY2016 through FY2020.





Aberfoyle Park | Bentleigh | Burton | Coolaroo | Encounter Bay Mudgeeraba | Oakleigh | Ryde | Southport

BROWNFIELD: 300+ places*

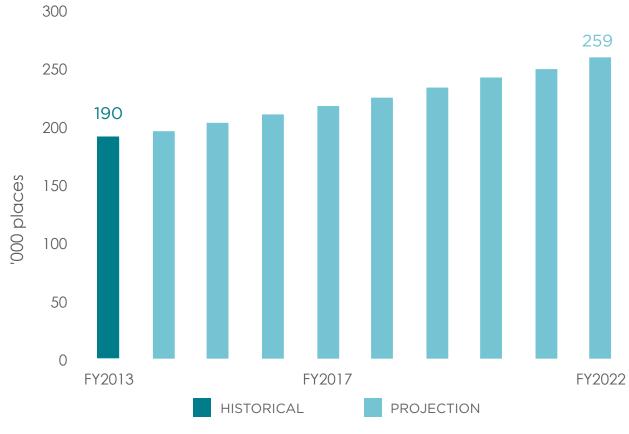
GREENFIELD





GREENFIELD: 500 - 1,000 places*

HISTORICAL AND PROJECTED GROWTH IN TOTAL PLACES**



^{*} Illustrative volumes for organic development by FY 2020





INCREASING CAPABILITY



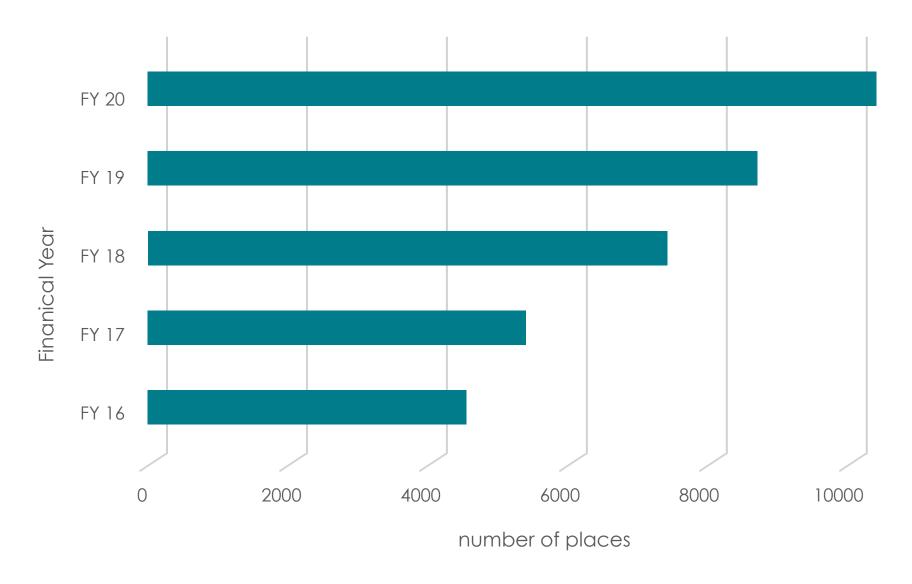
Steve Boggiano, Director of Strategy (from 13 July 2015)

- Steven is a distinguished investment banker and Australian health and aged care M&A specialist.
- Market shaper and investment leader pivotal role in executing many of Australia's largest health and aged care deals in the last ten years.
- An impressive track record with most recently five years as the head of Barclay's Asia-Pacific healthcare, consumer, retail and real estate business.

Successful healthcare transactions which Steve advised on, include:

- Private Equity Consortium on its A\$2.7bln acquisition of Healthscope together with A\$1,550mln acquisition loan facilities
- Ramsay Health Care on its €1,075m acquisition financing facilities for Générale de Santé
- Archer Capital on its \$230mln acquisition of Health Care
- Bupa on its A\$1,225mln acquisition of DCA Aged Care
- Archer Capital on its A\$270mln acquisition of Allity (formerly Lend Lease Primelife Aged Care)
- Quadrant Private Equity on its c.A\$175mln acquisition of Estia Health and subsequent bolt-on acquisitions of Cook Care Group for c.A\$180mln
- Qiagen NV on its A\$374mIn acquisition of Cellestis
- Hospira on the sale of Mayne Pharmaceuticals International to Halcygen
- ARL Pathology on its sale to Healthscope

MEDIUM TERM GROWTH AMBITION



IN SUMMARY

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