

## ASX ANNOUNCEMENT

29 July 2015

### Supreme Court Upholds Regis Aged Care Appeal

In November 2011, Regis Aged Care Pty Ltd (**RAC**), a wholly owned subsidiary of Regis Healthcare Limited, objected to a notice of assessment of stamp duty issued by the State Revenue Office Victoria (**SRO**) in relation to a merger transaction in July 2007.

In April 2012, in accordance with a request from RAC, the SRO formally asked that the Supreme Court of Victoria treat the objection as an appeal (**the First Appeal**). In October 2012, the SRO issued a revised notice of assessment in relation to the merger transaction in July 2007 and an objection to this assessment was also lodged and treated as an appeal (**the Second Appeal**). Both appeals were heard together by the Court.

While RAC challenged these notices of assessment, RAC paid \$14.4m in relation to the first assessment without admission of liability and without prejudice in order to avoid accruing additional interest and penalty tax, leaving an unpaid outstanding amount of \$1.1m in relation to the revised notice of assessment.

Justice Almond of the Supreme Court made orders in the Appeals on 29 June 2015. In the orders, Justice Almond set aside the notices of assessment and ordered that the Commissioner for State Revenue pay RAC's costs of the Appeals. The effect of the orders is that:

- The previously outstanding duty is not payable; and
- The SRO will be required to refund the amount paid by RAC - \$14.4m - plus interest and legal costs. The amount of interest and legal costs is yet to be determined but is expected to exceed \$3m.

The SRO had 28 days to lodge a notice of appeal with the Court. This period expired on 27 July 2015 without the SRO lodging a notice of appeal and the orders are now final.

The effect of this outcome (including the reversal of related provisions) is expected to be as follows:

EBITDA - an increase of approximately \$19.49m in FY15.

NPAT - an increase of approximately \$19.46m in FY15.

Further detail will be provided in our full year results announcement on 28 August 2015.

For further information:

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