ASX ANNOUNCEMENT

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The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

REGIS HEALTHCARE REPORTS PRO FORMA NPAT OF $53.1 MILLION FOR FY2015 AND DECLARES A FINAL DIVIDEND OF 17.6 CENTS PER SHARE

Full Year Highlights

- Pro forma EBITDA of $93.6 million and NPAT of $53.1 million from revenue of $439.0 million, which translates to EPS of 17.7 cents
- Statutory NPAT of $57.5 million, ahead of expectations
- Strong net operating cashflow[1] of $152.3m from EBITDA and RAD receipts enabled significant investment to be made in growth opportunities
- Net cash as at 30 June 2015 of $60.9 million
- Occupancy 94.4% for the year
- Growth in operational places to 5,034 as at 30 June 2015, following the completion of the acquisition of Regis Tiwi Gardens, Darwin and Regis Redlynch, Cairns
- Favourable outcome from the SRO decision[2] contributed $19.5 million to statutory EBITDA. The statutory NPAT contribution was $18.9 million and is a component of the final dividend
- Final dividend declared of 17.6 cents per share

Regis Healthcare Limited (ASX: **REG**) is pleased to announce a statutory NPAT attributable to equity holders of $57.5 million for the year ended 30 June 2015. This result corresponds to a pro forma NPAT for the period of $53.1 million[3].

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[1] Net cashflow before investment, interest, tax and financing activities
[2] State Revenue Office Victoria - Refer to REG ASX Announcement and FY15 Results presentation for further detail. Note that there is no cashflow impact from this ruling in FY15.
[3] Pro forma net profit after tax reflects statutory net profit after tax adjusted for one off items including the transaction costs and adjusted capital structure resulting from Regis' IPO

Commenting on the results, Regis' Managing Director, Mr Ross Johnston, said "Regis delivered a strong performance in the financial year, exceeding forecasts presented in the Company's Prospectus[4] by 7.8% for EBITDA and 10.6% for NPAT (on a pro forma basis).

The result is underpinned by growth in both Government and resident revenue. Regis' cashflow performance was also strong, with net RAD[5] receipts of $73.6 million, which compares with the FY15 Prospectus forecast of $47.0 million, making a significant contribution."

Financial Results

Highlights of the FY2015 financial results include:

	$ million actual FY2015	**% favourable to prospectus forecast FY2015**
Pro forma Revenue	439.0	2.7 %
Pro forma EBITDA	93.6	7.8 %
Pro forma NPAT	53.1	10.6 %
Statutory NPAT	57.5	73.5 %
Net RAD inflows	73.6	56.6 %
Pro forma Net cashflow before dividends	30.6	87.7 %

Key contributors to the earnings and cash flow result are:

- Government income per occupied bed day $179 compared to Prospectus forecast of $175
- Resident income per occupied bed day $74 compared to Prospectus forecast of $73
- Significant outperformance in net RAD inflows achieved as a result of increased RAD pricing and the majority of new residents[6] choosing to pay a RAD over a DAP[7]

Dividend

The company has declared a final dividend of 17.6 cents per share. This is ahead of Prospectus forecast, 64.2% franked and is payable on 21 September 2015.

There are two components to the dividend:

- 11.3 cents per share which, when excluding the contribution from the SRO outcome, represents 100% of statutory NPAT from the period since listing. This component is 100% franked.
- 6.3 cents per share, 100 % of the NPAT contribution from the SRO proceeds, which is unfranked.

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[4] Dated 25 September 2014
[5] Refundable Accommodation Deposits and Accommodation Bonds
[6] Permanent, non supported residents entering aged care after 1 July 2014
[7] Daily Accommodation Payment

Market Position and Growth Strategy

Regis' medium term growth strategy continues to combine organic growth, including greenfield and brownfield development, with acquisitions comprising single facilities and portfolios. The Company invested $61.5 million towards this growth in FY15.

The development program has continued to expand in 2HFY15. There will be 946 places under construction during FY16 comprising:

- 102 brownfield places under construction, scheduled to be completed by the end of FY16
- 257 greenfield places scheduled to be completed in late FY16
- 587 further greenfield places scheduled to be under construction by the end of FY16

Three acquisitions have been made since listing in October 2014, adding 444 places to the portfolio. Acquisitions completed in FY15 made a net positive contribution to earnings during FY15.

The facility refurbishment program has also been a key area of focus for the Company in FY15, with capital expenditure of $10 million resulting in 14 facilities approved as Significantly Refurbished.[8] This program continues in FY16.

FY16 Outlook

FY16 EBITDA is anticipated to be in excess of pro forma FY15, underpinned by:

- Higher accommodation supplements from significantly refurbished facilities and new places mobilised as a result of developments
- Increased earnings contributions anticipated from the 3 acquisitions announced in FY15
- The impact of the COPE[9] adjustment of 1.3% received from 1 July 2015 (1.86% received in FY15)

This is expected to more than offset:

- The full year impact of the removal of the payroll tax supplement from 1 January 2015 (contributed $6.98m to EBITDA in FY15)

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[8] Facilities approved as being Significantly Refurbished by the Department of Social Services, following investment in the upgrading of a service deemed as meeting specified criteria, are then eligible to receive a higher level of accommodation supplement for supported residents.
[9] Commonwealth Own Purpose Expenses Indexation