

## Estia Health AGM Chairman's Shareholder Address

Good morning and welcome to the inaugural Annual General Meeting for Estia Health since our successful public listing in December 2014.

It has been an extremely busy 7 months since listing and our CEO Paul Gregersen will shortly take you through the main activities and the operational performance of Estia, and outline our plans for strong growth in the aged care sector.

These are exciting times for your new company Estia Health. Born out of the amalgamation of Estia, Cook Care and Padman Health Care, it is a company that today already has 4273 places and will soon have 4441 places. This is 550 places more than forecasted in our prospectus for FY15 – and 921 places above prospectus in total.

It is exciting times for Estia as we intend to become one of the largest and most respected aged care organisations in Australia. Our success will be underpinned by the industry demographics of a steady growing demand for quality high care facilities and also the Government reform agenda of, "Living Longer, Living Better" which, in essence, encourages consumers to contribute towards their care. In turn, we believe this will improve facilities and the quality of care being provided throughout aged care.

We are very aware of our responsibilities to our new shareholders. At the heart of our thinking, we believe that if we deliver the highest level of resident care possible through our excellent staff and management and provide quality facilities, then exceptional financial performances will follow.

The Government aged care reforms in summary, are aimed at building a better aged care system and giving families the choice between home care and quality high care facilities.

Estia is ideally positioned to benefit from the favourable industry conditions. Recent market research clearly shows a preference for single rooms. We have the highest number of highly sought of single rooms in the industry, comprising 94% of our total bed numbers.

Your Board and management have targeted a total of 10,000 beds by 2020 through acquisitions, brownfield, greenfield, and organic growth.

We are already a much larger group that initially outlined in the company prospectus, as an additional 12 facilities have been acquired since the acquisition of Cook Care and Padman Health Care in July 2014.

Our success will be based upon us having a very clear growth strategy but above all developing excellent staff and management. I am very pleased to say we are very fortunate to have one of the best CEOs of the Aged Care industry in Paul Gregersen and he is already building an excellent management team around him, many of whom are here today. I encourage you to spend some time after the AGM, to speak with our executive team.

Paul and his team see one of their main priorities as building a very special Estia Culture, which we have called “The Estia Family”. We aim to make every one of our staff proud of being part of Estia Health and the exceptional outcomes we aim to produce. I take this opportunity to thank management staff for producing excellent results in what has been challenging times. It is very pleasing to see the energy and enthusiasm of the staff and management dedicated to building the new and special Estia Health. While all are doing a great job, I want to say well done to Joe Genova who has successfully

integrated three very different financial systems into one and has built a new centralised financial team. Well done Joe.

In summarising, our financial performance since IPO and the financial year ended 30 June 2015, I am pleased to say we have exceeded our key financial metrics outlined in the prospectus. The group generated a revenue of \$297.5m and a profit after tax of \$44.6m. Paul in his presentation will be giving more detail on these performances.

Reflecting the confidence in our future and the company's strong performance, the Board is pleased to have declared a maiden fully franked dividend of 13.6 cents per share, payable on 26<sup>th</sup> October.

We have also offered a dividend reinvestment plan.

I would like to take this opportunity to thank my fellow non-executive directors of your Estia Board for their conscientious work and their commitment to the future success of Estia Health – Peter Arvanitis, Norah Barlow, Marcus Darville and Andrew Harrison. I believe their complementary skills make it a very value-adding board.

Finally I thank all the shareholders who have invested in Estia Health, and thank the shareholders who have attend this inaugural AGM today. I assure you, we your Board and the management team will be doing everything possible to ensure you will be very pleased with your investment in Estia Health.

I will now call on Paul Gregersen to make his CEO's presentation.