

29 October 2015

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Chairman and MD addresses to Annual General Meeting

In accordance with Listing Rule 3.13.3, we attach the Chairman and MD addresses to the Regis Healthcare AGM on 29 October 2015.

Yours sincerely,



Martin Bede
Company Secretary

Regis Healthcare AGM Chairman's Address 2015

Good morning and welcome to the first Annual General Meeting for Regis Healthcare.

It has been a busy and productive year since our successful public listing last October and it is a pleasure to deliver my first report to you as Chairman of Regis.

I am pleased to report that the business has performed well in this milestone year, delivering results ahead of our prospectus forecast.

As you may know, aged care is a unique and highly regulated industry.

The last 18 months in particular have seen a number of regulatory changes that have posed both opportunities and challenges to the industry and large providers such as Regis. The key change has been the Australian Government's Living Longer, Living Better Reforms, which increased resident choice and flexibility in accommodation payment options, while giving providers increased access to the capital required to support much-needed investment in the aged care sector.

In this evolving landscape, Regis continues to be one of the largest and most innovative aged care providers in Australia. We are well-placed to successfully navigate industry changes. We maintain good relationships with key external and government stakeholders and our management are involved with peak industry bodies, such as the Aged Care Guild.

One unchanging constant is our commitment to caring for our residents, which dates back over 20 years to Regis' origins as a provider with a single site in regional Victoria.

The quality of care that we provide to our residents continues to be fundamental to the way that Regis operates. During the past year, we demonstrated this commitment to care standards through 24 successful facility accreditation audits by the Australian Aged Care Quality Agency. We are pleased to report that each of these facilities were adjudged to meet all 44 expected outcomes under the accreditation standards for quality of care and quality of life for residents. This is an outstanding achievement and a reflection of the commitment of Regis' staff to delivering high care standards for our residents.

We continually seek to improve our care standards through policies and processes managed by Regis' Quality & Compliance team. This is also achieved through the implementation of a number of innovative project and pilot programs - including employment program Carers Connect and employee value proposition project "Flourish", PARO and the online Regis E-Learning Centre. Our CEO, Ross Johnston, will discuss these programs in further detail in his address.

It is important that a commitment to care standards exists alongside a commitment to workplace health and safety. We are pleased to report that Regis' workplace health and

safety performance was ahead of the prior year, including a reduction in workers compensation claims. Regis' Lost Time Injury Frequency Rate has also reduced by 77% since June 2013.

The implementation of the online Regis Learning Centre has helped to significantly improve the optional training uptake and compliance outcomes over the last 18 months, which has no doubt contributed to this improvement in WHS performance.

The Company is also making sound progress in achieving its strategic growth objectives outlined in the prospectus, for both greenfield and brownfield developments. We have acquired three new facilities over the past financial year located in Darwin, Cairns and Adelaide, comprising 444 new places. The integration of the new facilities with Regis' systems and processes is progressing well and will be finalised over the remainder of this financial year.

By 30 June, the total number of operational places across Regis had grown to 5,095, marking an increase of 7.9% from 4,719 operational places at the time of listing.

This will increase in coming years as we deliver on Regis' greenfield development program, which is central to our long-term strategy. Good progress has already been made in this area. We now have four sites under construction, comprising a total of 438 new beds. We also have a further four facilities, totalling 470 new beds or 431 additional beds, in various stages of the development process. By late 2016, Regis expects to have over 900 new beds under construction.

We are pleased with the implementation of Regis' growth strategy to date and will seek to maintain our position as one of the largest and most geographically diversified private residential aged care providers in Australia.

Regis is committed to the development of its people. We know that they are the key to the ongoing success of Regis. In the period from listing to 30 June 2015 the company welcomed in excess of 1,000 new staff across the country. In the CEO's address, Ross will elaborate on what we see as industry-leading programs in the areas of staff recruitment, development and culture.

I am pleased to report that the Board is working well, and that we are drawing upon the complementary experience provided by new directors Sylvia Falzon and Trevor Gerber whilst benefitting from the on-going contribution and aged care expertise of the company's founders, Bryan Dorman and Ian Roberts.

Our CEO and his Executive Team have performed very well during the year, making significant progress in positioning Regis as a leading aged care provider, on both financial and non-financial measures, including execution of our growth strategy.

Regis performed well financially in FY15, delivering on all key performance metrics and finishing the year with a strong balance sheet. Our Net Profit (after tax) and EBITDA results were above the mid-point of the upgraded earnings guidance range provided in February 2015. In addition, Net Cash Flow was above the prospectus forecast at \$44.1 million and Regis has no debt.

The directors declared a 17.6 cent final dividend for the period up to 30 June, which was paid to shareholders on the 21 September. The dividend was franked to 64.2%.

There are two components to this dividend;

- 11.3 cents per share which, when excluding the contribution from the SRO appeal outcome, represents 100% of statutory NPAT for 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.

Ross, in his presentation, will be giving more detail on Regis Healthcare's fiscal performance.

I would like to take this opportunity to thank my fellow directors and the Executive Team for their invaluable contributions this year. A special thank you must also go to Regis' committed employees for their caring focus on our residents each day and, therefore, the future success of Regis Healthcare.

Finally, I would like to thank you, our shareholders, for your support for Regis Healthcare. We operate in a growth industry and I, personally, am very excited about opportunities that lie ahead for Regis.

I would now like to invite Ross Johnston to deliver his CEO's address.

Regis Healthcare AGM Managing Director/Chief Executive Officer Address 2015

Thank you Mark.

I am pleased to deliver our first full year report since Regis Healthcare listed on the ASX on the 7th of October 2014.

The Company has made good progress since listing both in the delivery of its financial results and in the execution of its strategy.

In February 2015 we issued earnings guidance that we would exceed our prospectus forecast for both EBITDA and NPAT by 7 to 10%.

Our final FY15 pro forma results saw us achieve this with EBITDA of \$93.6 million, 7.8% ahead of the prospectus forecast and NPAT of \$53.1 million, which was 10.6% ahead of prospectus forecast.

The solid EBITDA and NPAT results were driven by growth in revenue, from both government and resident income.

Through active management, revenue per occupied bed day was \$263 compared to the prospectus forecast of \$256.

We are pleased to report that the acquisitions completed during the financial year also made a net positive contribution to EBITDA and NPAT.

A key highlight was the pro forma Net Operating Cashflow result of \$152.3m.

This was achieved by the strong EBITDA result and Net Cashflow from refundable accommodation deposits of \$73.6m being ahead of expectation.

This enabled an increase in capital expenditure of \$103.8m which was \$14m more than prospectus forecast, whilst the Net Cashflow of \$30.6m still exceeded the prospectus forecast by \$14.3m.

Areas of investment included the three facility acquisitions, the purchase of land for two developments in Queensland and development capital expenditure.

While still above industry averages, our occupancy was flat in the second half of the financial year due to a few sites impacting results, however we managed our variable expenses which enabled us to achieve our targeted EBITDA outcomes.

Both staff and other expenses were in line with our expectations in the reporting period.

Regis has acquired three facilities since listing, adding 444 new places to our portfolio.

These acquisitions were Tiwi in Darwin, Redlynch in Cairns and Marlestone in Adelaide.

In relation to development activity, I am pleased to announce that the 38 new places resulting from the Brownfield development at our Regis Ontario facility in Mildura opened on the 5th of October.

This includes features such as a sensory garden for residents with dementia and a room for residents' families when they wish to stay at the facility.

The new extension has been eagerly awaited by the community of Mildura who have shown great support to the new staff and residents at the facility.

Other development projects currently under construction and detailed in our annual report include a brownfield extension at our facility in Caboolture, Queensland in an area with particularly high demand for residents at the highest end of care offered in our business.

They also include the construction of a new facility in North Fremantle, which involves retaining and refurbishing a heritage building and will offer views over the Swan River.

In Malvern East, construction is well underway on a new facility which will offer 148 places including 19 apartment style rooms with separate lounge areas.

Finally at Linden Park in Adelaide, construction has commenced to consolidate three stand-alone buildings and prepare for the construction of a new double storey facility which will accommodate 117 places.

The North Fremantle, Malvern East and Linden Park facilities will offer the Regis Club service, which includes amenities such as a café, private dining room, cinema, day spa and premium services.

Together, Regis Caboolture, North Fremantle, Malvern East and Linden Park will deliver a total of 438 new places when completed.

In addition to these development projects, we have made progress on a number of other developments in the suburbs of Chelmer and Lutwyche in Brisbane, Kingswood in Adelaide and Greenmount, Perth.

Specific details for each of these were provided in our FY15 results presentation.

When complete these four development projects will deliver a further 470 additional places to the portfolio.

Our growth strategy does at times require the closure of a facility and in May we announced the closure of Regis Sunset in Kingswood ahead of redevelopment.

I am pleased to say that all residents at Sunset were safely relocated to other aged care facilities with the assistance of Regis and that in excess of 80% of staff were redeployed within the Regis group.

We lodged our 2015 Aged Care Approvals Round application in late September, we expect results to be announced by the Government in March of 2016.

Regis has also invested substantially in refurbishment of facilities.

In the past year, the first phase of the Significant Refurbishment project to August 2015 saw 14 facilities refurbished.

This enhanced the quality of accommodation for residents and resulted in places for over 750 supported residents being eligible for a higher accommodation supplement.

As an example, at our Facility in Belmont in Sydney where there is a large Greek community, the renovation included creating a Greek community room which is now a vibrant hub for visitors, broadcasts the Greek news channel and is used for cultural events, which are frequent due to a close relationship with the local Orthodox Church.

The second phase of the significant refurbishment project is now underway, having commenced at four facilities.

We expect to add further facilities to the program through FY16.

At Regis, our business is centred on the quality of life of our residents, and the care and accommodation we provide.

Of equal importance is the health and safety of those providing the care – our nurses, carers and other staff.

During the year, we continued to develop improved service offerings for residents with the introduction of the Regis Reserve service package at selected facilities.

These additional services will include enhanced food and lifestyle options for residents and will be implemented over the next twelve months.

Over a three month period earlier in the year, Regis trialled PARO, a robotic Harp seal developed for use with residents in aged care with severe dementia behaviours.

Our experience was that PARO is effective in reducing severe behaviours over time for some residents, as they are calmed by the seal's sounds and gentle movements.

Our people involved in the trials have been really impressed, and also touched, by what they have observed.

So much so, that we have invested in 48 units and PARO has been introduced into our care and lifestyle programs across all facilities on a rotational basis through a centralised resource library.

In relation to staffing, the Company has made satisfactory progress in delivering improved Workplace Health and Safety outcomes compared with the previous year.

In our annual report we noted that we had commenced negotiations on the renewal of our Queensland Enterprise Bargaining Agreements during FY15, which was the first of our nine EBAs to be renegotiated.

We are pleased to report that this process has been completed in line with expectations. Negotiations for the NSW EBAs have now commenced.

The labour market is arguably one of the larger challenges for companies in the healthcare space in the future and is key to us staffing our new facilities.

Accordingly, Regis invests heavily in recruiting, developing and retaining its employees, because this benefits our residents, our staff and our business.

Pleasingly, we continue to be an employer of choice through our innovative recruitment and mentoring programs and continue to attract and retain high quality employees.

For the fourth year in a row, Regis Healthcare has undertaken its International Nurses recruitment program – and has sponsored over 300 experienced registered nurses who are committed to working in an aged care environment.

This program has contributed significantly to improve staff tenure and a deepening of clinical knowledge across Regis to the benefit of our residents.

Through our Carers Connect program, we have employed in excess of 800 carers across the Company in the last twelve months.

The program is designed to assess, select and bring on board suitable skills and behaviours among Regis Healthcare employees.

Carers Connect delivers benefits to all stakeholders and has resulted in reduced staff turnover, improved resident outcomes and enhanced the overall staff culture across the Company.

The Regis Flourish program, which commenced in early 2014, achieves similar outcomes for our clinicians and managers through tailored professional development and defined career pathways.

All our clinical managers are involved in the program, with consequent reductions in staff turnover, a much stronger focus on clinical outcomes for residents and enhanced compliance.

Key to delivering appropriate training, development and compliance across Regis Healthcare is our investment in the Regis Learning Centre.

The system delivers online learning to staff and is accessible 24/7. Since its inception, the centre has grown to now offer 20 Regis specific training programs including Palliative Care, Behaviour Management and Completing Clinical Documentation.

The availability of this system has significantly improved the uptake of optional training and compliance outcomes over the last 18 months.

In closing I would like to make some comments in relation to our strategy going forward.

Our aspiration continues to be to position Regis as a leading Aged Care Provider providing quality services to care recipients, quality facilities and a geographic footprint principally centred around major metropolitan locations.

In our prospectus we laid out a four point strategy: being,

- Acquisition of single facilities
- Acquisition of portfolios of facilities where appropriate
- Development of Greenfield facilities
- Development Brownfield facilities

To expand a little on the four levers;

Lever one is to acquire single facilities.

As I have outlined earlier we have acquired three facilities since listing, adding 444 places to the portfolio.

In addition to these we have assessed many other opportunities.

These opportunities need to be assessed against a range of criteria including, bed configuration, any embedded operational constraints, minimum scale requirements, likely future competition risk, location, extent of future capital required and ultimately the price.

Lever two was to acquire portfolios

From an industry perspective there is an increasing amount of consolidation occurring and there have been some portfolios marketed.

Our development team is very active looking at these opportunities.

Our criteria for portfolios is similar to single site acquisitions.

We continue to look for opportunities that meet our criteria.

The last two levers are; the construction of new places be they new sites or expansion to existing sites. That is; Greenfield or Brownfield developments.

These two levers have the potential to provide predictable solid growth to Regis whilst delivering good returns in the future.

As you are aware we have been extremely active in positioning Regis for substantial growth in this area.

Through the development of new places we meet all of our key criteria and reap the superior cash flow benefit from RADs in well located facilities in major metropolitan locations.

As we have outlined earlier our development pipeline is currently 908 places, delivering 756 additional new places to the portfolio.

Naturally we will continue to add to this going forward.

Our investment since listing in the execution of our strategy is in excess of \$130m and to date has been fully funded from cash flow, this includes acquisitions made and in relation to the development pipeline; land acquisitions, design and construction capital expenditure.

In closing, I would like to thank all of our employees who deliver such high levels of care to our residents every day.

Thank you also to the Board of Directors for their support and guidance and the Executive team for their ongoing commitment in delivering a solid result for Regis Healthcare in the 2015 financial year.

Finally, thank you to our Shareholders for your investment in the company and your ongoing support.