

ESTIA HEALTH

FY2016 HALF YEAR RESULTS SUPPLEMENTARY DISCLOSURE

Estia Health Limited (ASX: EHE) ("Estia" or the "Company"), in the interests of maintaining the highest standards of transparency and in response to requests from a number of analysts and investors, has released the following supplementary disclosure to its FY2016 first half results issued on 18 February 2016.

Given Estia's accelerated growth strategy, the Company acquired an additional 1,593 operating places through single site acquisitions between the time of its listing in December 2014 and the end of the FY2016 first half. In addition, the Prospectus forecasts were determined based on a number of assumptions including the timing of acquisitions and redevelopments and in relation to consumer preferences, such as the choice to pay via refundable accommodation payments (RAD) or daily accommodation payments (DAP). Actual consumer preferences have varied significantly.

Estia has therefore provided the following table and accompanying notes to reconcile the underlying performance of the business based on managing the 3,613 operating places owned or contracted as at its listing date of 5 December 2014. The adjusted underlying figures below have also been prepared adopting the same assumptions used in the Prospectus forecasts and therefore provide a 'like-for-like' comparison.

The adjusted underlying EBITDA for the FY2016 half year ended 31 December 2015 of \$41.89 million is marginally ahead of Prospectus forecast.

\$000's		Actual	Forecast	
	Note	1H FY16	1H FY16	Variance
Revenue	1	163,323	168,808	(5,485)
Notional income	2	4,447		4,447
Notional revenue		167,770	168,808	(1,038)
Total operating costs	3	(127,056)	(126,934)	(122)
EBITDA		40,714	41,874	(1,160)
Keysborough	4	464		464
Mudgeeraba	5	330		330
Craigmore	6	248		248
Kadina	6	129		129
Adjustments		1,171	0	1,171
Adjusted underlying EBITDA		41,885	41,874	11

Notes

1. Actual based on Prospectus portfolio of 36 owned facilities with 3,203 beds plus 8 contracted facilities with 410 beds.
2. Notional income based on variance between Prospectus RAD penetration of 48.6% and actual RAD penetration of 59.6%. Income calculated from 3,613 places at average occupancy at 96.3% multiplied by penetration variance of 11%, representing 382 non-DAP paying residents. At average incoming RAD of \$358,000 multiplied by blended MPIR of 6.45% over 184 days equals notional income of \$4,447k.
3. Actual facility operating costs plus Prospectus central costs of \$6,721k.
4. Delay of completion of 5 months impacting rate of EBITDA optimisation.
5. Closure of 54 bed nursing home on 30 June 2015 against Prospectus guidance of September 2015.
6. Volume variance through extensive refurbishment of whole facility against initial plan of partial redevelopment.

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