



Eureka Group Holdings Ltd

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For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

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Market Update

Elizabeth Vale 2

Eureka Group Holdings Limited ("Eureka") has completed due diligence on the seniors retirement village known as Elizabeth Vale 2 and intends to proceed with the transaction.

The agreed terms and conditions of the transaction have been amended due to the material improvement in the Eureka share price over the course of the due diligence period and are set out below:

Total price of \$4,386,000 made up of:

1. Assumption of debt of \$1,640,000
2. Further borrowing against the village of \$400,000 to be arranged by Eureka
3. Cash of \$1,196,000
4. Share issue of \$1,000,000 @25 cps or (4m shares) subject to shareholder approval
5. Warranty amount of \$150,000 to be held back for 12 months

Eureka Chairman, Robin Levison, stated "The ownership of Elizabeth Vale 1&2 (118 units) and Mackay (93 units) creates a large super village cluster that is highly beneficial to Eureka due to the incremental benefits that their economies of scale and scope help achieve. Settlement of Elizabeth Vale 2 will occur in late January 2015 and will put Eureka in the position of owning 308 units and managing a further 1,110, for a total of 1,418".

It should also be noted that Lachlan McIntosh is a minority investor in Elizabeth Vale 2 and accordingly, an Independent Expert's Report and an EGM will be required to approve the transaction. Voting exclusions apply to this transaction in respect of related parties.

For further information contact Robin Levison (Chairman) on 07 5568 0205.