

ESTIA ANNOUNCES PROPOSED ACQUISITION OF 80 SINGLE ROOM AGED CARE FACILITYHighlights

- Estia agrees to acquire 80 additional single rooms subject to satisfactory due diligence and regulatory approvals
- Three further acquisitions outlined in the Prospectus successfully completed
- Integration of group wide IT System on track and 80% complete by year end

Estia Health Limited (ASX:EHE) today announced the company had agreed to acquire a further aged care facility, pending the completion of successful due diligence by Estia and the receipt of regulatory approvals. The agreed gross acquisition price for the portfolio is \$13.5 million (approximate net price \$11.0 million), and has a brownfields opportunity for a further 28 single rooms, subject to planning approvals. Should the acquisition proceed, the facility will expand Estia's overall portfolio to 45 homes (3693 places). The facility meets the company's acquisition criteria of being located in high growth metropolitan areas, adding to the concentration of existing sites. If due diligence is completed successfully, the acquisition is expected to complete in the first quarter of 2015.

Of note in regards to this facility is that all 80 places are in sought after single rooms, further adding to Estia's attractive industry position of having 92% single room configuration.

The Chief Executive Officer of Estia Health, Paul Gregersen said; "The value of single room configuration in aged care should not be understated. From my experience in the industry it is the primary factor in consumer decision making as it provides the level of privacy and dignity that is so highly sought after. This in turn drives higher occupancy and supports strong sustainable earnings that then allows further investment in the high growth and fragmented aged care market.

Estia today also announced the successful completion of three metropolitan aged care facilities, as outlined in the company's Prospectus. The homes at Wattle Glen VIC (101 places), Prahran VIC (58 places) and Salisbury SA (71 places) are all located in prime metropolitan locations, and the process of integration into Estia's core business has already commenced.

Paul Gregersen said: "Underpinning our growth and integration is the management roll-out of a new IT system, which is on track for approximately 80% completion prior to Christmas. We are scheduled to complete the roll-out of the final IT system, our new clinical care platform, in the second quarter 2015."

9 December 2014

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