

For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

23 January 2015

Market Update

Eureka granted a new 5 year finance facility

Eureka Group Holdings Limited ("Eureka") is pleased to announce that it has been granted a new 5-year facility with the National Australia Bank ("NAB") on terms significantly more favourable than its previous facilities.

Under the new facility the financier for the Elizabeth Vale 1 and Bundaberg villages was repaid leaving NAB as Eureka's sole financier.

The granting of this facility is testament to the strengthening position of Eureka and the long term support that the NAB has given Eureka.

Key new terms are as follows:

Current interest rate	4.99% (plus a facility fee of 0.5% which ceases upon receipt of certain management right valuations and documents which will be dealt with over the next 45 days).
Term	5 years.
Repayments	\$30k per month with a one-time additional reduction of \$10k on 31 March 2015.
Facility limit	\$14.05m which is currently drawn to \$12.6m. The balance of funds will be drawn to assist with Elizabeth Vale 2 settlement.
Financial Covenants	1. Interest cover ratio > 2.25x 2. Capital adequacy ratio > 30% - Calculated as (Tangible net worth + \$4.04m) / (Tangible assets + \$4.04m)

These give significant headroom to the group based on likely future earnings.

The NAB is currently dealing with further applications for financing the Whyalla acquisition which will settle today and the upcoming settlement of Elizabeth Vale 2 which is now expected to settle in late February 2015.

Chairman Robin Levison stated, "In 2014 Eureka's weighted average interest rate was 8.71% and now it will be 4.99% which provides an immediate positive effect on Operating Cash Flow and Net Profit After Tax. This facility provides the solid foundation to further grow Eureka after the great progress made in calendar year 2014."

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