

For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

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Market Update

Eureka acquires 19th freehold retirement village

Eureka Group Holdings Ltd (Eureka) is pleased to announce its 9th acquisition for the Financial year 2016.

Eureka has agreed to acquire Amber Lodge which is a 54 room village to be known as Eureka Amber Lodge for \$4.5 million. Amber lodge is currently running at 90% occupancy and is expected to generate annual EBITDA of \$550,000. Included in the initial purchase price is sufficient additional vacant land to develop another 36 units adding to the > 400 existing brownfield or in-fill development opportunities already available to the company.

Eureka Executive Chairman Robin Levison commented “The acquisition of Amber Lodge is another step in Eureka’s previously outlined *buy and build strategy* and adds to the existing economies of scale the company has in South Australia with a total of 584 beds now in the region.”

Eureka Amber Lodge completes a total of 9 villages acquired to date in the 2016 Financial Year with prior acquisitions being:

- 45 unit Mt Gambier Village in South Australia for \$2.25m
- 41 unit Rockhampton Village in Queensland for \$3.25m
- 50 unit Bowen Village in Queensland for \$1.32m
- 50 unit Wynnum Village in Queensland for \$4.0m
- 80 unit Terranora Village in northern New South Wales for \$7.0m
- 41 unit Rockhampton 2 Village in Queensland for \$4.565m
- 58 unit Mt Gambier 2 Village in South Australia for \$3.45m
- 60 unit Mt Salisbury Village in South Australia for \$4.6m

The geographical breakdown shows clusters of villages have now been created, with 303 units in North Queensland, 214 units in Central Queensland, 562 units in South East Queensland/Northern New South Wales, 584 units in South Australia and 218 units in the Victoria/New South Wales Border region.

As part of the continued expansion of the Eureka “buy and build” strategy the company now owns 19 villages (or 1,100 units) with a total of 28 villages (or 1,881 units) under management and has a further 10 villages under current due diligence or clear line of sight to ownership.