

BANKING COVENANT UPDATE

Promisia Healthcare Limited (NZX: PHL) advises the market that it has breached its interest cover ratio covenant with its primary financier, Bank of New Zealand. The covenant relates to the requirement for EBITDA / Interest cover to be at least 1.8 times the interest cost. The covenant breach has occurred due to higher interest costs and increased expenses over the last quarter as PHL has revamped its management team, implemented a strategic focus across the group on enhancing our level of resident care and implemented new initiatives to increase occupancy, particularly at Aldwins House.

PHL is having constructive discussions with Bank of New Zealand regarding this breach and is preparing more information for their consideration. PHL will then seek the agreement of Bank of New Zealand to either a waiver or variation of the covenant. PHL expects to conclude these discussions by the end of this calendar year. PHL remains in compliance with all other banking covenants, including its LVR covenant.

ENDS

For more information, please contact:

Tom Brankin,
Executive Director,
M: 021 994 740

For media assistance, please contact:

Jackie Ellis on +64 27 246 2505 or email jackie@ellisandco.co.nz.

About Promisia Healthcare

Promisia is a New Zealand based aged care and retirement living provider, with a focus on delivering quality personalised care. Our aim is to be the aged care provider of choice in our communities. Our facilities are located in well-established and well serviced towns and metropolitan areas. Our goal is to profitably grow our business in a sustainable manner, delivering quality care to our residents, peace of mind to their families and whanau, and excellent value to our villages, community and shareholders. Promisia is listed on the NZX (NZX: PHL). <http://www.promisia.co.nz>.