

For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

23 November 2015

Market Update

- **Eureka enters into contract to acquire Village 17**
- **Eureka goes unconditional on 16th Village acquisition**
- **Eureka continues due diligence on villages 18 – 23**
- **Eureka continues acceleration of “buy and build” strategy**

Eureka Group Holdings Limited (“Eureka”) is pleased to announce it has entered into an unconditional contract to acquire its 17th freehold senior’s rental village which will be known as Mt Gambier 2 Village. The village has 58 apartments with 10 double rooms and is currently 85% occupied.

Eureka will pay an effective \$3.45 million for the Mt Gambier 2 village which is expected to add total estimated village EBITDA of \$480,000. The unconditional contract is expected to settle on December 2nd 2015.

The company has also completed its due diligence and gone unconditional on its contract to acquire its 16th freehold senior’s rental village which will be known as Eureka Cascade Gardens Rockhampton 2.

Given this village has been managed by Eureka for the last 10 months and is next door to Eureka’s own Rockhampton 1 village, once completed the acquisition will create what the company terms a “super-village” with greater than 90 beds in a single location.

Eureka will pay \$4.565 million for the Rockhampton 2 village which is expected to add annual rental revenue of around \$620,000 bringing total village revenue to \$940,000 (inclusive of management fees already received as incumbent village manager) and total estimated village EBITDA to \$580,000. Conditions of the Rockhampton 2 contract are to be satisfied within 14 days with settlement expected on December 1st 2015.

The above cash components of the purchases will be sourced from cash reserves which have been bolstered by the recent successful \$10m capital raise and will still leave the company with around \$20m in spending power including assumed debt funding.

Eureka Chairman Robin Levison stated “The acquisition of the Mt Gambier 2 Village increases Eureka’s scale in South Australia giving the company greater than 400 units in that state. The Rockhampton 2 village is already managed by Eureka and hence provides an easy integration opportunity into the Eureka portfolio of villages. It adds to the 210 units already managed by the company in the Central Queensland area and will add to the regional economies of scale and scope in that area.”



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Eureka now has scale in the following regions:

- North Queensland - 253 units
- Central Queensland - 269 units
- South East QLD/Northern NSW - 439 units
- South Australia - 423 units
- VIC/NSW Border Region - 218 units

Post-completion, Eureka will own 996 units comprising 17 villages and manage a total of 1,767 units.

Eureka is also currently engaged in due diligence on villages that will provide its 18th to 23rd acquisition opportunities, as it continues the acceleration of its “buy and build” growth strategy and has been delighted with the number of acquisition opportunities it is being offered that are over and above its own list of existing acquisition targets.

For further information, contact:

Robin Levison (Chairman) on 07 5568 0205.