



EUMUNDI GROUP

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To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgement System

EUMUNDI GROUP - COURT HOUSE HOTEL, MURWILLUMBAH, STRATEGIC ACQUISITION COMPLETED

Eumundi Group Limited (the “**Group**”), the Queensland based hotel and investment property company, is pleased to announce that the purchase of the land and buildings of the Court House Hotel, Murwillumbah on the NSW far north coast has completed today.

The investment, undertaken by the Group’s wholly owned subsidiary, Eumundi Property Group Pty Ltd (EPG) comprises the acquisition of the hotel land and building assets.

The hotel business will be owned and operated by former Dixon Hospitality stakeholder, Michael Dixon, under the Athena Hospitality Group banner (“**Lessee**”), for an initial term of 15 years with four further options of 10 years each. The lease is a triple net lease, with all outgoings and the costs of capital supported by a three-month bank guarantee and directors’ guarantees.

The purchase has been funded through a mixture of the Group’s unused existing facilities and new approved facilities from its bankers, the NAB. Total borrowings for the Group post acquisition are less than \$34M with further undrawn facilities of \$6M providing working capital and having the ability to respond to further growth opportunities that may be identified.

The Court House Hotel acquisition meets the Group’s stated objectives of targeting blue chip assets with substantial capital growth potential, minimal management involvement by the Group and solid income backed by tenants of substance and proven capability. This strategic acquisition fits the mould perfectly as an ideal complement to Eumundi’s impressive portfolio and will make a net contribution of approximately \$0.26 million to the pre-tax result of the Group in the first year of ownership.

Joe Ganim
Chairman
Authorised by the Board

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