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For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

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### **Market Update**

#### **Eureka acquires 26<sup>th</sup> freehold village**

Eureka Group Holdings Limited (Eureka) is pleased to announce its 3<sup>rd</sup> acquisition for Financial Year 2017.

Eureka has agreed to acquire a 38-unit village in Mackay, Queensland for \$1.16 million, including a dining, communal area and large commercial kitchen.

Eureka Executive Chairman Robin Levison commented, "The acquisition of a second village in Mackay continues the build out of scale Eureka is achieving in Northern Queensland, and complements the company's other villages in Condon, Smithfield, Wulgaru, Townsville and Bowen. Given the village was in Receivership, the price of \$1.16 million paid by Eureka to the Receiver of the village ensures the acquisition will meet the company's internal hurdle rate of 15% unlevered EBITDA return.

"Secondly, as reported in the Australian Financial Review on October 26<sup>th</sup> yesterday, the overall vacancy rate in Mackay has fallen to its lowest level in more than two years as the town continues to recover from the loss of mining personnel, hence creating ideal timing to add another village in this location to the Eureka portfolio".

With the acquisition of Eureka's second Mackay Village (38 units), Eureka now has the following clusters of villages and number of units in each cluster: 361 units in North Queensland, 214 units in Central Queensland, 599 units in South East Queensland/Northern New South Wales, 584 units in South Australia and 315 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 26 villages (or 1,334 units) with a total of 35 villages (or 2,073 units) under management and has a further 7 villages under current due diligence or clear line of sight to ownership.

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

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