

## ASX / MEDIA RELEASE

24 August 2017

### **Eureka Group Holdings Ltd (ASX: EGH) posts EBITDA of \$9.4 million**

#### **Highlights:**

- EBITDA of \$9.4 million for the year and Profit After Tax of \$6.5 million
- During FY17, Eureka acquired an additional four villages in Gympie (Qld), Mackay (Qld), Orange (NSW) and Broken Hill (NSW)
- EGH has moved closer to development approval for its Terranora holdings (formerly Royal Terranora Resort) in northern New South Wales
- EGH lifted overall occupancy rate at its villages from 83% to 89.6%
- EGH's alliance with Uniting Church Blue Care in Queensland continues to strengthen, adding material improvements to clients' daily lives and peace of mind
- EGH operates on a low-cost rental basis rather than the expense of a buy in and high exit fee model
- EGH's CEO, Jeff Weigh sees robust growth in the sector for affordable housing for seniors whose main source of income is primarily the Australian pension and rental assistance

BRISBANE, QUEENSLAND: Retirement village owner and operator Eureka Group Holdings Ltd (ASX: EGH), has announced a net profit after tax of \$6.5 million for the year ending 30 June 2017.

Speaking from the group's Brisbane head office, chief executive Jeff Weigh said the year had been one of fundamental change in the structure, operations and governance of the company since he joined the group in early 2017, resulting in improved operational structures and occupancy levels at its villages.

The group acquired four additional villages to a value of \$11.3 million bringing Eureka's portfolio of villages to 36 throughout Victoria, New South Wales, South Australia and Queensland with the total number of units owned or managed to in excess of 2,000 units.

"We're also very pleased to report that Eureka lifted the overall occupancy level across its villages from 83% to 89.6% in the course of the year that was driven by a company-wide strategy to focus on improved occupancy rates, which have formed a solid base and benchmark for improved occupancy performance in the new financial year.

"In the next financial year there will be a continued commitment to Eureka's 'Buy and Build' strategy which has seen the company move away from its historical ownership of management rights only over low cost rental retirement villages, to a dominant and holistic bricks and mortar village ownership and management model, which has generated far superior returns to shareholders," Weigh said.

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He sees robust growth in the market for affordable housing for seniors.

“Eureka operates on a low-cost rental basis rather than the expense of a buy in and high exit fees model.

“Eureka clients can enjoy an affordable rent and meals package within their age pension and location allowances.”

EGH also reported that negotiations with Tweed Shire Council on receiving development approval for its Terranora holding in northern New South Wales were proceeding well. The site, formerly known as Royal Terranora Resort was purchased together with associated hillside property by EGH in late 2015 for \$7 million.

“We have carried out extensive works in upgrading the existing property numbering 60 units with future development potential for the stage 1 vacant land, for up to 240 townhouses or additional retirement village units. Once this initial stage is complete, Eureka will be in a position to focus on stage 2 by undertaking a full feasibility assessment of a 125-unit Eureka Village development or selling the undeveloped land.

“The approval process has taken longer than we had originally expected, however we anticipate receipt of the approval in the near future,” Weigh added.

The company has not declared a dividend for FY17.

ENDS

**Further information** | Jeff Weigh | Chief Executive Officer | Eureka Group Holdings | Ph: 07 3054 4531

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**About Eureka Group Holdings Ltd:**

Eureka Group Holdings Ltd (EGH) aims to provide the highest level of low cost rental accommodation and associated care to independent retirees who are either completely or primarily reliant on the Australian Government pension and rent assistance.

What sets the EGH business model apart from traditional retirement village operations that are governed by the Retirement Villages Act, is that EGH operates as a landlord under the Residential Tenancies Act. EGH operates on a low-cost rental basis rather than the expense of a buy in and high exit fees model.

EGH currently manages a property portfolio of 36 retirement villages representing in excess of 2,000 units across South Australia, Victoria, New South Wales and Queensland. Further information visit: [www.eurekagroupholdings.com.au](http://www.eurekagroupholdings.com.au)

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