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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 24th freehold village

Eureka Group Holdings Limited (Eureka) is pleased to announce its 1st acquisition for Financial Year 2017.

Eureka has agreed to acquire the 55-unit village in Orange, NSW known as Albert Street Gardens for \$5.115 million. Albert Street Gardens has a long term historic occupancy of 92% and is expected to generate annual EBITDA of approximately \$720,000. The village occupancy and financial performance, which meets Eureka's required EBITDA return rate, is underpinned by the demographic profile of Orange, which has approximately 40,000 people, 20 percent of which are aged over 65.

Eureka Executive Chairman Robin Levison commented "The acquisition of Albert Street Gardens is a strong start to the 2017 Financial Year and a continuation of Eureka's *buy and build strategy*, which continues to add to the existing economies of scale the company has in New South Wales. The addition of Albert Gardens follows the acquisition of three Blue care villages in late June and creates strong momentum for the company's first half revenues."

With the acquisition of Albert Street Gardens (55 units), the previously announced Couran Cove units (36 units), the recent sale of Maroochydore management rights (43 units), and recent decision to terminate the Capalaba management rights contract (25 units), Eureka now has the following clusters of villages and number of units in each cluster: 323 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 273 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 24 villages (or 1,254 units) with a total of 33 villages (or 1,993 units) under management and has a further 6 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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