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For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

19 February 2016

Appendix 4D and Half-Year Financial Report

Eureka Group Holdings Limited ("Eureka") is pleased to submit its Appendix 4D and Half Year Financial Report for period ended 31 December 2015. Some of Eureka's key highlights are summarised below and are more fully detailed in the attached Half Year Financial Report:

- Total income for the six months ended 31 December 2015 was up 69% to $9.47m.
- Net profit after tax for the six months ended 31 December 2015 was up 404% to $3.65 million.
- Earnings before interest, tax, depreciation and amortisation (EBITDA) for six months ended 31 December 2015 was up 268% to $4.48 million.
- $0.55m investment property fair value revaluation gain.
- Total assets at 31 December 2015 were up 65% to $85.61 million.
- Eureka's village ownership strategy is proving successful and sees Eureka owning 18 villages by the end of February 2016.
- Eureka at the date of this report owns 1,056 units comprising 18 villages, whilst managing a total of 1,827 units.
- Eureka has materially strengthened its balance sheet.
- Eureka experienced strong investor support during the period.

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

Appendix 4D
Half Year Report
For the period ended
31 December 2015

Results for announcement to the market

Eureka Group Holdings Limited

	Previous corresponding period
ABN: 15 097 241 159	31 December 2014

Results for announcement to the market

				$A'000
Revenue from ordinary activities	Up	44%	to	$7,792
Earnings Before Interest Tax Depreciation and Amortisation	Up	268%	to	$4,477
Profit from ordinary activities after tax attributable to members	Up	404%	to	$3,652
Net Profit for the period attributable to members	Up	404%	to	$3,652

	Current Period		**Prior Period**
Interim dividends			
Ordinary dividend per share	Nil		Nil
Franked dividend	Nil		Nil
Total dividend distribution	Nil		Nil
Record date for determining entitlements to the dividends	N/A		N/A
Dividend reinvestment plan	N/A		N/A

	Current Period		**Prior Period**
Net tangible asset per security			
Net tangible assets backing per ordinary security – dollars	19.46		7.23

Details of Entities Over Which Control Has Been Gained or Lost

Control gained over entities

Name of entity (or group of entities)	Refer to note 12 in the attached Half Year Financial Report
Date control gained	Refer to note 12 in the attached Half Year Financial Report
	Current period $'000
Contribution of the controlled entitiy (or group of entities) to profit after tax from ordinary activities during the period, from the date of gaining control	Refer to note 12 in the attached Half Year Financial Report

Details of Associates or Joint Venture Entities

Name of Associates or Joint Venture Entities	N/A
Percentage of holding in Associates or Joint Venture Entities	N/A

Foreign Entities Accounting

For Foreign Entities provide details of which accounting standards have been adopted (e.g. International Accounting Standards)	N/A

Attachments forming part of Appendix 4D

1	Executive Chairman's Review Interim Report
2	Half Year Financial Report
3	Independent Auditor's Review Report

Compliance statement

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements, the Corporations Regulations 2001 and other applicable ASX standards.

   No other standards have been used.

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This statement is based on accounts which have been subject to review.

5. The entity has a formally constituted audit committee.

Robin Levison
Executive Chairman

Dated in Brisbane this 19th day of February, 2016

EGH – CHAIRMAN'S REVIEW INTERIM REPORT

Eureka Exceeds Consensus Forecast to Post

Record Half Year NPAT of $3.65M

Highlights for 6 months to 31 December 2015

- Eureka Group Holdings Limited ("Eureka") exceeds prior results guidance following rapid growth into Australia's rental retirement market in first half of FY 2016
- Total Revenue up 69% to $9.47m
- NPAT up 404% to $3.65m
- EBITDA up 268% to $4.48m
- Accelerated "buy and build" strategy consolidates Eureka as Australia's second largest seniors' rental accommodation provider
- Materially strengthened balance sheet and funding facilities deliver $20m spending power to drive growth in second half of FY2016 and beyond
- $10m in annualised EBITDA from income earning freehold assets locked in.

Results Overview

The continued acceleration of Eureka's successful "buy and build" strategy, along with tightened cost controls and improved operational efficiencies, have resulted in the rapidly expanding independent seniors rental retirement accommodation provider today announcing a record NPAT of $3.65m for the six months to 31 December 2015, a 404% increase over the prior corresponding period (2014: $724,000).

The rapid expansion of company owned seniors' rental villages backed by a portfolio wide occupancy rate of 88% over the period under review drove total revenue 69% higher to $9.47m (2014: $5.62m).

Eureka's continued aggressive expansion in regional Queensland, New South Wales, and South Australia in the first six months of FY 2016 resulted in EBITDA jumping 268% to $4.48m (2014: $1.22m).

Eureka's positive results reflect both the effective management processes and efficiencies now in place across its entire property portfolio and its successful focus on acquiring "asset backed income generating assets" in the burgeoning rental sector of Australia's seniors' accommodation industry.

Eureka's successful business model is now generating sustainable earnings growth for shareholders while concurrently delivering discernible social equity benefits to the rapidly growing number of Australians who can no longer afford to buy freehold accommodation during their retirement years.

Eureka Now Australia's 2nd Largest Seniors' Rental Provider

In the first six months of FY 2016 Eureka capitalised on a successful capital raising, internal funding and competitive debt facilities to further consolidate its already strong market presence in key regional centres in

Queensland, New South Wales, and South Australia by investing $26.1m to acquire eight new villages (including Salisbury which settled in February 2016 for $4.6m) comprising 428 units and rooms.

As at the date of this report, Eureka owns 1,056 units contained in 18 villages, and in total manages a seniors' rental accommodation portfolio comprising 1,827 units and rooms.

Significantly, a number of the new acquisitions made in the first half of FY 2016 have been located either adjacent to, or in close proximity to existing Eureka owned villages, effectively creating clusters of "super villages" accommodating more than 90 residents which are leveraged to deliver enhanced efficiencies and heightened EBITDA returns. This strategy will continue to be a lynchpin of Eureka's forward growth strategy.

Of equal significance is the fact that several of the acquisitions made in the first half of FY 2016 were clearly aligned with the group's long term "build and buy" strategy, in that in addition to delivering "bricks and mortar" income earning assets, they provided ownership of valuable brown field development opportunities which Eureka intends capitalising on in the foreseeable future.

Eureka currently holds a cumulative land bank of over 170,000m^2 contained within its existing traditional freehold villages with the potential to develop around 250 units, or the equivalent of five new villages, along with an additional and highly valuable 60,000 m^2 of land at the newly acquired Terranora village in far northern New South Wales. The group intends to undertake a major re-engineering of this site which is estimated to deliver a cumulative $2.5m in total EBITDA once project works are completed. Full details of this milestone project for Eureka are provided further on in this report.

Including the Terranora village, four of the eight new acquisitions made by Eureka in the first half of FY 2016 offer the opportunity of profitable brown field development:

Wynnum Village

The Wynnum Village, which contains 41 units was acquired for $4.5m in October 2015, with this highly demanded bayside suburb firmly entrenched as the strongest retirement locality in the greater Brisbane area. This is reflected in the village's long term 100% occupancy level and current waiting list. Additional land contained within the acquisition provides a development opportunity for 22 units.

Mt Gambier Lambert Village

This 45-person village in Mt Gambier, South Australia was acquired by Eureka in September 2015 for $2.25m. Pending final development approval, there is potential to develop an extra 15 units on the vacant land in the village.

Rockhampton

Eureka acquired two additional villages in the recognised capital of Central Queensland. The first acquisition in October 2015 for $3.25m, was a 41-unit property with the sale also including a manager's unit. In December 2015, an immediately adjoining village, which had been managed by Eureka for the past 10 months, was acquired for $4.565m. The two acquisitions have created a "super village", offering over 90 beds in one location and delivering enhanced operating and cost efficiencies. The two acquisitions further strengthen the group's presence and scale in the Central Queensland market, with Eureka holding 269 units in what is one of Queensland's stronger regional economies.

Mt. Gambier

Capitalising on the previously outlined purchase in Mt. Gambier, in December 2015 Eureka acquired an additional village in this locality which contains 58 units and 10 double rooms for $3.45m.

Eureka Cascade Gardens Bowen

Eureka acquired this 50-room village in Bowen, North Queensland in December 2015 for $1.32m. Located in what is widely recognised as a strong retirement demographic area, this property has excess land which would accommodate construction of an additional 20 rooms.

Salisbury

In December 2015, the company contracted to purchase a 60-room village in Salisbury, Adelaide for $4.6m. The Mt Gambier and Salisbury acquisitions represent a strategic step up for Eureka in South Australia, enabling the company to achieve critical cost effective scale with 530 units now controlled in the state.

Terranora Redevelopment to Reap Significant Financial Windfall

The $7m acquisition in December 2015 of an 80 unit Terranora seniors' rental village in the Tweed Heads region on the Queensland/New South Wales border has delivered Eureka a legitimate "game changing" property redevelopment opportunity. The Board has prioritised a major re-engineering of this prime property, which significantly also contains six hectares of vacant land with extensive views over Tween Heads and Tweed hinterland.

The successful execution of the planned redevelopment of this property will deliver a significant cash windfall and further materially strengthen the balance sheet of the group, and equally importantly, provide a blueprint for future construction of a model "next generation village" which represents an additional channel for Eureka's forward organic growth strategy.

Given the underlying strength of the Gold Coast property market, along with the Tweed Shire's status as one of Australia's strongest retirement markets, and taking due consideration of current share market volatility, Directors believe it is an opportune time to undertake the following redevelopment initiatives at Terranora:

- Sell 3.5 hectares of the vacant land acquired as house and land packages, generating an estimated $4.0m in net cash;
- Sell the 80 rental units acquired, which are materially larger than Eureka's existing rental retirement units, delivering an additional projected $14m in net cash;
- Retain management rights for the 80 units to be sold, adding an expected $250,000 annually to group EBITDA; and

- Reinvest $10m from excess cash generated from the land and existing unit sales to build a “next generation” Eureka village comprising 125 x 39m^2 seniors’ rental units on the remaining 2.5 hectares of vacant land, generating approximately $2m EBITDA annually.

It is projected that the successful re-engineering of the Terranora project will deliver significant financial benefits to both the company and shareholders and further bolster the strength of Eureka’s balance sheet, with the latter remaining a priority objective of the Board.

The successful completion of the redevelopment initiatives outlined will significantly underpin Eureka’s commitment to further accelerating its growth strategy through:

- Providing around $8m in net cash to reduce debt and/or acquire further rental villages;
- Generating an expected additional recurring EBITDA of $2m from ownership of the new seniors’ village to be built and $0.5m additional EBITDA from existing and new managements rights; and
- Adding a significant 125 unit “bricks and mortar” asset to the company’s balance sheet based on the expected valuation of the new village to be constructed.

Implementation of the Terranora redevelopment will be staggered with the first stage seeing the sale of the 80 existing units which is expected to be completed by December 2016. Stage 2, which is scheduled for completion by June 2017, will involve sale of the house and land packages. Construction of the 125 new units under the final stage is expected to start sometime late 2017 or early 2018 once planning and development approvals have been received.

Laying A Financial Platform for Strong Sustained Growth

Eureka’s Board remains unequivocally committed to the long proven corporate adage of “strong balance sheet, strong growth, strong financial gains for shareholders.”

Given the uncertainty and volatility which currently continues to pervade world stock markets, Eureka made substantial progress in the first six months of FY 2016 to further bolster its balance sheet and to build a war chest to sustain the company’s accelerated “buy and build” growth strategy.

As a result of the group’s accelerated acquisition of freehold income earning “bricks and mortar” assets, total assets as at 31 December 2015 were up 65% to $85.61M. Significantly, net tangible assets backing per ordinary security increased almost three fold over the prior period from 7.23 cents to 19.46 cents.

In October 2015, the company successfully raised $10m net cash proceeds from an institutional capital raising which was priced at 54 cents per share. Like previous capital raisings, this latest offer was again heavily over subscribed, representing a clear endorsement by the company’s shareholders of Eureka’s strategy focus on capitalising on the exponentially increasing demand throughout Australia for affordable, well located and well serviced seniors’ rental accommodation. As with past raisings, the latest offer was successfully completed without any diminution of share value and with shareholder EPS being enhanced.

A hallmark of Eureka’s operational performance to date has been the stringent management of costs throughout all levels of the business. While the company’s rapid expansion necessitates a degree of increased expenditure, continued cost surveillance throughout the first half of FY2016 was maintained as a key contributor to maximising the group's financial position. Indicative of this focus on cost constraint was the decision during the period under review to appoint Robin Levison as Executive Chairman for a period of 12 months. While there will be a stage in the company's future that the appointment of a suitably experienced and qualified Chief Executive Officer is warranted, the Board believes Mr. Levison has the experience, skills and capacity to lead the company through the next phase of its expansion over the next 12 months and that the additional overheads incurred through the recruitment of a new Chief Executive Officer would not be appropriate at the current stage of Eureka's development.

As a result of the initiatives executed in the first half of FY 2016, Eureka is well positioned to become Australia's largest owner/operator of seniors' rental villages with the $10m in capital raised, along with existing cash reserves and assumed debt funding in place, providing the company with over $20m in future spending power.

Strong Market Fundamentals to Drive Future Growth

Underpinning Eureka's immediate and future growth trajectory is the underlying dynamics of the market in which the company operates.

As is widely documented, Australia's aged population will increase exponentially in coming years, and over the next 20 years, the number of Australian's aged 75 and above will more than double. A significantly increasing portion of these people will be forced to seek rental accommodation in retirement as it will be their only affordable option.

This surging trend is supported by the fact that in 2011 – 12 average superannuation balances were $88,615 for males and $44,866 for females, and even more so by the 2015 statistic that of the 3.6 million Australians over 65 years old, 65% rely to some degree for their ongoing support and lifestyle on a government pension or allowance.

Despite the escalating demand, particularly for affordable retirement accommodation, the industry in which Eureka operates remains highly fragmented with over 2,270 facilities across Australia catering for the aged accommodation needs of approximately 184,000 residents. The number of these residents is expected to more than double to around 382,000 by 2025. The unique fragmentation of Australia's retirement industry is highlighted by the fact that of all retirement villages in Australia, there are only approximately 60 managed by corporatized entities, with a vast majority of facilities owned and managed by owner operators, single strata title structures and not for profit groups.

Eureka is strategically positioned and financially equipped to fully capitalise on these market dynamics through further consolidating its dominance in the retirement rental sector by:

- Acquiring well located high occupancy facilities in localities in which the company already has a strong market presence from existing independent/small operators to create clusters of "super villages" with accompanying economies of scale; and
- Developing new "next generation super villages" from brown field development site opportunities that specifically meet the forecast surge in demand over the next decade and beyond for affordable, quality rental accommodation.

The dynamics of Australia's rapidly aging population, along with existing inventory levels which are insufficient to meet projected medium and long term demand, particularly for affordable rental options, have combined to largely immunise the industry, and in particular the segment Eureka remains focussed on, from the effects of adverse economic conditions and financial market fluctuations.

An Accelerating Growth Horizon

Following Eureka's strong financial performance and accompanying bolstering of its balance sheet in the first half of FY 2016, the company is strategically positioned to further accelerate its proven "buy and build" growth strategy through the remainder of this financial year and beyond.

Under this strategy the Board and senior management have a clear vision of consolidating Eureka's position as Australia's largest specialist provider of seniors' rental accommodation through continued acquisitions of additional high quality, asset backed income earning assets along with capitalising on the numerous brown field development opportunities contained within the company's ever expanding land holdings.

At the time of this report, Eureka has an immediate pipeline of nine further villages either under due diligence or in clear line of site for acquisition in 2016.

The company's Board remains fully committed to ensuring Eureka remains at the vanguard of the continuing consolidation of Australia's highly fragmented seniors' accommodation industry, estimating there are conservatively around 250 existing villages throughout Australia similar in size and operating model to those presently controlled by Eureka.

As Eureka continues to accelerate both its organic and acquisitive growth plans, an overriding objective will be to, wherever possible, create additional village clusters to further enhance group wide cost and operational efficiencies.

In line with this objective, Eureka has entrenched incentive based agreements with Village Managers which directly link remuneration rewards to improved occupancy and village returns.

On a similar note it is pertinent to highlight that there is also a clear incentive for Directors and senior management to maximise the company's financial performance and growth, with these personnel holding over 13% of shares on issue, ensuring a strong alignment of shareholders interests with those entrusted to plan and execute its growth strategy.

Given the underlying demand dynamics of the industry segment Eureka maintains a clear focus on, and the cash and bank funding available to the company, the Board is confident of achieving further strong operational and earnings growth over the remainder of the current financial year, and to successfully raise its "buy and build" growth strategy to a higher trajectory over the coming 12 months.

The continued acceleration of Eureka's village ownership strategy is creating a reliable recurring revenue stream that provides capital management flexibility, and these are now at a level, based on asset inventory currently held, that will generate annualised EBITDA in the vicinity of $10m.

Eureka's Board maintains a highly optimistic outlook for the company's sustained growth and continued prosperity and is confident of further increasing shareholder wealth through the current financial year and beyond with the expectation of acquiring 8-10 villages in the 2016 calendar year returning the required internal return rate the company has set itself and Eureka will also continue to review its management rights portfolio for optimum sales timing.

Robin Levison
Chairman

Half Year Financial Report 2015

31 December 2015

ABN: 15 097 241 159

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Directors' Report

The Directors present their report together with the financial statements of Eureka Group Holdings Limited (the "Company", "EGH" or "Eureka") and its controlled entities (the "Group" or the "Consolidated Entity") for the half-year ended 31 December 2015 (the "period") and the auditor's review report thereon. Unless otherwise noted, all amounts stated are expressed in Australian Dollars and have been rounded to the nearest $1,000.

DIRECTORS

The following persons were directors of EGH during the period and up to the date of this report, unless otherwise stated:

Robin Levison	Executive Chairman
Greg Rekers	Executive Director
Kerry Potter	Executive Director
Lachlan McIntosh	Non-Executive Director
Nirmal Hansra	Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of EGH include:

- Providing specialist property asset management through property ownership and management rights;
- Providing accommodation and tailored services to a broad market of aged residents with discretionary and non-discretionary spend characteristics; and
- Project management.

REVIEW OF OPERATIONS

A detailed review of results and operations is included in the Executive Chairman's Review Interim Report on page 4 of this report.

The performance of the Group as represented by the results of operations for the period, were as follows:

Performance Measure		**Consolidated six months**	
		31 Dec 2015 $'000	**31 Dec 2014 $'000**
Net profit		3,652	724
Add back:	Interest	697	435
	Tax	-	-
	Depreciation	43	(6)
	Amortisation	85	65
Earnings before interest, tax, depreciation and amortisation (EBITDA)		4,477	1,218

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period ended 31 December 2015 the Group acquired 7 seniors rental villages. This is consistent with Eureka's growth strategy to acquire high performing villages and associated management rights. The villages acquired include:

- Lambert Village for $2.25m in September 2015 – 45 units
- Eureka Cascade Gardens Rockhampton 1 for $3.25m in October 2015 – 41 units
- Village Life Wynnum for $4.5m in October 2015 – 41 units
- Bowen Village for $1.32m in December 2015 – 50 units
- Mount Gambier 2 Village for $3.45m in December 2015 – 58 units
- Eureka Cascade Gardens Rockhampton 2 for $4.56m in December 2015 – 53 units
- Terranora Village for $7m in December 2015 – 80 units

The purchase prices above are exclusive of applicable acquisition costs.

Directors' Report

SUBSEQUENT EVENTS

On 11 February 2016, the Group announced that is has settled the acquisition of the 60-room village in Salisbury Adelaide for $4.6m.

Other than the above mentioned items, no other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 28.

Robin Levison
Executive Chairman

Dated this 19th day of February 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated six months ended	
		31 Dec 2015	31 Dec 2014
		$'000	$'000
Revenue		7,792	5,411
Other income	7	1,674	205
Expenses			
Village operating costs		(3,776)	(3,232)
Impairment – property, plant & equipment		-	(5)
Impairment – trade receivables		(37)	(47)
Employee benefits expenses		(491)	(344)
Finance expense		(697)	(435)
Marketing expenses		(117)	(70)
Consultancy expenses		-	(200)
Depreciation & amortisation expenses		(129)	(59)
Lease expenses		(92)	(169)
Other expenses		(475)	(331)
Profit before income tax expense		3,652	724
Income tax expense		-	-
Profit after income tax expense		3,652	724
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income for the half year		3,652	724
Basic earnings per share (cents per share)		1.89	0.63
Diluted earnings per share (cents per share)		1.89	0.63

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2015

	Note	Consolidated 31 Dec 2015 $'000	Consolidated 30 Jun 2015 $'000
Current Assets			
Cash and cash equivalents		7,014	5,154
Trade and other receivables	8	2,540	306
Inventories		76	20
Other assets		357	159
Loans receivable		32	84
Total current assets		10,019	5,723
Non-Current Assets			
Loans receivable		584	541
Investment property	9	68,161	39,689
Property, plant and equipment		1,123	878
Intangible assets		5,722	5,003
Total non-current assets		75,590	46,111
Total Assets		85,609	51,834
Current Liabilities			
Trade and other payables		1,109	608
Other financial liabilities	10	3,507	394
Provisions		126	64
Total current liabilities		4,742	1,066
Non-current liabilities			
Other financial liabilities	10	34,457	18,913
Total non-current liabilities		34,457	18,913
Total Liabilities		39,199	19,979
Net Assets		46,410	31,855
Equity			
Share capital	11	79,151	68,248
Accumulated losses		(32,741)	(36,393)
Total Equity		46,410	31,855

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated six months ended 31 Dec 2015 $'000	31 Dec 2014 $'000
Cash Flows from Operating Activities			
Receipts from customers		7,088	5,448
Payments to suppliers & employees		(4,446)	(4,318)
Interest received		23	23
Interest paid		(619)	(512)
Net Cash provided by/(used) in Operating Activities		2,046	641
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(109)	(38)
Payments for investment property		(21,458)	(6,306)
Proceeds from the sale of non-current assets held for sale		-	102
Payments for loans provided		(930)	-
Repayments of loans provided		128	-
Payments for intangible assets		(805)	(2)
Net Cash provided by/(used) in Investing Activities		(23,174)	(6,244)
Cash Flows from Financing Activities			
Proceeds from borrowings		13,375	2,069
Repayment of borrowings		(261)	(654)
Payments of transaction costs related to borrowings		(40)	-
Proceeds from share issues		10,400	6,400
Payments for share issue costs		(486)	(309)
Net Cash provided by/(used in) Financing Activities		22,988	7,506
Net increase/(decrease) in cash and cash equivalents		1,860	1,903
Cash and cash equivalents at the beginning of the half year		5,154	1,285
Cash and cash equivalents at the end of the half year		7,014	3,188

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Share Capital $'000	Consolidated Accumulated Losses $'000	Total $'000
For the half-year ended 31 December 2015			
Balance at 1 July 2015	68,248	(36,393)	31,855
Profit for the half year	-	3,652	3,652
Other comprehensive income	-	-	-
Total comprehensive income for the half year	-	3,652	3,652
Transactions with owners in their capacity as owners:			
Share issued during the half year	11,420	-	11,420
Capital raising costs	(517)	-	(517)
Balance at 31 December 2015	79,151	(32,741)	46,410
For the half-year ended 31 December 2014			
Balance at 1 July 2014	46,035	(39,498)	6,537
Profit for the half year	-	724	724
Other comprehensive income	-	-	-
Total comprehensive income for the half year	-	724	724
Transactions with owners in their capacity as owners:			
Shares issued during the half year	9,625	-	9,625
Capital raising costs	(309)	-	(309)
Balance at 31 December 2014	55,351	(38,774)	16,577

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION OF THE FINANCIAL REPORTS

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 'Interim financial reporting' and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjuction with the Group's annual financial report for the full year ended 30 June 2015.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's annual report with the exception of new amended standards and interpretations which have been applied as required.

(a) New, revised or amending Accounting Standards and Interpretations adopted

There are no new and revised accounting requirements significantly affecting the half-year financial statements.

(b) Comparative Information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and or disclosures.

(c) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

During the period ended 31 December 2015 there were no material changes in assumptions, judgements and estimates regarding goodwill, amortisation of management rights and non-recognition of deferred tax assets. Matters relating to these accounting matters are contained in the 30 June 2015 annual financial report.

During the period ended 31 December 2015 the Group has acquired additional investment property. Significant matters of judgement, estimation and assumptions related to these investment properties are described below.

Investment Property – Classification

The Group classifies property as investment property when it meets the following key criteria:

- The property is held by the Group to generate long term investment growth and ongoing rental returns; and
- Ancillary services are insignificant to the arrangement as a whole.

Associated with these properties are insignificant ancillary services – principally the provision of food services to residents. Judgement is required as to whether the ancillary services are significant. Management has determined that the ancillary services are not significant by comparing the fair value of the ancillary services to the total income generated from the property. In addition, qualitative factors have been considered as part of the assessment of ancillary services including both operational and legislative considerations. An assessment of the qualitative and economic factors associated with these services has been made and the ancillary services have been concluded not to be significant and hence property has been recorded as investment property.

Properties that do not meet this criteria are classified as property, plant and equipment.

Investment Property - Measurement

The Group carries its investment property at fair value, with changes in fair value being recognised in the statement of profit and loss. At 31 December 2015 as disclosed in Note 9 no independent valuation has been received for investment property. Investment property that has not been valued by external valuers at reporting date is carried at Management's estimate of fair value in accordance with the accounting policy.

2. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 11 February 2016, the Group announced that is has settled the acquisition of the 60-room village in Salisbury Adelaide for $4.6m.

Other than the above mentioned items, no other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

3. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets or liabilities as at 31 December 2015.

4. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were the following significant related party transactions in the period:

- Ignition Equity Partners Pty Ltd, an entity associated with Robin Levison, received consulting fees of $66,652 on commercial terms.
- Navigator Property Group Pty Ltd, an entity associated with Greg Rekers and Kerry Potter, received consulting fees of $440,000 on commercial terms.

The Company continues to:

- Manage units on behalf of entities associated with Lachlan McIntosh (Director) in Griffith Scenic Village, Gladstone Scenic Village and Elizabeth Vale Scenic Village. Management of these units is on commercial terms.
- Rent office premises from an entity associated with Greg Rekers (Director) on commercial terms.

5. DIVIDENDS

No dividends were paid or declared during the period.

6. OPERATING SEGMENTS

Identification of reportable operating segments and principal services

For the period ended 31 December 2014, the Group was organised into three operating segments, all located in Australia:

- Rental Villages - Senior's rental villages;
- Property Management - Management of seniors independent living communities; and
- Corporate.

For the period ended 31 December 2015, the Group is organised into two operating segments, all located in Australia:

- Rental Villages – Ownership of senior's rental villages; and
- Property Management - Management of seniors independent living communities.

The results not included in the two operating segments identified are treated as:

- Unallocated – Represents the corporate services functions costs.

Notes to the Financial Statements

The operating segments have been identified based on reports reviewed by the Board of Directors (who are identified as the chief operating decision makers) who are responsible for assessing performance and determining the allocation of resources. There is no aggregation of operating segments. The accounting policies adopted for internal reporting to the chief operating decision makers are consistent with those adopted in the financial statements.

31 December 2015	Rental Villages $'000	Property Management $'000	Unallocated $'000	Total $'000
Revenue	5,274	2,518	-	7,792
Other revenue	564	478	632	1,674
Total Revenue	5,838	2,996	632	9,466
Expenses	(2,384)	(1,552)	(1,052)	(4,988)
Depreciation & amortisation	-	(129)	-	(129)
Interest expense	(540)	(58)	(99)	(697)
Total expenses	(2,924)	(1,739)	(1,151)	(5,814)
Profit before income tax expense	2,914	1,257	(519)	3,652
Income tax expense	-	-	-	-
Profit after income tax expense	2,914	1,257	(519)	3,652
Segment Assets	69,721	7,067	8,821	85,609
Segment Liabilities	36,089	2,705	405	39,199

31 December 2014	Rental Villages $'000	Property Management $'000	Unallocated $'000	Total $'000
Revenue	1,580	3,831	-	5,411
Other revenue	-	180	25	205
Total Revenue	1,580	4,011	25	5,616
Expenses	(718)	(2,739)	(941)	(4,398)
Depreciation & amortisation	-	(39)	(20)	(59)
Interest expense	(251)	(184)	-	(435)
Total expenses	(969)	(2,962)	(961)	(4,892)
Profit before income tax expense	611	1,049	(936)	724
Income tax expense	-	-	-	-
Profit after income tax expense	611	1,049	(936)	724
Segment Assets	19,456	6,475	3,790	29,721
Segment Liabilities	9,704	3,244	196	13,144

Notes to the Financial Statements

7. OTHER INCOME

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Gain on sale of management rights	478	79
Revaluation of investment property	547	-
Interest	124	23
Other	525	103
	1,674	205

8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2015 $'000	30 June 2015 $'000
Trade debtors	828	182
Other debtors	375	145
Provision for doubtful debts	(83)	(21)
Receivable from sale of management rights	590	-
Financing extended	830	-
	2,540	306

The terms and conditions with respect to trade and other receivables have not changed since 30 June 2015.

During the period, short term financing has been extended to a third party. The financing incurs interest at 28% to 72% p.a. and is due to be received within 12 months. The amounts advanced are secured over assets of the third party.

9. INVESTMENT PROPERTY

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Balance at beginning of reporting period	39,689	6,658
Acquisitions	27,925	12,336
Increment due to fair value adjustment	547	-
Balance at end of reporting period	68,161	18,994

The Group's investment properties are shown individually in the table below. The investments consist of seventeen retirement village assets along with associated managers units and other rental units. The Group considers their investments reside in one class of asset – Seniors Rental Villages.

For all investments held at 30 June 2015 no independent valuations have been received during the current period. Certain acquired investments in the half year to 31 December 2015 have been independently valued for lending purposes. At 31 December 2015 the Group undertook a review of the fair value of all investment properties held and as shown in the table above, recorded an increment due to fair value adjustment. This adjustment related to all assets in the asset class and was based on inputs and assumptions disclosed in Note 13.

The financial performance of the Seniors Rental Village Assets presented as follows:

	Consolidated 31 Dec 2015 $'000	Consolidated 31 Dec 2014 $'000
Income from rental	4,811	1,413
Income from food and other sources	480	167
Direct operating expenses	(2,384)	(718)
Fair value gain recognised in other income	547	-

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Certain assets are however pledged as security for borrowings – Refer to Note 10.

Details of investment properties are as follows:

Property	Location	Acquisition date	Carrying value 31 Dec 15 $'000	Carrying value 30 Jun 15 $'000
Bowen Village	Bowen QLD	Dec-15	1,320	-
Avenell Village on Vasey Bundaberg	Bundaberg QLD	Oct-14	4,585	4,236
Lot 21 134-136 King Street Caboolture	Caboolture QLD	Sep-12	70	70
Lot 43 134-136 King Street Caboolture (manager's unit)	Caboolture QLD	May-14	278	277
53 & 54 34 King Street Caboolture (manager's unit)	Caboolture QLD	Jan-15	140	140
80 134-136 King Street Caboolture (manager's unit)	Caboolture QLD	Jan-15	278	277
Cascade Gardens Cairns	Cairns QLD	Jul-14	4,052	3,622
Lot 51 Christie Downs Community Centre (manager's unit)	Christie Downs SA	Dec-14	250	250
Elizabeth Vale Scenic Village 1	Elizabeth Vale SA	Oct-14	4,491	4,230
Elizabeth Vale Scenic Village 2	Elizabeth Vale SA	Apr-15	3,900	3,900
Lot 49 Hackham Community Centre (manager's unit)	Hackham SA	Oct-14	290	290
97 144 Main South Road Hackham	Hackham SA	May-15	290	290
33 Mardross Court Lavington	Lavington VIC	Jun-15	2,623	2,550
Cascade Gardens Lismore	Lismore NSW	May-15	4,202	4,000
Cascade Gardens Mackay	Mackay QLD	Apr-14	6,995	6,534
344 San Mateo Avenue Mildura	Mildura VIC	Jun-15	2,965	2,549
Lambert Village	Mount Gambier SA	Sept-15	2,250	-
Mount Gambier 2 Village	Mount Gambier SA	Dec-15	4,000	-
Eureka Cascade Gardens Rockhampton 1	Rockhampton QLD	Oct-15	2,870	-
Eureka Cascade Gardens Rockhampton 2	Rockhampton QLD	Dec-15	4,517	-
60 Poplar Avenue Shepparton	Shepparton VIC	Jun-15	1,850	1,850
84 10 Winani Street Slacks Creek (manager's unit)	Slacks Creek QLD	Jul-04	170	165
Terranora Village	Bilambil QLD	Dec-15	7,000	-
Lot 20 56A Moores Pocket Road Tivoli (manager's unit)	Tivoli QLD	Mar-15	80	80
Myall Place Retirement Village	Whyalla SA	Jan-15	4,195	4,379
Village Life Wynnum	Wynnum QLD	Oct-15	4,500	-
			68,161	39,689

During the half-year ended 31 December 2015 investment property was acquired through the following non-cash activities:

- Interest bearing loans of $5.53m were assumed – Refer Note 10; and
- 1,758,620 shares valued at $1.02m were issued – Refer Note 11.

10. OTHER FINANCIAL LIABILITIES

		Consolidated	
		31 Dec 2015 $'000	30 June 2015 $'000
Current			
Commercial bills – secured	(a)	3,383	356
Motor vehicle loan		17	4
Insurance funding		87	10
Finance lease		20	24
		3,507	394
Non-current			
Commercial bills – secured	(a)	34,440	18,904
Motor vehicle loan		17	9
		34,457	18,913

(a) As at 31 December 2015, the Group has access to the following facilities:

National Australia Bank ("NAB"):

- Commercial bill – secured fully drawn limit of $2,529,000. Expires on 31 January 2017. Principal repayment of $30,000 per month. Interest is payable at a variable rate on this facility (currently 4.42%).
- Commercial bill – secured fully drawn limit $16,700,000. Expires on 31 December 2019. Monthly interest only repayment. Interest on this facility has been fixed until 31 December 2019. Interest is payable at the rate of 4.98% on $7,000,000 and 4.99% on $9,700,000.
- Commercial bill – secured fully drawn limit of $2,525,000. Expires on 29 March 2018. Monthly interest only repayment. Interest is payable at a variable rate on this facility (currently 4.37%).
- Commercial bill – secured fully drawn limit of $3,700,000. Expires on 31 August 2020. Monthly interest only repayment. Interest is payable at a fixed rate of 4.85%.
- Commercial bill – secured fully drawn limit of $3,000,000. Expires on 31 August 2020. Monthly interest only repayment. Interest is payable at a variable rate on this facility (currently 4.37%).
- Commercial bill – secured fully drawn limit of $6,500,000. Expires on 31 August 2020. Monthly interest only repayment. Interest is payable at a variable rate on this facility (currently 4.38%).

Westpac Banking Corporation ("Westpac"):

- Commercial bill – secured fully drawn limit of $3,000,000. Expires on 31 December 2016. Monthly repayment of $100,000 per month to commence from April 2016. Interest is payable at a variable rate on this facility (currently 5.1%).

The commercial bill liabilities are secured against a certain amount of the Group's investment property asset. The total amount of security provided at 31 December 2015 was $68.17m. This value represents the fair value of assets pledged based on the carrying values recorded by the Group at 31 December 2015.

Commercial bill facilities are subject to covenants which are commensurate with normal secured lending terms. All covenants were in compliance at 31 December 2015.

11. SHARE CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and on a poll, each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	Consolidated			
	31 Dec 2015 Number	**31 Dec 2015 $'000**	**31 Dec 2014 Number**	**31 Dec 2014 $'000**
Balance at start of period	188,099,927	68,248	98,349,930	46,035
Shares issued from conversion of convertible notes at $0.06	-	-	11,833,332	650
Shares issued at $0.10 for acquisition of management rights	-	-	1,000,000	100
Shares issued from conversion of convertible notes at $0.10	-	-	1,250,000	225
Shares issued at $0.15 for cash	-	-	9,333,333	1,400
Shares issued at $0.15 for acquisition of villages[1]	-	-	14,999,999	2,250
Shares issued at $0.25 for cash	-	-	20,000,000	5,000
Shares issued at $0.54 for cash	19,259,260	10,400	-	-
Shares issued at $0.58 for acquisition of villages [2]	1,758,620	1,020	-	-
Capital raising costs	-	(517)	-	(309)
On issue at end of the year	209,117,807	79,151	156,766,594	55,351

[1] These shares were issued as part of the non-cash consideration paid to acquire the Easy Living Unit Trust and Easy Living (Bundaberg) Unit Trust during the period ended 31 December 2014.
[2] These shares were issued as part of the non-cash consideration paid to acquire Rockham Two Pty Ltd and Rockham Two Unit Trust during the period ended 31 December 2015.

12. NEW ENTITIES

The following entities have been incorporated during the period:

- EGL Finance Pty Ltd
- Eureka Care Communities (Mount Gambier) Pty Ltd
- Eureka Care Communities (Salisbury) Pty Ltd
- Eureka Care Communities (Wynnum) Pty Ltd
- Eureka Cascade Gardens (Bowen) Pty Ltd
- Eureka Cascade Gardens (Rockhampton) Pty Ltd
- Eureka Cascade Gardens (Terranora) Pty Ltd

The following entities were acquired during the period:

- Fig Investments Pty Ltd
- Rockham Pty Ltd
- Rockham Unit Trust

The acquisition of these entities has been treated as the acquisition of an asset and not a business combination as only investment properties were acquired.

13. FAIR VALUE

All assets of the Group are recorded at cost, except for investment property which is recorded at fair value. All liabilities are recorded at amortised cost using the effective interest rate method.

The Directors believe at 31 December 2015 the carrying value of all assets and liabilities approximates their fair values.

There have been no movements in the classification between categories of Level 1, 2 and 3 assets and liabilities at fair value. Investment property continues to be the only level three asset recorded. Movements in these assets are shown in Note 9.

Investment properties have been valued using 2 methods, the capitalisation method and direct comparison approach. Under the capitalisation method, fair value is estimated using assumptions regarding the expectation of future benefits. The capitalisation method involves estimating the expected income projections of the property into perpetuity and applying a capitalisation rate. The capitalisation rate is based on current market evidence and is disclosed in the table below. Future income projections take into account occupancy, rental income and operating expenses. At balance date occupancy rates based on individual property long term sustainable occupancy between (50% and 100% have been used) and income has been forecast based on actual current rental income rates per occupant and current operating cost levels.

Under the direct comparison approach, key inputs are the recent sales of comparable units in comparable villages. All resulting fair value estimates for properties are included in level 3.

The level 3 assets significant unobservable inputs and sensitivity are as follows:

Description	**Valuation technique**	**Significant unobservable inputs**	**Range (weighted average)**	**Relationship of unobservable input to fair value**
Investment properties – Retirement Villages	Capitalisation method	Capitalisation rate	6.35%-14% (14.69%)	Capitalisation has an inverse relationship to valuation.
Investment properties – individual village units	Direct comparison approach	Comparable sales evidence	N/A	Comparable sales evidence has a direct relationship to valuation.

Directors' Declaration

FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

In accordance with a resolution of the Directors of Eureka Group Holdings Limited, I state:

1. In the opinion of the Directors of Eureka Group Holdings Limited (the "company"):
   a. The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
      i. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
      ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
   b. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Board

Robin Levison
Executive Chairman

Dated this 19th day of February 2016

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Auditor's Independence Declaration to the Directors of Eureka Group Holdings Limited

As lead auditor for the review of Eureka Group Holdings Limited for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Eureka Group Holdings Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Brad Tozer
Partner
Brisbane
19 February 2016

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To the members of Eureka Group Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Eureka Group Holdings Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Eureka Group Holdings Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eureka Group Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Brad Tozer
Partner
Brisbane
19 February 2016

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Nirmal Hansra
Greg Rekers
Kerry Potter

Interim Company Secretary
Oliver Schweizer

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