

For immediate release to the market

Eureka Group Holdings Limited

ASX Code EGH

21 August 2015

### Market Update

- **Earnings update - NPAT up by 369% and EBITDA up by 173% year on year**
- **Eureka meets or exceeds revenue, EBITDA and NPAT guidance and will book an additional FY 2015 \$0.87 million investment property revaluation gain**
- **Eureka signs conditional contract for 12<sup>th</sup> Village**
- **Eureka continues due diligence on 13<sup>th</sup> village and enters due diligence for 14<sup>th</sup> and 15<sup>th</sup> Village acquisitions**
- **Eureka continues acceleration of “buy and build” strategy**

Eureka Group Holdings Limited (“Eureka”) is pleased to announce a material increase in FY 2015 profitability compared to previous FY 2014 period. Eureka will formally report in its 4E due for release on August 25<sup>th</sup> 2015 a FY 2015 revenue increase of 14.5% to \$12.21 million (FY 2014: \$10.66 million), EBITDA increase of 173% to \$4.13 million (FY 2014: \$1.51 million) and NPAT increase of 369% to \$3.10 million (FY 2014: \$0.66 million).

The results outlined above meet or exceed recent guidance from an operating perspective for revenue, EBITDA and NPAT and Eureka will book an additional one off Investment Property asset revaluation gain of \$0.87 million driven by improved occupancy and cost reductions initiatives applied to recently acquired villages with capitalisation rates remaining unchanged from the date of acquisition of each village.

Eureka is also pleased to announce that it has entered into a conditional contract (subject to a minor condition precedent) for the acquisition of 41 units plus a managers unit in Rockhampton, Queensland for \$3.25 million.

This village will be known as Eureka Cascade Gardens Rockhampton and will add annual rental revenue of around \$490,000 bringing total village revenue to \$840,000 (inclusive of management fees already received as incumbent village manager) and total village EBITDA to \$550,000.

Post-completion, Eureka will own 714 units comprising 12 villages, whilst managing a total of 1,485 units.

Eureka Chairman Robin Levison stated “The acquisition of the Rockhampton village is a great opportunity for the company, as it manages a total of 210 units in the vicinity and can again provide the extra economies of scale Eureka is seeking in order to maximize the return from these growing clusters of regional villages. Eureka now has scale in the following regions:

- North Queensland 253 units
- Central Queensland 210 units
- South East QLD/Northern NSW 439 units



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- South Australia 365
- VIC/NSW Border Region 218 units

Eureka is also currently engaged in due diligence its 14th and 15th acquisition opportunity, as it continues the acceleration of its “buy and build” growth strategy.

For further information contact:

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