

ESTIA PREPARES FOR CONTINUED GROWTH IN FY2016

Highlights

- Estia extends existing term facility by 12 months on more favourable terms
- In addition, a \$150million accordion facility established to fund acquisition and organic development pipeline
- Dividend Reinvestment Plan introduced
- Search for additional Non-Executive Director underway - Marcus Darville interim appointment

Debt financing

Estia Health Limited (ASX: EHE) (“Estia or the “Company”) today announced an extension of its existing debt term facility by 12 months, with an average debt tenor that now extends out to December 2018. As part of its debt negotiations Estia has put in place an accordion facility of \$150 million to fund the pipeline of future aged care acquisition and organic development opportunities announced at the Macquarie Conference on 8 May 2015. Estia has agreed favourable terms on its debt restructure and has streamlined its funding arrangements reducing its banking syndicate from 4 to 2 banks, being Westpac and Commonwealth Bank of Australia.

“As Estia’s lead transactional bank and a cornerstone debt provider, Westpac is delighted to acknowledge our ongoing support for the Group through our participation in a new borrowing facility with limits of up to \$300 million. The terms of the two-bank facility have been structured in such a way as to support the Group’s stated 2020 growth aspirations” said Michael Waters, Head of Westpac Corporate Banking in Victoria.

Chief Executive Officer of Estia Health, Paul Gregersen, said: “Following a strong operating performance in FY15 coupled with the successful execution of our growth strategy, we are now focused on maintaining the pace in the year ahead.”

Dividend Reinvestment Plan

Estia also announced that the Board of Directors has approved the introduction of a Dividend Reinvestment Plan (DRP) to give eligible shareholders the option to re-invest future dividends in additional Estia shares. The Board will determine whether to invite shareholders to participate in the DRP in respect of the FY2015 final dividend at the time it considers the determination to pay a dividend, based on the capital needs of the company. A copy of the information to be sent to shareholders, including the DRP Rules, is enclosed with this announcement. Further details about the DRP will be provided with the company's full-year results on 12 August, 2015.

Gregersen said: "Estia's active approach to capital management is designed to maximise the diversity of funding options on the most favourable terms available. The accordion facility and DRP both support our growth strategy in an efficient way."

Board strengthening

Estia has also commenced a search for an additional Non-Executive Director to broaden the Board's capabilities. Gregersen noted: "The Chairman, Mr Pat Grier, has previously overseen a substantial growth agenda and along with the rest of The Board, believes that we need to increase our expertise to support the ongoing growth of the company. We are now beginning the search for a new Non-Executive Director."

As an interim measure, Mr Marcus Darville of Quadrant Private Equity has accepted an invitation to join the Board of Estia. Quadrant remains a significant and supportive shareholder in Estia since divesting a proportion of its investment when the company listed on the ASX in December 2014.

FY2015 Results announcement

Finally, Estia will announce its full year results to 30 June 2015 on Wednesday 12 August 2015. Gregersen and Estia Health CFO, Joe Genova, will host an analyst/investor conference call commencing at 8.45am (AEDT) on 12 August, following ASX lodgement of the company's full year results.

Details of the conference call will be included in the materials lodged with the ASX on the morning of the announcement.

-ENDS-

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