MD & CEO's Presentation
Andrew Sudholz

JAPARA HEALTHCARE

2017 Annual General Meeting

Riverside Views - Launceston, Tasmania
Opened October 2017

FY2017 – Financial highlights

Capital structure and funding sources support growth

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Total Revenue $362.2m
Up 10.7%

EBITDA $60.2m
Up 7.3% & in line with guidance

NPAT $29.7m
Down 2.3% due to prior year tax benefits

Full Year Dividend 11.25 cents
Interim: 5.5 cents (fully franked)
Final: 5.75 cents (franked to 70%)

Superior Capital Structure
Net bank debt $19.6m at 30 June 2017

RAD Cash Inflows Strong
$55.7m

FY2017 – Operational highlights

Strong operating performance maintained while growth foundation established

Bed Prices

Up 8% on pcp as portfolio continually enhanced

ACAR

266 additional bed licence approvals received in FY2017 (1,050 licences available)

Occupancy

Average underlying occupancy of 94.6%

Care

100% accreditation record maintained

FY2017 – Development highlights

Excellent progress on developments program

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Greenfields Developments

Land now secured for all 11 greenfield projects (5 in FY2017) with 1,166 new beds being built

Brownfields Developments

124 premium rooms delivered & 179 in progress

Capital Expenditure

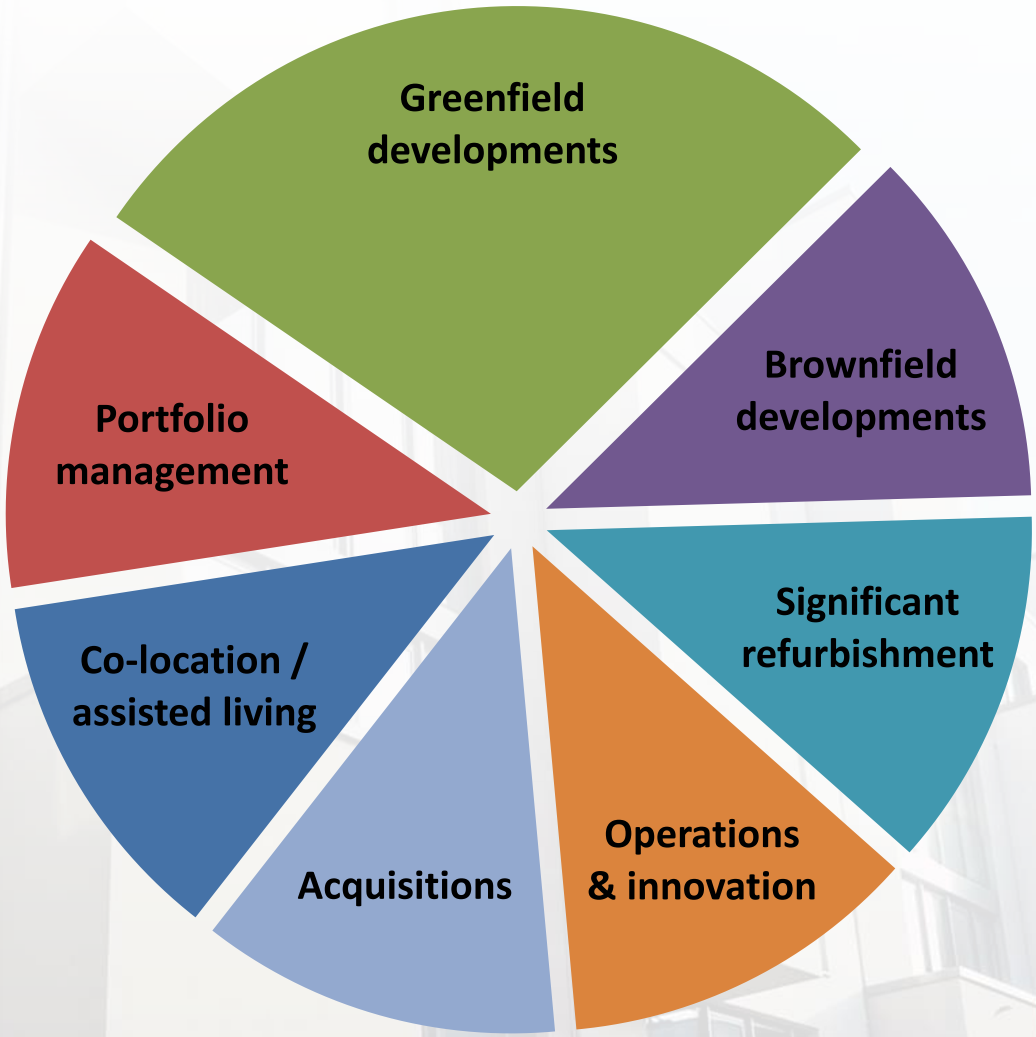
$50m spent on land and developments

Active Real Estate Management

- Sizeable $550m portfolio
- Sale of surplus assets
- Real estate value added

Integrated medium-term strategy

Core elements adding shareholder value



FY2018

Trading update

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- This year the influenza outbreak across South Eastern Australia has been far greater than usual both in terms of duration and the number of people affected
- The impact on the residential aged care sector includes a temporary reduction in occupancy levels and increasing care requirements for residents
- The abnormal severity of the outbreak has impacted Japara by reducing year to date occupancy by approximately 1.9% below original projections
- The incidences of influenza have abated in October and occupancy levels have commenced increasing
- A further update on occupancy will be provided with the release of the Company's half year results

2017 Remuneration Report Presentation
David Blight

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FY2018 performance based incentive framework

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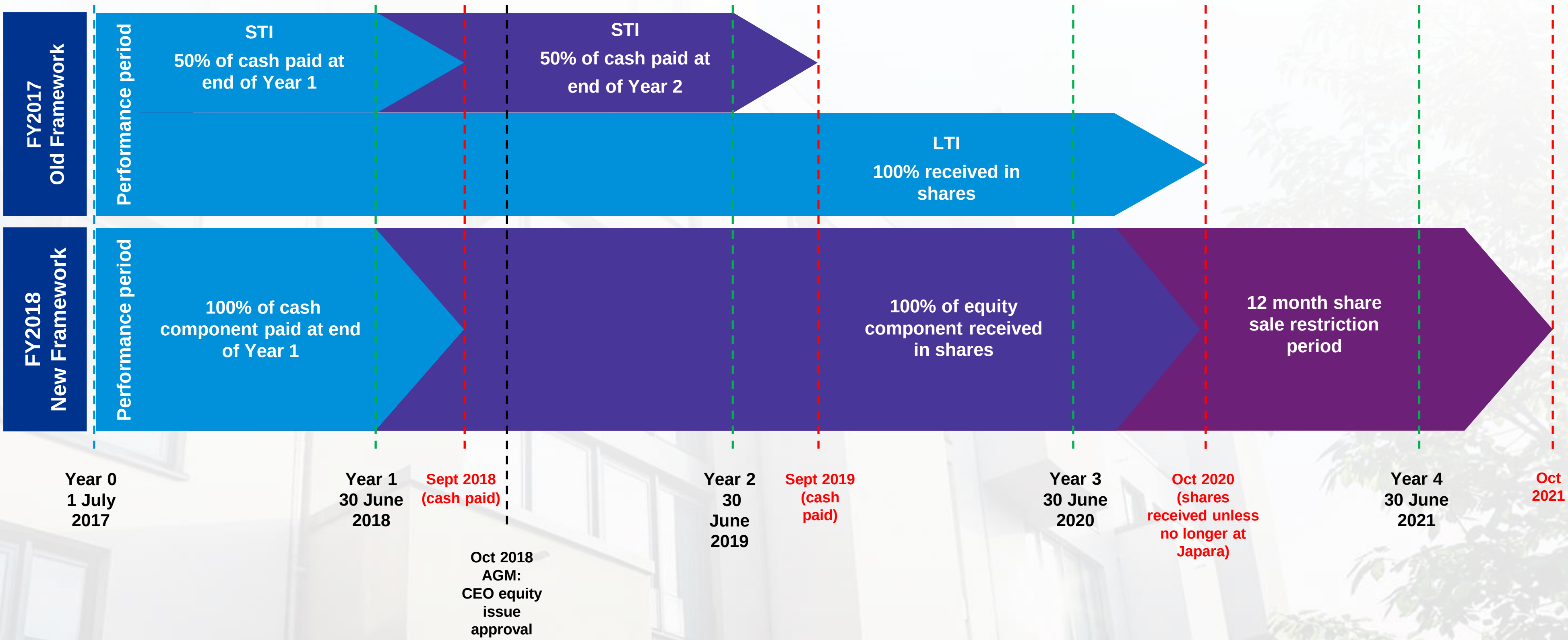
- STI & LTI arrangements folded into a single incentive plan
- Gateways and individually tailored performance hurdles retained
- Gateways and hurdles measured over a12 month period to 30 June 2018
- Three potential levels of incentive being target, stretch and exceptional
- Incentive awarded as a mix of cash and equity. Mix is dependant on the incentive level achieved
- Cash to be received shortly after the end of the financial year
- Equity to be received as shares 2 years after the end of the financial year and only if still at Japara
- The shares cannot be sold during the 12 months after receipt
- Entitlement to dividends (or equivalent) on equity component from the date of award

2017 Remuneration Report Presentation

Comparison of old and new performance based incentive frameworks



2017 Remuneration Report Presentation

FY2018 incentive opportunity for the CEO & CFO

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Gateways:

1. Maintain aged care accreditation at all homes
2. No material breach of regulatory or compliance guidelines across all business operations
3. Achieve a minimum 5% growth in EBITDA on the prior year

2018 Framework					FY2017 Framework
Incentive level	EBITDA growth	Incentive opportunity (% of fixed annual remuneration)[1]	% to be awarded in cash[2]	% to be awarded in equity[2]	Incentive opportunity (% of fixed annual remuneration)
Target performance	5%	100%	50%	50%	150%
Stretch performance	10%	150%	40%	60%	150%
Exceptional performance	15%	200%	35%	65%	150%
Example	**8%**	**130%**	**44%**	**56%**	**150%**

Notes:

1. *Where EBITDA growth falls in-between two levels, the incentive opportunity is determined on a straight line basis between the two levels.*
2. *Where EBITDA growth falls in-between two levels, the portion of the award delivered in equity increases and the portion delivered in cash decreases on a straight line basis from the threshold level.*

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