

27 May 2015

Aveo terminates \$150 million of Interest Rate Swaps

Australia's leading owner, operator and manager of retirement communities, Aveo Group Limited (ASX: AOG) is pleased to announce it has terminated the remaining \$150 million of interest rate swaps.

The termination of the interest rate swaps and the fall in floating interest rates has significantly reduced the Group's weighted average cost of debt from 5.8% per annum at 31 December 2014 to currently 4.0% per annum. This reduces the Group's annual cash interest expense by over \$7.5 million.

The Group expects its weighted average cost of debt to reduce below 4.0% by 30 September 2015, following the practical completion of The Milton project and repayment of the \$108.5 million project finance facility, which is expected to occur in the first quarter of FY16.

END

Investor Contact:

David Hunt, Chief Financial Officer

T +61 2 9239 5526 | E david.hunt@aveo.com.au

Media Contact:

Justin Kirkwood,

T +61 2 9231 5600 | M +61 411 251 324 | E Justin@kirkwoods.com.au

About Aveo

"We will grow with older Australians by inspiring greater living choices."

Aveo is a leading and trusted owner, operator and manager of retirement communities across Australia. Aveo's philosophy is underpinned by a commitment to grow with older Australians by inspiring greater living choices. We currently do so for 12,000 residents in 75 retirement villages across Australia. Aveo also manages and develops a diversified \$575 million property portfolio. Over 30 years, Aveo's portfolio has grown to one that encompasses retirement, residential, commercial, industrial and mixed-use property assets. Together these communities define how hundreds of thousands of people in Australia live, work, retire and invest.

Issued by Aveo Group (ASX:AOG) comprising Aveo Group Limited ABN 28 010 729 950 and Aveo Funds Management Limited ABN 17 089 800 082, AFSL No. 222273 as Responsible Entity for the Aveo Group Trust ARSN 099 648 754.

aveo.com.au