



Strategy On Track and Delivering In FY16

Results for the year ended 30 June 2015

19 August 2015





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Overview

Financial

- Underlying profit after tax increased by 30% to \$54.7m
- Funds from operations up 88% to \$73.9m
- Gearing levels at the lower end of the target range

Operational

- Record total retirement unit sales of 721
- Successful delivery of 62 new retirement units
- Increased ability to provide care services to retirement residents

Strategic

- Non-retirement asset sales continue to successfully progress
- Acquisitions continue to expand the retirement development pipeline
- On track to achieve stated FY16 and FY18 return on asset targets

Established Business

- Strong sales momentum has continued into FY16
- Sales now occurring under the standard “Aveo Way” contract
- Continued focus on sustainable unit price growth

Development

- Pipeline of new 182 units scheduled for delivery in FY16
- Construction programs are on track at each development site
- Planning underway for delivery of FY17 development units

Care and Support Services

- New General Manager of Care role to commence in September
- Recent allied health acquisitions being integrated into villages
- Changing the customer proposition from a property offering to an integrated service offering including both accommodation and care

Financial

- FY16 guidance of an underlying profit after tax of over \$80m, resulting in at least a 45% increase on the FY15 underlying profit after tax of \$54.7m and a full year distribution of 8 cents per security, an increase of 60% on the FY15 distribution of 5 cents per security



Financial Results and Capital Management



Key Financial Outcomes



- Increase in profit driven by a higher contribution from the retirement business and lower interest expense
- Increase in underlying EPS is less than increase in underlying earnings due to additional securities outstanding following the December 2013 capital raise
- Lift in FFO reflects lower capitalised interest and improved profit contribution from all retirement business segments
- Marginal increase in NTA per security to \$2.85
- Gearing at lower end of target range of 10%-20%

Outcome	FY15	FY14	Change
Statutory profit after tax ¹	\$58.0m	\$26.1m	122%
Statutory EPS	11.6cps	5.9cps	97%
Statutory profit after tax ¹ before transfer from FCTR ²	\$58.0m	\$44.8m	29%
Underlying profit after tax	\$54.7m	\$42.1m	30%
Underlying EPS	10.9cps	9.5cps	15%
FFO ³	\$73.9m	\$39.3m	88%
FFO per security	14.8cps	8.9cps	66%
Distribution per security	5.0c	4.0c	25%
Net assets	\$1,505.6m	\$1,429.5m	5%
NTA per security	\$2.85	\$2.78	3%
Gearing	13.8%	15.8%	(2%)

¹ Net profit after tax attributable to stapled security holders of the Group – see slide 50.

² Foreign Currency Translation Reserve

³ Funds From Operations has been calculated in accordance with the Property Council of Australia guidelines.

Profit and Loss



	%	FY15 (\$m)	%	FY14 (\$m)	Change
Retirement					
Established Business		48.3		43.1	12%
Development ¹		3.2		0.4	700%
Care and Support Services		1.5		1.3	15%
Total Retirement	62%	53.0	58%	44.8	18%
Non-Retirement ¹	38%	33.1	42%	32.7	1%
Divisional contribution ¹	100%	86.1	100%	77.5	11%
Non-allocated overheads		(11.1)		(10.9)	2%
Group incentive scheme		(2.0)		(0.3)	567%
Total		(13.1)		(11.2)	17%
EBITDA¹		73.0		66.3	10%
Depreciation and amortisation		(2.0)		(1.9)	5%
EBIT¹		71.0		64.4	10%
Interest and borrowing expense		(3.0)		(16.6)	(82%)
Profit Before Tax		68.0		47.8	42%
Income tax		(12.7)		(5.3)	140%
Profit After Tax		55.3		42.5	30%
Non-controlling interests		(0.6)		(0.4)	50%
Underlying profit after tax²		54.7		42.1	30%
Statutory profit after tax		58.0		26.1	122%

¹ Includes capitalised interest in cost of goods sold.

² The underlying profit has been calculated as per the AICD Underlying Profit Guidelines.

Capital Management Metrics

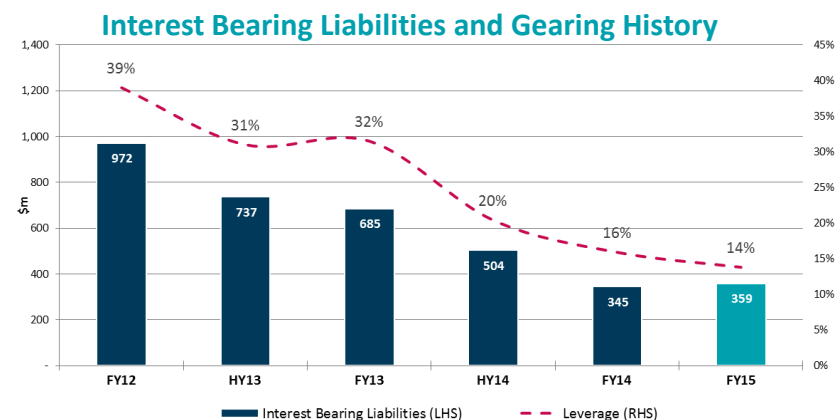


- Terminated \$300m in out of the money interest rate hedges
- Debt now remains unhedged
- Reduction to the weighted average borrowing cost of 4.6% achieved in FY15 relative to FY14
- Undrawn available capacity remains in excess of \$100m, while net debt drawn continues to reduce
- Capital management initiatives have reduced cash interest since 30 June 2014
- Settlement of The Milton project due to commence in September 2015 which will repay the existing project finance facility
- Intending to refinance Gasometer 1 facility into the Group Syndicate facility by end of December 2015
- All covenants are met

Metrics	FY15	FY14	Change
Reported gearing ¹	13.8%	15.8%	(2.0%)
Look-through gearing ¹	13.7%	16.4%	(2.7%)
Net debt drawn ¹	\$280m	\$313m	(11%)
Gross interest bearing liabilities	\$359m	\$345m	4%
Undrawn committed lines ²	\$145m	\$250m	(42%)
Available facilities ²	\$109m	\$121m	(10%)
Weighted average borrowing cost	4.0%	8.6%	4.6%
Weighted average debt maturity	2.2 years	1.8 years	0.4 years

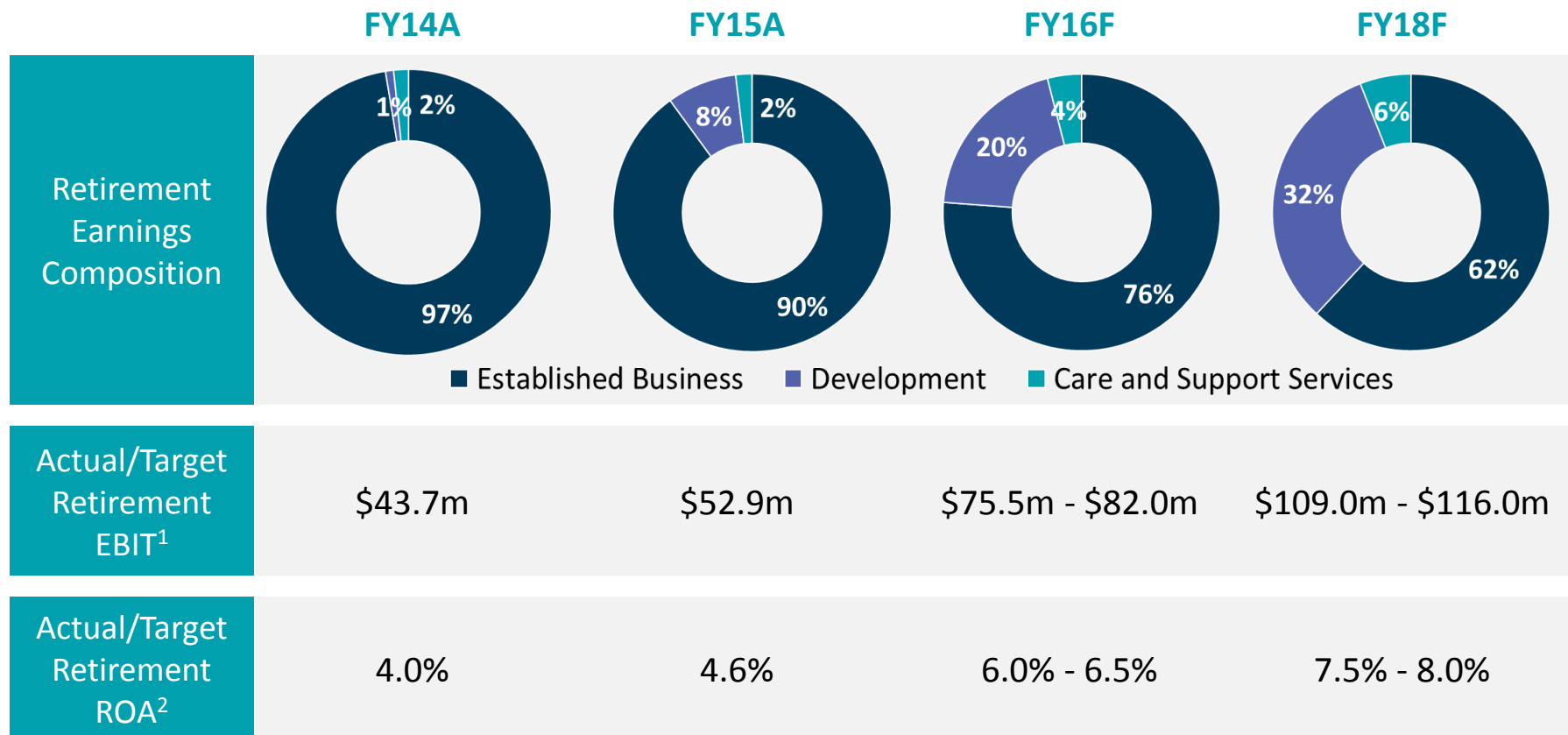
¹ Only includes 50% of The Milton project finance debt.

² Undrawn committed lines are dependent upon having sufficient security.



Focus on Retirement Asset Returns

- Retirement business remains on track to achieve desired ROA and earnings quality targets from FY16
- Targeting a long term target retirement earnings mix (based on EBIT¹) of 70%-80% recurring (Established Business and Care and Support Services) and 20%-30% active (Development)



¹ Excludes capitalised interest in cost of goods sold.

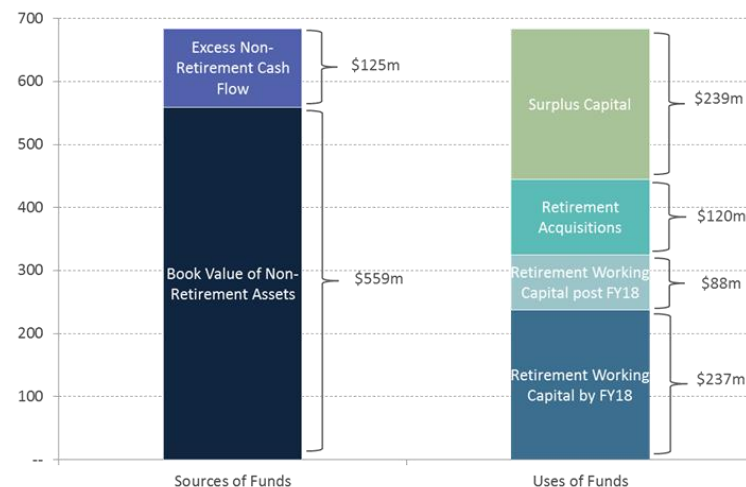
² See Appendix 1 for further detail regarding target retirement return metrics and reconciliation of Retirement EBIT to Retirement Profit Contribution.

Capital Availability and Allocation

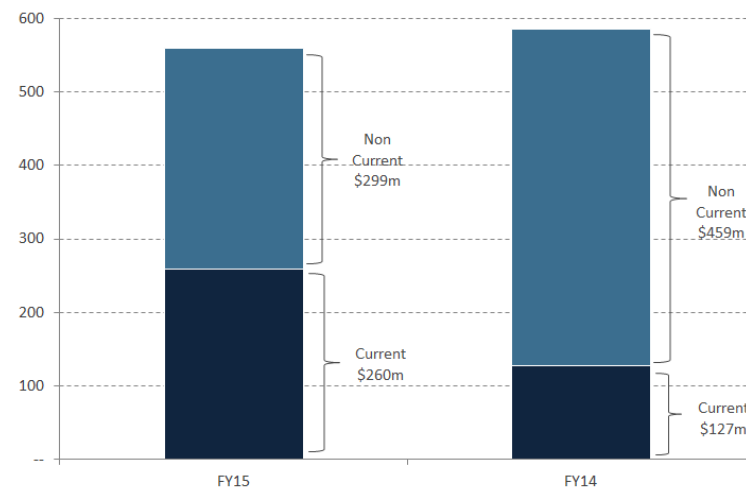


- \$559m of non-retirement assets are carried on the balance sheet at 30 June 2015
- Selling the residential land estates and Milton will generate a further \$125m of cash flow
- A significant amount of non-retirement assets have shifted from non-current to current status during FY15
- The following order of priority will be applied to the use of funds for the forecast period to FY18
 - Working capital investment in developments
 - \$237m to be applied to developments that will be delivered by FY18
 - a further \$88m to be allocated to developments that will be delivered post FY18
 - At least \$120m available for retirement asset acquisitions (\$40m p.a.)
 - Acquire further securities in the existing on-market buyback
 - Pay down debt levels
- Will manage capital allocation priorities within the context of maintaining a gearing level in the target range of 10%-20%

\$684m from Capital Recycling of Non-Retirement Assets



Non-Retirement Sources (Book Value)





Retirement



Retirement Results



- Increase in profit of 18% to \$53.0m
- Increased profit contribution from all retirement business segments
- Record total unit sales (resident resales, buyback sales and new sales) of 721
- Increase in Established Business results driven by DMF/CG sales and margin levels
- Lift in Development contribution driven by a significant increase in sales volumes/delivery
- Increase in Care and Support Services assisted by the earnings contribution from the acquisition of the allied health businesses

Key Performance Indicators	FY15	FY14	Change
Segment revenue			
Established Business ¹	\$109.7m	\$98.9m	11%
Development	\$27.9m	\$7.1m	293%
Care and Support Services	\$12.2m	\$10.7m	14%
Total Retirement revenue	\$149.8m	\$116.7m	28%
Profit contribution³			
Established Business	\$48.3m	\$43.1m	12%
Development ²	\$3.2m	\$0.4m	700%
Care and Support Services	\$1.5m	\$1.3m	15%
Total Retirement contribution	\$53.0m	\$44.8m	18%
Sales Volumes (units)			
Established Business sales	685	688	-
Development sales	36	23	57%
Total	721	711	1%
Total value of units transacted	\$200.7m	\$189.0m	6%

¹ FY14 has been amended to reflect reclassification of syndicate fee income and AEH development fee income to net off with other indirect costs.

² Development profit is accounted for in the change in fair value of investment property.

³ Reconciliation to Retirement EBIT – see slide 34.

Established Business Results



- Increased result primarily driven by improved DMF/CG revenue amounts
- DMF/CG revenue driven by increased contributions from both resident resales and buyback purchases
- Increased level of buyback sales assisted in the recycling of capital into new buyback purchases
- RVG contribution to profit continues to meet 8%-10% return on investment target (includes fund and asset management fees plus equity accounted profit from the investment)

	FY15	FY14	Change
Revenue			
DMF/CG revenue			
Resales	\$50.9m	\$45.9m	11%
Buyback purchases	\$6.2m	\$3.9m	59%
Gross DMF/CG	\$57.1m	\$49.8m	15%
Other Revenue			
Buyback sales	\$23.4m	\$19.2m	22%
Other revenue ¹	\$29.2m	\$29.9m	(2%)
Total other revenue	\$52.6m	\$49.1m	7%
Total revenue	\$109.7m	\$98.9m	11%
Profit contribution			
Net DMF/CG	\$52.1m	\$43.5m	20%
Net other	(\$3.8m)	(\$0.4m)	850%
Total profit contribution	\$48.3m	\$43.1m	12%

¹ FY14 has been amended to reflect reclassification of Syndicate fee income and AEH Development fee income to net off with other indirect costs.

Established Business Sales and Margins



- Total sales of 685 (FY15) and 688 (FY14) continue at record highs
- Portfolio turnover sitting in the middle of the targeted range of 10%-12%
- Number of DMF/CG generating transactions lifted by an increase in buyback purchases
- Average DMF/CG per transaction of \$83k was higher than the FY15 target of \$75k-\$80k
- Well positioned to achieve FY16 average DMF/CG per transaction target level of \$85k-\$90k
- Benefits of the historical contract term improvement program continues to translate into growth in DMF/CG margin per transaction
- Strong start to the year has lifted deposits on hand to 131 currently

	FY15	FY14	Change
Sales volumes (units)			
Resales	602	611	(1%)
Buyback Sales	83	77	8%
Total	685	688	-
Buyback purchases (units)	90	52	73%
DMF/CG generating transactions	692	663	4%
Deposits on hand	96	145	(34%)
Avg DMF/CG transaction price point	\$267k	\$266k	-
Avg DMF/CG per transaction	\$83k	\$75k	11%
DMF/CG margin per transaction	31%	28%	3%
Portfolio turnover	11.0%	11.0%	-
Occupancy	96%	96%	-

- The new Aveo Way contract was successfully trialled across a selected group of villages in the first half of FY15
- The offering was then rolled out across all Aveo villages as the standard resident contract in the second half of FY15
- New contract terms were driven by customer demand for certainty upon resident departure in terms of timing and quantum of funds to be returned to the resident
- Has been no adverse impact on unit rate of sale or sale prices relative to valuation since rollout
- Improved DMF and capital gains terms have the potential to increase the Aveo investment property valuation by 5%-10% as the improved contracts are rolled out
- While Aveo incur some additional costs on departure, it allows Aveo to control the exit process and condition of the units

Aveo Way – Key Terms

- DMF charge of 35% of entry price accrued over a 3 year occupation period
- 100% of unit capital gains to Aveo
- No sales fee on departure
- No payment for any unit reinstatement or refurbishment costs by resident on departure
- Ability for resident to transfer from an ILU to SA without incurring a new DMF charge
- Guaranteed buyback of unit by Aveo 12 months post resident departure if unit has not resold (six months for NSW units)
- Guarantee of no capital loss to residents upon resale of unit

Development Results



- 62 new units delivered in FY15 across six different villages
- Target average development margin 16%-20% before funding costs (i.e. interest)
- Lift in profit contribution reflects a combination of exceeding target development margins and higher delivery volumes in FY15

	FY15	FY14	Change
Revenue	\$27.9m	\$7.1m	293%
Profit contribution	\$3.2m	\$0.4m	700%
Gross profit (including interest)	\$4.5m	\$0.4m	nm
Gross profit (excluding interest)	\$5.6m	\$0.4m	nm
Average margin (including interest)	16%	6%	10%
Average margin (excluding interest)	20%	6%	14%
Development units delivered	62	23	170%
Number of projects under development	6	2	200%

Acquisitions

- Acquisition of new site at Springfield provides a pipeline of an additional 2,500 units to be delivered over the next 15-20 years
- Actively evaluating other acquisition opportunities for new development sites

Location		FY15 units delivered
Durack	Qld	14
The Parks	Qld	14
Albany Creek	Qld	12
Island Point	NSW	8
Cleveland	Qld	7
Mingarra	Vic	7
Total		62

FY16 Development Projects



- All targeted FY16 delivery developments are tracking to required construction schedules
- Developments are a combination of traditional townhouse or detached dwelling style product, and higher density apartment product
- Clayfield development of 66 units in a 7-storey apartment building is the first of several higher density developments in the pipeline, which will deliver new units in blocks of 50-75 units, as opposed to the traditional development model of 10-30 detached dwellings in a stage

Village	Units	Expected Completion	Development Status
Cleveland	12	Q1	<ul style="list-style-type: none"> ▪ Practical completion on target to deliver in August
Durack	40	Q1 / Q4	<ul style="list-style-type: none"> ▪ 13 units already delivered; civils underway ▪ Builder appointed and on site for next stage
Island Point	20	Q1 / Q4	<ul style="list-style-type: none"> ▪ Four units already delivered ▪ Civil contractor currently on site for the remainder of the stage
Mingarra	14	Q4	<ul style="list-style-type: none"> ▪ Civil works targeting completion in November 2015
Peregian	30	Q4	<ul style="list-style-type: none"> ▪ Civil works have commenced and currently assessing building tenders
Clayfield	66	Q4	<ul style="list-style-type: none"> ▪ Bulk excavation nearing completion and crane erected
Total	182		

Development Delivery Forecast - Units



Village	Category	State	Portfolio	Units ¹	FY16	FY17	FY18	FY19+ ²
Cleveland	Brownfield	Qld	AEH	12				
Peregian Springs	Brownfield	Qld	AOG	62				
Mingarra	Brownfield	Vic	AOG	38				
Island Point	Brownfield	NSW	AOG	130				
Durack	Brownfield	Qld	AEH	134				
Clayfield	Brownfield	Qld	AEH	124				
Southern Gateway	Greenfield	NSW	AOG	446				
Springfield	Greenfield	Qld	AOG	2,500				
Gasworks	Greenfield	Qld	AOG	169				
Newmarket	Redevelopment	Qld	AOG	300				
Carindale	Redevelopment	Qld	AOG	406				
Sanctuary Cove	Greenfield	Qld	AOG	163				
Southport Gardens	Redevelopment	Qld	AOG	215				
Other	Greenfield	Qld	AOG	150				
Other	Redevelopment	Qld	AOG	217				
Total Retirement Village Product				5,066	182	234	521	4,129

¹ New units delivered for redevelopment projects is a gross figure which includes existing units that are subsequently redeveloped.

² Includes potential to substitute identified units for aged care beds.

Care and Support Services Results



- Profit contribution still predominately relates to the four aged care facilities operated
- Allied health businesses (acquired Mobile Rehab in September 2014 and The Physio Co in January 2015) provided a partial contribution as only acquired mid year
- Profit contribution from allied health businesses expected to increase in FY16 due to a full year of ownership and increased integration into the Aveo retirement villages
- New General Manager of Care role to commence in September

Key Performance Indicators	FY15	FY14	Change
Revenue			
Aged care	\$10.8m	\$9.6m	13%
Allied health	\$0.3m	-	100%
Other	\$1.1m	\$1.1m	-
Total revenue	\$12.2m	\$10.7m	14%
Profit contribution			
Aged care	\$1.3m	\$1.0m	30%
Allied health	\$0.3m	-	100%
Other	(\$0.1m)	\$0.3m	(133%)
Total profit contribution	\$1.5m	\$1.3m	15%

- Seeking to move to a customer offering that is not focused solely on a property offering
- Diminishes the distinction between existing serviced apartments and independent living units
- Instead, the customer proposition becomes a two stage process;
 - Customer to choose a real estate accommodation offering
 - one bedroom, two bedroom or three bedroom
 - apartment, townhouse or detached dwelling
 - range of available price points dependant upon size and location of accommodation
 - Customer to determine the required care and service needs (e.g. food, laundry, medical) and have those services provided to the chosen form of accommodation
- Will be a progressive change across the business model and operating culture over the long term
- Driven by an ageing and more discerning customer base with an increased desire for care and support services and a willingness to pay

Delivery Forecast - Beds



- Development application for a new 131 bed aged care facility at Durack was lodged in early August (up from the 108 beds reported at February 2015)
- New facility will replace existing 25 bed facility

Village	State	Portfolio	Total Beds ¹	FY15	FY16	FY17	FY18	FY19+
Durack ²	Qld	AEH	108					
Clayfield	Qld	AEH	108					
Carindale	Qld	AOG	100					
Minkara / Bayview	NSW	AOG	124					
Mingarra	Vic	AOG	108					
Gasworks	Qld	AOG	108					
Southern Gateway	NSW	AOG	144					
Total Aged Care Product			800	0	0	108	72	620

¹ Beds inclusive of 209 existing bed licences.

² Does not take into account the development application lodged for 131 beds.



Non-Retirement



Non-Retirement Results



- Lift in residential contribution driven by the performance of the land estates
- Land contribution assisted by increases in both sales volumes and profit margins (margins increased by 2% to 24%)
- The Milton on track for practical completion in August 2015 with 92% residential units pre-sold (settlement to commence in September 2015)
- Significant number of residential contracts on hand remain
- Gasometer 1 office building is now 95% leased

Key Performance Indicators	FY15	FY14	Change
Sales revenue	\$191.2m	\$259.9m	(26%)
Rental income	\$11.2m	\$11.1m	1%
Total revenue	\$202.4m	\$271.0m	(25%)
Profit contribution	\$33.1m ¹	\$32.7m ²	1%
Gross profit	\$35.1m	\$34.3m	2%
Land lot sales ^{3,4}	508	459	11%
Built product sales ³	41	81	(49%)
Average margin	18%	9%	9%
Contracts on hand	762	696	9%
Investment properties held	2	3	(33%)

¹ Includes utilisation of \$15.6m of impairment raised at June 2013 – refer slide 62.

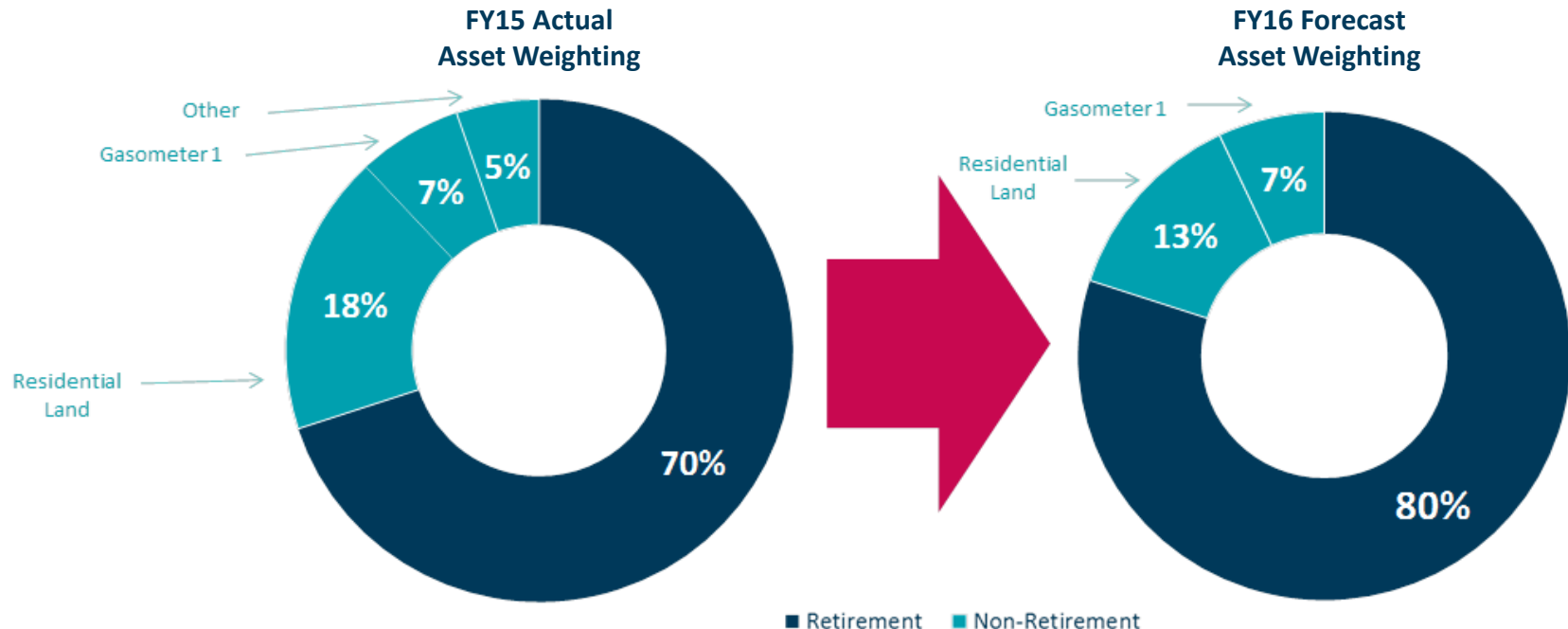
² Includes utilisation of \$4.2m of impairment raised pre June 2013 – refer slide 62.

³ Excludes one-off asset disposals.

⁴ Includes one (FY15) and 36 (FY14) lots relating to englobo sales.

Non-Retirement Asset Weighting

- Sell down of non-retirement assets on target to achieve a 20% overall asset weighting by FY16 through continuing sell down of residential land lots and apartments
- Existing sales rates at land banks would see Rosedale sold down by FY18 and Point Cook and Peregrin Springs sold down by FY19
- Decision has been made to retain the Gasometer 1 asset until the completion of the proposed vertical retirement village development above the existing retail precinct and the addition of extra parking from Gasometer 3





Outlook

- Established business continuing to perform well, underpinned by strong sales levels
- Acceleration of retirement development pipeline well progressed and on track to meet profit and unit delivery targets
- Resident take-up of increased care and support services continues to grow
- Non-retirement assets continue to provide strong cash flows for recycling into retirement growth projects as they are sold down
- FY16 guidance of:
 - An underlying profit after tax of over \$80m, resulting in at least a 45% increase on the FY15 underlying profit after tax of \$54.7m; and
 - A full year distribution of 8 cents per security, an increase of 60% on the FY15 distribution of 5 cents per security (no interim distribution will be paid)



Appendices



Appendix i. Strategy

Appendix ii. Retirement Information

Appendix iii. Non-Retirement Information

Appendix iv. Profit and Loss

Appendix v. Balance Sheet

Appendix vi. Capital Management

Appendix vii. Other Information

- Aveo to become Australia’s leading pure retirement village owner and operator
- Offering to residents will enhance their ability to “age in place” by providing a continuum of care approach, to increase the attractiveness of the overall offering that is made to Aveo customers
- Seeking to streamline and simplify the business into three key operating units:
 - Established Business
 - Development
 - Care and Support Services
- Continued divestment of non-retirement assets to achieve at least an 80/20 retirement/non-retirement asset split by FY16
- Proceeds from non-retirement divestments to be recycled into retirement growth opportunities
- Transition the business to up to 6.5% retirement ROA by FY16 and up to 8.0% retirement ROA by FY18

Established Business

- All of the existing DMF/CG generating retirement villages owned by Aveo
- Other non-DMF fee revenue and operating cost streams associated with the existing village portfolio
- Ongoing unit buyback and subsequent resale program
- Current funds management platform comprising of asset management and fund management services to RVG
- Aveo share of equity accounted investments in RVG, US Senior Living and Aveo China

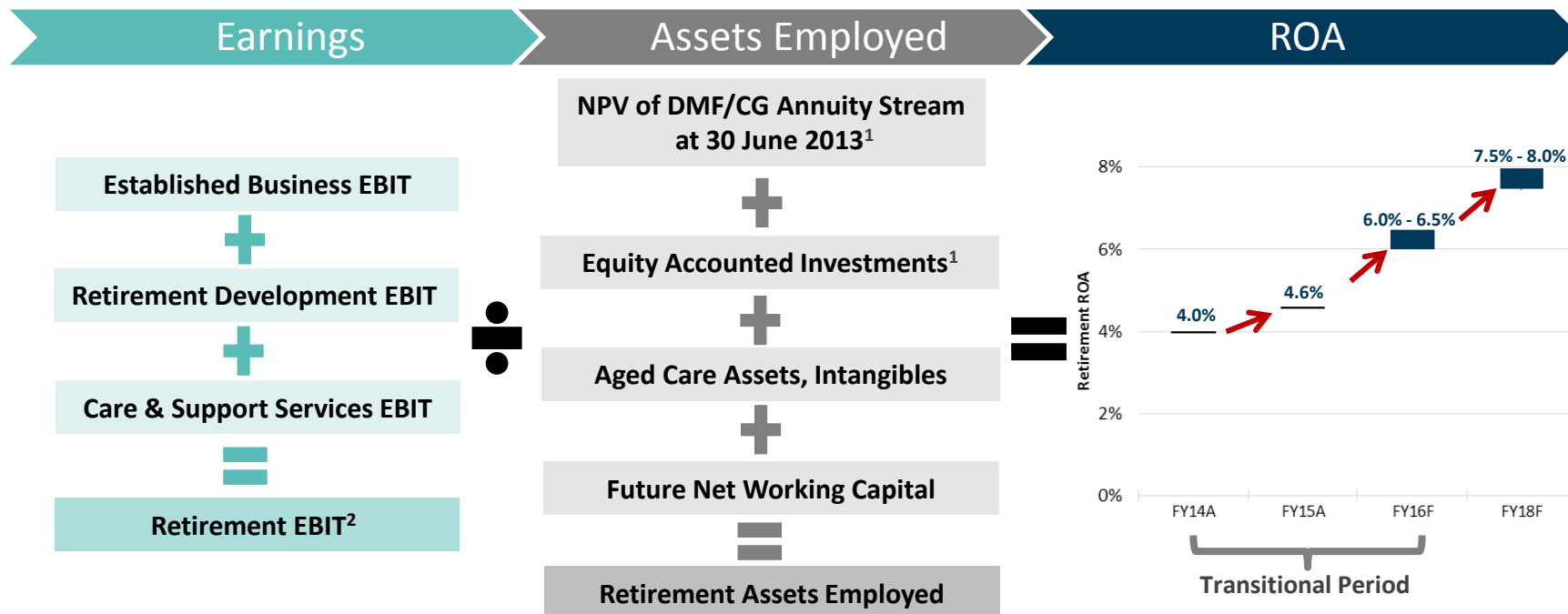
Development

- Delivery of newly constructed retirement units
- Comprises a mix of brownfield, greenfield and large scale redevelopment opportunities
- Existing retirement development pipeline of over 5,000 units
- Expected to be developed over the next 5-10 years
- Delivery planned for 182 new units in FY16
- Delivery target of over 500 new units per annum by FY18
- Future acquisitions of development sites will supplement existing holdings

Care and Support Services

- Existing high care income from four co-located aged care facilities owned by Aveo
- Low care services provided in-home to residents via specialist care operators partnering with Aveo
- Aveo owned allied health care providers integrated into retirement village operations
- High care services in traditional residential aged care accommodation
- Existing pipeline of 800 aged care beds

Medium Term ROA Enhancement Strategy



- Existing or new projects that are forecast to be delivered post FY18 will not be included in the retirement assets employed for the periods FY14 to FY18 for the purposes of the ROA calculation

¹ Excludes any future retirement asset revaluations after 30 June 2013 from the calculation of retirement ROA.

² Excludes non-allocated overheads.

Achieving ROA Targets



- Indicative earnings compositions for the FY16 and FY18 years are shown below, as well as an estimate of the appropriate assets employed in each period
- Estimates have been updated since those presented in the HY15 results presentation, which reflects the impact of additional development site acquisitions (as per strategy to allocate at least \$40m per annum to new acquisitions)
- Providing FY16 guidance of over \$80m for underlying profit after tax assumes an FY16 retirement ROA of 6.0%

Indicative Aveo Retirement Return on Asset Outcomes

\$m	FY14A	FY15A	FY16F	FY18F
Retirement EBIT				
Established Business	42.6	47.6	57.5 – 60.0	67.5 – 70.0
Development	0.4	4.3	15.0 – 18.5	35.0 – 38.0
Care and Support Services	0.7	1.0	3.0 – 3.5	6.5 – 8.0
Retirement EBIT	43.7	52.9	75.5 – 82.0	109.0 – 116.0
Average Assets Employed				
Retirement Assets Employed	1,092	1,155	1,260	1,450
Return on Assets				
Retirement ROA	4.0%	4.6%	6.0% - 6.5%	7.5% - 8.0%

Reconciliation of Retirement EBIT



- Retirement EBIT figures used in determining Retirement ROA exclude capitalised interest in COGS to remove the impact of leverage
- A reconciliation of the Retirement EBIT figures to the Retirement profit contribution is shown in the table below

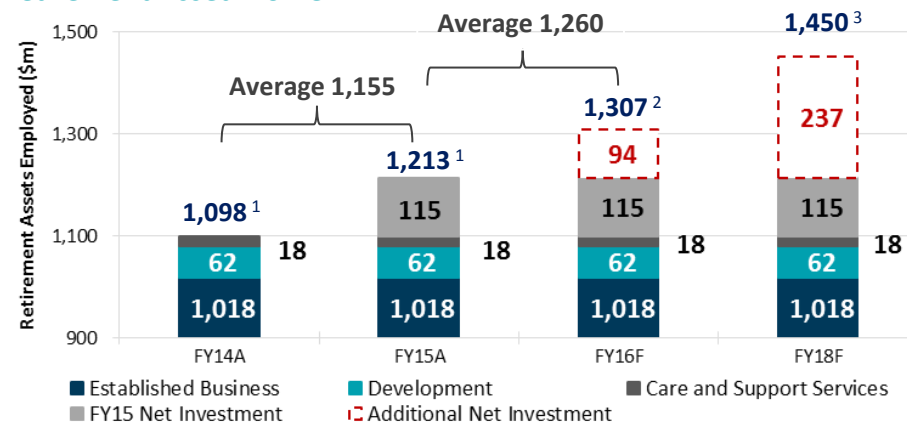
\$m	FY14A	FY15A	FY16F	FY18F
Retirement EBIT				
Established Business	42.6	47.6	57.5 – 60.0	67.5 – 70.0
Development	0.4	4.3	15.0 – 18.5	35.0 – 38.0
Care and Support Services	0.7	1.0	3.0 – 3.5	6.5 – 8.0
Retirement EBIT	43.7	52.9	75.5 – 82.0	109.0 – 116.0
Capitalised Interest in Cost of Goods Sold				
Development	-	(1.1)	(1.5) – (1.0)	(10.0) – (7.5)
Depreciation & Amortisation				
Established Business	0.5	0.7		
Care and Support Services	0.6	0.5		
Retirement Total	1.1	1.2	1.0 – 1.5	2.5 – 3.0
Retirement Profit Contribution				
Established Business	43.1	48.3		
Development	0.4	3.2		
Care and Support Services	1.3	1.5		
Retirement profit contribution	44.8	53.0	75.0 – 82.5	101.5 – 111.5

Indicative Retirement Assets



- Average retirement assets for measuring ROA in FY14 was just under \$1.1bn
- This is expected to increase to:
 - \$1,260m by FY16
 - \$1,450m by FY18
- The primary reasons for the increase in the asset levels will be:
 - Expanding and accelerating the new retirement unit development pipeline
 - Capital expenditure on the established retirement village portfolio
 - Investment in additional aged care facilities
- Future revaluations are excluded for the purpose of calculating the retirement ROA
- FY16F and FY18F retirement assets employed balances have no allowance for new development site acquisitions

Retirement Asset Profile



¹ Actual balance at point in time, refer table below for reconciliation.

² Forecast balance at end of FY16

³ Average balance incorporating opening and closing balance for financial year.

Composition of Retirement Assets

\$m	FY14A	FY15A	Average
Average Assets Employed			
Established Business ¹			
Opening balance	1,013	1,018	
Change in net working capital	5	87	
Closing balance	1,018	1,105	1,062
Development ²			
Opening balance	55	62	
Change in net working capital	7	20	
Closing balance	62	82	72
Care & Support Services			
Opening balance	17	18	
Change in net working capital	1	8	
Closing balance	18	26	22
Total Retirement²			
Opening balance	1,085	1,098	
Change in net working capital	13	115	
Closing balance	1,098	1,213	1,155

¹ NPV of DMF/CG annuity stream at FY13 plus capital expenditure on the established portfolio as future revaluations are excluded for the purpose of calculating Retirement ROA.

² Reported investment property under construction adjusted to include only those projects completing before or during FY18.

Ongoing Steps to Achieve Returns



- Key operating steps will need to be successfully implemented in order for the business to generate the earnings levels required to achieve the target asset returns

Established Business	Development	Care and Support Services
<ul style="list-style-type: none">▪ Continue to achieve turnover rates at levels of 10%-12%▪ Increase unit pricing in line with general residential market price growth▪ Continue to improve Aveo contract terms for DMF/CG share and accrual period▪ Maintain cost efficient operational and staffing structures	<ul style="list-style-type: none">▪ Delivery planned for 182 new units in FY16▪ Delivery target of over 500 new units per annum by FY18▪ Continue to expand pipeline through selected new site acquisitions▪ Future acquisitions of new sites must meet required investment return metrics	<ul style="list-style-type: none">▪ Increase penetration rate for in home care service partners within villages▪ Integrate allied health acquisitions into retirement village operations▪ Delivery of two new aged care facilities by FY18 (one in FY17 and one in FY18)



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Retirement: Our Portfolio



- Aveo Group manages 75 villages across the eastern seaboard and Adelaide
- Villages predominantly located in prime metropolitan locations
- Portfolio characterised by mature villages with 59 villages more than 20 years old, with established resident communities and a demonstrated resident turnover transaction history

Portfolio Snapshot

Units	Villages	ILUs	SAs	Existing Total	Pipeline ⁴ – Units	Total Units	Aged Care Beds	Pipeline – Beds	Total Units and Beds
AOG 100% owned ¹	41	4,181	874	5,055	4,451	9,506	184	400	10,090
Aveo Healthcare ²	5	1,061	252	1,313	270	1,583	25	191	1,799
Total Aveo Group	46	5,242	1,126	6,368	4,721	11,089	209	591	11,889
RVG Australia ³	29	2,837	601	3,438	251	3,689	-	-	3,689
Total Managed	75	8,079	1,727	9,806	4,972	14,778	209	591	15,578

¹ Includes 17 units not offered for accommodation purposes e.g. managers' units.

² Includes 10 units not offered for accommodation purposes e.g. managers' units. AEH is 86% owned by Aveo.

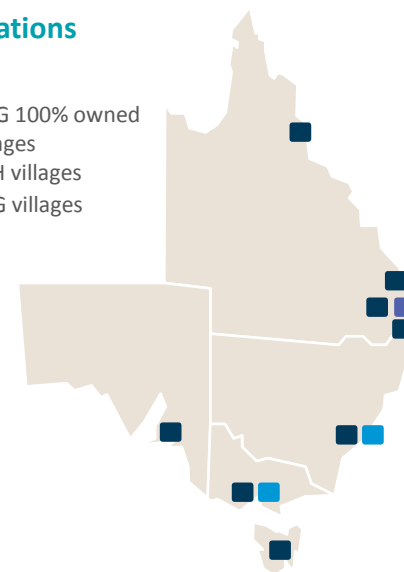
³ Includes 22 units not offered for accommodation purposes e.g. managers' units. RVG is 38% owned by Aveo and Aveo is the fund and asset manager for RVG.

⁴ Development pipeline net of 345 units to be redeveloped.

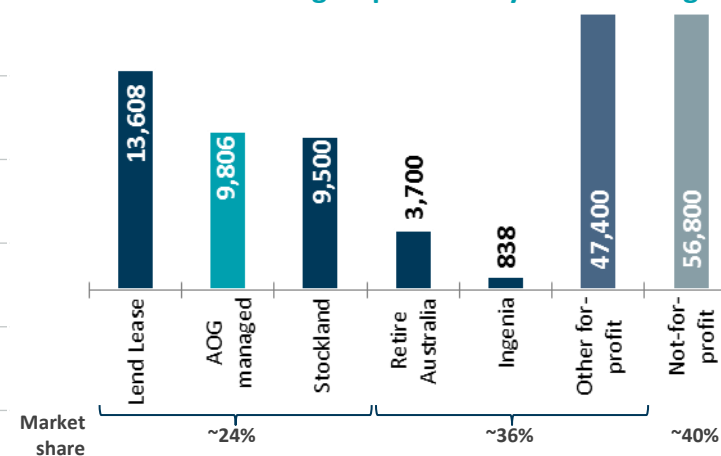
AOG Village Locations

Legend

- AOG 100% owned villages
- AEH villages
- RVG villages



Retirement Village Operators by Units Managed



Source: Retirement Living Council, Grant Thornton, 2014, National Overview of the Retirement Village Sector, Company Announcements 2015.

Retirement Village Portfolio: 100% Owned



Aveo Villages	Location	ILUs	SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Ackland Park	Everard Park, SA	30	20	50	-	50	-	-	50
Amity Gardens	Ashmore, Qld	119	-	119	-	119	-	-	119
Aspley Court	Aspley, Qld	118	44	162	-	162	-	-	162
Bayview Gardens	Bayview, NSW	262	38	300	73	373	-	-	373
Bridgeman Downs	Bridgeman Downs, Qld	113	73	186	-	186	-	-	186
Carindale	Carindale, Qld	66	41	107	-	107	299	100	506
Carisfield	Seaton, SA	103	-	103	-	103	-	-	103
Cleveland Gardens	Ormiston, Qld	154	66	220	-	220	-	-	220
Crestview	Hillcrest, SA	88	-	88	-	88	-	-	88
Derwent Waters	Claremont, Tas	112	45	157	-	157	-	-	157
Fulham	Fulham, SA	68	27	95	-	95	-	-	95
Glynde Lodge	Glynde, SA	80	-	80	-	80	-	-	80
Gulf Point	North Haven, SA	55	-	55	-	55	-	-	55
Hampton Heath	Hampton Park, Vic	53	-	53	-	53	-	-	53
Island Point	St Georges Basin, NSW	40	-	40	-	40	130	-	170
Kings Park	Kings Park, SA	19	31	50	-	50	-	-	50
Leabrook Lodge	Rostrevor, SA	62	-	62	-	62	-	-	62
Leisure Court	Fulham Gardens, SA	43	-	43	-	43	-	-	43
Lindfield Gardens	East Lindfield, NSW	138	40	178	-	178	-	-	178
Lindsay Gardens	Buderim, Qld	122	52	174	-	174	-	-	174
Manly Gardens	Manly, Qld	168	-	168	-	168	-	-	168
Manor Gardens	Salisbury East, SA	40	32	72	-	72	-	-	72
Maple Grove	Casula, NSW	112	-	112	-	112	-	-	112
Melrose Park	Melrose Park, SA	89	36	125	-	125	-	-	125

Retirement Village Portfolio: 100% Owned (Cont'd)



Aveo Villages	Location	ILUs	SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Mingarra	Croydon, Vic	117	-	117	60	177	38	48	263
Minkara	Bayview, NSW	159	43	202	51	253	-	-	253
Mountain View	Murwillumbah, NSW	220	51	271	-	271	-	-	271
Newmarket (Parkland)	Newmarket, Qld	75	-	75	-	75	225	-	300
Peninsula Gardens	Bayview, NSW	73	38	111	-	111	-	-	111
Peregian Springs	Peregian Springs, Qld	127	48	175	-	175	62	-	237
Riverview	Elizabeth Vale, SA	53	-	53	-	53	-	-	53
Robertson Park	Robertson, Qld	35	38	73	-	73	144	-	217
Robina	Robina, Qld	126	-	126	-	126	-	-	126
Southport Gardens	Southport, Qld	90	-	90	-	90	125	-	215
Sunnybank Green	Sunnybank, Qld	56	-	56	-	56	-	-	56
The Braes	Reynella, SA	103	28	131	-	131	-	-	131
The Domain Country Club	Ashmore, Qld	323	52	375	-	375	-	-	375
The Haven	North Haven, SA	36	31	67	-	67	-	-	67
The Parks	Earlville, Qld	157	-	157	-	157	-	-	157
Tranquility Gardens	Helensvale, Qld	115	-	115	-	115	-	-	115
Westport	Queenstown, SA	62	-	62	-	62	-	-	62
Southern Gateway	Bella Vista, NSW	-	-	-	-	-	446	144	590
Sanctuary Cove	Sanctuary Cove, Qld	-	-	-	-	-	163	-	163
Gasworks	Newstead, Qld	-	-	-	-	-	169	108	277
The Rochedale Estates	Rochedale, Qld	-	-	-	-	-	150	-	150
Springfield	Springfield, Qld	-	-	-	-	-	2,500	-	2,500
Total		4,181	874	5,055	184	5,239	4,451	400	10,090

Retirement Village Portfolio: Aveo Healthcare



Aveo Healthcare Villages	Location	ILUs	SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Albany Creek	Albany Creek, Qld	304	83	387	-	387	-	-	387
Clayfield	Albion, Qld	105	-	105	-	105	124	108	337
Cleveland	Cleveland, Qld	98	28	126	-	126	12	-	138
Durack	Durack, Qld	452	104	556	25	581	134	83	798
Taringa	Taringa, Qld	102	37	139	-	139	-	-	139
Total		1,061	252	1,313	25	1,338	270	191	1,799

Retirement Village Portfolio: RVG



RVG Villages	Location	ILUs	SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline – Units	Pipeline – Beds	Total Units (Future)
Balwyn Manor	Balwyn, Vic	-	54	54	-	54	-	-	54
Banora Point	Banora Point, NSW	125	-	125	-	125	-	-	125
Bentleigh	Bentleigh, Vic	27	43	70	-	70	-	-	70
Botanic Gardens	Cranbourne, Vic	157	-	157	-	157	-	-	157
Camden Downs	Camden South, NSW	65	-	65	-	65	-	-	65
Cherry Tree Grove	Croydon, Vic	354	36	390	-	390	-	-	390
Concierge Balwyn	Balwyn, Vic	75	-	75	-	75	-	-	75
Concierge Bayside	Hampton, Vic	86	-	86	-	86	-	-	86
Domaine	Doncaster, Vic	167	-	167	-	167	-	-	167
Edrington Park	Berwick, Vic	149	35	184	-	184	-	-	184
Fernbank	St Ives, NSW	156	39	195	-	195	-	-	195
Fountain Court	Burwood, Vic	130	41	171	-	171	-	-	171
Hunters Green	Cranbourne, Vic	123	-	123	-	123	77	-	200
Kingston Green	Cheltenham, Vic	108	40	148	-	148	-	-	148
Lisson Grove	Hawthorn, Vic	-	39	39	-	39	-	-	39
Manors of Mosman	Mosman, NSW	133	21	154	-	154	-	-	154
Heydon Grove ILUs	Mosman, NSW	31	-	31	-	31	-	-	31
Mosman Grove SAs	Mosman, NSW	-	37	37	-	37	-	-	37

Retirement Village Portfolio: RVG (Cont'd)

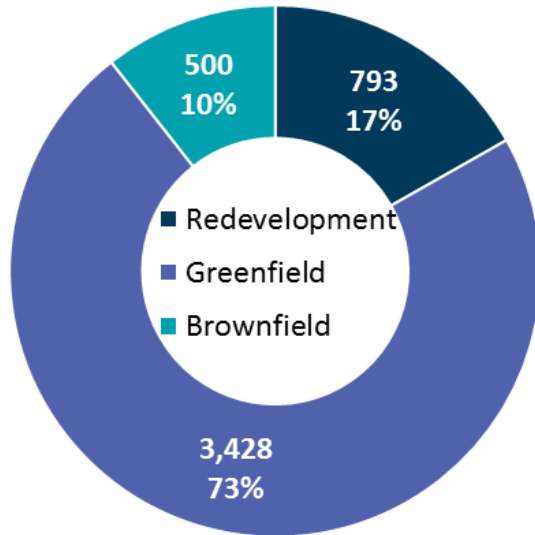


RVG Villages	Location	ILUs	SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Oak Tree Hill	Glen Waverley, Vic	147	46	193	-	193	-	-	193
Pinetree	Donvale, Vic	73	-	73	-	73	-	-	73
Pittwater Palms	Avalon, NSW	127	41	168	-	168	-	-	168
Rose Grange	Tarneit, Vic	33	-	33	-	33	162	-	195
Roseville	Doncaster East, Vic	110	38	148	-	148	-	-	148
Sackville Grange	Kew, Vic	97	-	97	-	97	-	-	97
Springthorpe	Macleod, Vic	88	-	88	-	88	-	-	88
Sunbury	Sunbury, Vic	90	-	90	-	90	12	-	102
The George	Sandringham, Vic	75	36	111	-	111	-	-	111
Toorak Place	Toorak, Vic	54	-	54	-	54	-	-	54
Veronica Gardens	Northcote, Vic	57	55	112	-	112	-	-	112
Total		2,837	601	3,438	-	3,438	251	-	3,689

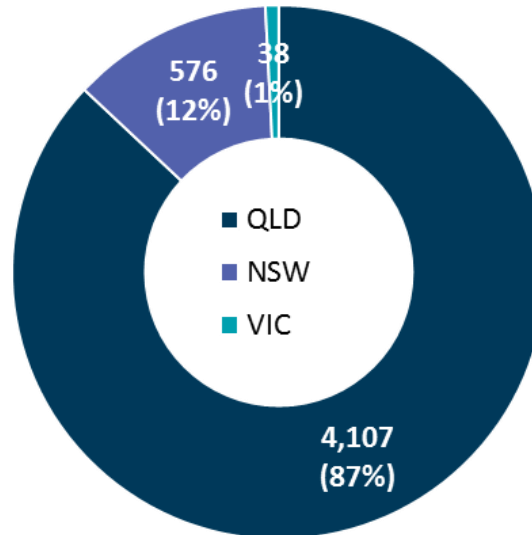
Development Pipeline



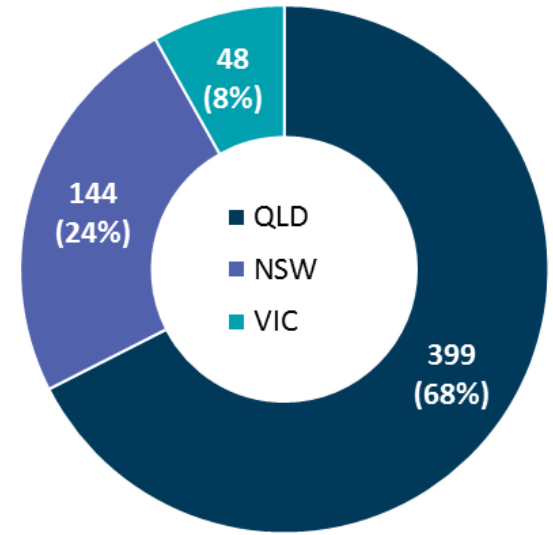
Retirement Development Pipeline
by Type - Units



Retirement Development Pipeline
by Location - Units



Retirement Development Pipeline
by Location - Beds



Retirement: Investment Property Sensitivities



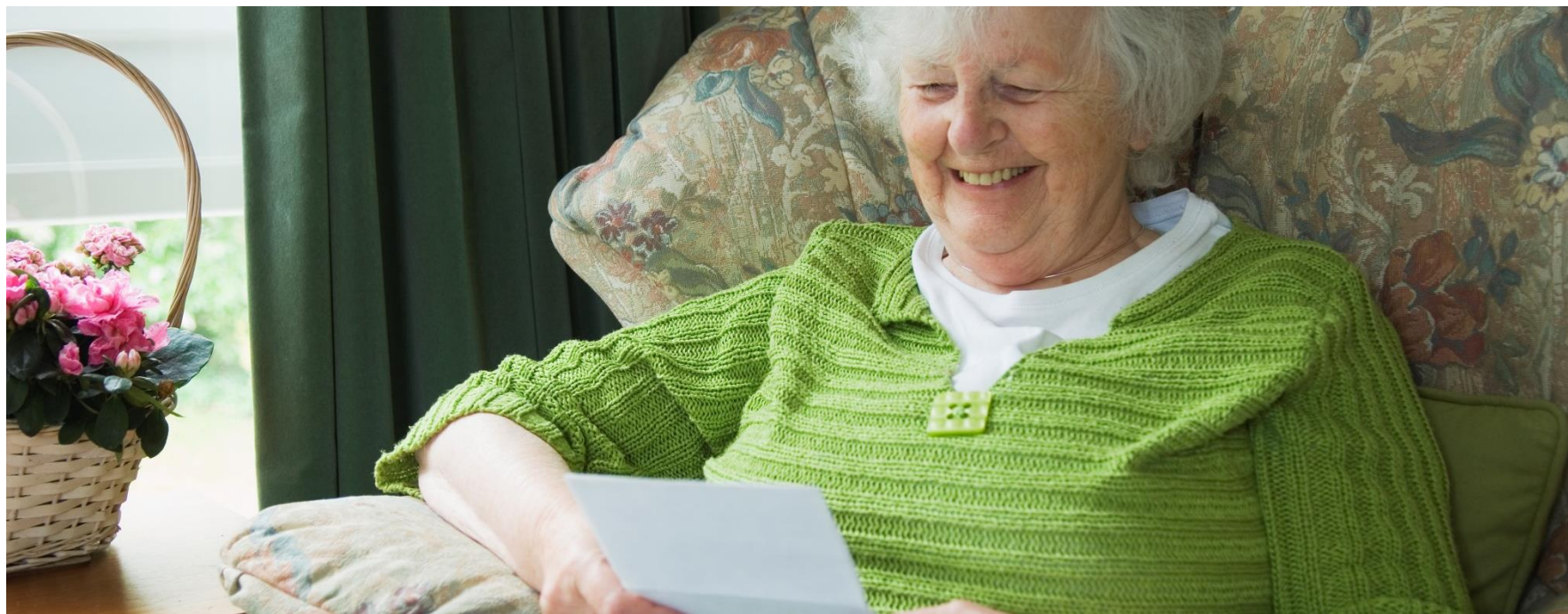
- Key assumptions used in determining the fair value of the established retirement assets are shown in the table to the right
- Valuation sensitivities from the assumed inputs are also presented
- Consideration must be given to various portfolio characteristics
 - **Property based:** age, location, quality of facilities etc. which will drive property demand and capital appreciation in unit prices
 - **Existing residents:** average resident age of 82.3 years will determine proximity of a turnover event and economic contract terms (e.g. accrual period)
 - **Future residents:** forecast age of entry for new residents who replace existing residents will impact long term resident turnover rates
 - **Discount rate:** reflects combination of portfolio investment characteristics and risks

Key Valuation Assumptions/Outcomes		FY15	FY14	Change
Discount rate		12.5%	12.5%	-
Future property price growth	Medium term ¹	3.65%	3.50%	0.15%
	Long term	4.25%	4.50%	(0.25%)
Average 20 year growth rate		4.10%	4.25%	(0.15%)
Current resident tenure	ILUs + SAs	Life tables	Life tables	-
Subsequent resident tenure (years)	ILUs	10	10	-
	SAs	4	4	-
NPV of annuity streams		\$916.5m	\$885.9m ²	3%

¹ Five year property price growth of 3.50% in year one, 3.50% in year 2, 3.50% in year 3, 3.75% in year 4, 4.00% in year 5.

² As FY15 excludes the value of Carindale and Newmarket villages which have been transferred to investment property under construction during the period, FY14 has been restated to also exclude Carindale and Newmarket.

Retirement Investment Property Annuity Stream Sensitivity (\$m)					
Long term property price growth	5.25%	4.75%	4.25%	3.75%	3.25%
Value of established portfolio	1,045.1	977.1	916.5	862.9	814.6
Subsequent turnover – ILUs (years)	8	9	10	11	12
Value of established portfolio	1,015.9	961.8	916.5	877.7	844.2
Discount rate	11.5%	12.0%	12.5%	13.0%	13.5%
Value of established portfolio	1,048.6	977.0	916.5	861.5	813.6
Average age of residents (years)	86.3	84.3	82.3	80.3	78.3
Value of established portfolio	1,031.1	977.8	916.5	849.4	779.8
Market value of units (Change)	5.0%	2.5%	-	(2.5%)	(5.0%)
Value of established portfolio	968.7	943.1	916.5	890.2	862.9

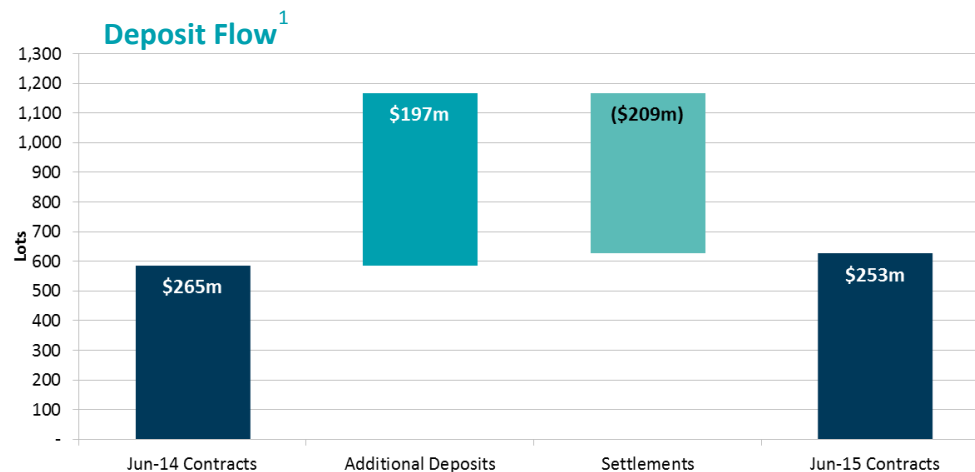


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Residential Communities and Apartments



- Deposits are strong at the major land estates with 491 on hand
- Depending on sales rates, the land estates are expected to be sold down by FY19
- The Milton project is 92% sold with completion expected HY16



¹ Includes 50% of The Milton.

	Location	Remaining Lots approx.	Pre Sold Lots	Available Lots ¹	Percentage Pre Sold ³	FY15 Settlements	FY16 Target Settlements
Land Projects							
Saltwater Coast, Point Cook	VIC	990	277	713	28%	140	225 - 250
Peregian Springs and Ridges, Peregian Springs	QLD	760	95	665	13%	205	225 - 250
The Rochedale Estates, Rochedale	QLD	451	118	333	26%	162	150 - 175
Shearwater, Cowes	VIC	90	1	89	1%	1	5 - 10
Currumbin	QLD	348	--	348	--	--	--
Total Land Projects		2,639	491	2,148	19%	508	605 - 685
Apartment Projects							
Aerial	VIC	3	1	3	67%	6	3
The Milton, Milton ²	QLD	295	270	25	92%	--	295
Luxe and Other	NSW	--	--	--	--	35	--
Total Apartments Projects		298	271	28	91%	41	298
Total Projects		2,937	762	2,176	26%	549	903 - 983

¹ Includes unreleased stages.

² Includes 100% of The Milton.

³ Calculated as Pre Sold/Remaining Lots approx.

Non-Retirement Assets Sell Down and Composition



Non-Retirement Asset Balance Sheet Movement	FY15 (\$m)	FY14 (\$m)	Pro-forma FY13 (\$m)
Non-Retirement Assets at beginning of year	585.8	798.2	942.2 ¹
Less: Asset Sales announced during the year	(20.0)	(230.4)	(156.3)
Add: Net Development Activity during the year	(12.3)	17.2	14.8
Add: Change in Fair Value of Non-Retirement Assets	5.3	0.8	(2.5)
Closing Non-Retirement assets at end of year	558.8	585.8	798.2
Represented by			
Inventories: Residential communities ²	278.1	296.5	376.9
Residential apartments ³	97.4	88.9	150.2
Commercial ⁴	55.5	58.1	213.9
Total inventories	431.0	443.5	741.0
Investment properties	123.8	138.1	50.5
Property, plant and equipment	4.0	4.2	6.7
Non-Retirement assets at end of year	558.8	585.8	798.2
Non-Retirement assets as percentage of total assets⁵	30%	34%	42%

¹ Opening balance has been adjusted for the impairment booked in FY13.

² FY15 includes Point Cook, Rochedale, Peregrin Springs, Ridges, Currumbin and Shearwater.

³ FY15 includes Milton, Albion Stage 2 and Aerial.

⁴ FY15 includes Gasworks and Mackay.

⁵ Net of resident loans and deferred revenue and excludes non-allocated assets.



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Statutory Income Statement



	FY15 (\$m)	FY14 (\$m)	Change
Profit from continuing operations before income tax	81.5	37.2	119%
Income tax expense	(21.2)	(11.2)	89%
Profit for the year	60.3	26.0	132%
Non-controlling interest	(2.3)	0.1	nm
Net profit after tax attributable to stapled security holders of the Group	58.0	26.1	122%

Reconciliation of Statutory Profit to Underlying Profit



	FY15			FY14		
	Gross (\$m)	Tax ¹ (\$m)	Net (\$m)	Gross (\$m)	Tax ¹ (\$m)	Net (\$m)
Statutory profit after tax and non-controlling interest			58.0			26.1
Retirement						
Change in fair value of retirement investment properties	(6.2)	3.3	(2.9)	(3.3)	0.8	(2.5)
Share of non-operating loss of equity-accounted investments	1.1	-	1.1	19.7	-	19.7
Derecognition of deferred tax asset	-	3.6	3.6	-	4.0	4.0
Total Retirement	(5.1)	6.9	1.8	16.4	4.8	21.2
Non-Retirement						
Change in fair value of non-retirement investment properties	(5.3)	1.8	(3.5)	1.0	-	1.0
Net impairment of equity-accounted investments	-	-	-	0.9	-	0.9
Provision for losses	-	-	-	2.0	(0.6)	1.4
Other	1.0	0.2	1.2	(0.7)	(1.5)	(2.2)
Total Non-Retirement	(4.3)	2.0	(2.3)	3.2	(2.1)	1.1
Change in fair value of derivatives	(4.1)	1.3	(2.8)	(9.0)	2.7	(6.3)
Underlying profit after tax and non-controlling interest			54.7			42.1

¹ The tax adjustment in relation to the change in fair value of the retirement investment properties includes tax and OEI.

Statutory Profit and Loss by Segment



	Retirements	Non- Retirements	Other	Total FY15	Retirements	Non- Retirements	Other	Total FY14
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Sale of goods revenue	-	191.2	-	191.2	-	319.2	-	319.2
Revenue from rendering of services	82.8	11.2	-	94.0	73.6	11.1	-	84.7
Other revenue	11.8	2.6	0.6	15.0	13.8	3.8	1.7	19.3
Cost of sales	(15.3)	(159.1)	-	(174.4)	(15.7)	(292.9)	-	(308.6)
Change in fair value of investment properties	32.1	5.3	-	37.4	(7.7)	10.3	-	2.6
Change in fair value of resident loans	(20.6)	-	-	(20.6)	11.5	-	-	11.5
Change in fair value of financial assets and derivative financial liabilities	-	-	4.1	4.1	-	-	8.9	8.9
Employee expenses	(18.8)	(3.8)	(9.3)	(31.9)	(17.1)	(4.8)	(7.3)	(29.2)
Marketing expenses	(7.8)	(2.6)	-	(10.4)	(6.0)	(5.3)	-	(11.3)
Occupancy expenses	(0.1)	(0.2)	(1.1)	(1.4)	(0.2)	(0.2)	(1.7)	(2.1)
Property expenses	-	(2.7)	-	(2.7)	-	(2.7)	-	(2.7)
Administration expenses	(5.7)	(1.1)	(4.0)	(10.8)	(5.5)	(1.5)	(3.6)	(10.6)
Other expenses	(4.2)	(3.5)	-	(7.7)	(2.6)	(10.6)	-	(13.2)
Finance costs	-	-	(3.0)	(3.0)	-	-	(18.0)	(18.0)
Share of net (loss)/gain of equity-announced investments	2.7	-	-	2.7	(16.8)	3.5	-	(13.3)
Profit/(loss) from continuing operations before income tax	56.9	37.3	(12.7)	81.5	27.3	29.9	(20.0)	37.2
Income tax (expense)	-	-	(21.2)	(21.2)	-	-	(11.2)	(11.2)
Profit/(loss) for the year	56.9	37.3	(33.9)	60.3	27.3	29.9	(31.2)	26.0
Non-controlling interests	-	-	(2.3)	(2.3)	-	-	0.1	0.1
Net profit/(loss) attributable to stapled security holders of the Group	56.9	37.3	(36.2)	58.0	27.3	29.9	(31.1)	26.1

Reconciliation of Underlying Profit to Segment Notes



(\$m)	Underlying Profit	Change in Fair Value of Retirement Investment Properties	Share of Non-Operating Loss of Equity Accounted Investments	Derecognition of Deferred Tax Asset	Change in Fair Value of Non-Retirement Investment Properties	Change in Fair Value of Derivatives	Other	Statutory Result
Retirement								
Established Business	48.3	6.2	(1.1)	-	-	-	-	53.4
Development	3.2	-	-	-	-	-	-	3.2
Care and Support Services	1.5	-	-	-	-	-	-	1.5
Total Retirement	53.0	6.2	(1.1)	-	-	-	-	58.1
Total Non-Retirement	33.1	-	-	-	5.3	-	(1.0)	37.4
Non-allocated overheads	(13.1)	-	-	-	-	4.1	-	(9.0)
EBITDA	73.0	6.2	(1.1)	-	5.3	4.1	(1.0)	86.5
Depreciation and amortisation	(2.0)	-	-	-	-	-	-	(2.0)
EBIT	71.0	6.2	(1.1)	-	5.3	4.1	(1.0)	84.5
Interest and borrowing expense	(3.0)	-	-	-	-	-	-	(3.0)
Profit before tax	68.0	6.2	(1.1)	-	5.3	4.1	(1.0)	81.5
Income tax	(12.7)	(1.9)	-	(3.6)	(1.8)	(1.3)	0.1	(21.2)
Profit after tax	55.3	4.3	(1.1)	(3.6)	3.5	2.8	(0.9)	60.3
Non-controlling interests	(0.6)	(1.4)	-	-	-	-	(0.3)	(2.3)
NPAT attributable to Aveo Group	54.7	2.9	(1.1)	(3.6)	3.5	2.8	(1.2)	58.0

Reconciliation of Retirement Segment Revenue to Segment Notes



	FY15 (\$m)	FY14 (\$m)
Segment revenue		
Established Business	109.7	98.9
Development	27.9	7.1
Care and Support Services	12.2	10.7
Total Retirement segment revenue (refer slide 13)	149.8	116.7
Adjustments		
Established Business		
Sales Revenue – buyback sales	(23.4)	(19.2)
Equity-accounted profits	(3.5)	(2.9)
Other	(0.2)	(0.1)
Development		
Development revenue	(27.9)	(7.1)
Care and Support Services		
Equity-accounted profits	(0.3)	-
Retirement revenue per segment note	94.5	87.4

Interest Expense Reconciliation



	FY15 (\$m)	FY14 (\$m)	Change
Interest expense paid	27.1	52.4	(48%)
Less: Capitalised Interest			
Non-Retirement			
Residential communities	(20.2)	(22.5)	(10%)
Residential apartments	(3.9)	(9.1)	(57%)
Commercial	-	(4.2)	(100%)
Total capitalised interest	(24.1)	(35.8)	(33%)
Net finance costs	3.0	16.6	(82%)
Add: Capitalised interest expenses in COGS			
Retirement	1.1	-	100%
Residential communities	27.0	16.0	69%
Residential apartments	5.2	11.3	(54%)
Commercial	0.1	2.0	(95%)
Total capitalised interest in COGS	33.4	29.3	14%
Finance costs including capitalised interest expensed in COGS	36.4	45.9	(21%)

Income Tax Reconciliation



	FY15 (\$m)	FY14 (\$m)	Change %
Statutory profit from continuing operations before tax	81.5	37.2	119%
Less: Aveo Group Trust Contribution	(22.8)	(25.3)	(10%)
Corporation profit before tax	58.7	11.9	(393%)
Add: Transfer from Foreign Currency Translation Reserve on disposal of foreign operation	-	18.7	(100%)
Add: Other non-deductible Items (net of non-assessable items)	(1.9)	(2.1)	(10%)
Corporation adjusted taxable profit	56.8	28.5	99%
Tax expense @30%	17.0	8.5	100%
Other adjustments	0.6	(1.3)	(146%)
Adjusted tax expense	17.6	7.2	144%
Statutory effective tax rate ¹	22%	19%	3%
Derecognition of deferred tax assets ²	3.6	4.0	(10%)
Tax expense	21.2	11.2	89%
Underlying profit before tax	68.0	47.8	42%
Income tax expense	12.7	5.3	140%
Underlying effective tax rate	19%	11%	8%

¹ Calculated as adjusted tax expense or benefit divided by statutory profit/(loss) before tax.

² An assessment of the recoverability of certain deferred tax assets related to equity accounted investments was made. This assessment determined that tax benefits were not considered recoverable with sufficient certainty. As a result these tax benefits were de-recognised.

Management Expenses



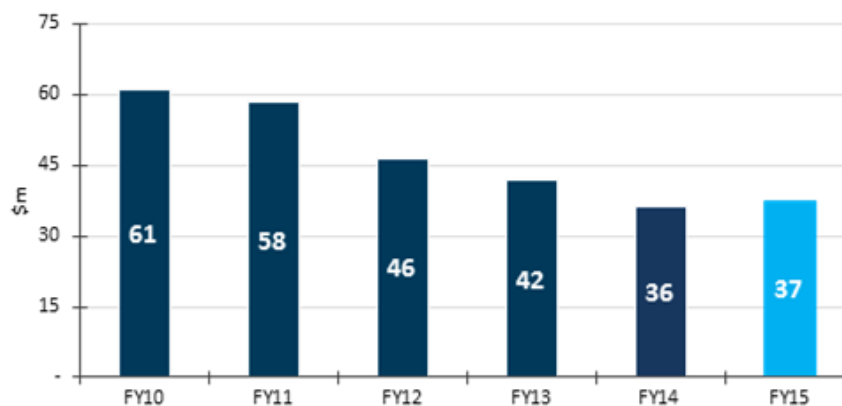
- Marginal increase in FY15 to support growth in retirement activity
- Corporate costs contained in line with inflation

Management Expenses ¹ by Category	FY15	FY14	Change
Employee expenses	\$24.3m	\$23.2m	5%
Occupancy expenses	\$1.3m	\$1.6m	(19%)
Administration expenses	\$9.0m	\$8.3m	8%
Other expenses	\$2.9m	\$3.0m	(3%)
Total	\$37.5m	\$36.1m	4%

Management Expenses ¹	FY15	FY14	Change
Divisional management expenses	\$26.4m	\$25.2m	5%
Corporate expenses	\$11.1m	\$10.9m	2%
Total	\$37.5m	\$36.1m	4%

¹ Management expenses excludes STI/LTI, sales and marketing related costs and property related costs.

Management Expenses by Year





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Summary Statutory Balance Sheet



	FY15 (\$m)	FY14 (\$m)	Change
Assets			
Retirement			
Investment properties (refer slide 61)	2,490.9	2,373.5	5%
Equity-accounted investments	179.1	101.6	76%
Property, plant and equipment	14.7	14.6	1%
Intangibles	4.8	3.2	50%
Total Retirement	2,689.5	2,492.9	8%
Non-Retirement			
Inventories (refer slide 62)	431.0	443.5	(3%)
Investment properties/assets held-for-sale (refer slide 61)	123.8	138.1	(10%)
Property, plant and equipment	4.0	4.2	(5%)
Total Non-Retirement	558.8	585.8	(5%)
Cash/receivables/other	144.5	191.1	(24%)
Total assets	3,392.8	3,269.8	4%
Liabilities			
Resident loans and retirement deferred revenue	1,387.7	1,355.5	2%
Interest bearing liabilities	359.5	344.6	4%
Deferred tax	60.7	39.7	53%
Hedge liability	-	19.8	(100%)
Other liabilities (including payables, provisions, deferred revenue)	79.3	80.7	(2%)
Total liabilities	1,887.2	1,840.3	3%
Net assets	1,505.6	1,429.5	5%
NTA per stapled security	\$2.85	\$2.78	3%

Management Balance Sheet



	%	FY15 (\$m)	%	FY14 (\$m)	Change
Assets					
Retirement					
Retirement investment properties ¹ (refer slide 61)		1,103.2		1,018.0	8%
Equity-accounted investments		179.1		101.6	76%
Property plant and equipment and intangibles		19.5		17.9	9%
Total Retirement	70%	1,301.8	66%	1,137.5	14%
Non-Retirement					
Commercial		179.3		196.2	(9%)
Residential communities		281.1		299.7	(6%)
Residential apartments		98.4		89.9	9%
Total Non-Retirement	30%	558.8	34%	585.8	(5%)
Total Retirement / Non-Retirement	100%	1,860.6	100%	1,723.3	8%
Other assets (including cash and trade receivables)		144.2		189.3	(24%)
Total assets		2,004.8		1,912.6	5%
Liabilities					
Interest bearing liabilities		359.5		344.6	4%
Derivative liabilities		1.8		22.9	(92%)
Deferred tax		60.7		39.7	53%
Other liabilities (including payables, provisions, deferred revenue)		77.2		75.9	2%
Total liabilities		499.2		483.1	3%
Net assets		1,505.6		1,429.5	5%

¹ Net of resident loans and deferred income.

Investment Property Summary



	FY15 (\$m)	FY14 (\$m)	Change
Retirement			
NPV of annuity streams (refer slide 45)	916.5	909.4	1%
Investment properties under construction	140.7	70.3	100%
New units available for first occupancy	21.5	12.7	69%
Buyback units available for occupancy	24.5	25.6	(4%)
Retirement net valuation	1,103.2	1,018.0	8%
Resident loans	1,290.5	1,258.8	3%
Deferred income net of accrued DMF	97.2	96.7	1%
Total Retirement Investment property	2,490.9	2,373.5	5%
Non-Retirement			
Investment properties	123.8	138.1	(10%)
Total investment properties	123.8	138.1	(10%)
Assets reclassified as available for sale	-	(20.5)	(100%)
Total Non-Retirement investment property	123.8	117.6	5%
Total investment properties per balance sheet	2,614.7	2,491.1	5%

Non-Retirement Inventories Summary



	FY15 (\$m)	FY14 (\$m)	Change
Inventories			
Residential communities ¹	278.1	296.5	(6%)
Residential apartments ²	97.4	88.9	10%
Commercial ³	55.5	58.1	(4%)
Total Inventories	431.0	443.5	(3%)

¹ FY15 includes Point Cook, Rochedale, Peregian Springs, Ridges, Currumbin and Shearwater.

² FY15 includes Milton, Albion Stage 2 and Aerial.

³ FY15 includes Gasworks and Mackay.

	Residential Communities (\$m)	Residential Apartments (\$m)	Commercial (\$m)	Total (\$m)
Impairment				
Balance as at 30 June 2014	178.0	12.8	25.7	216.5
Impairment reclassification	(5.0)	1.9	3.1	-
Amounts utilised in relation to pre 30 June 2013 impairments – effecting underlying profit after tax	(3.0)	-	(1.2)	(4.2)
Amount utilised in relation to 30 June 2013 impairments – effecting underlying profit after tax	(14.4)	(0.9)	(0.3)	(15.6)
Balance as at 30 June 2015	155.6	13.8	27.3	196.7

Movement in Net Tangible Assets per Security



	Net Tangible Assets (\$m)	No. of Securities (m)	NTA per Security (\$)
As at 30 June 2014	1,391.1	500.1	2.78
Statutory net profit	58.0	-	0.12
Other comprehensive income	2.2	-	-
Increase in intangible assets ¹	(1.2)	-	-
Movements in reserves ²	1.3	-	-
Provision for FY15 distribution	(25.8)	-	(0.05)
Issue of new securities ³	44.9	15.9	-
Acquisition of treasury securities	(3.1)	(1.2)	-
Securities bought back	(1.4)	(0.6)	-
As at 30 June 2015	1,466.0	514.2	2.85

¹ Principally software licences.

² Acquisition of non-controlling interests and equity settled employee benefits.

³ On 29 May 2015, the Group issued 15,946,571 fully paid ordinary stapled securities as consideration for the acquisition of stapled securities in Retirement Villages Group.



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Funds from Operations and Adjusted Funds from Operations

	FY15 (\$m)	FY14 (\$m)	Change %
Underlying profit after tax	54.7	42.1	30%
Adjustments:			
Profit from equity-accounted investments	(3.8)	(6.6)	(42%)
Dividends from equity-accounted investments ¹	-	2.0	(100%)
Depreciation	2.0	2.0	-
Capitalised interest	(24.1)	(35.8)	(33%)
Capitalised interest Included in COGS	33.4	29.3	14%
Retirement Development: Profit adjustment on settled basis	(2.0)	-	(100%)
Amortisation of leasing incentives	1.0	1.0	-
Deferred income tax expense	12.7	5.3	140%
Funds From Operations (FFO)	73.9	39.3	88%
Derivative close out costs	(15.7)	(3.5)	349%
Retirement capex	(10.8)	(7.1)	52%
Non-Retirement leasing commissions, tenant incentives and maintenance capital expenditure	(1.6)	(7.7)	(79%)
Adjusted Funds From Operations (AFFO)	45.8	21.0	118%

¹ Excludes Return of Capital from RVG of \$7.7m.

- As announced to the ASX on 16 June 2015, the distribution from the Trust will be 5 cents per security for \$25.7m
- Distribution will be paid in September 2015
- FY15 distribution is in line with policy of distributing between 40%-60% of underlying profit after tax
- FY16 guidance of a full year distribution of 8 cents per security, an increase of 60% on the FY15 distribution of 5 cents per security (no interim distribution will be paid)

	FY15 (\$m)	FY14 (\$m)	Change %
Underlying Profit After Tax	54.7	42.1	30%
Funds from operations ¹	73.9	39.3	88%
Adjusted funds from operations ¹	45.8	21.0	118%
Distribution declared	25.7	20.0	29%
Distribution as a % of UPAT	47%	48%	(1%)
Distribution as a % of FFO	35%	51%	(16%)
Distribution as a % of AFFO	56%	95%	(39%)

¹ Aveo's calculation of FFO and AFFO (including that for FY14) has been amended to reflect Property Council of Australia guidelines.

Summary of Debt Facilities



Net Bank Debt Drawn	FY15 (\$m)	FY14 (\$m)	Change (\$m)
Interest bearing liabilities ¹	359	345	14
Add: Establishment fee adjustments	–	1	(1)
Less: Vendor finance and leases	(1)	(3)	2
Total debt facilities drawn	358	343	15
Less: Available cash	(31)	(22)	(9)
Less: The Milton 50% project finance	(47)	(8)	(39)
Net bank debt drawn	280	313	33

Summary of Undrawn Debt Facilities ²	Limit (\$m)	Drawn (\$m)	Undrawn (\$m)
Retirement facilities	330	201	129
Non-Retirement facilities	65	65	–
Non-Retirement project finance	109	93	15
Total	504	359	145

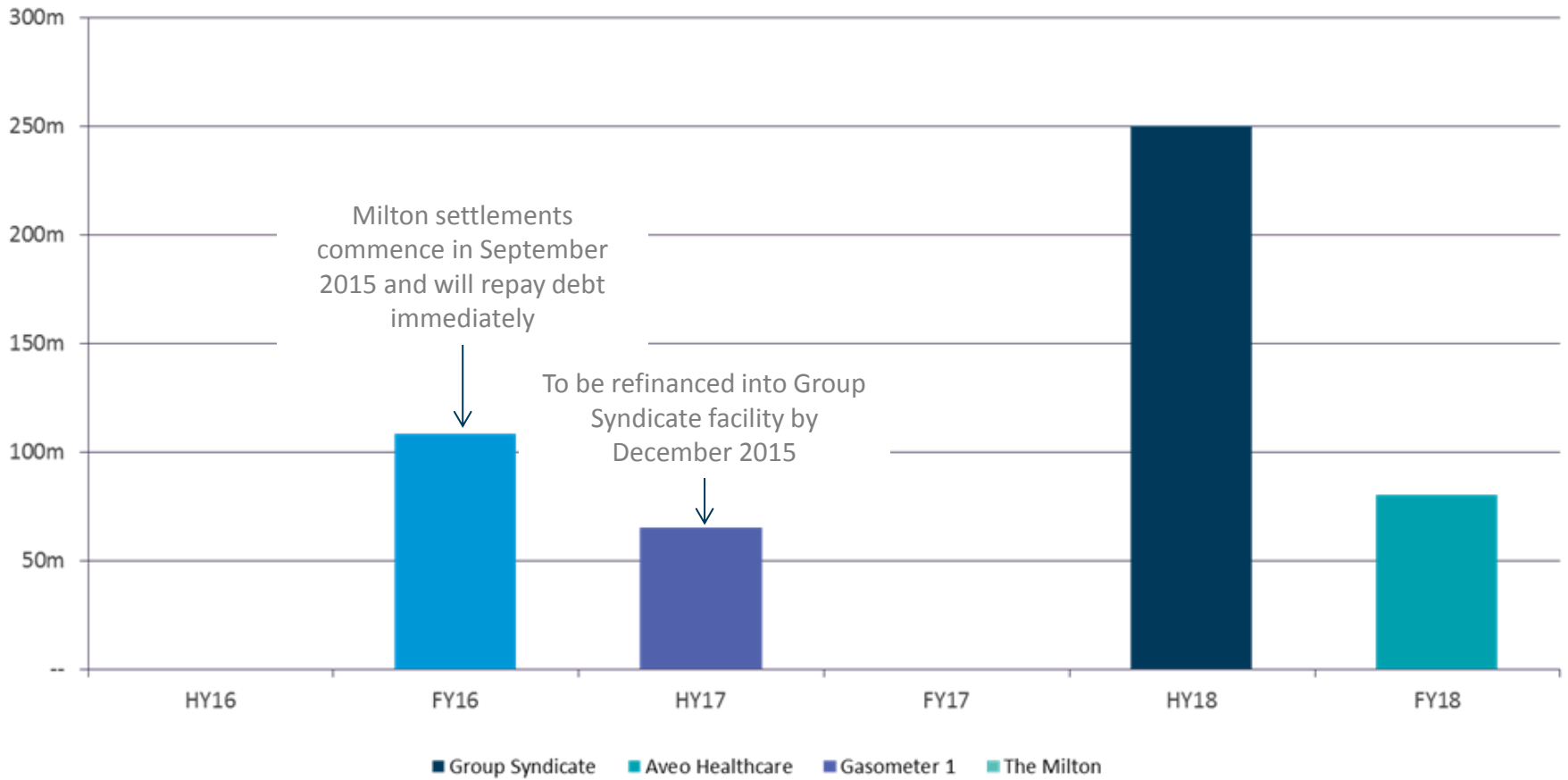
¹ Excludes Bank Guarantees.

² Undrawn facilities are dependent upon having sufficient security.

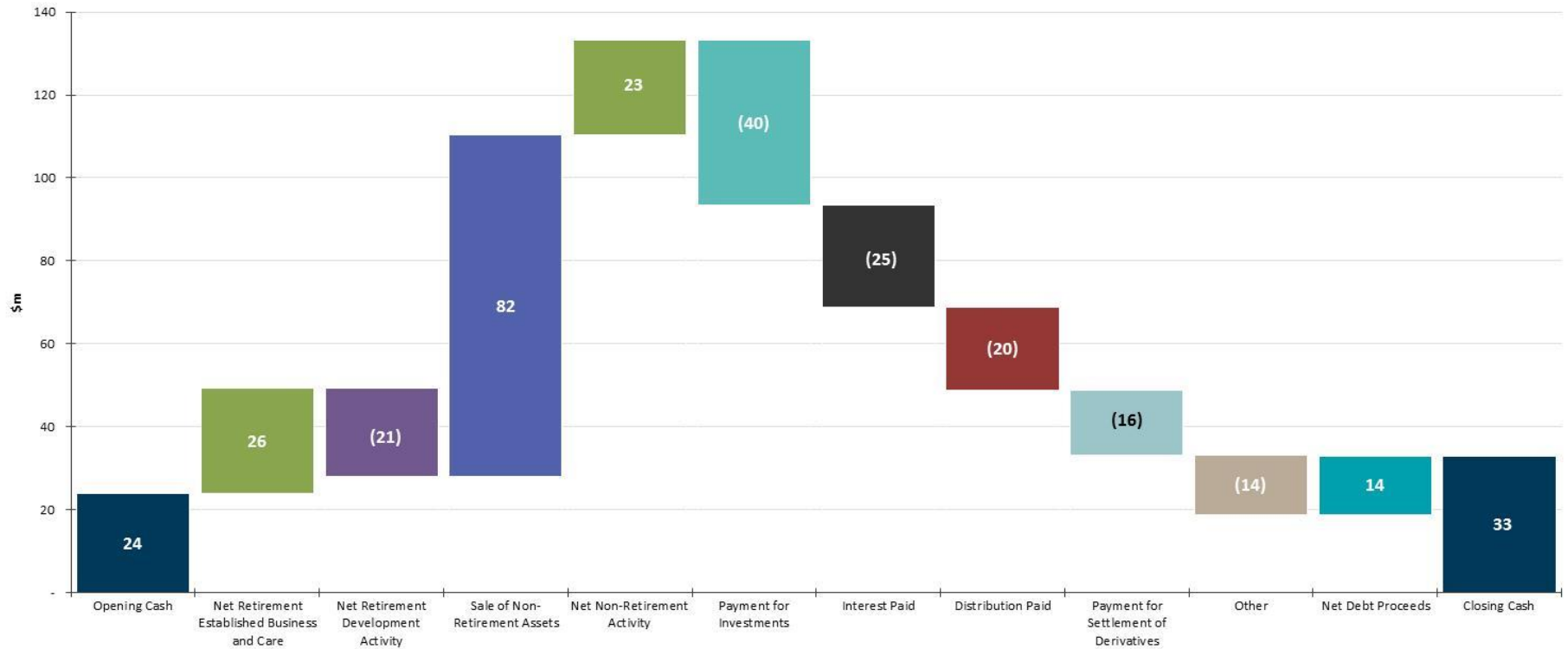
³ Available debt of \$60m, working capital \$30m and developments \$30m. An additional \$20m will be available after certain CP's have been met

Summary of Drawn Debt Facilities ¹	Facility Limit (\$m)	Maturity
Retirement		
Group development facility	250	24/12/2017
Aveo Healthcare ³	80	30/03/2018
Total Retirement facilities	330	
Drawn	201	
% Drawn	61%	
Non-Retirement		
Gasometer 1 facility	65	31/10/2016
Total Non-Retirement facilities	65	
Drawn	65	
% Drawn	100%	
Project Finance		
The Milton project finance	109	7/05/2017
Total project finance	109	
Amount drawn	93	
% Drawn	86%	

Major Debt Maturity



Cash Flow Reconciliation



- All financial covenants met

Covenant – Group Facility		FY15	Required
Established Business, Care and Support Services and unallocated overheads to interest expense (12 months rolling)	Retirement ICR (Core)¹	3.5x	≥ 2.0x
EBITDA to interest expense of the consolidated group (12 months rolling)	Interest Cover	3.0x	≥ 1.5x
Total assets less cash and resident loans / net debt	Reported Gearing Ratio²	16%	≤ 30%
Drawn debt less cash / retirement valuation and non-retirement valuation	Loan to Value Ratio³	16%	≤ 30%

¹ Includes net cashflow from retirement established business and care and support, offset by unallocated overheads to interest expense of facility A and B only.

² Ratio as per the Syndicated Facility Agreement does not adjust for 50% of The Milton debt.

³ This ratio is based on the 30 June 2015 Retirement book value of AOG Retirement assets and the latest Non-Retirement bank valuations.



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FY15 Calendar



Date	Event	Location
19 August	FY15 Results Announcement @ 11.00am	Sydney
19-21 August	Private Roadshow	Sydney
25-26 August	Private Roadshow	Melbourne
02-03 September	Private Roadshow	Hong Kong, Singapore
14-16 September	Private Roadshow	New Zealand
21 October	Morgans Annual Institutional Conference	Brisbane
17 November	Annual General Meeting	Sydney
17 February	1HY16 Results Announcement @ 10.30am	Sydney

Term	Definition
AFFO	Adjusted Funds from Operations
AICD	Australian Institute of Company Directors
Average margin	Ratio of gross profit to revenue
Buyback Purchases	Units that are bought back by Aveo from exiting retirement residents
Buyback Sales	Sales of units that have previously been bought back by Aveo to new residents
COGS	Cost of Goods Sold
CP	Conditions Precedent
Deposits on Hand	Number of deposits held for contracts yet to settle
DMF / CG	Deferred Management Fee / Capital Gains
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
EPS	Earnings Per Security
Established Business	Existing revenue generating retirement villages
FCTR	Foreign Currency Translation Reserve

Term	Definition
FFO	Funds from Operations
Gross Profit	Revenue less cost of goods sold
ICR	Interest Cover Ratio
ILU	Independent Living Unit
MOF	Multi-Option Facility
NM	Not meaningful
NPV	Net Present Value
NTA	Net Tangible Assets
Portfolio Turnover	Sum of unit resales and buyback sales divided by total available units
Resales	Resident to resident retirement unit sale
ROA	Return on Assets
SA	Serviced Apartment
STI / LTI	Short term incentive / Long term incentive
UPAT	Underlying Profit After Tax



Aveo

Level 5, 99 Macquarie Street,
Sydney NSW 2000

T +61 2 9270 6100

F +61 2 9270 6199

aveo.com.au

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