

17 November 2015

Aveo Group 2015 Annual General Meeting

Chairman's Address

Good morning ladies and gentlemen and welcome to Aveo Group's 2015 Annual General Meeting. My name is Seng Huang Lee, I am the Chairman of Aveo Group and on behalf of my fellow Board members I would like to thank you for attending today's meeting.

This meeting is the Annual General Meeting of Aveo Group Limited, which is being held in conjunction with a general meeting of unit holders of the Aveo Group Trust.

A quorum is present and I declare this combined meeting open.

Let me commence by introducing you to your Directors, the Company Secretary and the Executive Team.

To my left are Non-Executive Directors, Jim Frayne, Wally McDonald, Stephen Muggleton, Len McKinnon and Eric Lee. I am also joined by Managing Director and CEO Geoff Grady, CFO David Hunt and Company Secretary Nicole Moodie.

I would also like to welcome our Audit Manager St Elmo Wilken from Ernst & Young, who is seated in the front row.

The minutes of the 2014 Annual General Meeting held on 12 November 2014 have been approved by the Board and I have signed them as a true and correct record.

Today, I would like to briefly update you on our achievements in 2015 as we continue to transform to a pure retirement group and at the same time, delivered a record retirement result. Our CEO, Geoff Grady will then provide an overview of our performance in 2015, and also the Group's plans for the year ahead.

We will then move to the formal part of the meeting to address the resolutions we are proposing today.

I ask you to please reserve any general questions or questions in relation to my address and the presentation until after the formal resolutions.

You will of course have the opportunity to ask questions in relation to the Financial Report and to speak to all motions before they are put to the meeting.

I am very pleased to be able to report to you that Aveo Group in 2015 made great strides in its transformation to a pure retirement group.

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 \$559 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.

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Importantly, the progress we made with our retirement strategy is today better understood and endorsed by the market and the investment case for Aveo Group continues to strengthen, as reflected in the improved price of our securities.

Our 2015 financial performance was driven by a total retirement contribution of \$53 million, an 18% improvement on 2014. This was achieved on the back of total retirement unit sales of 721 for the year, another record for our Group. As a consequence, we booked an underlying net profit after tax of \$54.7 million which was up 30% ahead of our 2014 result.

This strong financial performance, underpinned by our strategic discipline, saw our underlying earnings per security lift to 10.9 cents per security in 2015, up 15% on 2014. Funds from operations were up 88% to \$73.9 million, or 14.8 cents per security, while our net assets per security lifted 3% to \$2.85.

This enabled your Board to declare a distribution of 5 cents per security for 2015, an increase of 25% on the prior year.

In particular, a major strategic focus in 2015 has been the transformation of our core customer proposition; from one that has been focused almost solely on property, to a more rounded, appealing offering for customers that involves a selection of accommodation choices across a range of property types and price points. All of this is balanced with a range of care and service needs. This is a progressive, long-term change to our business model and culture which we are implementing carefully and deliberately. As our customer base ages and becomes more discerning, we will continue to evolve to cater to their needs for greater care and support services.

Looking ahead, there continues to be strong sales momentum across the Group with a pipeline of 182 new units scheduled for delivery over the next year. At the same time, we continue to ramp up our care and support services across the entire portfolio. As a consequence, we expect to achieve underlying profit after tax in FY16 of over \$80 million, which would represent a 45% improvement on the performance this year, and a full year distribution of 8 cents per security, which would represent a 60% increase on the distribution achieved for FY15.

We remain very confident about Aveo Group's capacity to continue to generate securityholder value in the next year and beyond.

With our pure retirement strategy in place and a focus on expanding the care and support service offering for our clients, backed by a strong balance sheet and a committed and talented team in place, I look forward to keeping you updated on our progress in the year ahead.

I would like to extend my thanks to our Board and to the Executive Team for their hard work, dedication and support over the past year. And I would especially like to thank you, our securityholders, for your ongoing support of Aveo Group.

I will now ask Chief Executive Officer Geoff Grady to take you through in more detail our achievements and performance in 2015 and outline for you what lies ahead for Aveo Group.

END

For further information contact:

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