

18 February 2016

Aveo settles acquisition of Freedom

Australia's leading owner, operator and manager of retirement communities, Aveo Group Limited (ASX: AOG) is today pleased to announce that it has settled its acquisition of 100% of Freedom Aged Care Pty Ltd (Freedom).

As announced yesterday, Freedom owns and operates more than 1,000 units in 15 retirement communities across Australia in Queensland, NSW, Victoria and Tasmania, as well as a development pipeline of 533 units. The development pipeline includes 387 units in five of the 15 existing villages and a 146 unit site for an additional new village on the Sunshine Coast in Queensland.

Freedom has been acquired, based on its balance sheet at 30 June 2015, for consideration of \$215.5 million plus acquisition costs comprising:

- The issue of \$83.5 million of scrip in AOG at \$2.98 per security and a cash payment of \$10 million to the vendors;
- The assumption of \$88 million in debt owed to lenders; and
- Deferred payment of \$34 million in present value terms provided various performance conditions are met post-completion over a 4-year period.

The acquisition of Freedom, combined with the rollout of our existing development pipeline, will see Aveo operating 95 retirement communities with nearly 17,000 homes for elderly Australians, making us the largest owner and operator of retirement communities in Australia.

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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 13,000 residents in 89 retirement villages across Australia. Aveo also manages and develops a diversified \$456 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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