

18 August 2016

Successful completion of Institutional Placement

Australia's leading owner, operator and manager of retirement communities, Aveo Group Limited (ASX: AOG) is pleased to announce the successful completion of the fully underwritten institutional placement of new securities in AOG to raise \$126.1 million.

The placement will be used to acquire the remaining 27% minority holding in Retirement Villages Group (RVG) that AOG currently does not already own and repay debt drawn to fund the acquisition of previous stakes in RVG.

The institutional placement was made to new and existing institutional investors, with 37,091,988 new securities in AOG being issued at a price of \$3.40, reflecting a 1.7% discount to the closing price of \$3.46 per security on 16 August 2016. Allotment and quotation of the new securities in AOG under the placement will occur on 22 August 2016. New securities will rank equally with existing AOG securities on issue and will have full entitlement to the FY17 distribution, which is forecast to be 9.0 cents per AOG security.

Morgan Stanley Australia Securities Limited, Morgans Corporate Limited and Sun Hung Kai Investment Services Limited acted as joint lead managers and underwriters for the equity raising.

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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 \$430 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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