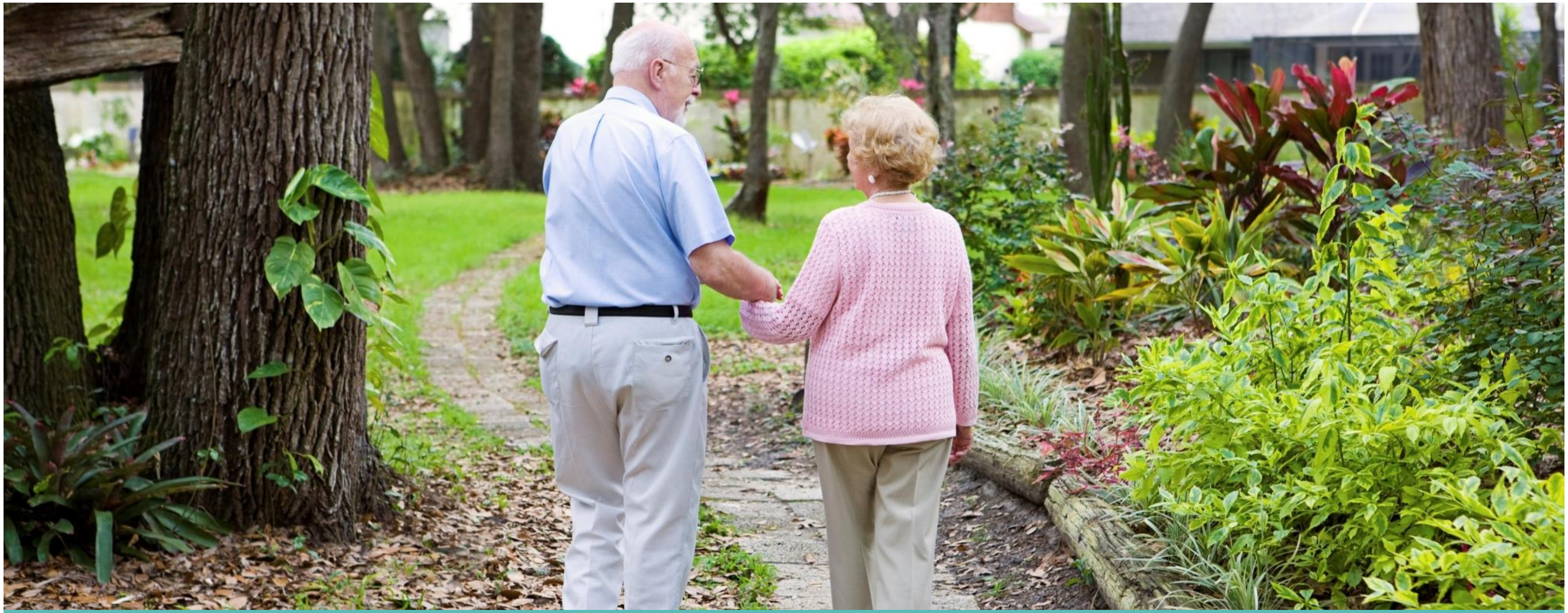
Continuing to Show Leadership

Results for the period ended 30 June 2017

16 August 2017

Agenda



1. New Initiatives
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New Initiatives

We Are Listening…

- Since moving to a retirement only future in 2014, Aveo has sought to address the emerging demands of Australian retirees. Those demands are very different from what they've been in the past
- Over the past four years we have been at the forefront of innovation in retirement product and service delivery, to our existing and future residents
- The consumer response to what we have delivered to date has been strong and it underwrites the results we're delivering today
- We know there is a lot of discussion in the market at the moment about retirement living and about Aveo generally
- We understand people have concerns about the retirement and aged care industry. We acknowledge that some residents have been confused by their contracts. And we are genuinely distressed when we fall short of the standards our consumers expect of us
- We know that some of our consumers feel that we have let them down
- Aveo has a focus on continual improvement and on meeting the standards our consumers expect of us. We've listened carefully to the public discussion about us
- Our key commitments to consumers have not and will not change – enhanced freedom of choice and quality of service delivery, in whatever form consumers desire it
- Our focus is to address the increasingly complex wants and needs of Australian seniors, with innovative products and services that have not been available in the past

We Are Responding…

- Simply put, we aim to be the leading provider of accommodation and services to senior Australians
- So this morning, having listened to the needs of our consumers, we announce a number of key initiatives to serve them better
- As a member of its leadership committee, Aveo has committed to all eight resolutions adopted by our peak industry body, the Property Council of Australia's Retirement Living Council. Those resolutions were adopted to raise standards across the industry
- Aveo has improved and strengthened its own complaint and incident handling procedures including a requirement for independent mediation
- We are moving to simplify our contracts further. Our Aveo Way resident contract, invented out of consumer research, is already a market leader in terms of simplicity and certainty. But we can do better and we've resolved to simplify both the Aveo Way and Freedom contracts further within the next 12 months
- We announce this morning new certainty promises to incoming residents under both the Aveo Way and Freedom resident contracts: money back guarantees and shortened buyback periods, in excess of most legislative requirements

Aveo Way – Further Improvements

- Six month money back guarantee period extended permanently after 30 September 2017
- Six month buyback guarantee extended to all states (not just NSW and Tasmania)
- Benefits available to all new buyers immediately

Previous Resident Contracts	Aveo Way Resident Contract
✘ No money back guarantee	✓ Money back guarantee period six months
✘ Unlimited time period for unit to be available for resale upon resident departure	✓ Unit bought back by Aveo six months after resident departure
✘ Resident required to fund reinstatement cost of unit and potentially part of refurbishment upgrade cost	✓ No resident cost to fund any unit reinstatement or refurbishment work upon departure
✘ Resident responsible for sales commission cost	✓ No sales commission cost if Aveo Real Estate is the sales agent
✘ No additional benefits relating to transition to a higher care environment	✓ 10% discount on purchase price for a new Freedom unit or immediate release of unit equity for payment of RAD in a co-located Aveo RACF
✘ Quantum of funds received and timing of receipt of those funds upon resident departure is uncertain	✓ Can guarantee upfront the minimum funds to be repaid and the maximum period that will take

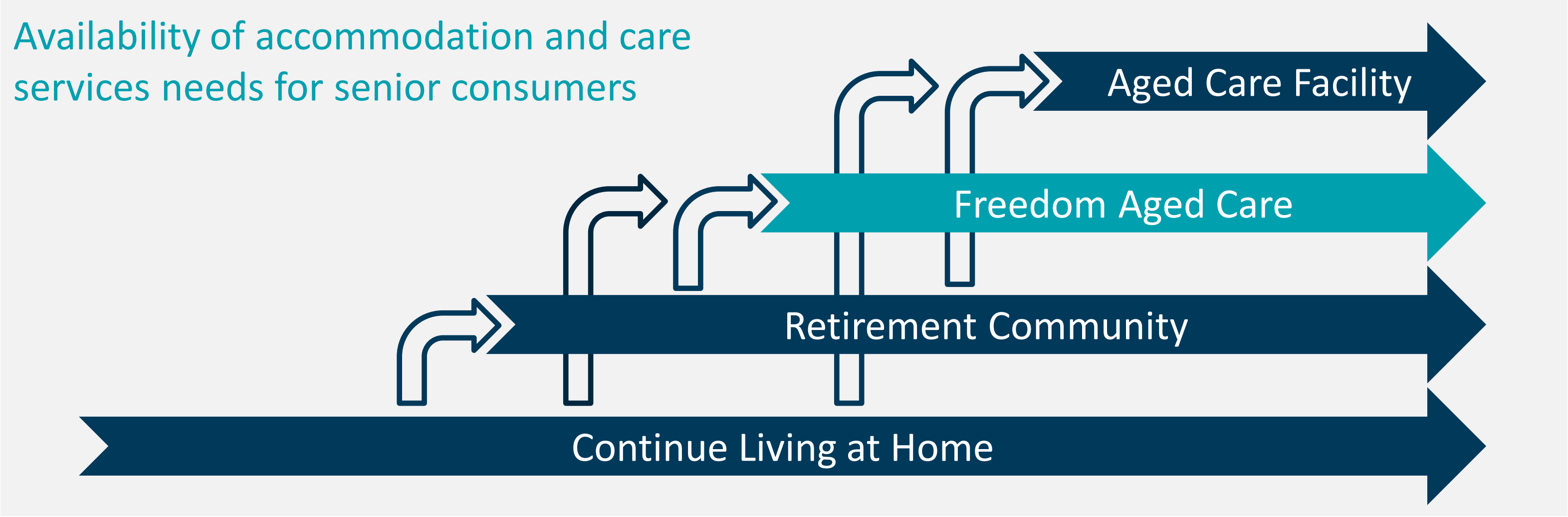
Freedom Contract – Further Improvements

- New 60 day money back guarantee
- 12 month buyback guarantee to be implemented in all states
- Benefits available to all new buyers immediately

Previous Resident Contracts	Freedom Resident Contract
✘ No money back guarantee	✓ Money back guarantee period 60 days
✘ Best case of 18 month buyback period	✓ Unit bought back by Aveo 12 months after resident departure for entry price less accrued DMF. Guarantee of no capital loss on unit price
✘ No assistance with RACF transfer / RAD payments	✓ Refund net equity (entry price less accrued DMF) 60 days after transfer where Aveo has recommended transfer to RACF
✘ Resident required to fund reinstatement cost of unit and potentially part of refurbishment upgrade cost	✓ Aveo to fund any reinstatement or refurbishment work. Capital gain then calculated as exit price, less entry price, less Aveo upgrade cost
✘ Quantum of funds received and timing of receipt of those funds upon resident departure is uncertain	✓ Can guarantee upfront the minimum funds to be repaid and the maximum period that will take

Care Services - Freedom

- Aveo's expansion of its Freedom aged care offering has been of increasing interest
- The transition to the Freedom model at 12 existing communities by Aveo is in response to demand from existing residents for increasing levels of care services
- Freedom allows residents who would have previously needed to move to an aged care facility, to instead age in place with their partner and community of friends
- No resident is compelled to move to a Freedom unit or take up the Freedom offering if already a resident at an existing Aveo community which is introducing Freedom
- Freedom is an innovative product which fills a niche gap in the market by providing an alternative accommodation option for senior Australians to choose, and as the illustration below highlights, simply increases the levels of choice available to consumers in making their care needs decisions



Our Commitments to Raising Standards

Independently Raising Process Standards

- Management review of complaint and incident management processes, including benchmarking against Commonwealth Ombudsman better practice guidelines completed in July
- Care governance review of the cases featured on Four Corners completed in July
- Approval and implementation of a revised Complaint Management Policy, replacing each divisional policy with a common enterprise-wide framework
- Approval and implementation of Resident Incident and Non-Resident Incident Management Policies, with both governance documents being combined into a single handbook
- All policies to include a commitment to independent mediation if management can't resolve the issues

Raising Standards with Retirement Living Council

- Retirement village owners and operators have agreed on a policy platform to deliver higher standards, clearer and simpler information about costs and contracts, and an independent umpire to resolve disputes in how their communities are run and a greater say in its running
- More than 20 operators met with retirement village resident association leaders from around the country in Melbourne in late July to hear resident feedback and work on common issues
- As a result of the discussions, the retirement village industry has committed to an eight point plan that is designed to lead to greater transparency and higher standards across the industry

The Commitment to an Eight Point Plan

RLC Commitment	Aveo Response
1. Support nationally consistent retirement village legislation	▪ Aveo has signed an open letter in support of this commitment
2. Ensure there are transparent and easy-to-understand descriptions of entry pricing, ongoing service fees, reinstatement costs and fees and payments relating to departure in contracts, so residents have certainty about the costs associated with living in a retirement village	▪ Aveo has committed to a further revision of its Aveo Way contract to meet or exceed these objectives and to produce a shorter and simpler contract
3. Encourage all potential residents to seek independent legal and financial advice before signing a contract, and support government initiatives to make this a compulsory requirement. We will also encourage potential residents to share information with family members and trusted advisers	▪ 89% of all Aveo's purchasers in FY17 were independently legally represented. Aveo has implemented a requirement that any parties not legally represented confirm in writing that they have made an informed choice to that effect. We are also recommending to all new buyers that they obtain independent financial advice and discuss the proposed acquisition with their family
4. Improve training and professional support for village managers, sales people and other staff who engage directly with current and potential residents	▪ Training program on dispute resolution already undertaken in FY17 and will be further expanded.

The Commitment to an Eight Point Plan

RLC Commitment	Aveo Response
5. Commit to improve industry village accreditation standards and coverage, and support government initiatives to make accreditation a mandatory requirement for operating a village	▪ Aveo is already accredited under the Retirement Living Council "Lifemark" program
6. Commit to working with the Australian Retirement Village Residents Association to implement an industry Code of Conduct to set and maintain high standards about the marketing and operation of villages, as well as dispute management procedures for all operators and residents	▪ Aveo has signed an open letter in support of this commitment and is already accredited under the Retirement Living Council "Lifemark" program
7. Commit to the establishment of an efficient and cost-effective government-backed independent dispute resolution process, such as an Ombudsman or Advocate, for disputes that are unable to be solved at a village level	▪ Aveo has signed an open letter in support of this commitment
8. Maintain and strengthen the relationship between industry and the Australian Retirement Village Residents Association to make sure resident issues are clearly identified and addressed.	▪ Aveo has signed an open letter in support of this commitment

Financial Results and Capital Management

Key Financial Outcomes

- Statutory profit after tax of $252.8m
- Underlying profit increased by 22% to $108.4m
- Strong performance of the core Aveo retirement business was assisted by additional earnings contributions from the Freedom and RVG acquisitions
- Underlying EPS increased by 11% despite the impact of the additional equity raised to fund the RVG and Freedom acquisitions
- FFO has increased by 16% largely driven by lower capitalised interest included in COGS and higher income tax expense
- Retirement assets now comprise 87% of total divisional assets, as further investment is made in retirement development and the non-retirement assets are progressively sold down
- NTA per security increase to $3.37 lifted by investment property revaluations

Outcome	FY17	FY16	Change
Statutory profit after tax[1]	$252.8m	$116.0m	118%
Statutory EPS	44.2 cps	22.1 cps	100%
Underlying profit after tax[2]	$108.4m	$89.0m	22%
Underlying EPS	18.9cps	17.0 cps	11%
FFO[3]	$163.9m	$141.3m	16%
AFFO[3]	$136.2m	$128.7m	6%
Operating cash flow	$242.8m	$293.1m	(17%)
Distribution	$52.0m	$43.5m	20%
Distribution per Security	9 cps	8 cps	13%
Total assets	$5,955.1m	$4,094.5	45%
Retirement assets	$5,436.2m	$3,505.9	55%
Net assets	$1,978.7m	$1,660.4m	19%
NTA per security	$3.37	$3.00	12%

[1] Net profit after tax attributable to stapled security holders of the Group.
[2] Reconciliation of statutory profit to underlying profit shown in Appendix.
[3] FFO and AFFO reflect Property Council of Australia guidelines.

Profit and Loss

- Retirement profit supported by increased contributions from both Established Business and Development
  - Retirement sales of 1,242 units up from 799 in FY16
  - Strong lift in average DMF/CG amount per transaction to $98k
  - Portfolio sales rate at 10.9%
  - 266 new major retirement units delivered
  - 80 minor development units sold
  - 745 non-retirement sales
- Retirement contribution as a proportion of divisional contribution increased from 59% in FY16 to 62% in FY17
- Variance in statutory and underlying profit was driven by pre-tax revaluations:
  - $53m gain on acquisition of RVG
  - $114m retirement valuation increase
  - $17m Gasworks valuation increase in line with a new external valuation

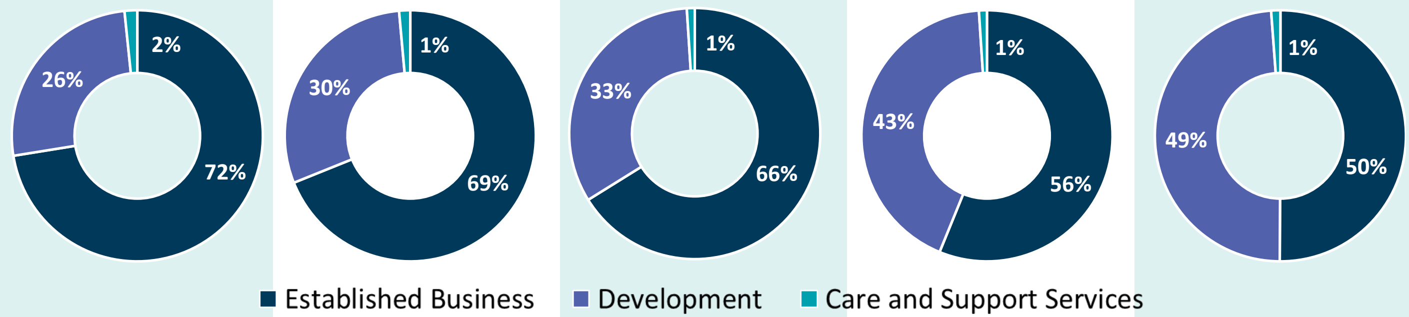
Profit and Loss ($m)	FY17	FY16	Change
Retirement			
Established Business	73.8	58.6	26%
Development[1]	25.2	19.3	31%
Care and Support Services	1.7	2.0	(15%)
Total Retirement	**100.7**	**79.9**	**26%**
Non-Retirement[1]	62.7	55.1	14%
Divisional contribution[1]	**163.4**	**135.0**	**21%**
Group overheads and incentive scheme	**(18.7)**	**(15.2)**	**23%**
EBITDA	**144.7**	**119.8**	**21%**
Depreciation and amortisation	(3.4)	(2.7)	26%
EBIT	**141.3**	**117.1**	**21%**
Interest and borrowing expense	(1.9)	-	NM
Profit Before Tax	**139.4**	**117.1**	**19%**
Income tax	(30.7)	(26.3)	17%
Profit After Tax	**108.7**	**90.8**	**20%**
Non-controlling interests	(0.3)	(1.8)	83%
Underlying profit after tax[2]	**108.4**	**89.0**	**22%**
Gain on acquisition of RVG[3]	52.6	-	NM
Change in fair value of retirement investment properties[3]	93.8	12.3	663%
Change in fair value of non- retirement investment properties[3]	11.5	16.0	(28%)
Other[3]	(13.5)	(1.3)	(939%)
Statutory profit after tax	**252.8**	**116.0**	**118%**

[1] Includes capitalised interest in cost of goods sold.
[2] The underlying profit has been calculated as per the AICD Underlying Profit Guidelines.
[3] After tax.

Retirement Asset Returns on Target

- Retirement business remains on track to achieve its ROA targets although there is a change in earnings mix due to increased sale rate of higher margin Freedom minor developments

	FY16A	FY17T	FY17A	FY18 Original Target	FY18 Revised Target
Retirement Earnings Composition[1]					



	FY16A	FY17T	FY17A	FY18 Original Target	FY18 Revised Target
Established Business	57.6	70.0 – 75.0	71.7 ✓	80.0 – 84.0	71.5 – 76.5
Development	20.6	27.5 – 35.0	33.0 ✓	60.0 – 65.0	70.0 – 74.0
Care and Support Services	1.3	1.0 – 2.0	1.1 ✓	1.0 – 2.0	1.5 – 2.0
Retirement EBIT[2] ($m)	**79.5**	**98.5 – 112.0**	**105.8** ✓	**141.1 – 151.0**	**143.0 – 152.5**
Target Range	**6.0% – 6.5%**	**5.5% – 6.3%**	**5.5% – 6.3%**	**7.5% – 8.0%**	**7.5% – 8.0%**
Actual ROA[3]	**6.3%** ✓		**6.0%** ✓		

[1] Long term retirement earnings mix (based on EBIT) will likely be 70%-80% recurring (Established Business and Care and Support Services) and 20%-30% active (Development) post FY21.
[2] Excludes capitalised interest in cost of goods sold.
[3] See Appendix for further detail regarding target retirement return metrics and reconciliation of Retirement EBIT to Retirement Profit Contribution.

Capital Management Metrics

- Successful refinance of the Syndicated Facility to July 2020 and increasing total limits by $75m to $632m (including $30m in bank guarantees)
- Aveo Healthcare facility limit increased by $15m to $120m to assist with development of new units and Durack RACF
- Debt remains unhedged
- Reported gearing remains within target range of 10%-20% at 16.9%
- An on market buyback for up to 54.3m stapled securities has been announced
- Buyback can commence from 17 August
- Intention is to fund the buyback from excess operational cash flows and non-retirement asset sales including the potential sale of Gasworks

Capital Management Metrics	FY17	FY16	Change
Reported gearing	16.9%	17.4%	(0.5%)
Gross interest bearing liabilities	$573m	$462m	24%
Less: cash at bank	$47m	$31m	52%
Net debt	$526m	$431m	22%
Undrawn committed lines[1]	$149m	$163m	(9%)
Weighted average borrowing cost	3.4%	3.4%	-
Weighted average debt maturity	2.8 years	1.7 years	1.1 years

[1] Undrawn facilities is dependant on having sufficient security.

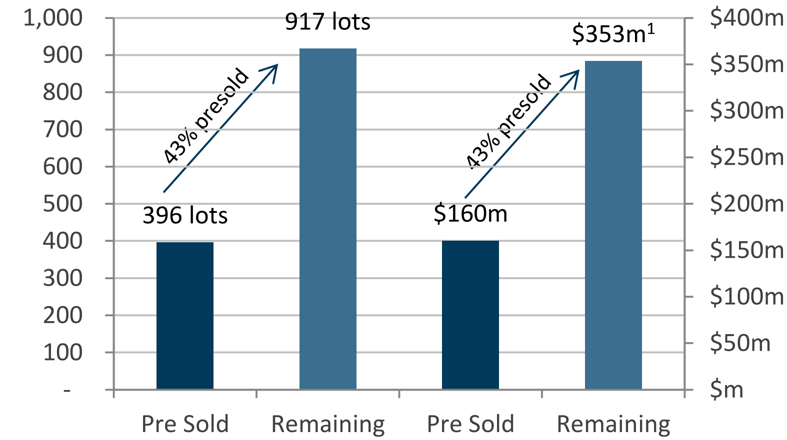
Summary of Debt Facilities	Facility Limit ($m)	Maturity
Aveo Group Syndicated Facility[1]	602	1 July 2020
Aveo Healthcare Facility	120	30 Mar 2019
Total Facilities	**722**	
Drawn	**573**	
% Drawn	79%	
Undrawn	**149**	

[1] Excluding bank guarantee limits of $30m.

Retirement Development Capital Requirements

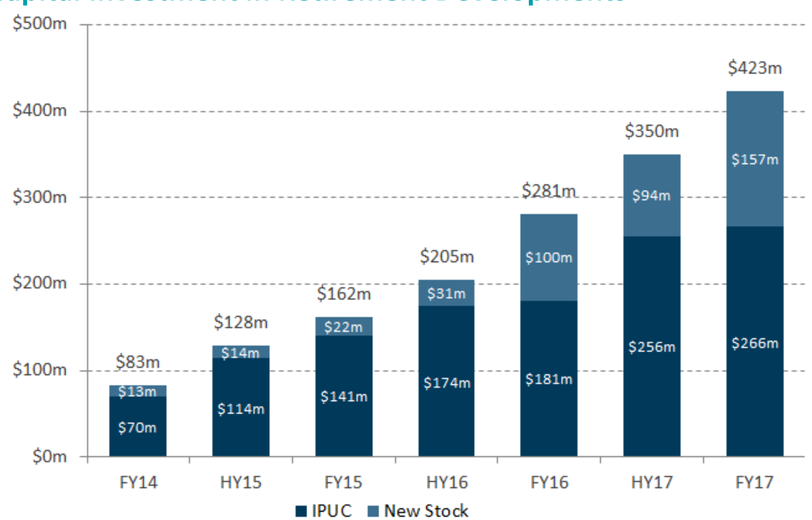
- Since FY14 a net $340m has been invested in the development of new retirement units, an investment of approximately $500m is required to fund the development and sell down of 500 retirement units per annum
- The ongoing sell down of the remaining $170m in residential inventory will provide a source of funding for this required capital

Selldown of Residential Inventory

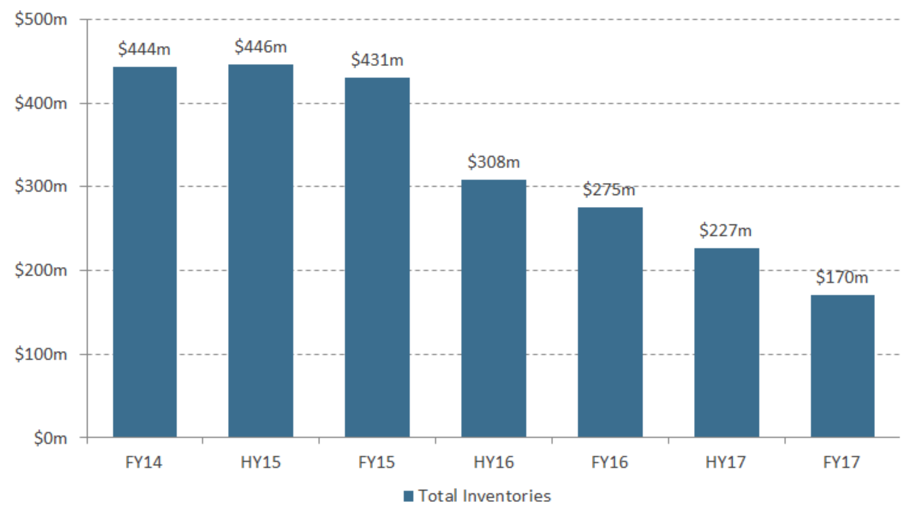


[1] Estimated end value.

Capital Investment in Retirement Developments



Capital Realised From Sale of Residential Inventory



Note: This excludes a further $66m of capital invested in Freedom minor developments.

Retirement Portfolio Revaluation

- Development activity continues to increase with 266 new units delivered in FY17
- Communities with over 20% of residents on Aveo Way have been assumed to adopt Aveo Way as the standard future contract
- Cleveland Gardens SAs have transitioned to the Freedom model and more than 20% of the residents adopted the Freedom product, this community is being valued as a Freedom community
- Different discount rates have been adopted due to differences in the portfolios but will be reviewed on an ongoing basis:
  - Former RVG portfolio is predominantly freehold communities
  - Freedom portfolio has high level of company owned stock

Portfolio Enhancements	FY17	FY16	Planned
Aveo Way rollout (units)	1,870	843	Aveo Way adopted as the standard contract
Valued with Aveo Way as standard contract (ILUs)	19	-	Out of total of 72 ILU communities
Valued with Aveo Way as standard contract (SAs)	17	-	Out of total of 30 SA communities
Valued as converted Freedom communities	1	-	12 communities being converted
New units delivered	266	182	Target of 500 units p.a.
Discount Rate standardisation	No change	No change	Current long term discount rate of 12.5%

Change in Fair Value of Investment Properties[1]

[1] Shown in statutory accounts as sum of change in fair value of investment properties ($147.7m) and change in fair value of resident loans ($28.0m).

Retirement

Retirement Results

- Increase in total profit of 26% to $100.7m
- Profit contribution increased across Established Business and Development segments, supported by additional earnings from the Freedom and RVG assets
- Care and Support Services result reflects up front costs incurred in rolling out Aveo's food services initiatives
- Development result driven by delivery of 266 new retirement units plus contribution from former Freedom owned minor development units
- Development sales increasing as a proportion of total sales in line with increased delivery volumes
- Established business result driven by a combination of record higher volumes and higher sales prices

Key Performance Indicators	FY17	FY16	Change
Segment revenue			
Established Business	$204.1m	$148.9m	37%
Development	$165.7m	$103.0m	61%
Care and Support Services	$15.7m	$12.3m	28%
Total Retirement revenue	**$385.5m**	**$264.2m**	**46%**
Profit contribution			
Established Business	$73.8m	$58.6m	26%
Development[1]	$25.2m	$19.3m	31%
Care and Support Services	$1.7m	$2.0m	(15%)
Total Retirement contribution	**$100.7m**	**$79.9m**	**26%**
EBIT contribution			
Established Business	$71.7m	$57.6m	24%
Development	$33.0m	$20.6m	60%
Care and Support Services	$1.1m	$1.3m	(15%)
Total Retirement EBIT	**$105.8m**	**$79.5m**	**33%**
Sales Volumes (units)			
Established Business sales	1,008	736	37%
Development sales	234	63	271%
Total	**1,242**	**799**	**55%**
Total value of units transacted	$487.8m	$246.7m	98%

[1] Development profit is accounted for in the change in fair value of the investment property.
Note: Shown with full year contribution for RVG assets.

Established Business Results

- Improved performance in the legacy Aveo business was supplemented by additional contributions from the RVG and Freedom assets
- Net DMF/CG contribution increased through a combination of both higher sales volumes and higher DMF/CG amounts per transaction
- Buyback sales revenues increased substantially as the higher levels of buyback stock acquired as part of the active asset improvement program were sold to incoming residents
- Increase in marketing and other expenses reflects increases due to Freedom and RVG costs

Established Business	FY17 ($m)	FY16 ($m)	Change
Revenue[1]			
DMF/CG revenue			
Resales	85.1	55.5	53%
Operating buyback purchases	29.9	12.6	137%
Gross DMF/CG	115.0	68.0	69%
Other Revenue			
Buyback sales	69.5	43.3	61%
RVG[1]	-	22.3	NM
Other[2]	19.6	15.3	28%
Total other revenue	89.1	80.9	10%
Total revenue	**204.1**	**148.9**	**37%**
Profit contribution[1]			
Net DMF/CG[3]	105.7	57.0	85%
Net buyback sales	7.3	0.6	NM
Net RVG[1]	-	9.0	NM
Other income	19.7	24.9	(21%)
Marketing expenses	(19.4)	(12.8)	52%
Other expenses	(39.5)	(20.1)	97%
Total profit contribution	**73.8**	**58.6**	**26%**
Depreciation and amortisation	(2.1)	(1.0)	110%
EBIT	**71.7**	**57.6**	**24%**

[1] FY16 results include share of profit of, and fees charged to RVG. FY17 revenue excludes these items but includes 100% of RVG revenue from 1 July 2016. Profit contribution is after allowing for minority's share of RVG results until 24 August 2016, when RVG became a wholly owned subsidiary.
[2] Includes sales commissions and village administration fees.
[3] Relates to resales and operating buyback purchases.

Established Business Sales and Margins

- Sales volumes increased 37% to 1,008 units
- Significant increase in buyback purchases to facilitate the introduction of the Freedom care model across 12 Aveo communities
- Lift in average transaction price point a combination of:
  - Continued price increases across the original Aveo portfolio
  - Impact of the RVG communities which are mostly located in higher value Sydney and Melbourne suburbs
- DMF margins impacted by legacy RVG resident contracts which have inferior terms relative to the average Aveo contract
- However this will be improved over the longer term as the Aveo Way contracts are introduced into the RVG portfolio

Sales and Margins	FY17	FY16	Change
Sales volumes (units)			
Resales	782	605	29%
Buyback sales	226	131	73%
Total	**1,008**	**736**	**37%**
Recurring operating buyback purchases	309	152	103%
Freedom conversion buyback purchases	86	-	NM
Total operating buyback purchases	**395**	**152**	**160%**
DMF/CG generating transactions[1]	**1,177**	**757**	**55%**
Deposits on hand	107	106	1%
Avg DMF/CG transaction price point[1]	$358k	$287k	25%
Avg DMF/CG per transaction[1]	$98k	$90k	9%
DMF/CG margin per transaction			
Resales	28%	31%	(3%)
Operating buyback purchases	26%	31%	(5%)
Occupancy	93%	92%	1%
Portfolio sales rate[2]	10.9%	11.9%	(1%)

[1] Resales plus operating buyback purchases.
[2] Excludes new units sold within the last five years.
Note: Shown with full year contribution for RVG assets.

Development Results

- Successfully delivered 266 new major units, with 208 deliveries in the second half across
  - Durack (34 units)
  - The Clayfield (65 units)
  - Island Point (10 units)
  - Mingarra (24 units)
  - Peregian (32 units)
  - Springfield (66 units)
  - Other former RVG (35 units)
- 154 major units were sold in the period
- Sale of a further 80 higher margin minor developments supplemented the profit contribution from delivery of traditional development units
- Redevelopment buyback purchases increased as plans continue to progress at several redevelopment communities
- New target to deliver 180 minor developments per annum:
  - 110 Freedom conversion development units
  - 70 Freedom legacy development units

Development	FY17	FY16	Change
Revenue	**$165.7m**	**$103.0m**	**61%**
Profit contribution	**$25.2m**	**$19.3m**	**31%**
Interest in COGS	$1.9m	$1.3m	46%
Development profit on aged care facilities	$5.9m	-	NM
EBIT	$33.0m	$20.6m	60%
Major Development			
Units delivered	266	182	46%
Units sold	154	63	144%
Gross profit (including interest)	$26.3m	$22.3m	18%
Gross profit (excluding interest)	$28.2m	$23.6m	20%
Average margin (including interest)	18%	22%	(4%)
Average margin (excluding interest)	19%	23%	(4%)
Average transaction value	$520k	$566k	(8%)
Deposits on hand	29	17	71%
Minor Development			
Units sold	80	-	NM
Gross profit (including interest)	$12.9m	-	NM
Gross profit (excluding interest)	$12.9m	-	NM
Average margin (including interest)	47%	-	NM
Average margin (excluding interest)	47%	-	NM
Average transaction value	$343k	-	NM
Deposits on hand	59	-	NM
Redevelopment buyback purchases	85	68	25%

Note: Shown with full year contribution for RVG assets.

Selected completed FY17 Development Projects

Sellwood, The Clayfield, QLD – 65 units

Peregian, QLD – 32 units

Springfield, QLD – 66 units

Mingarra, VIC – 24 units

FY18 Development Projects Delivery

- Construction for the delivery of 506 new units in FY18 is proceeding as scheduled
- An additional 180 minor development units, relating to the reconfiguration and redevelopment of Freedom communities to allow the continued roll out of the Freedom product are also forecast
- With the exception of Newcastle (50 units) delivery timelines are scheduled for completion in the second half of FY18

Community	Total FY18 Units	Expected Completion	Development Status
Bella Vista	64	Q4	Building works have reached level 7 of the 11 storey building. Build is on track to top out in October. Mechanical and electrical works have commenced.
Hunters Green	25	Q4	Civil contractor appointed and on site.
Island Point	15	Q4	Site has been cleared and civil contractor on site.
Mingarra	19	Q4	Civil contractor appointed and on site.
Newcastle	50	Q1	Occupancy certificates received on 50 villas and first residents have now moved in.
Newstead	199	Q4	Construction is well advanced with various works completed up to and including level 15 Internal works are progressing through the tower with the services, glazing and partition installation up to level eight.
Robertson Park	34	Q4	12 existing villas were demolished to make way for new community facilities and 34 new ILUs. Building A level one slab is currently formed and Building A basement services are progressing well.
Springfield	38	Q4	Approximately 40% of the civil works are now complete with basements excavated and bored piers completed.
Tanah Merah	62	Q4	Builder currently on site completing piering and temporary shoring piling to be followed by construction of retaining walls and in-ground services.
Total Major	506		
Minor	180		Being delivered progressively throughout the year
Total	**686**		

FY18 Development Projects Under Construction

Newstead – 199 units under construction

Bella Vista – 64 units under construction

Newcastle – Community Centre under construction

Robertson Park - 34 units under construction

Development Delivery Forecast – Units

Community	Category	State	Type	Units[1]	FY18	FY19	FY20+
Mingarra	Brownfield	VIC	Low	19	19		
Newstead	Greenfield	QLD	High	199	199		
Hunters Green	Brownfield	VIC	Low	53	25	28	
Tanah Merah	Brownfield	QLD	Medium	82	62		20
Island Point	Brownfield	NSW	Low	85	15	37	33
Newcastle	Greenfield	NSW	Low	300	50	80	170
Robertson Park	Redevelopment	QLD	Medium	204	34	70	100
Bella Vista	Greenfield	NSW	High	464	64	83	317
Springfield	Greenfield	QLD	Medium	2,290	38	36	2,216
Morayfield	Brownfield	QLD	Low	36		36	
Tamworth	Brownfield	NSW	Low	20		20	
Brightwater	Greenfield	QLD	Medium	80		40	40
Carindale	Redevelopment	QLD	High	406		74	332
Redland Bay	Brownfield	QLD	Low	60		20	40
Launceston	Brownfield	TAS	Low	53			53
Newmarket	Redevelopment	QLD	Medium	250			250
Palmview	Greenfield	QLD	Low	138			138
Rochedale	Greenfield	QLD	Low	150			150
Sanctuary Cove	Greenfield	QLD	Low	163			163
Southport	Redevelopment	QLD	Medium	215			215
Major Developments				5,267	506	524	4,237
Minor Developments[2]				843	180	180	483
Total Retirement Community Product				**6,110**	**686**	**704**	**4,720**

[1] New units delivered for redevelopment projects is a gross figure which includes existing units that are subsequently redeveloped.
[2] Further information provided on slide 60.

Care and Support Services Results

- Residential Aged Care Facilities (RACF) operations remain the main profit contributor
- This is expected to continue, particularly with the opening of the new Durack RACF in July 2017
- The allied health businesses continue to provide a positive contribution
- Increased other revenue and profit contribution from the rollout of Aveo's food services initiative to the broader portfolio

Key Performance Indicators	FY17 ($m)	FY16 ($m)	Change
Revenue			
RACF	11.0	10.7	3%
Allied health	0.2	0.2	-
Other	4.5	1.4	221%
Total revenue	**15.7**	**12.3**	**28%**
Profit contribution			
RACF	2.6	1.7	53%
Allied health	0.2	0.2	-
Other	1.1	0.7	57%
Expenses	(2.2)	(0.6)	267%
Total profit contribution	**1.7**	**2.0**	**(15%)**
Depreciation and amortisation	(0.6)	(0.7)	(14%)
EBIT	**1.1**	**1.3**	**(15%)**

FY17 Completed Aged Care Facility

Durack Aged Care Facility – 123 beds

Delivery Forecast – Aged Care Beds

- Construction of the Newstead integrated retirement community development which incorporates the next RACF, is well progressed and scheduled for delivery in FY18
- Design work for Springfield RACF targeted for FY19/FY20 delivery is currently in progress

Community	State	Total Beds[1]	FY18	FY19+
Newstead	QLD	99	99	
Bella Vista	NSW	144		144
Carindale	QLD	100		100
Clayfield	QLD	105		105
Mingarra	VIC	108		108
Minkara / Bayview	NSW	124		124
Newcastle	NSW	123		123
Springfield	QLD	144		144
Total Aged Care Product		**947**	**99**	**848**

[1] Inclusive of 184 existing beds.

Non-Retirement

Non-Retirement Results

- Increases in higher margin land lot sales offset the impact of having only a small residual balance of built product sales continue into FY17 from FY16
- Land sales contracts on hand still remain high
- Gasworks, Newstead independently valued at $180.0m as at 30 June 2017
- Valuation assumes retail cap rate of 6% and commercial cap rate of 7% (blended cap rate of 6.4%)
- Non-retirement assets reduced to only 13% of total assets

Key Performance Indicators	FY17	FY16	Change
Sales revenue	$255.7m	$277.7m	(8%)
Rental income	$15.2m	$14.0m	9%
Total revenue	$270.9m	$291.7m	(7%)
Profit contribution[1]	$62.7m	$55.1m	14%
Gross profit	$66.0m	$54.5m	21%
Land lot sales	729	648	12%
Built product sales[2]	16	283	(94%)
Average margin	26%	20%	6%
Contracts on hand	396	646	(39%)
Contracts on hand ($m)	160	253	(37%)
Investment properties held	2	2	-
Land lots held	1,265	1,993	(37%)
Inventories	$170.3m	$275.3m	(38%)
Investment Properties	$181.5m	$151.5m	20%
Property, plant and Equipment	$3.8m	$3.8m	-
Total Non-Retirement Assets	**$355.6m**	**$430.6m**	**(17%)**
Non-retirement assets as percentage of total assets	13%	19%	(6%)

[1] Reflects 50% of Milton share of profits.
[2] Reflects 100% of Milton lots sold.

Outlook

Conclusion and Outlook

- Our strategy to position Aveo as Australia's leading pure retirement group that is responsive to the increasing needs and wants of Australian retirees underpins our solid performance
- The strong sales momentum of the business across FY17 has been impacted in the short term by the attention on Aveo and the retirement sector more generally over recent months
- Enquiry rates in July were approximately 60% of those experienced in the same period last year but are now increasing
- Quality of enquiry has actually improved however, as enquiries by informed customers are enabling genuinely interested buyers to progress to meetings with sales consultants
- Marketing materials which are clear and transparent and highlight the care, friendship and support offered at Aveo communities will be important in highlighting the quality of life benefits that residents value
- The introduction of the new resident contract initiatives will reinforce Aveo's position as a market leader in offering certainty, at both the beginning, and the end of a resident's stay
- FY18 EPS guidance of 20.4 cps; 7.9% growth on 18.9 cps delivered in FY17 (previously targeted 7.5% FY18 EPS growth guidance on a lower FY17 EPS guidance of 18.3 cps)
- Remain on track to achieve FY18 retirement return on asset target of 7.5% – 8.0%
- Targeting full year distribution amount based on a 40%-60% of underlying profit payout range
- A further update on FY18 trading and FY18 distribution will be provided at the Aveo AGM in November 2017

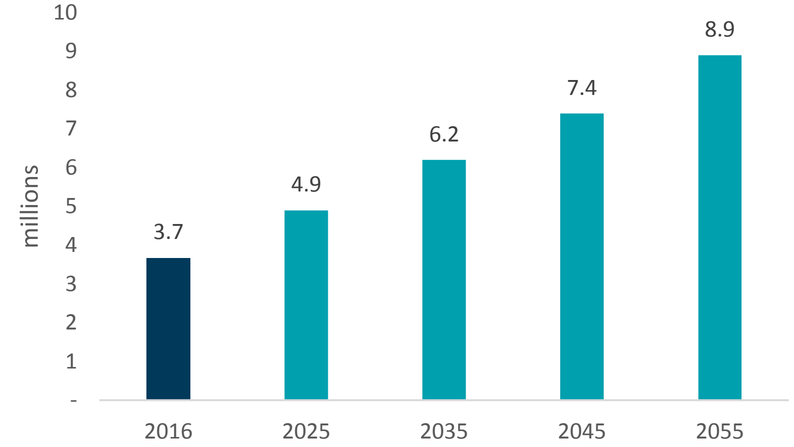
Appendices

Appendices

Retirement Accommodation Demand

- The Australian population aged over 65 is expected to grow by more than double over the next 30 years
- The Property Council of Australia estimates that between 2014 and 2025, approximately 198,000 additional senior Australians will be seeking retirement village accommodation
- Even taking into account that some of these will be couples and therefore only need one dwelling (the current resident per dwelling ratio is approximately 1.3), this still implies an additional accommodation need of just over 150,000 units
- While costs vary by product and location, assuming an average development cost of $500,000 per unit, this implies a capital investment requirement of $75 billion over that period
- Aveo has a target rate of delivering 500 new units per annum from FY18 onwards

Population over 65 – Projections[1, 2]



[1] ABS July 2017 Census, 2016.
[2] Treasury 2015 Intergenerational Report.

7.5%

of Australians over the age of 65 are forecast to live in retirement villages in 2025, increasing from 5.7% in 2014

8.1 million

Australians will be aged over 65 in 2050

382.2 thousand

People will be seeking accommodation in a retirement village by 2025

Source: Property Council of Australia - National Overview of the retirement village sector

New South Wales Regulatory Update

- NSW Government has announced a four part plan regarding retirement villages;
  1. Inquiry headed by Kathryn Greiner which will examine all registered retirement villages across NSW, and their compliance with the Retirement Villages Act 1999
  2. An overhaul of the Retirement Villages Regulation 2009, which NSW Fair Trading recently sought feedback on, that included proposed changes requiring greater transparency around fees and charges in contracts;
  3. Introducing an online calculator that will help prospective residents, and their families, better understand the estimated costs of living in a retirement village; and,
  4. NSW Fair Trading launching a compliance blitz targeting NSW retirement villages.
- On 20 July 2017, public consultation closed on the draft Retirement Villages Regulation 2017 (NSW)
- The draft regulations seek to implement several key changes including:
  - A new 'average resident comparison figure' included in disclosure statements for more effective comparison between villages
  - Additional matters to be included in annual budgets, including itemisation of head office expenses
  - Clarification of items included in ‘capital maintenance’
  - Additional documents to be made available to residents, including village insurance policy documents, safety inspection reports and currently available units

Queensland Regulatory Update

- On 10 August 2017, a Bill seeking to reform the Retirement Villages Act 1999 (Qld) was introduced into Queensland parliament
- The Public Works and Utilities Committee is conducting an inquiry into the Bill and has invited submissions addressing any aspect of the Bill from all interested parties
- The Committee's report is scheduled to be tabled to Parliament by 28 September 2017
- Key reforms in the Bill include:
  - An 18 month statutory buy back timeframe
  - Introduction of a 21 day pre-contractual disclosure process, a 'village comparison document' and a 'prospective costs document'
  - Clearer distinction between 'reinstatement works' (resident cost) and 'renovation works' (shared same as capital gain) after a resident vacates
  - Mandatory unit condition reports at start and end of occupancy
  - Village redevelopment plans to be approved by either the resident body or the Department of Housing and Public Works
  - Village budgets to be prepared in new approved formats
  - Resident and operator behavioural standards

Victorian Regulatory Update

- In March 2017 the Victorian Parliament's Legal and Social Issues Committee made 15 recommendations, aimed at both government and the sector itself, following its 12 month investigation into the retirement village sector

	Recommendations
1	That the Minister for Planning give consideration to planning provisions that encourage increased supply of retirement housing, such as the establishment of Retirement Housing Zones
2	That the Victorian Government review the Retirement Villages Act 1986. The review should determine the effectiveness of the Act in providing consumer protection while allowing growth and innovation in the sector
3	That Consumer Affairs Victoria collate its online 'Retirement villages' information into a booklet. Retirement village operators must provide this booklet to potential residents, either as a hard copy or electronically
4	That the Law Institute of Victoria's Elder Law Committee develop professional accreditation for specialists in retirement housing and also provide training to general practitioners to improve their understanding of this area of law
5	That the Victorian Government investigate measures to ensure that all retirement village units hold the same owners corporation voting rights
6	That the Retirement Villages Act 1986 and related regulations define whose responsibility it is to pay for repairs and maintenance, both inside units and in the communal areas and facilities. These amendments should further require all works to be undertaken within a reasonable and mutually acceptable timeframe
7	That the Victorian Government require that retirement village operators disclose ingoing prices with and without deferred management fees
8	That the Victorian Government require that deferred management fees are applied on a pro rata basis
9	That the Victorian Government require that retirement village operators provide every resident with an estimate of their exit fees every financial year
10	That the Victorian Government make provisions to allow retirement village operators to pay either the refundable accommodation deposit (RAD) or daily accommodation payment (DAP) for residents entering aged care until the resident's unit is sold

Victorian Regulatory Update (Continued)

Recommendations (Continued)	
11	That the Victorian Government give consideration to developing a model for mandatory accreditation for all retirement housing providers
12	That the Victorian Government ensure that an appropriate minimum Certificate level applies to retirement village management courses
13	That the retirement housing sector engage more proactively with disability and aged care design professionals when designing villages to facilitate greater choice and an ability for people to age in place
14	That the Victorian Government require retirement villages to report on compliance with maintenance plans funded by maintenance charges paid by residents
15	That the Victorian Government introduce a new alternative for low cost, timely and binding resolution of disputes in the retirement housing sector. This may be through a new body or by extending the powers of an existing Ombudsman

- The Retirement Villages (Contractual Arrangements) Regulation 2017 came into force on 30 July 2017, repealing the existing regulations
- The key change is the introduction of a new exit payment regime where a departing resident enters into aged care
- Upon moving to a RACF, residents who entered into their residence contract prior to 30 July 2017 can elect to require the operator to fund:
  - up to 85% of the exit entitlement to finance the RAD (six month wait applies);
  - fund the DAP when it falls due to a maximum of 85% of the exit entitlement (no wait)
- Residents who entered into their residence contract on and after 30 July 2017 can only require the operator to fund the DAP when it falls due to a maximum of 85% of the anticipated exit entitlement (no wait)

South Australian Regulatory Update

- The South Australian Retirement Villages Act 2016 (SA) (RV Act) and the Retirement Villages Regulations 2017 (SA) (Regulations) will come into effect in South Australia on 1 January 2018, replacing the Retirement Villages Act 1987 (SA) and the Retirement Villages Regulations 2006 (SA) respectively
- The key changes in the new legislation include:
  - The introduction of a new disclosure statement, condition report and new prescribed content for residence contracts
  - An 18 month statutory buy back timeframe that can be triggered whilst a resident remains in occupation of their unit
  - Allowing residents to terminate their residence contracts and remain in possession of their units for up to 15 months
  - Requiring operators to fund the daily accommodation payment in connection with the resident's residential aged care, to a maximum of 85% of the anticipated exit entitlement
  - Increased emphasis on budgeting transparency and consultation, including new requirements to meet with the resident's committee on at least two occasions prior to the annual general meeting to discuss and respond to questions about the proposed annual budget
  - A widening and strengthening of enforcement powers, including new and tougher penalties for non-compliance

Appendices

Business Components of the Aveo Strategy

aveo

Established Business	Development	Care and Support Services
▪ Existing DMF/CG generating retirement communities and associated non-DMF fee revenue ▪ Aveo share of equity accounted investments in Aveo China ▪ Acquired partner's interest in US Senior Living in August 2017 ▪ Ongoing unit buyback and subsequent resale program ▪ Continue to achieve portfolio sales rates at levels of 10%-12% ▪ Introducing Freedom care offering to selected communities in the Aveo portfolio ▪ Increase unit pricing in line with residential market price growth ▪ Improve Aveo contract terms ▪ Maintain cost efficient operational structures ▪ Consider introduction of a rental resident contract structure	▪ Major development projects comprising a mix of brownfield, greenfield and redevelopments ▪ Minor redevelopment of Freedom conversion and Freedom legacy units to assist in rolling out Freedom product (targeting 180 units in FY18) ▪ Existing major development pipeline of over 5,000 units to be developed over 5-10 years ▪ Delivery planned for 506 new units in FY18 ▪ Delivery target of over 500 new units from major developments p.a. onwards from FY18 ▪ Continue to expand pipeline through selected new site acquisitions ▪ Future acquisitions of new sites must meet required investment return metrics	▪ Existing high care income from four co-located aged care facilities owned by Aveo ▪ Low care in-home services to residents via specialist care operators partnering with Aveo ▪ Aveo owned allied health care providers integrated into retirement community operations ▪ Existing pipeline of 947 aged care beds ▪ Delivery planned for 99 aged care beds in FY18 ▪ Increase penetration rate for in-home care service partners within communities ▪ Delivery of one new aged care facility per financial year

ROA Enhancement Strategy (FY14 to FY18)

Earnings → **Assets Employed** → **ROA**

Established Business EBIT

+

Retirement Development EBIT

+

Care & Support Services EBIT

=

Retirement EBIT[2]

÷

NPV of DMF/CG Annuity Stream at 30 June 2013[1]

+

Equity Accounted Investments[1]

+

Aged Care Assets, Intangibles

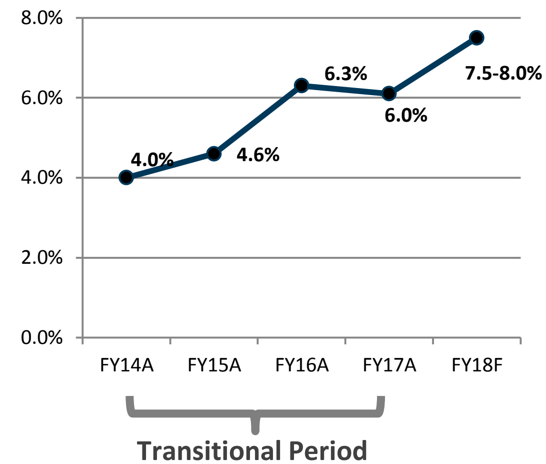
+

Future Net Working Capital

=

Retirement Assets Employed

=



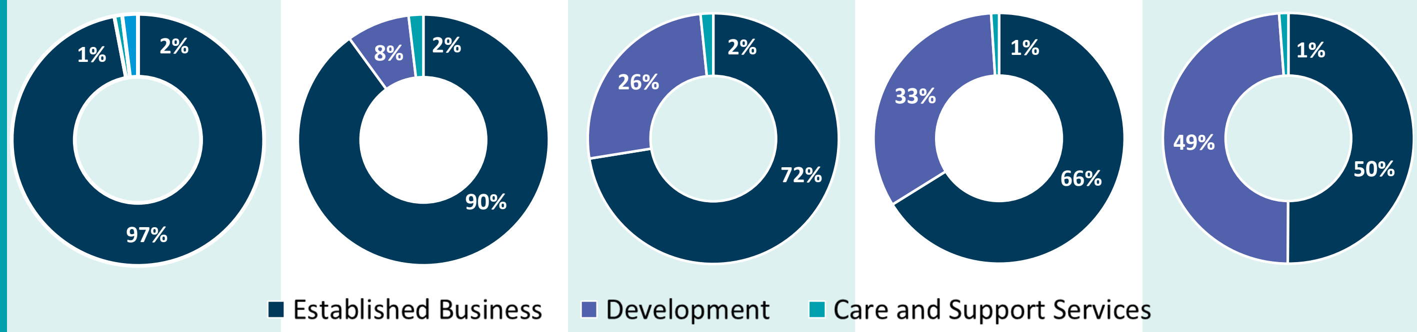
- Existing or new projects that are forecast to be delivered post FY18 will not be included in the retirement assets employed for the periods FY14 to FY18 for the purposes of the ROA calculation

[1] Excludes any future retirement asset revaluations after 30 June 2013 from the calculation of retirement ROA.
[2] Excludes non-allocated overheads.

Retirement Asset Returns on Target

- Retirement business remains on track to achieve its ROA targets

	FY14A	FY15A	FY16A	FY17A	FY18 Target
Retirement Earnings Composition[1]					



	FY14A	FY15A	FY16A	FY17A	FY18 Target
Established Business	42.6	47.6	57.6	71.7	71.5 – 76.5
Development	0.4	4.3	20.6	33.0	70.0 – 74.0
Care and Support Services	0.7	1.0	1.3	1.1	1.5 – 2.0
Retirement EBIT[2] ($m)	**43.7**	**52.9**	**79.5**	**105.8**	**143.0 – 152.5**
Retirement Assets Employed ($m)	**1,092**	**1,155**	**1,267**	**1,776**	**1,904**
Target Range			**6.0% – 6.5%**	**5.5% – 6.3%**	**7.5% – 8.0%**
Actual ROA	**4.0%**	**4.6%**	**6.3%** ✓	**6.0%** ✓	

[1] Long term retirement earnings mix (based on EBIT) will likely be 70%-80% recurring (Established Business and Care and Support Services) and 20%-30% active (Development) post FY21.

[2] Excludes capitalised interest in cost of goods sold.

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

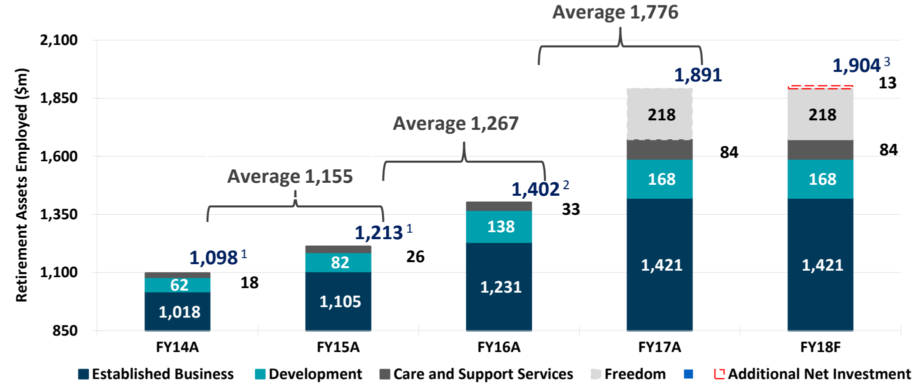
$m	FY14A	FY15A	FY16A[1]	FY17A	FY18F
Retirement EBIT					
Established Business	42.6	47.6	57.6	71.7	71.5 – 76.5
Development	0.4	4.3	20.6	33.0	70.0 – 74.0
Care and Support Services	0.7	1.0	1.3	1.1	1.5 – 2.0
Retirement EBIT	**43.7**	**52.9**	**79.5**	**105.8**	**143.0 – 152.5**
Development Adjustments					
Capitalised Interest in COGS	-	(1.1)	(1.3)	(1.9)	(12.0) – (10.0)
Development profit on aged care facilities[2]	-	-	-	(5.9)	(4.0) – (3.0)
Total	-	(1.1)	(1.3)	(7.8)	(16.0) – (13.0)
Depreciation & Amortisation					
Established Business	0.5	0.7	1.0	2.1	1.0 – 1.5
Care and Support Services	0.6	0.5	0.6	0.6	1.5 – 2.0
Total	1.1	1.2	1.6	2.7	2.5 – 3.5
Retirement Profit Contribution					
Established Business	43.1	48.3	58.6	73.8	72.5 – 78.0
Development	0.4	3.2	19.3	25.2	54.0 – 61.0
Care and Support Services	1.3	1.5	2.0	1.7	3.0 – 4.0
Retirement profit contribution	**44.8**	**53.0**	**79.9**	**100.7**	**129.5 – 143.0**

[1] Excludes Freedom.
[2] FY17A Durack, FY18F Newstead.

Indicative Retirement Assets

- Average retirement assets for measuring ROA in FY14 was just under $1.1bn
- This has increased to $1,891m in FY17 and is expected to increase to $1,904m by FY18
- The primary reasons for the increase in the asset levels by FY18 will be:
  - Acquisitions of Freedom and RVG (already acquired)
  - Expanding and accelerating the new retirement unit development pipeline
  - Capital expenditure on the established retirement community portfolio
  - Investment in additional aged care facilities
- Future revaluations are excluded for the purpose of calculating the retirement ROA
- 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] Balance at end of FY16 (excludes Freedom).
[3] Average balance incorporating opening and closing balance for financial year (including Freedom).

Composition of Retirement Assets

$m	FY16A	FY17A	Average[3,4]
Average Assets Employed			
Established Business[1]			
Opening balance	1,105	1,231	
Acquisition of Freedom Aged Care[2]	-	197	
Change in net working capital	126	190	
Closing balance	**1,231**	**1,618**	
Development[2]			
Opening balance	82	138	
Acquisition of Freedom Aged Care[2]	-	21	
Change in net working capital	56	30	
Closing balance	**138**	**189**	
Care & Support Services			
Opening balance	26	33	
Change in net working capital	7	51	
Closing balance	**33**	**84**	
Total Retirement[2]			
Opening balance	1,213	1,402	
Acquisition of Freedom Aged Care[2]	-	218	
Change in net working capital	189	271	
Closing balance	**1,402**	**1,891**	**1,776**

[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] The effect of the Freedom acquisition was excluded from the FY16 measurement and is included in the FY17 measurement.
[3] Reported investment property under construction adjusted to include only those projects completing before or during FY18.
[4] Weighted average reflecting timing of significant cash flows that occur unevenly during the year.

Rental Accommodation Options

- An option to rent units can be considered as an alternative arrangement for those not wanting to pay a DMF style fee
- Would be similar to a residential rental agreement with some customisation for a retirement setting
- Key terms could include:
  - Annual rent set at a fixed percentage (circa 6%) of the ongoing market value of the unit
  - Rental lease agreements renewed annually
  - Resident pays no GSC (paid for by Aveo as the unit owner) except for the component related specifically to care services
  - If resident breaks the lease before the annual agreement expires they must make good on the annual rent previously agreed (one year rental bond would be required upfront to facilitate this)
  - Refurbishment fee (circa 1% of unit market value) would be charged annually to ensure the unit could be refurbished to market standard post resident departure
- The mechanics and detail in making this option available are currently being worked through

Comparison of Rental vs DMF Financials

Traditional DMF Model Resident Cost	
Retirement Unit Value	500,000
Total DMF @35%	175,000
Annual Equivalent DMF Payment[1]	17,500
General Services Charge[2]	7,200
Total Annual Payment	**24,700**

1. Assumes a 10 year tenure

2. GSC of $600 per month assumed

Illustrative Rental Model Resident Cost	
Retirement Unit Value	500,000
Annual Rent[1]	30,000
General Services Charge[2]	1,200
Refurbishment Fee[3]	5,000
Investment Income[4]	(9,400)
Total Annual Payment	**26,800**

1. Charged at a rate of 6% of unit market value

2. Assumes $100 per month relates to care services

3. Charged at rate of 1% of unit market value

4. Assumes $470k ($500k less $30k rental bond) is invested at 2% p.a cash return (pre tax)

Note: The rental model resident cost is based on year one cost inputs and ignores any escalation in costs associated with property price growth of the unit, which would increase ongoing annual costs above this level in future years

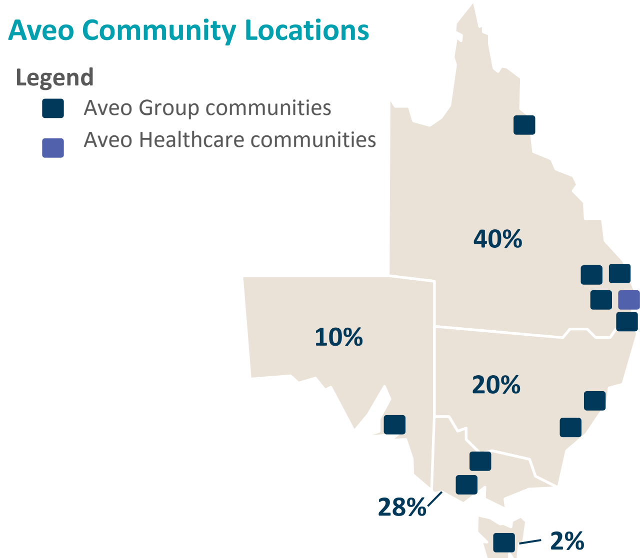
Appendices

Appendix i. Sector Information
Appendix ii. Strategy
Appendix iii. Retirement Information
Appendix iv. Non-Retirement Information
Appendix v. Profit and Loss
Appendix vi. Balance Sheet
Appendix vii. Capital Management
Appendix viii. Other Information

Retirement – Our Portfolio

- Aveo owns 90 existing communities across the eastern seaboard and Adelaide, with three new greenfield communities to be completed by FY18
- Communities predominantly located in prime metropolitan locations
- Portfolio characterised by mature communities with 62 communities more than 20 years old, with established resident communities

Aveo Community Locations

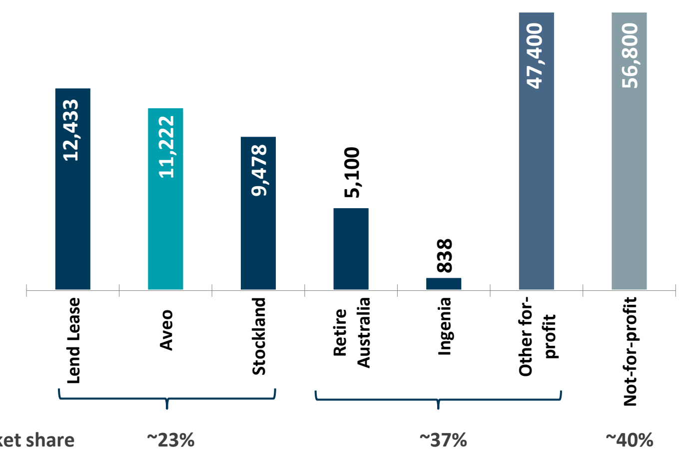


Portfolio Snapshot

Units	Communities	ILUs	SAs	Freedom SAs	Existing Total	Pipeline[3] – Units	Total Units	Aged Care Beds	Pipeline – Beds	Total Units and Beds
Aveo Group [1]	85	7,209	1,404	1,080	9,693	4,922	14,615	184	658	15,457
Aveo Healthcare[2]	5	1,282	247	-	1,529	-	1,529	123	105	1,757
Total Aveo	**90**	**8,491**	**1,651**	**1,080**	**11,222**	**4,922**	**16,144**	**307**	**763**	**17,214**

[1] Includes 32 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] Development pipeline net of 345 units to be redeveloped.

Retirement Village Operators by Units Managed



Source: Retirement Living Council, Grant Thornton, 2014, National Overview of the Retirement Village Sector, Company Announcements 2017.

Retirement Community Portfolio – Aveo

Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Queensland Communities										
Amity Gardens	Ashmore, Qld	119	-	-	119	-	119	-	-	119
Aspley Court	Aspley, Qld	118	44	-	162	-	162	-	-	162
Bridgeman Downs	Bridgeman Downs, Qld	113	73	-	186	-	186	-	-	186
Carindale	Carindale, Qld	66	41	-	107	-	107	299	100	506
Clayfield	Clayfield, Qld	-	-	39	39	-	39	-	-	39
Cleveland Gardens	Ormiston, Qld	154	-	66	220	-	220	-	-	220
Lindsay Gardens	Buderim, Qld	122	52	-	174	-	174	-	-	174
Manly Gardens	Manly, Qld	168	-	-	168	-	168	-	-	168
Morayfield	Caboolture South, Qld	-	-	64	64	-	64	36	-	100
Newmarket	Newmarket, Qld	75	-	-	75	-	75	175	-	250
Peregian Springs	Peregian Springs, Qld	189	48	-	237	-	237	-	-	237
Redland Bay	Redland Bay, Qld	-	-	46	46	-	46	60	-	106
Robertson Park	Robertson, Qld	35	38	-	73	-	73	131	-	204
Robina	Robina, Qld	126	-	-	126	-	126	-	-	126
Rochedale	Rochedale, Qld	-	-	110	110	-	110	-	-	110
Southport Gardens	Southport, Qld	90	-	-	90	-	90	125	-	215
Springfield	Springfield, Qld	66	-	-	66	-	66	2,290	144	2,500
Sunnybank Green	Sunnybank, Qld	56	-	-	56	-	56	-	-	56
Tanah Merah	Slacks Creek, Qld	-	-	62	62	-	62	82	-	144
The Domain Country Club	Ashmore, Qld	323	52	-	375	-	375	-	-	375
The Parks	Earlville, Qld	157	-	-	157	-	157	-	-	157
Toowoomba Bridge St	Toowoomba, Qld	-	-	58	58	-	58	-	-	58

Retirement Community Portfolio – Aveo (Cont'd)

Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline – Units	Pipeline – Beds	Total Units (Future)
Queensland Communities (Cont.)										
Toowoomba Taylor St	Toowoomba, Qld	-	-	103	103	-	103	-	-	103
Tranquility Gardens	Helensvale, Qld	115	-	-	115	-	115	-	-	115
Brightwater	Brightwater, Qld	-	-	-	-	-	-	80	-	80
Newstead	Newstead, Qld	-	-	-	-	-	-	199	99	298
Palmview	Palmview, Qld	-	-	-	-	-	-	138	-	138
Sanctuary Cove	Sanctuary Cove, Qld	-	-	-	-	-	-	163	-	163
The Rochedale Estates	Rochedale, Qld	-	-	-	-	-	-	150	-	150
Total QLD		**2,092**	**348**	**548**	**2,988**	**-**	**2,988**	**3,928**	**343**	**7,259**
New South Wales Communities										
Banora Point	Banora Point, NSW	125	-	-	125	-	125	-	-	125
Banora Point	Banora Point, NSW	-	-	84	84	-	84	-	-	84
Bayview Gardens	Bayview, NSW	262	38	-	300	73	373	-	-	373
Camden Downs	Camden South, NSW	65	-	-	65	-	65	-	-	65
Coffs Harbour	Coffs Harbour, NSW	-	-	50	50	-	50	-	-	50
Fernbank	St Ives, NSW	156	38	-	194	-	194	-	-	194
Heydon Grove ILUs	Mosman, NSW	31	-	-	31	-	31	-	-	31
Island Point	St Georges Basin, NSW	70	-	-	70	-	70	85	-	155
Lindfield Gardens	East Lindfield, NSW	138	40	-	178	-	178	-	-	178
Manors of Mosman	Mosman, NSW	133	21	-	154	-	154	-	-	154
Maple Grove	Casula, NSW	112	-	-	112	-	112	-	-	112
Minkara	Bayview, NSW	159	43	-	202	51	253	-	-	253
Mosman Grove SAs	Mosman, NSW	-	37	-	37	-	37	-	-	37
Mountain View	Murwillumbah, NSW	220	51	-	271	-	271	-	-	271

Retirement Community Portfolio – Aveo (Cont'd)

Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline – Units	Pipeline – Beds	Total Units (Future)
New South Wales Communities (Cont.)										
Peninsula Gardens	Bayview, NSW	77	34	-	111	-	111	-	-	111
Pittwater Palms	Avalon, NSW	127	41	-	168	-	168	-	-	168
Tamworth	Tamworth, NSW	-	-	56	56	-	56	20	-	76
Tweed Heads	Tweed Heads, NSW	-	-	70	70	-	70	-	-	70
Bella Vista	Bella Vista, NSW	-	-	-	-	-	-	464	144	608
Newcastle	Newcastle, NSW	-	-	-	-	-	-	300	123	423
Total NSW		**1,675**	**343**	**260**	**2,278**	**124**	**2,402**	**869**	**267**	**3,538**
Victoria Communities										
Balwyn Manor	Balwyn, Vic	-	54	-	54	-	54	-	-	54
Bendigo	Bendigo, Vic	-	-	100	100	-	100	-	-	100
Bentleigh	Bentleigh, Vic	27	43	-	70	-	70	-	-	70
Botanic Gardens	Cranbourne, Vic	157	-	-	157	-	157	-	-	157
Cherry Tree Grove	Croydon, Vic	354	36	-	390	-	390	-	-	390
Concierge Balwyn	Balwyn, Vic	72	-	-	72	-	72	-	-	72
Concierge Bayside	Hampton, Vic	86	-	-	86	-	86	-	-	86
Domaine	Doncaster, Vic	167	-	-	167	-	167	-	-	167
Dromana	Safety Beach, Vic	-	-	67	67	-	67	-	-	67
Edrington Park	Berwick, Vic	149	35	-	184	-	184	-	-	184
Fountain Court	Burwood, Vic	130	41	-	171	-	171	-	-	171
Geelong	Grovedale, Vic	-	-	48	48	-	48	-	-	48
Hampton Heath	Hampton Park, Vic	53	-	-	53	-	53	-	-	53
Hunters Green	Cranbourne, Vic	136	-	-	136	-	136	53	-	189
Kingston Green	Cheltenham, Vic	108	40	-	148	-	148	-	-	148

Retirement Community Portfolio – Aveo (Cont'd)

Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Victoria Communities (Cont.)										
Lisson Grove	Hawthorn, Vic	-	39	-	39	-	39	-	-	39
Mingarra	Croydon, Vic	155	-	-	155	60	215	19	48	282
Oak Tree Hill	Glen Waverley, Vic	147	47	-	194	-	194	-	-	194
Pinetree	Donvale, Vic	73	-	-	73	-	73	-	-	73
Roseville	Doncaster East, Vic	111	38	-	149	-	149	-	-	149
Sackville Grange	Kew, Vic	97	-	-	97	-	97	-	-	97
Springthorpe	Macleod, Vic	88	-	-	88	-	88	-	-	88
Sunbury	Sunbury, Vic	102	-	-	102	-	102	-	-	102
The George	Sandringham, Vic	75	36	-	111	-	111	-	-	111
Toorak Place	Toorak, Vic	54	-	-	54	-	54	-	-	54
Veronica Gardens	Northcote, Vic	58	54	-	112	-	112	-	-	112
Total VIC		**2,399**	**463**	**215**	**3,077**	**60**	**3,137**	**72**	**48**	**3,257**
South Australia Communities										
Ackland Park	Everard Park, SA	30	20	-	50	-	50	-	-	50
Carisfield	Seaton, SA	103	-	-	103	-	103	-	-	103
Crestview	Hillcrest, SA	88	-	-	88	-	88	-	-	88
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
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

Retirement Community Portfolio – Aveo (Cont'd)

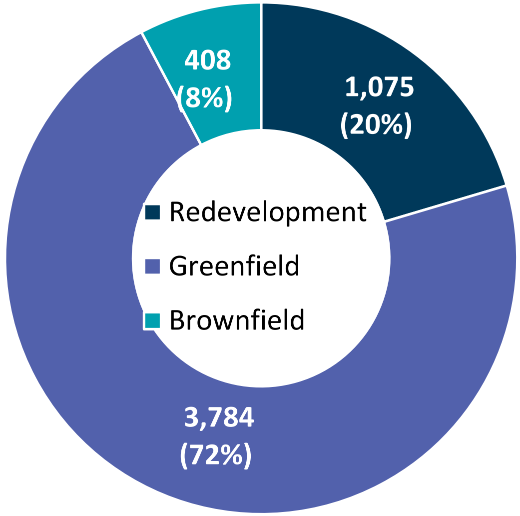
Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
South Australia Communities (Cont.)										
Manor Gardens	Salisbury East, SA	40	32	-	72	-	72	-	-	72
Melrose Park	Melrose Park, SA	89	36	-	125	-	125	-	-	125
Riverview	Elizabeth Vale, SA	53	-	-	53	-	53	-	-	53
The Braes	Reynella, SA	103	28	-	131	-	131	-	-	131
The Haven	North Haven, SA	36	31	-	67	-	67	-	-	67
Westport	Queenstown, SA	62	-	-	62	-	62	-	-	62
Total SA		**931**	**205**	**-**	**1,136**	**-**	**1,136**	**-**	**-**	**1,136**
Tasmania Communities										
Derwent Waters	Claremont, Tas	112	45	-	157	-	157	-	-	157
Launceston	Mowbray, Tas	-	-	57	57	-	57	53	-	110
Total TAS		**112**	**45**	**57**	**214**	**-**	**214**	**53**	**-**	**267**
Total All Communities		**7,209**	**1,404**	**1,080**	**9,693**	**184**	**9,877**	**4,922**	**658**	**15,457**

Retirement Community Portfolio – Aveo Healthcare

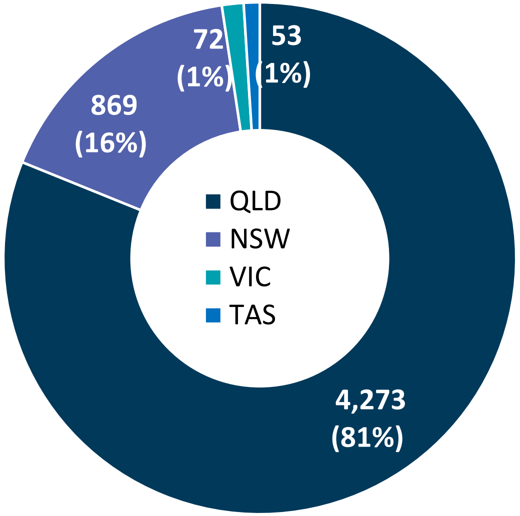
Aveo Healthcare Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Queensland Communities										
Albany Creek	Albany Creek, Qld	309	78	-	387	-	387	-	-	387
Clayfield	Albion, Qld	236	-	-	236	-	236	-	105	341
Cleveland	Cleveland, Qld	110	28	-	138	-	138	-	-	138
Durack	Durack, Qld	525	104	-	629	123	752	-	-	752
Taringa	Taringa, Qld	102	37	-	139	-	139	-	-	139
Total		**1,282**	**247**	**-**	**1,529**	**123**	**1,652**	**-**	**105**	**1,757**

Development Pipeline

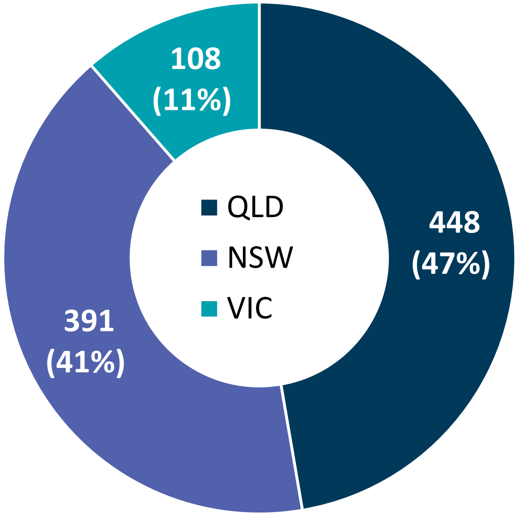
Retirement Development Pipeline by Type – Units



Retirement Development Pipeline by Location – Units



Retirement Development Pipeline by Location - Beds



Major Development – Further Information

- Record level of major new units delivered in FY17, an increase of 46% on FY16
- Continue to target development margins for major development of 16%-20% (before funding costs)
- Timing of stock delivery has historically been in second half of the financial year
- Delivery target of over 500 new units from major developments p.a. onwards from FY18
- FY19 will be the first year where 500+ units are delivered and 500+ units are sold

Development	FY17	FY16	Change
Opening major units available	174	55	216%
Add : units delivered	266	182	46%
Add : units reconfigured	3	-	NM
Less : development units sold	(154)	(63)	144%
Closing major units available	**289**	**174**	**66%**

Minor Development – Further Information

- The sell down of Freedom minor developments increased in FY17 and will continue into FY18
- 843 minor development units are forecast to be sold down over the next four to five years

Development	FY17	FY16	Change
Opening minor development units	258	258	-
Add : minor development units from RVG acquisition	128	-	NM
Add : Freedom conversion units bought back	86	-	NM
Less : minor development units sold	(80)	-	NM
Closing minor development units available	392	258	52%
Units to be converted	451	-	NM
Total Minor Development Forecast	843	-	NM

Community	Total units	Sold under Freedom	Units under refurbishment or available	Units to be converted
Albany Creek	78	-	16	62
Cleveland Gardens	66	16	1	49
The George	111	1	28	82
Edrington Park	35	-	14	21
Lisson Grove	39	1	22	16
Balwyn Manor	54	-	33	21
Roseville	38	-	14	24
Fountain Court	41	2	22	17
Kingston Green	40	-	11	29
Oak Tree Hill	47	-	27	20
Concierge Balwyn	72	-	28	44
Concierge Bayside	86	-	20	66
Total	**707**	**20**	**236**	**451**

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
- Embedded DMF/CG value of $1,096m
- Total portfolio real estate value of $4.4bn
- 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 82.8 years
  - **Future residents:** characteristics of new residents who replace existing residents will impact long term resident sales rates
  - **Discount rate**: reflects combination of portfolio investment characteristics and risks

Key Assumptions and Porttfolio Metrics		FY17[1]	FY16[2]
Discount rate		12.5% - 14.5%	12.5% - 14.5%
Future property price growth	Medium term	3.5% - 4%	3.5% - 4%
	Long term	3.5% - 4.25%	3.5% - 4.25%
Subsequent resident tenure (years)	ILUs	10	10
	SAs	4	4
NPV of annuity streams		**$1,695.3m**	**$1,151.6m**
Current average resident length of stay (years)	ILUs	7.7	7.5
	SAs	3.9	4.4

[1] Includes all portfolios.
[2] Includes Aveo and Freedom portfolio.

Retirement Investment Property Annuity Stream Sensitivity ($m)					
Long term property price growth	**+1.0%**	**+0.5%**	**3.50% - 4.25%**	**(0.5%)**	**(1.0%)**
Value of established portfolio	1,429.2	1,555.6	1,695.3	1,848.9	2,019.6
Subsequent tenure – ILUs (years)	**8**	**9**	**10**	**11**	**12**
Value of established portfolio	1,827.2	1,755.1	1,695.3	1,642.1	1,596.6
Discount rate	**(1.0%)**	**(0.5%)**	**12.50% - 14.50%**	**+0.5%**	**+1.0%**
Value of established portfolio	1,903.2	1,795.3	1,695.3	1,604.8	1,522.7
Market value of units (Change)	**5.0%**	**2.5%**	**-**	**(2.5%)**	**(5.0%)**
Value of established portfolio	1,587.0	1,640.0	1,695.3	1,746.3	1,802.0

Legal Restrictions

- Aveo faces a number of legal restrictions in its capacity to respond to or comment on media coverage
- While vigorously disputing the accuracy of many of the claims and representations, as a corporate entity, Aveo is unable to pursue any defamation remedies
- Aveo is also restricted by the terms of the Privacy Act in responding to questions about individual resident circumstances without the consent of the resident involved
- For this reason, all Aveo responses to date, and going forward, can deal only with addressing the accuracy of the general rather than specific claims that have been made regarding its businesses

Freehold vs Leasehold Tenure

- Aveo has been open and consultative with residents regarding the process of progressively converting units from resident freehold to resident leasehold tenure
- Tenure of existing residents remains unchanged, and the conversion to leasehold only occurs for new residents who enter the community, many of who value the advantages that a leasehold tenure delivers, that are outlined below
- Units have been converted to leasehold tenure to facilitate the delivery of the various financial certainty promises that residents have under the Aveo Way contract
- No resident is obligated to switch

	Freehold Tenure
✗	Resident pays stamp duty upon purchase of unit
✗	Monthly recurrent fees are capped at a maximum time period (dependent on the state) on resident departure, however, body corporate fees continue for an indefinite period until resale on resident departure from the unit
✗	Residents fund capital expenditure for common areas via body corporate fees
✗	As freehold owner of the unit are not entitled to the benefits of the Victorian RACF transfer provisions

	Leasehold Tenure
✓	No stamp duty paid on purchase of unit
✓	Monthly recurrent fees are capped at a maximum time period (dependent on the state) on resident departure and no body corporate fees
✓	Aveo responsible for capital expenditure for common areas
✓	Entitled to payment of the required DAP by Aveo under the terms of the Victorian RACF transfer provisions

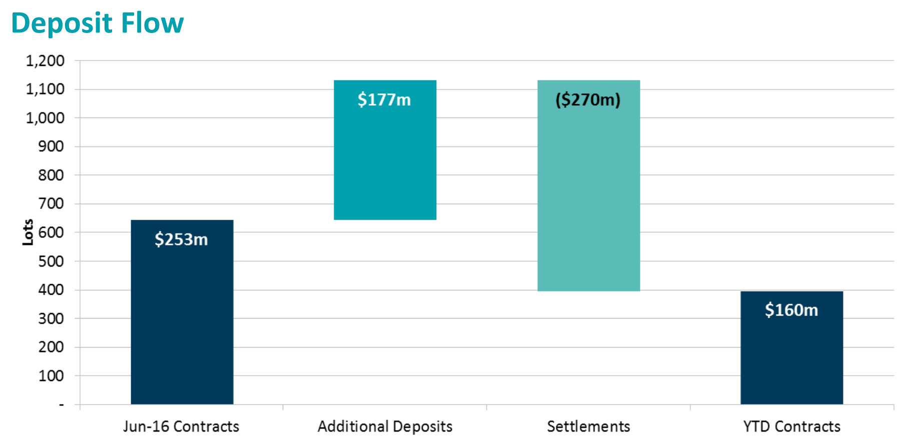
Average Days on Market Impact

- A key advantage of the Aveo Way contract is the guarantee of a maximum six month period until the departing resident's exit entitlement is paid
- Average days on market across the retirement village industry is approximately 232 days
- This is well in excess of the 183 day maximum period (six months) that a unit with an Aveo Way contract would be available for before it is bought back
- It should be noted that is a maximum period, and the terms of the Aveo Way contract actually assist the delivery of a smoother departure process, which should facilitate a reduced days on market sale period, and an even faster sale and subsequent payment to the departing resident
- As there is no refurbishment cost to the departing resident, there is no need for a negotiation period around the reinstatement or refurbishment works required or how these will be funded
- Instead, Aveo can immediately access the unit as soon as it is vacated by the resident and commence any required refurbishment work (at Aveo's cost), to ensure the unit is available to list for inspections as quickly as possible
- This process minimises downtime and ensures a faster sale process for residents exclusive of the fall back position of a guaranteed buyback period

Appendices

Residential Communities and Apartments

- Deposits are strong at the land estates with 396 on hand
- Land estates are expected to be largely sold by FY18, with final settlements in FY19



As at 30 June 2017	Location	Remaining Lots at 30 Jun 17	Pre Sold Lots	Available Lots[1]	Percentage Pre Sold[3]	FY17 Settlements	FY18 Target Settlements	Target remaining lots at 30 Jun 18
Active Land Projects								
Saltwater Coast, Point Cook	VIC	403	323	80	80%	291	220-240	163-183
Peregian Springs and Ridges	QLD	365	63	302	17%	202	130-150	215-235
The Rochedale Estates, Rochedale	QLD	109	8	101	7%	195	40-60	49-69
Shearwater, Cowes	VIC	40	2	38	5%	41	10-20	20-30
Total Active Land Projects		**917**	**396**	**521**	**43%**	**729**	**400-470**	**447-517**
Inactive Land Projects								
Currumbin	QLD	348	-	348	-	-	-	348
Total Land Projects		**1,265**	**396**	**869**	**43%**	**729**	-	**795 – 865**
Apartment Projects[2]	QLD	-	-	-	-	**16**	-	-
Total Projects		**1,265**	**396**	**869**	**43%**	**745**	-	**795 - 865**

[1] Includes unreleased stages.
[2] Includes 100% of The Milton.
[3] Calculated as pre sold lots/remaining lots approx.

Non-Retirement Assets Sell Down and Composition

Non-Retirement Asset Balance Sheet Movement	FY17 ($m)	FY16 ($m)	Change
Non-Retirement Assets at beginning of period	430.6	558.8	(23%)
Asset Sales announced during the period[4]	17.6	(17.6)	200%
Net Development Activity during the period	(109.1)	(133.4)	(18%)
Change in Fair Value of Non-Retirement Assets	16.5	22.8	(28%)
Closing Non-Retirement assets at end of period	**355.6**	**430.6**	**(17%)**
Represented by			
Inventories: Residential communities[1]	131.4	221.0	(41%)
Residential apartments	-	13.3	NM
Commercial[2]	38.9	41.0	(5%)
Total inventories	170.3	275.3	(38%)
Investment properties	181.5	151.5	20%
Property, plant and equipment	3.8	3.8	-
Non-Retirement assets at end of period	**355.6**	**430.6**	**(17%)**
Non-Retirement assets as percentage of total assets[3]	**13%**	**19%**	**(6%)**

[1] FY17 includes Point Cook, Rochedale, Peregian Springs, Ridges, Currumbin and Shearwater.
[2] FY17 includes Mackay, Metrolink Business Park, Milton commercial and Albion.
[3] Net of resident loans and deferred revenue and excludes non-allocated assets.
[4] Relates to sale of Albion which was later reversed when settlement did not proceed (commercial transactions are recognised upon signing of an unconditional contract).

Appendices

Statutory Income Statement

	FY17 ($m)	FY16 ($m)	Change
Profit from continuing operations before income tax	307.0	156.7	96%
Income tax expense	(54.8)	(39.1)	40%
Profit after tax	**252.2**	**117.6**	**114%**
Non-controlling interest	0.6	(1.6)	138%
Net profit after tax attributable to stapled security holders of the Group	**252.8**	**116.0**	**118%**

Reconciliation of Statutory Profit to Underlying Profit

	FY17			FY16		
	Gross ($m)	Tax & NCI[1] ($m)	Net ($m)	Gross ($m)	Tax& NCI[1] ($m)	Net ($m)
Statutory profit after tax and non-controlling interest			**252.8**			**116.0**
Retirement						
Change in fair value of retirement investment properties	(111.4)	17.6	(93.8)	(17.4)	5.1	(12.3)
Gain on acquisition of RVG	(52.6)	-	(52.6)	-	-	-
Share of non-operating loss of equity-accounted investments	5.1	-	5.1	0.4	-	0.4
De-recognition of deferred tax asset	-	8.9	8.9	-	0.8	0.8
Freedom acquisition accounting	0.5	(6.1)	(5.6)	11.3	(3.4)	7.9
Total Retirement	**(158.4)**	**20.4**	**(138.0)**	**(5.7)**	**2.5**	**(3.2)**
Non-Retirement						
Change in fair value of non-retirement investment properties	(16.5)	4.9	(11.5)	(22.8)	6.8	(16.0)
Gain from sale of non-retirement assets	-	-	-	(7.1)	2.1	(5.0)
Other	6.9	(2.1)	4.8	(4.0)	1.2	(2.8)
Total Non-Retirement	**(9.6)**	**2.8**	**(6.7)**	**(33.9)**	**10.1**	**(23.8)**
Other	0.4	(0.1)	0.3	-	-	-
Underlying profit after tax and non-controlling interest			**108.4**			**89.0**

Statutory Profit and Loss by Consolidated Segment

	Retirements [1] ($m)	Non-Retirements ($m)	Other ($m)	Total FY17 ($m)	Retirements ($m)	Non-Retirements ($m)	Other ($m)	Total FY16 ($m)
Sale of goods revenue	-	255.7	-	255.7	-	319.1	-	319.1
Revenue from rendering of services	140.9	15.2	-	156.1	94.9	14.0	-	108.9
Other revenue	9.0	0.3	0.2	9.5	11.5	5.6	0.2	17.3
Cost of sales	(28.8)	(189.7)	-	(218.5)	(16.1)	(257.7)	-	(273.8)
Change in fair value of investment properties	131.2	16.5	-	147.7	55.2	22.8	-	78.0
Change in fair value of resident loans	28.0	-	-	28.0	(14.9)	-	-	(14.9)
Employee expenses	(30.2)	(8.1)	(16.9)	(55.2)	(19.1)	(7.4)	(12.9)	(39.4)
Marketing expenses	(21.5)	(3.4)	-	(24.9)	(11.7)	(2.7)	-	(14.4)
Occupancy expenses	(0.4)	-	(1.1)	(1.5)	(0.5)	-	(0.9)	(1.4)
Property expenses	-	(4.1)	-	(4.1)	-	(2.9)	-	(2.9)
Administration expenses	(13.5)	(0.1)	(4.8)	(18.4)	(8.4)	-	(3.9)	(12.3)
Other expenses	(5.7)	(10.1)	3.2	(12.6)	(18.0)	(1.9)	1.4	(18.5)
Gain on acquisition of RVG	52.6	-	-	52.6	-	-	-	-
Finance costs	-	-	(1.9)	(1.9)	-	-	-	-
Share of net gain of equity-accounted investments	(5.1)	-	(0.4)	(5.5)	11.0	-	-	11.0
Profit/(loss) from continuing operations before income tax	**256.5**	**72.2**	**(21.7)**	**307.0**	**83.9**	**88.9**	**(16.1)**	**156.7**
Income tax (expense)	-	-	(54.8)	(54.8)	-	-	(39.1)	(39.1)
Profit/(loss) for the year	**256.5**	**72.2**	**(76.5)**	**252.2**	**83.9**	**88.9**	**(55.2)**	**117.6**
Non-controlling interests	-	-	0.6	0.6	-	-	(1.6)	(1.6)
Net profit/(loss) attributable to stapled security holders of the Group	**256.5**	**72.2**	**(75.9)**	**252.8**	**83.9**	**88.9**	**(56.8)**	**116.0**

[1] In the statutory accounts, Retirements has been segmented into Established Business, Development and Retirement Care.

Reconciliation of Underlying Profit to Segment Notes

FY17 ($m)	Underlying Profit	Change in Fair Value of Retirement Investment Properties	Gain on acquisition of RVG	Share of Non-Operating loss of Equity-accounted investments	Recognition /(derecognition) of deferred tax asset	Freedom acquisition	Change in Fair Value of Non-Retirement Investment Properties	Other	Statutory Result
Retirement									
Established Business	73.8	111.4	52.6	(5.1)	-	(0.5)	-	(0.4)	231.8
Development	25.2	-	-	-	-	-	-	-	25.2
Care and Support Services	1.7	-	-	-	-	-	-	-	1.7
Total Retirement	**100.7**	**111.4**	**52.6**	**(5.1)**	**-**	**(0.5)**	**-**	**(0.4)**	**258.7**
Total Non-Retirement	**62.7**	**-**	**-**	**-**	**-**	**-**	16.5	(6.9)	**72.3**
Group overheads and incentive scheme	**(18.7)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18.7)**
EBITDA	**144.7**	**111.4**	**52.6**	**(5.1)**	**-**	**(0.5)**	**16.5**	**(7.3)**	**312.3**
Depreciation and amortisation	(3.4)	-	-	-	-	-	-	-	(3.4)
EBIT	**141.3**	**111.4**	**52.6**	**(5.1)**	**-**	**(0.5)**	**16.5**	**(7.3)**	**308.9**
Interest and borrowing expense	(1.9)	-	-	-	-	-	-	-	(1.9)
Profit before tax	**139.4**	**111.4**	**52.6**	**(5.1)**	**-**	**(0.5)**	**16.5**	**(7.3)**	**307.0**
Income tax	(30.7)	(18.6)			(8.9)	6.1	(5.0)	2.2	(54.8)
Profit after tax	**108.7**	**92.8**	**52.6**	**(5.1)**	**(8.9)**	**5.6**	**11.5**	**(5.1)**	**252.2**
Non-controlling interests	(0.3)	1.0	-	-	-	-	-	-	0.7
NPAT attributable to Aveo Group	**108.4**	**93.8**	**52.6**	**(5.1)**	**(8.9)**	**5.6**	**11.5**	**(5.1)**	**252.8**

Reconciliation of Retirement Segment Revenue to Segment Notes

	FY17 ($m)	FY16 ($m)	Change
Segment revenue			
Established Business	204.1	148.9	37%
Development	165.7	103.0	61%
Care and Support Services	15.7	12.3	28%
Total Retirement segment revenue	**385.5**	**264.2**	**46%**
Adjustments			
Established Business			
Sales Revenue – buyback sales	(69.5)	(43.3)	61%
Equity-accounted profits	2.0	(11.2)	118%
Other[1]	(2.2)	(5.0)	(56%)
Development			
Development revenue	(165.7)	(98.1)	69%
Care and Support Services			
Equity-accounted profits	(0.2)	(0.2)	-
Retirement revenue per segment note	**149.9**	**106.4**	**41%**

[1] Other includes RVG pre-acquisition revenue eliminated on consolidation.

Interest Expense Reconciliation

	FY17 ($m)	FY16 ($m)	Change
Interest expense paid[1]	**16.1**	**13.3**	**21%**
Less: Capitalised Interest			
Retirement			
Greenfield communities	(4.3)	(2.2)	95%
Brownfield communities	(1.4)	-	NM
Redevelopment	(1.8)	-	NM
Non-Retirement			
Residential communities	(6.3)	(9.4)	(33%)
Residential apartments	-	(1.7)	NM
Commercial	(0.4)	-	NM
Total capitalised interest[1]	**(14.2)**	**(13.3)**	**7%**
Net finance costs	**1.9**	**-**	**NM**
Add: Capitalised interest expenses in COGS			
Retirement	1.9	1.3	46%
Residential communities	47.2	36.2	30%
Residential apartments	1.7	21.1	(92%)
Total capitalised interest in COGS	**50.8**	**58.6**	**(13%)**
Finance costs including capitalised interest expensed in COGS	**52.7**	**58.6**	**(10%)**

[1] Interest expense paid and total capitalised interest represents only those amounts recognised in underlying profit after tax.

Income Tax Reconciliation

	FY17 ($m)	FY16 ($m)	Change
Statutory profit from continuing operations before tax	307.0	156.7	96%
Less: Aveo Group Trust Contribution	(10.1)	(20.9)	(52%)
Corporation profit before tax	**296.9**	**135.8**	**119%**
Plus/(less):			
Gain on acquisition of RVG	(52.6)	-	NM
Recognition of previously unrecognised deferred tax assets less derecognition of previously recognised deferred tax asset	(86.7)	-	NM
Equity-accounted (profits)/losses	5.7	(10.0)	NM
Other non-deductible items (net of non-assessable items)	19.4	4.5	331%
Corporation adjusted taxable profit	**182.7**	**130.3**	**40%**
Tax expense	54.8	39.1	40%
Statutory effective tax rate[1]	18%	25%	(7%)
Underlying profit before tax	139.4	117.1	19%
Income tax expense	30.7	26.3	17%
Underlying effective tax rate	22%	22%	-

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

Tax Losses

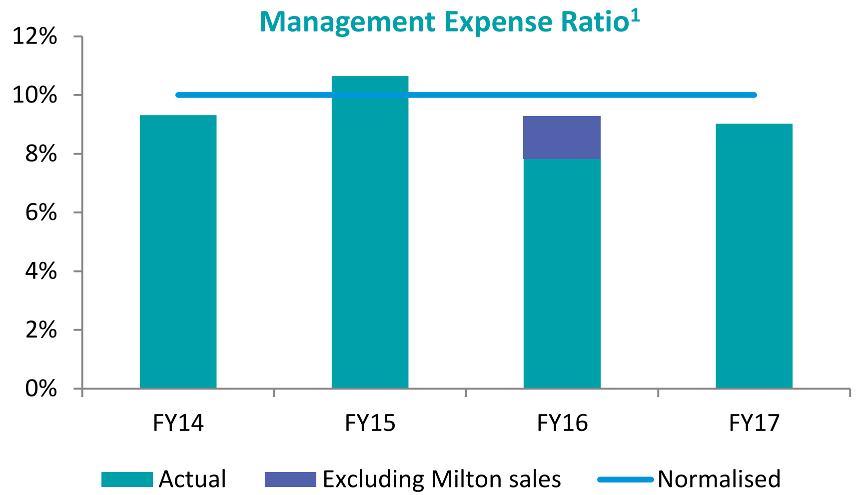
- Recognised tax losses sit mainly within the Aveo wholly-owned group ($337m) with some within the Aveo Healthcare group ($47m)
- The RVG group has some unrecognised tax losses
- A significant contributor to current and accumulated tax losses is the conversion from older style contracts (which give rise to tax payable on receipt and a tax deduction on termination), to newer style contracts including the Aveo Way (under which no tax is payable or deductible)
- Once this conversion is complete, tax losses will stop growing

Tax Expense & Losses ($m)[1]	FY17	FY16	Change
Tax expense	54.8	39.1	40%
Cash tax paid	-	-	-
Cash benefit	54.8	39.1	40%
Tax expense			
Tax losses	(17.8)	(20.6)	(13%)
On valuation gains	42.0	12.1	247%
Other deferred tax	30.6	47.6	(36%)
	54.8	**39.1**	**40%**
Opening accumulated tax losses	366.8	346.2	6%
Movement for year	17.8	20.6	(13%)
Closing accumulated tax losses	**384.6**	**366.8**	**5%**
Income	380.8	363.0	5%
Capital	3.8	3.8	-

[1] Net tax effect of recognised tax losses

Management Expense Ratio and Management Expenses

- Increase in FY17 to support growth in retirement activity and ramp up in development pipeline
- FY17 management expenses were increased by the inclusion of Freedom and RVG management expenses



[1] Ratio of management expenses to underlying revenue.

Management Expenses[1] by Category ($m)	FY17	FY16	Change
Employee expenses	39.2	29.1	35%
Occupancy expenses	1.5	1.4	7%
Administration expenses	10.6	9.6	10%
Other expenses	7.9	3.4	132%
Total	**59.1**	**43.5**	**36%**
Divisional expenses	47.0	32.9	43%
Corporate expenses	12.2	10.6	15%
Total	**59.1**	**43.5**	**36%**

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

Appendices

Summary Statutory Balance Sheet

	FY17 ($m)	FY16 ($m)	Change
Assets			
Retirement			
Investment properties	5,324.0	3,179.3	67%
Equity-accounted investments	23.2	301.8	(92%)
Property, plant and equipment	85.2	19.9	328%
Intangibles	3.8	4.9	(22%)
Total Retirement	**5,436.2**	**3,505.9**	**55%**
Non-Retirement			
Inventories	170.3	275.3	(38%)
Investment properties/assets held-for-sale	181.5	151.5	20%
Property, plant and equipment	3.8	3.8	-
Total Non-Retirement	**355.6**	**430.6**	**(17%)**
Cash/receivables/other	163.3	158.0	(3%)
Total assets	**5,955.1**	**4,094.5**	**45%**
Liabilities			
Resident loans and retirement deferred revenue	3,001.9	1,640.8	83%
Interest bearing liabilities	573.1	462.0	24%
Deferred tax	155.0	100.9	54%
Other liabilities (including payables, provisions, deferred revenue)	246.4	230.4	7%
Total liabilities	**3,976.4**	**2,434.1**	**63%**
Net assets	**1,978.7**	**1,660.4**	**19%**
NTA per stapled security	**$3.37**	**$3.00**	**12%**

Management Balance Sheet

	%	FY17 ($m)	%	FY16 ($m)	Change
Assets					
Retirement					
Retirement investment properties[1]		2,259.6		1,476.2	53%
Equity-accounted investments		23.2		301.8	(92%)
Property plant and equipment and intangibles		88.9		24.8	259%
Total Retirement	**87%**	**2,371.7**	**81%**	**1,802.8**	**32%**
Non-Retirement					
Commercial		38.9		41.0	(5%)
Residential communities		131.4		221.0	(41%)
Residential apartments		-		13.3	NM
Investment property		181.5		151.5	20%
Property plant and equipment and intangibles		3.8		3.8	-
Total Non-Retirement	**13%**	**355.6**	**19%**	**430.6**	**(17%)**
Total Divisional Assets	**100%**	**2,727.3**	**100%**	**2,233.4**	**22%**
Other assets (including cash and trade receivables)		163.4		158.1	(3%)
Total assets		**2,890.7**		**2,391.5**	**21%**
Liabilities					
Interest bearing liabilities		573.1		462.0	24%
Deferred tax liabilities		155.0		100.9	54%
Other liabilities (including payables, and provisions)		183.9		168.2	9%
Total liabilities		**912.0**		**731.1**	**25%**
Net assets		**1,978.7**		**1,660.4**	**19%**

[1] Net of resident loans, deferred income and deferred payment for development land.

Retirement Management Balance Sheet

	FY17 ($m)	FY16 ($m)	Change
Established Business			
NPV of annuity streams	1,695.3	1,151.6	47%
Equity accounted investments	23.2	294.4	(92%)
Buyback units (operating)	75.3	33.5	125%
Total	**1,793.8**	**1,479.5**	**21%**
Development			
Major:			
Investment property under construction	266.0	180.8	47%
New units available for first occupancy	156.6	100.1	56%
Total	**422.6**	**280.9**	**50%**
Minor:			
Freedom conversion development units	52.6	-	NM
Freedom legacy development units[1]	13.8	10.2	35%
Total	**66.4**	**10.2**	**551%**
Total	**489.0**	**291.1**	**68%**
Care and Support Services			
Equity accounted investments	-	7.4	NM
Property, plant and equipment and intangibles	88.9	24.8	258%
Total Retirement assets	**2,371.7**	**1,802.8**	**32%**

[1] Freedom legacy development units represent the original units that were part of the Freedom Aged Care acquisition.

Investment Property Summary

	FY17 ($m)	FY16 ($m)	Change
Retirement			
NPV of annuity streams	1,695.3	1,151.6	47%
Investment properties under construction	266.0	180.8	47%
New units available for first occupancy	156.6	100.1	56%
Buyback units:			
Operating	75.3	33.5	124%
Freedom conversion development units	52.6	-	NM
Freedom legacy development units	13.8	10.2	35%
Total	141.6	43.7	224%
Retirement net valuation	**2,259.6**	**1,476.2**	**53%**
Resident loans	2,797.7	1,525.4	83%
Deferred income net of accrued DMF	204.2	115.4	77%
Deferred payment for development land	62.5	62.3	-
Total Retirement Investment property	**5,324.0**	**3,179.3**	**67%**
Non-Retirement			
Investment properties	181.5	151.5	20%
Total investment properties per balance sheet	**5,505.5**	**3,330.8**	**65%**

Non-Retirement Inventories Summary

	FY17 ($m)	FY16 ($m)	Change
Inventories			
Residential communities[1]	131.4	221.0	(41%)
Residential apartments	-	13.3	NM
Commercial[2]	38.9	41.0	(5%)
Total Inventories	**170.3**	**275.3**	**(38%)**

[1] FY17 includes Point Cook, Rochedale, Peregian Springs, Ridges, Currumbin and Shearwater.
[2] FY17includes Milton, Albion, Mackay and Metrolink Business Park.

	Residential Communities ($m)	Residential Apartments ($m)	Commercial ($m)	Total ($m)
Impairment				
Balance as at 30 June 2016	136.7	2.3	22.9	161.9
Impairment reclassification	-	(2.3)	2.3	-
Amounts utilised in relation to pre 30 June 2013 impairments – effecting underlying profit after tax	(1.4)	-	-	(1.4)
Amount utilised in relation to 30 June 2013 impairments – effecting underlying profit after tax	(20.6)	-	(2.1)	(22.7)
Transfer of Newstead to Retirement / investment property under construction	-	-	(19.6)	(19.6)
Balance as at 30 June 2017	**114.7**	**-**	**3.5**	**118.2**

Movement in Net Tangible Assets per Security

	Net Tangible Assets ($m)	No. of Securities (m)	NTA per Security ($)
As at 30 June 2016	**1,623.1**	**541.1**	**3.00**
Statutory net profit	252.2	-	0.44
Other comprehensive income	(1.0)	-	-
Increase in intangible assets[1]	0.3	-	-
Movements in reserves[2]	(1.5)	-	-
Provision for FY17 distribution	(52.0)	-	(0.09)
Movement in Non-Controlling Interest[3]	1.7	-	-
Issue of new securities[4]	127.4	38.1	-
Acquisition of treasury securities	(10.7)	(3.2)	-
Equity settled employee benefits	3.8	1.3	-
As at 30 June 2017	**1,943.3**	**577.3**	**3.37**

[1] Principally software licences.
[2] Acquisition of non-controlling interests and equity settled employee benefits.
[3] The movement represents non-controlling interest that realised upon Clayfield becoming a 100% held entity of AEH during FY17.
[4] On 22 August 2016, the Group issued 37,091,988 ordinary stapled securities for the acquisition of shares in RVG. On 26 October 2016, the Group issued 1,021,577 ordinary stapled securities as deferred consideration for the acquisition of Freedom.

Appendices

Funds from Operations and Adjusted Funds from Operations

	FY17 ($m)	FY16 ($m)	Change
Underlying profit after tax	**108.4**	**89.0**	**22%**
Retirement Development: Profit adjustment on settled basis	(17.7)	(12.2)	45%
Tax impact	5.3	3.7	43%
Adjusted underlying profit after tax	96.0	80.5	19%
Other adjustments:			
Profit from equity-accounted investments	0.4	(11.4)	104%
Dividends from equity-accounted investments	0.1	0.1	-
Depreciation	3.4	2.7	26%
Capitalised interest	(14.2)	(13.3)	7%
Capitalised interest Included in COGS	50.8	58.6	(13%)
Amortisation of leasing incentives	2.0	1.6	25%
Deferred income tax expense	25.4	22.5	13%
Funds From Operations (FFO)[1]	**163.9**	**141.3**	**16%**
Retirement capex	(12.9)	(2.9)	345%
Community facility capex	(10.5)	(6.0)	75%
Non-Retirement leasing commissions, tenant incentives and maintenance capital expenditure	(4.3)	(3.7)	16%
Adjusted Funds From Operations (AFFO)[1]	**136.2**	**128.7**	**6%**

[1] FFO and AFFO reflect Property Council of Australia guidelines.

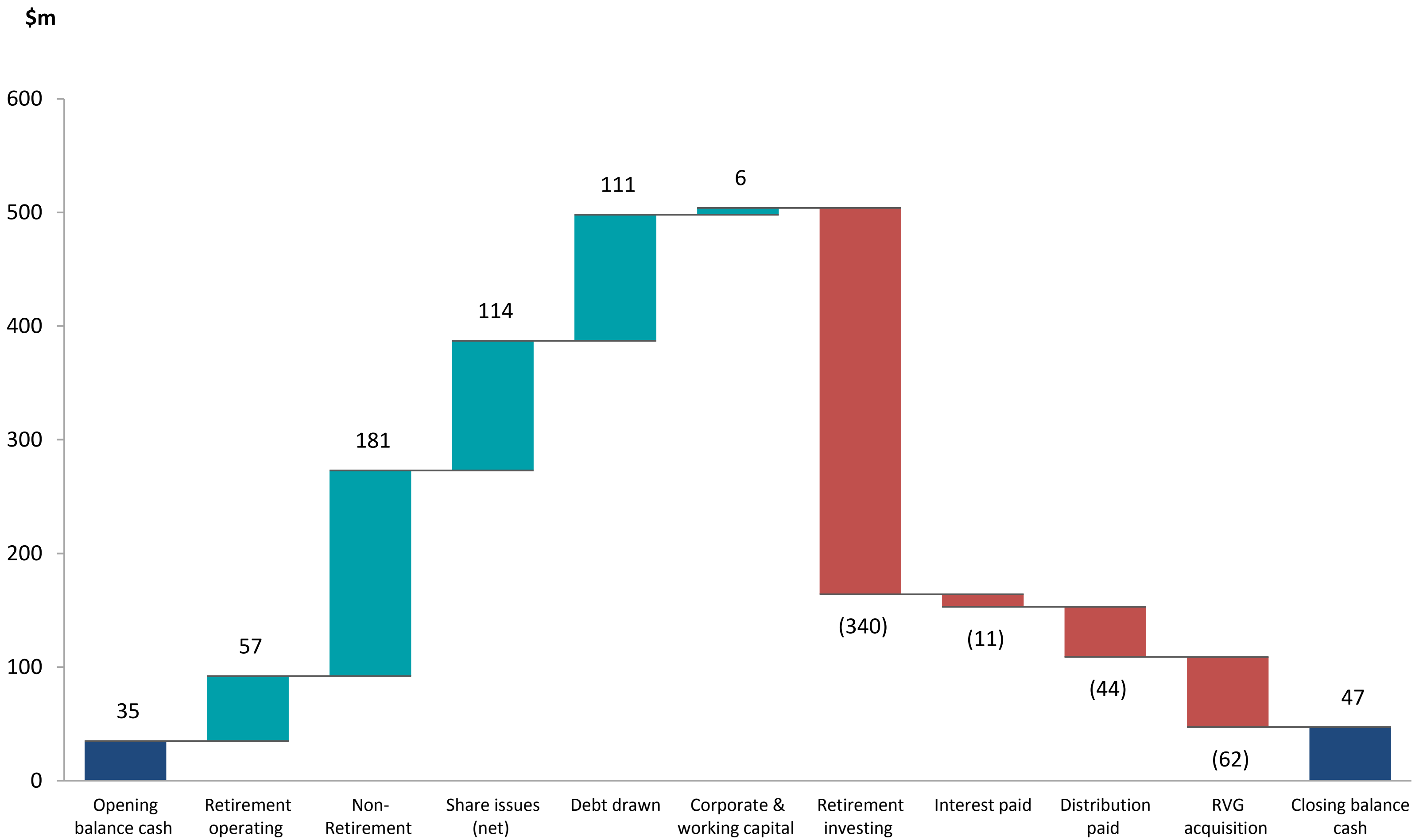
Distributions

- As announced to the ASX on 14 June 2017, the distribution from the Trust will be 9 cps for $52.0m
- Distribution will be paid on 29 September 2017
- FY17 distribution is in line with policy of distributing between 40%-60% of underlying profit after tax
- FY18 guidance of a full year distribution amount based on a 40%-60% of underlying profit payout range

	FY17 ($m)	FY16 ($m)	Change
Underlying Profit After Tax	**108.4**	**89.0**	**22%**
Funds from operations[1]	163.9	141.3	16%
Adjusted funds from operations[1]	136.2	128.7	6%
Distribution declared	52.0	43.5	20%
Distribution as a % of UPAT	48%	49%	(1%)
Distribution as a % of FFO	32%	31%	1%
Distribution as a % of AFFO	38%	34%	4%

[1] FFO and AFFO for reflect Property Council of Australia guidelines.

Cash Flow Reconciliation ($m)



Financial Covenants

- All financial covenants met

Covenant		FY17	Required
Aveo Group Syndicated Facility			
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)	**Group ICR**	7.2x	≥ 1.5x
Total assets less cash and resident loans / net debt	**Group Gearing Ratio**	16.9%	≤ 30%
Drawn debt less cash / retirement valuation and non-retirement valuation	**LVR[2]**	21.2%	≤ 30%
Gasworks net rental income to Facility E interest expense	**Gasworks ICR**	4.3x	≥ 2.0x
Facility E drawn debt / Gasworks valuation	**Gasworks LVR**	48.0%	≤ 60%
Aveo Healthcare Facility			
Total assets less cash and resident loans / Bank debt less cash	**Gearing Ratio**	21.4%	≤ 30%
EBIT (adjusted for fair value of assets and resident loans) / Finance Charges	**ICR**	4.7x	≥ 1.5x

[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] Excluding Facility E (Gasworks) and including Facility D (Bank Guarantees)

Appendices

Financial Summary

	FY17	FY16	FY15	FY14
Net profit/(loss) attributable to securityholders	$252.8m	$116.0m	$58.0m	$26.1m
Underlying net profit after tax[1]	$108.4m	$89.0m	$54.7m	$42.1m
Total assets	$5,955.1m	$4,094.5m	$3,392.8m	$3,269.8m
Total debt	$573.1m	$462.0m	$359.5m	$344.6m
Total equity	$1,978.7m	$1,660.4m	$1,505.6m	$1,429.5m
Reported gearing[2]	16.9%	17.4%	13.8%	15.8%
Market capitalisation	$1,604.9m	$1,715.3m	$1,326.7m	$1,030.2m
Security price at year end	$2.78	$3.17	$2.58	$2.06
Reported earnings per security	44.2c	22.1c	11.6c	5.9c
Underlying earnings per security	18.9c	17.0c	10.9c	9.5c
Dividends and distributions paid	$52.0m	$43.5m	$25.8m	$20.0m
Dividends and distributions per security	9.0c	8.0c	5.0c	4.0c
Net tangible assets per security	$3.37	$3.00	$2.85	$2.78

[1] Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Group, in accordance with AICD/Finsia principles of recording underlying profit.
[2] Measured as net debt divided by total assets net of cash and resident loans.

FY18 Calendar

Date	Event	Location
16 August	FY17 Results Announcement	Sydney
17-18 August	Private Roadshow	Sydney
22-23 August	Private Roadshow	Melbourne
29-30 August	Private Roadshow	New Zealand
Early-mid September	Media Asset Tour	Brisbane
14 February	HY18 Results Announcement @ 10:30am	Sydney

Glossary

Term	Definition
AFFO	Adjusted Funds From Operations
AGM	Annual General Meeting
AICD	Australian Institute of Company Directors
ASX	Australian Stock Exchange
Average margin	Ratio of gross profit to revenue
Buyback Sales	Sales of units that have previously been bought back by Aveo to new residents
COGS	Cost of Goods Sold
CPS	Cents Per Security
DAP	Daily accommodation payments
Deposits on Hand	Number of deposits held for contracts yet to settle
Development Type (Low)	Detached or semi-detached broad-acre development
Development Type (Med)	Apartment (up to 3 floors) development
Development Type (High)	Apartment (over 3 floors) development
DMF / CG	Deferred Management Fee / Capital Gains
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation

Term	Definition
EPS	Earnings Per Security
Established Business	Existing revenue generating retirement communities
Freedom	Freedom Aged Care
FFO	Funds From Operations
GSC	General Service Charge
Gross Profit	Revenue less cost of goods sold
ICR	Interest Cover Ratio
ILU	Independent Living Unit
Long term	Six years plus
LVR	Loan to value ratio
Major development	Construction of new units on vacant land or airspace
Medium term	Less than or equal to six years
Minor development	Reconfiguration of existing saleable product into new product different in nature
NCI	Non-controlling interest
NM	Not Meaningful
NPAT	Net Profit After Tax

Term	Definition
NPV	Net Present Value
NTA	Net Tangible Assets
Occupancy	Ratio of units occupied to units available for occupancy
Operating Buyback Purchases	Units that are bought back by Aveo from exiting retirement residents
Portfolio Sales Rate	Sum of unit resales and buyback sales divided by total available units
RACF	Residential Aged Care Facility
RAD	Refundable Accommodation Deposit
Redevelopment Buyback Purchases	Repurchase of units from exiting residents for the purpose of redevelopment
Resales	Resident to resident retirement unit sale
RLC	Retirement Living Council
ROA	Return On Assets
RVG	Retirement Villages Group
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