

29 August 2018

Commencement of Strategic Review

Aveo Group is pleased to announce that it has appointed Merrill Lynch Markets (Australia) Pty Limited (ML) as its financial advisor to advise on the strategic review of Aveo Group's retirement portfolio and operations.

The strategic review will examine options and various initiatives to close the value gap between the price of Aveo's listed securities and the underlying value of Aveo's retirement properties. The review will include an evaluation of the potential introduction of capital partners into the retirement business.

Mr Seng Huang Lee, Chairman of Aveo Group commented: "As we detailed at the release of our FY18 results in mid-August, in our view, Aveo Group's current security price does not reflect the underlying value of our market-leading retirement business which has grown strongly and consistently over the past five years."

"The Board also views that the factors likely impacting the current discount to net tangible assets are outweighed by the strong medium to long term growth prospects for the sector. The factors include risks around sustainable sales levels including the current state of the residential market, further regulatory risk and the class action."

"Aveo occupies a position as a leading and innovative provider of retirement living communities in Australia and is a well-established and capitalised company. Our retirement communities continue to evolve by providing residents with increasing levels of care. They have strong consumer appeal which is not being reflected by the price of our securities."

"We look forward to working with ML to examine all options to narrow the discount of the price of our securities to the current \$3.92 net tangible assets per security."

Aveo Group will keep securityholders informed of any relevant developments in relation to the strategic review and will provide an update at its Annual General Meeting on 14 November 2018.

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About Aveo

Aveo's vision is to be Australia's leading and most innovative seniors living provider. Our mission is to honour and serve our residents through Kindness, Care and Respect. Kindness, Care and Respect are our corporate values.

Aveo is a leading and trusted owner, operator and manager of retirement communities across Australia. Aveo's philosophy is underpinned by a commitment to grow with older Australians by inspiring greater living choices. We currently and proudly do so for 13,000 residents in 93 retirement communities across Australia

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