



Results Presentation Annexure

Results for the half year ended 31 December 2018

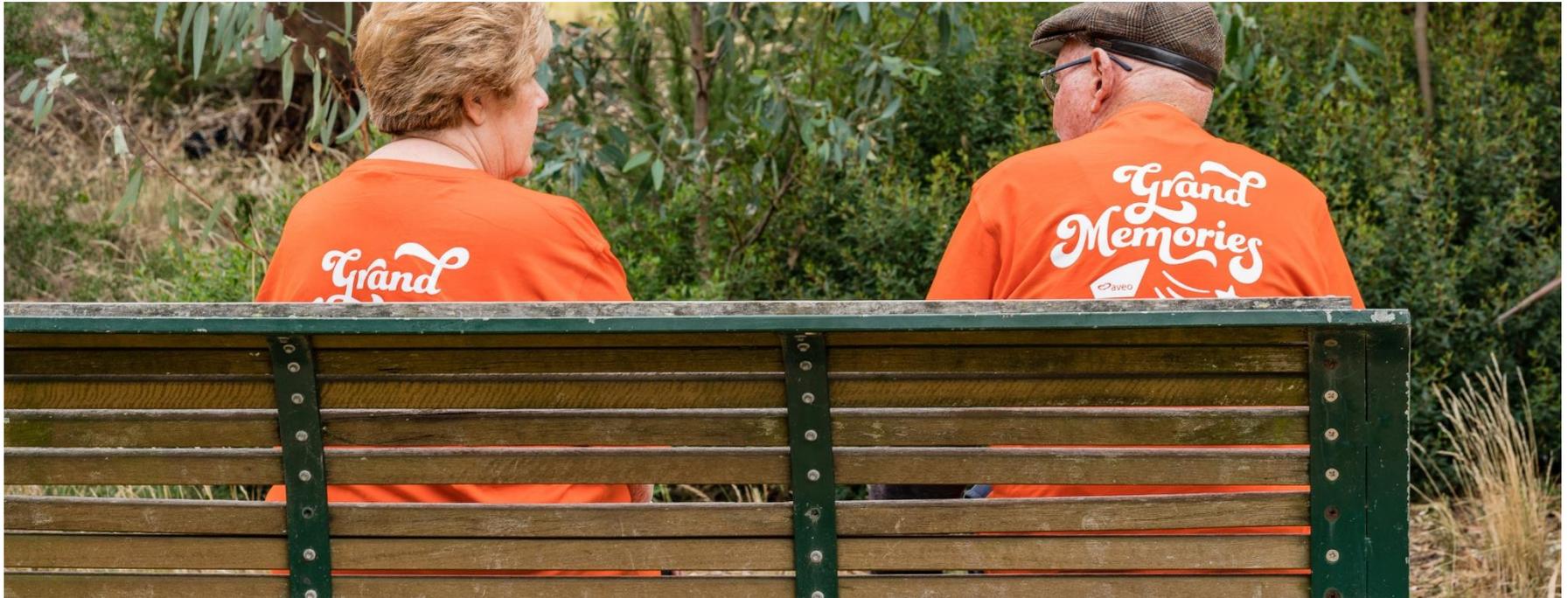
13 February 2019





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Section vii. Capital Management

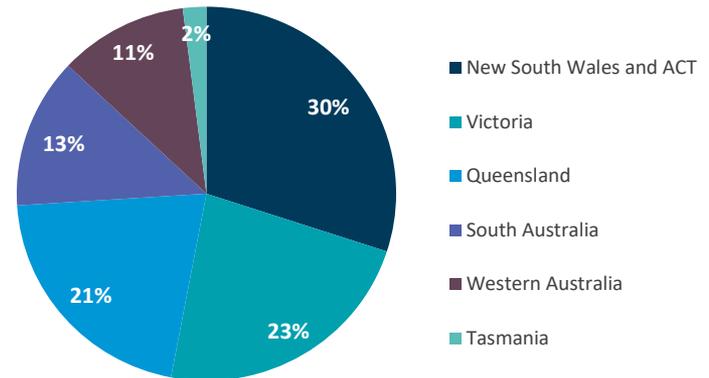
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Australian Retirement Sector

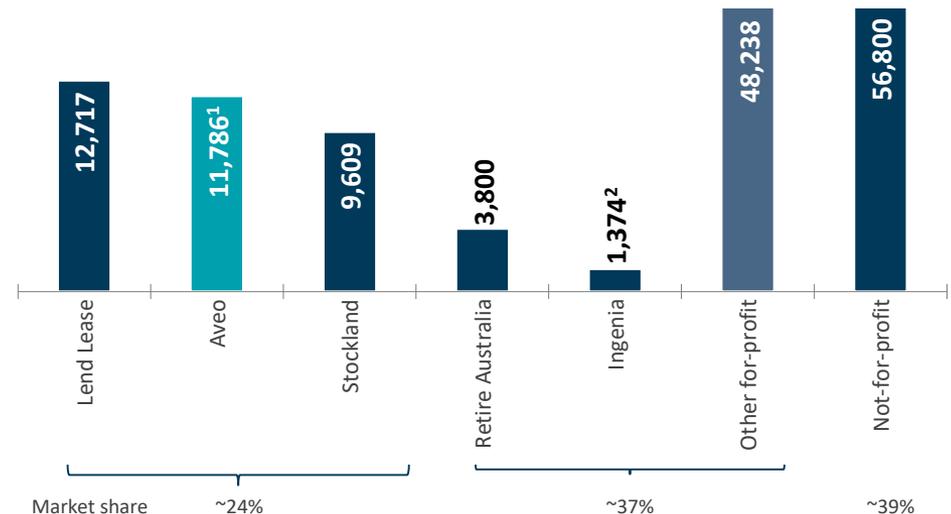


- An estimated 184,000 retirees live in retirement communities throughout Australia representing approximately 6% of the population over 65
- Aveo residents make up 7.4% of the total estimated retirees in retirement communities
- For-profit operators make up circa 60% of the market while the other 40% is operated by non-profit organisations
- Majority of accommodation is single-level or low-rise villas with community facilities
- Most common title structure is leasehold with DMF (circa 70% of Aveo portfolio is leasehold)
- The typical ILU costs less than 70% of the median house price in the same postcode
- The industry average age of residents is 80 compared to an average of 83 at Aveo communities

Retirement Village Units by State



Retirement Village Operators by Units Managed



¹ Includes Aveo's Australian portfolio only.

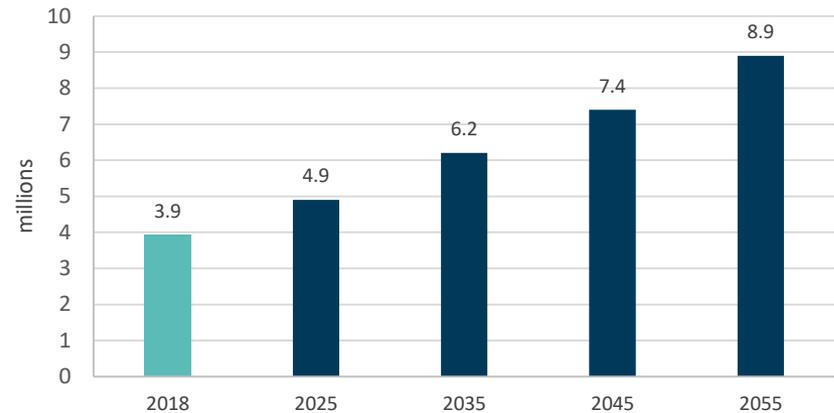
² Ingenia Gardens - seniors rental accommodation.

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 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 p.a.

Population over 65 – Projections^{1,2}



¹ ABS Demographic Statistics, June 2018.
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.



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Business Components of the Aveo Long Term Strategy

Established Business

- Existing DMF/CG generating retirement communities and associated non-DMF fee revenue
- Target gross margin for DMF/CG resale product of greater than 30% (before reinstatement costs, marketing and sales costs and overhead costs)
- Ongoing unit buyback and subsequent resale program (target margin 5%-10%)
- Target written and settlement 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 and options for residents
- Maintain cost efficient operational structures

Development

- Major Development projects comprising a mix of brownfield, greenfield and redevelopments
- Existing Major Development pipeline of over 5,000 units to be developed over 5-10 years
- Delivery target of at least 500 new units from Major Developments p.a. (target margin 16%-20% pre-interest)¹
- Minor Development of Freedom conversion and Freedom original units to assist in rolling out Freedom product targeting 180 units p.a. (target margin 35%-40% pre-interest)²
- Continue to expand pipeline through selected new site acquisitions
- Future acquisitions of new sites must meet required investment return metrics

Care and Support Services

- Existing high care income from four co-located aged care facilities owned and operated by Aveo
- Continual delivery of new aged care facilities to support an increase in the integrated retirement community offering
- Existing pipeline of 850 aged care beds
- Preference to deliver one new RACF p.a.
- Low care in-home services to residents via Aveo Care at Home offering
- Increase penetration rate for Aveo Care at Home within communities
- Aveo owned Allied Healthcare providers integrated into retirement community operations

¹ FY19 - 419, returning to 500+ by FY21.

² FY19 - 125, FY20+ - 180.



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Retirement – Our Portfolio



- Aveo owns 93 existing communities across the east coast and Adelaide
- Aveo also owns five existing communities in the south-east of the United States of America
- Communities predominantly located in prime metropolitan locations
- Australian portfolio characterised by mature communities with 66 communities more than 20 years old, with established resident communities

Portfolio Snapshot

Units	Communities	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline ³ – Units	Pipeline – Beds	Total Units (Future)
Aveo ¹	88	7,610	1,430	1,219	10,259	283	10,542	4,525	561	15,628
Aveo Healthcare ²	5	1,275	169	83	1,527	123	1,650	96	105	1,851
Total Australia	93	8,885	1,599	1,302	11,786	406	12,192	4,621	666	17,479
Aveo – US	5	15	260	-	275	-	275	-	-	275
Total Aveo	98	8,900	1,859	1,302	12,061	406	12,467	4,621	666	17,754

¹ Includes 34 units not offered for accommodation purposes e.g. managers' units.

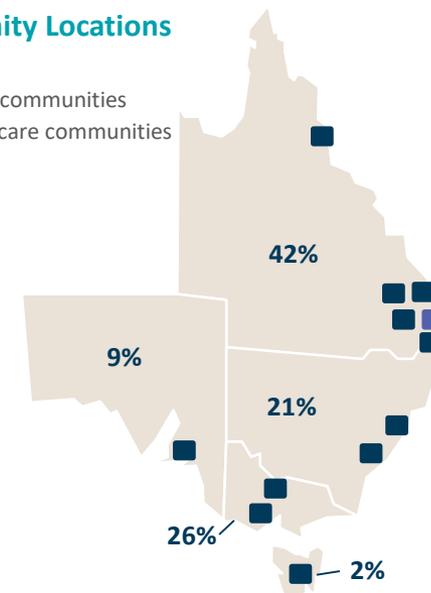
² Includes 9 units not offered for accommodation purposes e.g. managers' units; Aveo Healthcare is 86% owned by Aveo.

³ Development pipeline net of 361 units to be redeveloped.

Aveo Community Locations

Legend

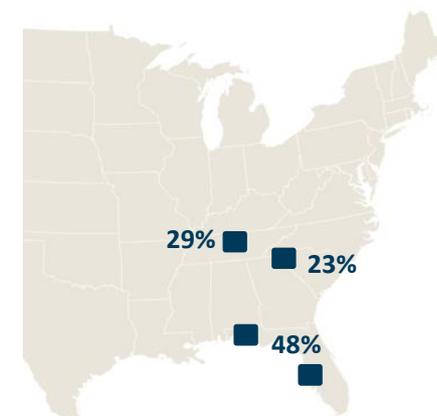
- Aveo Group communities
- Aveo Healthcare communities



US Senior Living Locations

Legend

- US Senior communities



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	119	-	-	119	-	119	-	-	119
Aspley Court	Aspley	118	44	-	162	-	162	-	-	162
Bridgeman Downs	Bridgeman Downs	113	73	-	186	-	186	-	-	186
Carindale	Carindale	66	41	-	107	-	107	323	100	530
Clayfield	Clayfield	-	-	39	39	-	39	-	-	39
Cleveland Gardens	Ormiston	154	-	66	220	-	220	-	-	220
Lindsay Gardens	Buderim	122	52	-	174	-	174	-	-	174
Manly Gardens	Manly	168	-	-	168	-	168	-	-	168
Morayfield	Caboolture South	-	-	64	64	-	64	40	-	104
Newmarket	Newmarket	75	-	-	75	-	75	183	-	258
Newstead	Newstead	144	55	-	199	99	298	-	-	298
Peregian Springs	Peregian Springs	189	48	-	237	-	237	-	-	237
Redland Bay	Redland Bay	-	-	43	43	-	43	62	-	105
Robertson Park	Robertson	58	38	-	96	-	96	97	-	193
Robina	Robina	126	-	-	126	-	126	-	-	126
Rochedale	Rochedale	-	-	110	110	-	110	-	-	110
Southport Gardens	Southport	90	-	-	90	-	90	125	-	215
Springfield	Springfield	104	48	-	152	-	152	2,278	144	2,574
Sunnybank Green	Sunnybank	56	-	-	56	-	56	-	-	56
Tanah Merah	Slacks Creek	-	-	124	124	-	124	20	-	144
The Domain Country Club	Ashmore	323	52	-	375	-	375	-	-	375
The Parks	Earlville	157	-	-	157	-	157	-	-	157

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 (Cont.)										
Toowoomba Bridge St	Toowoomba	-	-	58	58	-	58	-	-	58
Toowoomba Taylor St	Toowoomba	-	-	103	103	-	103	-	-	103
Tranquility Gardens	Helensvale	115	-	-	115	-	115	-	-	115
Brightwater	Brightwater	-	-	-	-	-	-	-	-	-
Palmview	Palmview	-	-	-	-	-	-	138	-	138
Sanctuary Cove	Sanctuary Cove	-	-	-	-	-	-	163	-	163
The Rochedale Estates	Rochedale	-	-	-	-	-	-	150	-	150
Total QLD		2,297	451	607	3,355	99	3,454	3,579	244	7,277
New South Wales Communities										
Banora Point	Banora Point	125	-	-	125	-	125	-	-	125
Banora Point	Banora Point	-	-	84	84	-	84	-	-	84
Bayview Gardens	Bayview	262	38	-	300	73	373	-	-	373
Bella Vista	Bella Vista	64	-	-	64	-	64	400	144	608
Camden Downs	Camden South	65	-	-	65	-	65	-	-	65
Coffs Harbour	Coffs Harbour	-	-	50	50	-	50	-	-	50
Fernbank	St Ives	156	37	-	193	-	193	-	-	193
Heydon Grove	Mosman	31	-	-	31	-	31	-	-	31
Island Point	St Georges Basin	101	-	-	101	-	101	54	-	155
Lindfield Gardens	East Lindfield	138	40	-	178	-	178	-	-	178
Manors of Mosman	Mosman	133	21	-	154	-	154	-	-	154
Maple Grove	Casula	112	-	-	112	-	112	-	-	112
Minkara	Bayview	159	43	-	202	51	253	-	-	253
Mosman Grove	Mosman	-	37	-	37	-	37	-	-	37

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)
New South Wales Communities (Cont.)										
Mountain View	Murwillumbah	220	51	-	271	-	271	-	-	271
Newcastle	Newcastle	59	-	-	59	-	59	241	123	423
Peninsula Gardens	Bayview	77	34	-	111	-	111	-	-	111
Pittwater Palms	Avalon	127	41	-	168	-	168	-	-	168
Tamworth	Tamworth	-	-	56	56	-	56	20	-	76
Tweed Heads	Tweed Heads	-	-	70	70	-	70	-	-	70
Total NSW		1,829	342	260	2,431	124	2,555	715	267	3,537
Victoria Communities										
Balwyn Manor	Balwyn	-	54	-	54	-	54	-	-	54
Bendigo	Bendigo	-	-	96	96	-	96	-	-	96
Bentleigh	Bentleigh	27	43	-	70	-	70	-	-	70
Botanic Gardens	Cranbourne	157	-	-	157	-	157	-	-	157
Cherry Tree Grove	Croydon	354	36	-	390	-	390	-	-	390
Concierge Balwyn	Balwyn	70	-	-	70	-	70	-	-	70
Concierge Bayside	Hampton	86	-	-	86	-	86	-	-	86
Domaine	Doncaster	167	-	-	167	-	167	-	-	167
Dromana	Safety Beach	-	-	67	67	-	67	-	-	67
Edrington Park	Berwick	149	-	35	184	-	184	-	-	184
Fountain Court	Burwood	130	-	42	172	-	172	-	-	172
Geelong	Grovedale	-	-	48	48	-	48	-	-	48
Hampton Heath	Hampton Park	53	-	-	53	-	53	-	-	53
Hunters Green	Cranbourne	161	-	-	161	-	161	49	-	210
Kingston Green	Cheltenham	108	40	-	148	-	148	-	-	148

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)
Victoria Communities (Cont.)										
Lisson Grove	Hawthorn	-	39	-	39	-	39	-	-	39
Mingarra	Croydon	174	-	-	174	60	234	128	50	412
Oak Tree Hill	Glen Waverley	147	47	-	194	-	194	-	-	194
Pinetree	Donvale	73	-	-	73	-	73	-	-	73
Roseville	Doncaster East	111	38	-	149	-	149	-	-	149
Sackville Grange	Kew	97	-	-	97	-	97	-	-	97
Springthorpe	Macleod	88	-	-	88	-	88	-	-	88
Sunbury	Sunbury	102	-	-	102	-	102	-	-	102
The George	Sandringham	75	36	-	111	-	111	-	-	111
Toorak Place	Toorak	54	-	-	54	-	54	-	-	54
Veronica Gardens	Northcote	58	54	-	112	-	112	-	-	112
Total VIC		2,441	387	288	3,116	60	3,176	177	50	3,403
South Australia Communities										
Ackland Park	Everard Park	30	20	-	50	-	50	-	-	50
Carisfield	Seaton	103	-	-	103	-	103	-	-	103
Crestview	Hillcrest	88	-	-	88	-	88	-	-	88
Fulham	Fulham	68	27	-	95	-	95	-	-	95
Glynde Lodge	Glynde	80	-	-	80	-	80	-	-	80
Gulf Point	North Haven	55	-	-	55	-	55	-	-	55
Kings Park	Kings Park	19	31	-	50	-	50	-	-	50
Leabrook Lodge	Rostrevor	62	-	-	62	-	62	-	-	62
Leisure Court	Fulham Gardens	43	-	-	43	-	43	-	-	43

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)
South Australia Communities (Cont.)										
Manor Gardens	Salisbury East	40	32	-	72	-	72	-	-	72
Melrose Park	Melrose Park	89	36	-	125	-	125	-	-	125
Riverview	Elizabeth Vale	53	-	-	53	-	53	-	-	53
The Braes	Reynella	103	28	-	131	-	131	-	-	131
The Haven	North Haven	36	31	-	67	-	67	-	-	67
Westport	Queenstown	62	-	-	62	-	62	-	-	62
Total SA		931	205	-	1,136	-	1,136	-	-	1,136
Tasmania Communities										
Derwent Waters	Claremont	112	45	-	157	-	157	-	-	157
Mowbray Links	Mowbray	-	-	64	64	-	64	54	-	118
Total TAS		112	45	64	221	-	221	54	-	275
Total Aveo Communities		7,610	1,430	1,219	10,259	283	10,542	4,525	561	15,628

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	304	-	83	387	-	387	-	-	387
Clayfield	Albion	236	-	-	236	-	236	-	105	341
Cleveland	Cleveland	110	28	-	138	-	138	-	-	138
Durack	Durack	523	104	-	627	123	750	-	-	750
Taringa	Taringa	102	37	-	139	-	139	-	-	139
Broadwater	Labrador	-	-	-	-	-	-	96	-	96
Total Aveo Healthcare Communities		1,275	169	83	1,527	123	1,650	96	105	1,851
Total Australian Communities		8,885	1,599	1,302	11,786	406	12,192	4,621	666	17,479

Retirement Community Portfolio – Aveo US



US Seniors Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
US Communities										
Fort Walton Beach	Fort Walton Beach, Florida	-	58	-	58	-	58	-	-	58
Sun City Center	Ruskin, Florida	-	42	-	42	-	42	-	-	42
Tampa	Tampa, Florida	-	32	-	32	-	32	-	-	32
Seneca	Seneca, South Carolina	15	47	-	62	-	62	-	-	62
Franklin	Franklin, Tennessee	-	81	-	81	-	81	-	-	81
Total US Seniors Communities		15	260	-	275	-	275	-	-	275
Total All Communities		8,900	1,859	1,302	12,061	406	12,467	4,621	666	17,754

Retirement Results – Further Information



- Total retirement revenue steady with higher revenue contributions in both Established Business and Care and Support Services segments offset by lower development revenue
- Development revenue decreased due to the composition of projects which were delivered and lower Minor Development sales
- Care and Support Services income increased with the continual take up of beds in the Newstead RACF
- Newstead is not fully occupied yet and so running cost shortfall offsets performance across other RACFs

Key Performance Indicators	HY19	HY18	Change
Segment revenue			
Established Business	\$74.2m	\$72.3m	3%
Development	\$54.3m	\$62.5m	(13%)
Care and Support Services	\$25.5m	\$18.4m	39%
Total Retirement revenue	\$154.0m	\$153.2m	1%
Profit contribution			
Established Business	\$24.4m	\$26.6m	(8%)
Development	(\$9.7m)	\$2.1m	NM
Care and Support Services	-	-	-
Total Retirement contribution	\$14.7m	\$28.7m	(49%)
EBIT contribution			
Established Business	\$24.1m	\$26.4m	(9%)
Development	(\$9.8m)	\$2.0m	NM
Care and Support Services	(\$1.3m)	(\$0.7m)	81%
Total Retirement EBIT	\$13.1m	\$27.7m	(53%)
Sales Volumes (units)			
Established Business sales	270	299	(10%)
Development sales	94	164	(43%)
Total	364	463	(21%)
Total value of units transacted	\$172.9m	\$196.1m	(12%)

Components of Established Business Profit Contribution



- The Established Business is based on the on-sale of existing units in the portfolio to new incoming residents. These transactions generate DMF/CG income for Aveo
- DMF/CG generating transactions occur in the form of resales and buyback purchases (Aveo purchases the unit to on-sell to an incoming resident)
- $\text{Gross DMF/CG} = \text{Number of DMF/CG Generating Transactions} \times \text{Average Transaction Value} \times \text{Total Average DMF/CG Margin \%}$
- Buyback sales are on-sales of bought back units to incoming residents which generate profit when units are sold above cost
- $\text{Buyback Sales Profit} = \text{Buyback Sales} \times \text{Average Transaction Value} \times \text{Average Margin \%}$
- Profit from DMF/CG and buyback sales is offset by the costs of reselling and operating the portfolio

Established Business		HY19	HY18	HY17
DMF/CG				
DMF/CG generating transactions ¹		323	395	583
Average transaction value	x	\$401.8k	\$360.7k	\$349.8k
Average DMF/CG margin %	x	25.6%	26.2%	28.0%
Gross DMF/CG	=	\$33.2m	\$37.3m	\$57.0m
Reinstatement costs	-	(\$4.7m)	(\$2.7m)	(\$3.5m)
DMF/CG profit	=	\$28.4m	\$34.6m	\$53.5m
Buyback sales				
Buyback sales		84	90	91
Average transaction value	x	\$332.1k	\$287.9k	\$267.1k
Average margin %	x	0.3%	9.3%	11.6%
Buyback sales profit	=	\$0.1m	\$2.4m	\$2.7m
Profit contribution				
DMF/CG profit		\$28.4m	\$34.6m	\$53.5m
Buyback sales profit	+	\$0.1m	\$2.4m	\$2.7m
Other income	+	\$13.1m	\$9.1m	\$9.4m
Marketing/commission expenses	-	(\$7.2m)	(\$6.5m)	(\$9.5m)
Other expenses	-	(\$10.1m)	(\$13.0m)	(\$20.6m)
Total profit contribution	=	\$24.4m	\$26.6m	\$35.5m

¹ Resales, operating buyback purchases and Freedom conversion (Refer to slide 19).

Note: Refer to A7 for group targets.

Components of Development Profit Contribution



- The development business is based on the delivery of new units (Major Development) and the sale of units undergoing substantial refurbishment and/or conversion to Freedom (Minor Development)
- Major Development gross profit is generated when new units are delivered at values above the cost
- Major Development Gross Profit = New Stock Delivered x Average Transaction Value x Total Average Margin %
- Minor Development gross profit is generated when units are sold at values above the cost
- Minor Development Gross Profit = Settlements x Average Transaction Value x Average Margin %
- Gross development profit is offset by the costs associated with selling development stock and overhead

Development		HY19	HY18	HY17
Major Development				
Delivery of new stock		80	50	58
Average transaction value	x	\$448.4k	\$491.6k	\$456.8k
Total Average margin %	x	19.1%	30.6%	20.7%
Major Development gross profit¹	=	\$6.8m	\$7.5m	\$5.5m
Minor Development				
Minor Development settlements		32	75	33
Average transaction value	x	\$576.6k	\$505.8k	\$351.9k
Average margin %	x	35.7%	38.2%	59.0%
Minor Development gross profit	=	\$6.6m	\$14.5m	\$6.8m
Profit contribution				
Major Development gross profit		\$6.8m	\$7.5m	\$5.5m
Minor Development gross profit	+	\$6.6m	\$14.5m	\$6.8m
Marketing expenses	-	(\$7.2m)	(\$8.5m)	(\$2.7m)
Other expenses ²	-	(\$15.9m)	(\$11.4m)	(\$0.6m)
Total profit contribution	=	(\$9.7m)	\$2.1m	\$9.0m

¹ Includes profit adjustments from FY18 deliveries where actual sales price were higher/lower than expected and/or actual expenses were higher/lower than expected.

² Relates to overhead and other expenses.

Note: Refer to A7 for group targets.

Retirement Buyback Stock – Further Information



- Operating buyback purchases (DMF/CG generating) include discretionary, internal transfers and mandatory buybacks
- Operating buyback purchases are in line with FY18
- 27 units bought back under the Aveo Way Contracts money back guarantee
- Units classified as IPUC represent retirement redevelopment projects

Established Business	HY19	FY18	Change
Opening operating buyback units	358	295	21%
Add: units bought back	147	298	(51%)
Less: units sold	(84)	(186)	(55%)
Less: units classified as IPUC	-	(53)	NM
Add: other stock movements	2	4	(50%)
Closing operating buyback units	423	358	18%
Total value of operating buyback units	\$140.4m	\$118.8m	18%
Average price of units	\$332k	\$332k	-

Major Development – Further Information



- 80 major units delivered in HY19 with an additional 339 in the second half
- Continue to target development margins for Major Development of 16%-20% (pre-interest)
- In view of current sales rates, delivery has been reduced for FY20
- An average delivery target of 500 units p.a. to resume once market recovers

Major Development	HY19	FY18	Change
Opening major units available	570	289	97%
Add: units delivered	80	506	(84%)
Add: units reconfigured	-	-	NM
Less: development units sold	(62)	(225)	(72%)
Closing major units available	588	570	3%
Total value of units available for sale	\$344.7m	\$346.8m	(1%)
Average price of units available for sale	\$586k	\$608k	(4%)

Minor Development – Further Information



- Continue to target development margins for Minor Development of 35%-40% (before funding costs)
- 689 Minor Development units are forecast to be sold down over the next five years

Development	HY19	FY18	Change
Opening minor development units	329	392	(16%)
Additional minor development units acquired	-	-	NM
Add: Freedom conversion units bought back	17	65	(74%)
Less: Minor development units sold	(32)	(127)	(75%)
Less: Other stock movements	1	(1)	NM
Closing minor development units available	315	329	(4%)
Units to be converted	374	392	(5%)
Total minor development forecast to be sold	689	721	(4%)
Carrying value of units available for sale	\$80.1m	\$76.9m	4%
Average carrying value of units available for sale	\$254k	\$234k	9%

Minor Development – Further Information



Community	Total units	Sold under Freedom	% Sold under Freedom	Other movements	Units under refurbishment or available	Units to be converted	Total Minor developments forecast to be sold
Conversion Villages							
Edrington Park ¹	35	17	49%	-	1	17	18
Albany Creek ¹	83	30	36%	-	2	51	53
Cleveland Gardens ¹	66	21	32%	-	-	45	45
Fountain Court ¹	41	10	24%	-	14	17	31
Oak Tree Hill	47	9	19%	-	20	18	38
Concierge Balwyn	72	14	19%	-	22	36	58
Roseville	38	7	18%	-	12	19	31
Balwyn Manor	54	9	17%	-	31	14	45
Lisson Grove	39	6	15%	-	21	12	33
The George	111	17	15%	-	23	71	94
Kingston Green	40	5	13%	-	15	20	35
Concierge Bayside	86	5	6%	-	27	54	81
Original Freedom Villages²							
Freedom Banora Point ¹	15	11	-	-	4	-	4
Freedom Bendigo ¹	52	29	-	(1)	24	-	24
Freedom Bridge Street ¹	5	3	-	-	2	-	2
Freedom Coffs Harbour ¹	27	12	-	(1)	16	-	16
Freedom Dromana ¹	53	20	-	(3)	36	-	36
Freedom Geelong ¹	5	4	-	-	1	-	1
Freedom Launceston ¹	31	2	-	(1)	30	-	30
Freedom Morayfield ¹	10	8	-	-	2	-	2
Freedom Redland Bay ¹	9	-	-	7	2	-	2
Freedom Tamworth ¹	5	4	-	-	1	-	1
Freedom Tanah Merah ¹	1	-	-	-	1	-	1
Freedom Taylor Street ¹	16	8	-	-	8	-	8
Total	941	251	-	1	315	374	689

¹ Community valued on Freedom unit price and contract assumptions (see slide 16 and A24 for further detail).

² Excluding villages that are completed and sold.

Retirement – Investment Property Valuation



- No property price growth is assumed in the short term
- Long term property price growth has been revised downwards from 4.25% to 3.95% for year 5 onwards for the portfolio (excluding Freedom)
- Resident age, historical resident length of stay and resident entry age support current long term tenure assumptions
- Total portfolio real estate value steady at \$5.1b compared to FY18
- \$1.4b (FY18 \$1.3b) of embedded DMF/CG (amount paid to Aveo if all residents sold their units at balance date)

Assumptions and Portfolio Metrics		HY19	FY18
Discount rate		12.5%-15.25%	12.5%-15.25%
Future property price growth	Short Term	0%	3.5%
	Medium Term	3.5%-3.75%	3.5%-4%
	Long Term	3.5%-3.95%	3.5%-4.25%
Initial resident tenure – new units (years) ¹	ILUs	13.5	13.5
	SAs	5.5	5.5
Subsequent resident tenure (years) ¹	ILUs	10.5	10.5
	SAs	4.5	4.5
NPV of annuity streams		\$1,931.0m	\$1,991.9m
Current average resident length of stay (years)	ILUs	7.9	7.6
	SAs	4.4	4.1
Average resident length of stay on exited residents (years)	ILUs	9.1	9.9
	SAs	3.8	4.1
	Overall	7.0	7.8
Current average age of residents (years)	ILUs	82.4	82.2
	SAs	87.2	86.9
	Overall	83.3	83.0
Average age of resident entry – Last 12 months	ILUs	77.3	76.9
	SAs	83.7	84.1
	Overall	79.2	78.9
Average Unit Pricing	ILUs	\$482k	\$482k
	Freedom SAs	\$381k	\$380k
	Aveo SAs	\$201k	\$196k

Retirement – Investment Property Sensitivities



- Valuation sensitivities analysis on the key assumptions were conducted and outlined below
 - **Long term property price growth** depends on various factors including the age, location, quality of facilities, residential property market, etc. The valuation is sensitive to this assumption as the DMF and CG earned per resale is based on the forecast unit price
 - **Subsequent tenure** depends on the characteristics of new residents who replace existing residents. Increased tenure will decrease sales rates due to a reduced rate of units being made available while decreased tenure will have the reverse effect
 - **Discount rates** reflect a combination of portfolio investment characteristics and risks. As resident tenures can be relatively long, discount rates can have a strong impact on the valuation
 - **Unit prices** are set based on the current level of demand and vacancy at Aveo’s communities and are forecast based on the assumed property price growth rate. This impacts the forecast DMF and CG generated and in turn the valuation

Retirement Investment Property Annuity Stream Sensitivity					
Long term property price growth	+1.0%	+0.5%	3.50%-3.95%	(0.5%)	(1.0%)
Value of established portfolio	\$2,228m	\$2,062m	\$1,931m	\$1,809m	\$1,700m
Subsequent tenure – ILUs (years)¹	8.5	9.5	10.5	11.5	12.5
Value of established portfolio	\$2,080m	\$2,000m	\$1,931m	\$1,873m	\$1,822m
Discount rate	(1.0%)	(0.5%)	12.50%-15.25%	+0.5%	+1.0%
Value of established portfolio	\$2,167m	\$2,043m	\$1,931m	\$1,830m	\$1,738m
Market value of units (Change)	+5.0%	+2.5%	-	(2.5%)	(5.0%)
Value of established portfolio	\$2,069m	\$2,001m	\$1,931m	\$1,864m	\$1,801m

¹ Includes 0.5 years for time to resales after resident has exited.



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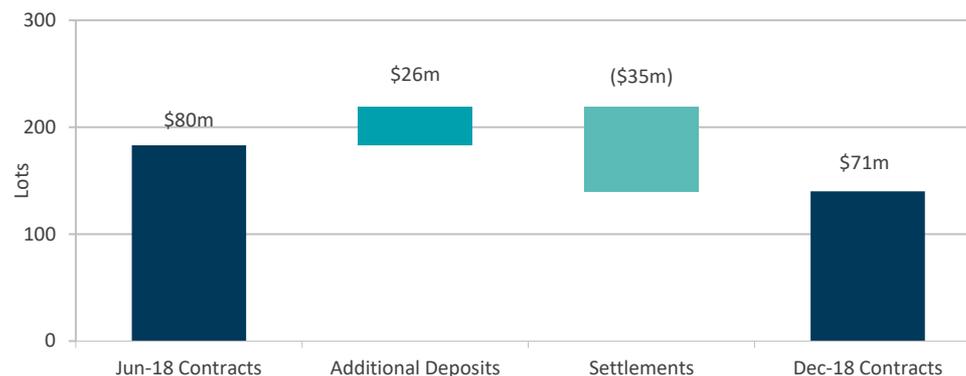
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Non-Retirement



- Deposits are strong with 140 on hand including two at Mackay Industrial Estate
- Land estates are expected to be largely sold by FY19, with final settlements in FY20
- Inventory balance of \$97m as at 31 December 2018¹

Deposit Flow



	Location	Remaining Lots at 31 Dec 2018	Pre Sold Lots	Available Lots ²	Percentage Pre Sold ³	HY19 Settlements	FY19 Target Settlements	Target Remaining Lots 30 Jun 2019	
Active Projects									
	Saltwater Coast, Point Cook	VIC	122	107	15	88%	19	121–141	0–20
	Peregian Springs and Ridges	QLD	124	22	102	18%	35	60–80	79–99
	The Rochedale Estates, Rochedale	QLD	61	9	52	15%	18	35–45	34–44
	Shearwater, Cowes	VIC	-	-	-	100%	6	-	-
	Mackay and Other	QLD	4	2	2	50%	1	4	1
	Total Active Projects		311	140	171	45%	79	220–270	114-164
Inactive Projects									
	Currumbin ⁴	QLD	348	-	348	-	-	-	-
	Total Projects		659	140	519	21%	79	220-270	114-164

¹ Carried at lower of cost or net realisable value.

² Includes unreleased stages.

³ Calculated as pre sold lots/remaining lots approx.

⁴ Currently to be sold on a englobo basis.



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Statutory Income Statement



	HY19 (\$m)	HY18 (\$m)	Change
Profit from continuing operations before income tax	(72.6)	149.3	(149%)
Income tax expense	25.5	(1.1)	NM
Profit after tax	(47.1)	148.2	(132%)
Non-controlling interest	2.4	1.1	118%
Net profit after tax attributable to stapled securityholders of the Group	(44.7)	149.3	(130%)

Reconciliation of Statutory Profit to Underlying Profit



	HY19			HY18		
	Gross (\$m)	Tax & NCI (\$m)	Net (\$m)	Gross (\$m)	Tax & NCI (\$m)	Net (\$m)
Statutory profit after tax and non-controlling interest			(44.7)			149.3
Retirement						
Change in fair value of retirement investment properties	86.9	(23.7)	63.2	(81.8)	12.3	(69.4)
Gain on acquisition of RVG	-	-	-	(1.5)	-	(1.5)
Other	(0.9)	0.4	(0.5)	7.6	0.6	8.2
Total Retirement	86.0	(23.2)	62.7	(75.7)	13.0	(62.8)
Non-Retirement						
Sale of Gasworks	(9.4)	2.8	(6.6)	-	-	-
Change in fair value of Non-Retirement investment properties	-	-	-	(32.2)	(18.2)	(50.4)
Other	-	-	-	0.3	(0.1)	0.2
Total Non-Retirement	(9.4)	2.8	(6.6)	(31.9)	(18.3)	(50.2)
Other	0.7	(0.2)	0.5	-	-	-
Underlying profit after tax and non-controlling interest			12.0			36.3

Reconciliation of Underlying Profit to Segment Notes



HY19 (\$m)	Underlying Profit (\$m)	Change in Fair Value of Retirement Investment Properties (\$m)	Change in Fair Value of Non-Retirement Investment Properties (\$m)	Other (\$m)	Statutory Result (\$m)
Retirement					
Established Business	24.4	(86.9)	-	0.9	(61.7)
Development	(9.7)	-	-	-	(9.7)
Care and Support Services	-	-	-	-	-
Total Retirement	14.7	(86.9)	-	0.9	(71.4)
Total Non-Retirement	7.9	-	9.4	-	17.3
Group marketing costs	-	-	-	-	-
Group overheads and incentive scheme	(7.0)	-	-	(0.7)	(7.7)
EBITDA	15.5	(86.9)	9.4	0.2	(61.9)
Depreciation and amortisation	(2.1)	-	-	-	(2.1)
EBIT	13.4	(86.9)	9.4	0.2	(64.0)
Interest and borrowing expense	(8.6)	-	-	-	(8.6)
Profit before tax	4.8	(86.9)	9.4	0.2	(72.6)
Income tax	7.1	21.4	(2.8)	(0.2)	25.5
Profit after tax	11.9	(65.5)	6.6	(0.1)	(47.1)
Non-controlling interests	0.1	2.3	-	-	2.4
NPAT attributable to Aveo Group	12.0	(63.2)	6.6	(0.1)	(44.7)

Statutory Profit and Loss by Consolidated Segment



	Retirement ¹	Non-Retirement	Other	Total HY19	Retirement	Non-Retirement	Other	Total HY18
	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)	(\$m)
Sale of goods revenue	-	33.7	-	33.7	-	85.7	-	85.7
Revenue from rendering of services	106.0	0.1	-	106.1	110.5	9.7	-	120.2
Other revenue	4.1	0.1	-	4.2	4.1	(0.4)	(1.6)	2.1
Cost of sales	(33.6)	(20.6)	-	(54.2)	(25.8)	(58.6)	-	(84.4)
Change in fair value of investment properties	(118.6)	9.5	-	(109.1)	128.6	32.2	-	160.8
Change in fair value of resident loans	12.6	-	-	12.6	(64.9)	-	-	(64.9)
Change in fair value of financial assets and financial liabilities	1.2	-	-	1.2	5.2	-	-	5.2
Employee expenses	(21.3)	-	(5.4)	(26.7)	(20.4)	-	(6.2)	(26.6)
Marketing expenses	(13.1)	(1.0)	-	(14.1)	(13.4)	(1.0)	(3.0)	(17.4)
Occupancy expenses	(1.1)	(0.1)	(0.9)	(2.1)	(0.3)	-	(1.1)	(1.4)
Property expenses	(0.1)	(0.1)	-	(0.2)	-	(1.8)	-	(1.8)
Administration expenses	(6.2)	-	(3.0)	(9.2)	(5.7)	-	(2.9)	(8.6)
Other expenses	(3.1)	(4.3)	1.0	(6.4)	(3.3)	(4.9)	2.8	(5.4)
Net gain on business combination	-	-	-	-	1.5	-	-	1.5
Finance costs	(3.7)	-	(4.9)	(8.6)	4.6	-	(7.9)	(3.3)
Impairment of equity accounted investments	-	-	-	-	(12.8)	-	-	(12.8)
Share of net gain of equity-accounted investments	0.2	-	-	0.2	0.4	-	-	0.4
Profit/(loss) from continuing operations before income tax	(76.7)	17.4	(13.2)	(72.6)	108.3	60.9	(19.9)	149.3
Income tax (expense)	-	-	25.5	25.5	-	-	(1.1)	(1.1)
Profit/(loss) for the period	(76.7)	17.4	12.3	(47.1)	108.3	60.9	(21.0)	148.2
Non-controlling interests	-	-	2.4	2.4	-	-	1.1	1.1
Net profit/(loss) attributable to stapled securityholders of the Group	(76.7)	17.4	14.6	(44.7)	108.3	60.9	(19.9)	149.3

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

Reconciliation of Retirement Segment Revenue to Segment Notes



	HY19 (\$m)	HY18 (\$m)	Change
Segment revenue			
Established Business	74.2	72.3	3%
Development	54.3	62.5	(13%)
Care and Support Services	25.5	18.4	39%
Total Retirement segment revenue	154.0	153.2	1%
Adjustments			
Established Business			
Sales revenue – buyback sales ¹	(27.9)	(25.9)	8%
Equity-accounted profits	-	(1.5)	NM
Deferred management fee – cash vs accrual	30.1	42.3	(29%)
US Seniors	7.5	6.9	9%
Other	0.8	2.3	(64%)
Development			
Development revenue ¹	(54.3)	(62.5)	169%
Care and Support Services			
Equity-accounted profits	(0.2)	(0.2)	-
Retirement revenue per segment note	110.1	114.6	(4%)

¹ Segment revenue for underlying profit includes profits that are reflected in the segment note as changes in fair value.

Interest Expense Reconciliation



	HY19 (\$m)	HY18 (\$m)	Change
Interest expense¹	17.1	12.5	37%
Less: Capitalised Interest			
Retirement			
Greenfield communities	(5.1)	(5.6)	(8%)
Brownfield communities	(0.7)	(0.4)	63%
Redevelopment	(1.8)	(1.7)	7%
Non-Retirement			
Residential communities	(0.6)	(1.3)	(50%)
Commercial	(0.2)	(0.2)	(10%)
Total capitalised interest¹	(8.4)	(9.2)	(8%)
Net finance costs	8.6	3.3	162%
Add: Capitalised interest expenses in COGS			
Retirement	1.0	0.3	217%
Residential communities	3.9	14.7	(74%)
Residential apartments	0.2	-	NM
Total capitalised interest in COGS	5.0	15.0	(66%)
Finance costs including capitalised interest expensed in COGS	13.7	18.4	(26%)

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

Income Tax Reconciliation



	HY19 (\$m)	HY18 (\$m)	Change
Statutory profit/(loss) from continuing operations before tax	(72.6)	149.3	NM
Less: Aveo Group Trust Contribution ¹	(19.9)	(15.4)	29%
Corporation profit/(loss) before tax	(92.5)	133.9	NM
Add/(less):			
Temporal differences from unrealised capital losses arising during the period not recognised	15.5	-	NM
Non-assessable loss/(gain) on business combination	-	5.2	NM
Benefit of previously unrecognised temporal differences utilised during the period	(8.4)	(62.5)	(87%)
Benefit of previously unrecognised tax losses on capital account utilised during the period	-	(92.0)	NM
Impairment of equity-accounted investment	-	12.8	NM
Other non-deductible items (net of non-assessable items)	0.3	6.4	(95%)
Corporation adjusted taxable profit/(loss)	(85.1)	3.8	NM
Tax expense	(25.5)	1.1	NM
Statutory effective tax rate ²	35%	1%	34%
Underlying profit before tax	4.8	41.7	(89%)
Income tax expense	(7.1)	5.3	NM
Underlying effective tax rate	NM	13%	NM

¹ Excluding change in fair value of available for sale financial assets eliminated on consolidation.

² Calculated as adjusted tax expense or benefit divided by statutory profit/(loss) before tax.

Management Expenses



Management Expenses ¹ by Category	HY19 (\$m)	HY18 (\$m)	Change
Employee expenses ²	23.6	23.7	(0%)
Occupancy expenses	1.0	1.2	(18%)
Administration expenses	8.0	7.5	7%
Other expenses	0.9	1.1	(22%)
Total	33.5	33.5	(0%)
Divisional expenses	26.4	26.1	1%
Corporate expenses	7.0	7.4	(5%)
Total	33.5	33.5	(0%)

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

² Excludes costs funded by residents through community budgets.



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Summary Statutory Balance Sheet



	HY19 (\$m)	FY18 (\$m)	Change
Assets			
Retirement			
Investment properties (refer A41)	6,262.7	6,158.9	2%
Assets held for sale	4.1	-	NM
Property, plant and equipment	137.1	135.2	1%
Intangibles	4.6	4.8	(4%)
Total Retirement	6,408.5	6,298.9	2%
Non-Retirement			
Inventories (refer A42)	97.2	95.2	2%
Property, plant and equipment	3.3	3.3	(1%)
Total Non-Retirement	100.5	98.5	2%
Cash/receivables/other	206.8	318.2	(35%)
Total assets	6,715.7	6,715.6	0%
Liabilities			
Resident loans and retirement deferred revenue	3,332.1	3,227.4	3%
Interest bearing liabilities	751.4	687.7	9%
Deferred tax	173.4	198.8	(13%)
Other liabilities (including payables, provisions, deferred revenue)	207.3	303.6	(32%)
Total liabilities	4,464.2	4,417.5	1%
Net assets	2,251.5	2,298.1	(2%)
NTA per stapled security (\$)	3.83	3.92	(2%)

Management Balance Sheet



	%	HY19 (\$m)	%	FY18 (\$m)	Change
Assets					
Retirement					
Retirement investment properties ¹		2,875.6		2,876.8	(0%)
Assets held for sale		4.1		-	NM
Property, plant, equipment and intangibles		141.7		140.0	1%
Total Retirement (refer A40)	97%	3,021.4	97%	3,016.8	0%
Non-Retirement					
Inventories – Commercial		27.9		26.3	6%
Inventories – Residential communities		69.3		68.9	1%
Property, plant, equipment and intangibles		3.3		3.3	(1%)
Total Non-Retirement	3%	100.5	3%	98.5	2%
Total Divisional Assets	100%	3,121.8	100%	3,115.3	0%
Other assets (including cash and trade receivables)		206.8		318.2	(35%)
Total assets		3,328.6		3,433.5	(3%)
Liabilities					
Interest bearing liabilities		751.4		687.7	9%
Deferred tax liabilities		173.4		198.8	(13%)
Other liabilities (including payables, and provisions)		152.2		248.9	(39%)
Total liabilities		1,077.0		1,135.4	(5%)
Net assets		2,251.5		2,298.1	(2%)

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

Retirement Management Balance Sheet



	HY19 (\$m)	FY18 (\$m)	Change
Established Business			
NPV of annuity streams	1,931.3	1,991.9	(3%)
US Seniors	56.1	57.5	(2%)
Assets held for sale	4.1	-	NM
Buyback units (operating)	140.4	118.6	18%
Total Established Business	2,131.9	2,168.0	(2%)
Development			
Major development units			
Investment property under construction	323.0	285.1	13%
New units available for first occupancy	344.7	346.8	(1%)
Total Major Development	667.7	631.9	6%
Minor development units			
Freedom conversion development units	65.3	62.4	5%
Freedom original development units ¹	14.8	14.5	2%
Total Minor Development	80.1	76.9	4%
Total Development	747.8	708.8	6%
Care and Support Services			
Property, plant, equipment and intangibles	141.7	140.0	1%
Total Retirement assets	3,021.4	3,016.8	0%

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

Investment Property Summary



	HY19 (\$m)	FY18 (\$m)	Change
Retirement			
NPV of annuity streams	1,931.3	1,991.9	(3%)
Investment properties under construction	323.0	285.1	13%
New units available for first occupancy	344.7	346.8	(1%)
Operating buyback units	140.4	118.6	18%
Freedom Minor Developments			
Conversion development units	65.3	62.4	5%
Original development units	14.8	14.5	2%
Total Freedom Minor Developments	80.1	76.9	4%
Retirement (domestic) net valuation	2,819.5	2,819.3	0%
Resident loans	3,032.9	2,960.6	2%
Deferred income	299.1	266.8	12%
Deferred payment for development land	55.1	54.7	1%
US Seniors	56.1	57.5	(2%)
Total Retirement Investment property	6,262.7	6,158.9	2%
Total investment properties per balance sheet	6,262.7	6,158.9	2%

Non-Retirement Inventories Summary



	HY19 (\$m)	FY18 (\$m)	Change
Inventories			
Residential communities ¹	69.3	68.9	1%
Commercial ²	27.9	26.3	6%
Total Inventories	97.2	95.2	2%

¹ HY19 includes Point Cook, Rochedale, Peregian Springs, Ridges and Currumbin.

² HY19 includes Albion and Mackay.

Movement in Net Tangible Assets per Security



	Net Tangible Assets (\$m)	No. of Securities (m)	NTA per Security (\$)
As at 30 June 2018	2,261.5	577.0	3.92
Statutory net profit	(44.7)	-	(0.08)
Other comprehensive income	(0.9)	-	-
Movements in intangible assets ¹	0.2	-	-
Movements in reserves ²	(3.0)	-	(0.01)
On-market buyback of securities	(0.2)	(0.1)	-
Equity settled employee benefits	4.6	1.4	0.01
As at 31 December 2018	2,217.5	578.3	3.83

¹ Principally software licences.

² Acquisition of non-controlling interests and equity settled employee benefits.



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Funds from Operations and Adjusted Funds from Operations

	HY19 (\$m)	HY18 (\$m)	Change
Underlying profit after tax	12.0	36.3	(67%)
Major Development			
Profit recognised on delivery	(6.8)	(7.5)	(8%)
Profit that would be recognised on settlement	4.7	9.0	(48%)
Profit adjusted on settled basis	(2.2)	1.6	NM
Tax impact	0.7	(0.5)	NM
Adjusted underlying profit after tax	10.5	37.5	(72%)
Other Adjustments:			
Profit from equity-accounted investments	(0.2)	(0.1)	63%
Depreciation	2.1	1.4	49%
Capitalised interest	(8.4)	(9.2)	(8%)
Capitalised interest Included in COGS	5.0	15.0	(66%)
Amortisation of leasing incentives	-	1.0	NM
Deferred income tax expense	(7.8)	5.3	NM
Funds From Operations (FFO)¹	1.3	50.9	(98%)
Retirement capex	(5.8)	(7.0)	(18%)
Community facility capex	(0.0)	(2.0)	NM
Non-Retirement leasing commissions, tenant incentives and maintenance capital expenditure	-	(0.9)	NM
Adjusted Funds From Operations (AFFO)¹	(4.5)	40.9	NM

¹ FFO and AFFO reflect Property Council of Australia guidelines.

Distributions

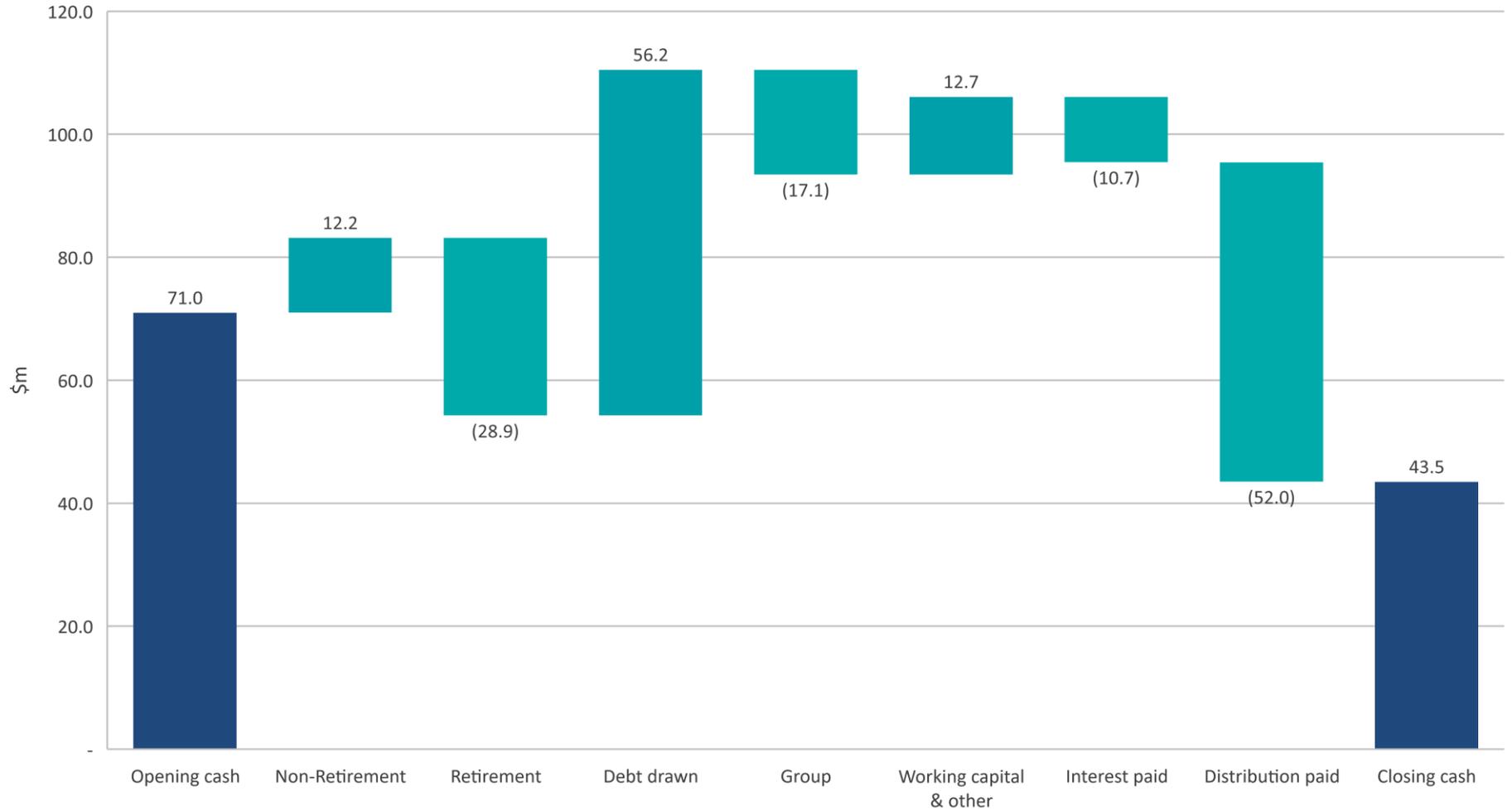


- Consistent with prior periods, no distribution was declared at HY18
- FY19 targeting full year distribution amount based on 40%-60% of FY19 underlying profit payout range (Board may adjust payout range for securities bought back during the period)

	HY19 (\$m)	HY18 (\$m)	Change
Underlying Profit After Tax	12.0	36.3	(67%)
Funds from operations ¹	1.3	50.9	(98%)
Adjusted funds from operations ¹	(4.5)	40.9	(111%)
Distribution declared	-	-	NM
Distribution as a % of UPAT	-	-	NM
Distribution as a % of FFO	-	-	NM
Distribution as a % of AFFO	-	-	NM

¹ FFO and AFFO reflect Property Council of Australia guidelines.

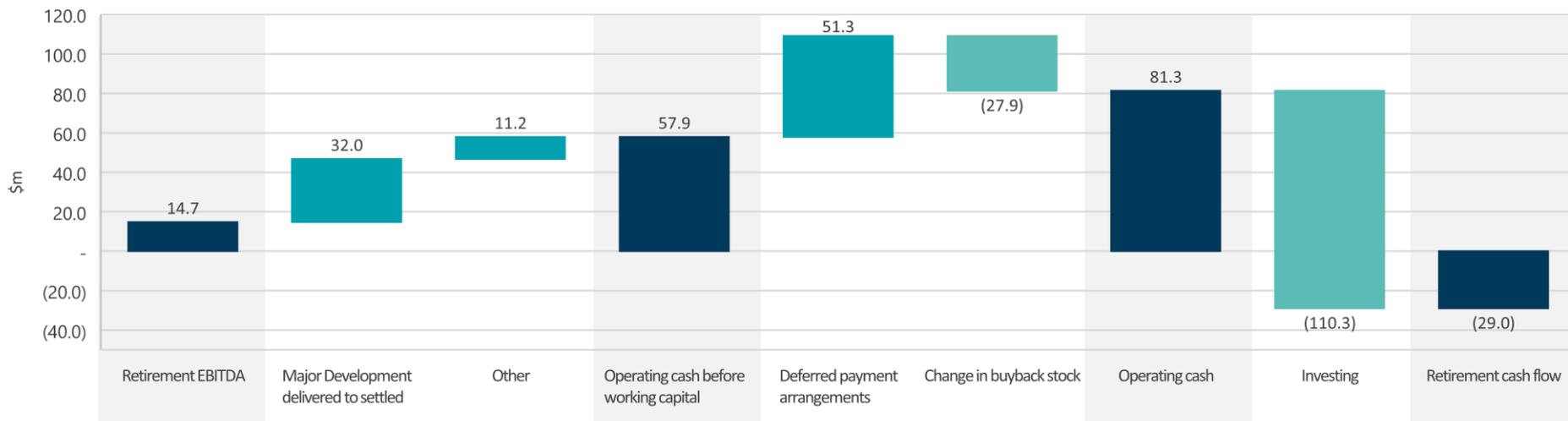
Cash Flow Reconciliation



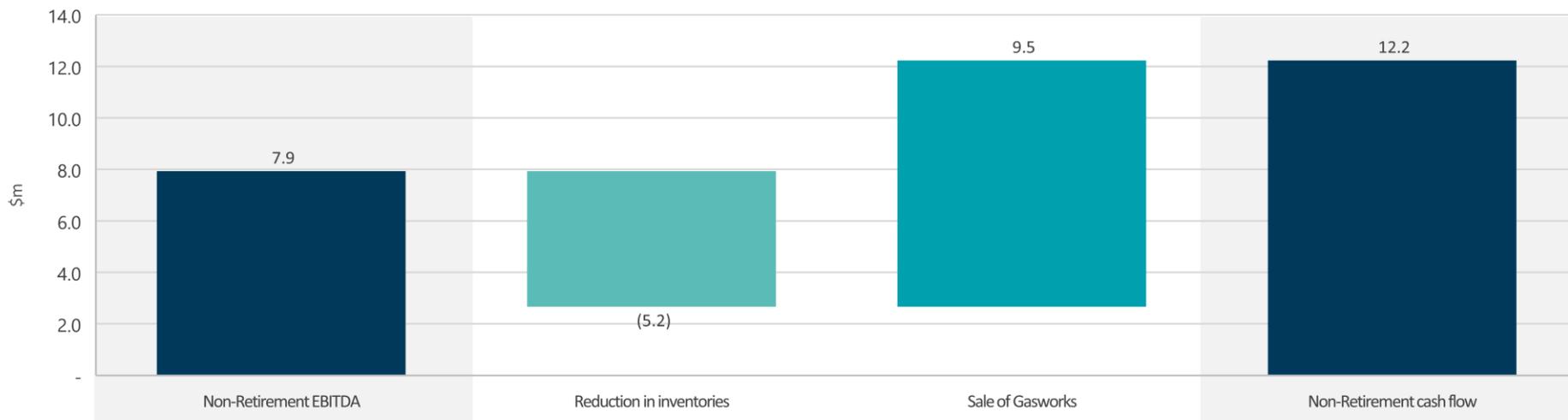
Divisional Cash Flow Reconciliations



Retirement EBITDA to Cash Flow



Non-Retirement EBITDA to Cash Flow



Financial Covenants



- All financial covenants met

Covenant		HY19	Required
Aveo Group Syndicated Facility			
EBITDA to interest expense of the consolidated group (12 months rolling)	Group ICR	4.0x	≥ 2.0x
Total assets less cash and resident loans / net debt	Group Gearing Ratio	19.7%	≤ 30%
Established Business, Care and Support Services and unallocated overheads to interest expense (12 months rolling)	Retirement ICR (Core)¹	2.6x	≥ 2.0x
Drawn debt less cash / retirement valuation and non-retirement valuation	LVR	25.7%	≤ 30%
Aveo Healthcare Facility			
Total assets less cash and resident loans / Bank debt less cash	Gearing Ratio	25.5%	≤ 30%
EBIT (adjusted for fair value of assets and resident loans) / Finance Charges	ICR	3.1x	≥ 2.0x

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.

Summary of Debt Facilities



Summary of Debt Facilities	Facility Limit (\$m)	Maturity (\$m)	Maturity Date	Maturity (\$m)	Maturity Date
Aveo Group Syndicated Facility	600.0	600.0	Jul 2021	-	-
US Seniors	34.6	34.6	Nov 2027	-	-
Aveo Healthcare Facility	156.7	56.7	Dec 2019	100.0	Mar 2020
Total Facilities	791.3				
Drawn	757.6				
% Drawn	96%				

Note: All shown as AUD.



Section i.	Sector Information
Section ii.	Strategy
Section iii.	Retirement Information
Section iv.	Non-Retirement Information
Section v.	Profit and Loss

Section vi.	Balance Sheet
Section vii.	Capital Management
Section viii.	Other Information

Financial Summary



	HY19	FY18	FY17	FY16	FY15	FY14
Financial Metrics						
Net profit/(loss) attributable to securityholders	(\$44.7m)	\$365.1m	\$252.8m	\$116.0m	\$58.0m	\$26.1m
Underlying net profit after tax ¹	\$12.0m	\$127.2m	\$108.4m	\$89.0m	\$54.7m	\$42.1m
Total assets	\$6,715.7m	\$6,715.6m	\$5,955.1m	\$4,094.5m	\$3,392.8m	\$3,269.8m
Total debt	\$751.4m	\$687.7m	\$573.1m	\$462.0m	\$359.5m	\$344.6m
Total equity	\$2,251.5m	\$2,298.1m	\$1,978.7m	\$1,660.4m	\$1,505.6m	\$1,429.5m
Reported gearing ²	19.7%	16.8%	16.9%	17.4%	13.8%	15.8%
Market capitalisation	\$925.3m	\$1,402.1m	\$1,604.9m	\$1,715.3m	\$1,326.7m	\$1,030.2m
Security price at period end	\$1.60	\$2.43	\$2.78	\$3.17	\$2.58	\$2.06
Reported earnings per security	(7.7cps)	63.3cps	44.2cps	22.1cps	11.6cps	5.9cps
Underlying earnings per security	2.1cps	22.0cps	18.9cps	17.0cps	10.9cps	9.5cps
Dividends and distributions paid	-	\$51.9m	\$52.0m	\$43.5m	\$25.8m	\$20.0m
Dividends and distributions per security	-	9.0cps	9.0cps	8.0cps	5.0cps	4.0cps
Net tangible assets per security	\$3.83	\$3.92	\$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.

FY19 Calendar



Date	Event	Location
13 February	HY19 Results Announcement @ 10:30am	Sydney
14-15 February	Private Roadshow	Sydney
18-19 February	Private Roadshow	Melbourne
14 August	FY19 Results Announcement @ 10:30am	Sydney

Term and Definition		
A	▪ A	Relevant page in Annexure
	▪ ACFI	Aged Care Funding Instrument
	▪ AFFO	Adjusted Funds from Operations
	▪ AICD	Australian Institute of Company Directors
	▪ Average margin	Ratio of gross profit to revenue
	▪ Aveo Way contracts	Suite of three contracts – Aveo Essentials, Aveo Way and Aveo Certainty
B	▪ BBSY	Bank Bill Swap Bid Rate
C	▪ COGS	Cost of Goods Sold
	▪ CPS	Cents Per Security
D	▪ Deposits on Hand	Number of deposits held for contracts yet to settle
	▪ Development Density (Low)	Detached or semi-detached broad-acre development
	▪ Development Density (Med)	Apartment (up to three floors) development
	▪ Development Density (High)	Apartment (over three floors) development
	▪ DMF	Deferred Management Fee
	▪ DMF/CG	Deferred Management Fee / Capital Gains
E	▪ EBIT	Earnings Before Interest and Taxes
	▪ EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
	▪ EPS	Earnings Per Security
	▪ Established Business	Existing revenue generating retirement communities
F	▪ Freedom	Freedom Aged Care
	▪ FFO	Funds From Operations
G	▪ Gross Profit	Revenue less cost of goods sold
I	▪ ICR	Interest Cover Ratio
	▪ ILUs	Independent Living Unit
	▪ Internal transfer	Transfer of an existing resident from one Aveo unit to another
L	▪ Long term	Five years plus
	▪ LVR	Loan to value ratio

Term and Definition		
M	▪ 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
N	▪ NCI	Non-controlling interest
	▪ NM	Not Meaningful
	▪ NPAT	Net Profit After Tax
	▪ NTA	Net Tangible Assets
O	▪ Occupancy	Ratio of units occupied to units available for occupancy
	▪ Operating buyback purchases	Units that are bought back by Aveo from exiting retirement residents
R	▪ 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
	▪ Retirement Development	Inclusive of Major and Minor Developments
S	▪ RVG	Retirement Villages Group
	▪ SA	Serviced Apartment
	▪ Settlement sales rate	Sum of unit resales and buyback sales divided by total available units
	▪ Short Term	One year
U	▪ STI/LTI	Short term incentive / Long term incentive
	▪ UPAT	Underlying Profit After Tax
W	▪ Written sales rate	Sum of all deposits taken for the period divided by total available units



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