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## Aveo increases its holding in the Retirement Villages Group fund from 23.3% to 38.7%.

Australia's leading owner, operator and manager of retirement communities, Aveo Group Limited (ASX: AOG) today announced it has increased its holding in the Retirement Villages Group (RVG) fund from 23.3% to 38.7%.

RVG comprises 29 retirement villages across greater Melbourne and Sydney with a total of 3,436 independent living units and serviced apartments. RVG has no balance sheet debt and \$60 million of cash on deposit. Aveo Group is the fund and asset manager of RVG.

Aveo acquired the 15.4% stake at a price of 24.75 cents per security, representing a 12% discount to RVG's NTA per security at 31 December 2014. The transaction is expected to be earnings per security neutral in FY16. The total transaction value was \$55.8 million, which was funded via a cash payment of \$10.9 million and \$44.9 million of Aveo securities issued to the exiting RVG investors. The portion of the transaction that was cash funded represented 19.6% of the total transaction value which is consistent with the Board's target gearing range of 10% - 20%.

Aveo CEO Geoff Grady said: "RVG is a quality portfolio that we know well and have a long-standing commitment to. Increasing our stake in it is entirely consistent with our strategy to opportunistically expand our total retirement footprint across Australia."

### END

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#### About Aveo

"We will grow with older Australians by inspiring greater living choices."

Aveo is a leading and trusted owner, operator and manager of retirement communities across Australia. Aveo's philosophy is underpinned by a commitment to grow with older Australians by inspiring greater living choices. We currently do so for 12,000 residents in 75 retirement villages across Australia. Aveo also manages and develops a diversified \$575 million property portfolio. Over 30 years, Aveo's portfolio has grown to one that encompasses retirement, residential, commercial, industrial and mixed-use property assets. Together these communities define how hundreds of thousands of people in Australia live, work, retire and invest.

Issued by Aveo Group (ASX:AOG) comprising Aveo Group Limited ABN 28 010 729 950 and Aveo Funds Management Limited ABN 17 089 800 082, AFSL No. 222273 as Responsible Entity for the Aveo Group Trust ARSN 099 648 754.

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