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ASX & MEDIA RELEASE

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AEVUM SETTLES SWANSEA ACQUISITION, CLOSES IN EARLY ON GROWTH TARGET

Aevum Limited (ASX Code: AVE) is positioned to reach its five year expansion target earlier than expected with the settlement today of the December 2006 acquisition of "The Village - Swansea", on the NSW Central Coast.

The \$15.5 million dollar acquisition of the mature village development comprising 133 independent living units was funded through existing cash reserves and committed debt facilities and is immediately earnings accretive.

Aevum chief executive officer, Mr Simon Owen, said "The Village - Swansea" purchase meant the company was within striking distance of achieving its growth target of 2000 units by 2009.

"Since listing in November 2004, Aevum has grown from three Sydney villages comprising 584 units to fifteen villages in NSW and Western Australia with 1737 units," Mr Owen said.

"We also have development approvals for the construction of an additional 169 units.

"Throughout our growth phase we have maintained our financial discipline and each acquisition has been immediately earnings accretive.

"Over the past two years we have achieved scale in a consolidating sector and enhanced our brand as a provider of quality retirement living accommodation and services to Australian seniors," Mr Owen added.

Mr Owen said Aevum was now the largest "for profit" retirement living provider in NSW and remained on target to achieve forecast earnings per share growth of 10 to 15 per cent in the current financial year.

ISSUED FOR : AEVUM LIMITED

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Aevum's portfolio of 15 villages

Metropolitan Sydney

- Cardinal Freeman Village, Ashfield, Sydney: 145 units, 49 apartments, 119 aged care beds with development approval for another 36 units
- Lourdes Village, Killara, Sydney: 108 units, 56 apartments and 83 aged care beds
- Castleridge Resort, Castle Hill, Sydney: 113 units
- Bexley Gardens Village, Bexley, Sydney: 22 units

Central Coast, NSW

- The Village - Swansea, Swansea: 133 units

Mid North Coast, NSW

- Lincoln Gardens, Port Macquarie: 54 units
- Bellevue Gardens, Port Macquarie: 131 units and 44 apartments
- Parklands Village, Port Macquarie: 113 units and 31 apartments
- Queens Lake Village, Laurieton: 124 units
- Golden Ponds, Forster: 150 units with development approval for additional 42 units

Southern Highlands, NSW

- Macquarie Grove Village, Tahmoor: 42 units
- Waratah Highlands Village, Bargo: 77 units with development approval for additional 91 units

Western Australia

- Murray River Village, Mandurah, WA: 37 units
- Halls Head Gardens, Mandurah, WA: 46 units
- Leschenault Village, Bunbury, WA: 38 units

Background on Aevum

After 136 years as the Hibernian Friendly Society, the organisation de-mutualised in September 2002, changing its name to Aevum, a Latin term encompassing "age" and "life" before listing on the ASX in November 2004.

Aevum operates on a resident funded loan-licence business model offering a continuum of care from independent living through to serviced apartments, assisted living hostels, nursing homes and respite care to the middle and middle-upper end of the market in highly sought after retirement locations.

Aevum reported a \$13.4 million net profit for the financial year ended 30 June 2006, and paid a full year unfranked dividend of 7.5 cents per share. The board of directors of Aevum comprises the non-executive chairman Mr Graham Lenzner, and non-executive directors, Messrs Allen Kavanagh, Richard Gould and Ms Melanie Willis.