



Aevum Limited
L6, 23-25 O'Connell Street
SYDNEY NSW 2000
T: 02 8223 0900
F: 02 9222 9717

ASX & MEDIA RELEASE

28 MAY 2007

AEVUM ACQUIRES LARGE SYDNEY RETIREMENT VILLAGE

Retirement living company, Aevum Limited (ASX Code: AVE), has exchanged contracts with the Salvation Army to acquire the management rights to and certain land and stock of *The Willows* Retirement village located in Northmead, Sydney for \$16.8 million plus costs and adjustments for stock.

The Willows is a mature strata village, built between 1989 and 1993, comprising 148 Independent Living Units and 48 Serviced Apartments set on 5.6 hectares (13.9 acres) of land. A sizeable portion of the land is serviced but undeveloped with the potential to construct more than 80 additional units (subject to council approval).

The typical contract structure entitles the operator to a deferred management fee calculated on the market (exit) price of the Independent Living Unit or Serviced Apartment.

The acquisition will be funded through existing cash reserves and is immediately earnings accretive. Settlement is scheduled for late June 2007.

Acquisition of The Willows continues Aevum's strategy of focussing on single village transactions which deliver strong recurring earnings. It also further entrenches Aevum's position as the largest "for profit" retirement living provider in NSW.

Aevum chief executive officer, Mr Simon Owen, said the acquisition of "The Willows" met every operational and strategic criterion.

"The Willows is one of the largest villages in the Sydney metropolitan area. It is located in Sydney's North West growth corridor approximately 20 minutes from the Sydney CBD. It is also less than 10 minutes north of Parramatta, which is widely recognised as the geographic centre and second CBD of Sydney." Mr Owen said.

"This is a large-scale village with significant development potential in an attractive retiree location and close to transport, major shopping centres and health facilities.

Aevum already owns four villages in Sydney, and this acquisition will provide additional operational efficiencies and increased pricing power in the region.

"Willows is a further demonstration of the value to be obtained in focussing on off-market single village acquisitions" Mr Owen added.

The Director Aged Care Services for the Salvation Army, Major Cecil Woodward, said the decision to sell the Willows village was not an easy one and involved many considerations other than just price.

“It was absolutely non-negotiable for us that the incoming purchaser had a demonstratable track record in the operation of retirement villages and in placing a high priority on the interests of its residents,” Major Woodward said.

“We visited Aevum’s Cardinal Freeman Village, in Ashfield, during the sale process and took great comfort from their commitment to the care and amenity of residents,” Major Woodward said.

Aevum would like to acknowledge Mr Mervyn Holland and the Salvation Army advisers for the professional approach demonstrated throughout the due diligence period and the negotiation of contractual terms.

Following recent acquisitions, including Camden View Village and The Willows, Aevum now owns and operates 17 villages comprising 1,785 ILU’s and Serviced Apartments and 202 Aged Care beds. Aevum also has development consent for expansion and redevelopment of 169 ILU’s at existing villages including 36 recently approved at the Cardinal Freeman village in Ashfield, Sydney.

Table 1: Aevum’s cluster of villages in Sydney.



Aevum’s portfolio of 17 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

- The Willows Retirement Village, Northmead, 148 units, 48 apartments with development opportunity for a further 80 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
- Camden View Village, Laurieton: 54 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

ISSUED FOR : AEVUM LIMITED

FOR FURTHER INFORMATION : MR SIMON OWEN, CHIEF EXECUTIVE OFFICER, AEVUM LIMITED, TEL: (02) 8223 0900

**ISSUED BY : WESTBROOK COMMUNICATIONS,
CONTACT: DAVID REID, TEL: (02) 9231 0922 OR 0417 217 157**