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ASX & MEDIA RELEASE

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AEVUM ACQUIRES VILLAGE COMPLEX IN PERTH

Retirement living company, Aevum Limited (ASX Code: AVE) has exchanged contracts to acquire two adjoining retirement villages in Perth from the Multiple Sclerosis Society ("MS Society") for \$5.75 million.

The River Parks and River Pines Retirement Villages ("River Villages") are located in the suburb of Wilson, approximately 9kms from Perth CBD and are adjacent to the Canning River and open parkland.

The River Villages are mature facilities consisting of 67 Independent Living Units. Developed in several stages over the past 14 years, the villages offer a mixture of two-bedroom villas and units at various price points as well as large communal facilities and under cover car parking.

The typical contract structure entitles the operator to a deferred management fee calculated on the entry price of the Independent Living Unit plus a share of the capital gain upon departure.

The acquisition, Aevum's fourth since the beginning of May 2007, will be funded through existing cash reserves and a committed debt facility with Westpac and is immediately earnings accretive.

The purchase of the River Villages continues Aevum's strategy of focussing on bolt-on acquisitions which deliver strong recurring earnings.

Following the recent acquisitions of Camden View Village, in Laurieton, NSW and The Willows and Maybrook Manor, both in suburban Sydney, Aevum now owns and operates 19 villages comprising 1,943 ILU's and Serviced Apartments and 202 Aged Care beds. Aevum also has an identified development pipeline of over 400 ILU's across its existing portfolio including approved DA's for 169 ILU's.

Aevum chief executive officer, Mr Simon Owen, said the acquisition of the "River Villages" represents a well priced opportunity for Aevum to further strengthen its position in the Western Australian market and obtain a quality facility within the Perth Metropolitan area.

"Aevum already owns three villages in Western Australia, and this acquisition will ensure additional operational efficiencies and an increased presence in the region", Mr Owen said.

The chief executive officer of the MS Society of Western Australia, Marcus Stafford said the decision to sell the River villages was not an easy one and involved many considerations other than just price.

“It was important for the MS Society that the prospective purchaser had a proven track record in the operation of retirement villages and a commitment to looking after the welfare of our residents,” Mr Stafford said.

“Our due diligence enquiries of Aevum and our meetings with their management gave us the confidence that we were dealing with a reputable company committed to the care and amenity of residents”.

Aevum anticipates that the transaction will settle in mid August.

Aevum's portfolio of 19 villages

Metropolitan Sydney

- Cardinal Freeman Village, Ashfield, Sydney: 169 units, 49 apartments, 119 aged care beds with development approval for another 36 units
- Lourdes Village, Killara, Sydney: 108 units, 54 apartments and 83 aged care beds
- Castleridge Resort, Castle Hill, Sydney: 113 units
- Bexley Gardens Village, Bexley, Sydney: 22 units
- The Willows Retirement Village, Winston Hills, 141 units, 48 apartments with the opportunity to develop a further 80 units.
- Maybrook Manor Retirement Village, Cromer, 98 units with the opportunity to develop a further 19 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
- River Parks & Pines Villages, Wilson, WA: 67 units

ISSUED FOR : AEVUM LIMITED

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