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TO ASX AND MEDIA**

10 May 2010

Company Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Upgraded Financial Year 2010 guidance

Aevum confirms the successful integration of IOR Group

On 29 January 2010 Aevum completed the merger with IOR Group Limited (IOR), following 99% support from IOR shareholders for the scheme of arrangement. The merger represented a major milestone for Aevum expanding the business to a national platform across five states, with a 44% increase in retirement living units to 3,100 and an 80% increase in Aged Care to 367 beds. Aevum is now one of the largest pure retirement living and aged care companies listed on the ASX.

We have now completed the integration of the IOR business into the Aevum management platform, three months after the merger and well ahead of our schedule. Synergy benefits of \$4m were forecast for the merger and this has largely been achieved by the removal of duplicated costs, with the consolidation of the IOR head office to Sydney.

Aevum Managing Director, Steve Mann, said that the merger with IOR has provided significant strategic benefits to the business, including management synergies, larger capital base, reduced gearing and an enhanced development pipeline.

"I want to thank the Village residents and IOR staff for their continued support through this transition. We are impressed with the quality of the village communities, which have been fostered by residents and management over many years and we see potential to add value through Aevum's national platform and management expertise."

Upgraded Financial Year 2010 guidance

At our half year results we increased our operating cash flow guidance to \$24.4m, 15% above Financial Year 2009. Our guidance had regard to the improving cash flow coming from the Aevum business and was based on the conservative assumption that the IOR business, during transition would mitigate the integration costs to be expensed of approximately \$3m.

We are now pleased to advise that the Aevum business together with the IOR villages are outperforming this forecast and the Directors provide upgraded guidance for Financial Year 2010 as follows:

- Operating cash flow of \$27m to \$29m, compared with \$21.2m for FY2009 (previous FY2010 guidance of \$24.4m)
- Net Profit after tax of \$14m to \$16m, compared with a loss of \$12.2m for FY 2009 (no previous FY2010 guidance)

- Final dividend of 3 cents and a total of 5 cents for FY2010, compared with 4 cents for FY2009 (no previous FY2010 guidance).

The guidance assumes there is no material deterioration in existing economic conditions during the balance of the financial year and the Director's note that 'Acquisition Accounting' for the merger with IOR Group has not yet been completed.

Summary

Aevum has taken another strong step towards our vision as a leader in the retirement living sector, with the successful merger and integration of the eight villages within the IOR Group, to form a national portfolio. We are now well placed to benefit from the continued consolidation expected within the retirement living sector in Australia.

About Aevum Limited

Aevum Limited is a long established owner, operator and developer of retirement villages and aged care facilities. Today it manages 29 facilities across NSW, Victoria, Queensland, South Australia and Western Australia providing retirement accommodation and services to over 3,100 units, for Australian seniors. Aevum also has four aged care facilities with 367 beds. Aevum employs over 600 dedicated and committed staff.

Contact:

Steve Mann, Managing Director
Telephone: 02 8223 0900
Email: smann@aevum.com.au

Issued by:

Peter Homan, Company Secretary
Telephone: 02 8223 0900
Email: phoman@aevum.com.au