



## FOR IMMEDIATE RELEASE TO ASX AND MEDIA

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Company Announcements Office  
Australian Securities Exchange  
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Sydney NSW 2000

### **Aevum Target's Statement Supports Rejection of Stockland's Inadequate Offer**

Aevum Limited today issued its Target's Statement advising shareholders to reject the inadequate, opportunistic and unsolicited takeover offer from Stockland Corporation Limited ("Stockland").

Aevum's Chairman, Mr Graham Lenzner, said:

"Aevum is one of the largest pure retirement companies listed on the ASX and it has a strong independent future. Stockland's offer fails to reflect the underlying value of the business or the strategic benefits that Aevum could deliver to Stockland.

"The Target's Statement includes a number of key value metrics which strongly support the Board's view that Stockland's \$1.50 per share offer significantly undervalues Aevum. In particular, the Independent Expert's midpoint valuation is \$2.07 per share, the average broker valuation of Aevum is \$2.05 per share and Aevum's NTA is \$2.02 per share. These valuations are respectively 38%, 37% and 35% above Stockland's \$1.50 per share offer."

The Target's Statement also sets out seven key reasons why Aevum shareholders should REJECT Stockland's Offer:

1. Stockland's Offer is substantially inadequate and significantly undervalues Aevum
2. The Independent Expert, Lonergan Edwards & Associates Limited, has concluded Stockland's Offer is neither fair nor reasonable
3. Aevum is one of Australia's leading retirement sector companies
4. Aevum has a strong platform in the growing retirement sector and is well placed to deliver future growth and enhance shareholder value
5. The timing of Stockland's Offer is highly opportunistic
6. Aevum's Directors consider that Stockland's Offer does not adequately reflect the strategic value Aevum can deliver
7. Stockland's offer is conditional and uncertain

In declaring Stockland's offer as neither fair nor reasonable, the Independent Expert noted that "the Offer consideration of \$1.50 per share is significantly lower than our assessed valuation range for Aevum shares".

The Independent Expert stated that it "expect[s] that Stockland will be able to generate significant synergies as a result of acquiring 100% of Aevum" but that "Aevum shareholders are not being offered an appropriate share of the expected synergies".

The Independent Expert also noted that, subsequent to the announcement of Stockland's offer, Aevum had released updated information on the future operating performance and projected cash flows of Aevum which was likely to have a positive impact on shareholder and investor / analysts views on the Company.

Aevum's Managing Director, Mr Steve Mann, said:

"Aevum has delivered strong FY10 results and is forecasting a significant increase in operating cash flow for FY11. We expect to continue to reinvest in the business, for example through development and refurbishments which will drive growth in the medium and long term."

Mr Lenzner concluded:

"Aevum's Board is driven at all times by a commitment to maximising Aevum's shareholder value. We continue to believe it is in the best interests of Aevum shareholders to reject Stockland's offer and therefore encourage shareholders to take no action."

As of 3 September, two weeks after Stockland's offer opened, Stockland has only received acceptances representing 0.12% of Aevum's total issued share capital.

If any Aevum shareholders have queries they can contact the Aevum Shareholder Information Line on 1800 704 395 (Toll Free) or +61 2 8256 3393 (callers outside Australia).

**About Aevum Limited**

Aevum Limited is a long established owner, operator and developer of retirement villages and aged care facilities. Today it manages 30 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.

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