



Company Overview

- FKP's retirement business operates under the "Aveo - Live Well" brand
- FKP is a leading Australian property and investment group with operations encompassing property development and investment activities throughout Australia and New Zealand
- Over more than thirty years FKP has grown to include low, medium and high density residential developments; industrial, commercial and retail projects; master planned residential communities; ownership and management of retirement villages; property investment and funds management
- FKP is an ASX top 200 company



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Aveo Overview

- Aveo occupies a market leading position in the Australian retirement village sector
- Aveo own and operate 45 villages and manage a further 35 villages comprising of over 10,200 Independent Living Units (ILUs) and Serviced Apartments (SAs)
- Aveo is a major player nationally, with strongest presence in Queensland, Victoria and South Australia
- Aveo's average village age is around 20 years, with older residents.
- Currently, around 12,500 residents reside in Aveo villages
- Aveo offers a diverse range of products which align with the needs of the ageing population

Aveo Units (Dec 09)	Villages	Units
On FKP Balance Sheet	43	5,989
Managed for RVG+	35	4,000
Managed for Syndicates	2	224
Total	80	10,213

Aveo villages and units

Region	Villages	ILUs	SAs	Total Units
Brisbane	14	1,914	477	2,391
Sydney and Canberra	11	1,382	299	1,681
Adelaide	15	1,008	128	1,136
Melbourne	28	2,468	535	3,003
Northern NSW / Gold Coast	8	1,264	103	1,367
Sunshine Coast	2	235	100	335
Cairns	1	143	0	143
Hobart	1	112	45	157
Total	80	8,526	1,687	10,213

Snapshot of village location and units

Locations

- Aveo villages are geographically spread throughout Australia with a high concentration in metropolitan cities where it is difficult for competing villages to be established due to cost constraints, thus allowing for higher capital growth
- Aveo's portfolio is concentrated in Brisbane, Melbourne and Adelaide, and these cities have collectively outperformed Sydney for capital growth over a long period
- Nearly 90% of Aveo's villages are located within 30kms of a capital city or major regional centre (Cairns and Gold Coast)

CBD	5km	10km	20km	30km	Over 30km	Other Regional	Total
Brisbane CBD	3	1	10	-	-	-	14
Sydney CBD	2	1	1	5	1	-	10
Adelaide CBD	3	7	5	-	-	-	15
Melbourne CBD	3	5	12	3	5	-	28
Gold Coast CBD	3	1	2	1	1	-	8
Canberra CBD	-	1	-	-	-	-	1
Hobart CBD	-	-	1	-	-	-	1
Other Regional	-	-	-	-	-	3	3
Total	14	16	31	9	7	3	80

Distance of FKP's villages to capital cities and regional centres



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Resident Profile

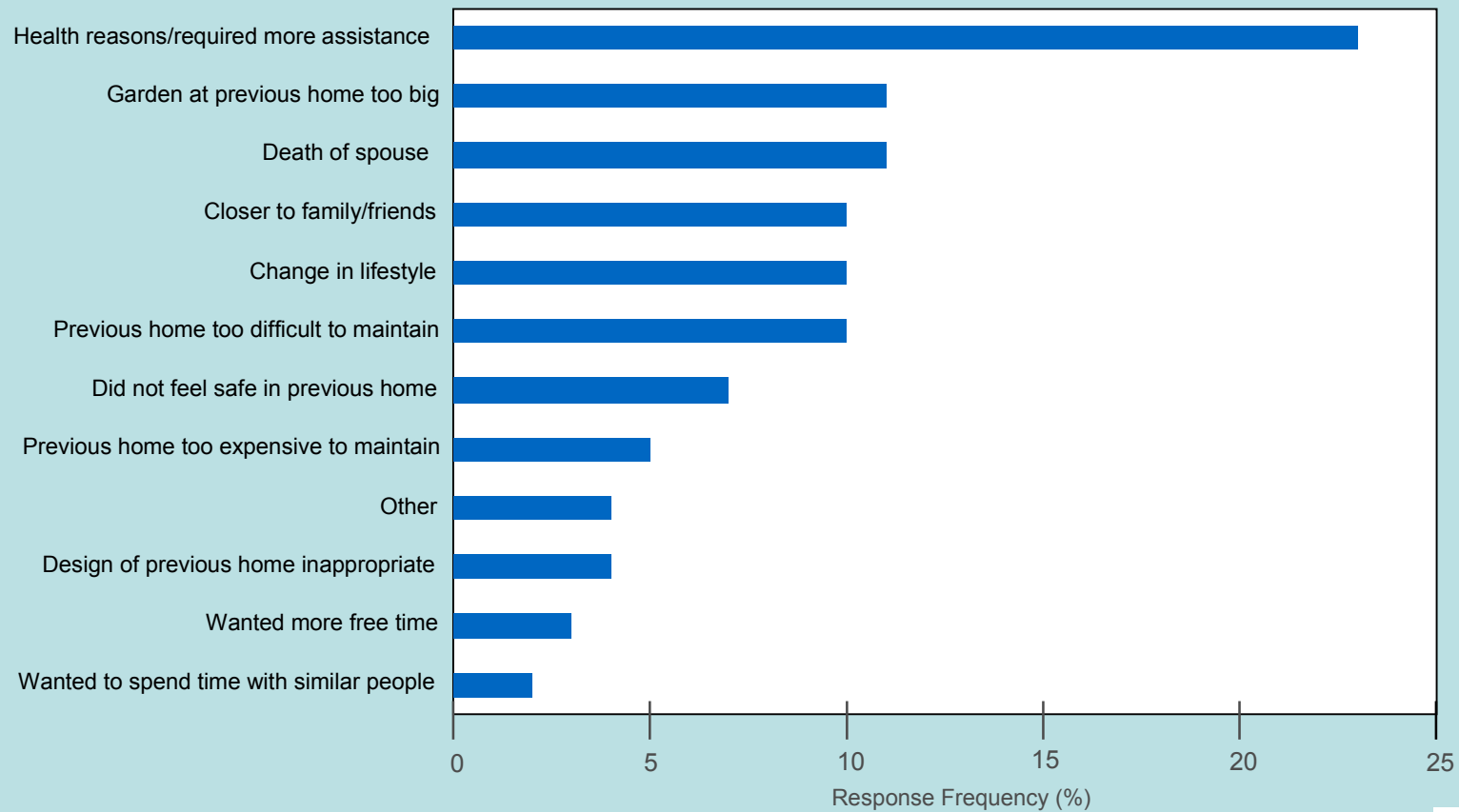
- The average age of Aveo residents is high at 83 years
- Females outnumber males by two to one
- 88% of residents live in ILUs (12% in SAs)
- 82% of residents live in villages located within a capital city
- Aveo recognise that for retirees, location is the primary factor in the decision making process and specifically target customers who live locally (within 10kms)
- This is evidenced historically; and based on number of enquiries in the last 6 months, 70% enquired about villages close to their current residence



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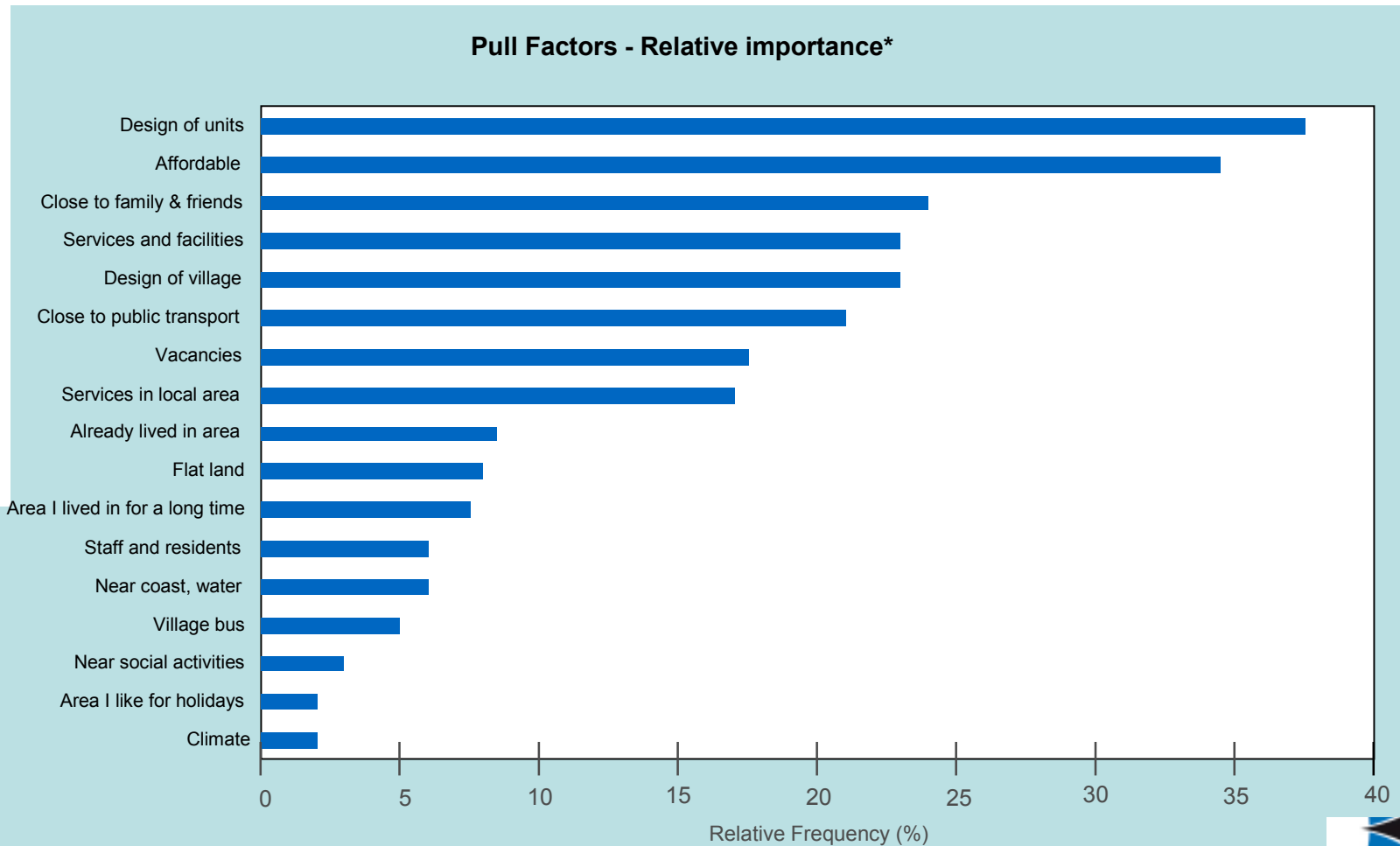
Resident Movement Factors

Push Factors - Relative importance*



*Push factors are reasons why people move from an origin place)
 Source: OQ/RVAA survey. (Survey size: 985 people)
 Retirement Presentation – November 2009

Resident Movement Factors



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*Pull factors are reasons why people move to a specific destination)
 P7 - Oct-09
 Source: OCM/VAA Survey. (Survey size: 985 people)
 Retirement Presentation - November 2009

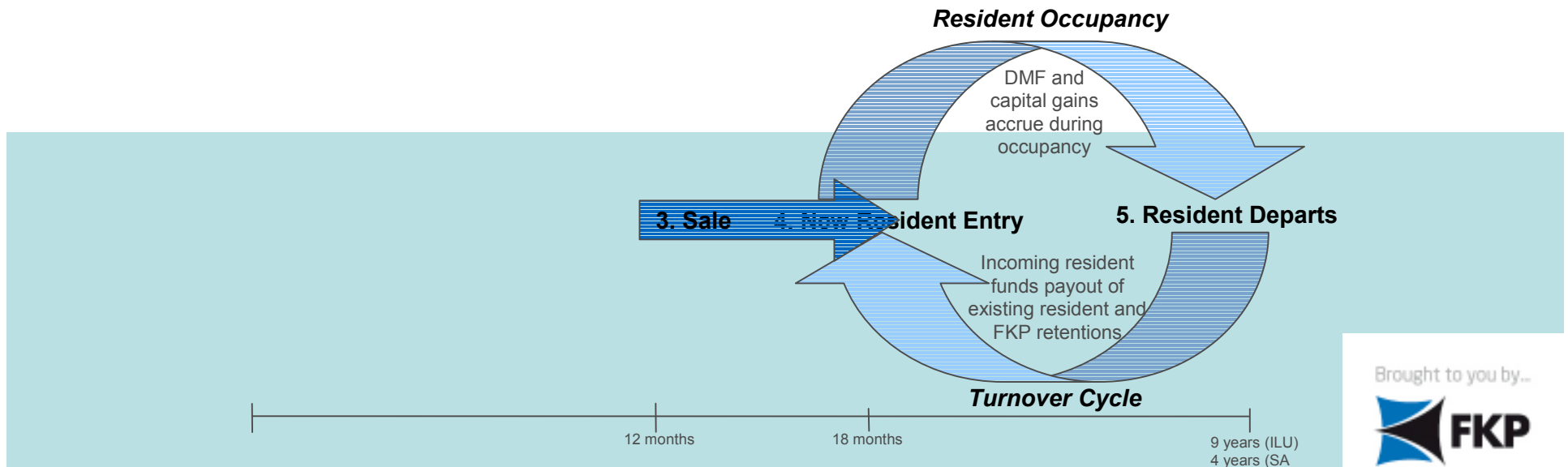
Retirement Unit Life Cycle (Example only)

Resident Occupancy

- During the resident occupancy period, the resident pays monthly levies to the village where applicable for staffing, government rates, common property maintenance, facility management, building insurance, recreational activities, emergency assistance and a fund to maintain and repair the village's capital items¹
- Where legally required, the operator is responsible for any replacement of the village's capital items¹

Turnover Cycle

- When a resident departs they pay a deferred management fee "DMF"
- Contracts vary, but a typical DMF is either:
 - Calculated based on the entry price with a separate agreement in regards to distribution of any capital gains
 - Calculated based on exit price
- Once the turnover cycle is complete, the life cycle starts again at stage 4



¹ The above example is based on a single unit transaction and is strictly for illustrative purpose only and should not be relied upon

¹ Please refer to the relevant state specific laws and regulations which govern the rights and obligations of residents and retirement village operators

Product Overview

The main types of accommodation are:

- Independent living units (ILUs)
- Units that are described as independent living units or ILUs provide a minimum level of care services and services are mainly based around maintenance of the unit, gardens and grounds and on site staff to attend to emergencies.
- Serviced apartments (SAs) or Supported Residential Service (SRS)
- Units that are described as Serviced Apartments (SAs) and Supported Residential Service (SRS) provide a higher level of care, usually including the provision of 3 meals per day, cleaning of apartment and bed linen and towels. Regular provision of a range of personal services are available and in most cases these are on a user pays basis.



The main forms of tenure options are:

- Leasehold – Long term lease (usually 99 years) is granted to the resident
- Licence – Long term licence is granted to the resident
- Freehold – Strata Title to the property is transferred to the resident

Product Specification

Independent Living Units (ILUs)

- Aveo's ILUs are configured to offer residents easy, open plan access, including a full kitchen, living and dining areas, bathroom, 1-3 bedrooms, as well as external courtyard / balcony / garden area and garage, carport or carspace

Bedrooms	Average Size (m ²)	Average Entry Price	Average DMF
1	60	\$260,000	\$31,000
2	92	\$360,000	\$55,000
3	144	\$632,000	\$94,000
Total	92	\$355,000	\$53,000

*Typical ILU - Average size, entry price and DMF**

Serviced Apartments (SAs)

- Aveo's SAs can comprise of either a studio or 1-2 bedrooms, kitchenette and a living area as well as ensuited bathroom, quality fixtures and fittings, hand rails and emergency call units

Bedrooms	Average Size (m ²)	Average Entry Price	Average DMF
Studio	35	\$171,000	\$16,000
1	48	\$166,000	\$32,000
2	84	\$309,000	\$60,000
Total	47	\$167,000	\$30,000

*Typical SA - Average size, entry price and DMF**

Services and Facilities

- Below is a table of the services and facilities Aveo offers (generally in a Serviced Apartment) which will vary from village to village. The communal facilities are available to all residents of the villages.

Services	Communal Facilities (Internal)	Communal Facilities (External)
<ul style="list-style-type: none"> Emergency 24 hour call system 3 meals per day (SA only) Bed linen and towels (SA only) Cleaning of unit (SA only) Medication management* Night care* Personal care (eg. showering)* Personal laundry* Basic wound management* Compression stocking assistance* Daily bedmaking* <p><i>*User pay basis – mostly available in SAs</i></p>	<ul style="list-style-type: none"> Activities centre Arts and craft room Cinema room Coffee shop Computer room Dining room Gym Hairdressing salon Library Pool / Billiard Restaurant / Coffee shop Table tennis Workshop 	<ul style="list-style-type: none"> BBQ area Bowling green Croquet lawn Pool / Spa Tennis court Village Bus

- Aveo also uses services such as community nursing services to provide specific functions such as palliative care, domestic assistance, pastoral care, respite care and services to SA and ILU residents as required.

Employees

- Currently Aveo employ about 1,250 staff across 5 states in various management and village positions
- Only 7% (90) of our employees (corporate staff) are remunerated by the company. The cost of the remainder (village based staff) is recovered directly from residents through village budgets
- The adoption of a national structure offers the division leverage for future growth and a solid platform in relation to standardised work practices
- FKP undertakes regular employee and resident surveys to ensure continuous improvement in terms of staff effectiveness

Position	%
Onsite Sales	32%
Operations	17%
Village Finance	13%
Sales & Marketing	8%
Sales Administration	7%
Corporate Finance	7%
Management	7%
Developments	2%
Projects	2%
HR	2%
Legal	1%

Aveo corporate staff

Position	%
Nursing	23%
Maintenance	22%
Personal Care	20%
Administration	14%
Management	11%
Cleaning	8%
Catering	1%
Other	1%

Aveo village staff

Operating Environment - Legislation

Legislation

- Retirement villages are regulated by state specific legislation and regulations
- The most significant ones across all jurisdictions are:
 - Retirement Villages legislation (state)
 - Aged Care legislation (federal)
 - Occupational, Health, Safety and Welfare legislation (federal)
 - Real estate agency legislation (state)
 - Trade practices and ACCC legislation (federal)
 - Owners Corporation/Body Corporate (including Owners Corporation/Body Corporate management) legislation (state)
- These legislations aim to explain the rights and responsibilities of retirement village operators and its residents and cover areas such as, documentation, disclosure, financial obligations, dispute resolution and exit entitlements

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Operating Environment - Accreditation

Accreditation

- The Australian Retirement Village Accreditation (ARVA) is a voluntary national accreditation standard which aims to strictly compare and benchmark the performance of a village in terms of service and operation against a set of national standards
- Accreditation is voluntary and costly, but offers comfort to residents and marketing advantages
- It is Aveo policy that all owned and managed villages are fully accredited. With acquisition villages we are still going through the process however, Aveo are the most accredited owner of retirement villages in Australia
- Every application submitted so far has been successful and by December 2010, Aveo aim to have all 80 villages accredited

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Appendix 1 – Resident Information

	Male		Female		Total		Total
	ILUs	SAs	ILUs	SAs	ILUs	SAs	
All Villages	81	87	81	88	82	88	83

Average Age of Residents

Region	ILUs		SAs		Total	
	Male	Female	Male	Female	Male	Female
Brisbane	30%	70%	25%	75%	29%	71%
Sydney and Canberra	33%	67%	25%	75%	32%	68%
Adelaide	34%	66%	27%	73%	34%	66%
Melbourne	33%	67%	22%	78%	31%	69%
Northern NSW / Gold Coast	36%	64%	39%	61%	36%	64%
Sunshine Coast	38%	62%	18%	82%	34%	66%
Cairns	35%	65%	N/A	N/A	35%	65%
Hobart	37%	63%	26%	74%	34%	66%
Total	33%	67%	25%	75%	32%	68%

Number of Residents (%)

Region	Male		Female		Total		Total
	ILUs	SAs	ILUs	SAs	ILUs	SAs	
Brisbane	787	126	1,820	377	2,607	503	3,110
Sydney and Canberra	555	65	1,115	198	1,670	263	1,933
Adelaide	472	29	908	78	1,380	107	1,487
Melbourne	1,021	94	2,101	343	3,122	437	3,559
Northern NSW / Gold Coast	577	45	1,032	71	1,609	116	1,725
Sunshine Coast	131	14	212	64	343	78	421
Cairns	67	-	123	-	190	-	190
Hobart	62	12	107	35	169	47	216
Total	3,672	385	7,418	1,166	11,090	1,551	12,641

Oct 09

Number of Residents

Retirement Presentation – November 2009

Primary reason to purchase	%
Location	52.8%
No response	22.1%
Lifestyle	18.6%
Value for Money	4.5%
Other	1.6%
Brand Appreciation	0.4%

Primary reason to purchase Aveo units
(Sample of 1,410 residents from July 2008)

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