

## ASX / Media Release

20 December 2013

### Ingenia acquires five immediately accretive rental villages

#### Highlights

- Acquires five highly accretive rental villages (274 units) out of receivership for \$9.9 million
- Deal funded from US escrow proceeds and existing debt capacity
- Purchase price of \$36,000 per unit, a 45% discount to the book value of existing portfolio of 1,522 units and at approximately 25% of replacement cost
- Trailing yield of 8.4%, expected to increase to 15.8% within three years with an unlevered IRR of over 15% and further upside identified

Ingenia Communities (ASX: INA) today announced the addition of five highly accretive rental villages to its core Garden Villages seniors rental portfolio. The five villages - three in Victoria (Shepparton, Warrnambool, Mildura), one in New South Wales (Bathurst) and one in Tasmania (Launceston), have been purchased off-market and out of receivership for \$9.9 million.

Property	State	No. of Units	Purchase Price	Market Cluster
Shepparton	VIC	69	1.5	South West
Warrnambool	VIC	48	1.8	-
Mildura	VIC	50	2.1	-
Bathurst	NSW	53	2.2	Central West
Launceston	TAS	54	2.3	TAS
<b>Total:</b>	-	<b>274</b>	<b>9.9</b>	-

Ingenia Communities Chief Executive Officer, Simon Owen, said: “the acquisition of these five villages is strongly accretive with a yield that is forecast to grow from 8.4% to 15.8% over the next three years as we increase occupancy levels and expand operating cash margins.”

“Ingenia has acquired these villages at a price of \$36,000 per unit which is approximately 25% of replacement cost. This acquisition consolidates Ingenia’s position as the largest

owner and manager of seniors rental villages and by leveraging our existing operational competencies we expect to strongly grow occupancy rates and expand cash margins over the next three years to achieve target returns.”

Three of the villages are located in the identified Ingenia market clusters of South West NSW, Central West NSW and Tasmania. The other two villages are in new markets. These acquisitions are immediately accretive offering a combined trailing yield of 8.4% and expected to increase to a stabilised yield of 15.8% within three years with further upside identified.

This transaction is expected to settle in late January 2014 and will be funded through equity now received from the release of US sale escrows and existing debt.

The Group is well advanced with the disciplined investment of capital from the September 2013 Rights issue into manufactured home estates presently under due diligence and anticipates this capital to be deployed in early 2014.

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**About Ingenia Communities Group**

Ingenia Communities Group (ASX Code: INA) is a stapled property group comprising Ingenia Communities Holdings Limited (ACN 154 444 925), Ingenia Communities Fund (ASRN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410). The Responsible Entity for each scheme is Ingenia Communities RE Limited (ACN 154 464 990) (AFSL415862).

Ingenia Communities Group is a leading operator, owner and developer of a diversified portfolio of seniors housing communities. It has 55 assets in Australia, comprising over 4,700 units.