

## ASX / Media Release

13 November 2012

### Ingenia Communities makes cash yielding bolt-on acquisition

#### Highlights

- Acquisition of a 54-unit rental village immediately adjacent to high occupancy Wheelers Gardens village in Dubbo, NSW
- \$2.45 million acquisition to be funded from existing cash reserves
- Unlevered IRR circa 17% forecast to be EPS accretive within 12 months
- Consistent with Ingenia strategy to grow cash yielding assets

Ingenia Communities Group (ASX: INA) today announced the purchase of a cash yielding retirement village in Dubbo for \$2.45 million and expects the acquisition to be earnings accretive within 12 months.

The 54-unit rental village is immediately adjacent to one of the Group's existing rental villages in Dubbo, the 52-unit Wheelers Gardens, and has been acquired out of a broader portfolio in receivership after some 12 months of negotiations.

Ingenia Communities Chief Operating Officer, Nikki Fisher, said: "This acquisition is in line with the Group's strategy to grow and operate a pool of high performing rental villages that generate consistent earnings and cashflow."

"Ingenia will immediately focus on improving cash returns from this acquisition through leveraging our existing long term Dubbo market knowledge and management expertise to grow occupancy rates, increase rental income and improve operating margins whilst delivering superior customer service."

This acquisition is forecast to deliver an unlevered internal rate of return (IRR) of circa 17% before taking into account the financial benefits of management and operational synergies across the two villages.

Ms Fisher continued: “Dubbo is one of our strongest performing markets with our existing village consistently achieving an occupancy rates above 95% (compared to the newly acquired village occupancy of 57%). We have acquired this village at approximately \$45,000 per unit compared to our Dubbo Gardens village which was last valued at approximately \$68,000 per unit.”

This acquisition is expected to settle in early December 2012 and will be funded from existing cash reserves.

### **Update on Capital Transactions**

Ingenia has previously advised the market that the settlement of the New York sale was likely to take place in late 2012. With the transaction being New York based, some of the regulatory approvals have been delayed as a result of Hurricane Sandy. Management now forecast settlement to occur between late December 2012 and early January 2013. Net proceeds remain unchanged at A\$49.9 million.

Ingenia is close to finalising negotiations over the sale of its three remaining student accommodation assets in Wellington New Zealand at a premium to book value. The Group anticipates providing an update on this transaction in the coming weeks.

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#### **About Ingenia Communities Group**

Ingenia Communities Group (ASX Code: INA) previously known as the ING Real Estate Community Living Group, 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. Together the stapled group has total look-through assets under management of \$429 million with operations located predominately throughout Australia.