

ASX / Media Release

20 December 2012

Ingenia Communities Capital Transactions Update

Highlights:

- New Zealand Students sale has not gone unconditional as offshore purchaser unable to secure funding at required cost of capital - talks ongoing
- New York sale progressing with final approvals expected in next four weeks and net proceeds of A\$49.9 million anticipated late January 2013
- Acquisition of Dubbo Gardens rental village in NSW has now settled with management assessing whether to convert the asset to the DMF model

Ingenia Communities Group (ASX: INA) today provides a market update on the following capital transactions that have recently occurred or are currently progressing.

NZ Students Portfolio Sale

Further to our announcement on 20 November 2012 regarding the signing of a conditional contract to sell the NZ Students accommodation portfolio, Ingenia advises that the transaction has not gone unconditional. The purchaser, a US private investment group, has been unable to secure funding at the necessary cost of capital to support the purchase price of NZ\$35 million. Ingenia and the purchaser remain in dialogue however in the absence of agreement on an acceptable price, the Group will continue with its refurbishment works. This will result in new long term lease agreements commencing at Cumberland and Education House in February 2013 and the McKenzie Building in February 2014.

Ingenia Communities CEO Simon Owen said: "We are comfortable holding these assets in the medium term in the absence of a compelling offer. The buildings are undergoing refurbishment prior to the commencement of new long term lease agreements with Victoria University of Wellington and Wellington Institute of Technology. These works will underpin strong pre-financing rental streams of approximately NZ\$4 million per annum. These are well-located student accommodation assets. The long term lease agreements in place with Government supported tertiary education bodies offering attractive cash yields are valuable in today's market."

New York Portfolio Sale

On 23 May 2012, the Group announced the sale of its remaining interest in the US Seniors portfolio for US\$173.3 million (anticipated net proceeds of A\$49.9 million). The sale was conditional upon US regulatory and property level debt approvals. To date, all approvals are in place with the exception of the Nassau County (Long Island, New York) Industrial Development Authority approval. The extended approval process is due to administrative slow-downs from Hurricane Sandy clean-ups and the upcoming holiday periods. We now anticipate settlement will occur in late January 2013.

Acquisition of Dubbo (NSW) Rental Village

The acquisition of the 54-unit rental village in Dubbo, NSW as announced on 13 November settled on 14 December 2012. This village is immediately adjacent to one of the Group's existing high occupancy rental villages, and will be rebranded as Dubbo Gardens and marketed under the Garden Villages portfolio.

Management is currently assessing whether the highest and best use of Dubbo Gardens is as a rental village or convert to the Deferred Management Fee model.

For further information please contact:

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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.