

## ASX / Media Release

12 November 2014

### Ingenia Communities 2014 Annual General Meeting

#### Chairman's Speech

Ladies and Gentlemen,

It has been another exciting year for the Group as we have rapidly executed our strategy and effectively repositioned the business.

Since June 2013 we have:

- Exited our offshore investments;
- Increased our cash yielding asset base with the growth of our rental and lifestyle parks portfolios;
- Raised over \$150 million in new equity to fund growth; and
- Established a market leading position in the Lifestyle Parks market.

Importantly, we have grown returns to investors while maintaining capacity for continued growth.

On completion of the announced sale of the New Zealand students portfolio, Ingenia will be a purely Australian business with a clearly differentiated strategy focused on affordable seniors housing. This strategy provides a very solid base for continued growth in returns and positions Ingenia as an attractive investment.

As you can see from this slide the INA security price grew strongly over the 2013 calendar year. Reflecting this growth, Ingenia was awarded the best Australian Real Estate Investment Trust in the BDO A-REIT Survey for the second consecutive year, with a total one-year investor return of 77%.

However, the Board are aware, as all securityholders are, that the price has remained stable over the course of this year and that the strong gains in prior periods have not been repeated. As your Board and as securityholders ourselves, we recognise the importance of price performance and believe that the key catalyst for future price growth will be demonstrating Ingenia's ability to deliver sales in our lifestyle parks business. Simon will talk in more detail about the progress we have made and the strategies we have in place to deliver on this priority.

With the security price currently at 47.5 cents, Ingenia continues to trade above Net Asset Value per security.

Whilst the strong financial and operating results delivered in the last financial year are pleasing, securityholders can be assured that your Board and management believe this is only the beginning. The recent results have demonstrated the strength of our new business model, which is well placed for future growth as the benefits of our growing scale and momentum in development are delivered. We have a leading position in an industry segment which is only now emerging as an institutional investment, a clear business strategy and enhanced internal capabilities – we believe this will deliver long term superior securityholder returns through both distributions and security price growth.

Market conditions have remained challenging; however we are seeing improvements in residential property markets in many of our key markets in New South Wales, Western Australia and South East Queensland. This improvement in residential property markets supports the growth aspirations of the Group.

Ingenia's strategy is to focus on the yield driven affordable end of the seniors living market, principally through lifestyle parks and our rental villages. We sold our deferred management fee village at Noyea Park in Queensland during the year and we will seek to reduce our exposure to the DMF model, reallocating this capital to grow our investments in the higher yielding lifestyle parks sector.

As we outlined last year, the Lifestyle Parks market is a sector we have identified as offering a compelling mix of CPI indexed cash rents and attractive tourism revenues, complemented by low-risk, capital-light development returns.

Today I am pleased to announce that the Group has now executed an unconditional contract to acquire one of the lifestyle parks announced with the capital raising. Together with the conditional acquisition of Big 4 Noosa Bougainvillia Holiday Park in Brisbane announced this week, we are well progressed with the acquisitions to be funded from the recent Placement and Rights Issue. Once all announced acquisitions are finalised we will have invested over \$180 million and will own 19 Lifestyle Park assets.

These acquisitions build on our market leading position in New South Wales and establish Ingenia in the South East Queensland market, a market we know well.

Simon will elaborate on these acquisitions and share with you the progress we have made in integrating new assets over the year as well as what we are doing to increase occupancy and to provide quality new homes across the Lifestyle Parks business.

Prudent capital management is always top of mind for the Board and management and during the year the Group strengthened its balance sheet and expanded its debt capacity with a new multibank debt facility now being documented which will also decrease Ingenia's cost of debt.

We have also raised additional capital, with the reinstatement of a Distribution Reinvestment Plan for the June distribution payment. We recently completed our largest raising to date, with a placement and entitlement offer raising \$89.1 million to fund identified lifestyle park acquisitions. Both the 1-for-7 Non-Renounceable Rights Issue and DRP offered our long standing retail investors the opportunity to participate in the growth of Ingenia on the same terms as our institutional investors. Retail investors participating in the Rights Issue received their entitled pro-rata allocations and all additional new securities applied for.

Following the capital raising and full deployment of the capital raised, Ingenia has a strong capital position with our LVR at only 31% well within our target range of 30-35%.

Given Ingenia's rapid growth and our ambitions to continue building our Lifestyle Parks portfolio, the Board would like to assure you that we remain conscious of the need to balance the distribution of earnings with reinvestment for growth. We increased the full year distribution by 15% and expect to deliver a first half distribution of 0.65 cents per security this financial year. Maximising investor returns is an ongoing consideration and we are targeting increases in distributions in coming years.

Ladies and Gentlemen, I am pleased to have led Ingenia through another successful year and look forward to continuing to work with my fellow directors and the management team through the exciting opportunities ahead.

I would like to thank my fellow directors Amanda Heyworth, Rob Morrison, Norah Barlow and Phil Clark and Company Secretary, Leanne Ralph, for their enthusiasm, commitment and vigour over the past very busy year.

We have first mover advantage as a consolidator in the Lifestyle Parks sector and the Board is focussed on ensuring that we make the most of this benefit. Your Board has a great deal of confidence in Simon and the management team to build on this unique position and deliver performance for investors.

Before handing over to Simon I would like to announce a new benefit for our securityholders. In the new year we will be introducing a securityholder discount card for use across Ingenia's tourism assets. I hope the card will encourage our investors to experience some of the assets we are investing in first hand.

I will now hand over to Simon for his CEO update.

**ENDS**

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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).