

ASX / Media Release

21 December 2017

Ingenia divests non-core assets

Highlights

- Divestment of three non-core assets, including the Group's largest remaining DMF asset
- Releases gross sale proceeds of \$17 million for reinvestment into the Group's development pipeline

Ingenia Communities Group (ASX: INA) today announced that the Group has exchanged contracts for the sale of three non-core assets, with settlement expected to occur at the end of January 2018.

The sales are consistent with the Group's focus on divesting non-core assets in order to redeploy capital into higher growth lifestyle development projects.

Ingenia will realise gross sale proceeds of \$17 million (in line with the Group's book value) from the sale of the three assets which include the Group's largest DMF asset, Settlers Meadow Springs (Mandurah, Western Australia) and two smaller lifestyle communities in NSW.

"Since divesting the majority of our DMF portfolio in October 2016, we have been focussed on continuing to reduce our exposure to this market segment. Following today's announcement the Group has a net investment remaining in two DMF communities of \$5.6 million, representing less than 1% of the Group's assets," Mr Owen said.

In addition the Group has exchanged contracts for the sale of Ingenia's Chain Valley Bay and Lake Macquarie lifestyle communities. These two communities, which have been actively developed since Ingenia acquired them, remain relatively small and have limited expansion potential.

“These assets form part of a group of non-core assets we have been actively marketing for sale as we move to invest capital for growth and refine our portfolio, focussing on creating and expanding larger lifestyle communities. With opportunities to deploy the capital in key projects such as Latitude One (Anna Bay, NSW) and Plantations (Woolgoolga, NSW) we are continuing to grow our presence in NSW and expect to see our operating margins expand as these communities gain greater scale.”

“We are continuing to engage with a range of potential purchasers in relation to other non-core assets, consistent with our strategy to internally fund growth,” Mr Owen said.

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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).