Ingenia Communities Group

2013 Half Year Results Presentation

20 February 2013

Agenda

Highlights

OPERATIONS

- Garden Villages Rental occupancy continues to improve and closed at 84% as at 31 Dec 2012. Cash earnings up $0.2m from prior comparative period
- Settlers occupancy remains steady at 96%

ASSET RECYCLING

- New York portfolio sale closed in Feb 2013, with net proceeds on settlement of A$46.7 million
- Sale of Lovely Banks rental village for $3.1 million, a 6.8% premium to book value, expected settlement in Mar 2013

CAPITAL MANAGEMENT

- Ingenia declares FY13 interim distribution of 0.5¢ per stapled security
- Proforma gearing is 22% post US sale and announced acquisitions and divestments

ACQUISITIONS

- Ingenia bolsters its cash yielding asset base with The Grange Village, Morriset, its first investment in the manufactured home estates market, and a further acquisition of Ettalong Beach Holiday Village with a trailing yield of 18.4%
- Two accretive rental bolt-on acquisitions in existing markets – Dubbo Gardens (NSW) and Ocean Grove Gardens (Mandurah WA), forecast to deliver unlevered IRR ~17% and > 20% respectively
- Additional rental acquisition in Tamworth NSW, a 50-unit village forecast to deliver unlevered IRR >18%; settlement expected in Mar 2013

GROWTH PIPELINE

- Cessnock Village Stage 2 conversion commenced in early Feb 2013 to meet strong local demand
- Sell-down of Stage 1 homes in Ridge Estate DMF village near complete, with construction for Stage 2 to commence in the near term
- Significant pipeline of accretive acquisition and development opportunities now in place

Our operating environment

DEMAND

- Gradual increase in sales enquiries in key Ingenia markets of WA and Central QLD although lead time from reservation to settlement has lengthened to ~160 days
- Continuing poor sales performance at Brisbane Forest Lake and Noyea village directly impacted 1H13 operational and financial performance
- Rental demand remains firm across most markets except Tasmania and Victoria

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SUPPLY

- Funding constraints, cautious consumer sentiment and fragile residential markets has resulted in fewer retirement villages being built
- Significant undersupply of new villages unable to keep up with future demand from the ageing population

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OPPORTUNITIES

- Capital virtually non-existent for private developers – even those with proven track record
- Pressure from sector lenders creating forced sales opportunities
- Few buyers positions a well capitalised Ingenia favorably

VALUATIONS

- Sector uncertainty from portfolio de-consolidation amongst major sector players likely to continue to place short term pressure on DMF and greenfield valuations.
- Discount rates for DMF villages remain around 13-14%, while rental village cap rates holding at circa 10%

Group overview

EXISTING OPERATIONS (AS AT 31 DEC 2012)

Garden Villages Rental
> 25 properties across Australia
> A$83.2 million book value

Settlers DMF Conversions
> 4 properties in WA, QLD & NSW
> A$23.7 million book value

Settlers DMF Lifestyle
> 5 properties in QLD & NSW
> A$52.9 million book value

NZ Students (discontinued operations)
> 3 student accommodation buildings in Wellington
> A$25.8 million book value

ACQUISITIONS (POST 31 Dec 2012)

2 x Rental

- **Ocean Grove Gardens (Mandurah, WA)**

> 44-unit village purchased for $2.8m, settled in Feb 2013

- **Tamworth Village (Tamworth, NSW)**

> 50-unit village purchased for $3.2m, to settle in Mar 2013

2 x Manufactured Home Estates

- **The Grange Village (Morisset, NSW)**

> 116-unit community purchased for $10m, to settle in Mar 2013

- **Ettalong Beach Holiday Village (Ettalong, NSW)**

> Conditional contract exchanged for the 85-unit community for $2.1m, to settle in Mar 2013

DIVESTMENTS (POST 31 Dec 2012)

- **US SENIORS (US$162.4 million)**

> sale of 6 properties for US$173.3m, settled in Feb 2013

- **Lovely Banks, VIC (A$2.8 million)**

> sale of rental property for A$3.1m, due to settle in Mar 2013

Key financials

Residents enjoying their morning walk at Settlers Meadow Springs, WA

Key financials

Key financial metrics		6 months to 31 Dec 2012			6 months to 31 Dec 2011
Net profit / (loss)	$m	2.4	↓	92%	29.1
Operating income – continuing operations[1]	$m	1.3	↓	24%	1.7
Operating income - total[1]	$m	3.6	↓	12%	4.1
Operating income per security	cents	0.8	↓	11%	0.9
Distributions per security	cents	0.5	↑		-
Net cashflow from operations	$m	2.8	↓	13%	3.2
		31 Dec 2012			30 Jun 2012
Look through gearing	%	53	↓	2%	52
Net asset value (NAV) per security	cents	34.4	↑		34.3

Includes $25.9m 1H12 valuation uplift to NY portfolio

> Prior period net profit includes $25.9m gain from change in fair value of New York portfolio. After normalising for fair value movement, net profit decline of $0.8m primarily driven by slower than anticipated DMF conversion sales rates

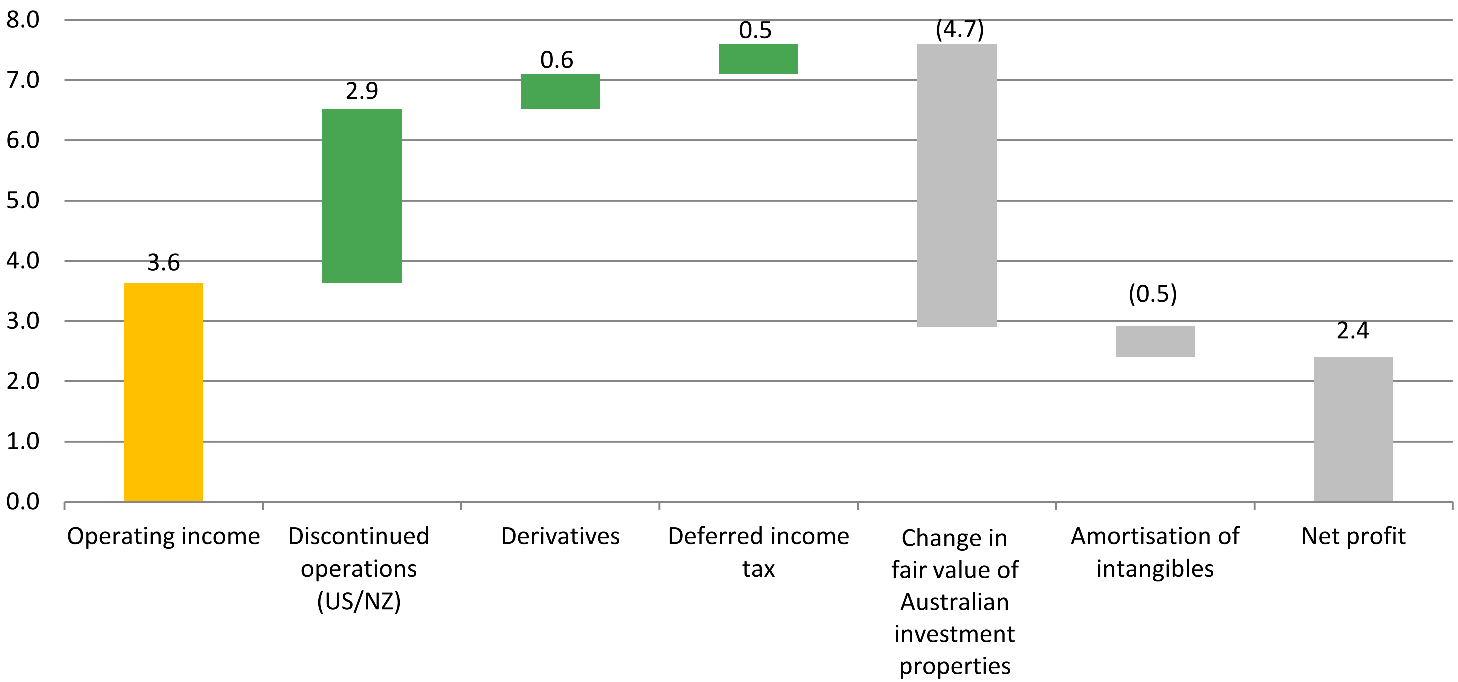
> Post US sale and announced acquisitions and divestments, gearing will fall to 22%, providing the Group with further headroom to fund growth in Australia.

> FY13 interim distribution is 63% of operating income for the period.

1. Operating income is a non-IFRS measure that presents, in the opinion of the Directors, the operating activities of INA in a way that reflects its underlying performance. Operating income excludes items such as unrealised fair value gains / (losses), and includes the uplift in value of DMF units on first loan life leases. The reconciliation between net profit and operating income is provided on slide 8 and has not been audited or reviewed by Ernst and Young.

Key financials

Operating income to net profit reconciliation

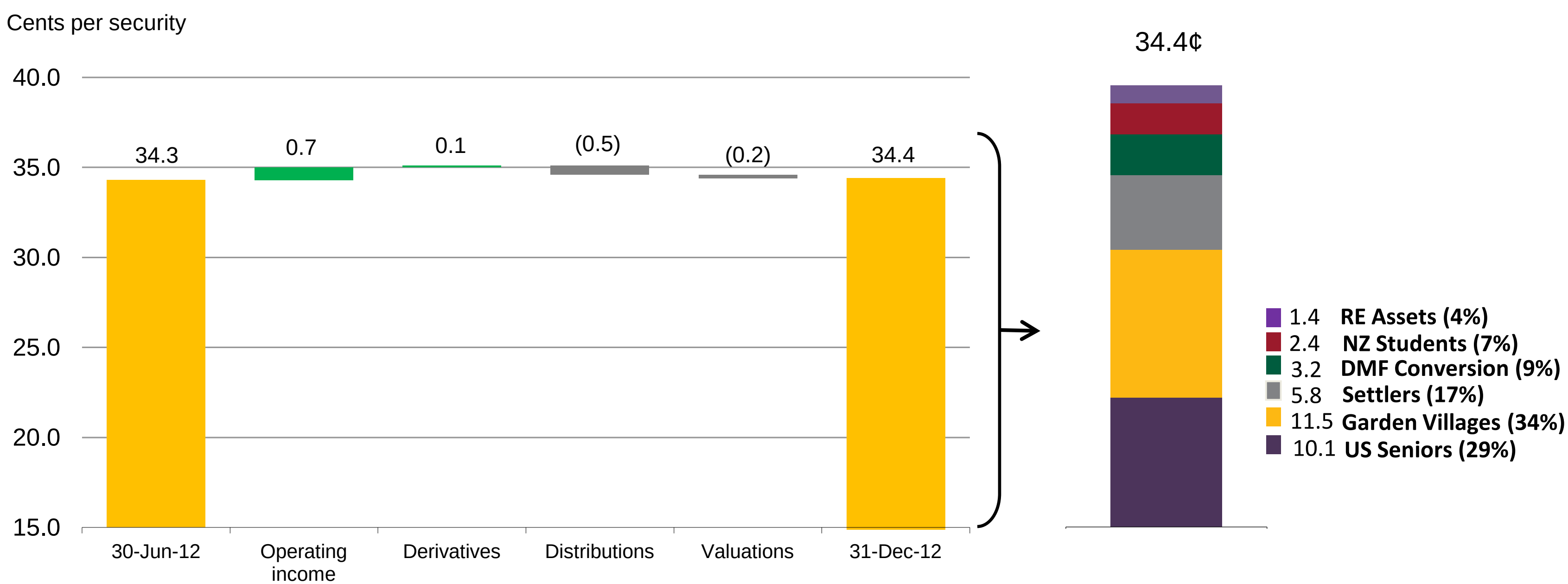


> The decline in fair value of Australian investment properties is a result of the monetisation of vacant DMF stock and slight increase in discount rates

Note: Discontinued operations consist of "Profit from discontinued operations" less "Operating income from discontinued operations", and "Disposal costs associated with overseas investments".

Key financials

NAV composition



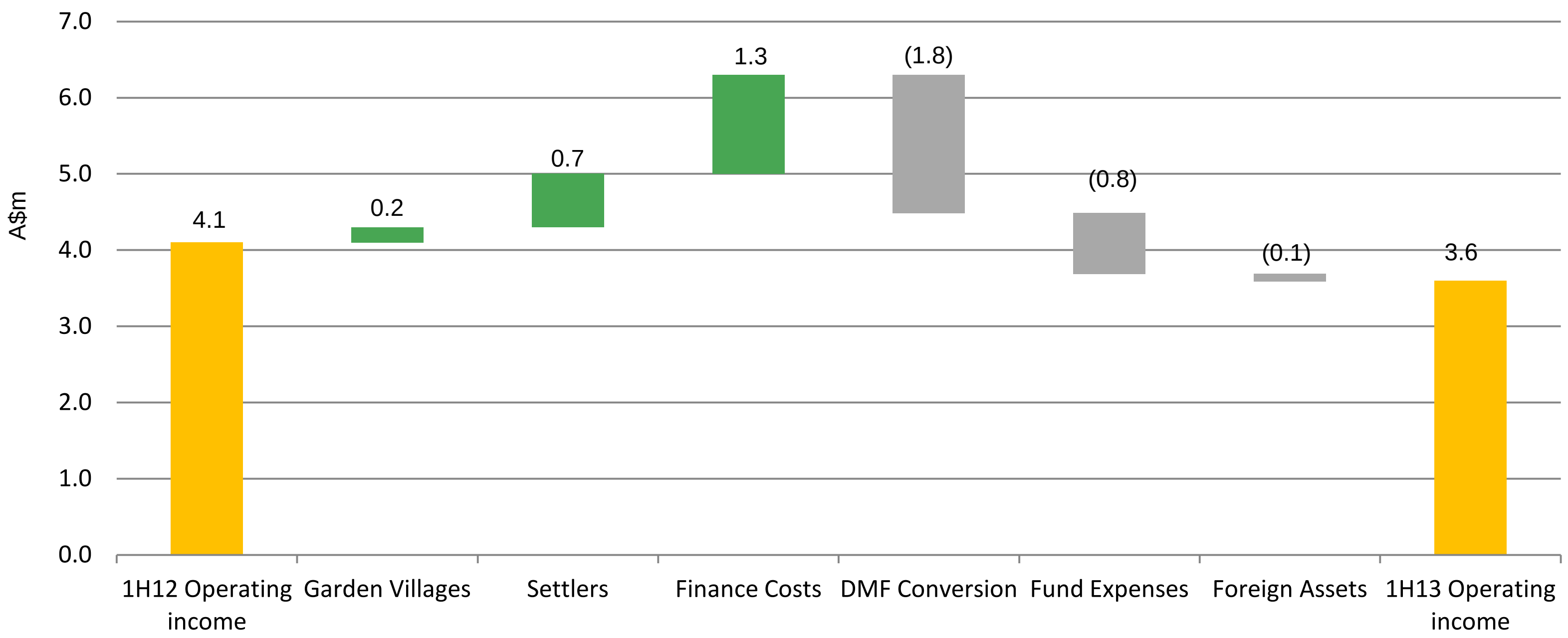
> Upon completion of refurbishment works on the NZ Students portfolio, a further 0.7¢ will likely be added to NAV

> Settlement of the New York portfolio sale in Feb 2013 has added a further 1.5¢ to NAV

Note: RE Assets represent cash required to be held under the Australian Financial Services License (AFSL) requirements

Key financials

Earnings reconciliation – 1H13



> Softer DMF Conversion sales principally driven by weakness in Brisbane residential property market

> Lower finance expense reflects reduced debt levels and write-off of previous facility borrowing costs during 1H12

Capital management

Residents at Settlers Rockhampton Village (QLD) taking their pet Archer for a walk

www.facebook.com/ArcherRockhamptonSettlersAssistancePuppy

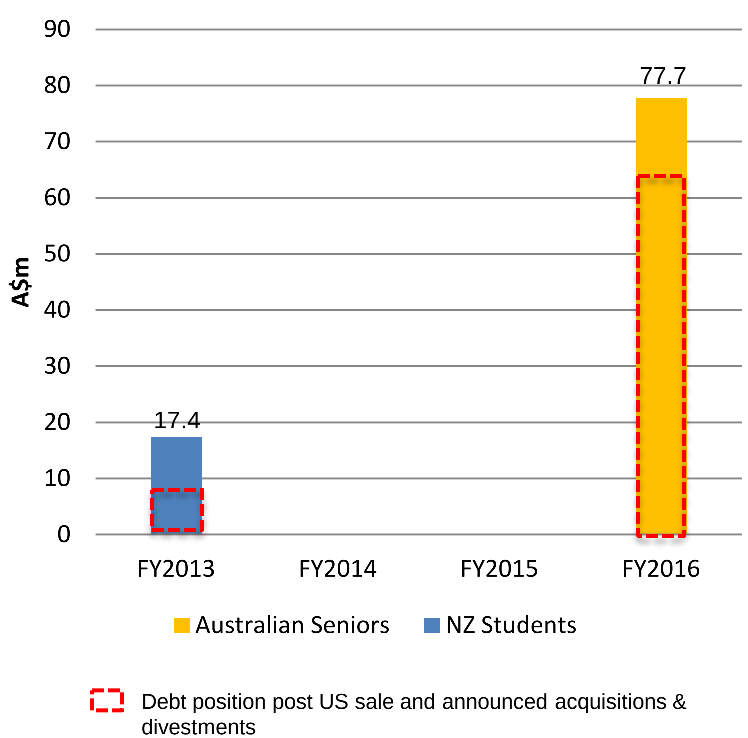
Capital management

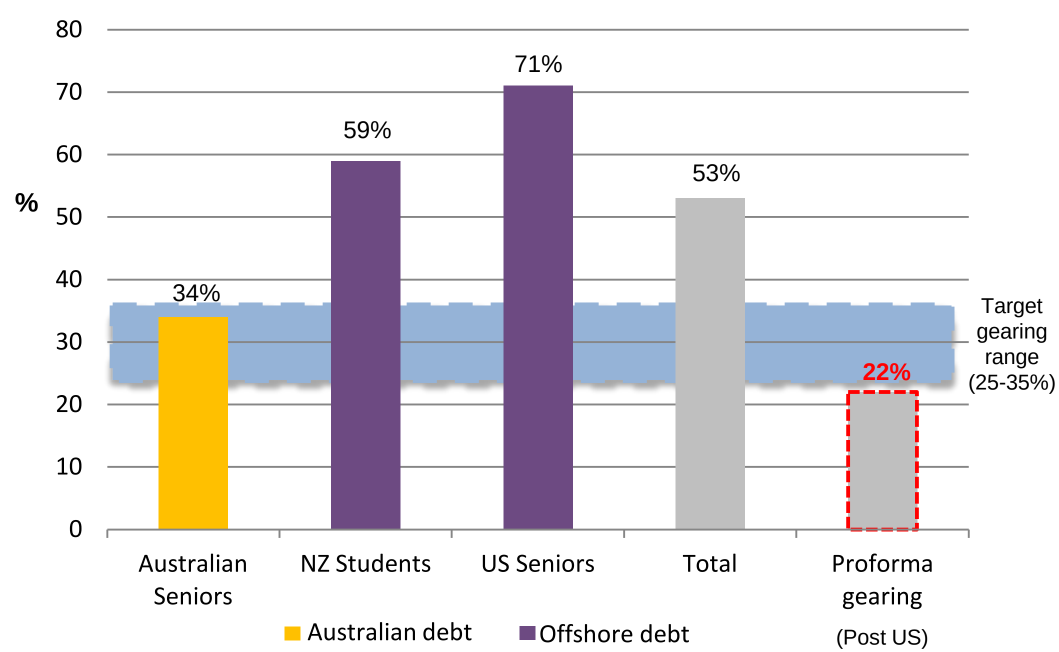
22% gearing provides further acquisition and development capacity

> Additional headroom of circa A$16m to fund acquisitions and development whilst maintaining target LVR of 30-35%

> Forecast all in cost of debt now reduced to circa 5.3%

> NZ debt facilities in the process of being refinanced for a further 3 years





Capital management

Increasing focus on distributions

- Directors declare a 0.5¢ per stapled security interim distribution payable 14 March 2013 based on current financial performance
- Interim distribution will be 100% tax deferred, with future distributions over the medium term forecast to include trust distributions and frankable dividends
  - Ex-distribution date: 25 February 2013
  - Record date: 5pm, 1 March 2013
  - Payment date: 14 March 2013
- Reaffirm intention to pay FY13 final distribution of 0.5¢ per stapled security
- Over the medium term, the Group will look to progressively grow distributions over time targeting > 5% yield subject to financial performance and capital requirements

Capital management

Stringent approach to capital allocation remains a key focus

Balancing growth funding and capital return to securityholders

Reinvestment in Ingenia's growth

> Valuable development pipeline within existing assets and significant accretive acquisition opportunities available in the market

> Will adhere to a stringent target of minimum_unlevered IRR of 15% on growth opportunities

> Increasing recurrent cash earnings is key component of investment strategy

> Reinvestment in growth supported by significant majority of institutional securityholders

Capital return to securityholders

> Continuing distributions funded from recurrent earnings, with a view to grow to > 5% yield subject to financial performance and capital requirements

> Security buyback deferred to reinvest in business growth

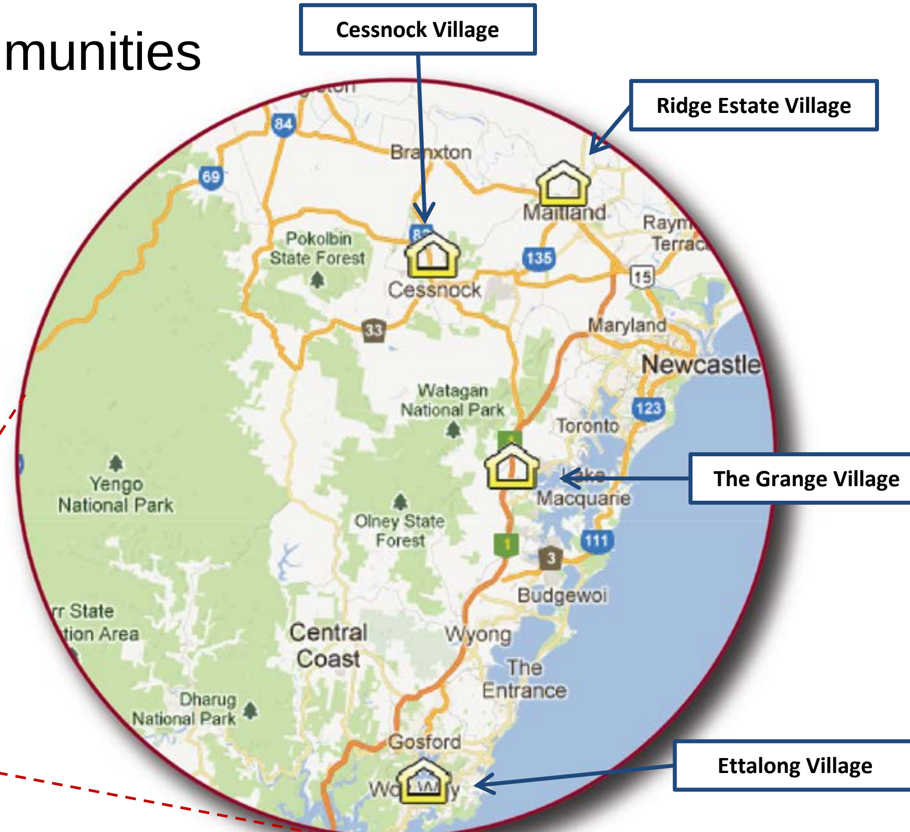
> Disciplined approach to capital allocation will continue to underpin all investment decisions

Portfolio update

Settlers Forest Lake Village, Brisbane QLD

Portfolio update

Today, Ingenia has **38** Australian communities



● 27 Garden Villages (Rental)

○ 4 Settlers (DMF Conversion)

● 5 Settlers (DMF)

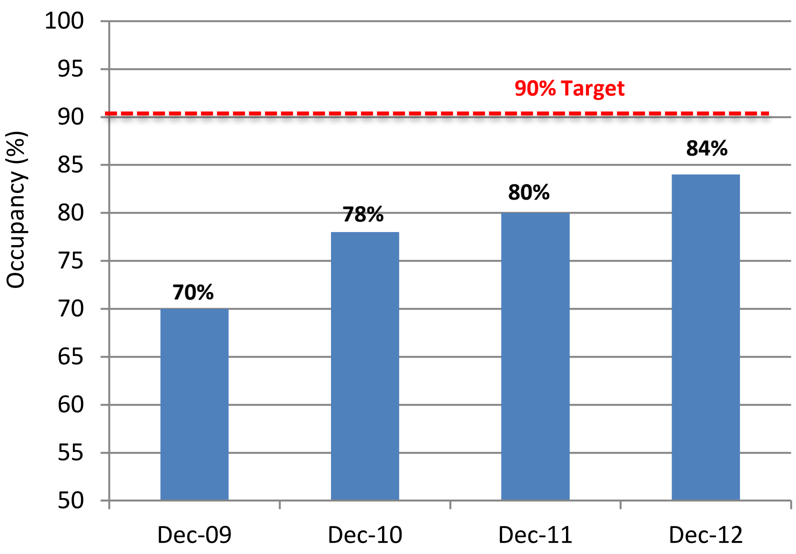
● 2 Manufactured Home Estates

Asset clusters in familiar markets will drive capital allocation

Portfolio update – Garden Villages (Rental)

KEY DATA

	1H13	1H12
Occupancy:	84%	80%
Net property income:	$4.1m	$3.9m
Total properties	25	26
Total units:	1,324	1,388
Development pipeline units:	-	76



KEY ACTIVITIES OVER 6 MONTHS

> Occupancy closed at 84% at 31 Dec 2012, portfolio trending well towards long term target of 90%

> The roll-out of events based resident engagement program 'Activate' for a second year continued to drive resident satisfaction and referral programs, which underpinned an increase in enquiries and brand awareness

> Addition of the 55-unit Dubbo Gardens, an accretive bolt-on acquisition in Dec 2012. Village is forecast to deliver an unlevered IRR ~17%

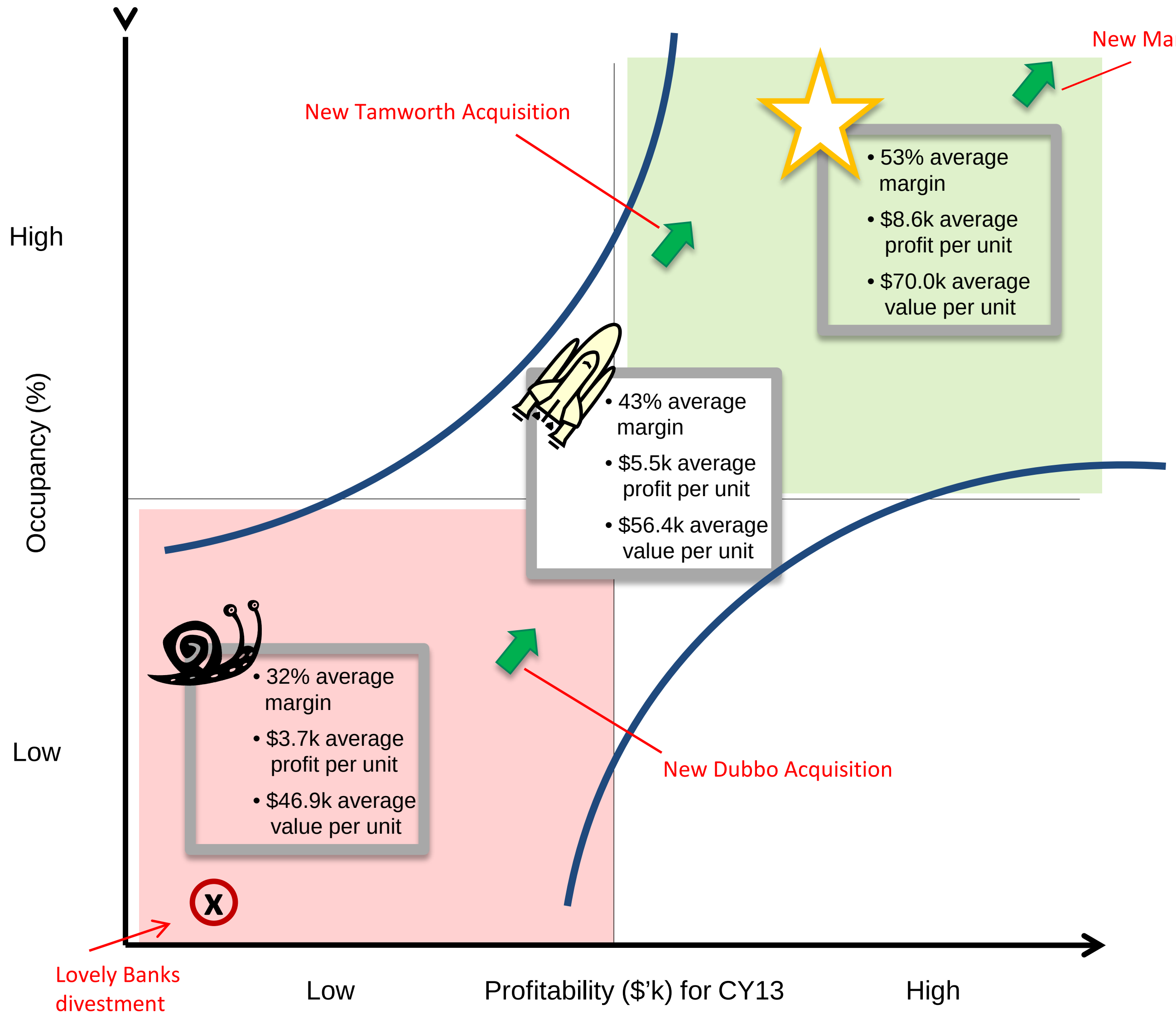
INITIATIVES FOR GROWTH

> Expanding this cash yielding portfolio with two more accretive acquisitions in Feb 2013:

- The 44-unit Ocean Grove Village in Mandurah WA (with forecast unlevered IRR > 20%), adjacent to Ingenia's existing high performing Sea Scape Gardens
- The 50-unit Tamworth NSW village (with forecast unlevered IRR >18%). Transaction due to settle in Mar 2013

> Open days across 11 villages are planned for Mar – May 2013. These events are one of our most effective ways to drive inspection levels and lead conversions

Portfolio update – Garden Villages (Rental)



14 villages presently trading at occupancy 85% and above. These are our **Star performers** where focus is on maintaining occupancy and improving margins

7 villages presently trading between 70% - 84%. These are our **Emerging performers** where management is seeking to increase occupancy

3 villages presently trading consistently below 70%. These are our **Stragglers** and will be divested or converted unless occupancy can be increased to a minimum 75% within the next 12 months

Portfolio update – DMF Conversion

KEY DATA		
	1H13	1H12
Total properties	4	3
Net property income:	$0.9m	$2.7m
Total units:	255	216
Sales Settlements:	21	30
Contracted and reserved:	11	16
Development pipeline units:	235	96

Refurbished community center at Settlers Cessnock Village, NSW

KEY ACTIVITY OVER 6 MONTHS

> In the first six months, softer sales resulted in 21 settlements achieving $3.6 million, with an additional 27 contracts now in place worth $5.0 million

> Demand across the four villages is mixed, with Forest Lake (Brisbane) particularly soft. Rockhampton and Gladstone remain steady.

> Strong demand at Cessnock NSW village (converted in Jun 2012) with the five units in Stage 1 now fully settled or under contract, and Stage 2 delivery accelerated to meet demand.

INITIATIVES FOR GROWTH

> Assessing the feasibility of converting the recently acquired Dubbo rental village to the DMF model

> Leveraging our community contacts with local real estate agents to assist contracted clients hasten their property sales

> Employment of a dedicated sales person at the Gladstone village to accelerate sell down and build wait list for Stage 2

Portfolio update – Settlers Lifestyle (DMF)

KEY DATA

	1H13	1H12
Occupancy:	96%	96%
DMF income:	$1.0m	$0.5m
Development income:	$0.6m	$0.4m
Net property income:	$1.6m	$0.9m
Total properties	5	4
Total units:	693	677
Development pipeline units:	88	60

Settlers Ridge Estate village, NSW

KEY ACTIVITY OVER 6 MONTHS

- Challenging residential market in Brisbane significantly impacted sell down of vacant units at Noyea village.
- Gradual recovery underway in WA resulting in 13 settlements and 12 contracts to 31 December 2012
- Demand remains firm at Ridge Estate village in Hunter Valley NSW, with two sales and two contracts as at 31 Dec 2012

INITIATIVES FOR GROWTH

- Construction for Ridge Estate village scheduled to commence in Apr 2013 with 16 Expressions of Interest already in place.
- Rolling refurbishment program in place to renovate aged units across the villages once they have been contracted

Portfolio update – Overseas portfolios

US Seniors (Long Island, NY)

- The New York portfolio sale settled in Feb 2013. Net proceeds on settlement are A$46.7m, of which A$41.7m has been repatriated, and A$5m will remain in the US under standard transaction related escrows. This is expected to be released in early 2014
- This completes Ingenia's exit from the US Seniors market

NZ Students (Wellington, NZ)

- New 15-year leases with Victoria University of Wellington (VUW) and Wellington Institute of Technology (Weltec)
- VUW lease commences Feb 2013 and Weltec lease in Feb 2014
- Seismic upgrades and refurbishment works (NZ$21m) supported by Dec 2012 'as complete' portfolio value of NZ$54.5m. Works to be funded from existing cash on hand, NZ debt facility and $8m of equity from US sale proceeds.
- New leases and capital works program will unlock considerable securityholder value
- Negotiations continue with the US purchaser however no certainty of an eventual sale
- Ingenia comfortable with medium term hold of 15-year WALE[1] to NZ government backed tenants with market indexed rent of circa A$3.1m per annum

1. Weighted average lease expiry

Strategy & outlook

Ingenia is committed to operating and building a highly profitable Australian Seniors living portfolio

Settlers Ridgewood Rise, Ridgewood WA

Strategy

Ingenia COMMUNITIES

ACQUIRE competently	**DEVELOP efficiently**	**OPERATE with excellence**

Acquire competently

- Create asset clusters in favorable markets with:
  - Buoyant housing and employment markets
  - Compelling ageing demographics
  - Limited competition
- Acquire accretive bolt-on acquisitions in familiar markets
- Grow cash yielding asset base with Rental and MHE portfolios:
  - Seek opportunistic distressed rental assets (limited pool)
  - Acquire existing MHE assets with development upside
- Stringently assessed acquisition thresholds with a minimum 15% unlevered IRR

Develop efficiently

- Focus on 'build ready' developments – seek to minimise holding costs
- Extract full value from development opportunities within existing assets
- Acquire or option land adjacent to existing high occupancy villages
- Seed carefully staged developments with pre-sale targets timed with construction commencements
- Adhere to development thresholds with a minimum 15% unlevered IRR

Operate with excellence

- Leverage management and operational efficiencies across portfolios – extract full benefits from cluster strategy
- Primarily targeting the affordable end of market which is the largest segment of the retirement sector – less susceptible to residential downturn and fewer competitors
- Drive occupancy and rental rate growth
- Maximise returns for Ingenia's securityholders
- Revenue line will grow more quickly than cost line due to scale efficiencies

Strategy

Development forecast within existing portfolios as at February 2013

		Completion Value ($m)	# of Units	FY13	FY14	FY15	FY16+
Active Development							
Settlers DMF	Ridge Estate, NSW	$9.2	31	Stage 1	Stage 2		
DMF Conversion	Gladstone, QLD	$17.3	69	Stage1		Stage 2	
	Rockhampton, QLD	$12.9	74	Stage 1		Stage 2	
	Forest Lake, QLD	$10.8	67				
	Cessnock, NSW	$9.8	52	Stage 1	Stage 2		
Development Opportunities							
Manufactured Home Estates	The Grange, NSW	$9.2	34				
	Ettalong beach, NSW	$6.9	28				
Settlers DMF	Meadow Springs, WA	$24.0	60				
DMF Conversion	New conversion, VIC	$12.0	100		Stage 1		
		$112.1m	515 Units				

Medium term target

TARGET:
200 units
delivered pa.

Development   Sell down

Note: Figures on the development pipeline slide includes built stock and units yet to be developed

Strategy – Manufactured home estates

MHEs represent an on-strategy fit to Ingenia's growth

> A cash yielding affordable accommodation segment within the Australian seniors living sector

> MHEs are lifestyle communities for over 50s residents where they purchase a home and own the above-ground component and sign a lease to pay rent on the freehold land which remains the property of the operator (Ingenia)

> MHEs enable Ingenia to earn one-off development profits and a consistent cash rental income

> Similar to the rental village model, most MHE residents receive the pension and Commonwealth rental assistance, making manufactured homes a popular and affordable alternate product

> Management has assessed the market for over two years, seeking to increase cash yields, diversify its earnings base and reduce the Group's reliance on the DMF model

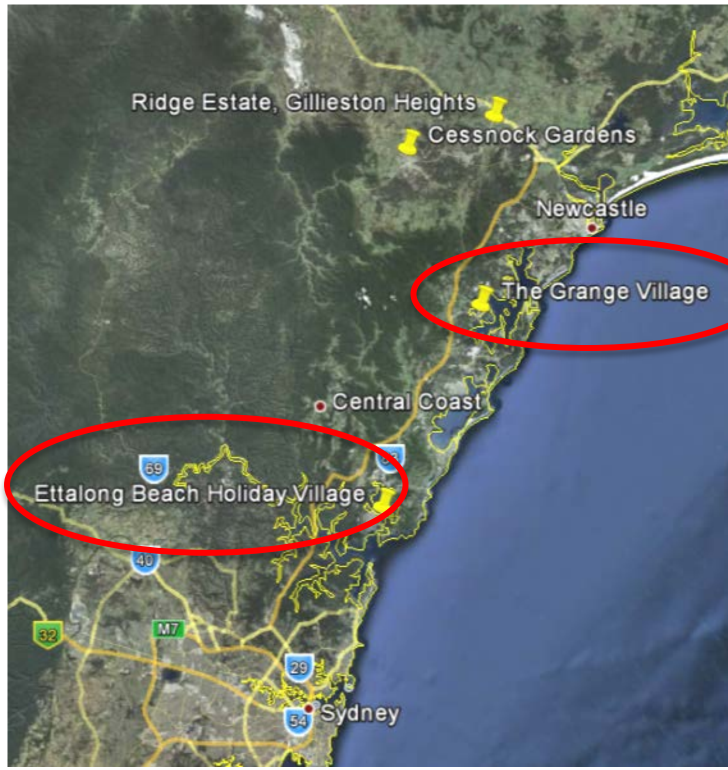
> MHEs will represent the third business of Ingenia's Australian Seniors platform, complementing the existing rental and DMF operations

> Over the past six months, Ingenia has developed a proprietary database of every MHE and caravan park in NSW, QLD and VIC which it will use to drive future acquisition strategy

> Several more accretive opportunities in this market are currently being explored

Strategy – Manufactured home estates

Acquisition of first two MHEs in the Hunter growth corridor



	The Grange Village	Ettalong Beach Holiday Village[1]
Location	Morriset, NSW	Ettalong Beach, NSW
Total units	145 existing ~ 34 to be built	85 existing ~28 to be built
Purchase price	$10 million	$2.1 million
Unlevered IRR	>18%	>20%
Settlement timing	Mar 2013	Mar 2013

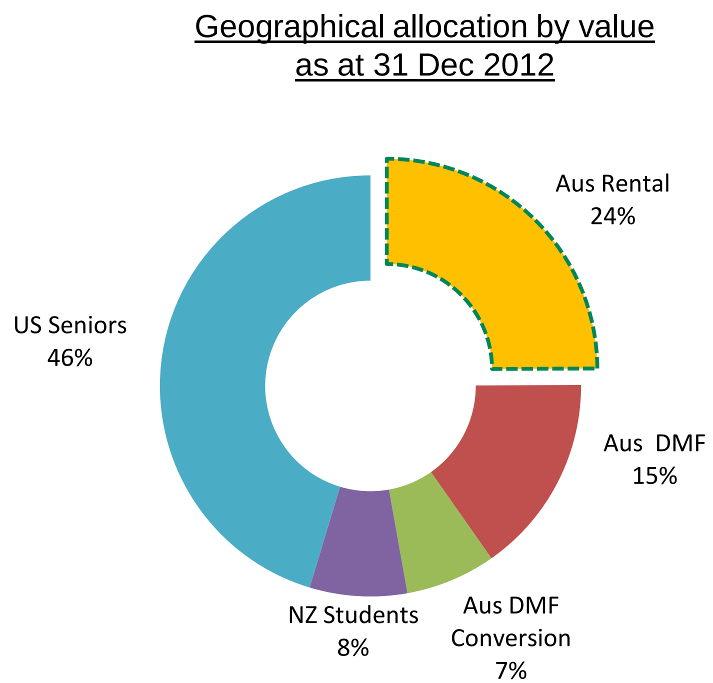
Ideal investment profile in Hunter/Newcastle

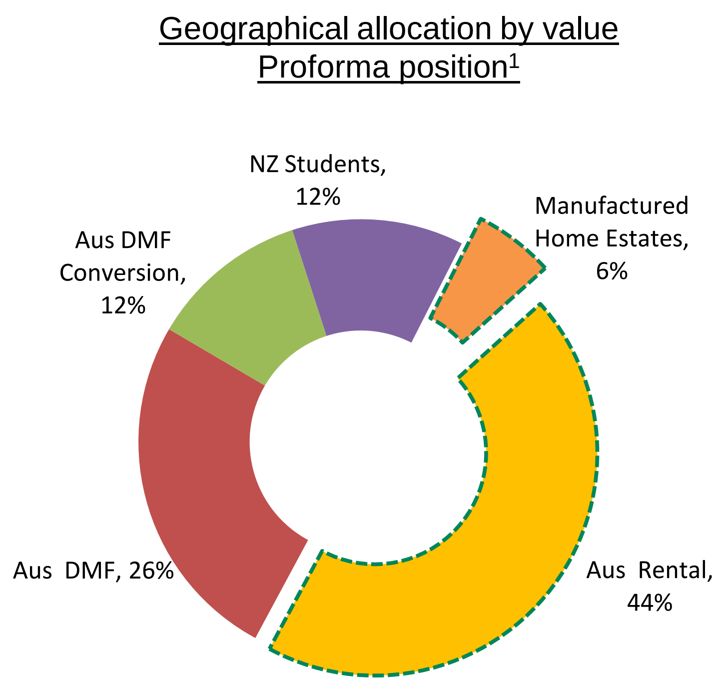
- ✓ Prospering coal mining industry, well serviced by transport, infrastructure and amenities
- ✓ Significant ageing population, relatively low competition and readily accessible to Sydney
- ✓ Buoyant local housing and employment market
- ✓ Ingenia's cluster strategy in the Hunter will generate significant management efficiency and operational synergies

1. Conditional contract exchanged subject to local council approving the transfer of lease-hold property title

Strategy

Focus to increase recurrent cash earnings





> The rental and MHE portfolios generate quality recurrent cash earnings

> These cash yielding portfolios will account for 50% of the Group's total portfolio by value – strengthening ongoing cashflows for Ingenia

1. Proforma takes into account the divestment of the New York portfolio which settled in Feb 2013, the acquisition of the Mandurah WA rental village which settled in Feb 2013, the acquisition of Tamworth NSW rental village which is due to settle in Mar 2013, and the inclusion of the two recently acquired Manufactured Home Estates (The Grange Village and Ettalong Village) which are due for settlement in Mar 2013.

Outlook

- FY13 will continue to be challenging – particularly until we see improvement in core South East Queensland residential property market
- Business remains in final stages of transition as we exit US Seniors market, grow our Australian operations and assess options with NZ Students portfolio
- Disciplined capital deployment into accretive acquisitions and development focused projects, funded from existing debt facility and cash on hand
- Significant pipeline of accretive off-market projects currently under assessment, particularly in the MHE and rental market
- Focus on build through of substantial development pipeline within existing portfolios
- Reaffirms FY13 final distribution payment of 0.5¢ per stapled security

Appendices

Settlers Noyea Park, Mt. Warren Park, QLD

Appendix 1 – Operating income

Operating income	H1 FY13 (A$m)	H1 FY12 (A$m)	Comments
Continuing operations			
Australian Seniors			
- Garden Villages	4.1	3.9	Solid performance from a smaller portfolio as a result of divestments
- DMF Conversion Properties	0.9	2.7	Impacted by lower than forecasted sales in 1H13
- Settlers Lifestyle	1.6	0.9	
	6.6	**7.5**	
Net finance costs	(3.0)	(4.3)	
RE fees	-	(0.9)	RE fees and Corporate costs consistent with internalisation and internal forecasts
Corporate costs	(2.3)	(0.6)	
Operating income – Continuing operations	**1.3**	**1.7**	
Divested or Exiting operations			
US Seniors	3.0	2.6	
NZ Students	0.7	0.2	
US Students	-	(0.2)	
Net finance costs	(1.4)	-	
Corporate costs	-	(0.2)	
Operating income – Discontinued operations	**2.3**	**2.4**	
Operating income	**3.6**	**4.1**	

Appendix 2 – Look through balance sheet

Look-through balance sheet (A$m)	Australian Seniors	US Seniors	NZ Students	Total look through Balance Sheet	Adjustments[1]	Total Statutory Balance Sheet
Cash	18,570	1,561	1,542	21,673	(3,103)	18,570
Investment property and property under development	333,852	159,202	26,343	519,397	(185,545)	333,852
Other assets	5,145	8,891	533	14,569	(9,424)	5,145
Assets of discontinued ops	-	-	-	-	98,707	98,707
Total assets	**357,566**	**169,654**	**28,418**	**555,639**	**(99,365)**	**456,274**
Interest bearing liabilities	76,876	120,253	17,441	214,570	(137,694)	76,876
Derivatives	382	-	-	382	-	382
Village residents' loans	169,306	-	-	169,306	-	169,306
Other liabilities	14,428	3,225	593	18,246	(3,818)	14,428
Liabilities of discontinued ops	-	-	-	-	(43,658)	43,658
Total liabilities	**260,992**	**123,478**	**18,034**	**402,504**	**(97,854)**	**304,650**
Net assets	**96,575**	**46,176**	**10,384**	**153,135**	**(1,511)**	**151,624**
Net asset value per unit – cents	**21.9**	**10.5**	**2.4**	**34.7**	**(0.3)**	**34.4**
Assets less cash and resident loans	169,691	168,094	26,876	364,661		
Total debt less cash	58,306	118,693	15,899	192,897		
Look through gearing (%)	**34.4%**	**70.6%**	**59.2%**	**52.9%**		
Secured assets	162,264					162,264
Interest bearing liabilities (AU)[2]	77,739					77,739
Actual loan to value ratio (LVR)	**47.9%**					**47.9%**

1. Adjustments primarily relates to US Seniors as a result of equity accounting no longer being required following classification as a discontinued operation
2. Interest bearing liabilities excludes pre-paid borrowing costs (refer to Note 7 of Financial Report)

Appendix 3 – Cashflow in detail

Cashflow	Amount A$m
Opening cash at 1 July 2012	32.8
Cashflow generated from operations:	
Australian Seniors	6.0
Overseas portfolios	1.1
Net borrowing costs paid	(4.0)
Income tax paid	(0.3)
Net Cashflows from Operations	**2.8**
Acquisitions of investment properties	(5.0)
Capital expenditure and development costs	(2.6)
Costs associated with sale of US Seniors Portfolio	(0.8)
Amounts advance to villages	(0.3)
Purchase of Plant & Equipment	(0.2)
Net Cashflows from Investing	**(8.9)**
Debt repayments – Australian Seniors debt	(4.1)
Distributions to security holders	(2.1)
Internalisation Payments	(0.6)
Australia Seniors debt refinance costs	(0.5)
Derivative receipts	1.7
Derivative payments	(0.2)
Net Cashflows from Financing	**(5.8)**
Total Cashflows	**(11.9)**
Effects of exchange rate changes on cash	(0.1)
Closing cash at 31 December 2012	**20.8**

Closing cash at 31 December 2012	A$m
Continuing operations (Balance sheet's "cash and cash equivalents")	18.6
Discontinued operations (note 9 of financial statements)	2.2
Total cash	20.8

Appendix 4 – Ingenia operating cost base

1H13 operating cost base (excluding village costs)

Operating costs	1H13 ($m)	
Corporate (Sydney)		
Business development	0.2	Costs associated with development and acquisition activities (staff, investigation costs)
Corporate office	1.2	Executives remuneration, finance, investor relations (staff, legal fees, office costs, travel)
Board fees	0.2	Directors fees
Regulatory fees	0.7	ASX listing fees, AFSL costs, compliance, insurance, audit and other related costs (cost of operating as an ASX listed, triple stapled group)
Total Corporate costs	**2.3**	
Operational (Brisbane service center)	1.7	Day-to-day operational costs for accounts, payroll, marketing, property management across Australia
Total Operating costs	**4.0**	

- Total 1H13 operating costs of $4.0m are in accordance with full year projections.
- Regulatory fees for 1H13 are slightly higher than expected as a result of loan refinancing requirements.

Appendix 5 – Debt facilities

	Australian Seniors	Commentary for Australian Seniors	NZ Students[1]
Limit ($m)	Revolver A$82.0m		NZ$20.8m
Amount drawn ($m)	A$77.7m		NZ$20.8m
Loan to value ratio (LVR) actual	47.9%	Post US settlement, acquisitions and divestments LVR 28.9%	N/A[2]
LVR bank covenant	50%		60%
Interest cover ratio (ICR) actual	1.68x	Covenant excludes conversion sales and DMF income	N/A[2]
ICR bank covenant	1.5x		1.5x
Leverage ratio actual	60.0%		N/A
Leverage covenant	80%[3]		N/A
% Hedged (interest rates)	77%	Hedge concludes in March 2013	0%
Facility expiry	Sep 2015		Mar 2013

1. The NZ debt facility was refinanced on 9 August 2012, extending the expiry to 31 March 2013. An additional short-term overdraft facility of NZ$3.7m is in place whilst refinance is underway. The overdraft is currently drawn down to NZ$3.7m.
2. These covenants are not being tested by the NZ lender whilst portfolio is under redevelopment.
3. 80% reducing to 50% upon receiving the proceeds from the New York sale

Appendix 6 - Valuations

Reduction in values primarily due to asset sales and monetisation of inventory

Valuations	31 Dec 12 Valuation ($m)	30 Jun 12 Valuation ($m)	Movement ($m)	Movement (%)	31 Dec 12 Cap rate/ Discount rate[1] (%)	30 Jun 12 Cap rate / Discount rate[1] (%)	Key drivers of valuation movement
Garden Villages (Rental)	83.2	87.1	(3.9)	(4.5)	9.6	10.1	• Occupancy gains eroded by poor performance in part of WA & TAS markets • Includes movements associated with acquisitions, divestments and conversion to DMF
Settlers (DMF)	52.9	54.0	(1.1)	(2.0)	13.6	13.2	• Discount rate eased by 50 bps based on external valuations • Reduction also driven by monetisation of stock on hand
DMF Conversion	23.7	22.0	1.7	7.7	14.8[2]	14.9[2]	• Includes first time addition of Cessnock Conversion Village ($3m) • Offset by some reduction due to monetisation of stock on hand
NZ Students (NZ$m)	31.3	24.9	6.4	25.7	7.2[3]	10.0	• Uplift driven external revaluation incorporating new 15-year WALE

1. Weighted average capitalisation rate for all portfolios except Lovely Banks Gardens (divested), Settlers DMF and Conversion assets use weighted average discount rate
2. Valuation discount rates for DMF Conversion assets represent a blended discount rate applied to the cashflows
3. Reflects cap rate based on 'as complete' value of portfolio following refurbishment works

Appendix 7
Portfolio statistics: Garden Villages (Rental)

Property Name	Location	Book Value 31 Dec 2012 (A$m)	Cap Rate	Total Units	Occupancy 31 Dec 2012	Occupancy 30 Jun 2012
Western Australia						
Swan View Gardens	Swan View, WA	5.7	9.8%	71	97%	96%
Yakamia Gardens	Yakamia, WA	2.9	7.5%	57	65%	70%
Sea Scape Gardens	Erskine, WA	4.2	9.8%	51	98%	100%
Seville Grove Gardens	Seville Grove, WA	3.4	9.8%	45	98%	100%
Carey Park Gardens	Bunbury, WA	2.6	7.5%	51	77%	74%
Total / Average - WA		18.8	9.1%	275	87%	88%
Queensland						
Marsden Gardens	Marsden, QLD	8.2	10.5%	96	93%	92%
Jefferis Gardens	Bundaberg North, QLD	2.4	10.0%	51	75%	70%
Total / Average - QLD		10.6	10.4%	147	86%	84%
New South Wales						
Taloumbi Gardens	Coffs Harbour, NSW	4.2	9.8%	50	98%	100%
Mardross Gardens	Albury, NSW	2.1	10.0%	52	50%	58%
Chatsbury Gardens	Goulburn, NSW	2.8	10.0%	49	94%	88%
Wheelers Gardens	Dubbo, NSW	3.5	10.0%	52	100%	98%
Taree Gardens	Taree, NSW	2.4	10.0%	50	96%	90%
Oxley Gardens	Port Macquarie, NSW	2.6	9.0%	45	76%	73%
Dubbo Gardens	Dubbo, NSW (acquired Dec -12)	2.6	N/A	55	51%	-
Total / Average - NSW		20.2	9.8%	353	80%	85%

Note: All figures as at 31 December 2012

Appendix 8

Portfolio statistics: Garden Villages (Rental)

Property Name	Location	Book Value 31 Dec 2012(A$m)	Cap Rate	Total Units	Occupancy 31 Dec 2012	Occupancy 30 Jun 2012
Victoria						
Grovedale Gardens	Grovedale, VIC	3.6	9.8%	51	100%	88%
St Albans Park Gardens	St Albans Park, VIC	3.4	10.0%	52	96%	87%
Townsend Gardens	St Albans Park, VIC	3.3	10.0%	50	88%	84%
Horsham Gardens	Horsham, VIC	2.9	10.0%	47	77%	85%
Brooklyn Gardens	Brookfield, VIC	2.4	9.0%	51	88%	67%
Coburns Gardens	Brookfield, VIC	3.0	9.5%	51	77%	80%
Hertford Gardens	Sebastopol, VIC	3.1	10.0%	48	98%	98%
Total / Average - VIC		21.7	9.8%	350	89%	84%
Tasmania						
Glenorchy Gardens	Glenorchy, TAS	3.1	10.0%	42	95%	98%
Elphinwood Gardens	Launceston, TAS	2.8	9.0%	55	71%	76%
Claremont Gardens	Claremont, TAS	3.5	10.0%	51	77%	82%
Devonport Gardens	Devonport, TAS	2.5	7.5%	51	63%	73%
Total / Average - TAS		11.9	9.2%	199	75%	81%
TOTAL / AVERAGE - GARDEN VILLAGES		**83.2**	**9.6%**	**1,324**	**84%**	**85%**
Assets under divestment						
Lovely Banks Gardens[1]	Corio, VIC	2.8	9.8%	65	0%	53%

1. Lovely Banks village is contracted to settle in Mar 2013

Note: All figures as at 31 December 2012

Appendix 9

Portfolio statistics: Settlers (DMF)

Property Name	Location	Book Value 31 Dec 2012(A$m)	Discount Rate	Total Units	Occupancy 31 Dec 2012
DMF Villages					
Lakeside	Ravenswood, WA	22.9	13.5%	232	93%
Ridgewood Rise	Ridgewood, WA	18.4	13.0%	240	99%
Meadow Springs	Mandurah, WA	3.4	14.5%	56	88%
Noyea Park	Mt Warren Park, QLD	6.3	14.5%	149	99%
Ridge Estate	Gillieston Heights, NSW	1.9	16.0%	16	81%
Total/Average – DMF Villages		52.9	13.6%	693	96%
DMF Conversion[1]					
Forest Lake	Forest Lake, QLD	8.9	16.7%	86	51%
Rockhampton	Rockhampton, QLD	7.5	16.1%	74	78%
South Gladstone	South Gladstone, QLD	4.3	13.1%	56	73%
Cessnock	Cessnock, NSW	3.0	9.0%	39	85%
Total/Average – DMF Conversion		23.7	14.8%	255	69%
TOTAL/AVERAGE - SETTLERS		**76.6**	**14.0%**	**948**	**88%**
TOTAL / AVERAGE - AUSTRALIAN SENIORS		**159.8**	**-**	**2,272**	**86%**

1. Valuation discount rates for DMF Conversion assets represent a blended discount rate applied to the cashflows.

Note: All figures as at 31 December 2012

Appendix 10 – Settlers (DMF) sales

	WA			QLD	NSW	
	Lakeside	**Meadow Springs**	**Ridgewood Rise**	**Noyea (strata)**	**Ridge Estate**	**Total**
6 months to 31 Dec 2012						
No. of new sales	1	1	3	-	2	7
Average new sales prices ($'000)	320	315	420	n/a	259	344
No. of resales	2	-	5	1	-	8
Average resale prices ($'000)	301	n/a	370	250	n/a	338
DMF collected on exit ($'000)	123	44	212	75	-	454
Average resident tenure on exit (yrs)	6.7	5.1	4.7	18.4	-	6.7
As at 31 Dec 2012						
Units available for sale	14	5	-	17	1	37
Occupancy (%)[1]	95%	93%	100%	99%	81%	97%
Average resident entry age (yrs)	69	71	70	70	69	70
Average resident age (yrs)	76	76	74	79	70	75
Average resident tenure (yrs)	8.0	6.6	5.0	10.4	1.3	7.2

1. Occupancy includes units which may not be physically occupied but contractually subject to DMF fees

Appendix 11
Portfolio statistics: Offshore assets

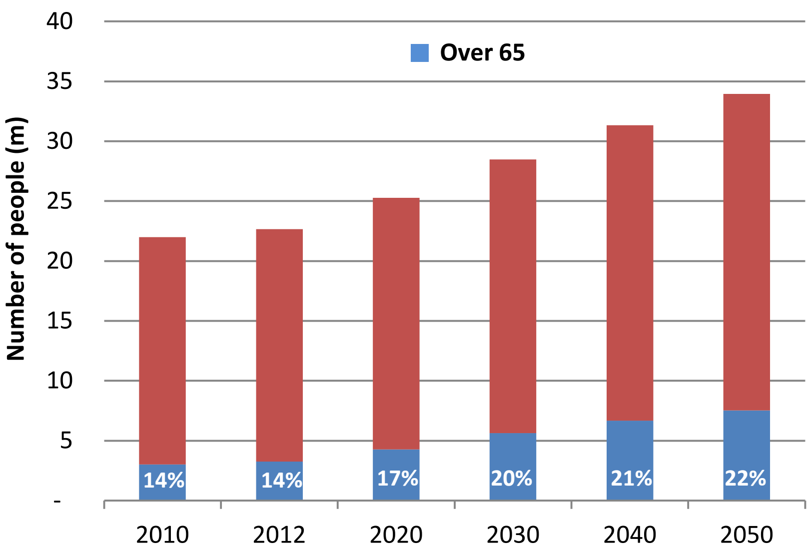
Property Name	Location	Book Value "as complete" (NZ$m)	Book Value 31 Dec 2012 (NZ$m)	Book Value 31 Dec 2012 (A$m)[1]	Cap Rate "as complete"	Total Units	Occupancy 31 Dec 2012
NZ Students assets							
Cumberland House	Wellington, NZ	17.7	15.5	12.3	7.2%	187	98%
Education House	Wellington, NZ	8.5	4.8	4.8	7.4%	108	97%
McKenzie Apartments	Wellington, NZ	28.3	11.0	8.7	7.1%	64	92%
TOTAL / AVERAGE – NZ STUDENTS		**54.5**	**31.3**	**25.8**	**7.2%**	**359**	**95%**

1. Exchange rate of A$1 = NZ$1.2608

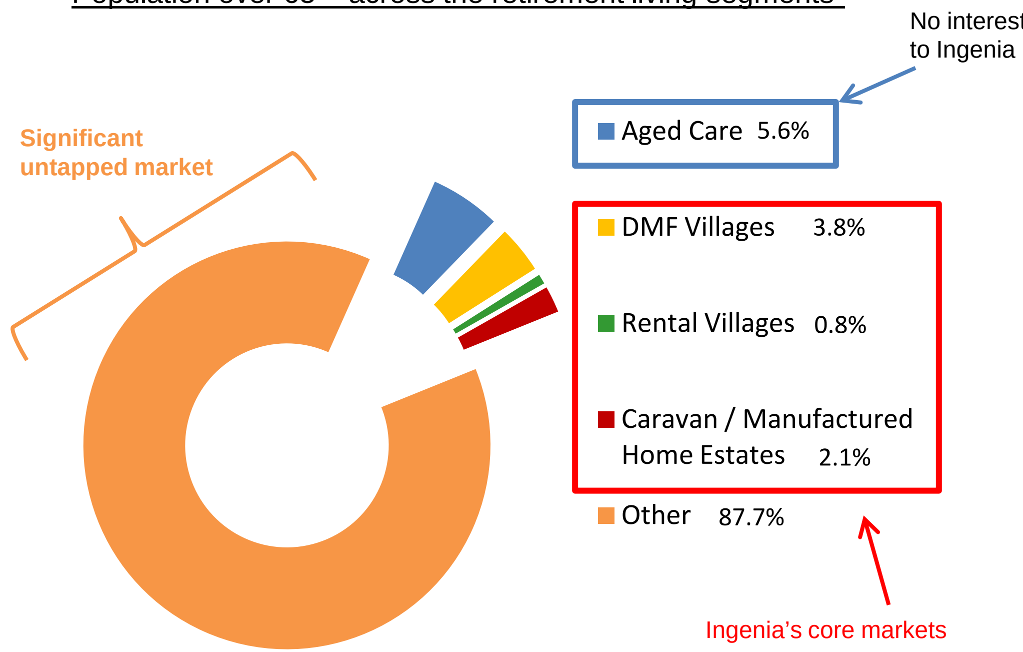
Note: All figures as at 31 December 2012. Occupancy as at end of students' academic year.

Appendix 12
Retirement living sector overview

Australian Population Projections 2010 - 2050[1]



Population over 65 – across the retirement living segments[3]



Ageing population drives demand for seniors living accommodation

> Population over 65 looks to grow from 14% in 2010 to 22% by 2050

> Sector penetration rate is low. Nationally, retirement villages only house ~5% of the population over 65 at present. This is projected to increase to 7.5% by 2025 [2]

Ingenia meeting the needs of more seniors across the sector with MHEs

> Four distinct retirement living segments, of which Ingenia plans to operate in three, forming a diversified portfolio of offerings in the Australian market

1. Chart source: ABS, 3222.0 Population Projections, Australia
2. Estimated by the RVA as quoted in the Productivity Commission enquiry "Caring for Older Australians", Aug 2011
3. ABS, 2011 Census and Ingenia proprietary research

Appendix 13 – Recent acquisitions

Ingenia expands its reach in growing markets with a cluster style strategy

Village	Location and size	Purchase Price	Earnings contribution (p.a) on stabilised occupancy	Comment
Ridge Estate	Hunter Valley, NSW – 16 units	$2.0m	$0.3m plus development profits on 28 units	DA approval for further 28 units. Forecast unlevered IRR >50%. Settled in Jul 2012.
Dubbo Gardens	Dubbo, NSW – 55 units	$2.5m	$0.4m	Forecast unlevered IRR ~17%. Assessing the conversion to DMF. Settled in Dec 2012.
Ocean Grove Gardens	Mandurah, WA – 44 units	$2.8m	$0.4m	Forecast unlevered IRR > 20%. Settled in Feb 2012.
The Grange Village	Morisset, NSW – 145 units	$10.0m	$1.5m plus development profits on 34-44 units	Three DA approved sites plus development land for further 30-40 units. Forecast unlevered IRR >18%. Anticipate settlement in Mar 2013
Ettalong Holiday Beach Village	Ettalong Beach, NSW – 85 units	$2.1m	$0.4m plus development profits on 28 units	Highly accretive cash yielding asset. Forecast unlevered IRR >20%. Anticipate settlement in Mar 2013
Tamworth Retirement Village	Tamworth, NSW – 50 units	$3.3m	$0.4m	Forecast unlevered IRR >18%. Anticipate settlement in Mar 2013

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