

ASX / Media Release

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Ingenia recycles capital for further Lifestyle Parks investment

- Ingenia to divest three non-core regional Garden Village rental communities
- Sale price represents a 7.5% premium to December 2014 book value
- Capital to be recycled back into immediately accretive Lifestyle Parks acquisitions, with several well progressed

Ingenia Communities Group (ASX: INA) today announced it has entered into contracts to divest three of the Group's Garden Village rental villages. The villages, which are in regional NSW and Victorian locations, are non-core for Ingenia and will be sold for \$6.65 million (a 7.5% premium to Ingenia's December 2014 book value).

The two Victorian villages, Murray River Gardens (Mildura) and Shepparton Gardens (Shepparton) were acquired by Ingenia in January 2014 as part of a portfolio of five 'distressed' assets. Following value adding by Ingenia management the consideration for these two villages is ~14% above their 2014 purchase price. The third village, Mardross Gardens in Albury (NSW) was originally acquired in June 2004. The divestment of these assets will reduce Ingenia's exposure to 'out of cluster' and management intensive assets and improve the portfolio's overall operating metrics.

Shepparton Gardens and Mardross Gardens are two of the lowest occupancy villages in the portfolio and the sale of the three villages will lift portfolio occupancy from 86.2% to 89.1%. Murray River Gardens, whilst a well performing village, is remotely located and not part of an existing or future identified operational cluster.

Settlement is expected to occur in June enabling Ingenia to redeploy this capital into the expansion of the Group's Lifestyle Parks portfolio – a business which provides Ingenia with greater opportunities for growth.

Ingenia Communities Chief Executive Officer, Simon Owen, said: "Our active approach to management ensures that we continually review our portfolio and will seek to realise value for assets in order to maximise returns for securityholders. Consistent with our focus on building our Lifestyle Parks business, the proceeds of this sale are expected to be quickly deployed into the Lifestyle Parks portfolio.

"We are well progressed with a number of Lifestyle Park acquisitions which will enhance cash flows and grow returns and are continuing to refine our portfolio in line with our growth strategy."

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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).