

ASX / Media Release

17 November 2015

Ingenia Communities 2015 Annual General Meeting

Chairman's Address

Ladies and Gentlemen,

It has been a year of growth and achievement for Ingenia as we continue to deliver on our strategy to refocus the portfolio on cash yielding assets dominated by affordable seniors housing in Australia.

Since June 2014 we have changed the business in line with this strategy;

- Continuing to grow our cash yielding asset base
- Deploying additional funds to build a market leading portfolio of lifestyle parks; and
- Significantly increasing the contribution from sales and development, driven by investment in our internal capability in this new but growing part of our business.

Importantly, we have successfully increased returns as well as built a scalable platform for longer term earnings and distribution growth.

As the business composition has changed, we have been pleased to deliver strong financial and operating results with both Underlying Profit and distributions up on the prior year. Underlying Profit of \$17.5 million was up 51% and the distribution per security was increased by 17% on the 2014 financial year result.

Our returns over the long term have been strong and Ingenia has outperformed the All Ordinaries and relevant REIT Index over the past 3 and 5 years, delivering a compound annual growth rate of over 20% since internalisation in 2012.

Whilst the security price has been flat this year, in the medium term we expect the growth of the business to be reflected in the security price.

With the security price currently at 45 cents, Ingenia continues to trade above the Group's Net Asset Value per security of 38.9 cents.

Ingenia today

Our efforts over the past few years have established a solid base for the future. Today Ingenia is a purely Australian business with a clear strategy focused on affordable seniors housing. The growth in Australia's ageing population, combined with a lack of funding for many retirees today and into the future, underpin this strategy.

Ingenia's strategy is to focus on yield driven assets within the affordable seniors living market, principally through lifestyle parks and our rental villages. Operationally these assets are performing well with our rental portfolio achieving record occupancy above 90%.

We continue to build our Lifestyle Parks portfolio with further acquisitions over the year and since financial year-end. These acquisitions have grown our presence in NSW and Queensland and have seen us enter the Victorian market. From an initial investment in one asset in March 2013, today this portfolio includes 24 assets, has 3,500 income generating sites and has embedded growth through a potential pipeline of over 1,600 home sites.

Simon will elaborate on these acquisitions and share with you the progress we have made in providing quality new homes across the Lifestyle Parks business.

Prudent capital management is always top of mind for the Board and management. During the year a mix of debt and equity funded Ingenia's growth, with equity raised from our existing securityholders, recycling of capital from asset sales and debt deployed to grow the Lifestyle Parks portfolio.

In addition we expanded our debt capacity, with a new multibank debt facility providing further flexibility and decreasing Ingenia's cost of debt.

The future

Turning to the future, we have a well established presence in both our key sectors and a supportive environment with the demographics of an ageing population driving underlying demand. Ingenia is the largest owner/operator of seniors rental villages in Australia and we continue to prudently grow our Lifestyle Parks business, an industry segment that is becoming more attractive as an institutional investment.

While we were disappointed that the agreed sale of three of our Deferred Management Fee assets did not proceed we remain committed to exiting this market – but at appropriate value.

Our existing portfolio, combined with a clear business strategy and enhanced internal capabilities, gives us a solid base for continued growth in returns as we capitalise on further opportunities to increase our rental base through targeted acquisitions and further momentum in sales and development.

Your Board is focussed on ensuring that we make the most of these foundations and the operating platform and capability we now have in place to maximise long term securityholder returns.

The full year distribution to investors was increased by 17% in the 2015 financial year. This built on 15% growth in the previous year and we are targeting ongoing increases in distributions. I would like to assure you that the Board remains conscious of the need to continue to grow returns to investors, balancing the distribution of earnings with reinvestment for growth.

Ladies and Gentlemen, I am pleased with what has been achieved this year and am proud to have led Ingenia through another year of change and growth as we delivered on our strategy.

I would like to thank my fellow directors Amanda Heyworth, Rob Morrison, Norah Barlow and Phil Clark and Company Secretary, Leanne Ralph, for their huge contribution and commitment.

We remain confident in Simon and the management team to continue to deliver performance from the portfolio and to pursue further disciplined growth.

I look forward to working with my fellow directors and the management team through the coming year to drive further strategic change and to deliver results for investors.

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

ENDS