

ASX / Media Release

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Ingenia Communities acquires cash yielding Western Australian rental village

Highlights

- Acquires 44-unit rental village in Mandurah, Western Australia
- Acquisition yield of 11.0% forecast to increase to 14.1% within 36 months
- Unlevered IRR exceeds 20%
- Adjacent to Ingenia-owned high occupancy Seascape Gardens village
- \$2.8 million purchase price to be funded from existing cash reserves
- Consistent with Ingenia strategy to grow cash yielding assets

Ingenia Communities Group (ASX: INA) today announced the purchase of a cash yielding retirement village in Mandurah, WA, for \$2.8 million. The acquisition is immediately accretive offering a cash yield of 11.0%, with yield expected to increase to 14.1% as vacant units are tenanted at market rates. The acquired village is also forecast to deliver an unlevered internal rate of return (IRR) in excess of 20%.

The 44-unit rental village is adjacent to one of the Group's best performing rental villages, the 51-unit Seascape Gardens property. The acquired village has been purchased off-market from a broader portfolio in receivership.

Ingenia Communities Chief Executive Officer, Simon Owen, said: "Similar to Ingenia's recent acquisition in Dubbo, this is an accretive opportunity in line with the Group's cluster strategy to grow in markets we know well, and will bolster our portfolio of high performing rental villages generating consistent earnings and cashflow. The geographic and operational synergy of this acquisition will provide the group with further earnings scale while being fully absorbed within our existing management and corporate cost base."

Mr. Owen continued: "Mandurah is one of our strongest performing markets with our existing village consistently achieving an occupancy rate above 95%. We have acquired this village

at approximately \$63,000 per unit compared to our Seascope Gardens village which was last valued at approximately \$82,000 per unit.”

The transaction is expected to settle in late January 2013 and will be funded from existing cash reserves.

Ingenia is assessing multiple attractive acquisition and development opportunities in existing market clusters. Subject to achieving threshold returns, the Group expects to announce further investments in coming months.

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About Ingenia Communities Group

Ingenia Communities Group (ASX Code: INA) previously known as the ING Real Estate Community Living Group, 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).

Ingenia Communities Group is a leading operator, owner and developer of a diversified portfolio of seniors housing communities. Together the stapled group has total look-through assets under management of \$429 million with operations located predominately throughout Australia.