

**Ingenia**  
COMMUNITIES

## **Ingenia Communities Group**

(comprising Ingenia Communities Fund ARSN 107 459 576,  
Ingenia Communities Management Trust ARSN 122 928 410  
and Ingenia Communities Holdings Limited ACN 154 444 925)

# **2013 NON-RENOUNCEABLE RIGHTS ISSUE OFFER BOOKLET**

**23 September 2013**

**Fully underwritten \$67.1 million 1 for 3 non-renounceable rights issue  
at an offer price of \$0.365 per new Stapled Security**

This offer closes at 5.00pm (AEST) on 8 October 2013. This is an important document which requires your immediate attention. It is accompanied by an Entitlement and Acceptance Form for you to subscribe for new stapled securities in the Ingenia Communities Group.

Joint Lead Managers  
and Underwriters

**RBS Morgans**

**PETRA**  
CAPITAL

Legal Adviser



**gadens**  
lawyers

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Ingenia Communities Group (**Issuer**) is a stapled vehicle made up of the Ingenia Communities Fund ARSN 107 459 576 (**Fund**), Ingenia Communities Management Trust ARSN 122 928 410 (**Trust**) and Ingenia Communities Holdings Limited ACN 154 444 925 (**Holding Company**). A stapled security in the Issuer comprises of a unit in the Fund, a unit in the Trust and a share in the Holding Company (**Stapled Securities**).

This Offer Booklet is dated 23 September 2013 and is issued by the Issuer in relation to the issue of new fully paid Stapled Securities by way of a non-renounceable pro-rata entitlement offer to existing Securityholders (**Securityholders**) of new Stapled Securities (**Offer Securities**) to raise \$61.7 million (**Offer**). The Issuer may make the Offer without issuing a prospectus or product disclosure statement under sections 708AA and 1012DAA of the Corporations Act. This Offer Booklet does not purport to be a prospectus or a product disclosure statement and it does not contain the type of information which would be required to be included in a prospectus or a product disclosure statement.

ASIC and ASX take no responsibility for the contents of this Offer Booklet. No person is authorised to give information or to make any representation in connection with the Offer Booklet which is not contained in this Offer Booklet. Any information or representation not so contained may not be relied on as having been authorised by the Issuer in connection with the Offer.

### Capital and investment returns are not guaranteed

Investments in the Issuer are subject to investment risk, including delays in repayment and loss of income and capital invested. The Issuer does not guarantee any particular rate of return on the Offer Securities or the performance of the Issuer, nor does it guarantee the repayment of capital from the Issuer.

### This is not investment advice - you should seek your own financial advice

The information contained in this Offer Booklet is not financial product advice and has been prepared without taking into account your individual investment objectives, financial situation and particular needs.

Before you decide to invest in Offer Securities, you should:

- read this Offer Booklet and the accompanying Management Presentation (Presentation) paying particular attention to the investment risks detailed in the Presentation (see Section 6);
- have regard to other publicly available information about the Issuer and read a copy of the announcement made by the Issuer to the ASX on 12 September 2013 (see Section 6);
- carefully consider the Offer in light of your particular investment needs, objectives and circumstances (including financial and taxation issues); and
- if you do not fully understand this Offer or are in any doubt as to how to deal with it, consult your professional advisor.

### Eligible Securityholders

The Offer is being made to Securityholders as at 7:00pm (AEST) on 20 September 2013 that have a registered address in Australia or New Zealand. In particular, the Offer is not being made to any person in the US or to a U.S. Person. Eligible Securityholders will receive an Entitlement and Acceptance Form with this Offer Booklet. The Offer may only be accepted by Eligible Securityholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

### All references to \$ are to Australian dollars

Throughout the document an investment in the Issuer will be referred to as a "Stapled Security".

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS. THIS OFFER BOOKLET MAY NOT BE COPIED OR DISTRIBUTED TO OTHER PERSONS.**

# 1. Chairman's Letter

## Dear Investor

On behalf of Ingenia Communities, it is my pleasure to invite you to participate in the 1 for 3 Non-Renounceable Rights Issue, as outlined in this Offer Booklet. Eligible Securityholders are able to apply for one Offer Security for every three Stapled Securities held by them on the Record Date at an Issue Price of \$0.365 cents per Offer Security.

The Rights Issue, which provides an opportunity for all investors to participate on the same terms, is fully underwritten and will raise \$61.7 million. Each of Ingenia's Directors intend to participate in the Rights Issue.

The funds raised will be used to acquire manufactured home estates. Ingenia entered the manufactured home estates sector earlier this year, after an extensive period of research that identified the sector as an attractive investment due to its stable cashflows, strong investment returns and significant capacity for growth. Manufactured home estates provide affordable seniors accommodation, complementing Ingenia's existing assets and diversifying the affordable living options provided across Ingenia's portfolio. Since announcing Ingenia's strategy in this sector we have acquired six assets in NSW and have continued to identify opportunities meeting Ingenia's strict investment criteria.

By raising capital specifically to grow this portfolio we will preserve funding capacity for other accretive activities such as the completion of developments across Ingenia's existing 44 asset Australian seniors living portfolio. With the divestment of offshore assets and the refocusing of Ingenia on building a highly profitable diversified seniors living portfolio, manufactured home estate acquisitions and developments across existing assets are Ingenia's strategic focus and will be the key drivers of earnings growth going forward.

## The Offer

This Offer Booklet and the accompanying Entitlement and Acceptance Form provide important information about the Offer, including:

- key dates;
- instructions on how to participate in the Offer;
- the ASX announcement and management presentation released to the Australian Securities Exchange providing information on the proposed acquisitions, the Offer and key risks for you to consider; and
- other important information.

I encourage you to read this Offer Booklet carefully and to review the other publicly available information about Ingenia, including Ingenia's most recent Full Year Results, announced on 27 August 2013 on the Group's website ([www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au)). The 2013 Securityholder Review also contains useful information about Ingenia, its recent results and activities over the past financial year. This Review will be available on Ingenia's website on 27 September 2013 and will be mailed to investors who have requested a copy.

For further information regarding the Offer, please call Link Market Services Limited on +61 1300 554 474 (within and from outside Australia) at any time from 8.30am to 5.30pm (AEST) from Monday to Friday. You should consult your stockbroker, accountant or other independent professional advisor before making any investment decision.

I invite you to consider this opportunity and thank you for your continued support of Ingenia Communities.

Yours faithfully,



**JIM HAZEL**  
Chairman

## 2. Key Dates

The indicative timetable for the Offer is as follows:

<b>EVENT</b>	<b>DATE</b>
Management presentation lodged with ASX	11 September 2013
Submit Appendix 3B, cleansing notice and announcement with ASX	12 September 2013
Ex Date	16 September 2013
Record Date (7.00pm AEST)	20 September 2013
Dispatch of Offer Booklet and Entitlement and Acceptance Forms	23 September 2013
<b>Offer opens</b>	<b>23 September 2013</b>
<b>Offer closes, last day for acceptance of application money (5.00pm AEST)</b>	<b>8 October 2013</b>
Allotment and issue of Offer Securities	16 October 2013
Dispatch of Securityholder statements	17 October 2013
Trading expected to commence for Offer Securities on a normal trading basis	17 October 2013

Applicants are encouraged to submit their applications and Application Money as soon as possible after the Offer opens. The Issuer reserves the right, subject to the Corporations Act, the Listing Rules and other applicable laws or regulations, to vary any of the above dates of the Offer, including extending the Offer or accepting late applications, either generally or in particular cases, without notice. Any extension of the closing date will have a consequential effect on the issue date of the Offer Securities. Times and dates reflect Australian Eastern Standard Time (AEST).

## 3. The Offer

### 3.1 ELIGIBILITY TO PARTICIPATE

The Offer is being extended only to Eligible Securityholders – being persons who are registered as Securityholders, with a registered address in Australia or New Zealand, as at 7.00pm (AEST) on 20 September 2013 (**Record Date**) (and who are not otherwise ineligible within the definition of ‘Ineligible Securityholders’ in the Glossary in Section 7 of this Offer Booklet).

### 3.2 OFFER RATIO AND OFFER PRICE

Each Eligible Securityholder will be entitled to apply for 1 Offer Security for every 3 Stapled Securities held by them on the Record Date, at the offer price of \$0.365 per Offer Security. The offer price is payable in full on application. The number of Offer Securities to which you are entitled (your entitlement) is shown on the accompanying Entitlement and Acceptance Form.

If you have more than one holding of Stapled Securities, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate entitlements for each separate holding.

In determining entitlements, any fractional entitlements have been rounded up to the nearest whole number of Stapled Securities.

### 3.3 AMOUNT TO BE RAISED

169,059,731 Offer Securities will be issued under the Offer and the Issuer will raise \$61.7 million (before costs). The Offer is fully underwritten by RBS Morgans Corporate Limited and Petra Capital Pty Limited (Underwriters). RBS Morgans Corporate Limited and Petra Capital Pty Limited are acting as the Joint Lead Managers to the Offer.

### 3.4 NO TRADING OF ENTITLEMENTS

Your entitlement is non-renounceable. This means it is personal to you and cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your entitlement it will lapse and you will not receive any Offer Securities under the Offer.

### 3.5 ADDITIONAL OFFER SECURITIES

Eligible Securityholders may, in addition to taking up their entitlements in full, apply for Additional Offer Securities in excess of their entitlements.

Additional Offer Securities will only be available where there is a shortfall between applications received from Eligible Securityholders and the number of Offer Securities proposed to be issued under the Offer. Additional Offer Securities will be issued at the offer price of \$0.365 per Additional Offer Security.

Eligible Securityholders who apply for Additional Offer Securities may be allocated a lesser number of Additional Offer Securities than applied for, or may be allocated no Additional Offer Securities at all, in which case excess Application Money will be refunded without interest. To the extent any Offer Securities remain unallocated, the Underwriters will be required to subscribe for those Stapled Securities.

All decisions regarding the allocation of Additional Offer Securities will be made by the Board and Underwriters and will be final and binding on all Eligible Securityholders.

More information on how to apply for Additional Offer Securities is in Section 4.5.

### 3.6 RANKING OF OFFER SECURITIES

The Offer Securities will be fully paid and will rank equally with existing Stapled Securities.

### 3.7 NOMINEES

The entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual entitlement you may be permitted to take up where, for example, you are holding Stapled Securities on behalf of Ineligible Securityholders.

The Issuer is not required to determine whether or not any Eligible Securityholder is acting as a nominee or custodian, or the identity or residence of any beneficial owners of Stapled Securities. Where any Eligible Securityholder is acting as a nominee or custodian for a foreign person, that Eligible Securityholder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws. Any person with a holding through a nominee, who would be an Ineligible Securityholder if they were the registered holder of Stapled Securities, may not participate in the Offer, and the nominee must not take up any entitlement or send any materials into the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person. The Issuer is not able to advise on foreign laws.

# 3. The Offer

continued

## 3.8 QUOTATION AND TRADING

The Issuer will apply to ASX for official quotation of the Offer Securities issued under this Offer. Subject to approval being granted, quotation of the Offer Securities is expected to commence on a normal settlement basis on or about 17 October 2013. Holding statements will be dispatched in accordance with the relevant Listing Rules. It is the responsibility of each Applicant to confirm their holding before trading in their Stapled Securities. Any Applicant who sells Offer Securities before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. The Issuer disclaims all liability, whether in negligence or otherwise to any person who trades in Offer Securities before receiving their holding statement.

## 3.9 CHESS

The Offer Securities will participate from the date of commencement of quotation in CHESS, operated by ASX Settlement Pty Limited. They must be held in uncertificated form (i.e. no unit certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (e.g. a broker) or on the issuer sponsored sub-register. Arrangements can be made at any subsequent time to convert your holding from the issuer sponsored sub-register to the CHESS sub-register under sponsorship of a sponsoring participant or vice versa by contacting your sponsoring participant.

## 3.10 INELIGIBLE SECURITYHOLDERS

The Offer is made to Securityholders with a registered address in Australia or New Zealand. The Issuer has determined that it would be unreasonable to make the Offer to Securityholders outside Australia or New Zealand, having regard to the number of Securityholders outside Australia and New Zealand and the costs in complying with the legal and regulatory requirements in those jurisdictions. No action has been taken to register or qualify the Offer Securities or the Offer or otherwise to permit an offering of the Offer Securities in any jurisdiction outside Australia and New Zealand.

None of the information in this Offer Booklet nor the Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any U.S. Person. Offer Securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Offer Securities to be offered and sold in the Offer have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States.

The distribution of this document outside Australia may be restricted by law. In particular, this document or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any U.S. Person or to any person acting for the account or benefit of a U.S. Person. Persons who come into possession of this document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

## 3.11 ENTITLEMENT OF INELIGIBLE SECURITYHOLDERS

The Issuer has appointed Berne No 132 Nominees Pty Ltd (**Ineligibles Nominee**), a wholly owned subsidiary of RBS Morgans Limited to act as Ineligibles Nominee to arrange for the sale on ASX of the Offer Securities which may have been issued to Ineligible Securityholders. The Ineligibles Nominee will direct the net proceeds (if any, after deduction of the subscription price, fees and the costs of sale) to the Security Registry, to facilitate pro-rata payments of any net proceeds to Ineligible Securityholders. More information on the Entitlements of Ineligible Securityholders is in Section 4.7.

## 4. How to apply

### 4.1 ALTERNATIVES AVAILABLE

If you are an Eligible Securityholder, you may take any of the following actions:

- a. take up your entitlement in full;
- b. take up your entitlement in full and apply for Additional Offer Securities;
- c. take up part of your entitlement; or
- d. do nothing.

As a result of this Offer, Securityholders who do not take up all of their entitlement will have their percentage security holding in the Issuer diluted.

It is the responsibility of Applicants to determine their allocation of Offer Securities prior to trading in the Offer Securities. The sale by Applicants of Offer Securities prior to the receipt of a holding statement is at the Applicant's own risk.

### 4.2 ENQUIRIES

If you are in doubt as to the course you should follow you should consult your stockbroker, accountant or other independent professional advisor.

If:

(a) you have questions on how to complete the Entitlement and Acceptance Form or take up your entitlement; or

(b) you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call Link Market Services Limited on +61 1300 554 474 (within and from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday.

### 4.3 WHAT YOU NEED TO DO

Set out below are instructions on the actions you should take depending on how you want to respond to the Offer.

<b>(a) Take up your entitlement in full</b>	If you wish to take up all of your entitlement, either: <ol style="list-style-type: none"><li>a. complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money; or</li><li>b. make payment of the applicable amount of the Application Money using BPAY<sup>®</sup>,</li></ol> in each case in accordance with the instructions on the Form.
<b>(b) Take up your entitlement in full and apply for Additional Offer Securities</b>	If you wish to take up all of your entitlement and apply for Additional Offer Securities either: <ol style="list-style-type: none"><li>a. complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for your entitlement plus the number of Additional Offer Securities you wish to subscribe for); or</li><li>b. make payment of the applicable amount of the Application Money (for your entitlement plus the number of Additional Offer Securities you wish to subscribe for) using BPAY<sup>®</sup>,</li></ol> in each case in accordance with the instructions on the Form.

# 4. How to apply

continued

## 4.3 WHAT YOU NEED TO DO CONTINUED

<b>(c) Take up part of your entitlement</b>	If you wish to take up part of your entitlement under the Offer, either: <ul style="list-style-type: none"><li>– complete and return the slip attached to the Entitlement and Acceptance Form together with a cheque, bank draft or money order for the applicable amount of the Application Money (for the number of Offer Securities you wish to take up); or</li><li>– make payment of the applicable amount of the Application Money (for the number of Offer Securities you wish to take up) using BPAY®,</li></ul> in each case in accordance with the instructions on the Form.
<b>(d) Do nothing</b>	If you do nothing you will continue to own the same number of Stapled Securities but your percentage holding in the Issuer will be diluted.

## 4.4 PAYMENT

You can pay in the following ways:

- BPAY®; or
- cheque, bank draft or money order.

### a. General

Cash payments will not be accepted. Receipts for payment will not be issued.

Any Application Money received for more than your final allocation of Offer Securities, including any Additional Offer Securities applied for, will be refunded as soon as practicable. No interest will be paid to Applicants on any Application Money received or refunded.

### b. Payment by BPAY®

For payment by BPAY® please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to return the slip attached to the personalised Entitlement and Acceptance Form but are taken to make the declarations and other statements on that slip (and in this Offer Booklet) as if you had returned it;
- the payment should be for an amount equal to \$0.365 multiplied by the number of Offer Securities (including any Additional Offer Securities) that you are applying for;

- if you do not pay for your full entitlement, you will be regarded as having taken up your entitlement in respect of such whole number of Offer Securities which is covered in full by your Application Money; and
- if you wish to apply for Additional Offer Securities and do not pay for the full number of Additional Offer Securities you wish to apply for, you will be regarded as having applied for such whole number of Additional Offer Securities which is covered in full by your Application Money.

It is your responsibility to ensure that your BPAY® payment is received by no later than 5.00pm (AEST) on 8 October 2013. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

### c. Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the Form and return the slip accompanied by a cheque, bank draft or money order for the amount of the Application Money, payable to 'Ingenia Communities Group - Rights Issue' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.365 multiplied by the number of Offer Securities (including any Additional Offer Securities) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.



You should ensure that sufficient funds are held in relevant account(s) to cover the Application Money as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Money (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of Offer Securities you have applied for, including any Additional Offer Securities, you will be taken to have applied for such lower number of whole Offer Securities as your cleared Application Money will pay for (and to have specified that number of Offer Securities on your Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

d. Mailing address

If you are paying by cheque, bank draft or money order, the slip attached to the Entitlement and Acceptance Form and your payment must be received no later than the close of the Offer, at 5.00pm (AEST) on 8 October 2013. The address for completed slips and cheques/bank drafts/money orders is:

<b>Mailing address:</b>	<b>Hand delivery (not for mailing purposes)</b>
Ingenia Communities Group	Ingenia Communities Group
C/- Link Market Services Limited	C/- Link Market Services Limited
GPO Box 3560 Sydney NSW 2001	1A Homebush Bay Drive Rhodes NSW 2138

A reply paid or self-addressed envelope is provided with this Offer Booklet for Securityholders in Australia. New Zealand Securityholders will need to affix the appropriate postage. If you are paying by BPAY®, you do not need to return the slip attached to the Entitlement and Acceptance Form.

#### 4.5 ADDITIONAL OFFER SECURITIES

As noted above, Eligible Securityholders may, in addition to taking up their entitlements in full, apply for Additional Offer Securities in excess of their entitlements. Additional Offer Securities will only be available where there is a shortfall between applications received from Eligible Securityholders to subscribe for their entitlements to Offer Securities and the number of Offer Securities available to be issued under the Offer.

Eligible Securityholders who take up their full entitlement will be able to apply for Additional Offer Securities on the following terms:

- i. All Eligible Securityholders will be entitled to apply for Additional Offer Securities in addition to applying for their entitlement of Offer Securities.
- ii. The offer of Additional Offer Securities commences on the same date as the Offer and will remain open until the closing date of the Offer. Applications for Additional Offer Securities must be made in accordance with the instructions set out in Section 4.3 above.
- iii. Additional Offer Securities will be offered at the offer price of \$0.365 per Additional Offer Security.
- iv. There is no maximum number of Additional Offer Securities for which an Eligible Securityholder may apply, although there is no guarantee they will receive the amount of Additional Offer Securities they apply for, if any. However, the maximum number of Additional Offer Securities that may be issued will be equal to the number of Offer Securities comprising the shortfall.
- v. The Directors and Underwriters reserve the right to allot and issue Additional Offer Securities at their absolute discretion.
- vi. Any allocation of Additional Offer Securities under the Offer may be capped such that no Applicant will be in breach of any relevant law. Subject to any cap, the allocation of Additional Offer Securities must be exhausted before any Offer Securities are allocated to the Underwriters.
- vii. If there is any shortfall which remains unallocated, the Underwriters will be required to subscribe for those Offer Securities.

#### 4.6 REPRESENTATIONS ON ACCEPTANCE

a. General

By completing and returning the slip attached to your personalised Entitlement and Acceptance Form (directly or via your stockbroker) with the requisite Application Money, or making a payment by BPAY®, you do each of the following:

- i. You authorise the Issuer to register you as the holder(s) of the Offer Securities allotted to you, and authorise the Issuer and its officers or agents to do anything on your behalf necessary for the Offer Securities to be issued to you, including to act on instructions of the Security Registry upon using the contact details set out in the Entitlement and Acceptance Form.

# 4. How to apply

continued

- ii. You agree to apply for, and be issued with up to, the number of Offer Securities that you apply for at the offer price of \$0.365, and agree to be bound by the terms of this Offer Booklet and the provisions of the constitution of the Fund, the constitution of the Trust and the constitution of the Holding Company.
- iii. You declare that:
  - (A) all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
  - (B) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Offer; and
  - (C) you are the current registered holder(s) of the Stapled Securities in your name at the Record Date.
- iv. You acknowledge that:
  - (A) once the Issuer receives your application slip or your payment by BPAY®, you may not withdraw your application except as allowed by law; and
  - (B) the information contained in this Offer Booklet is not investment advice or a recommendation that Offer Securities are suitable for you, given your investment objectives, financial situation or particular needs.
- v. You represent and warrant that:
  - (A) you are an Eligible Securityholder; and
  - (B) the law of any other place does not prohibit you from being given this Offer Booklet or making an application for Offer Securities.

## b. Jurisdictional representations and acknowledgments

By completing and returning the slip attached to your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY®, you will also be deemed to have represented on behalf of each person on whose account you are acting that:

- i. you are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of, a U.S. Person;
- ii. you acknowledge that the Offer Securities have not been, and will not be, registered under the Securities Act or the securities

laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the Offer Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;

- iii. you have not and will not send any materials relating to the Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person.

## 4.7 ENTITLEMENTS OF INELIGIBLE SECURITYHOLDERS

The Ineligibles Nominee will arrange for the sale on ASX of the Sale Securities.

The Ineligibles Nominee is required to direct the net proceeds (if any, after deduction of the Issue Price and the selling fee) to the Security Registry to facilitate pro-rata payments of any net proceeds to Ineligible Securityholders. The selling fee is 1.0% (plus any applicable GST) of the aggregate sale price received by the Ineligibles Nominee for the sale of the Sale Securities (Selling Fee).

The Ineligibles Nominee will sell the Sale Securities on ASX as soon as practicable (and in any event within 14 days) following allotment of the Sale Securities, in such manner and at such price or prices as the Ineligibles Nominee determines. The Sale Securities will be allotted at the same time as the allotment of securities under the Entitlement Offer.

The proceeds of sale (if any) will be paid in Australian dollars to the Ineligible Securityholders for whose benefit the Sale Securities have been sold in proportion to their security holdings (after deducting the Selling Fee). Notwithstanding that the Ineligibles Nominee may sell Sale Securities, Ineligible Securityholders may nevertheless receive no net proceeds if the Issue Price plus the Selling Fee is greater than the sale proceeds. If any such net proceeds of sale are less than the reasonable costs that would be incurred by Ingenia for distributing those proceeds, such proceeds may be retained by Ingenia. Neither Ingenia nor the Nominee will be liable for a failure to obtain any net proceeds, or to sell Sale Securities at any particular price.

# 5. Important information

## 5.1 GENERAL

You should read the information in this Offer Booklet carefully and in its entirety before deciding whether to invest in Offer Securities. In particular, you should consider the risk factors outlined in the presentation released to the ASX on 11 September 2013 (see Section 6 of this Offer Booklet) that could affect the operating and financial performance of the Issuer or the value of an investment in the Issuer.

The Issuer has applied for the grant by ASX of official quotation of the Offer Securities. If the ASX does not grant official quotation for the Offer Securities, the Issuer will not allot any Offer Securities and all Application Money will be refunded without interest.

It is expected that normal trading will commence in relation to Offer Securities issued under the Offer on 17 October 2013. The Issuer disclaims all liability (to the maximum extent permitted by law) to persons who trade Offer Securities before the Offer Securities are quoted on ASX or before receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Issuer or the Security Registry.

## 5.2 UNDERWRITING ARRANGEMENTS

The Issuer has entered into an underwriting agreement with the Underwriters under which the Underwriters have agreed to fully underwrite the Offer. Joint Lead Managers will be remunerated by the Issuer at a market rate for providing these services and will be reimbursed for certain of their expenses. The obligations of the Underwriters are subject to certain conditions precedent and termination events specified in the underwriting agreement.

The effect of the underwriting arrangement is that to the extent that there is a shortfall after allocation of any Additional Offer Securities, those remaining Offer Securities will be subscribed for by the Underwriters under the terms of the underwriting agreement with the Issuer.

## 5.3 NOT INVESTMENT ADVICE

The information in this Offer Booklet is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with ASIC. It does not contain all the information that would be required to be included in a prospectus or a product disclosure statement. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Issuer is not licensed to provide financial product advice in respect of the Offer Securities.

The information in this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for Offer Securities. This Offer Booklet and the Entitlement and Acceptance Form should be read in conjunction with the Issuer's other periodic and continuous disclosure announcements to the ASX, available at [www.asx.com.au](http://www.asx.com.au). There are a number of risk factors that could potentially impact the Issuer. For information about these risks, please read the "Key risks" slides of the Management Presentation included at Section 6 of this Offer Booklet.

Before deciding whether to apply for Offer Securities, including any Additional Offer Securities, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Offer Booklet, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent professional advisor.

## 5.4 RESPONSIBILITY FOR THE OFFER BOOKLET

This Offer Booklet (including the Management Presentation in Section 6) and the enclosed personalised Entitlement and Acceptance Form have been prepared by the Issuer.

No party, including the Underwriters or any other parties referred to in this Offer Booklet (other than the Issuer), has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in the information in this Offer Booklet. To the maximum extent permitted by law, each of the parties referred to in this Offer Booklet (other than the Issuer) expressly disclaims any responsibility for any statements in, or omissions from, this Offer Booklet other than, where applicable, references to its name in this Offer Booklet.

## 5.5 TAXATION

The potential tax effects of participating in the Offer will vary between investors. All investors should satisfy themselves of any possible tax consequences by consulting their own professional tax advisor before deciding whether or not to participate in the Offer.

# 5. Important information

continued

## 5.6 INFORMATION AVAILABILITY

Eligible Securityholders in Australia and New Zealand can obtain a copy of the information in this Offer Booklet during the period of the Offer via the Issuer's website at [www.ingeniacommunities.com.au](http://www.ingeniacommunities.com.au) or by calling Link Market Services Limited on +61 1300 554 474 (within and from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday.

Persons who access an electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the Issuer's website will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling Link Market Services Limited on +61 1300 554 474 (within and from outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday.

## 5.7 FUTURE PERFORMANCE AND FORWARD LOOKING STATEMENTS

Neither the Issuer nor any other person warrants or guarantees the future performance of the Offer Securities or any return on any investment made pursuant to the Offer. Forward looking statements, opinions and estimates provided in the information in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements including projections, guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Issuer, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Booklet.

While due care and attention has been used in the preparation of forward looking statements, there can be no assurance that actual outcomes will not differ materially from these forward looking statements. Except as may be required by law, the Issuer assumes no obligation to update this information.

## 5.8 PAST PERFORMANCE

Investors should note that the past price performance of Stapled Securities provides no guidance as to future price performance.

## 5.9 GOVERNING LAW

This Offer Booklet, the Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms or payment via BPAY® are governed by the laws applicable in New South Wales, Australia. Each Applicant for Offer Securities submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 6. ASX Announcement and Management Presentation



### ASX / Media Release

12 September 2013

#### Ingenia accelerates Manufactured Home Estate strategy with acquisitions and Non-Renounceable Rights Issue

##### Highlights

- Ingenia to capitalise on first mover advantage in attractive and tightly held MHE market
- Conditional acquisition of 182 site Drifters Holiday Village, Kingscliff – immediately accretive, forecast unlevered IRR >15%
- Assessment of additional seven assets in NSW currently well progressed - cash yields ~10%, forecast unlevered IRR > 15%
- Fully underwritten Non-Renounceable Rights issue to raise \$61.7 million – proceeds to be deployed on MHE portfolio expansion

Ingenia Communities (ASX: INA) today announced a fully underwritten 1 for 3 Non-Renounceable Rights Issue (the Rights Issue), at an issue price of \$0.365 to raise \$61.7 million to fund further growth of the Group's Manufactured Home Estates (MHE) Portfolio. The Group also announced the acquisition of Ingenia's first MHE asset in the Tweed Coast cluster and the proposed acquisition of a further seven assets in identified market clusters in NSW. The eight villages have a proposed cost of \$93.3 million (including transaction costs).

The proceeds of the Rights Issue are anticipated to be deployed in the short term, as Ingenia plans to capitalise on the strength of its identified pipeline of MHE acquisitions to build scale in the Group's MHE portfolio and increase the Group's exposure to cash income producing seniors living communities.

Ingenia Chief Executive Officer Simon Owen said: "We are beginning to see the benefit of the business transition that has taken place over the past year with the Group now clearly focused on the cash yielding segment of the Australian seniors living market."

"A key element of this transition has been our move into the MHE sector, which has been strongly supported by investors and is expected to become a key driver of earnings and cashflow growth."

# 6. ASX Announcement and Management Presentation

continued



“With successful initial acquisitions, strong investor support and a unique research-driven pipeline which puts us ahead of our competitors, it makes sense to capitalise on our first mover advantage to accelerate this strategy. The Rights Issue and proposed acquisitions rapidly expand our MHE portfolio to secure the attractive investment returns currently available in the market. By capitalising on these opportunities we will consolidate our leadership in the MHE market and also achieve our target for development, securing future organic growth.”

## **Acquisition of Drifters Holiday Village, Kingscliff**

Ingenia has entered into a conditional contract (subject to due diligence) to acquire Drifters Holiday Village, Kingscliff. This is Ingenia’s first MHE asset in the attractive Tweed Coast cluster.

The Village is located in an identified growth corridor and is approximately 100 kilometres from Brisbane in an area with a large and growing over 50s population.

Drifters Holiday Village currently consists of 114 permanent homes and 68 tourism sites and has the potential to be upgraded and repositioned to improve returns.

With an initial yield of 10% and a forecast unlevered IRR >15%, returns are in line with investment targets and the acquisition will be immediately earnings accretive. Potential to develop a further 24 sites on existing land provides an opportunity to enhance returns through development.

## **Acquisition of a further seven MHE assets**

In addition to Drifters Holiday Village, Ingenia is in active negotiation on a pipeline of additional opportunities. The Group expects to announce a further seven acquisitions with a combined value of \$82 million (including transaction costs) in the short term.

These villages are located in the identified clusters of Hunter/Newcastle, Sydney Basin, Tweed Coast and South West NSW. The villages range in size from approximately 100 to 440 homes/sites and have the potential to expand the Group’s MHE Portfolio to over 2,500 homes/sites.

These opportunities have been identified through an off-market acquisition process and are consistent with the strategy to increase the Group’s exposure to manufactured home estates.



	Homes	Tourism sites	Development upside sites	Total homes/sites
<b>Current Portfolio<sup>1</sup></b>	541	321	334	1,196
<b>New MHE's (indicative)<sup>2</sup></b>	670	156	645	1,471
<b>Total</b>	<b>1,211</b>	<b>477</b>	<b>979</b>	<b>2,667</b>

<sup>1</sup> Includes acquisitions announced plus soon to be announced acquisition to be funded by the June 2013 placement.

<sup>2</sup> Includes Drifters Holiday Village, Kingscliff.

Each of the villages provides an attractive return in line with Ingenia's minimum investment criteria of unlevered IRR >15%. Stabilised yields averaging over 10% and upside through development and repositioning are consistent with Ingenia's strategy to increase cash yielding assets and extend the pipeline of organic growth opportunities across the Group.

With the integration of newly acquired villages progressing well, these assets provide the ability to further utilise Ingenia's operational management capability, take advantage of the Group's growing expertise in the MHE market and continue to secure future development.

Mr Owen said: "Our first acquisitions are performing to plan and we are already seeing the benefit of strategies to enhance returns from these high yielding assets."

"Combined with our existing portfolio, these acquisitions rapidly deliver a portfolio of significant scale and expand our MHE development opportunities. These developments are capital light, low-risk and highly accretive and over time will become a key contributor to investor returns."

### Equity raising

Ingenia today announced a fully underwritten 1 for 3 Non-Renounceable Rights Issue to raise \$61.7 million to partially fund these acquisitions. The new securities will be issued at \$0.365 per security, a discount of 12.0% to the last traded price of \$0.415 on Tuesday 10 September 2013 and a discount of 9.3% to the Theoretical Ex-Rights Price of \$0.403.

Offer documents in relation to the Rights Issue are anticipated to be dispatched to eligible securityholders on 23 September, with new securities anticipated to trade on 9 October (on a deferred settlement basis). New securities will rank equally with existing securities and will be entitled to fully participate in any proposed distribution for the period ending 31 December 2013.

In addition to being able to apply for new securities under the Rights Issue, eligible securityholders will also have the opportunity to apply for additional new securities in excess of their rights entitlement. The allocation of any additional securities will be entirely at the discretion of the Ingenia Board and the Underwriters.

# 6. ASX Announcement and Management Presentation

continued



<b>Rights Issue Timetable<sup>1</sup></b>	<b>Date</b>
Management presentation lodged with ASX	11 September 2013
Submit Appendix 3B, cleansing notice and announcement with ASX	12 September 2013
Ex Date	16 September 2013
Record Date (7.00pm AEST)	20 September 2013
Dispatch of Offer Booklet and Entitlement and Acceptance Forms	23 September 2013
<b>Offer opens</b>	<b>23 September 2013</b>
<b>Offer closes, last day for acceptance of application money (5.00 pm AEST)</b>	<b>8 October 2013</b>
Allotment and issue of Offer Securities	16 October 2013
Dispatch of Securityholder statements	17 October 2013
Trading expected to commence for Offer Securities on a normal trading basis	17 October 2013

<sup>1</sup> All dates are indicative and are subject to change without notice.

Ingenia has appointed RBS Morgans Corporate Limited and Petra Capital Pty Limited as Joint Lead Managers and Underwriters to conduct the Rights Issue.

Ingenia is also in advanced discussions with its Australian bank for a significant increase in its debt facility to provide additional funding capacity.

Following completion of the Rights Issue and deployment of the capital raised on acquisitions, Ingenia's LVR (on a pro forma basis) will be 34.9% and the Group will retain funding capacity under proposed facilities. Combined with operational cashflows, conversion sale proceeds and potential asset divestments in the medium term, Ingenia retains capacity to grow the portfolio incrementally and further progress the development pipeline.

Mr Owen said: "We have already established a \$38 million portfolio of six MHEs. This Rights Issue will allow us to accelerate our Manufactured Home Estates strategy as we consolidate our leading position in this market."

*Further details on the proposed acquisitions and Rights Issue can be found in the presentation lodged with the Australian Securities Exchange on 11 September 2013.*





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**For further information please contact:**

Simon Owen	Lenny Chen
Chief Executive Officer	Investor Relations and Marketing Manager
P 02 8263 0501	P 02 8263 0507
M 0412 389 339	M 0415 254 311

**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. Ingenia has 44 assets in Australia, comprising over 3,200 units.

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Level 5, 151 Castlereagh St, Sydney NSW 2000, Australia	T 1300 132 946 E <a href="mailto:investor@ingeniacommunities.com.au">investor@ingeniacommunities.com.au</a>	<a href="http://www.ingeniacommunities.com.au">www.ingeniacommunities.com.au</a>
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## 6. ASX Announcement and Management Presentation

continued

# Ingenua Communities Group Capital Raising - Entitlement Issue

Wednesday 11 September 2013



*Consolidating market leadership in  
Manufactured Home Estates*

# Overview of the capital raising



<b>Overview</b>	<ul style="list-style-type: none"> <li>&gt; Non-Renounceable Rights Issue to raise \$61.7 million at an offer price of \$0.365 per security</li> <li>&gt; Fully underwritten by RBS Morgans Corporate Limited and Petra Capital Pty Limited</li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>&gt; Funds raised from the Rights Issue will be fully allocated to fund existing identified opportunities</li> <li>&gt; Advanced discussions with Australian bank for significant increase in Australian debt facility to further enhance acquisition capacity</li> </ul>
<b>Offer</b>	<ul style="list-style-type: none"> <li>&gt; Ratio of 1 for 3 to issue 169.1 million securities</li> <li>&gt; Record date 20 September 2013</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>&gt; Offer price of \$0.365 per security</li> <li>&gt; 12.0% discount to the last traded price of \$0.415 on Tuesday 10 September 2013</li> <li>&gt; 9.3% discount to the Theoretical Ex-Rights Price<sup>1</sup> of \$0.403</li> </ul>
<b>Top Up Facility</b>	<ul style="list-style-type: none"> <li>&gt; Eligible securityholders will have the opportunity to apply for additional new securities that are not subscribed for under the Rights Issue</li> <li>&gt; Allocations will be at the discretion of the Board and Underwriters</li> </ul>
<b>Acquisitions</b>	<ul style="list-style-type: none"> <li>&gt; Conditional contract exchanged to acquire 182 site Drifters Holiday Village in Kingscliff, NSW</li> <li>&gt; Significant and growing pipeline of acquisitions under assessment</li> <li>&gt; Transactions are expected to be announced in the short term</li> <li>&gt; Accretive opportunities with target trailing yields of 10% and unlevered IRRs &gt; 15%</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>&gt; New securities issued pursuant to the Rights Issue will be fully paid and rank equally with Ingenia's existing securities</li> <li>&gt; All Ingenia Directors intend to participate in the Rights Issue</li> <li>&gt; Institutional Placement (June 2013) capital fully allocated – conditional contract exchanged on fifth acquisition (to be announced shortly)</li> </ul>

1. The Theoretical Ex-Rights Price is the theoretical price at which Ingenia securities should trade after the ex-entitlement date for the Rights Issue.

# 6. ASX Announcement and Management Presentation

continued

## Executive summary



### **Ingenia well placed to accelerate 'first mover' advantage in Manufactured Home Estates (MHE) market**

- > First mover advantage well established - more than 2 years research, six recent acquisitions
- > Competitors assessing opportunities but capital constrained – Ingenia has access to capital with strong investor support for MHE strategy
- > Successful initial investments with strategies in place to enhance returns
- > Well researched pipeline of immediately earnings accretive, cash yielding assets, with forecast unlevered IRRs >15% - significant deal flow under active assessment

### **Significant deal pipeline in place, new acquisition announced**

- > First MHE investment in Tweed Coast cluster contracted - 10% initial yield, unlevered IRR >15% with 114 permanent homes, 68 tourism sites and significant upside
- > Well advanced on acquisition of a further seven assets in identified clusters with significant repositioning and development upside
- > Industry leading research – every MHE and tourist park on east coast and in WA mapped - in excess of 200 investment grade opportunities identified
- > Accretive opportunities with target trailing yields of 10% and unlevered IRRs >15%

## Executive summary



### **MHE acquisitions to be funded via 1 for 3 Non-Renounceable Rights Issue**

- > Rights Issue at \$0.365 per security to raise \$61.7 million
- > In advanced discussions with Australian bank to significantly increase debt facility limit, providing additional funding capacity

### **Enhances capacity for growth and returns to securityholders**

- > Maximises scale benefits and significant competitor advantage to consolidate leading market position
- > Increases portfolio of cash yielding assets, providing substantial leverage to existing operating platform
- > Expands development pipeline, securing future low risk, capital light growth at high margins
- > Advances development target of 240 new manufactured homes per annum

## 6. ASX Announcement and Management Presentation

continued

### Use of funds - Drifters Holiday Village



- > Conditional contract (subject to due diligence) to acquire Drifters Holiday Village, Kingscliff (NSW) - settlement anticipated mid November 2013
  - 114 permanent homes and 68 tourism sites (ability to increase to 206 homes/sites)
  - Immediately accretive – initial yield 10% (stabilised yield 12%), with forecast unlevered IRR >15%



**The village**



**Permanent home on-site**

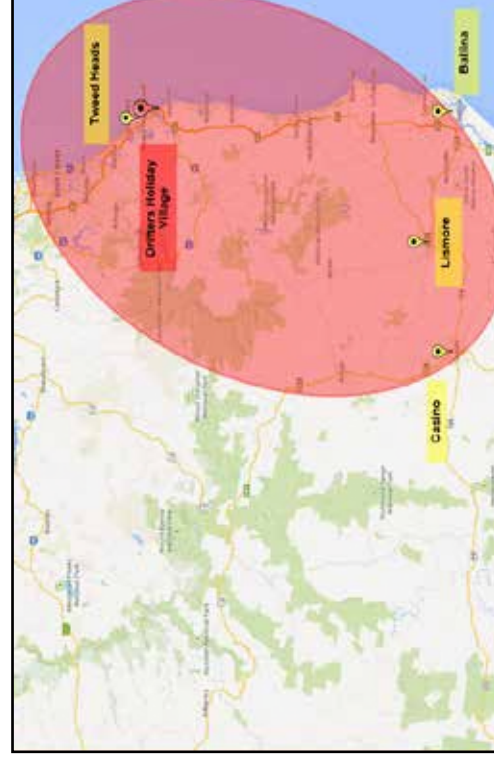
## Use of funds - Drifters Holiday Village



- > Accelerates MHE expansion into new cluster (Tweed Coast), accessing a future growth corridor
  - Strong retiree and tourism market with a large and growing over 50s population
  - Approx. 100 kilometres to Brisbane
  - Median house price in Kingscliff of ~\$573,000 will support affordability-based seniors living value proposition
- > High quality village with significant potential to improve returns through site upgrades and repositioning



**Tourist cabin**



## 6. ASX Announcement and Management Presentation

continued

### Use of funds Further acquisitions progressing



- > Significant pipeline of 'on-strategy' MHE acquisitions under due diligence or in active assessment
- > Acquisition of additional seven assets with combined value of approx. \$82 million (including transaction costs) anticipated to be announced in the short term
  - Over 1,200 homes/sites in identified NSW clusters
  - Acquisitions ranging from \$6 million to \$20 million
  - Villages ranging from 100 to 440 homes/sites
  - Initial yield target 10%, with forecast unlevered IRRs > 15%
  - Each asset has significant repositioning and/or development upside with staged construction and sell down of new homes



## Use of funds Further acquisitions progressing



- > Targeted acquisitions build presence in identified clusters, expand MHE portfolio to 2,667 sites
- > Acquisitions will be funded via the Rights Issue and a mixture of debt and cash

### Target Acquisitions – Indicative Village Composition

	Existing homes	Tourism sites	Development upside sites	Total homes/sites
<b>Current Portfolio<sup>1</sup></b>	541	321	334	<b>1,196</b>
<b>Drifters Holiday Village</b>	114	68	24	<b>206</b>
<b>Additional seven assets</b>	556	88 <sup>2</sup>	621	<b>1,265</b>
<b>Total</b>	<b>1,211</b>	<b>477</b>	<b>979</b>	<b>2,667</b>

1. Includes acquisitions announced to date and yet to be announced acquisition to be funded by the June 2013 Placement.
2. Represents tourism sites post site development and conversion.

# 6. ASX Announcement and Management Presentation

continued

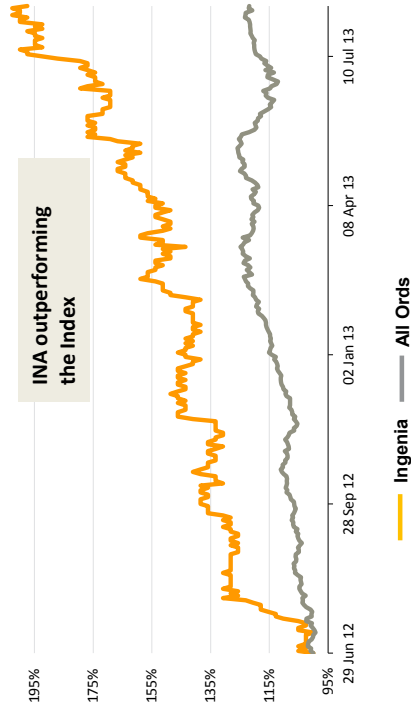
## Repositioned business delivering results



### FY13 results demonstrate improved performance

- > Profit from continuing operations up 95%
- > Continuing growth in rental occupancy, strong 2H13 settlements
- > Rental and MHE portfolios increased to 55% of portfolio (by value)
- > Low risk expansion of existing villages progressed
- > Successful Institutional Placement (June 2013)
- > LVR of 35% (post settlement of MHE acquisitions announced August 2013)
- > Recent inclusion in ASX 300 Index

### Security price performance versus Index



### Corporate

<b>ASX Code</b>	INA
<b>Market cap (20 Aug 2013)</b>	\$200m
<b>Securities on Issue</b>	507m

**BDO** INGENIA RANKED #1 **A-REIT** SURVEY 2012

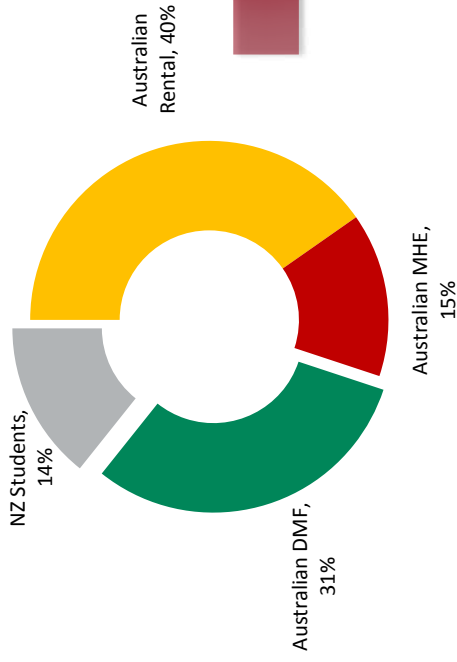
### Board of Directors

- > Jim Hazel – Chairman
- > Amanda Heyworth – Non-Executive Director
- > Philip Clark AM – Non-Executive Director
- > Robert Morrison – Non-Executive Director
- > Simon Owen – Managing Director and CEO

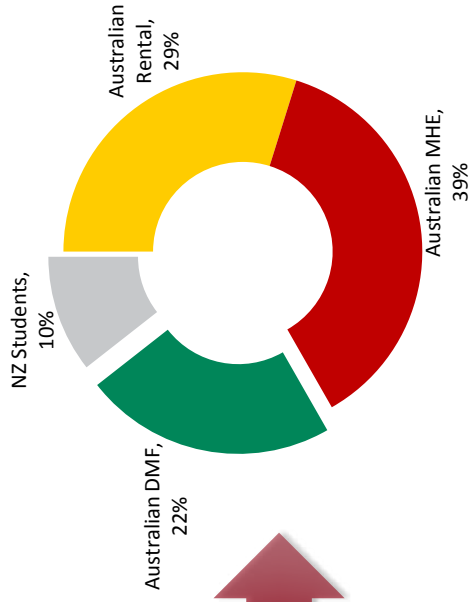
# Clearly differentiated strategy Growing cash yielding asset base



Rental assets and MHEs 55% of portfolio<sup>1</sup>



Rental assets and MHEs 68% of portfolio<sup>2</sup>



## Strategy

- > A large rental portfolio, with consistent, stable cashflows and attractive yields
- > A focus on the affordable segment of the seniors living market
- > Established presence in Manufactured Home Estates, a sector offering significant potential, access to consistent stable cashflows and the ability to attain a market leading position

1. Represents portfolio by value. Accounts for settlement of MHE acquisitions post FY13 – Nepean and Albury Citygate (settled Aug 2013), Mudgee Valley and Mudgee Tourist (announced on 27 Aug).

2. Represents portfolio by value. Includes yet to be announced acquisition to be funded by the June 2013 Placement and additional acquisitions to be funded by the Rights Issue.

# 6. ASX Announcement and Management Presentation

continued

Portfolio dominated by rental assets  
Six MHE assets



44

Australian communities and growing

Asset clusters in familiar markets drive capital allocation





Rental ●

29 villages

- > 1,520 units
- > In all States except ACT and SA



Deferred Management Fee ○

9 villages

- > 950 units
- > WA, QLD and NSW
- > Five villages with development upside



Manufactured Home Estates ●

6 Estates

- > 472 permanent sites
- > 315 tourist sites
- > 332 development sites
- > NSW only (QLD and WA to follow)

+

1 acquisition (to be funded by Placement)

- > 69 permanent sites
- > 6 tourist sites
- > 2 development sites

8 proposed acquisitions (to be funded by Rights Issue)

- > 670 permanent sites
- > 156 tourist sites
- > 645 development sites

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Note: Portfolio position as at 11 September 2013.

# Stringent MHE acquisition criteria



## Stringent Acquisition Criteria Considered

### Area Metrics

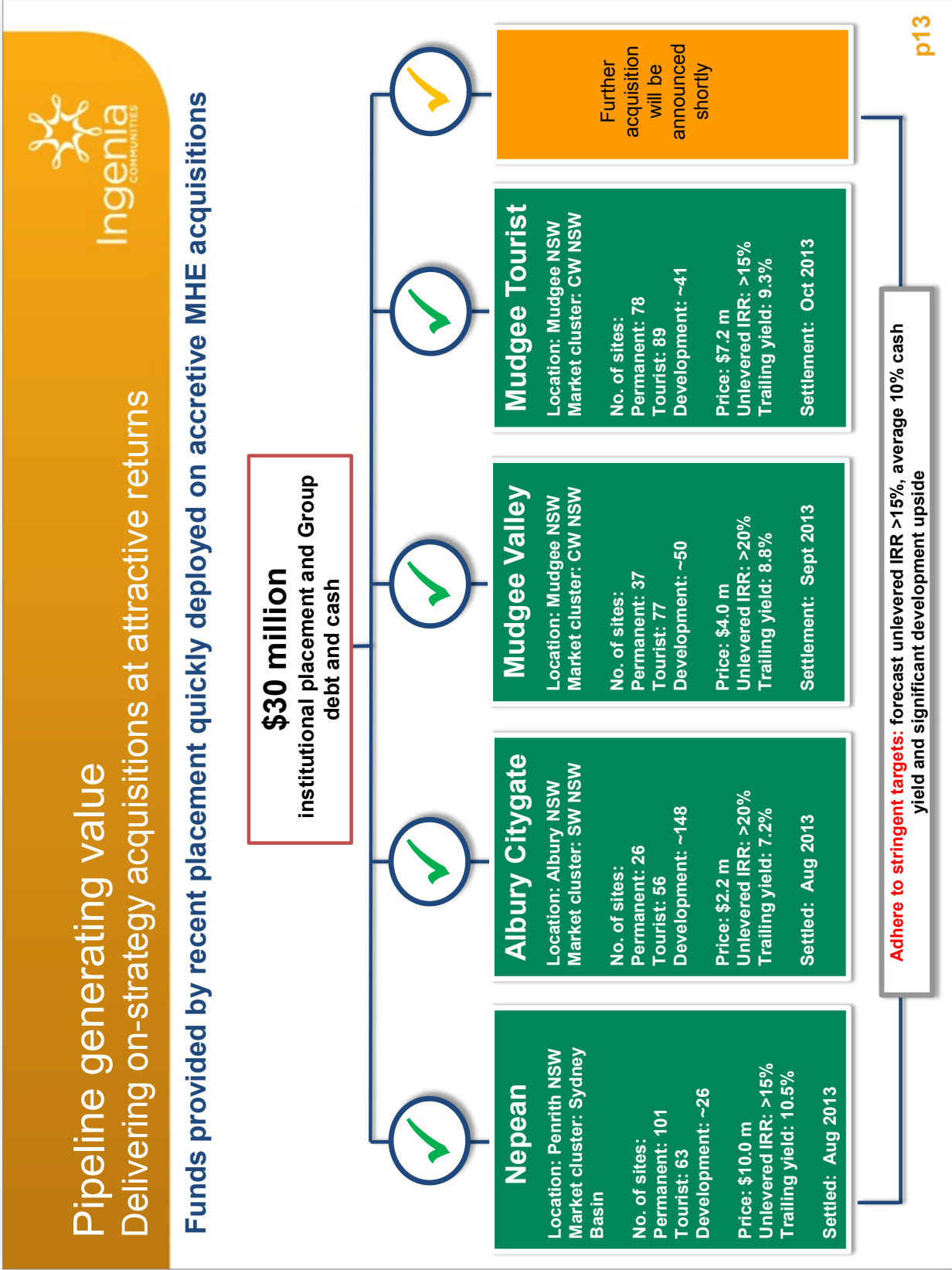
- ✓ Appropriate land size (minimum 2.5 ha)
- ✓ Proximity to population hubs, particularly to the over 50s'
- ✓ Forecast population growth over next 20 years
- ✓ Strong levels of employment
- ✓ Attractive growth areas supported by sustainable industries
- ✓ Robust median house prices in the local area relative to MHE pricing
- ✓ Barriers to entry - nearby MHEs and other retirement offerings

### Asset Metrics

- ✓ Availability of adjacent land for development upside
- ✓ Under-capitalised villages with repositioning potential
- ✓ Existing capital infrastructure (water, sewage, power)
- ✓ Quality of existing homes on-site
- ✓ Market demand for new homes
- ✓ Target forecast unlevered IRR: minimum 15%
- ✓ Target cash yield: average 10%

# 6. ASX Announcement and Management Presentation

continued



## MHE acquisitions and developments

Value enhancement strategies commenced



### Recent MHE acquisitions performing to plan

- ✓ **The Grange** (settled March 2013)
  - 2 new homes sold at target pricing
  - 2 additional homes ordered
  - Removed and replaced one home
  - 3 refurbishments complete and sold
  - DA submitted
- ✓ **Ettalong Village** (settled April 2013)
  - Quick turnover of resale stock (3 homes)
  - Masterplan underway
  - Site rentals increased on turnover homes
- ✓ **Nepean** (settled August 2013)
  - 2 new homes ordered with significant interest in place
  - DA documentation underway



# 6. ASX Announcement and Management Presentation

continued

## MHE acquisitions



**Albury Citygate**



**Mudgee Tourist Park**



**Mudgee Valley**





# Value enhancement strategies



**Pre-loved home being removed**



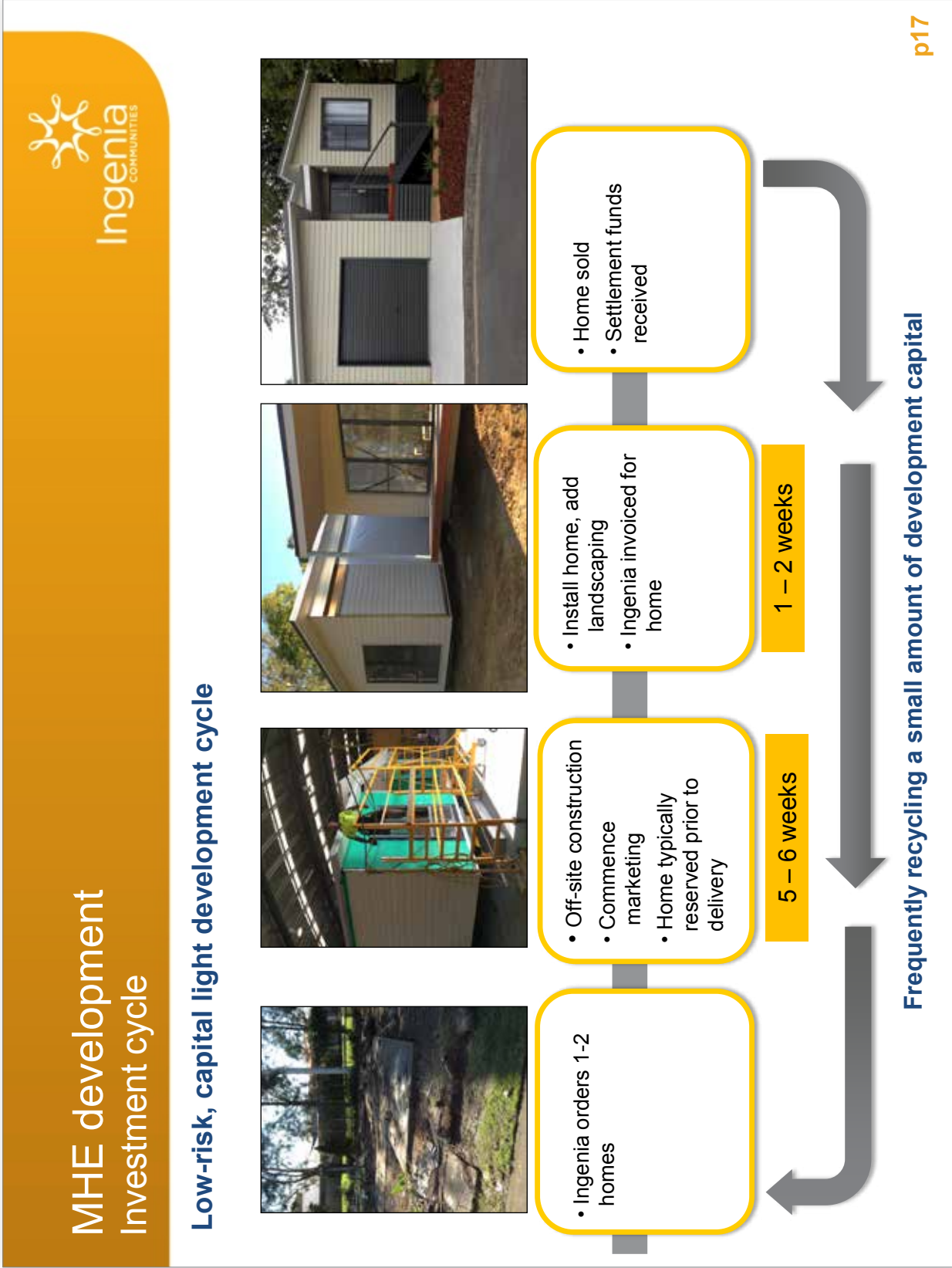
**New home on-site at The Grange**



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# 6. ASX Announcement and Management Presentation

continued



## MHE developments Compelling returns



- ✓ MHE development represents a compelling use of capital
- ✓ Returns superior to 'traditional' retirement village development, with lower risk
- ✓ Build out of existing MHE pipeline has end sales value of \$73 million - will contribute to future recurrent earnings
- ✓ Medium term target to deliver two homes per month across each of 10 villages

	Typical MHE	Typical DMF
<b>DA period (indicative)</b>	3-4 months	4-6 months
<b>Architect</b>	Masterplan only	Masterplan and individual homes
<b>Home construction / civils (est.)</b>	2-3 months	Approx. 10 months
<b>Building efficiency</b>	High – factory construction (not impacted by weather) and 'off the plan' home designs	Low – impacted by weather and subject to detailed design documentation
<b>Design flexibility</b>	Significant - purchaser able to influence design and finishes	Limited – homes subject to detailed design specifications
<b>Council approvals</b>	Less extensive	More extensive
<b>Capital outlay</b>	Small – can order 2 or 3 homes at a time	Homes must be built 'in one line' to generate construction efficiencies
<b>Holding period</b>	Short – homes are built as required – limited stock held	Longer period required as more stock created (e.g. 17 homes versus 2 or 3)
<b>Development margin</b>	>25%	15-20%

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## 6. ASX Announcement and Management Presentation

continued

Quick, efficient building process



Manufactured home being constructed at Parkwood Homes

# Financial impact on Ingenia



<u>Summary Balance sheet</u>	<u>FY13(A)</u>	<u>Deployment of Placement<sup>1</sup></u>	<u>Rights Issue<sup>2</sup></u>	<u>Proforma<sup>3</sup></u>
Cash	38.5	(26.8)	(2.7)	9.0
Investment Property	370.9	29.8	93.3	494.0
Assets of Discontinued Operations	36.6	-	-	36.6
Other Assets	13.5	-	-	13.5
<b>Total Assets</b>	<b>459.6</b>	<b>3.0</b>	<b>90.6</b>	<b>553.2</b>
Borrowings	70.8	3.0	32.0	105.8 <sup>4</sup>
Liabilities of Discontinued Operations	21.5	-	-	21.5
Resident Loan Liabilities	175.7	-	-	175.7
Derivatives	0.2	-	-	0.2
Other Liabilities	16.7	-	-	16.7
<b>Total Liabilities</b>	<b>284.9</b>	<b>3.0</b>	<b>32.0</b>	<b>319.9</b>
<b>Equity</b>	<b>174.7</b>	<b>-</b>	<b>58.6</b>	<b>233.3</b>
Net Asset Value per Security	34.44	-	-	34.50
LVR (Australia)	37.9%	-	-	34.9%

> LVR of 34.9% (post deployment of capital raised)

- Within target range 30 – 35%
- Well within covenant of 50%

> Proforma net debt of \$96.8m

> Proforma cash of \$9.0m

> Advanced discussions to significantly increase existing debt facility

1. Reflects acquisition of 5 MHEs funded by the June 2013 Placement, cash on hand and debt.
2. Reflects the proposed acquisition of 8 MHEs funded by the Rights Issue, debt and cash on hand.
3. Proforma excludes benefit of operational earnings post 30 June 2013 and represents balance sheet position post deployment of all capital raised on acquisitions.
4. Proforma borrowings reflects amount drawn in excess of current facility limit. Amount drawn is within proposed facility increase.

**The rights issue will allow Ingenia to execute its growth plans**

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# 6. ASX Announcement and Management Presentation

continued

## Indicative timetable



<b>Rights Issue Timetable<sup>1</sup></b>	
> Management presentation lodged with ASX	11 September 2013
> Submit Appendix 3B, cleansing notice and announcement with ASX	12 September 2013
> Ex Date	16 September 2013
> Record Date (7.00 pm AEST)	20 September 2013
> Dispatch of Offer Booklet and Entitlement and Acceptance Forms	23 September 2013
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> Offer closes, last day for acceptance of application money (5.00 pm AEST)	8 October 2013
> Allotment and issue of Offer Securities	16 October 2013
> Dispatch of Securityholder statements	17 October 2013
> Trading expected to commence for Offer Securities on a normal trading basis	17 October 2013

1. All dates are indicative and are subject to change without notice.

# Appendices



Drifters Holiday Village, Kingscliff NSW

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# 6. ASX Announcement and Management Presentation

continued

## Appendix 1: Disclaimer



This presentation was prepared by Ingenia Communities Holdings Limited (ACN 154 444 925) and Ingenia Communities RE Limited (ACN 154 565 990) as responsible entity for Ingenia Communities Fund (ARSN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410) (together Ingenia Communities Group, Ingenia, INA or the Group). Ingenia's stapled security, comprising of a unit in Ingenia Communities Fund, a unit in Ingenia Communities Management Trust and a share in Ingenia Communities Holdings Limited (security), is quoted on the Australian Securities Exchange. Information contained in this presentation is current as at 11 September 2013.

### **Not financial product advice**

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# Appendix 1: Disclaimer



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The forward looking statements included in this presentation involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Group. In particular, they speak only as of the date of these materials, they assume the success of the Group's business strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks, certain of which are summarised in Appendix 2: Key risks. Actual future events may vary materially from forward looking statements and the assumptions on which those statements are based. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

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# 6. ASX Announcement and Management Presentation

continued

## Appendix 2: Key risks



This section discusses some of the key risks associated with an investment in Ingénia. A number of risks and uncertainties may adversely affect the operating and financial performance or position of Ingénia and in turn affect the value of Ingénia securities. These include specific risks associated with an investment in Ingénia and general risks associated with any investment in listed securities. The risks and uncertainties described below are not an exhaustive list of the risks facing Ingénia. Potential investors should consider whether the new securities offered in the Rights Issue are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risks set out below.

### General Risks

<b>General investment risks</b>	<p>There are risks associated with any stock market investment including:</p> <ul style="list-style-type: none"> <li>&gt; Securities may trade above or below the Issue Price on ASX;</li> <li>&gt; If Ingénia issues new Securities, an existing Securityholder's proportional interest in Ingénia may be reduced;</li> <li>&gt; If a Securityholder does not reinvest their distributions while a distribution reinvestment plan is operating, then their interest in Ingénia may be diluted; and</li> <li>&gt; The market price of the Securities may be affected by factors unrelated to the operating performance of the Group such as share market fluctuations and volatility and other factors that affect the market as a whole.</li> </ul>
<b>Macro-economic risks</b>	<p>Changes to economic conditions in Australia and internationally, investor sentiment and stock market conditions, changes in fiscal, monetary and regulatory policies such as interest rates and inflation may impact on the performance of Ingénia.</p>
<b>Liquidity</b>	<p>Turnover of Ingénia securities can be limited and it may be difficult for investors to buy or sell large lines of stock at market prices.</p>
<b>Legislative and regulatory risks</b>	<p>Changes in laws, regulation and government policy may affect Ingénia's business and therefore the returns the Group is able to generate.</p>
<b>Tax implications</b>	<p>Future changes to the Australian taxation law including changes in interpretation or application of the law by the courts or taxation authorities in Australia may impact taxation treatment of an investment in Ingénia.</p>
<b>Litigation</b>	<p>Ingénia may, in the ordinary course of business, be involved in possible litigation disputes (such as environmental and occupational health and safety, industrial disputes and legal claims or third party claims). A material litigation may adversely affect the operational and financial results of the Group.</p>

## Appendix 2: Key risks



### Specific Risks

<b>Business strategy risk</b>	Ingenia's business strategy is focused on acquisitions across the portfolio and organic growth through increasing current occupancy levels in the rental business, conversion of some rental villages to the DMF model and development. Ingenia's future growth is dependent upon the successful execution of this strategy. Any change or barrier to implementing this strategy may adversely impact on the Group's operations and future financial performance.
<b>Acquisition risks</b>	Ingenia is well progressed with eight acquisitions that the Group expects to transact in coming months. Ingenia also has a significant acquisition pipeline that it is pursuing to drive future growth of the business. There is no guarantee that Ingenia will be able to complete all current or future acquisitions.
<b>Funding risk</b>	Ingenia's ability to successfully execute its current growth strategy is dependent on the Group's ability to secure funding at commercial rates, as required. There is no guarantee that Ingenia will be able to secure debt or equity at rates that make such growth strategy attractive, or at all.
<b>Development risk</b>	Ingenia has a large land and property development pipeline. Such projects have a number of risks including (but not limited to): delays or issues around planning, application and regulatory approvals; development cost overruns; project delays; issues with building contracts; expected sales prices, or timing of expected sales, or settlements not achieved.
<b>Personnel risk</b>	The ability of Ingenia to successfully deliver on its business strategy is dependent on retaining key employees of the Group. The loss of senior management, or other key personnel, could adversely impact on the Group's business and financial performance.
<b>Overseas portfolio</b>	Ingenia continues to re-focus the business on core assets through the sale of its overseas portfolio. Ingenia recently exited from the US Seniors market completely and intends to sell its NZ Students portfolio on completion of refurbishment works in early 2014. There is no guarantee that Ingenia will be able to sell this portfolio on terms favourable to the Group or at all, which could adversely impact on the Group's valuation.
<b>Property valuations</b>	Factors affecting property valuations include capitalisation and discount rates, the economic growth outlook, land resumptions and releases and major infrastructure projects. Such impacts on property valuations lead to variations in the valuation of the Group.
<b>Home-owner turnover</b>	The DMF model requires the new home owners to purchase existing homes in Ingenia's portfolio on the exit of existing home owners before Ingenia can realise its DMF receipts. This causes the cashflows of the DMF business to be volatile and any reduction to home-owner turnover will delay the collection of cash by Ingenia and, therefore, adversely impact operating cashflow.

# 6. ASX Announcement and Management Presentation

continued

## Appendix 2: Key risks



### Specific Risks

<b>Inflation rates</b>	Higher than expected inflation rates could lead to increased development costs and community operating costs. If such increased costs cannot be offset by increased selling prices or rent, this could impact Ingenua's future financial performance.
<b>Rental Assistance</b>	The Social Security Act 1991 (Cth) provides rental assistance for many MHE properties forming part of Ingenua Communities Group. Any change to this legislation could result in a reduction in demand for these products and therefore impact on Ingenua's business.
<b>Asset impairment risk</b>	Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Changes to the carrying amounts of assets could have an adverse impact on the reported financial performance of Ingenua.
<b>Accounting standards</b>	Changes to accounting standards may affect the reported earnings of Ingenua from time to time. Any changes to the valuation metrics used by property valuers may adversely impact Ingenua's reported earnings.
<b>Financial leverage</b>	Ingenua currently has bank debt which contains certain covenants in relation to the loan. Any breach to financial covenants could result in the early enforced repayment of debt. Such repayment could incur capital losses if assets need to be sold in a short period, or securityholders may be diluted if equity needs to be raised at large discounts.
<b>Increased competition</b>	Ingenua has done significant work in collating a comprehensive database of MHEs and caravan parks which is used to identify acquisitions. This provides Ingenua with a competitive advantage, however, any competition for targeted acquisitions could impact on its ability to achieve the returns required to transact. Future developments that compete with Ingenua's existing portfolio could impact on the Group's current business and financial performance.
<b>Distributions</b>	Future distributions and franking levels for Ingenua securities will be determined by the Directors having regard to the operating results, future capital requirements, bank debt covenants and the financial position of Ingenua. There can be no guarantee that Ingenua will continue to pay distributions, or distributions at the current level.



Ingenia is committed to operating and building a highly profitable, diversified Australian Seniors living portfolio focused on the cash yielding affordable segment of the market



Active Lifestyle Estates, The Grange, Morisset NSW

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# 7. Glossary

TERM	MEANING
\$	Australian dollars
Additional Offer Securities	Offer Securities applied for by an Eligible Securityholder that are in excess of that Eligible Securityholder's entitlement
AEST	Australian Eastern Standard Time
Applicant	A person who has applied to subscribe for Offer Securities under the Offer
Application Money	The aggregate money payable for Offer Securities (including any Additional Offer Securities) applied for by an Applicant
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 51 008 624 691) or the financial market operated by it
Corporations Act	The <i>Corporations Act 2001</i> (Cth)
Eligible Securityholder	A Securityholder at the Record Date who is not an Ineligible Securityholder
Entitlement	The number of Offer Securities that an Eligible Securityholder is entitled to apply for under the Offer (on the basis of 1 Offer Security for every 3 Stapled Securities held on the Record Date)
Entitlement and Acceptance Form	The personalised Entitlement and Acceptance Form accompanying this Offer Booklet
Ex Date	16 September 2013
Fund	Ingenia Communities Fund ARSN 107 459 576
Holding Company	Ingenia Communities Holdings Limited ACN 154 444 925
Issuer	Ingenia Communities Group comprised of the Fund, the Trust and the Holding Company
Ineligibles Nominee	Berne No 132 Nominees Pty Ltd ACN 010 413 591, a wholly owned subsidiary of RBS Morgans Limited
Ineligible Securityholder	A Securityholder at the Record Date who: <ol style="list-style-type: none"> <li>has a registered address which is not in Australia or New Zealand;</li> <li>is in the United States or is a U.S. Person or acting for the account or benefit of a U.S. Person; or</li> <li>is ineligible under any applicable securities laws to receive an offer under the Offer.</li> </ol>
Joint Lead Managers	RBS Morgans Corporate Limited and Petra Capital Pty Limited
Listing Rules	The official listing rules of the ASX
Offer	1 for 3 pro-rata non-renounceable rights issue of Offer Securities at an offer price of \$0.365 per Offer Security
Offer Booklet	This offer booklet in relation to the Offer
Offer Security	A new Stapled Security to be issued under the Offer
Petra Capital Pty Limited	Petra Capital Pty Limited ACN 110 952 782

<b>TERM</b>	<b>MEANING</b>
RBS Morgans Corporate Limited	RBS Morgans Corporate Limited ACN 010 539 607
Record Date	7.00pm (AEST) on 20 September 2013
Sale Securities	The Securities attributable to the Ineligible Securityholders
Securityholder	A holder of a Stapled Security
Security Registry	Link Market Services Limited
Securities Act	U.S. Securities Act of 1933 (as amended)
Selling Fee	1.0% of the aggregate Sale Price received by the Ineligibles Nominee for the sale of the Sale Securities
Stapled Security	A stapled security in the Issuer comprising of a fully paid unit in the Fund, a fully paid unit in the Trust and a fully paid share in the Holding Company
Trust	Ingenia Communities Management Trust ARSN 122 928 410
U.S. Person	As defined in Regulation S under the Securities Act
Underwriters	RBS Morgans Corporate Limited and Petra Capital Pty Limited



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