



Ingenia
COMMUNITIES

SECURITYHOLDER
REVIEW

2014

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www.ingeniacommunities.com.au





57 quality Australian seniors living communities and growing

\$11.6m

Underlying profit
Increased by 97%
on FY13

\$14.2m

Operating cashflow
Increased by 27%
on FY13

49%

Increase in
Total segment
revenue

Letter from the Chairman

DEAR SECURITYHOLDERS,

On the second anniversary of Ingenia Communities' management internalisation I am pleased to report that the Group has had another active year, working hard to complete the business repositioning we commenced with the internalisation, and to deliver on a revitalised strategy focused on the exit of offshore investments and building a cash yielding asset base in Australian affordable seniors housing.

As outlined last year, we set a number of objectives for the business in financial year 2014. Pleasingly, we finished the year with significant progress on each of these objectives. As a result, we have seen the strength of Ingenia's new business model begin to emerge and we commence financial year 2015 with the business well placed to continue to strongly grow returns.

The last year has been a period of great change and significant activity as we have effectively repositioned Ingenia as a differentiated business focused on stable cash yielding investments complemented by low risk, capital light development. The sale of our last offshore assets (the New Zealand Students portfolio) was announced in September 2014 and our strategy to build a dominant portfolio of Australian rental assets is well progressed.

Over the last financial year, despite a challenging economic environment, the Group delivered a 97% increase in underlying profit and an increase in operating cashflow to \$14.2 million (up from \$11.2 million in the prior year).

Importantly, the improved performance from operations has resulted in growth in distributions to investors with a full year distribution of 1.15 cents per security representing an increase of 15% on the prior year.



The improved operating results of the core Australian business, coupled with ongoing investor support, has seen the Ingenia security price perform strongly for the second consecutive year. The security price increased by 50% over the year, closing at 50 cents per security on 30 June 2014.

I am pleased to say we ended the year with a strengthened financial platform, having advanced much of the Group's three prong strategy to drive existing operations, acquire and integrate accretive growth opportunities and build out our significant development pipeline. We raised capital during the year, with a rights issue in September 2013 providing existing securityholders with the opportunity to participate in Ingenia's growth. We have continued to carefully deploy this capital and additional capital from the sale of non core assets into on strategy acquisitions, with thirteen Lifestyle Parks and five rental villages acquired over the year.

With work done during the year to secure an increase in funding capacity, a focus on further non core asset sales and the recent activation of the Distribution Reinvestment Plan, we retain the ability to pursue additional compelling growth opportunities whilst maintaining stringent threshold return requirements.

In reviewing the year's performance, it is pleasing to note that we have made good progress on the key initiatives as set out in the prior year:

- Establishing scale in Lifestyle Parks - Our focus on building a portfolio of Lifestyle Park assets resulted in 15 acquisitions over the past 18 months, making Ingenia the largest owner, operator and developer of Lifestyle Parks in NSW.
The Lifestyle Parks portfolio has been a significant driver of the growth in our cash yielding assets and will be a contributor to future growth as we see emerging development profits grow through next year.
- Strengthening the balance sheet - Ingenia has a solid balance sheet, closing the year with an Australian loan to value ratio (LVR) of 33.9%, well below the covenant of 50%.
During the year, the Group agreed terms for a new multilateral debt facility which will diversify Ingenia's debt providers and substantially reduce Ingenia's overall cost of funds.
- Disciplined approach to capital management - Striking the balance between capital return to securityholders and reinvestment for growth continues to be a key focus of the Board and management. Directors were pleased to increase distributions and declared a final payment of 0.65 cents per security for the 2014 financial year, taking the full year distribution to 1.15 cents per security. The Group is committed to growing distributions in the near term while maximising value to securityholders through prudent reinvestment into the business.

Operationally, the existing portfolios performed well, with the Garden Villages rental occupancy growing from strength to strength, assisted by the successful implementation of Ingenia Care Assist. The completion of Ridge Estate Stage 2 in the Settlers DMF villages was well received, with the majority of the homes sold or under contract.

As we move into a new year, Ingenia has a strong foundation for growth, with a capable management team led by CEO Simon Owen, a growing Australian portfolio, and an expanded operating platform with capacity for further growth. The Group strategy remains driving performance and organic growth within existing assets and seeking accretive acquisitions in profitable, carefully targeted markets. We are confident that Ingenia remains on track to continue to deliver long term stable returns for securityholders.

In March this year we welcomed a new board member, Norah Barlow, whose extensive experience in retirement living operations and development further enhances the Board's depth of industry knowledge as it advances Ingenia's growth as a leading Australian seniors living business.

The team covered a lot of ground over the year and I would like to thank my fellow directors and the management team for their hard work.

As your Chairman, I would like to take this opportunity to thank all securityholders for your continued support and I look forward to meeting with you at our upcoming Annual General Meeting which is scheduled to be held at The Grace Hotel, Sydney on 12 November 2014.



Jim Hazel
Chairman

Year in Review

Highlights

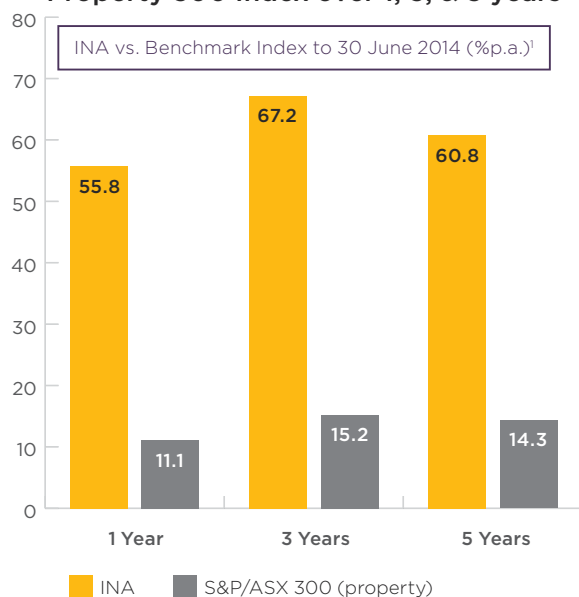
✓ Established market leading position in the Lifestyle Parks market	✓ Underlying profit up 97% , to \$11.6m
✓ Increased cash yielding asset base with 18 assets acquired	✓ Operating cashflow up 27% , to \$14.2m
✓ Record Garden Villages portfolio occupancy (like for like)	✓ Distribution up 15% , to 1.15 cents per security
✓ Successful rollout of 'Ingenia Care Assist' contributing to Garden Villages occupancy and earnings	✓ Low risk expansion strategy progressed with homes being installed or under development at seven Lifestyle Park assets
✓ Established scaleable operating platform to support future growth	✓ Improvement in security price during the year
✓ Terms agreed for sale of NZ Students portfolio	✓ Awarded BDO Australia's best AREIT for the second year in a row in calendar year 2013 with 77% Total Securityholder Return



INGENIA
RANKED #1

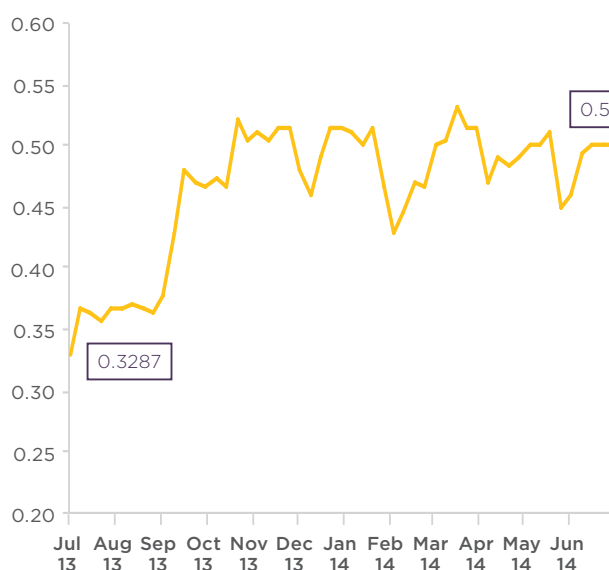
A-REIT
SURVEY 2012 & 2013

Outperformance against S&P/ASX Property 300 Index over 1, 3, & 5 years



1. UBS and S&P/ASX.

INA Security Price (\$)



Source: IRESS.

Financial Summary

KEY FINANCIAL METRICS	30 June 2014	30 June 2013	Change
Statutory profit/(loss) ¹	\$11.5m	(\$10.3m)	nm ▲
Underlying profit ²	\$11.6m	\$5.9m	97% ▲
Underlying profit EPS	1.8c	1.2c	50% ▲
Operating cashflow	\$14.2m	\$11.2m	27% ▲
Loan to value ratio (LVR)	33.9%	37.9%	11% ▼
Interest cover ratio (ICR)	1.99x	1.96x	2% ▲
Net asset value (NAV) per security	35.5c	34.4c	3% ▲
Distribution per security	1.15c	1.0c	15% ▲

1. FY13 normalised statutory profit is \$1.2m after adjusting for \$6.7m gain on sale of discontinued operations, disposal costs (\$0.7m) and release of foreign currency translation reserve (\$17.5m).
2. Underlying profit is a non-IFRS measure that represents, in the opinion of the Directors, the operating activities of INA in a way that reflects its underlying performance. It excludes items such as unrealised foreign exchange losses, unrealised fair value gains/(losses), and includes the uplift in value of DMF units on first time loan life leases. It has not been audited or reviewed by EY.

Increasing Emphasis on Cash Yielding Assets

Building a leading, diversified Australian seniors living portfolio of 57 communities.

Proforma asset value
(post divestment)*



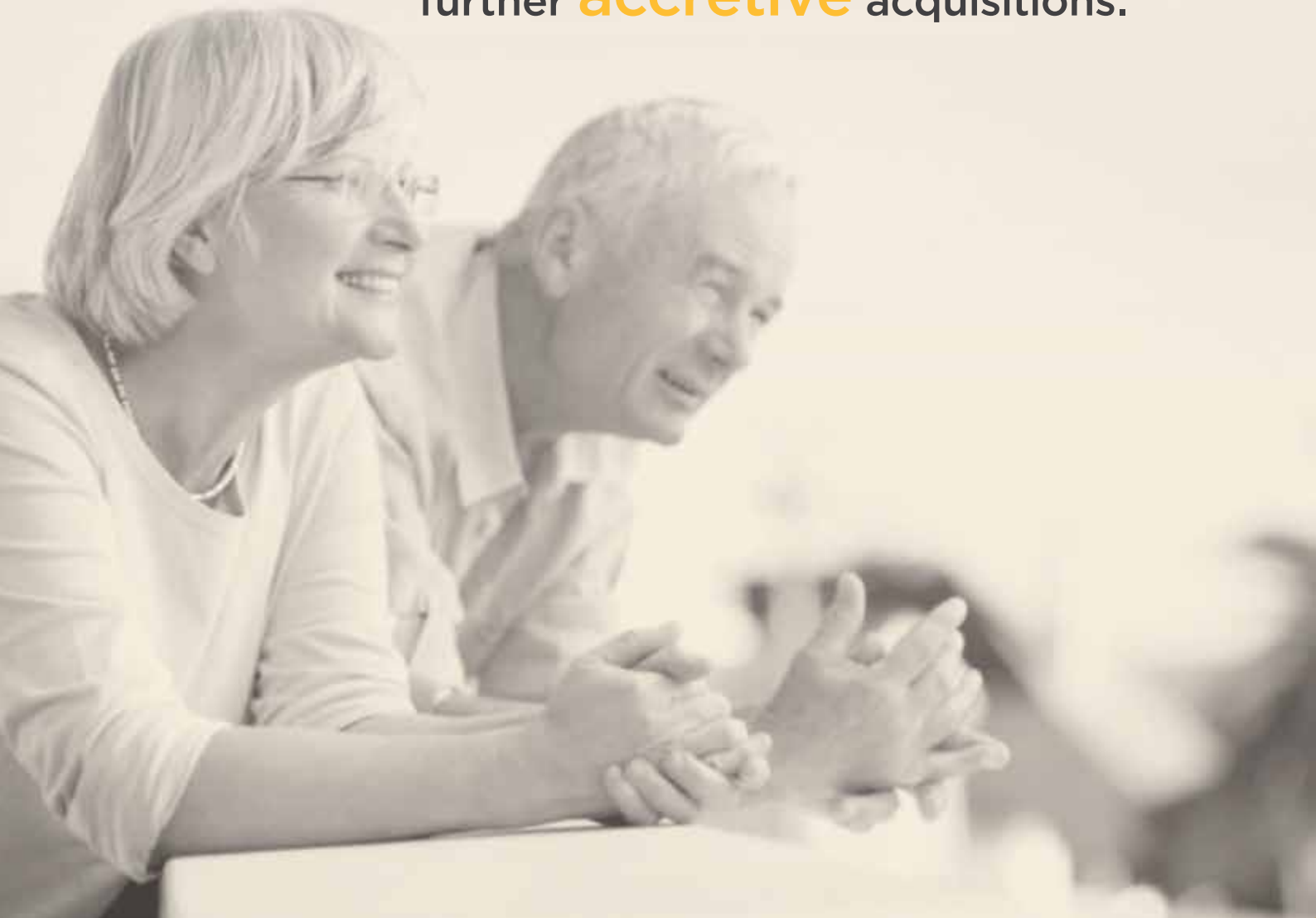
- Garden Villages (38%)
- Lifestyle Parks (39%)
- Australian DMF (23%)

*Post divestment of Settlers Village Noyea Park (settled July 2014) and NZ Students portfolio (announced 5 September 2014).

Ingenia Today

A **leading** provider of **affordable** Australian seniors housing built around two key portfolios generating **quality** recurrent operating **cashflows**.

This **scaleable** platform is well positioned for further **expansion** through embedded capital light low risk **development** and further **accretive** acquisitions.



Our Investment Strategy

Ingenia's established Australian operating platform facilitates the leveraging of core capabilities across different living options within identified market 'clusters'.

Ingenia Communities is a leading Australian Seniors living property group that owns, operates and develops affordable seniors communities across key regional and urban markets.

We are committed to providing quality affordable accommodation and services to suit the different lifestyles and pursuits of older Australians. For our investors, we are focused on operating, developing and acquiring a profitable business concentrated on cash yielding assets with opportunity for growth in earnings and distributions.

Our diversified portfolio is dominated by rental assets which deliver a consistent and stable cash return, complemented by capital light, low risk development.

LIFESTYLE PARKS (ACTIVE LIFESTYLE ESTATES)

Ingenia's 15 Lifestyle Parks represent 39% of asset value and are the primary focus of Ingenia's growth

Affordable, quality land lease accommodation in Lifestyle Parks to pension assisted seniors over the age of 55.

A resident purchases a home which they own and pays a ground lease rental fee on the freehold land owned by Ingenia. The purchase price of the home is typically significantly less than a new home. Upon their departure, the resident is responsible for selling their home to a new resident who enters into a new ground lease with Ingenia.

Lifestyle Parks also provide the opportunity for accretive development through capital light, low risk expansion and may include an element of tourism.

RENTAL (GARDEN VILLAGES)

Ingenia's 34 Garden Villages represent 38% of asset value

Affordable, quality rental accommodation to pension supported seniors over the age of 65.

A resident rents a modest 1-2 bedroom unit and pays a weekly rental fee to the operator, Ingenia. A meals package at an additional weekly cost can also be purchased. Average resident tenure is approximately three years.

DEFERRED MANAGEMENT FEE (DMF) (SETTLERS VILLAGES)

Ingenia also owns and operates 8 Settlers Villages which currently represent 23% of asset value

Quality accommodation in residential communities to self-funded seniors over the age of 70.

A resident acquires a lifetime leasehold interest from Ingenia with the average period of occupancy being approximately 11 years. At the time of departure, the home will be resold and the departing resident will receive back their initial leasehold investment less a deferred management fee (DMF) which is typically 30%. Any capital gains will typically be split between the resident and Ingenia, depending on contractual terms.

The Group is presently conducting a strategic review of its DMF business and is considering options to reduce its investment in this segment and free up further capital for the Lifestyle Parks business.

CEO Update



Over the year Ingenia's business mix has changed rapidly as the Group has improved earnings and cashflow and established a leading position in the new Lifestyle Parks market.



YEAR IN REVIEW

Looking back at the last year, Ingenia's second as a stand-alone business, I am pleased to report that we have continued to deliver our strategy - we have rapidly expanded our Australian Lifestyle Parks business, divested non core assets and continued to extract performance from the existing asset base. Importantly, we are seeing the benefits of this strategy through growing returns to investors as we consolidate Ingenia's position as a leading player in the Lifestyle Parks market and as a provider of quality, affordable seniors accommodation.

Since announcing a revitalised strategy on internalisation and entry to the Lifestyle Parks sector in February 2013 we have capitalised on our unique research database to build a market leading position and executed plans to create and deliver long term sustainable value for securityholders.

Consistent with our strategy, the 2014 financial results demonstrate significant growth in the Australian business and strengthening underlying operating cashflows.

We have continued to exit offshore markets, with sale of the NZ Students portfolio (announced on 5 September 2014) representing our last investment outside Australia. This sale and the sale of Settlers Village Noyea Park provides capital for reinvestment as we seek to deploy capital to deliver most value to investors, predominantly through our Lifestyle Parks business.

Our deliberate focus on the more affordable end of the seniors living market and identification of the opportunity represented by a new sector, Lifestyle Parks (or manufactured home estates), has given Ingenia a market leading position in this sector and positioned the Group for further growth. The portfolio, which has a value of \$119.3 million, is rapidly emerging as the key driver of earnings and cashflow growth across the Group.

Certainly there remains work to be done as we integrate recent acquisitions, continue to grow occupancy in our core Garden Villages rental platform and recycle capital from the Deferred Management Fee (DMF) assets; however we now have an established, scaleable platform which will support future growth.

PORTFOLIO OVERVIEW

Earlier this year I was fortunate enough to visit the United States to analyse their long established lifestyle parks sector, meet key industry executives and visit some 50 parks. Over the past ten years the Lifestyle Parks sector has rapidly consolidated and become 'institutional quality'. It is now an emerging market in Australia where Ingenia has clear first mover advantage.

Our portfolio of rental villages was grown with the acquisition of five 'distressed' assets in January 2014 at less than one third of replacement value, increasing the portfolio to 34 villages. These villages have continued to attract residents and provide a high quality recurrent stream of cash earnings which underpin our balance sheet and cashflows. Assisted by a new program, Ingenia Care Assist, occupancy was grown and revenue increased.

Across our Settlers conversion villages sales were impacted by reduced stock, however gross sales proceeds increased and there was significant interest in new homes at Ridge Estate, where 17 new homes were developed and a further 11 are now being finalised.

Ingenia's main focus is the growth of the Lifestyle Parks business which has expanded rapidly with a further thirteen assets acquired in financial year 2014 and development commenced at seven communities.

Ingenia closed the year with fifteen Lifestyle Parks and is now the largest owner, operator and developer of Parks in New South Wales. Our brownfields development pipeline comprises over 917 home sites across existing parks and we have a very strong acquisition deal flow in place, supported by an established operating platform positioned for further scale.

The Lifestyle Parks market is attractive due to its strong recurrent cash earnings, low risk and capital light development returns, low level of industry consolidation, and above all its affordability.

The affordable end of the seniors living market is the largest and fastest growing and also the least competitive so it provides an excellent base to build a growing and sustainable business.

FINANCIAL PERFORMANCE

The financial year 2014 results reflect our progress in reshaping and rapidly growing the business, principally through the successful deployment of capital into Lifestyle Parks.

Overall, the Group reported a substantial increase in Statutory Profit to \$11.5 million (\$10.3 million loss in FY13), as the cash yielding Australian asset base grew and initial development profits from the Lifestyle Parks business were delivered. Underlying profit of \$11.6 million was up 97% on the prior comparative period.

Operating cashflow for the year increased by 27%, to \$14.2 million. Reflecting the initial impact of acquisitions during the year and improved occupancy across the Garden Village assets segment, revenue from the Australian business increased to \$49 million.

Net Asset Value per security (NAV) increased by 3%, to 35.5 cents.

A total return of 55.8% for the year to 30 June 2014 was delivered to securityholders, demonstrating significant outperformance against the sector benchmark (Index return 11.1%)¹.

CAPITAL MANAGEMENT

Active capital management continues to be a key priority for the Board and management and we remain committed to a disciplined approach to capital management and the diversification of funding sources.

Over the past year growth in the Lifestyle Parks portfolio was funded via capital recycling from divested assets, the proceeds of a successful \$60 million rights issue and debt.

At 30 June 2014, Ingenia's LVR of 33.9% remains within the Group's policy range of 30-35% and well below the Group's covenant of 50%.

1. Source: UBS S&P/ASX Property 300 Accumulation Index.

CEO Update

continued



Consistent with our commitment to maintaining funding capacity to support future growth, non core assets were sold, providing additional capital for reinvestment, and indicative terms were agreed for a multilateral refinance. The new finance arrangement will deliver lender diversity, increased capacity, and improved pricing.

Effective tax planning led to a restructure of Group entities that contributed to a \$7.3 million tax benefit in financial year 2014, with further benefits likely in future periods.

BALANCING CAPITAL RETURN AND REINVESTMENT IN GROWTH

The Board and management recognise the importance of maximising returns to securityholders.

In the 2014 financial year, Ingenia increased its distribution payment to 1.15 cents per security, an increase of 15% on the prior year. This represented a 64% payout of operating income.

Over the past year, we completed eighteen acquisitions. These acquisitions will contribute to improved returns in future years, as further growth maximises operating efficiencies and development profits increase.

This disciplined approach will continue to underpin our capital allocation strategy as we deliver on the Group's strategy and expand Ingenia's presence in the Lifestyle Parks sector through accretive acquisitions and development.

OUTLOOK

Ingenia is well placed to continue to grow and to build its return profile as we capitalise on the demand for affordable seniors housing and our leading position in the Lifestyle Parks sector. Momentum is expected to build over the 2015 financial year, with full year contributions from assets acquired in 2014 and development profit growing each half.

The Lifestyle Parks market remains the dominant focus of our growth and we will continue to expand our exposure to this market as we benefit from a pipeline of highly accretive acquisitions and development opportunities.

As we integrate recent acquisitions, accelerate the build through of our development pipeline, and amortise our cost base across a larger operational platform, management anticipates improved earnings growth.

In closing, I would like to thank the Board for their support and our management team and all employees for their continuing commitment and contribution to the business.

The remainder of this Review contains greater detail on Ingenia's portfolios and outlook for the coming year.

Simon Owen
Chief Executive Officer
and Managing Director

Our Business Strategy



Ingenia's Market Cluster Approach

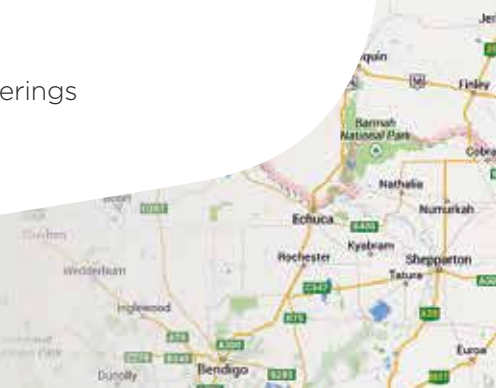


Ingenia focuses its acquisition and development strategy in select market clusters where it can offer residents multiple price points and options whilst leveraging existing management competencies.

Over the last year Ingenia has continued to acquire assets in identified clusters in line with this strategy. With a leading position in NSW already established, future Lifestyle Park acquisitions will be focused in NSW and Queensland.

STRINGENT INVESTMENT CRITERIA

- Proximity to population hubs, particularly over 50s
- Forecast population growth over the next 20 years
- Strong levels of employment growth (supports critical first home buyer market)
- Attractive growth areas supported by sustainable industries
- Robust median house prices in the region
- Barriers to entry of competing Lifestyle Parks and other retirement offerings



1. North Coast NSW

- Drifters Holiday Village, Kingscliff NSW
- Taloumbi Gardens, Coffs Harbour
- Oxley Gardens, Port Macquarie
- Taree Gardens, Taree

2. Central West NSW

- Dubbo Gardens
- Wheelers Gardens, Dubbo
- Peel River Gardens, Tamworth
- Mudgee Tourist and Van Resort
- Mudgee Valley Tourist Park
- Bathurst Gardens

3. Hunter/Newcastle

- Cessnock Gardens
- Settlers Ridge Estate, Maitland
- Ettalong Beach Holiday Village
- The Grange Village, Morisset
- Lake Macquarie Village, Morisset
- Macquarie Lakeside Village, Chain Valley Bay
- Big4 Valley Vineyard, Cessnock
- Wine Country Caravan Park, Cessnock
- One Mile Beach Holiday Park, Anna Bay

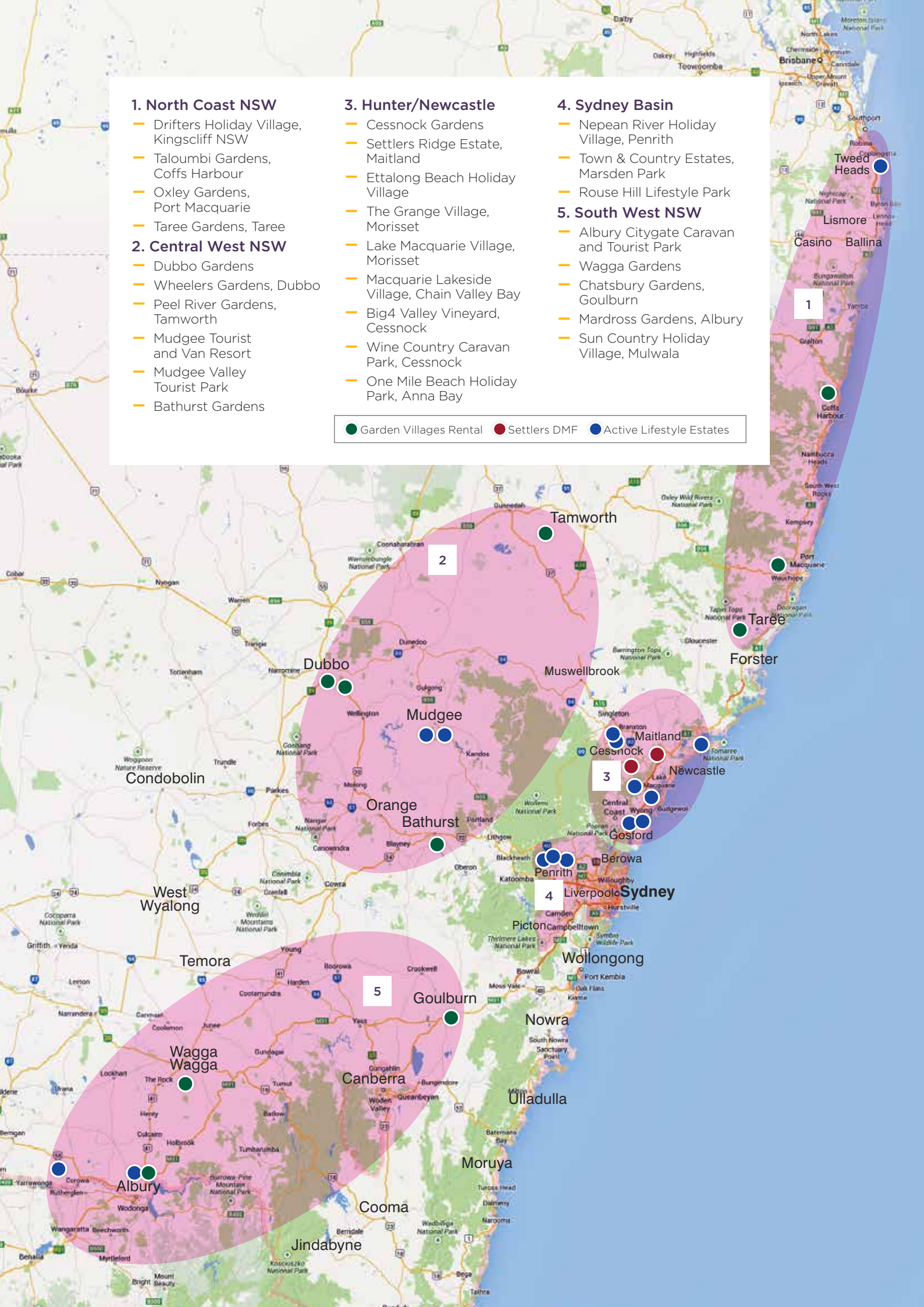
4. Sydney Basin

- Nepean River Holiday Village, Penrith
- Town & Country Estates, Marsden Park
- Rouse Hill Lifestyle Park

5. South West NSW

- Albury Citygate Caravan and Tourist Park
- Wagga Gardens
- Chatsbury Gardens, Goulburn
- Mardross Gardens, Albury
- Sun Country Holiday Village, Mulwala

● Garden Villages Rental ● Settlers DMF ● Active Lifestyle Estates



Portfolio Update

Ingenia's Australian business has grown rapidly, with eighteen acquisitions over financial year 2014.

57

total properties

3,700

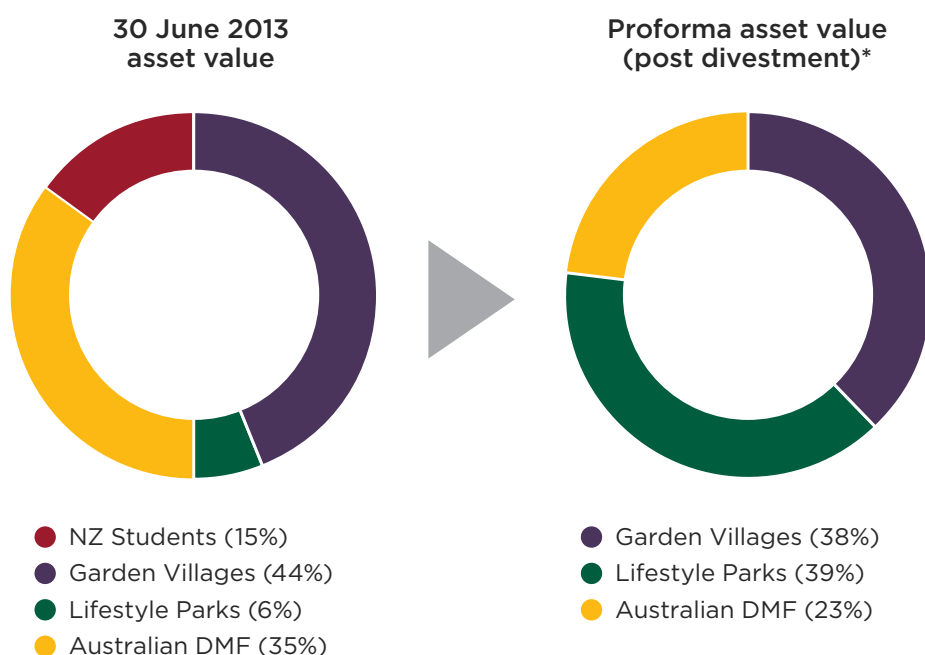
homes

Asset Allocation

(by value)

Ingenia has reduced exposure to offshore and non core assets while building a strong presence in the Australian Lifestyle Parks market.

Cash yielding assets comprise 77% of total portfolio value (on completion of the announced sale of the New Zealand Students portfolio)



*Post divestment of Settlers Village Noyea Park (settled July 2014) and NZ Students portfolio (announced 5 September 2014).

- Future growth will be focused on Lifestyle Parks acquisitions and development
- Opportunities to recycle capital from the sale of DMF assets will contribute to this growth
- Medium term target allocation is 30% Garden Villages and 70% Lifestyle Parks

Today, Ingenia has 57 Australian communities and growing.

Largest owner, operator and developer of **Lifestyle Parks** in NSW

LIFESTYLE PARKS

15 villages

- 1,093 permanent homes
- 1,038 short term sites
- 917+ development sites
- NSW only (QLD to follow)
- More opportunities under assessment

RENTAL

34 villages

- 1,801 units
- In all States except SA
- Focus on occupancy growth and margin expansion

DEFERRED MANAGEMENT FEE

8 villages

- 831 units
- WA, QLD and NSW
- Divested QLD village in July 2014
- Strategic review well advanced on remaining assets



Active Lifestyle Estates (Lifestyle Parks)



KEY DATA	FY14	FY13
Total properties	15	2
Total permanent sites	1,093	200
Total short term sites	1,038	30
EBIT	\$3.9m	\$0.4m
Book value	\$119.3m	\$13.5m

*Note thirteen assets were acquired over FY14, with only two assets being held for the whole year.

Significant contributor to future earnings growth; more opportunities being assessed.

Ingenia entered the Lifestyle Parks sector in February 2013, after two years of research. Offering cash yielding affordable accommodation within the Australian seniors living sector, Lifestyle Parks also offer the opportunity for highly accretive development with limited risk and a modest capital outlay.

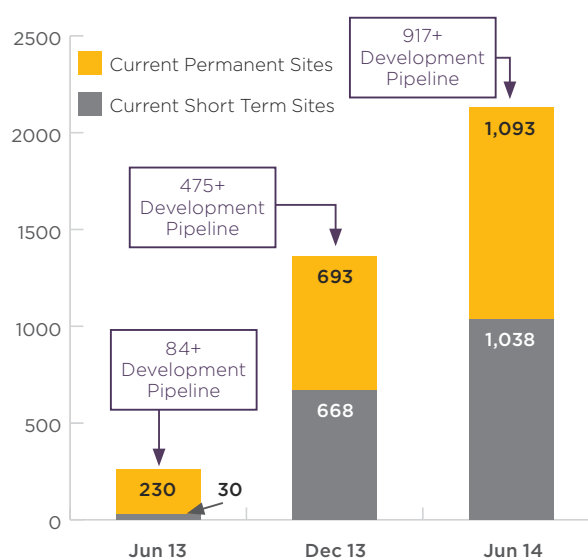
A proprietary database that the Group developed includes every Lifestyle Park and caravan park across the East Coast and WA and has been integral in rapidly building Ingenia's market leading position in this sector.

The Group acquired thirteen additional Lifestyle Park assets in financial year 2014, bringing Ingenia's portfolio to fifteen assets with over 1,000 permanent home sites generating recurring rents.

In addition to strong rental cash flows from permanent homes the portfolio also provides exposure to tourism and to attractive development returns through 900 plus development sites within existing parks. Tourism accommodation, which accounts for 1,038 sites across the portfolio, has gained significant scale over the year.

Over the past year significant work was done to integrate the new assets and operationally the portfolio is well established with recruitment, rebranding, systems implementation and compliance integration progressed.

Site summary



Note: Development pipeline includes sites already approved, conversion of certain short term sites to permanent sites and optimisation of certain permanent sites.



Valley Vineyard

Lifestyle Parks tourism strategy

A number of Ingenia's Lifestyle Parks contain tourism and short term accommodation, marketed to grey nomads, drive-in-drive-out trades, families and school groups.

While tourism sites may be converted to permanent home sites through development, short term tourist and trade accommodation will continue to be managed as a complementary business where it is the highest and best use of land.

Over the year, partnerships with online travel agents were established, and marketing and promotional strategies are in place at each village to drive future performance.

Nepean River



Lifestyle Park Development

Recent acquisitions will accelerate the portfolio's expansion through accretive development.

A key focus for management is the build out of the accretive development pipeline embedded within Ingenia's existing Lifestyle Parks.

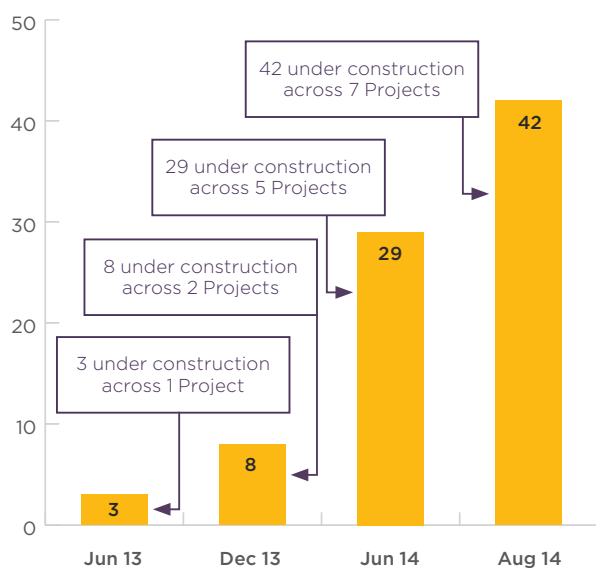
Development provides the opportunity to improve returns through the sale of new homes, expand cash yields through additional future rent roll, and improve the amenity of parks as new, high quality homes are delivered.

Supply agreements negotiated with two preferred suppliers, Parkwood Modular Buildings and Glendale Homes, will provide up to 100 homes in financial year 2015, ensuring that new homes are available for sale across an increased number of parks. A strong relationship is in place with Yarrawonga Manufactured Homes which is presently supplying homes for the Albury Citigate and Sun Country communities.

New homes are under construction and are anticipated to be delivered in the coming months at seven communities as the development process gains scale and momentum. The development process is quick, efficient, low risk and capital light as individual homes can be ordered and quickly delivered on-site as needed.

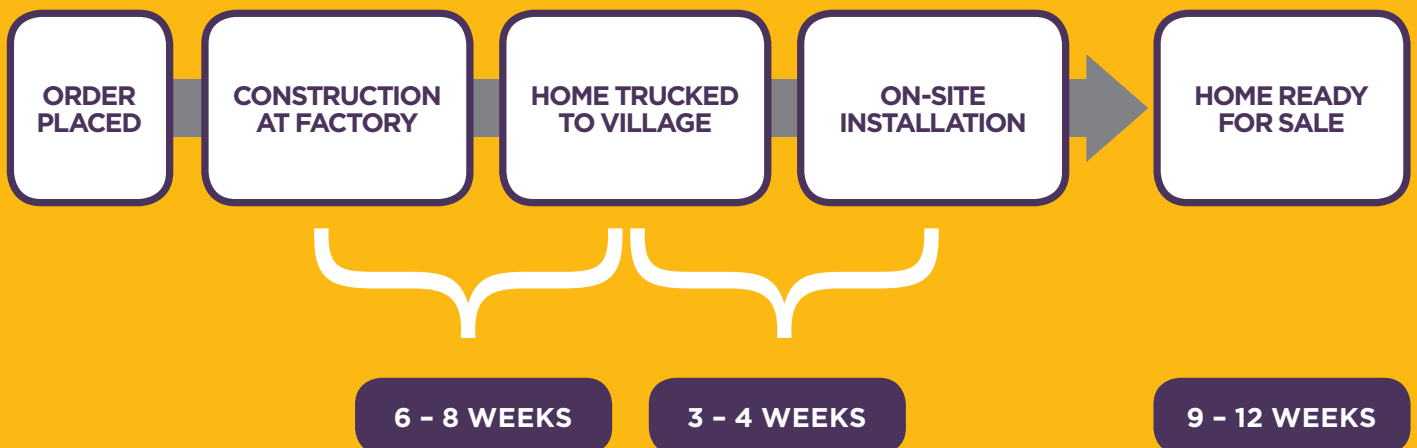
Development earnings are anticipated to grow in the coming year as projects are launched and sales achieved.

Houses under construction and delivered



Lifestyle Parks Development Cycle

Low-risk, capital light accelerated development cycle.



Garden Villages (Rental)



KEY DATA	FY14	FY13
Total properties	34	29
Total units	1,801	1,520
Occupancy	84.6%	85.1%
Like for like occupancy	90.1% ¹	85.1%
EBIT	\$9.9m	\$7.7m
Book value	\$114.3m	\$99.7m

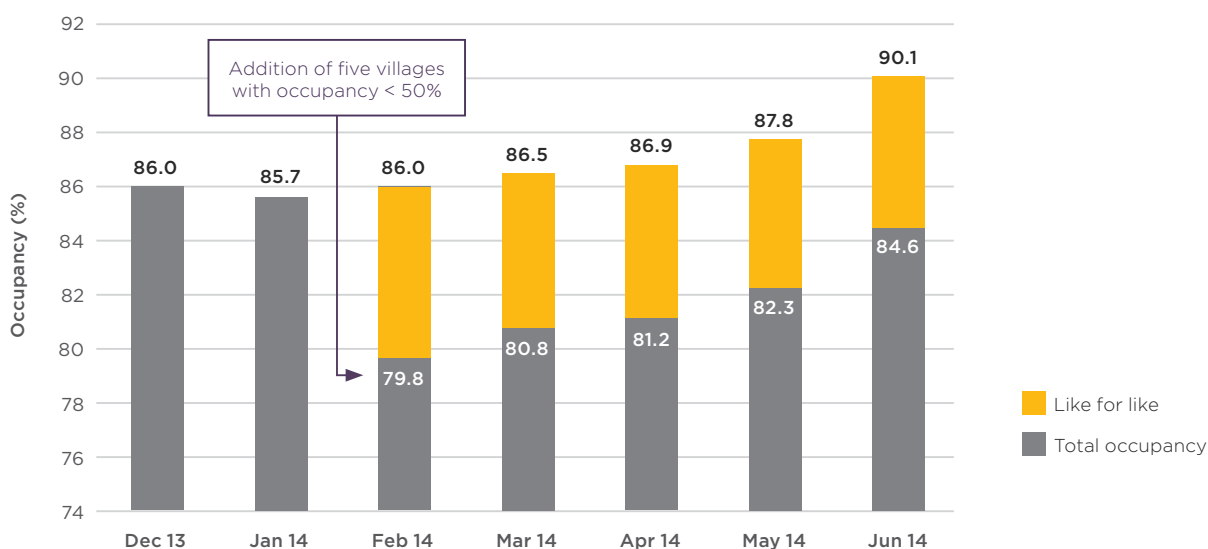
1. Excludes five low occupancy villages acquired in January 2014.

Focus on care and wellness is improving resident quality of life whilst driving occupancy and revenue growth.

The Garden Villages portfolio consists of 34 affordability based rental communities with over 1,800 units across all States except SA.

The portfolio grew over the year with the acquisition in January 2014 of five well located but typically poorly run or undercapitalised villages with significant upside potential.

Whilst occupancy was impacted by the addition of these assets, they have now been successfully integrated into the portfolio and their occupancy is beginning to grow. Excluding these assets, occupancy closed the year at 90.1% – a record high for the portfolio.



Glenorchy seniors' communities welcome care assistance program



Pictured at Claremont Gardens, back row, from left, Claremont Gardens village manager Michelle Miteff, resident Joan Porter and Glenorchy Gardens village manager Lyn Lovett. Front row, from left, Claremont Gardens residents Maureen Penneyson and Betty Fiez.

GLENORCHY seniors' communities Claremont Gardens and Glenorchy Gardens have welcomed the launch of Ingenia Care Assist, a program designed to help Garden Villages residents remain independent by connecting them to local services.

Officially launched in February, residents of the two villages will reap the benefits of the free advisory service, which will link them to a range of local services from person care to physiotherapy, podiatry and domestic cleaning.

Care development general manager Janene Eagleton said demand for

the service had already been very high in other Garden Villages communities, which trialled the program late last year.

"Ingenia Care Assist is designed to help senior residents maintain their independence and wellbeing by connecting them to a wide range of homecare services," she said.

"Maintaining the social fabric of these village communities, where so many invaluable friendships are formed, is a key goal of Ingenia Care Assist - we want to help seniors stay close to their friends and neighbours for as long as possible."

Ms Eagleton said

the free service would provide information and advocacy to seniors and their families, giving them peace of mind as Care Assist organised the care for them.

It will also work to increase community awareness of the range of services available to seniors, often for little to no cost at all.

"Rehabilitation services along with homecare packages can really help residents to remain independent and safe in their local community," Ms Eagleton said.

Glenorchy Gardens village manager Lyn Lovett said the commu-

nity was looking forward to the launch of Ingenia Care Assist.

"This free resident program is a great addition to Glenorchy Gardens and the other Tasmanian Garden Villages communities as it not only connects our residents to services they may need, but it also educates residents and their families on what is available," she said.

Ingenia Care Assist has already connected residents with a variety of care services across Australia and will offer the free advisory service to all 34 Garden Villages communities by July 2014.

Help on cue for seniors

LOGAN seniors in Marsden are accessing a range of services from physiotherapy to podiatry and domestic cleaning thanks to a new program connecting them to local services.

Marsden Gardens recently welcomed Ingenia Care Assist, a program designed to help its residents remain independent by connecting them to services.

Resident Michael Comerford is already benefiting

from the program. He has impaired hearing and will receive some communication assistance and equipment aids such as a walker and shower chair.

General manager of care development Janene Eagleton said demand for the service had already skyrocketed after it was launched last month.

"Maintaining the social fabric of these village communities, where so many in-

valuable friendships are formed, is a key goal of Ingenia Care Assist," she said.

"We want to help seniors stay close to their friends and neighbours for as long as possible," she said.

"The service provides information and advocacy to seniors and their families and increases community awareness of the range of services available to seniors, often for little to no cost at all."



Marsden Garden residents Gordon and Patricia Priest and Valerie and Michael Comerford are already being connected to local services through Ingenia Care Assist. Picture: RICHARD WALKER

Across the Garden Villages portfolio engaging residents and contributing to their health and wellbeing has continued to be a focus. In its third year of operation, the resident engagement program 'Activate 2014', included many fun filled events as well as services to promote resident health, including eye and hearing checks, talks on osteoporosis and falls prevention and managing arthritis.

'Ingenia Care Assist' which was launched in October 2013, extends Ingenia's commitment to resident health and well being.

In financial year 2013, out of 291 resident departures, the single biggest reason (38%) was due to residents needing to move to nursing homes. By partnering with external approved care providers, Ingenia Care Assist aims to facilitate the delivery of care into Ingenia's villages, enabling residents to access primary health services, social support, transport and government funded care packages, assisting them to age in place while extending the tenure of residents across the villages. The Care Assist service also assisted residents, many of whom have little family support, to prepare Powers of Attorney and Advanced Care Directives.

For residents with complex histories or where one partner is caring for the other the Care Assist service ensures that these residents are supported socially and health wise to live a good quality life.

Through referrals and regular dialogue, the program is increasing the awareness of health professionals to the benefits of Garden Villages for seniors in need of supported accommodation as a rental alternative to assisted living apartments and residential care.

Commencing in four villages in October 2013, the program is now operating across 31 communities with over 190 residents accessing care packages.

We are already beginning to see the benefit through increasing Garden Villages' value proposition and extending resident tenure. This will drive significant increases in both occupancy and sustainable earnings for this portfolio.

A focus on operational efficiencies during the year, combined with the final rollout of Ingenia Care Assist, positions the portfolio well to continue to improve occupancy and earnings in the 2015 financial year.

Settlers Lifestyle (DMF)

SETTLERS

Friends | Freedom | Fulfillment

KEY DATA ¹	FY14	FY13
Total properties	9	9
Total units	980	950
Occupancy	92.1%	89.9%
EBIT	\$4.5m	\$5.6m
Book value	\$76.0m	\$79.0m

1. Includes Settlers Lifestyle Noyea Park which was sold in July 2014.

Focus on sell down of newly completed or vacant homes.

The Settlers Lifestyle portfolio consists of eight Deferred Management Fee (DMF) communities with over 830 homes across WA, QLD and NSW.

Reduced settlement volumes impacted performance for the year, with some development projects nearing completion and new product under construction at Cessnock and Ridge Estate Villages not available for sale. Despite this, gross sales proceeds increased, and the portfolio has started the 2015 financial year well with strong sales evident over the first two months of the year.

Stage 2 of Ridge Estate is now complete, with 15 of the 17 homes sold or under contract. Marketing for the soon to complete 11-home Stage 3 development has commenced.

The sale of Settlers Lifestyle Noyea Park village settled in July 2014, providing net proceeds of \$5.4 million for reinvestment in the higher yielding Lifestyle Parks portfolio.

Ingenia will seek to reduce its net capital investment in these assets over time as the Group focuses on cash yielding rental assets.

Let the good times roll!

Former Rockhampton business owners John Greening and George Ingham have found their green thumbs and a large dose of community spirit at Settlers Rockhampton.

John and George, often referred to in the village as 'those two characters', spend their days chatting with their friends and neighbours, organising the retirement community's games and activities, and tending to the village's chook pen and gardens.

"The best thing about Settlers Rockhampton is that everyone's very friendly and we all get along," John said. "I'm a people-person, and luckily for me, almost everyone's up for a chat, and no one takes themselves too seriously – we're not spring chickens here, but there's some real youth at heart in the village. Everyone's quite like-minded, so even though we may have lived in different places, and taken different career paths, we have quite a lot in common."

"We all pitch in to organise big events, whether it's a charity fundraiser, a Melbourne Cup lunch or a

Christmas in July feast – there's a real community spirit here."

"I've been surprised at how active all the residents are – we've just recently started up a morning walking group, many residents volunteer in the local community and most have interesting hobbies. There are regular village games, themed meals and entertainers who come to perform for us also."

"Our village manager Ian is really great too – he's always on hand to answer our questions and lead the activities."

John and George are looking forward to welcoming the local community for fun, food and fantastic music at the **Settlers Rockhampton Rock 'n' Roll Open Day** on Saturday 20 September.

This event promises to be great fun with free food, drinks and live entertainment. Villas will also be open for inspection. Come and join the fun!

Rocking the community spirit are (left to right): Del Casey, George Ingham, John Greening, Elvis (AKA Ian Thompson) and Helen Ingham.





New Zealand Students

The sale of the New Zealand Students portfolio completes Ingenia's exit from offshore investments.

NEW ZEALAND STUDENTS PORTFOLIO

The NZ Students portfolio consists of three student accommodation properties in Wellington New Zealand, each with a 15-year anchor lease to quality government backed tertiary education tenants.

Following completion of a significant refurbishment program in January 2014, the sale of the portfolio was announced in September 2014. The sale price of NZ\$49.4 million is consistent with book value.

Completion of the sale will finalise Ingenia's exit from offshore investments and will provide approximately AU\$15 million in capital to be recycled into opportunities in the Australian Lifestyle Parks business.



Outlook



Ingenia's platform has capacity for continued growth as the Group builds on its market leading position and continues to expand its Lifestyle Parks business.

Outlook

continued

Continued growth in Lifestyle Parks through acquisition and development remains key to Ingenia's strategy.



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.

THE GROUP'S FOCUS IN THE NEXT 12 MONTHS:

- Increasing delivery and sale of new homes across existing Lifestyle Parks
- Continuing to grow Lifestyle Parks portfolio with accretive, cash yielding acquisitions focused on NSW and South East Queensland
- Expanding Ingenia Care Assist to support occupancy growth and resident tenure
- Progressing non-core asset sales to recycle capital into higher yielding Lifestyle Park opportunities
- Finalising multilateral debt funding to underpin capital flexibility

Investing in our People

Committed, motivated and passionate staff are vital to Ingenia's service proposition to residents.

As the Group continues to grow, it is important to recruit and retain good people.

At Ingenia, we have continued to promote an engaging and healthy work culture and to build the skills of our team as the business has grown, ensuring team members have opportunities to develop new skills and experiences to help them achieve their individual career goals.

As an organisation, we are very fortunate to have many highly committed, quality people working at Ingenia. They are key to our success and to our ability to continue to meet the needs of a growing number of residents across our extensive portfolio.

This year, we are again delighted to showcase three employees who are a testament to what drives the success of this business.

Staff Profiles



DAVID EVANS

VILLAGE MANAGER AT
TOWNSEND AND ST ALBANS
PARK GARDENS

What is your role within Ingenia, and how long have you worked for the Group?

I am the Village Manager at Townsend and St Albans Park Gardens and started with Ingenia in January 2010.

What attracted you to your role?

After 20 years as an Area manager for Shell/Coles in the retail sector, I decided it was time for a career change, and this looked like a fun place to start!

What excites about our organisation?

Its growth and it has endless opportunities.

What interests you about retirement?

It hopefully happens for all of us at some stage, so having a hand in helping to create a great lifestyle for seniors for their future is always very rewarding to me.

What's the most rewarding part of your role?

Seeing the smiles on the residents' faces, you know you're doing something right.

What's the hardest part of your role?

I don't see a "hardest part" in my role, only challenges that need to be overcome with the best solutions!

Where do you see yourself in 5 years?

Still enjoying this journey within Ingenia.

Tell us a fun fact about yourself that we'll never guess?

In the late 70's and early 80's, I was a professional Bull Rider on the Australian Rodeo circuit. Life's an amazing ride – you don't always know where it'll take you...



IAN THOMPSON

VILLAGE MANAGER OF SETTLERS ROCKHAMPTON

What is your role within Ingenia, and how long have you worked for the Group?

I am the Village/Sales Manager at Settlers Rockhampton, our most northern location within the Ingenia Group. I joined Ingenia Communities in late 2011.

What attracted you to your role?

After a life time in the hospitality, entertainment and aged care industries, the timing and the fit was right. It provided me with the opportunity to give something back into the biggest growth sector within Australia.

What excites about our organisation and being in the retirement sector?

Being a small part of a dynamic team that demonstrates the courage to be the 'premier change agents' within Australia's retirement accommodation industry.

What's the most rewarding part of your role?

Waking up each morning realising that we all have the power to make a difference to people's lives. I feel that this both is Ingenia and individual staff members' ethos. Do a random act of kindness every day, it has never hurt or cost anyone anything!

What's the hardest part of your role?

For an introverted person like myself, doing this staff profile! Last year, the village partnered with Assistance Dogs Australia to raise a puppy whom we named Archer. After raising him from an 8-week old pup for over a year, it was an emotional day when the residents and I had to send him off to Big Dog Training School. A lot of tears at the airport that day!

The end recipients of Archer, The McDonald Family in Brisbane, have generously allowed us to remain part of Archer's journey via emails and photos. That was a very rewarding experience for all of us and I feel, a great initiative for the Group.

Where do you see yourself in 5 years?

In a similar role hopefully with Ingenia Communities. That's of course if I don't get contracted to a Broadway Show beforehand. I have the correct stature to play the part of Frankie Valli in Jersey Boys. I am just still trying to get my falsetto voice happening.

Tell us a fun fact about yourself that we'll never guess?

It is often said, You Hear Me Before You See Me! One of life's greatest gifts is the ability to laugh at one's self.

Staff Profiles

continued



SHARRON DE BONO

REGIONAL MANAGER OF VICTORIA & TASMANIA

What is your role within Ingenia, and how long have you worked for the Group?

I am the Regional Manager for Victoria and Tasmania and have been with the Group for five years since December 2009. In this role, I oversee eight villages across the Garden Villages portfolio, managing and assisting the Village Managers in their day-to-day operations.

What attracted you to your role?

Having an extensive background in hotel management, I felt confident knowing I could bring value to this role as a Regional Manager given my experience and knowledge in hospitality. I love working with others and playing a part in nurturing their growth. Knowing that I would be working for an organisation which was growing rapidly excited me.

What excites about our organisation?

The opportunity to work with a rapidly growing organisation such as Ingenia really excites me. From when I first started to now, the Group is going from strength to strength with a Rental, DMF and now a Lifestyle Parks portfolio. I see many opportunities to grow within Ingenia. With the baby boomers fast approaching retirement, there is so much work ahead of us.

What interests you about retirement?

It's a constantly evolving sector where retirees no longer just want to move somewhere to live. They are more mobile, active and living longer nowadays, and they want a lifestyle - to live life to its fullest! They are looking to spend more money and not leave it for their children as they did in the past. This creates opportunities for groups like us to be creative to meet this growing ageing demand. I feel great to be part of an organisation that's contributing to the needs of this whole new generation.

What's the most rewarding part of your role?

Building a reputation in the local communities where we are constantly recognised as having one of the best seniors accommodation in town.

We are constantly getting resident enquiries and our competitors are watching us closely, and that's because we work hard at generating this positive brand awareness. It makes me proud to be working for Ingenia!

What's the hardest part of your role?

I've met so many beautiful residents in my last five years and have gotten to know them that little bit extra. It is very sad when someone passes on, but I treasure all the personal connections I've had with each and every one of them.

Where do you see yourself in 5 years?

Ingenia of course, where else?!

Tell us a fun fact about yourself that we'll never guess?

I'm a farmer's wife so when the weekends come around you'll generally find me in the kitchen baking scones, sponges, tea cakes... my freezer is full of wonderful bakes from the CWA (Country Women's Association) recipes. The other freezer is full of meat which we butcher yearly!

Board of Directors

A dedicated Board with significant industry expertise and strong professional experience.



JIM HAZEL

NON-EXECUTIVE CHAIRMAN

Mr Hazel was appointed to the Board in March 2012.

Mr Hazel has had an extensive corporate career in both the banking and retirement sectors. His retirement village operations experience includes being Managing Director of Primelife Corporation Limited (now part of Lend Lease). Other listed company directorships include: Bendigo and Adelaide Bank Limited since 2010; Centrex Metals Limited since 2010; and Impedimed Limited since 2006. He also serves on the Boards of Motor Accident Commission, Coopers Brewery Limited and the Council for Ageing (SA) Inc.

Mr Hazel is a member of the Remuneration and Nomination Committee.



SIMON OWEN

**CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR**

Mr Owen was appointed to the Board in November 2011.

Mr Owen joined the Group in November 2009 as the Chief Executive Officer. He initiated the internalisation of management and exit from the ING Group as well as Ingenia's recent focus on Lifestyle Parks. Mr Owen brings to the Group in-depth experience in the retirement sector and is the immediate past National President of the Retirement Villages Association (now part of the Retirement Living Council), the peak industry advocacy group for the owners, operators, developers and managers of retirement communities in Australia.

Mr Owen's experience spans multiple disciplines, including finance, funds management, mergers and acquisitions, business development and sales and marketing. Prior to Ingenia Communities, Mr Owen was the CEO of Aevum, a formerly listed retirement company. Mr Owen is a qualified accountant (CPA) with postgraduate diplomas in finance and investment, and advanced accounting.

Board of Directors

continued



PHILIP CLARK AM
NON-EXECUTIVE DIRECTOR

Mr Clark was appointed to the Board in June 2012.

Mr Clark is the Chair of SCA Property Group Limited and Hunter Hall Global Value Limited. He is a member of the J.P. Morgan Advisory Council and also chairs a number of government and private company boards. He was Managing Partner and Chief Executive Officer of Minter Ellison and worked with that firm from 1995 until June 2005. Prior to joining Minter Ellison, Mr Clark was Director and Head of Corporate with ABN Amro Australia and prior to that he was Managing Partner with Mallesons Stephen Jaques for 16 years.

Mr Clark is Chair of the Remuneration and Nomination Committee.



AMANDA HEYWORTH
NON-EXECUTIVE DIRECTOR

Ms Heyworth was appointed to the Board in April 2012.

Ms Heyworth is a professional company director. She previously served as Executive Director of Playford Capital Venture Capital Fund. She has a wealth of experience in the finance, technology and government sectors and teaches in the Australian Graduate School of Management's MBA program. Ms Heyworth brings a finance and growth focus to the Group, having worked on many product launches and geographic expansions and over 40 capital raisings and M&A transactions. She sits on a number of public sector and private boards.

Ms Heyworth is Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.



ROBERT MORRISON
NON-EXECUTIVE DIRECTOR

Mr Morrison was appointed to the Board in February 2013.

Mr Morrison has extensive experience in property investment and funds management. During his 21 years at AMP, Mr Morrison's executive roles included Head of Property for Asia Pacific and Director of Asian Investments. Mr Morrison's investment experience includes senior portfolio management roles where he managed both listed and unlisted property funds on behalf of institutional investors. Mr Morrison was previously an Executive Director of AMP Capital and a National Director of the Property Council of Australia. He is a founding partner and Executive Director of alternative investments firm, Barwon Investment Partners, and is a Non-executive Director to the Board of Mirvac Funds Management Limited.

Mr Morrison is a member of the Audit and Risk Committee.



NORAH BARLOW NZOM
NON-EXECUTIVE DIRECTOR

Ms Barlow was appointed to the Board in March 2014.

Ms Barlow is a professional company director. For the past 12 years, she served as the Chief Executive Officer of Summerset Group, the third largest retirement village operator and the second largest developer of villages in New Zealand. She is also a past President of Retirement Villages Association of New Zealand, a role she held for six years. Ms Barlow currently sits on the Boards of Cigna Life Insurance Limited, Vigil Monitoring Limited and Cooks Global Food Group Limited. She serves as a member of the New Zealand Government's National Advisory Council for the Employment of Women and remains with Summerset as a Non-executive Director.

Ms Barlow is a member of the Audit and Risk Committee.



LEANNE RALPH
JOINT COMPANY SECRETARY

Ms Ralph was appointed to the position of Company Secretary in April 2012.

She has over 20 years experience in chief financial officer and company secretarial roles for various publicly listed and unlisted entities. Ms Ralph is a member of the Governance Institute of Australia and the Australian Institute of Company Directors. She is the principal of Boardworx Australia Pty Ltd, which supplies bespoke outsourced Company Secretarial services to a number of listed and unlisted companies.

Leadership Team

A strong industry experienced leadership team.



SIMON OWEN

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Simon joined the Group in November 2009 as the Chief Executive Officer. He initiated the internalisation of management and exit from the ING Group as well as Ingenia's recent focus on Lifestyle Parks. Simon brings to the Group in-depth experience in the retirement sector and is the immediate past National President of the Retirement Villages Association (now part of the Retirement Living Council), the peak industry advocacy group for the owners, operators, developers and managers of retirement communities in Australia.

Simon's experience spans multiple disciplines including finance, funds management, mergers and acquisitions, business development and sales and marketing. Prior to Ingenia Communities, Simon was the CEO of Aevum, a formerly listed retirement company. Simon is a qualified accountant (CPA) with postgraduate diplomas in finance and investment, and advanced accounting.



TANIA BETTS

CHIEF FINANCIAL OFFICER AND JOINT COMPANY SECRETARY

Tania joined the Group in May 2012, after a 6-year career at Stockland Group where she held various positions, including National Finance Manager within their Retirement Living Division. Tania's previous experience includes several years within the chartered accounting profession as well as working for a leading healthcare provider. She holds a Bachelor of Business in Accounting and Finance, and is a member of both the Institute of Chartered Accountants and the Governance Institute of Australia. Tania was the 2011 winner of the Urban Development Institute of Australia NSW and SMEC Young Developers' Award for Excellence.



JANENE EAGLETON

GENERAL MANAGER, CARE DEVELOPMENT

Janene joined the Group in August 2013 and has responsibility for the development of the resident program, Ingenia Care Assist. Janene brings to the Group extensive experience in health, retirement and aged care strategy and operations, having held senior management positions with Australian Unity, Catholic Healthcare and St Vincent's Private Hospital. Janene holds an MBA (Macquarie) and is a graduate member of the Australian Institute of Company Directors and the Governance Institute of Australia. She has substantial experience as a Board Director for industry and consumer associations, not-for-profit companies and NSW Government Councils.



NIKKI FISHER

CHIEF OPERATING OFFICER

Nikki is responsible for the operations of the Group's Australian portfolio of Rental, DMF and Active Lifestyle Estates. She joined the Group in 2010. Nikki has 18 years' experience in the property and asset management industry. Her career spans multiple asset classes including industrial, commercial and retail. Prior to Ingenia, Nikki spent 10 years at Westfield Group where she held the position of Regional Manager QLD North, overseeing a portfolio in excess of \$2 billion. She holds a Bachelor of Business in Accounting and Industry Economics.



KAREN LANDY

GENERAL MANAGER, COMMERCIAL

Karen is responsible for the Group's capital management, including debt refinancing and equity raisings. Karen is also responsible for the divestment of the New Zealand Students portfolio. Karen has more than 20 years' experience in the financial services and funds management sectors. She has been with the group for 6 years, and has expertise in financial management, debt and capital transactions. Karen is a Chartered Accountant with a Bachelor of Economics and Masters in Applied Finance.



CORRIE MILNE

GENERAL MANAGER, VILLAGE OPERATIONS

Corrie is responsible for the operational management for all villages in the Australian portfolio. Corrie joined the business in October 2008 as the Regional Manager (Queensland) and in February 2009 moved into the role of Senior Regional Manager across the Australian portfolio. His rapid growth within the business saw him promoted to his current role in July 2013. Prior to starting with Ingenia, Corrie worked with Sunny Cove Villages Group for two years in various roles across their business. Corrie started his career with over 10 years of experience in the hospitality industry with Mirvac Hotels and the Stamford Group, mainly in senior management roles. Corrie holds a Diploma in Business and a Graduate Certificate in Asset Management.

Leadership Team

continued



MARTIN COTTERELL

GENERAL MANAGER ACQUISITIONS AND TOURISM DEVELOPMENT

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Martin joined Ingenia in October 2013 and is responsible for the sourcing and execution of agreed acquisition and development opportunities in line with the strategic direction of the Group. Martin brings with him over 13 years of experience in acquisitions, operations and property development in the Lifestyle Parks sector, being a previous park property owner himself. In his prior position as General Manager for Aspen Parks Property Management, Martin's responsibilities included controlling the operations of the group's assets, overseeing the strategic direction of the business and the development of strategic alliances within the industry. Martin is also a board member, treasurer and head of the audit committee for the Caravan Camping Industry Association (CCIA) and Mobile Home Industry Association (MHIA) of NSW – peak industry bodies with over 600 members.



NICK REID

DEVELOPMENT DIRECTOR

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Nick joined the Group in August 2012 and is responsible for the delivery of the significant development pipeline across the Australian portfolio. Nick has had over 25 years experience in all aspects of developing and managing senior living communities, notably as Managing Director and 25% owner of the Sakkara Living Portfolio which was built to a portfolio of 800 dwellings and a significant development pipeline before sale into the institutional market. Prior to Sakkara Living, Nick was General Manager of the Gandel Group's senior living portfolio (now part of Aveo).

Nick is a past president of the Retirement Village Association of NSW, holds a Bachelor of Business, and is a licenced real estate agent.



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