

ASX / Media Release

20 November 2012

Ingenia Communities 2012 Annual General Meeting

Chairman Speech

Ladies and Gentlemen

The last time I stood before many of you was at a Unitholder Meeting in May this year. Unitholders were asked to vote on the proposal to internalise management of the Fund, then known as ING Real Estate Community Living Group. Thanks to your overwhelming support of the proposal, on 4th June, Ingenia Communities commenced trading as an internalised listed property group. This marked a real change for the Group, where management could start again with a clear focus, and embark on a new journey to create value for you.

Since that time, the new Board has spent considerable time debating and approving strategy for the Group. I am pleased to say that the team, led by Simon Owen, has developed clear strategic priorities for the business.

These priorities are:

- Providing superior securityholder returns through a combination of security price growth and distributions;
- Monetising overseas investments with capital to be re-invested in Australia;
- Conversion of additional select rental villages to the DMF model to unlock earnings and cashflow; and
- Developing, acquiring, and seeding growth opportunities organically and through rigorously assessed bolt-on acquisitions in existing and new markets.

Before the commencement of this meeting, we announced to market the divestment of the New Zealand Students portfolio at a 40% premium to book value. Net proceeds of A\$9.8 million will be repatriated to Australia. This transaction has been 12 months in the making, which involved prolonged negotiations with the universities and the buyer. This sale will complete the Group's exit from its overseas investments. I will let Simon touch on that in more detail later in his speech.

It has been a busy few months since internalisation, and I am pleased to confirm that the transition has been proceeding successfully. The notable improvements in the 2012 financial year performance of the Group are evidence that management's efforts are achieving traction. Simon will touch on that in more detail later.

Market conditions remain challenging. Global uncertainty post Global Financial Crisis (GFC) continues to affect consumer sentiment in Australia. Deleveraging continues in both the corporate and household sectors, and people are "keeping their hands in their pockets". House prices are subdued, however recent and likely future falls in interest rates look to be having some positive effect.

In the seniors housing sectors, the post GFC hangover continues to see distressed sales, as overleveraged structures slowly unwind. The supply of new villages remains low due to much tighter bank lending criteria and shortages of new equity, and cautious consumer sentiment.

In the face of these market conditions, we have adapted and reshaped the business, refinanced our core debt with better commercial terms and recommenced distributions. We have simplified our portfolios by divesting non-core assets at premium to book value. We have also turned the market weaknesses to our advantage by making two opportunistic acquisitions which will both be earnings accretive.

In many ways, it has been an excellent time for the Group to "relaunch".

As demonstrated on this chart, the INA security price has risen by 86% in the past 12 months, and reached a high of 27¢ in October this year.

We have considerably narrowed the gap between our security price and our Net Asset Value; and I can assure you that the Board has an extremely high focus on this.

As disclosed in the full year results release, the Board continues to assess various capital management strategies, particularly as we monetise our overseas investments.

As one of the first financial initiatives implemented by the new Board, I was pleased with the recommencement of distributions to securityholders. The final distribution of 0.5¢ per security for the 2012 financial year was a modest start, and reflects the strengthening balance sheet, and the Board's commitment to provide returns to securityholders where it is financially

responsible to do so. I would like to reaffirm the Board's intention to declare interim and final distributions of 0.5¢ per stapled security respectively for the 2013 financial year, and note that we will provide further distribution guidance as the business progresses.

Ladies and Gentlemen, I am excited to be given the opportunity to lead your Group as Chairman. Ingenia is a nimble and growing business with great potential to establish itself as a pre-eminent pure-play seniors housing provider listed on the Australian Securities Exchange. I truly believe in the Group's future, and that is one reason why I accepted the invitation to become your Chairman.

The other reason was Simon Owen. I have watched Simon's progress in this industry with great interest over the last decade, sometimes in the past as a competitor! I have a great deal of admiration for what he has done in this business; you ought to be pleased that he has led the reconstruction of the Group. He has a serious and detailed understanding of the opportunities in the sector, and a commitment to creating value for securityholders.

Your Board also has a great deal of confidence in the highly skilled and motivated team that Simon has put together.

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

For further information please contact:

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About Ingenia Communities Group

Ingenia Communities Group (ASX Code: INA) previously known as the ING Real Estate Community Living Group, is a stapled property group comprising Ingenia Communities Holdings Limited (ACN 154 444 925), Ingenia Communities Fund (ASRN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410). The Responsible Entity for each scheme is Ingenia Communities RE Limited (ACN 154 464 990) (AFSL415862).

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