

## ASX / Media Release

23 August 2016

### **Ingenia delivers strong performance underpinned by growing rental income and home settlements**

#### **FY16 Results Overview**

- Underlying Profit from continuing operations of \$20.2 million, up 20% on FY15
- Statutory Profit of \$24.3 million, down 6% as tax benefit declines
- Strong operating cash flow of \$21 million, up 133% on FY15
- Total revenue of \$107.1 million, up 41% on FY15
- Sales momentum building with 107 new home settlements, up 106% on FY15
- Full year distribution per security of 9.3 cents, up 15% on FY15
- Contracts exchanged on DA approved 229 home greenfield site in Port Stephens, north of Newcastle

Ingenia Communities Group (ASX:INA) today announced Underlying Profit from continuing operations of \$20.2 million for the financial year ending 30 June 2016, an increase of 20% on the prior financial year. Statutory Profit of \$24.3 million is down 6% on the prior financial year due to a reduction in tax benefit as the contribution from development continues to increase.

Operating cashflow for the year was \$21 million, up 133% on the prior year, principally driven by growing rental and tourism income and new home sales.

Ingenia has declared a final distribution of 5.1 cents per security (above previous guidance of 4.9 cents per security), with payment to be made on 14 September 2016. The full year distribution of 9.3 cents per stapled security (which is 41.8% tax deferred) represents an increase of 15% on FY15, and remains consistent with the Group's commitment to grow distributions and securityholder returns.

Ingenia's CEO, Simon Owen, said the result was pleasing with the standout features being the strong and growing cashflow generated from manufactured home settlements and the success in driving returns from the Group's growing tourism operations.

"Sales momentum continues to build in our Lifestyle Communities with 107 settlements, up over 100% on the previous record result achieved in FY15."

"Over the past couple of years Ingenia has acquired some of the most iconic tourism and mixed-use parks in Sydney and coastal NSW. These communities are generating strong and growing cashflows whilst offering longer-term repositioning and redevelopment opportunities."

“Ingenia continues to refine its strategy as the market for affordable seniors housing matures and evolves.”

“In addition to acquiring and repositioning tourism and mixed-use parks in key metro and coastal locations, Ingenia is now contracting or optioning attractive large scale, high quality greenfield opportunities which will support multi-year projects offering strong development margins and high sales volumes.”

“Today we have announced that contracts have been exchanged on a DA approved greenfield site for a new 229 home community called Latitude One, just north of our existing Ingenia Holidays One Mile Beach in Port Stephens, NSW. Combined with our optioned site at Upper Coomera and contracted Sydney Park these new opportunities have the ability to add over 650 development sites in key metro and coastal growth corridors, expanding our existing pipeline to over 2,100 potential sites.”

“With a strong platform in place, we now have developments underway across 13 communities and an immediate pipeline of over 900 approved sites.”

“Underpinning this growth are the consistent and steady cashflows from the Garden Villages portfolio which continues to perform well, closing out the year at an occupancy rate of 90.7%,” Mr Owen said.

## Capital Management

The Group maintains a disciplined approach to capital management and to the diversification of funding sources.

Key Metrics	At Jun 16	At Jun 15	CHANGE
Loan to value ratio (LVR)	24.9%	22.6%	2.3%
Core interest cover ratio (ICR)	3.73x	2.68x	39.2%
Net asset value (NAV) per security	\$2.45	\$2.34	4.7%

At 30 June 2016, Ingenia’s loan to value ratio (LVR) was 24.9%, below the Group’s target range of 30-35%. Following the completion of the remaining three acquisitions announced in June 2016, the proforma LVR is anticipated to move to the lower end of the target range (at 31.1%).

Operating cashflow is continuing to grow in line with the expansion of the Lifestyle Communities business.

Ingenia is progressing documentation with a global investment group to divest a majority interest in five of the Group’s larger DMF communities and recycle capital into the growth of the Lifestyle Communities business. Ingenia has received interest from other parties in relation to its DMF assets, which the Group is currently assessing.

## Outlook

It has been a positive start to FY17, and Ingenia remains focused on the growth of its portfolio of Lifestyle Communities through completion of announced acquisitions and development of a quality pipeline of projects.

The Group continues to target sales growth as existing projects gain momentum and new projects launch and is forecasting in excess of 150 new home settlements for FY17.

Ingenia remains well placed to deliver growing returns to securityholders.

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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).