

ASX / Media Release

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Ingenia acquires iconic Cairns Coconut Holiday Resort

Highlights

- Acquisition of highest rated, most awarded tourism park in Australia
- Off-market \$50 million acquisition – ingoing yield >8%
- Significant approved development upside offering >20% return on invested capital
- Adds 325 tourism sites and 35 long-term residential homes
- Seeds new North Queensland cluster – further acquisitions under assessment
- Founders and owners to exclusively consult to Ingenia to improve existing tourism parks over next three years

Ingenia Communities Group (ASX: INA) today announced that the Group has exchanged contracts to acquire the Cairns Coconut Holiday Resort, in North Queensland. Located on 11 hectares of landscaped tropical gardens in the popular tourist destination, Cairns Coconut is renowned as the top tourism park in Australia and was recently ranked number 8 in TripAdvisor's 2017 Travellers' Choice Awards amongst the "Top 25 Hotels in Australia".

Simon Owen, CEO of Ingenia Communities said Cairns Coconut represents a multi award winning, well presented park which has been developed over many years to a premium asset with resort style facilities. “This is an exceptional mixed-use asset with an emphasis on the strongly performing tourism market which will become a flagship asset for Ingenia’s Holidays brand and has significant, fully approved opportunities for further growth.”

“As the Group rapidly accelerates its permanent home development activities, the strong recurrent cashflows generated from Cairns Coconut will assist balance earnings composition.”

Ingenia is acquiring the Park for \$50 million, on an initial yield of over 8%. A further 34 tourist cabins are available for development which are forecast to offer a >20% return on invested capital.

Cairns Coconut provides a range of facilities including three swimming pools, water park, two jumping pillows, mini golf, camp kitchen, gym, outdoor cinema and tennis court.

The 11 hectare Park currently consists of 35 long-term residential homes, 118 cabins and 207 sites. There is the opportunity to add a further 34 tourist cabins with development approval in place.

“Cairns is one of the most visited tourism markets in Australia, generating a high level of tourism visitation that underpins existing cash flows and is generated from a diverse tourist base. This acquisition introduces an international tourist to the portfolio and provides a stable cashflow with consistent high occupancy throughout the year,” Mr Owen said.

Northern Queensland also offers attractive demographics for seniors living with an ageing population which is forecast to grow significantly over the next 20 years. The Queensland Government plans to spend over \$30 million to promote tourism over the next four years. Major infrastructure projects underway and planned in Cairns include the redevelopment of the international Airport and Hospital.

“Cairns Coconut provides Ingenia with a stable asset with consistent, high quality cashflows and diversity of tourism revenue with a strong winter trading period. We have identified further opportunities within the Northern Queensland region which provides potential over time to benefit from our cluster strategy,” Mr Owen said.

Ingenia will release the Group’s half year result for FY17 on 21 February and will provide an update on the business, including the impact of this acquisition on the Group’s portfolio and earnings for FY17 with that release.

ENDS

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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).

Overview: Cairns Coconut Holiday Resort



RESORT PROFILE

- > Iconic tourist park comprising 118 tourism cabins and 207 tourist sites with 35 long-term residential homes and extensive facilities
- > Stable cashflows driven by high occupancy throughout the year
- > Further expansion potential for over 34 tourist cabins

Investment underpinned by

- > Attractive tourist destination at the gateway to many natural attractions, including the Great Barrier Reef and Daintree Rainforest
- > Cairns is Australia's 15th largest and Queensland's 5th largest city by population
- > Cairns attracts both domestic and international tourists, with tourism trade of over \$2 billion¹

Further opportunities exist in this attractive area

1. Tourism Research Australia.

Overview



Cairns Coconut Holiday Resort Facilities



SPLASH Waterpark



Garden Pool with Waterslide



Gymnasium



Huge Kidz Adventure Playground

Cairns Coconut Holiday Resort



Initiatives Support Further Growth in Cairns

- > Cairns is one of the top performing leisure markets in Australia¹
- > Significant investment is planned and underway
- > The Queensland Government is supporting growth in tourism, providing \$33.5 million to increase Asian tourism and \$400 million to market Queensland over four years
- > Recent projects in the region include the \$50 million Cairns Aquarium, \$1 billion redevelopment of Cairns Airport, \$456 million Cairns Hospital redevelopment
- > Retail development is also occurring with projects including \$40 million Cairns Shopping Centre development and \$25 million Redlynch Central Shopping Centre expansion

1. CBRE Marketview: Leisure markets the top performers in 2016.



Strong Tourism Drivers

Cairns Regional Council - Tourism Snapshot 2015¹

Key Measures	International	Domestic Overnight	Total
Visitors ('000)	673	993	2,751
Nights ('000)	4,710	4,566	9,276
Average stay (nights)	7	5	6
Spend (\$m)	753	1,153	2,065
Average spend per trip (\$)	1,120	1,161	751
Average spend per night (\$)	160	253	206
Average spend (accommodation) per night (\$)	179	290	228

1. Tourism Research Australia.

2. Economy.id.com



Cairns is a well established tourism market

- > For the year ending 30 June 2015, tourism and hospitality sales in the Cairns Regional Council was \$2.4 billion²
- > Cairns attracted 993,000 domestic overnight visitors staying for over 4.5 million nights in 2015¹
- > Caravan park and commercial camping ground accommodation represented 3.4% of visitor nights (314,000 nights) in 2015¹

Outlook remains positive

- > Queensland Government has committed funds to promote the tourism industry and increase international tourism
- > \$1 billion redevelopment of Cairns airport will maintain Cairns as a key gateway
- > Over 80% of visitors to Cairns Coconut are domestic - opportunity to build international guests leveraging Government and industry initiatives