

**Lifestyle Communities Limited
ABN 11 078 675 153
And Controlled Entities**

**Half-Year Information
For the six months ended 31 December 2011
Provided to the ASX under Listing Rule 4.2A**

**This half-year financial report is to be read in conjunction with the financial report for
the year ended 30 June 2011.**

Appendix 4D

Half Year Report for the six months to 31 December 2011

Name of entity: Lifestyle Communities Limited

ABN or equivalent company reference: 11 078 675 153

1. Reporting period

Report for the half year ended: 31 December 2011

Previous corresponding periods: Financial year ended 30 June 2011
Half- year ended 31 December 2010

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	Up	33%	to	\$18,443,504
Profit (loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	Up	17%	to	\$ 4,053,997
Net profit (loss) for the period attributable to members (<i>item 2.3</i>)	Up	17%	to	\$ 4,053,997
Dividends (<i>item 2.4</i>)		Amount per security		Franked amount per security
Interim dividend		Nil		Nil
Final dividend		0.5 cents		0.5 cents
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend (<i>item 2.5</i>)				N/A
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>): Please refer to the Significant Highlights and Review of Operations sections contained in the attached Directors' Report.				

3. Net tangible assets per security (*item 3*)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	8.2 cents	7.8 cents

4. Details of entities incorporated during the period: (item 4)

Entities Incorporated

Name of entities (item 4.1)	Lifestyle Parks Australia Pty Ltd	
Date(s) of gain of control (item 4.2)	24 November 2011	
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)	\$Nil	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$Nil	

5. Dividends (item 5)

	Date of payment	Total amount of dividend
Final dividend year ended 30 June 2011	28 September 2011	\$2,310,369

Amount per security

	Amount per security	Franked amount per security at % tax
Total dividend: Current year	0.5 cents	100%
Previous year	Nil	Nil

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (each class separately)	\$2,310	Nil
Total	\$2,310	Nil

7. Details of joint venture entities (item 7)

Name of joint venture entity **% Securities held**

Cameron Street Developments Trust	50%
Lifestyle Chelsea Heights Unit Trust	50%

Aggregate share of profits (losses) of joint venture entities

Group's share of joint venture entities':

	2011 \$	2010 \$
Profit/(loss) from ordinary activities before tax	644,389	(111,235)
Income tax on ordinary activities	-	-
Net profit/(loss) from ordinary activities after tax	644,389	(111,235)
Adjustments	-	-
Share of net profit/(loss) of joint venture entities	644,389	(111,235)

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).

9. Independent review of the financial report (item 9)

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.



Lifestyle Communities Limited

ABN 11 078 675 153

and Controlled Entities

Financial Report

for the Half-Year Ended

31 December 2011

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2011.



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Corporate Information

Lifestyle Communities Limited	ABN 11 078 675 153
Registered Office	Level 2, 35 Market Street South Melbourne Vic 3205 Australia
Directors	D. Paranthoiene – Non-executive chairman J. Kelly – Managing Director B. Carter – Director of Finance D. Perlov – Director of Operations T. Poole – Non-executive Director
Company Secretary	G. Hollis
Principal Place of Business	Level 2, 35 Market Street South Melbourne Vic 3205 Australia
Share Registry	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street, Abbotsford Victoria 3067 Telephone 61 3 9415 5000 Fax 61 3 9473 2500. Investor queries (within Australia) 1300 850 505
Solicitors	Madgwicks Lawyers Level 33, 140 William Street Melbourne VIC 3000 Australia
Bankers	Westpac Banking Corporation Limited 360 Collins Street Melbourne Vic 3000 Australia
Auditors	Pitcher Partners Accountants Auditors & Advisors Level 19, 15 William Street Melbourne VIC 3000 Australia

Directors' Report

The Directors present their report together with the condensed financial report of the consolidated entity consisting of Lifestyle Communities Limited and the entities it controlled, for the half year ended 31 December 2011 and independent auditor's review report thereon. This Financial Report has been prepared in accordance with Australian Accounting Standards.

Introduction

Lifestyle Communities develops, owns and manages affordable independent living communities for people aged 55 and over. Established in 2003, Lifestyle Communities is a market leader in the development and provision of affordable pre-retirement resort living.

The proven business developed by Lifestyle Communities is based on a land lease model where the residents buy and own their home and lease the land for 90 years. This financial structure enables Lifestyle Communities to sell homes in the village typically below the median house price in the surrounding area, making the home purchase in a Lifestyle community affordable and accessible to a greater number of people.

Lifestyle Communities currently has eight strategically located sites or communities that are either under management, development or planning with a total capacity of approximately 1,425 homes (compared to 1,200 homes at the same time last year).

Summary of Communities:

- Lifestyle Brookfield in Melton is sold out.
- Lifestyle Seasons in Tarneit is 96% sold.
- Lifestyle Cranbourne is 50% sold in less than 18 months and sales continue to meet expectations.
- Lifestyle Shepparton, our latest community, has strong pre-sales with over 70% of Stage 1 sold and the first settlements expected to occur during June 2012.

During the period, Lifestyle Communities executed agreements for a new village located in Chelsea Heights - *Lifestyle Chelsea Heights*. As part of the agreement, Lifestyle Communities has acquired a 50% interest in the Chelsea Heights site. The four hectare site has the capacity to accommodate 106 homes. Construction is anticipated to commence in fourth quarter of FY2012.

During December 2011, Lifestyle Communities settled a six hectare site in Hastings, Victoria. Lifestyle Hastings can accommodate up to 144 homes. Planning approval is close to completion with construction expected to commence during the first half of FY2013.



Significant Highlights

The significant highlights for Lifestyle Communities in the first half of the 2012 financial year include:

- Revenue from the sale of new homes \$14,507,283 (2010: \$11,205,382) up 29%.
- Revenue from site rentals and deferred management fees \$2,647,016 (2010: \$2,181,899) up 21%.
- Profit before tax of \$5,915,880 (2010: \$5,554,696) up 7%. Included in profit is:
 - Finance costs of \$1,487,744 (2010: \$374,485). The increase of \$1,113,259 is due to the Loan Note Facility executed in May 2011. Interest has also been expensed on land and development costs associated with new villages at Shepparton, Chelsea Heights and Hastings. These sites are expected to contribute to profit in FY13.
 - Expenses of \$484,534 written-off relating to holding and purchase costs of new sites pre-development. This expense will be recouped as the sites are developed.
- Profit after tax of \$4,053,997 (2010: \$3,461,615) up 17%.
- Net Assets of \$38,002,993 (June 2011: \$36,120,709) up 5%.
- Payment of maiden dividend, in respect of FY2011, in September 2011 of 0.5 cents per share.
- Commenced construction of Lifestyle Shepparton and added Lifestyle Chelsea Heights and Lifestyle Hastings to the development pipeline.

The Market

The market for people looking to move into a Lifestyle community remains unchanged and continues to be well supported by our target market. Customer enquiry continues to be strong and pre-sales for our new villages remain within expectations. There has been a slowdown in general residential property sales around our Tarneit and Warragul sites contributing to reduced customer commitments at these sites during the half.

Development Update

Lifestyle Communities has eight projects at various stages of construction, development and planning bringing the company's total potential pipeline to approximately 1,425 homes.

Four of these communities are open and operating with over 765 residents living in and enjoying the villages in Melton, Warragul, Tarneit and Cranbourne. Lifestyle Shepparton has commenced construction and it is currently anticipated that the first resident will move into the community during June 2012.

Lifestyle Chelsea Heights, which was initially scheduled to commence construction in the first half of this year is now scheduled to commence in the fourth quarter of FY2012. The rescheduled commencement date was caused by a delay in the receiving development approval, which is now in place. Lifestyle Hastings is awaiting final planning approvals and we anticipate construction will commence in first half of FY2013.



A conditional joint venture has also been entered into for a new community, Lifestyle Drouin, in Drouin, Victoria. It is currently expected that the Joint Venture development of Lifestyle Drouin will commence once Lifestyle Warragul is sold out, anticipated to be during calendar year 2013. Lifestyle Communities is expected to own 50% of the Joint Venture and will also enter into agreements to develop, manage and operate the community on completion of the development.

Significant Changes in the State of Affairs

There have been no significant changes in the consolidated group's state of affairs during the financial year other than those disclosed elsewhere within this report.

Review of Operations

Lifestyle Communities has increased sales and management income during the reporting period. The drivers include:

- Strong sale deposits and sales enquiry in second half of FY2011. Sales revenue is only reported at settlement and it is often the sales success of the preceding period that contributes to the result.
- Revenue from the sale of new homes for the period was \$14,507,283 which was \$3,301,901 greater than the prior half-year, up 29%.
- Management income (rental income and deferred management fee income) for the period was \$2,647,016 which was \$465,117 greater than the prior half-year (up 21%), which is a reflection of more homes having been settled in the period with residents now paying rent on the land they occupy.

Customer enquiry and sale deposits have remained in line with expectations and are similar to previous periods across our communities at Cranbourne, Shepparton and Chelsea Heights. As Brookfield and Tarneit are either "sold out" or close to that status, there has been a slowdown in customer enquiry and sale deposits that had been expected. Warragul has experienced a slowdown in customer enquiry and sales deposits during the half, however there has been an increase in sales activity from January.

Outlook

The long term demand for affordable accommodation for the pre-retirement market will continue to grow. The economic uncertainty has not changed the population demographics nor solved the housing affordability crisis.

The majority of our customers rely on selling their existing family homes in order to move into our communities. There has been a slowdown in demand for these family homes in specific areas, namely at Tarneit and Warragul, which is expected to impact the timing of settlements in these communities in the second half of the year. However, there is a continuing underlying demand for the homes in a Lifestyle community as it's seen as a safety net for many pre-retirees as Lifestyle Communities offers one of the most affordable residential living solutions.

As a result, it is expected that, settlements will be softer in second half of FY2012. The increased finance costs associated with the Loan Notes combined with the anticipated slowing in settlements as Warragul and Tarneit is expected to result in a reduction of FY2012 profit compared to FY2011.

This can be attributed to the delay in commencing Chelsea Heights and the timing impact of slower sell through, at Tarneit and Warragul, of customers' existing family homes. However, these 'timing differences' are expected to be reversed in FY13 as customers' houses settle and funds from the Loan Notes invested in new Lifestyle Villages at Shepparton, Chelsea Heights and Hastings start welcoming new residents .

The Board

There have been no board changes during the past half year. The board now encompasses a broad base of experience and skill which will assist the company in both delivering its current business plan as well being able to assess new opportunities.

Directors

The names of the company's Directors in office during the year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

David Paranthoiene, Non-Executive Director & Chairman
James Kelly, Managing Director
Bruce Carter, Executive Director Finance
Dael Perlov, Executive Director Operations
Tim Poole, Non-Executive Director

Geoff Hollis, Company Secretary (replaced Ray South on 24 November 2011)

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 6 and forms part of the Director's Report for the half year ended 31 December 2011.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink that reads "James Kelly".

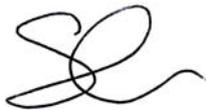
James Kelly
Managing Director
Lifestyle Communities Limited
20 February 2012

AUDITOR'S INDEPENDENCE DECLARATION

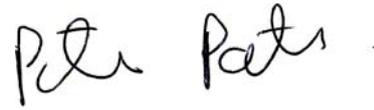
To the Directors of Lifestyles Communities Limited

In relation to the independent review for the year ended 31 December 2011, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.



S D WHITCHURCH
Partner
20 February 2012



PITCHER PARTNERS
Melbourne



Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2011

	Note	Half-year	
		2011	2010
		\$	\$
Sale of units		14,507,283	11,205,382
Rental revenue		1,925,492	1,407,005
Deferred management fee		721,524	774,894
Development fees		484,929	37,500
Sub-division revenue		486,532	404,545
Interest revenue		307,744	22,629
Revenue		18,433,504	13,851,955
Cost of sales		(11,293,551)	(8,443,224)
Gross profit		7,139,953	5,408,731
Other income	3	4,925,922	3,921,917
Sub-division expenses		(286,952)	(266,561)
Development expenses		(1,282,126)	(914,579)
Village management expenses		(1,055,919)	(655,001)
Corporate overheads		(1,649,954)	(1,565,326)
Land costs expensed		(387,300)	-
Finance cost		(1,487,744)	(374,485)
Profit before income tax		5,915,880	5,554,696
Income tax expense		(1,861,883)	(2,093,081)
Net profit from continuing operations		4,053,997	3,461,615
Net profit attributable to members of the parent		4,053,997	3,461,615
Other comprehensive income:			
Share based payments		138,656	28,870
Total comprehensive income for the half year		4,192,653	3,490,485
Total comprehensive income is attributable to:			
Members of the parent		4,192,653	3,490,485

Earnings per share for profit attributable to the ordinary equity holders of the parent

Earnings per share	cents	cents
Basic earnings per share	0.877	0.749
Diluted earnings per share	0.868	0.749

The accompanying notes form part of these financial statements.



Condensed Consolidated Statement of Financial Position
As at 31 December 2011

	Note	31-Dec-11 \$	30-Jun-11 \$
ASSETS			
Current assets			
Cash and cash equivalents		1,455,890	9,877,428
Trade and other receivables		3,472,953	2,530,512
Inventories		19,638,444	18,294,800
Land held for sale		258,344	532,006
Other current assets		531,730	135,482
Total current assets		<u>25,357,361</u>	<u>31,370,228</u>
Non-current assets			
Trade and other receivables		3,794,647	3,251,542
Property, plant and equipment		681,443	701,052
Other financial assets		2,589,822	2,516,834
Investment properties		62,311,275	54,981,748
Total non-current assets		<u>69,377,187</u>	<u>61,451,176</u>
TOTAL ASSETS		<u>94,734,548</u>	<u>92,821,404</u>
LIABILITIES			
Current liabilities			
Trade and other payables		5,148,916	9,971,160
Interest-bearing loans and borrowings		5,310,030	2,363,723
Provisions		243,608	244,749
Income tax payable		195,010	-
Total current liabilities		<u>10,897,564</u>	<u>12,579,632</u>
Non-current liabilities			
Interest-bearing loans and borrowings		37,202,712	37,169,781
Provisions		158,107	144,983
Deferred tax liabilities		8,473,172	6,806,299
Total non-current liabilities		<u>45,833,991</u>	<u>44,121,063</u>
TOTAL LIABILITIES		<u>56,731,555</u>	<u>56,700,695</u>
NET ASSETS		<u>38,002,993</u>	<u>36,120,709</u>
EQUITY			
Contributed equity		24,214,692	24,214,692
Reserves		660,707	522,051
Retained earnings	5	13,127,594	11,383,966
TOTAL EQUITY		<u>38,002,993</u>	<u>36,120,709</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2011

	Note	Contributed equity	Reserves	Retained earnings	Total Equity
		\$	\$	\$	\$
Balance at 1 July 2010		24,214,692	354,524	4,559,508	29,128,724
Profit for the half year		-	-	3,461,615	3,461,615
Employee share options		-	28,870	-	28,870
Total comprehensive income for the half year		-	28,870	3,461,615	3,490,485
Balance as at 31 December 2010		24,214,692	383,394	8,021,123	32,619,209
Balance as at 1 July 2011		24,214,692	522,051	11,383,966	36,120,709
Profit for the half year		-	-	4,053,997	4,053,997
Dividends paid	4	-	-	(2,310,369)	(2,310,369)
Employee share options		-	138,656	-	138,656
Total comprehensive income for the half year		-	138,656	1,743,628	1,882,284
Balance as at 31 December 2011		24,214,692	660,707	13,127,594	38,002,993

The accompanying notes form part of these financial statements.



Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2011

	Half-Year	
	2011	2010
	\$	\$
Cash flow from operating activities		
Receipts from customers	18,967,911	14,825,493
Payments to suppliers and employees	(20,336,976)	(15,328,442)
Interest received	150,548	22,629
Interest paid	(816,631)	(374,485)
Net cash flows used in operating activities	<u>(2,035,148)</u>	<u>(854,805)</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(40,401)	(42,219)
Purchase of investment properties and capitalised costs	(6,307,626)	(3,882,913)
Net cash flows used in investing activities	<u>(6,348,027)</u>	<u>(3,925,132)</u>
Cash flow from financing activities		
Dividend paid	(2,310,369)	-
Proceeds from external borrowings	7,353,039	15,278,722
Repayment of external borrowings	(4,431,599)	(11,205,382)
Payment (net) to related joint venture entities	(637,720)	(347,097)
Repayments of hire purchase	(11,714)	(14,685)
Net cash flows (used in) / provided by financing activities	<u>(38,363)</u>	<u>3,711,558</u>
Net decrease in cash held	(8,421,538)	(1,068,379)
Cash at the beginning of the half-year	<u>9,877,428</u>	<u>1,485,187</u>
Cash at the end of the half-year	<u>1,455,890</u>	<u>416,808</u>

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included in an annual financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2011 and considered together with any public announcements made by Lifestyle Communities Limited during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations of the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the director's report.

(a) Basis of preparation

This general purpose financial report for the half-year ended 31 December 2011 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2011 and the corresponding half-year apart from those listed below.

NOTE 2: SEGMENT INFORMATION

Operating segments are reported based on internal reporting provided to the Managing Director who is the Group's chief operating decision maker.

The consolidated entity operates within one operating segment, being the property development and management industry. As a result disclosures in the consolidated financial statements and notes are representative of this segment.

NOTE 3: OTHER INCOME

Fair value adjustment - investment properties (a)

	Half-year	
	2011	2010
	\$	\$
	4,925,922	3,921,917

(a) Fair value adjustment results from restating Brookfield, Seasons, Warragul and Cranbourne Villages to their fair value at balance date. This income represents incremental adjustments to the fair value of investment properties upon settlement of units and reflects the discounted value of future rental and deferred management fee revenues net of expenses as well as the fair value of undeveloped land. The discounted value of future net revenues is determined using inputs provided by independent valuers adjusted for changes in market conditions in the intervening period.

NOTE 4: DIVIDENDS

Declared and paid during the half-year (0.5 cents per share)

2,310,369	-
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NOTE 5: RETAINED EARNINGS

Movements in retained earnings were as follows:

Balance 1 July	11,383,966	4,559,508
Net profit	4,053,997	3,461,615
Dividend paid	(2,310,369)	-
	<u>13,127,594</u>	<u>8,021,123</u>



Notes to the Half-Year Financial Statements
For the half-year ended 31 December 2011

NOTE 6: BORROWINGS

(a) During the period the company entered into a finance agreement with Westpac Banking Corporation for development financing for the Lifestyle Shepparton community development and financing for land at Hastings.

The total facility is for \$8.06m and as at 31 December 2011 this was drawn to \$2.56m, representing settlement of the land which took place on 6 December 2011.

NOTE 7: SIGNIFICANT CHANGES

On 6th December 2011 settlement of land at Hastings, Victoria settled for consideration of \$6.625m. This site is 100% owned and will form Lifestyle Hastings development.

On 22nd December 2011 an unconditional contract was signed to purchase 50% of a 4.1ha community site in Chelsea Heights, Victoria. The community will be developed as a joint venture with the existing land owner. The land settled subsequent to period end on 20th January 2012 for consideration of \$3m.

NOTE 8: SUBSEQUENT EVENTS

There has been no matter or circumstance (other than disclosed in Note 5), which has arisen since 31 December 2011 that has significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2011, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2011, of the consolidated entity.

NOTE 9: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since 30 June 2011.



Directors' Declaration

The directors declare that the financial statements and notes set out on pages 7 to 12 in accordance with the *Corporations Act 2001*;

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Lifestyle Communities Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

A handwritten signature in black ink that reads "James Kelly".

James Kelly
Managing Director
Lifestyle Communities Limited
20 February 2012
Melbourne



**LIFESTYLE COMMUNITIES LIMITED
ABN 11078675153
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LIFESTYLE COMMUNITIES LIMITED AND CONTROLLED ENTITIES**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lifestyle Communities Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2011, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Lifestyle Communities Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lifestyle Communities Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**LIFESTYLE COMMUNITIES LIMITED
ABN 11078675153
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LIFESTYLE COMMUNITIES LIMITED AND CONTROLLED ENTITIES**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lifestyle Communities Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

S D WHITCHURCH
Partner

20 February 2012

PITCHER PARTNERS
Melbourne