

18 February 2016

Immediate release to the ASX

Lifestyle Communities reports another solid first-half result

Affordable housing provider Lifestyle Communities Limited (ASX: LIC) has achieved profit attributable to shareholders of \$8.9 million for the half-year ended 31 December 2015, a 61% increase on the same period last year (and a 24% increase on underlying profit from the same period).

In announcing the result Lifestyle Communities' Managing Director, Mr James Kelly, said: "We were pleased to settle 110 homes during the half-year taking total homes under management to 1,256. The ongoing management of our communities and the satisfaction of our homeowners remains a key focus for the organisation. Our 1,884 homeowners are also our biggest advocates with approximately one in three settlements coming from referrals."

Highlights

- Net profit after tax attributable to shareholders increased by 61% to \$8.9 million (a 24% increase on an underlying basis)
- Revenue from home site annuity rentals increased by 22% to \$5.5 million
- Revenue from deferred management fees increased by 52% to \$1.2 million
- Net annuity cash flows increased by 22% to \$3.9 million
- 110 homes settled during the half-year taking the total number of home sites under management to 1,256
- Interim fully franked dividend of 1.0 cent per share
- Completion of a five-year, \$80 million debt facility with Westpac Bank
- Not proceeding with Rosebud acquisition as further due diligence identified unacceptable development risks
- Acquisition of a site in Bittern taking the total portfolio of home sites to 2,255

Mr Kelly went on to say that "during the next 12 months we will continue to focus our activity on our newer communities at Wollert, Geelong and Officer while continuing to sell and deliver homes at Shepparton. Another community in the early stages of development, Lifestyle Berwick Waters, will be released for sale in April 2016 representing an exciting time for the Company."

"The Company will pay an interim dividend of 1.0 cent per share in respect of the half-year and we continue to expect that total dividends in respect of the 2016 financial year will be higher than the prior year. This is in accordance with our aim of delivering a growing level of dividends from operating cash flows provided by sites under management."

"A key focus for the organisation is to increase the rate of sale for each community thus enabling capital to be recycled at a greater rate and the development of more communities. This will allow growth in the operating cash flows provided by home sites under management at a faster rate without the need for further equity".

"As per previous guidance the Company expects settlements for the 2016 financial year to be lower than the 240 achieved in the 2015 financial year due to the timing of community developments. Also consistent with previous guidance we continue to expect profit after tax attributable to shareholders in the 2016 financial year to be similar to the 2015 financial year – the reduction due to lower settlements will be approximately offset by increased contributions from rental and deferred management fees and a reduction in profit attributable to non-controlling interests. It is expected that the current communities in development combined with the recent site acquisitions will have a positive impact on settlements beyond the 2016 financial year."

Conference call details

Both James Kelly (MD) and Geoff Hollis (CFO) will be available for a conference call at 3.00pm (AEDT) today 18 February 2016.

Details for the conference call are as follows:

From Australia:

Call 1800 268 560 (pin 139285#)

From New Zealand

Call 0800 466 125 (pin 139285#)

International

Call +61 2 8047 9300 (pin 139285#)

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About Lifestyle Communities

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities has twelve residential land lease communities in planning, development or under management.