



Results Presentation for the Half-
year Ended 31 December 2011

February 2012



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“Moving to Lifestyle lets me work less and enjoy life more. I just wish I’d done it sooner.”

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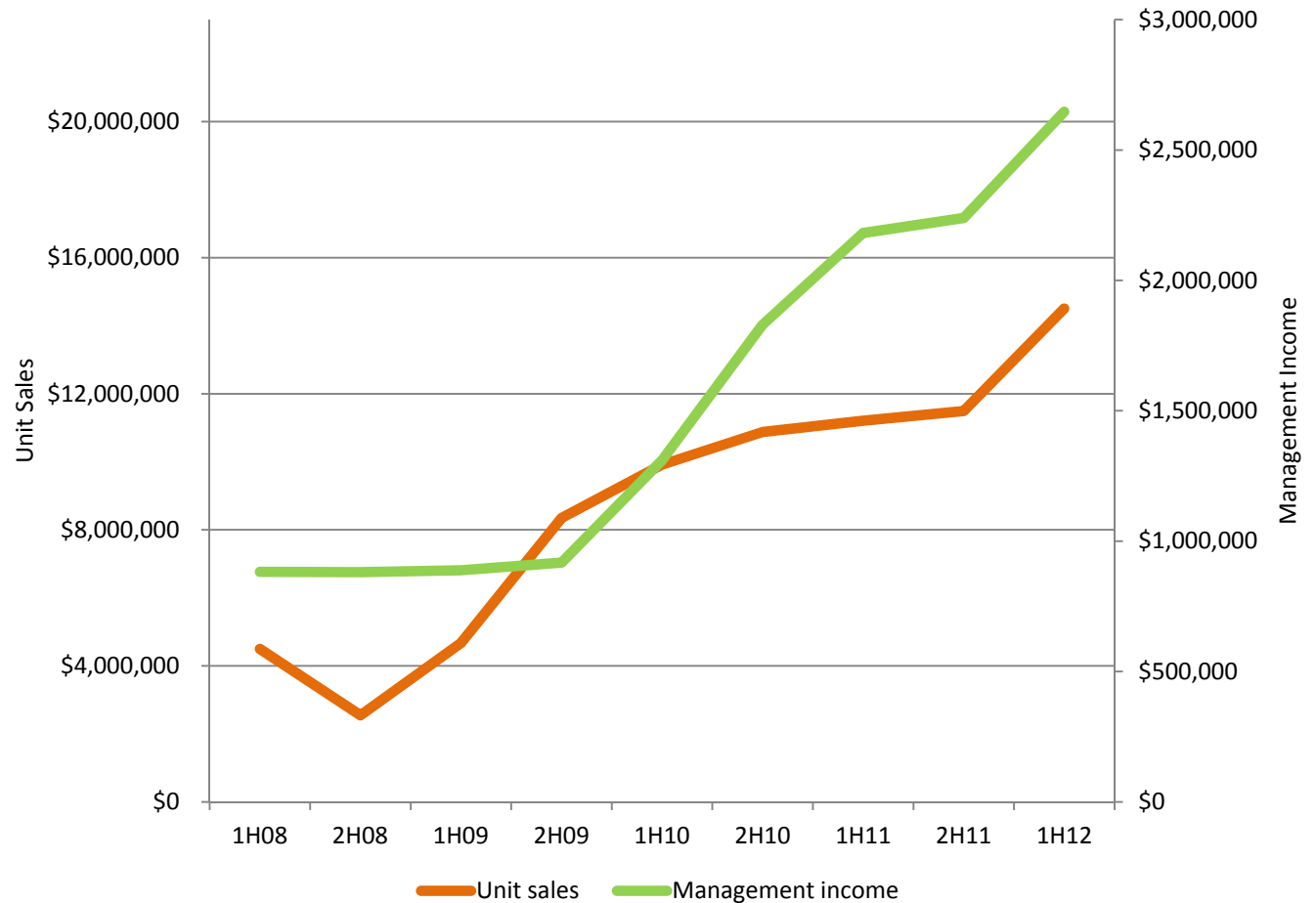
Financial Results

1st Half Highlights

- Net profit before tax: \$5.9m (up from \$5.6m prior half)
- Net profit after (current) tax: \$5.7m* (up from \$5.6m prior half)
- Net profit after tax: \$4.1m (up from \$3.5m prior half), included in profit is:
 - Included in profit is \$0.5m of expenses written-off relating to holding and purchase costs of new sites pre-development. This expense will be recouped as the sites are developed.
 - Finance costs of \$1.5m (up from \$0.4m prior half). The increase is due to the loan note facility executed in May 2011. Funds have been utilised on new village developments that are yet to contribute to profit.
- Dividend paid: 0.5 cents per share fully franked
- Gross revenues: \$18.4m (up from \$13.9m prior half)
- Gross management revenues: \$2.6m (up from \$2.2m prior half)
- Net asset growth of \$1.9m from 30 June 2011. Net assets now over \$38m.

*Represents net profit after current tax paid on these results and excludes deferred tax expense as this will materially only be realised upon the disposal of community assets

Income growth





Profit & Loss

Profit and loss highlights			
	1H2012	1H2011	
	(\$'000)	(\$'000)	% movement
Revenue			
Unit sales	14,507	11,205	29%
Management income	2,647	2,182	21%
Net profit before tax	5,916	5,555	6%
Net profit after (current) tax*	5,721	5,555	3%
Earnings per share (based on Net profit after (current) tax) (cents)	1.24	1.20	3%
Net profit after tax	4,054	3,462	17%
Earnings per share (cents)	0.88	0.75	17%

*Represents net profit after current tax paid on these results and excludes deferred tax expense as this will materially only be realised upon the disposal of community assets



Balance Sheet

Balance sheet highlights		
	<i>1H2012</i>	<i>FY2011</i>
	<i>(\$'000)</i>	<i>(\$'000)</i>
Investment properties	62,311	54,982
Total assets	94,735	92,821
Bank borrowings (current)	(5,310)	(2,334)
Loan note borrowings (non-current)	(37,203)	(37,170)
Loan to value ratio	44.9%	42.6%
Total liabilities	(56,732)	(56,701)
Dividend paid	(2,310)	-
Net assets	38,003	36,121



Cash Flow

Cash flow highlights		
	1H2012	1H2011
	(\$'000)	(\$'000)
Receipts from customers	18,968	14,825
Payments to suppliers and employees*	(20,337)	(15,328)
Net interest payments	(666)	(352)
Cash flows from operations	(2,035)	(855)
Project capital expenditure (civil and facilities infrastructure)	5,938	1,974
Cash flow from operations (excluding project capital expenditure)	3,903	1,119

*Due to Lifestyle Communities accounting policies and legal structure, payments to suppliers and employees includes all gross costs of infrastructure construction (i.e. civil works, clubhouse and other facilities. If structured alternately these costs would form part of investing cash flows. Therefore cash flows from operations will be negatively impacted when Lifestyle Communities is in the cash intensive development phase of a community.

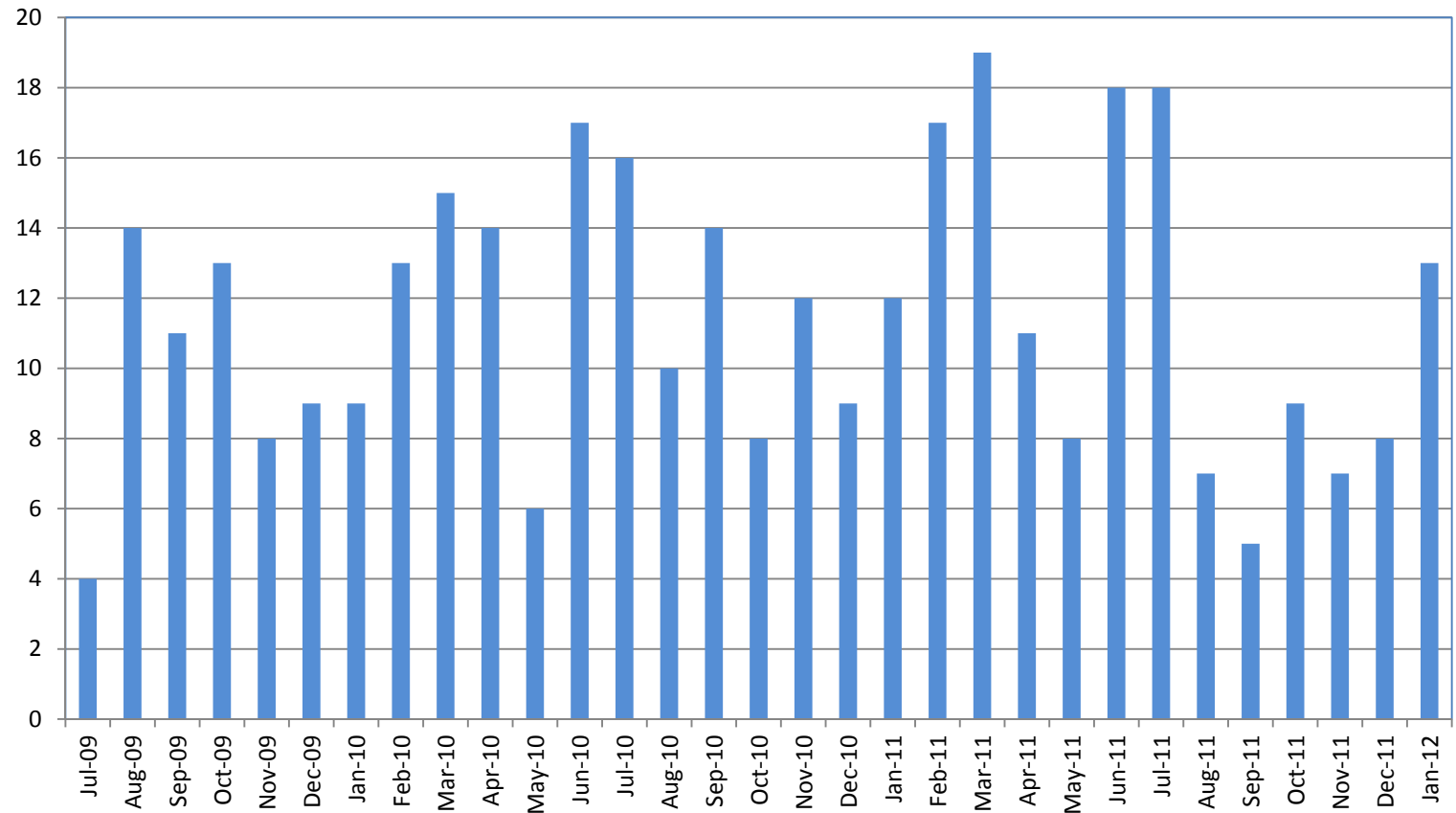


Market Conditions

Key Indicators






- Affordability continues to be a key driver of enquiry
- Although seasonally quieter in late 2011, customer commitments are looking strong in 2012. It is expected these will translate into 1H2013 settlements.
- Residential property demand still positive in Cranbourne although has slowed at Tarneit and Warragul.

Monthly customer commitments - since July 2009





Current Status

Communities		Sites	Sites sold and occupied	Sites sold and being developed	Sites sold, occupied and being developed		Sites unsold
<i>Existing communities</i>					#	%	
Melton		228	225	3	228	100%	0
Tarneit		136	122	10	132	97%	4
Warragul		182	104	14	118	65%	64
Cranbourne*		217	54	51	105	48%	112
Shepparton		221	-	22	22	10%	199
		984	505	100	605	61%	379
<i>Yet to commence</i>							
Chelsea Heights*		106	-	13	13	12%	93
Hastings		144	-	-	-	-	144
Drouin*		191	-	-	-	-	191
		<i>441</i>	<i>-</i>	<i>13</i>	<i>13</i>	<i>3%</i>	<i>428</i>
Total Sites		1425	505	113	618	43%	807

* Represents 100% of the development of which LIC will share 50%

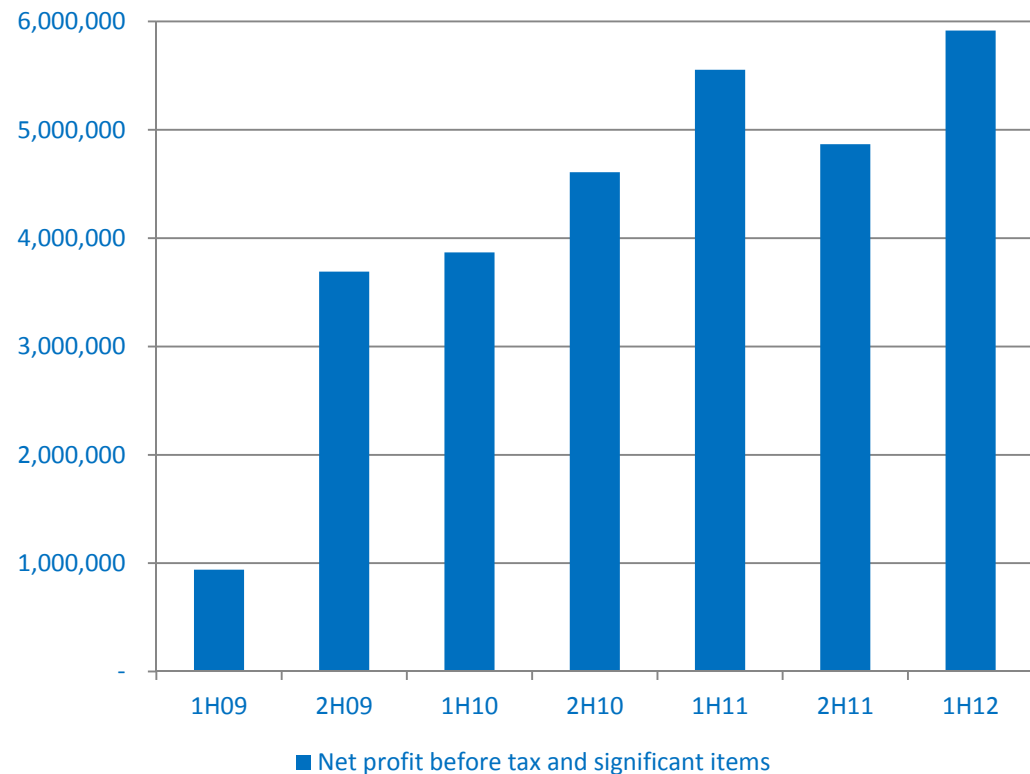
Current as at 13 February 2012



Outlook

- Received 81 settlements for 1H2012.
- The current committed sales bank (as of 13th February) is 113 (representing over \$25m of committed revenue), of this 62 commitments are contracted and awaiting settlement.
- Cranbourne, over 25% settled and almost 50% sold, continues to sell above expectations and with an above average settlement rate.
- Shepparton, commenced construction and expecting first settlements in 2H2012.
- Chelsea Heights, commencing construction within two months (3 months later than first planned due to planning delays).

Net profit before tax and significant items





Outlook

- It is expected that settlements for 2H2012 will be softer than 1H2012 due to:
 - Later than anticipated commencement of Chelsea Heights
 - Slowdown in customer commitments during Aug to Dec 11, predominantly at Warragul
 - Slower sell through of customers homes at Warragul and Tarneit leading to a delay in settlements
- Although settlement numbers are anticipated to be similar to FY2011, FY2012 profit is expected to be less than FY2011 due to the increased finance costs associated with Loan Note facility (costs are being incurred on new village developments that won't contribute to profit until FY2013)
- It is anticipated that FY2013 will see an improved performance as residents move into our newest villages at Shepparton, Chelsea Heights and Hastings. We are experiencing positive enquiry at Tarneit and Warragul and therefore expect these villages to contribute positively to FY2013 results. Lifestyle Cranbourne is continuing to experience greater than expected enquiry and sales commitments so this should result in a strong contribution to the FY2013 result.



Outlook

Development Forecast

Community	FY12				FY13				FY14				FY15				FY16			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Brookfield (Melton)	█	█	█																	
Seasons (Tarneit)	█	█	█	█																
Warragul	█	█	█	█	█	█	█	█	█	█										
Cranbourne	█	█	█	█	█	█	█	█	█	█	█	█	█	█						
Shepparton				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Chelsea Heights						█	█	█	█	█	█	█								
Hastings								█	█	█	█	█	█	█	█	█	█	█		
Drouin										█	█	█	█	█	█	█	█	█	█	█

The above timescale reflects current forecasts of the settlement period relating to developments.



Summary

- 1H2011 key financial highlights:
 - Gross revenue \$18.4m (1H2010: \$13.9m)
 - Net profit before tax \$5.9m (1H2010: \$5.6m)
 - Net tangible assets \$38m (FY2010: \$36.1m)
- Status of existing communities (correct at 13 February 2012):
 - Brookfield: 100% of sites sold
 - Tarneit: 97% of sites sold
 - Warragul: 65% of sites sold
 - Cranbourne: 48% of sites sold
 - Shepparton: 10% of sites sold
 - Chelsea Heights: 12% of sites sold



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