

21 August 2013

Immediate release to the ASX

Lifestyle Communities announces 2013 financial year results

The Company continued to develop and manage its portfolio of affordable lifestyle communities during the 2013 financial year. Sales of new homes of 190 (2012: 115), settlements of new homes of 149 (2012: 134) and net profit attributable to shareholders of \$6.2 million (2012: \$6.0 million) were all higher than the previous year.

The Company completed an entitlement offer and placement in December 2012, raising \$35.3 million (net of costs). The proceeds of the equity raising have been used to repay debt, provide capital for the acquisition of new community sites and provide a minimum liquidity buffer. The Company's gearing has reduced from 56.0% at 30 June 2012 to 17.9% at 30 June 2013.

All of the Company's communities are being developed or managed either in accordance with or exceeding expectations. With the likely continuation of good sales and settlements at Warragul, Cranbourne, Shepparton and Chelsea Heights and the commencement of settlements at Hastings, the Company expects total settlements and net profit attributable to shareholders to be higher in the 2014 financial year compared with 2013.

The Company's Managing Director James Kelly said: "The entitlement offer and placement has provided Lifestyle Communities with a strong balance sheet and sufficient capital to grow the portfolio and take advantage of the new wave of baby boomer's entering the over 55's market".

Financial and Operating Highlights

	Measure	FY2013	FY2012	Change	Change %
Key financial data					
Revenue	A\$ millions	45.9	38.8	7.1	18
Earnings before interest and tax	A\$ millions	13.0	12.6	0.4	3
Net profit before tax	A\$ millions	11.8	10.2	1.6	16
Net profit after tax	A\$ millions	8.7	7.3	1.4	19
Net profit attributable to shareholders	A\$ millions	6.2	6.0	0.2	3
Operating cash flow	A\$ millions	-	(7.8)	7.8	100
Community cash flow ⁽¹⁾	A\$ millions	2.9	2.5	0.4	16
Gearing ⁽²⁾	%	17.9	56.0	(38.1)	(68)
Return on average capital employed ⁽³⁾	%	11.5	13.6	(2.1)	(15)
NTA ⁽⁴⁾	A\$ cents/share	81.6	86.5	(4.9)	(6)
Key operational data					
Homes settled (gross)	No. of homes	149	134	15	11
Homes settled (after NCI) ⁽⁵⁾	No. of homes	106	98	8	8
Homes sold (gross)	No. of homes	190	115	75	65
Homes sold (after NCI) ⁽⁵⁾	No. of homes	136	87	49	56
Average realised sales price	A\$'000	245	236	9	4
Total number of homes (gross)	No. of homes	695	546	149	27
Total number of homes (after NCI) ⁽⁵⁾	No. of homes	612	506	106	21
Total number of homeowners	No. of people	1,027	809	218	27
Average age of homeowners	Years	73	73	-	-
Number of resales settled	No. of homes	10	11	(1)	(9)

(1) Community cash flow comprises cash flows received from homeowner rentals and deferred management fees less community operating costs and the net surplus/deficit provided from utilities

(2) Calculated as a ratio of net debt to net debt plus equity

(3) Calculated as a ratio of EBIT divided by total assets less current liabilities

(4) NTA is a calculation of net tangible assets divided by ordinary shares on issue

(5) Gross number of homes adjusted for share of communities owned by non-controlling interests



Change in Accounting Policy

In prior years the Company proportionately consolidated its interests in joint venture entities (the Cranbourne and Chelsea Heights developments). The revised AASB 11 '*Joint Arrangements*' removes the option for proportional consolidation. Under the new AASB 10 '*Consolidated Financial Statements*' standard, and the amendments to the definition of control, the Company is now able to consolidate its interests in the Cranbourne and Chelsea Heights developments.

The revised AASB 10 mandatorily takes effect for financial years ending on 30 June 2014. The Company has opted to apply the standard early and incorporate into the financial statements for the year ended 30 June 2013. The Company's decision to adopt the standard early was based on wanting to provide shareholders with more relevant financial information.

Refer to the financial statements for further commentary and a full reconciliation of the impact of the change on the prior year's results.

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About Lifestyle Communities

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living communities.