

Release to the ASX

18 February 2011

ASX ANNOUNCEMENT

Lifestyle Communities announces a record First Half Net Profit

Half year results at a glance:

- Revenue from sales of units up 13% to \$11,205,382
- Revenue from site rentals and deferred management fees up 67% to \$2,181,899
- Profit before tax up 43% to \$5,074,779
- Net assets up 11% to \$30,638,931
- Strong sales and deposits continuing in line with business expectations
- Commencement of construction at Lifestyle Cranbourne with 24% presold

Lifestyle Communities Limited (ASX Code: LIC) today reported a net profit before tax for the half year ended 31 December 2010 of \$5,074,779, an increase of \$1,515,612 when compared to the previous corresponding period.

During the period Lifestyle Cranbourne, a 219 unit development in Cranbourne, commenced construction. Sales interest at Lifestyle Cranbourne has exceeded expectations. 24% of the village has been pre-sold prior to construction commencing. It is anticipated that the first residents will be living in the village before the end of this financial year.

Lifestyle Communities also signed a Heads of Agreement to enter into a joint venture to develop Lifestyle Bayside, a 107 unit village in Chelsea Heights, Victoria. Planning approval is currently being sought with construction of the village forecast to commence during the first half of next financial year.

The Board of Lifestyle Communities attributed the continuing strong growth to the company's expanding settlement revenue and annuity income stream. This is underlined by the continuing demand for affordable over 55s housing.

Lifestyle Communities Managing Director, Mr James Kelly, said "There are over 800,000 people in Australia today who are over 65 and have less than \$450,000 in total assets, putting traditional retirement options out of their reach. Lifestyle Communities is focused on catering to those people who have a median net worth of between \$250,000 & \$500,000."



About Lifestyle Communities

Lifestyle Communities Limited specialises in creating and managing affordable, master-planned communities for Australians aged 55 and over. Lifestyle Communities has more than 1200 homes under management or in various stages of development across Victoria.

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

**Half-Year Information
For the six months ended 31 December 2010
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 2010.

Appendix 4D

Half Year Report for the six months to 31 December 2010

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 2010

Previous corresponding periods: Financial year ended 30 June 2010
Half- year ended 31 December 2009

2. Results for announcement to the market

Revenues from ordinary activities <i>(item 2.1)</i>	Up	23%	to	\$13,851,955
Profit (loss) from ordinary activities after tax attributable to members <i>(item 2.2)</i>	Up	26%	to	\$ 3,125,673
Net profit (loss) for the period attributable to members <i>(item 2.3)</i>	Up	25%	to	\$ 3,154,543
Dividends <i>(item 2.4)</i>	Amount per security	Franked amount per security		
Interim dividend	Nil	Nil		
Final dividend	Nil	Nil		
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	6.6 cents	5.9 cents

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)	Lifestyle Warragul Pty Ltd Lifestyle Shepparton Pty Ltd Lifestyle Whirakee Pty Ltd	
Date(s) of gain of control (item 4.2)	4 November 2010	
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	

7. Details of joint venture entities (item 7)

Name of joint venture entity	% Securities held
Cameron Street Developments Trust	50%

Aggregate share of profits (losses) of joint venture entities

Group's share of joint venture entities':	2010 \$	2009 \$
Loss from ordinary activities before tax	(111,235)	-
Income tax on ordinary activities	-	-
Net loss from ordinary activities after tax	(111,235)	-
Adjustments	-	-
Share of net loss of joint venture entities	(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 2010

This half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2010.

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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	R. South
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	Maddocks Lawyers 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 2010 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 provision of affordable accommodation for the over 55's market. Lifestyle Communities currently has six strategically located sites or communities that are either under management, development or planning with a total capacity of approximately 1,200 homes.

Despite challenging economic conditions, customer enquiry remains strong. Sales are in line with expectations. Lifestyle Brookfield at Melton is 99% sold out. Lifestyle Seasons in Tarneit and Lifestyle Warragul are both continuing to sell in line with our expectations. Lifestyle Communities newest community, Lifestyle Cranbourne in Melbourne's fast growing south-eastern corridor, has presold most of stage 1 and 2 as at the date of this report with the first settlements anticipated to occur by June 2011.

During the period, Lifestyle Communities entered into a conditional joint venture for a new Lifestyle Bayside Community in Chelsea Heights. As part of the arrangement, Lifestyle Communities will acquire a 50% interest in the Chelsea Heights site. The 4 hectare site has the capacity to accommodate 107 homes as a residential village.

Significant Highlights

The significant highlights for Lifestyle Communities in the first half of the 2011 financial year include:

- Revenue from the sale of new homes \$11,205,382 (2009: \$9,914,887) up 13%.
- Revenue from site rentals and deferred management fees \$2,181,899 (2009: \$1,309,974) up 67%.
- Profit before tax of \$5,074,779 (2009: \$3,559,167) up 43%.
- Net Assets of \$30,638,931 (June 2010: \$27,484,388) up 11%.
- Continued strong customer interest in our communities with receipt of sales and deposits continuing in accordance with expectations.
- Commencing construction of Lifestyle Cranbourne and entering into a conditional joint venture for a new community, Lifestyle Bayside, planned for Chelsea Heights in Melbourne's south-eastern growth corridor.

The Market

The view of your Directors is that the market for people looking to move into the style of accommodation provided by Lifestyle Communities remains unchanged and continues to be well supported by the target market.

Development Update

Lifestyle Communities has six community projects at various stages of construction, development and planning bringing the company's total potential pipeline to approximately 1200 homes. Three of these communities are open and operating with over 550 residents living in and enjoying the villages in Melton, Warragul and Tarneit. All villages are selling and settling as anticipated. Lifestyle Cranbourne has commenced construction and it is anticipated that the first resident will move into the community by late June 2011. Lifestyle Shepparton has all the required permits in place to commence construction. The Directors however continue to take the conservative view of delaying the commencement of this project until a clearer picture emerges on the impact of the recent floods, the return to more normal trading conditions in the wake of the global financial downturn and the Shepparton housing market.

Finally, a conditional joint venture has been entered into for a new community, Lifestyle Bayside, in Chelsea Heights, Victoria. It is currently expected that the Joint Venture development of Lifestyle Bayside should commence during calendar year 2011. Lifestyle Communities will 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

The operating performance of the business remains strong with customer enquiry levels and sale deposits increasing across our communities at Tarneit and Warragul and remaining consistent at Brookfield. Sales commitments at these villages are robust, however it should be noted that sales revenue is only reported at settlement. The company expects revenue from the sale of new homes for the second half to continue to be strong as committed sales move to settlement.

Revenue from the sale of new homes for the period was \$11,205,382 which was \$1,290,495 greater than the prior half-year, up 13%.



Net profit before tax for the period was \$5,074,779, an increase of \$1,515,612 compared to the prior half-year, up 43%.

Management income (rental income and deferred management fee income) for the period was \$2,181,899 which was \$871,925 greater than the prior half-year (up 67%), which is a reflection of more homes having been settled in the period with residents now paying rent on the land they occupy. There were 7 resales of homes at Brookfield Village which is a pleasing result given there were also 13 sales of new homes settling during the same period.

Settlement revenue and annuity income streams from site fees and Deferred Management Fees (DMF) at the three communities under development continued to build during the first half of the financial year as new residents move into the communities.

Outlook

Lifestyle Communities believes the long term demand for affordable accommodation for people aged over 55 will continue to grow. The recent economic uncertainty has not changed the population demographics nor solved the housing affordability crisis.

The majority of our customers rely on selling their existing houses to first home buyers or investors. Even though the wider property market has cooled this year, there is an underlying demand for older, well priced properties. Lifestyle Communities can also be seen as a safety net for many retirees as we offer one of the lowest priced residential living solutions in the market.

As a result, new home sale rates have remained steady over the first half of the financial year, it is anticipated that, subject to trading conditions remaining the same, this will continue in the second half of the financial year. Sales will be impacted as Brookfield is nearing completion however, this should be partially offset as Cranbourne progresses.

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

Ray South, Company Secretary

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 2010.

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

18 February 2011

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Lifestyle Communities Limited

In relation to the independent review for the half-year ended 31 December 2010, 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

18 February 2011



PITCHER PARTNERS

Melbourne

Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2010

	Note	Half-year 2010 \$	2009 \$
Sale of units		11,205,382	9,914,887
Rental revenue		1,407,005	906,116
Deferred management fee		774,894	403,858
Development fees		37,500	-
Sub-division revenue		404,545	-
Interest revenue		22,629	23,587
Revenue		13,851,955	11,248,448
Cost of sales		(8,443,224)	(8,342,374)
Gross profit		5,408,731	2,906,074
Other income	3	3,442,000	2,940,000
Sub-division expenses		(266,561)	-
Development expenses		(914,579)	(443,672)
Village management expenses		(655,001)	(483,369)
Corporate overheads		(1,565,326)	(1,279,303)
Finance cost		(374,485)	(80,563)
Profit before income tax		5,074,779	3,559,167
Income tax expense		(1,949,106)	(1,086,804)
Net profit from continuing operations		3,125,673	2,472,363
Net profit attributable to members of the parent		3,125,673	2,472,363
Other comprehensive income:			
Share based payments		28,870	51,173
Total comprehensive income for the year		3,154,543	2,523,536
Total comprehensive income is attributable to:			
Members of the parent		3,154,543	2,523,536
Earnings per share for profit attributable to the ordinary equity holders of the parent			
Earnings per share		cents	cents
Basic earnings per share		0.676	0.540
Diluted earnings per share		0.676	0.540

The accompanying notes form part of these financial statements.



Condensed Consolidated Statement of Financial Position
As at 31 December 2010

	31-Dec-10	30-Jun-10
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	416,808	1,485,187
Trade and other receivables	1,261,780	388,055
Inventories	18,221,220	17,377,954
Land held for sale	629,954	614,202
Other current assets	167,712	104,110
Total current assets	20,697,474	19,969,508
Non-current assets		
Deferred management fee	2,648,538	2,181,917
Property, plant and equipment	700,598	727,810
Investment properties	41,492,689	37,452,776
Total non-current assets	44,841,825	40,362,503
TOTAL ASSETS	65,539,299	60,332,011
LIABILITIES		
Current liabilities		
Trade and other payables	3,081,409	7,073,392
Interest-bearing loans and borrowings	26,933,032	22,861,402
Provisions	260,358	241,946
Income tax payable	133,752	-
Total current liabilities	30,408,551	30,176,740
Non-current liabilities		
Interest-bearing loans and borrowings	44,451	54,081
Provisions	127,678	112,467
Deferred tax liabilities	4,319,688	2,504,335
Total non-current liabilities	4,491,817	2,670,883
TOTAL LIABILITIES	34,900,368	32,847,623
NET ASSETS	30,638,931	27,484,388
EQUITY		
Contributed equity	24,214,692	24,214,692
Reserves	383,394	354,524
Retained earnings	6,040,845	2,915,172
TOTAL EQUITY	30,638,931	27,484,388

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2010

	Contributed equity	Reserves	Retained earnings	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2009	<u>24,214,692</u>	<u>303,351</u>	<u>(2,382,286)</u>	<u>22,135,757</u>
Profit for the half year	-	-	2,472,363	2,472,363
Employee share options	-	51,173	-	51,173
Total comprehensive income for the half year	<u>-</u>	<u>51,173</u>	<u>2,472,363</u>	<u>2,523,536</u>
Balance as at 31 December 2009	<u>24,214,692</u>	<u>354,524</u>	<u>90,077</u>	<u>24,659,293</u>
Balance as at 1 July 2010	<u>24,214,692</u>	<u>354,524</u>	<u>2,915,172</u>	<u>27,484,388</u>
Profit for the half year	-	-	3,125,673	3,125,673
Employee share options	-	28,870	-	28,870
Total comprehensive income for the half year	<u>-</u>	<u>28,870</u>	<u>3,125,673</u>	<u>3,154,543</u>
Balance as at 31 December 2010	<u>24,214,692</u>	<u>383,394</u>	<u>6,040,845</u>	<u>30,638,931</u>

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2010

	Half-Year	
	2010	2009
	\$	\$
Cash flow from operating activities		
Receipts from customers	14,825,493	12,101,696
Payments to suppliers and employees	(15,328,442)	(12,888,884)
Interest received	22,629	23,587
Interest paid	(374,485)	(80,563)
Net cash flows used in operating activities	(854,805)	(844,164)
Cash flow from investing activities		
Purchase of property, plant and equipment	(42,219)	(97,088)
Purchase of investment properties and capitalised costs	(3,882,913)	(174,297)
Net cash flows used in investing activities	(3,925,132)	(271,385)
Cash flow from financing activities		
Proceeds from external borrowings	15,278,722	9,517,712
Repayment of external borrowings	(11,205,382)	(8,882,348)
Payment (net) to related joint venture entities	(347,097)	-
Repayments of hire purchase	(14,685)	(17,588)
Net cash flows from financing activities	3,711,558	617,776
Net decrease in cash held	(1,068,379)	(497,773)
Cash at the beginning of the half-year	1,485,187	2,075,962
Cash at the end of the half-year	416,808	1,578,189

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 2010 and considered together with any public announcements made by Lifestyle Communities Limited during the half-year ended 31 December 2010 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 2010 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 2010 and the corresponding half-year apart from those listed below.

(b) Accounting for joint ventures

The company has adopted the proportionate consolidation method of accounting for its 50% interest in the jointly controlled entity, Cameron Street Developments Pty Ltd.

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.

	Half-year	
	2010	2009
	\$	\$
NOTE 3: OTHER INCOME		
Fair value adjustment - investment properties (a)	3,442,000	2,940,000

(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.

NOTE 4: SHARE OPTION PLAN

The company issued 12,750,000 options over ordinary shares to directors and selected staff on 24th November 2010 after AGM approval of the Senior Executives and Directors Share Option Plan. The options have an escrow period of 2 years, expire in 5 years and have an exercise price of 6.5 cents per share. The exercise price of the options was based on the 30 day Volume Weighted Average Price of the company share price prior to the offer.

NOTE 5: BORROWINGS

(a) On 23 August 2010 the company entered into a \$2.5m mezzanine finance facility to assist with short term working capital requirements. The facility is available to be drawn down for a period of up to 12 months from the date of signing the agreement. The company is required to give 7 days notice for draw downs. The term of the facility is for 24 months from initial draw down or earlier at the company's discretion. As at 31 December 2010 \$1.8m of this facility was drawn.

(b) During the period, Cameron Street Developments Pty Ltd, a jointly controlled entity in which Lifestyle Communities has a 50% interest, entered into a finance agreement with Westpac Banking Corporation for land and development financing for the Lifestyle Cranbourne community development.

The total facility is for \$11.03m and as at 31 December 2010 this was drawn to \$2.4m, representing settlement of the land which took place on 11 November 2010.

NOTE 6: RELATED PARTY DISCLOSURES

The mezzanine finance facility referred to in Note 5 above is being funded in equal shares by related parties associated with James Kelly, Bruce Carter, David Paranthoene and Tim Poole who are all directors of the company.

NOTE 7: SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 31 December 2010 that has significantly affected or may significantly affect:

- (a) the operations, in financial periods subsequent to 31 December 2010, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial periods subsequent to 31 December 2010, of the consolidated entity.

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 2010 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
18 February 2011

LIFESTYLE COMMUNITIES LIMITED
ABN 11 078 675 153**INDEPENDENT AUDITOR'S REVIEW REPORT**
TO THE MEMBERS OF
LIFESTYLE COMMUNITIES LIMITED**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 2010, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, 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 company 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 2010 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 11 078 675 153

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LIFESTYLE COMMUNITIES LIMITED

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 2010 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

18 February 2011

PITCHER PARTNERS

Melbourne