



Annual General Meeting

24th November 2011



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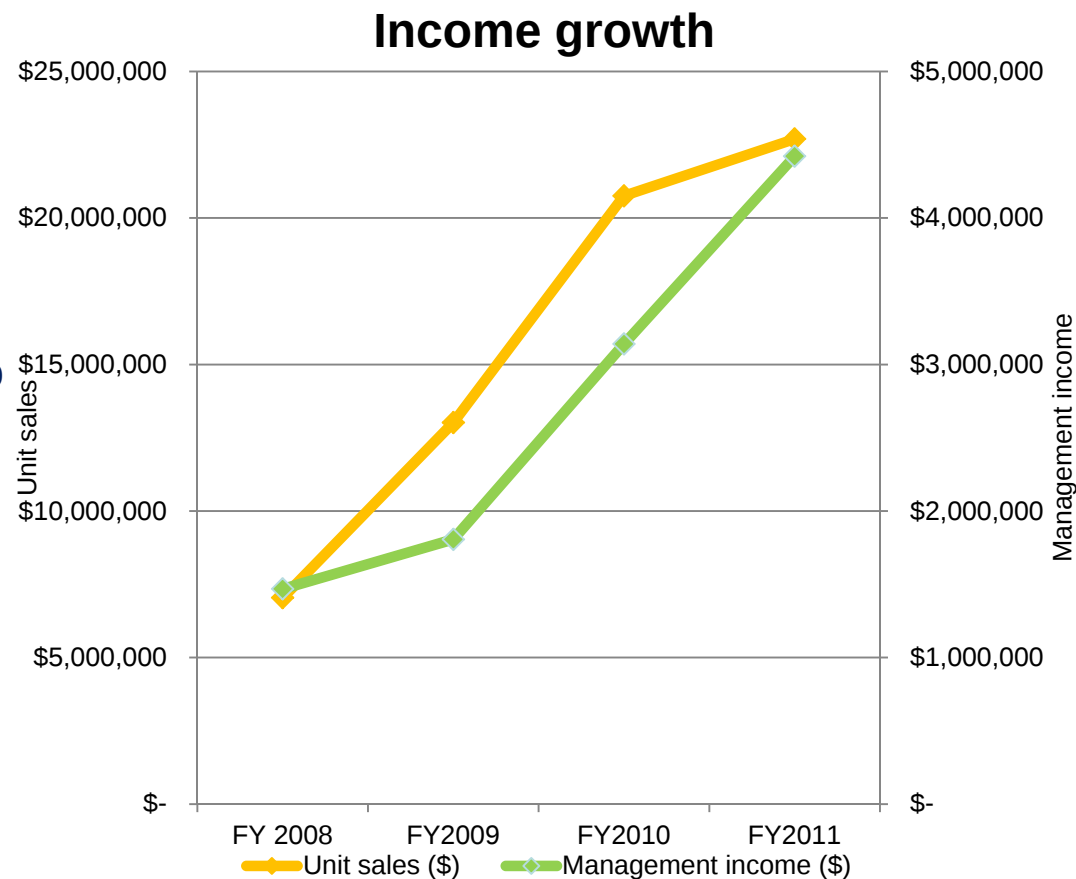
The year in review

- Strong financial performance with increased sales revenues, rental income and profits
- As at November, holding in excess of \$25m in sales in the form of deposits and committed contracts
- Raising \$50m in Loan Notes has secured the long term funding and growth of the business
- Commenced construction of Lifestyle Shepparton with construction at Lifestyle Chelsea Heights due to commence shortly
- Acquired 2 additional sites in Hastings and Drouin
- Strong organisation with low staff turnover
- Paid a maiden fully franked dividend of 0.5 cents per share.



Financial Highlights

- Gross revenues increased by 17% to \$28.0m
- Net profit before tax increased by 23% to \$10.4m
- Net profit after tax increased by 16% to \$6.8m
- Gross management revenues increased by 42% to \$4.4m
 - Site revenues: \$3.0m (up from \$1.9m)
 - DMF revenues: \$1.4m (up from \$1.2m)
- \$50m loan note facility executed May 2011 - \$38.5m currently drawn
- Dividend of 0.5 cents per share (fully franked)





Loan Notes to fund growth

In May 2011 Lifestyle Communities entered into a 10 year* \$50m loan note facility.

The new funding facility:

- Swaps short-term debt with long-term debt providing certainty of funding
- Facilitates the recycling of capital from maturing developments into new projects
- Accelerates the growth in the number of units under management
- Accelerates the growth in the group's annual annuity income from site rental and deferred management fees

*Both Lifestyle Communities and the lender have the option for early redemption after 5 years



What our customers are telling us

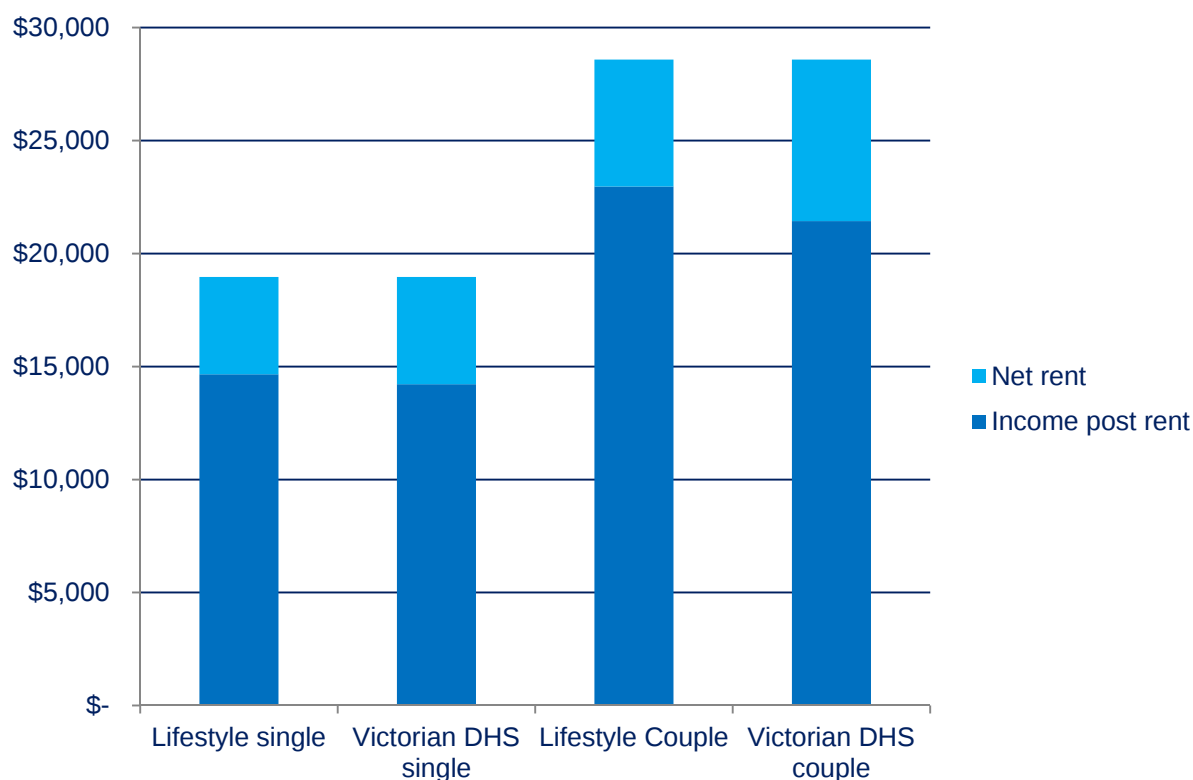
- 59% of our residents did not cross shop before they bought
- 84% thought that the Lifestyle brand reputation was important in their purchase decision
- 69% thought that there was a clear difference between a Lifestyle Community and a retirement village
- Over 90% would recommend a Lifestyle Community to friends and family





We are becoming more affordable

Rent as proportion of pension after rental assistance



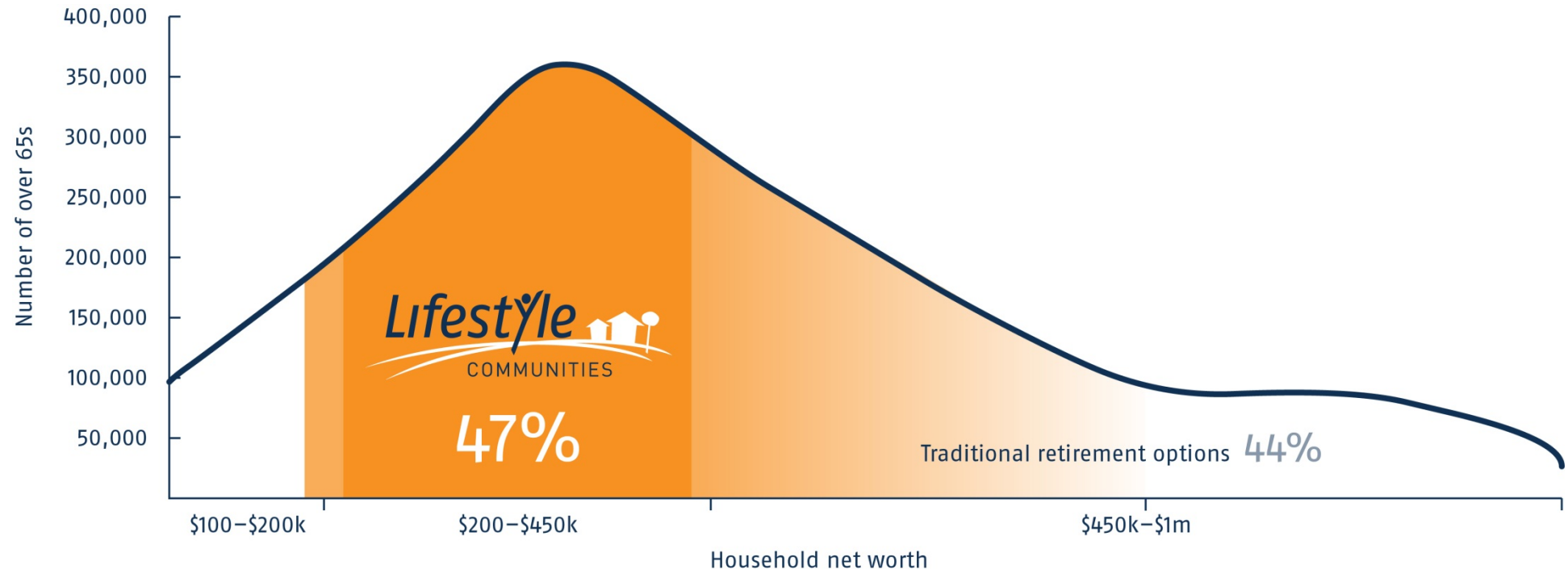
- Residents on the pension are paying 22.7% of their pension as rental (for singles) and 19.6% (for couples) after rental assistance
- The target for residents of public housing is to pay 25% of their pension as rental
- The Government target for affordability is for residents to pay 33% of their income as rental or housing costs

Sources: Australian Government Centrelink website and Victorian Government Department of Human Services website August 2011

*Net rent is net of rental assistance



A growing market segment

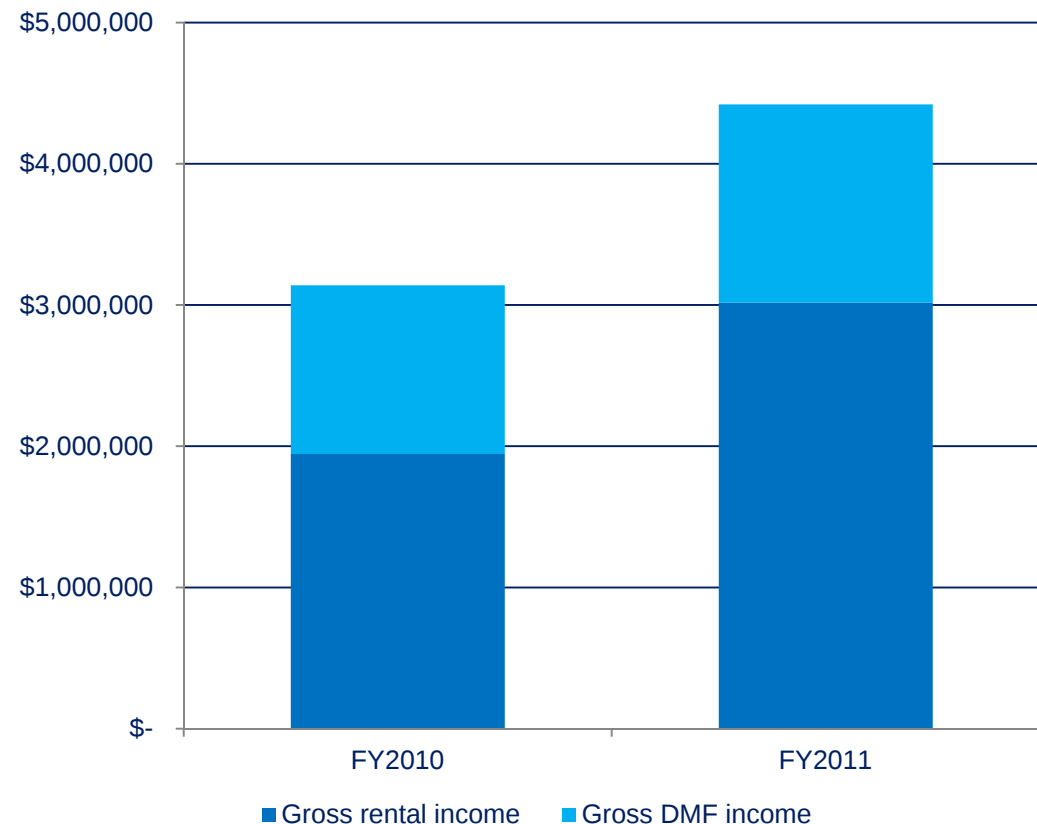


- There were 3.01 million people aged 65 years and over in Australia at June 2010, an increase of 370,600 people or 14.0% since June 2005
- At June 2010, 760,000 people aged 65 years and over live in Victoria of which 47% fall within Lifestyle Communities wealth bracket

Primarily a rental income model

- Lifestyle operates as a “land lease” model and is NOT a retirement village
- Over 60% of net operational income is derived from site leases
- Additional operational income generated from Deferred Management Fees (DMF)
- Management income not solely dependent on the resident selling their home as the case with a retirement village.

Gross Management Income





Our 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	224	3	227	100%	1
Tarneit		136	115	17	132	97%	4
Warragul		182	101	17	118	65%	64
Cranbourne*		217	35	58	93	43%	124
Shepparton		221	-	18	18	8%	203
		984	475	113	588	60%	396
<i>Yet to commence</i>							
Chelsea Heights*		106	-	-	-	-	106
Hastings		144	-	-	-	-	144
Drouin*		191	-	-	-	-	191
		<i>441</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>441</i>
Total Sites		1425	475	113	588	41%	837
*Represents 100% of the development of which LIC will share 50%							
Current as at 18 November 2011							



Development Pipeline

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.

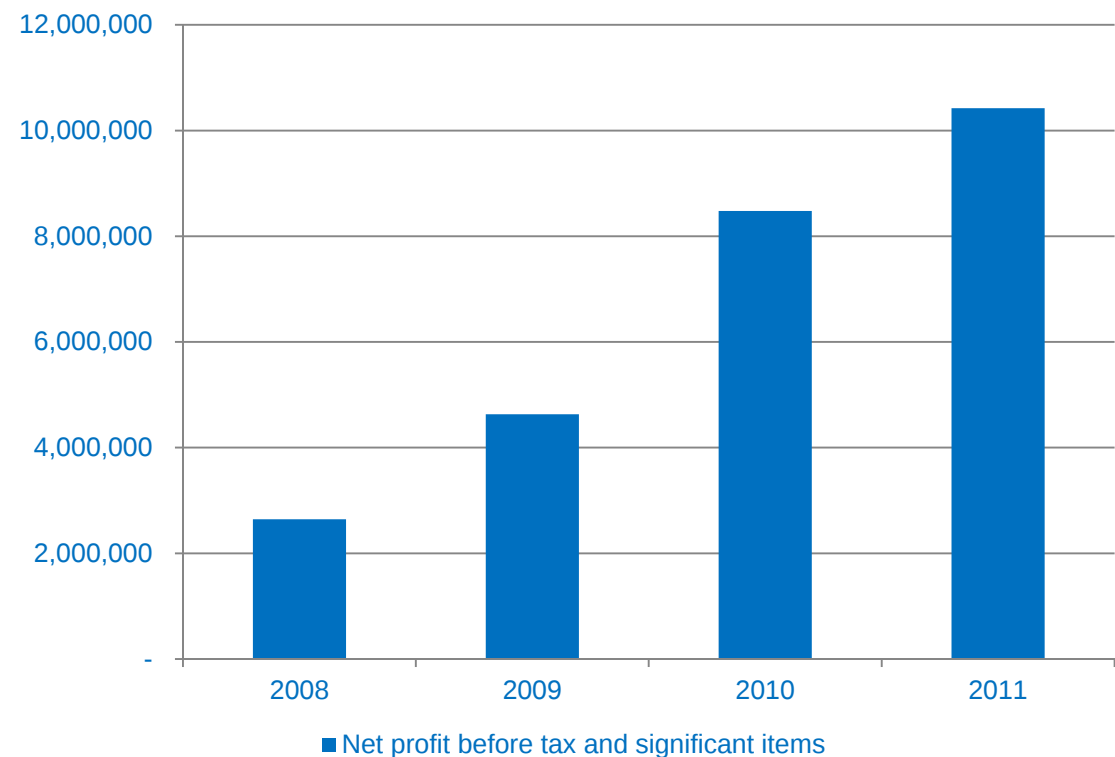
*Joint Ventures (LIC share 50%)



Outlook

- Sales bank (as at November) of over \$25m of committed revenue
- Profit Before Tax (PBT) for the first half of this financial year will be greater than for the same period last year
- The loan note facility has provided the means to acquire additional development sites

Net profit before tax and significant items







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