Results Presentation
Year ended 30 June 2012

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Section 1

FINANCIAL RESULTS

1.1 HIGHLIGHTS

- EBIT: $11.4m
- Net profit before tax: $8.9m
- Net profit after (current) tax: $8.9m^
- Net profit after tax: $6.0m
    - Included in profit is $0.5m pre-tax of expenses written-off relating to holding and purchase costs of new communities pre-development. This expense will be recouped as the communities are developed
    - Finance costs of $2.8m (up from $1.0m prior year). The increase is due to the loan note facility executed in May 2011. Funds have been partly utilised on new community developments that are yet to contribute to profit
- Dividend: 0.5 cents per share (fully franked)
- Gross revenues: $31.1m (up from $28.0m in the previous financial year)
- Gross management revenues: $6.0m (up from $4.4m in the previous financial year)
- Net asset growth of $4.0m from 30 June 2011. Net assets now over $40m

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

1.2 PROFIT & LOSS

Profit & Loss highlights	FY2012 ($'000)	FY2011 ($'000)	% Movement
Revenue			
Unit sales	22,835	22,697	+1%
Management income	6,027	4,421	+36%
Finance costs	(2,764)	(1,042)	+165%
EBIT	**11,441**	**11,497**	**-0.5%**
Net profit before tax	**8,877**	**10,422**	**-15%**
Net profit after (current) tax^	**8,877**	**10,422**	**-15%**
Earnings per share (based on net profit after [current] tax [cents])	1.92	2.25	-15%
Net profit after tax	**6,048**	**6,824**	**-11%**
Earnings per share (cents)	1.31	1.47	-11%

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

1.3 BALANCE SHEET

Balance sheet highlights	FY2012 ($'000)	FY2011 ($'000)
Investment properties	65,781	54,982
Total assets	**105,408**	**92,821**
Bank borrowings (current)	-	(2,334)
Bank borrowings (non-current)	(10,518)	-
Long-term loan note borrowings (non-current)	(40,658)	(37,170)
Loan to value ratio	48.6%	42.6%
Total liabilities	**(65,272)**	**(56,701)**
Dividend paid	(2,310)	-
Net assets	**40,135**	**36,121**
NTA per share	8.7 cents	7.8 cents
NTA per share (excluding deferred tax liability relating to investment properties)^	10.7 cents	9.4 cents

^ Deferred tax liabilities in relation to investment properties will only be realised upon the disposal of the community assets

1.4 CASH FLOW

Cash flow highlights	FY2012 ($'000)	FY2011 ($'000)
Receipts from customers	31,583	29,301
Payments to suppliers and employees^	(33,756)	(27,480)
Net interest payments	(4,947)	(659)
Cash flows from operations	**(7,120)**	**1,163**
Project capital expenditure (civil and facilities infrastructure)	**12,618**	**2,298**
Cash flow from operations (excluding project capital expenditure)	**5,498**	**3,461**

^ 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 alternatively 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.

To assist with further understanding our cash flows, please refer to the following slide for a detailed break-down of development and management cash flows per community for FY2012.

1.5 SUPPLEMENTARY CASH FLOW ANALYSIS

Supplementary Cash Flow Analysis for FY2012	Melton	Tarneit	Warragul	Cranbourne (50% JV)	Shepparton	Chelsea Heights (50% JV)	Hastings (50% JV)^	Total
Total Number of Homes	228	136	182	217	217	105	141	1,226
Settled FY2012	9	28	20	72	5	–	–	134
Capital Cash Flows ($million)								
Land	–	–	–	–	–	(3.18)	(7.01)	(10.19)
Development Expenditure (development and sales)	(0.24)	(0.32)	(1.41)	(4.71)	(5.85)	(0.61)	(0.06)	(13.20)
Home Construction	(0.12)	(1.22)	(3.54)	(5.11)	(2.12)	(0.02)	–	(12.13)
Home Settlements	1.87	6.60	4.60	8.82	0.93	–	–	22.83
Net Development Cash Flows	**1.51**	**5.05**	**(0.35)**	**(0.99)**	**(7.04)**	**(3.81)**	**(7.07)**	**(12.69)**
Annuity Cash Flows ($million)								
Site Rentals	1.66	0.92	0.81	0.25	–	–	–	3.64
Deferred Management Fees Received	0.29	0.03	0.15	–	–	–	–	0.47
Community Operating Costs	(0.57)	(0.50)	(0.31)	(0.22)	–	–	–	(1.60)
Joint Venture Fees	–	–	–	(0.04)	–	–	–	(0.04)
Utilities received	0.25	0.14	0.13	0.05	–	–	–	0.58
Utilities expenses	(0.21)	(0.13)	(0.12)	(0.07)	–	–	–	(0.53)
Net Annuity Cash Flows	**1.43**	**0.46**	**0.67**	**(0.02)**	–	–	–	**2.53**
Total Capital and Annuity Cash Flows	**2.94**	**5.51**	**0.32**	**(1.01)**	**(7.04)**	**(3.81)**	**(7.07)**	**(10.16)**
Head Office Costs								(2.95)
Net Operating Cash Flows								**(13.12)**
Reconciliation to statutory cash flows								
Less – Interest								(4.95)
Add – Land (investing cash flow)								10.19
Add – Movement in inventory and creditors								0.75
Statutory Cash Flows from Operations								**(7.12)**

^ Hastings will become a joint venture upon settlement of the sale of a 50% interest in the land, contracted to occur in September 2012.

1.6 DIVIDEND

- Dividend declared on 20 August 2012:
  - 0.5 cents per share (fully franked)
  - Record date: 7 September 2012
  - Payment date: 26 October 2012
- The Company has recently announced a Dividend Reinvestment Plan (DRP) that is applicable to this dividend
- Shareholders that elect to participate in the DRP will receive a 5% discount on any shares allotted as a result of this dividend
- Closing date for the DRP is 14 September 2012
- The founding directors (James Kelly, Bruce Carter and Dael Perlov) has indicated that they will be participating in the DRP

1.7 LOAN NOTES

As a result of executing the 10 year^ $50m loan note facility in May 2011, Lifestyle Communities has been able to acquire land and commence development of new communities.

The funding facility has enabled Lifestyle Communities to:

- Commence construction at Lifestyle Shepparton and welcome our first homeowners in June 2012;
- Purchase a 50% interest in land at Chelsea Heights and commence construction of the community in April 2012. The first homeowners are anticipated to settle in December 2012;
- Purchase land at Hastings with construction of the community scheduled to commence in October 2012. Lifestyle Communities has subsequently sold a 50% share in this site and the community will be developed as a joint venture.

The loan note facility replaced short-term bank debt therefore extending the maturity profile of the company's debt.

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

Section 2

MARKET CONDITIONS AND OPPORTUNITY

Demographic changes are driving an increase in the size of the potential market

The big housing market themes include:

Affordability

- The median net worth of a single person over the age of 65 is approx. $380,000
- 77% of single people [over 65] rely on pensions as their primary source of income
- Median superannuation savings of a single person over 65 is $13,400

The ageing population

- The number of people aged over 65 is projected to double between 2005 and 2021, and then double again by 2051
- Within a generation, 1/3 of Australians are going to be aged over 55 and close to 1/4 will be over 65
- Between 2001 and 2011 Victoria's over 55 population grew by 30%, compared to a total population increase of 15%

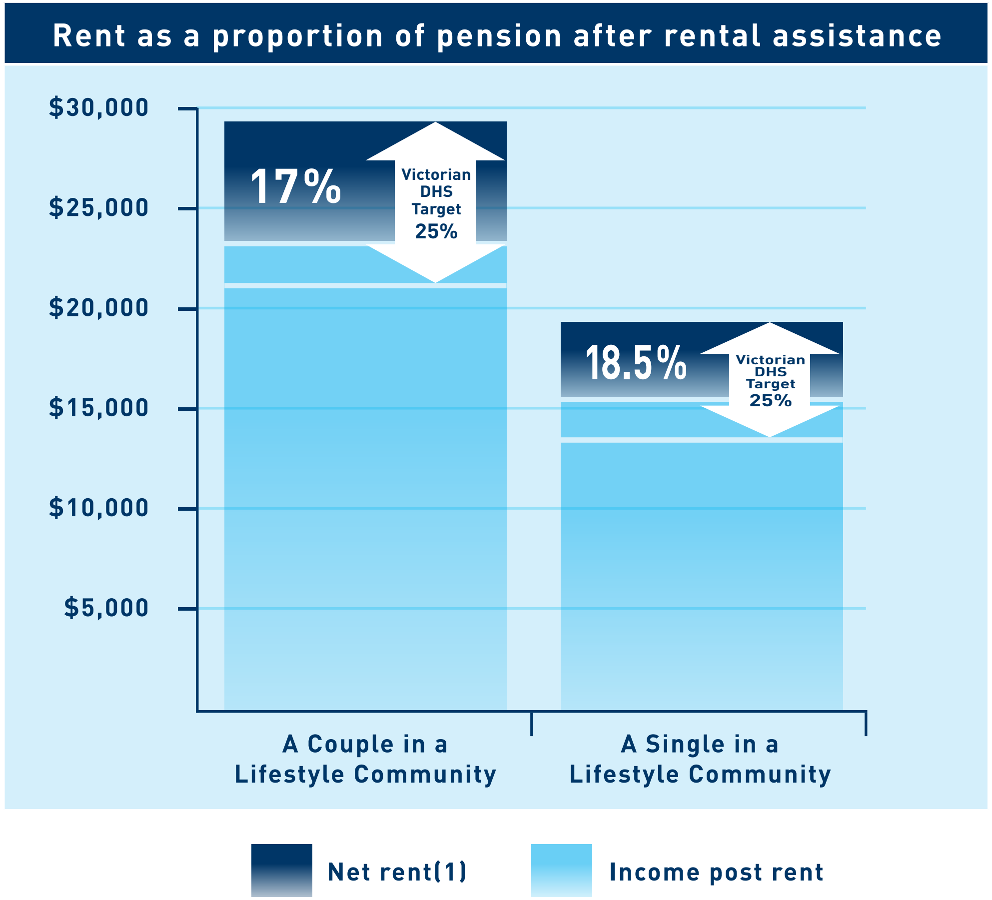
Ageing in place

- Due to cost pressures, shortages of beds and government policies, ageing in place is a theme that will become more prevalent over the coming years
- This is anticipated to result in additional government initiatives to assist people stay in their primary residence for longer

The Lifestyle Communities market offering directly addresses these key market themes

Source: ABS 2010/2011

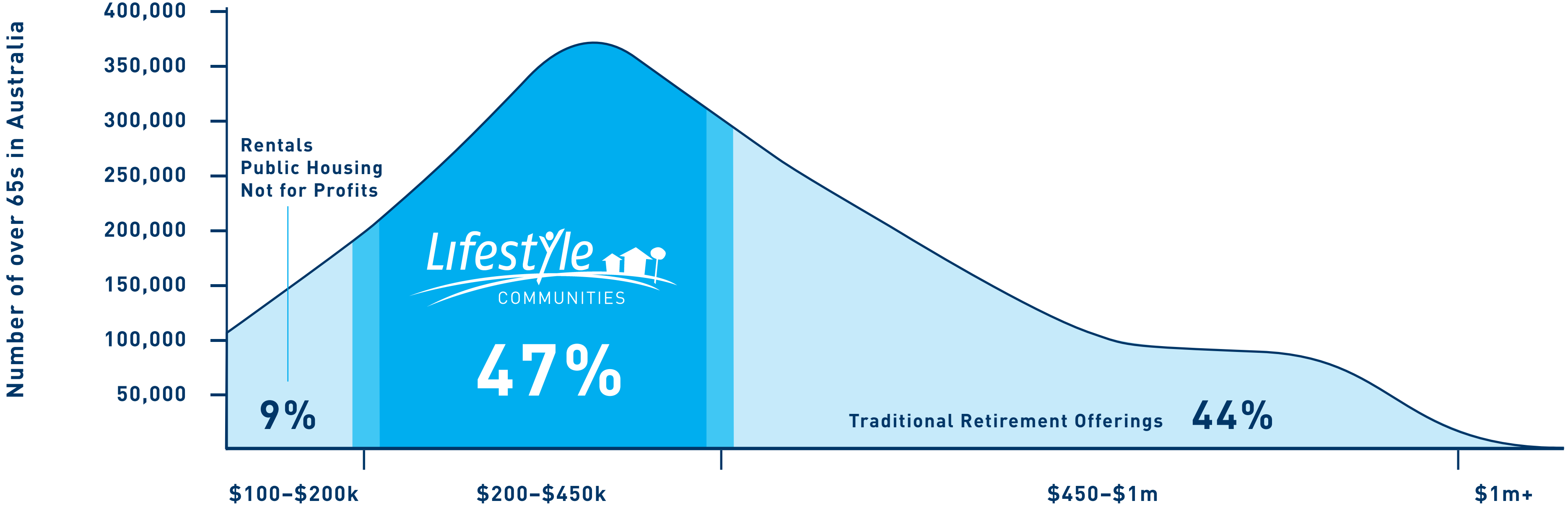
The Lifestyle Communities business model creates a long-term sustainable financial solution for homeowners



- Lifestyle Communities' homeowners on the pension are paying approximately:
  - 19% of their pension as rental (for singles) after rental assistance
  - 17% of their pension as rental (for couples) after rental assistance
- The target for renters in public housing is to pay no more than 25% of their pension as rental
- The State Government test for affordability is for renters to pay no more than 33% of their income as rental or housing costs

Notes: (1) Net Rent is Rent net of Federal Government Rental Assistance
Source: Australian Government Centrelink Website, May 2012
Victorian Government Department of Human Services Website, May 2012

It is estimated that the state of Victoria has over 355,000 people aged over 65 who fall within the Lifestyle Communities target wealth bracket[1]



Source: ABS

Notes: (1) As at June 2010

2.4 MARKET CONDITIONS

Sales rates improved in 2HFY2012, with an increasing level of enquiry

- Affordability continues to be a key driver of enquiry
- Sales rates have rebounded in 2HFY2012 after an unusually quiet period in Aug-Dec 2011 at particular sites
- Overall market conditions appear to have improved during the second half
- Residential property demand remains positive in Cranbourne and pre-sales enquiries at Hastings and Chelsea Heights have led to those communities being greater than 10% and 25% sold respectively
- Enquiry rates have rebounded at Warragul
  - There was some evidence of longer timeframes for residents to sell their existing houses in the primary and secondary catchment areas around Warragul, although settlement rates are now improving

Monthly customer commitments - since July 2008 to July 2012

Section 3

BUSINESS MODEL

Lifestyle Communities has a strongly differentiated business model that produces long term CPI indexed annuity streams for its investors

Features	Benefits
Lifestyle Communities is the developer, sales agent and manager of its affordable pre-retirement communities	Lifestyle Communities control all touch points with its customers which translates into high levels of service delivery and brand recognition
Lifestyle Communities operates a "Land Lease" model whereby homeowners purchase their home but not the underlying land. Lifestyle Communities retains long-term ownership of the land	Assists in achieving affordability by reducing the purchase cost and enabling homeowners to access Federal Government Rental Assistance
Homeowners enter a 90 year lease agreement with Lifestyle Communities	Lifestyle Communities is the beneficiary of long term CPI linked income stream as well as a share of the resale proceeds when homeowners sell their home
Communities are regulated under the Residential Tenancies Act (VIC) 2011	Reduces operating costs through exemptions on land tax, stamp duty and ability to access land that is not necessarily Residential Zone 1

The level of annuity income increases with each new home settlement

There are 2 components to the Annuity Stream:

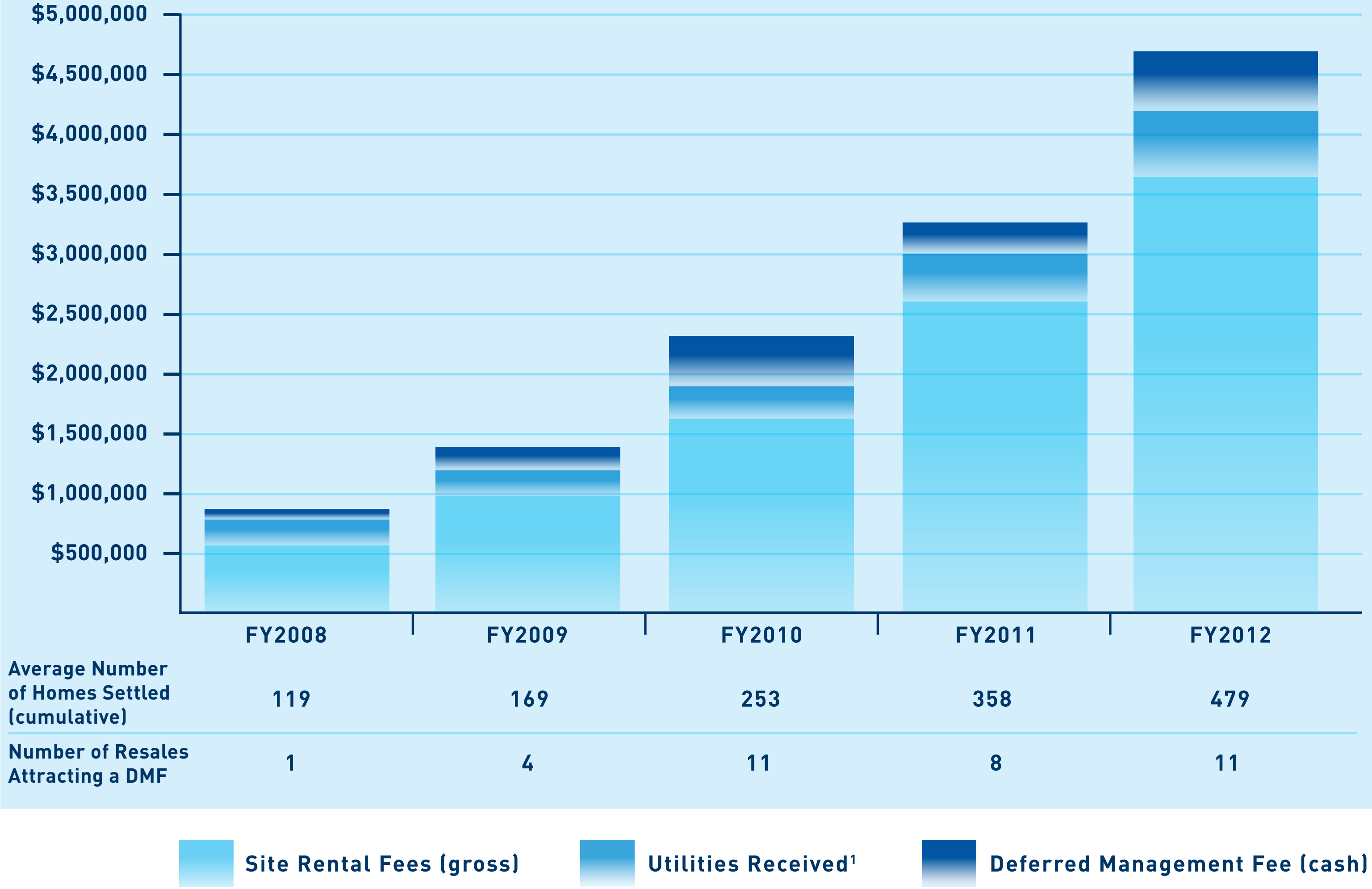
1. Site Rental Fee

- Approximately $160.00 per week per home
- Indexed at the greater of CPI or 3.5% p.a.

2. Deferred Management Fee

- Calculated as a scaled percentage of the re-sale price
- Scaling is a function of tenure, and is capped at 20% of the re-sale price after 5 years of ownership
- In established communities, approximately 10% of homes are estimated to re-sell in any given year

Annuity Streams



	FY2008	FY2009	FY2010	FY2011	FY2012
Average Number of Homes Settled (cumulative)	119	169	253	358	479
Number of Resales Attracting a DMF	1	4	11	8	11

Notes: (1) Lifestyle Communities purchases electricity and water on a wholesale basis and on charges these services to residents; this revenue is essentially a cost recovery charge and in the statutory accounts this revenue is grouped with site rental fees

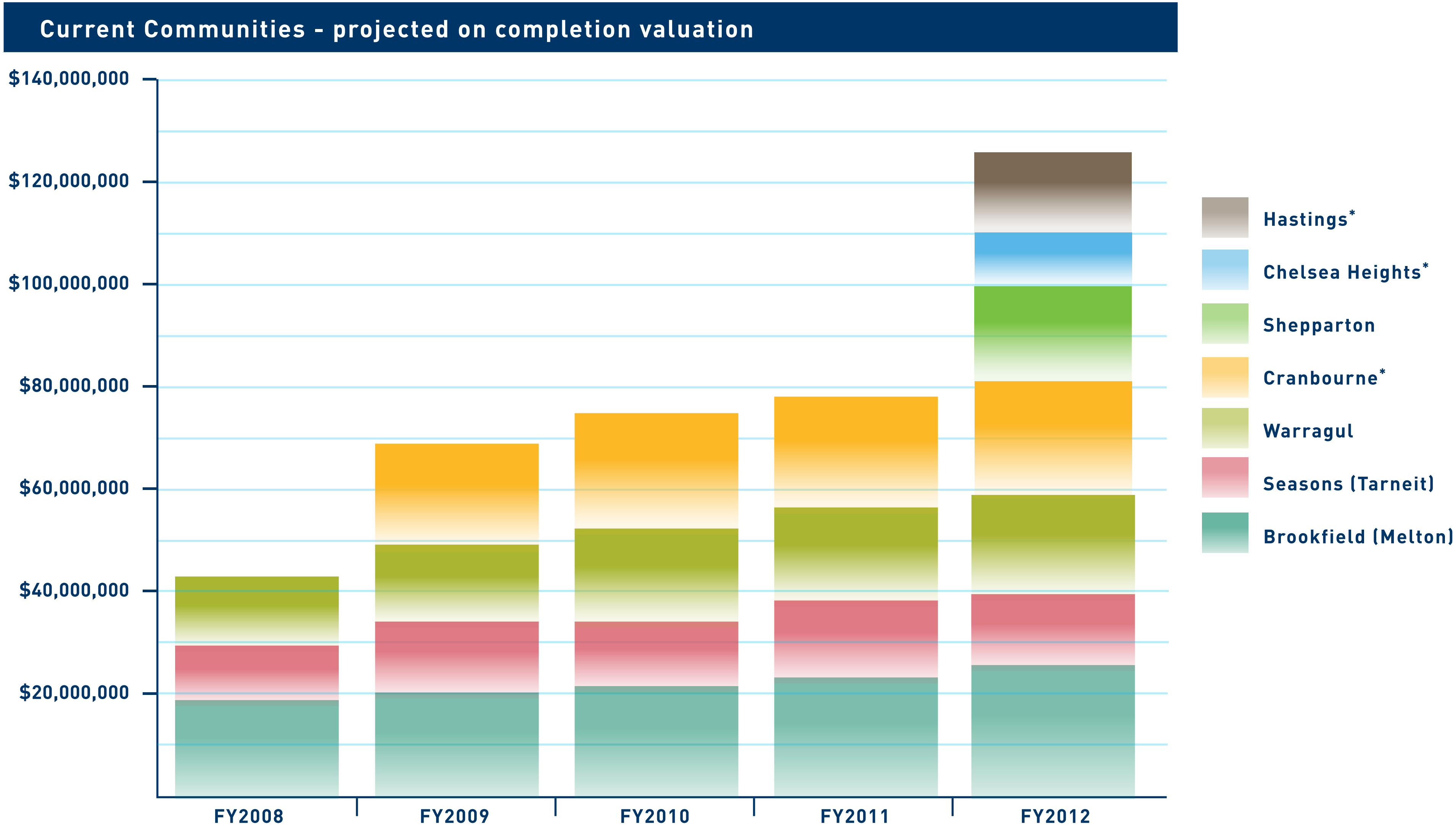
Section 4

CURRENT STATUS

COMMUNITY PORTFOLIO

Communities		Sites	Sites sold and occupied	Sites sold and yet to be settled	Sites sold, occupied and yet to be settled	
					#	%
Lifestyle BROOKFIELD	Brookfield (Melton)	228	226	1	227	99
Lifestyle SEASONS	Seasons (Tarneit)	136	126	8	134	99
Lifestyle WARRAGUL	Warragul	182	109	22	131	72
Lifestyle CRANBOURNE	Cranbourne^	217	89	35	124	57
Lifestyle SHEPPARTON	Shepparton	217	7	28	35	16
Lifestyle CHELSEA HEIGHTS	Chelsea Heights^	105	–	30	30	29
Lifestyle HASTINGS	Hastings^	141	–	16	16	11
	Total sites	**1,226**	**557**	**140**	**697**	**57**

^ Represents 100% of the development of which LIC will share 50%
Data correct as at 17 August 2012



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

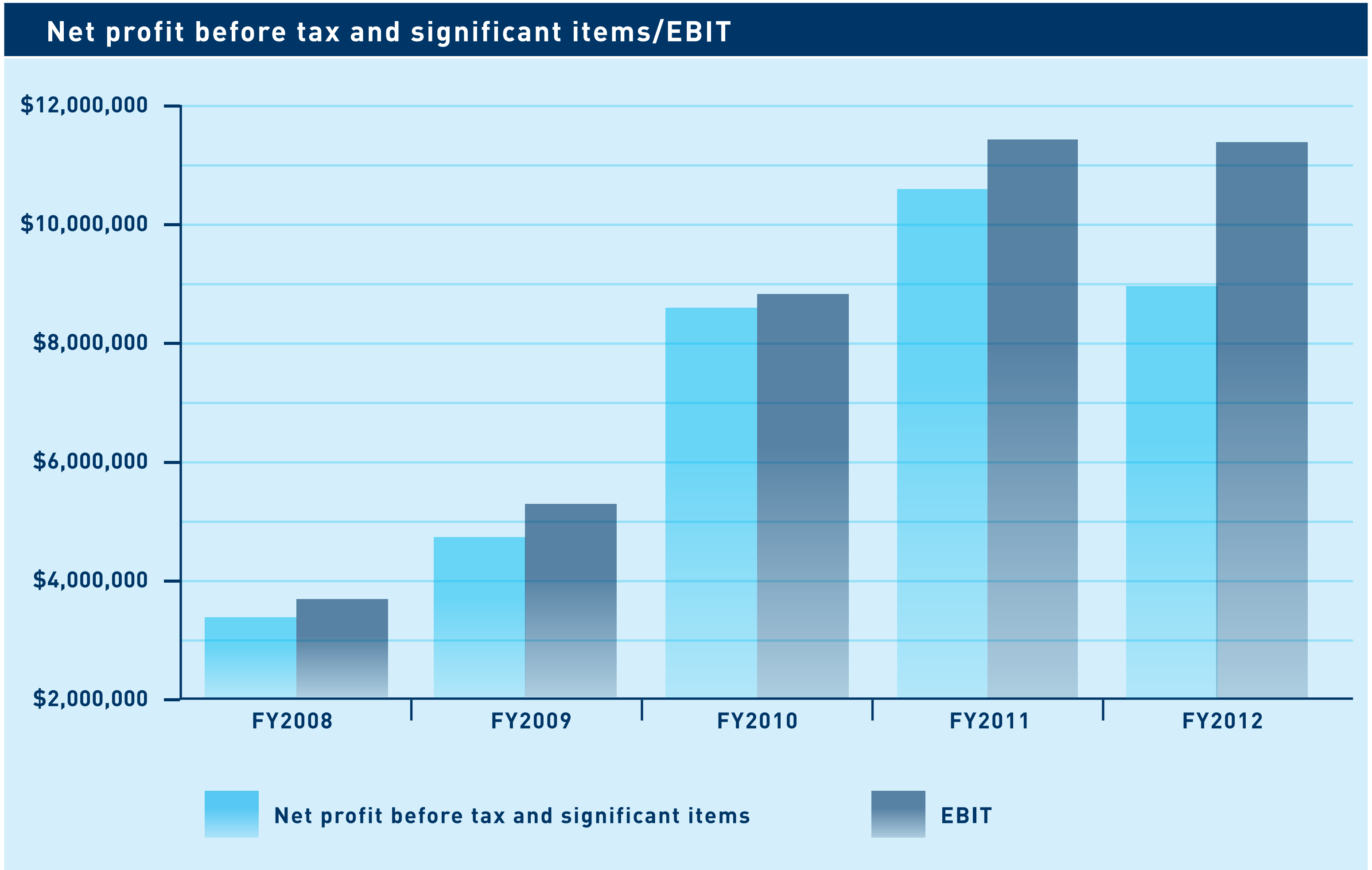
The co-completion values represented above are based on external valuations provided by M3 Property Consultants. The most recent valuations for Brookfield, Tarneit, Warragul and Cranbourne were performed in May 2012. The most recent valuation for Shepparton was performed in August 2011. The most recent valuation for Chelsea Heights and Hastings were performed in September 2011.

Section 5

OUTLOOK

5.1 OUTLOOK

- The current committed sales bank (as of 17 August 2012) is 140 (representing over $33m of committed revenue); this compares to a sales bank of 112 as at 31 December 2011.
- 78 net customer commitments were received between January and June 2012. This is historically a strong leading indicator to future settlements, although 25 commitments relate to Chelsea Heights and Hastings. These communities are not anticipated to provide settlements until 2QFY2013 and FY2014 respectively.
- FY13 will see a full year of settlements from our newest community, Lifestyle Shepparton. Lifestyle Chelsea Heights will also welcome its first homeowners on or around December 2012.
- Construction will commence at Lifestyle Hastings on or around October 2012; the first homeowners should settle early in FY2014.
- The sales rate has seen some improvement at our Warragul community in 2HFY2012 after a soft period in August-December 2011.
- Lifestyle Cranbourne continues to perform well with this community now over 57% sold and 41% settled.



Community	FY13				FY14				FY15				FY16			
	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																

The above timescale reflects current estimates of the settlement period for the existing developments. Settlement rates are a function of market conditions.

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