



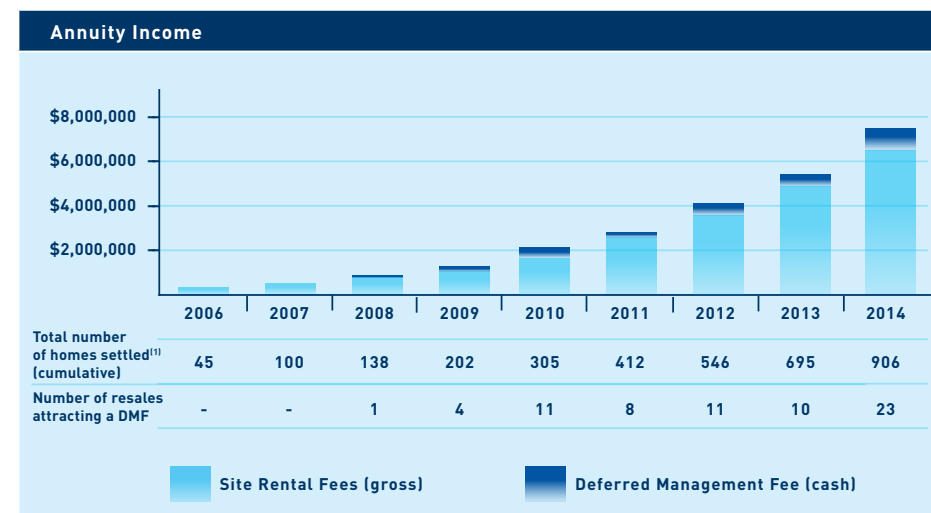
Results Presentation
Year ended 30 June 2014



Business Snapshot

- Founded in 2003
- Develop and manage land lease communities which generate long-term sustainable revenue streams
- Focused on affordable housing for the over 55s market
- 1,779 sites either under development or management
- Residents own their home and lease the land upon which their home is located

9 years of growing annuity income streams



Financial Position

	FY2014 (\$ million)	FY2013 (\$ million)
Total Assets	\$160.2	\$139.5
Equity	\$95.0	\$82.6
Total borrowings	(\$35.6)	(\$33.9)
Net debt	(\$28.8)	(\$17.7)
Net debt to equity ratio	23%	18%

Board of Directors



Tim Poole
Chairman

Non-executive, independent



James Kelly
Managing Director
Founder



Bruce Carter
Executive Director
Founder



Philippa Kelly
Non-executive Director
Independent



Jim Craig
Non-executive Director
Independent



Three additional sites acquired during the last 12 months



- 1. Executive Summary / Key Metrics**
- 2. Financial & Operational Results**
- 3. Market**
- 4. Business Model**
- 5. Outlook**
- 6. Summary**

Appendix

- A.1 Sales and Settlements**
- A.2 Investment Property Analysis**
- A.3 Cash Flow Analysis**

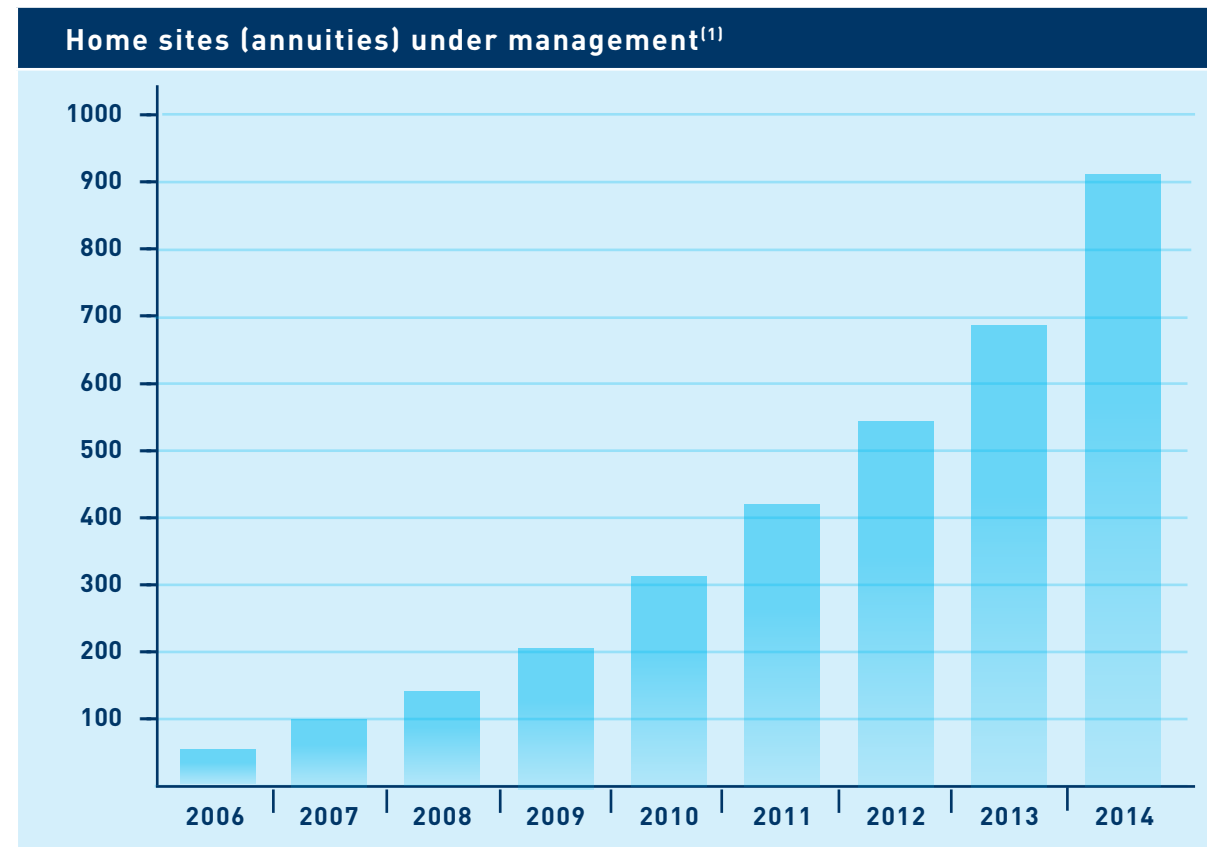


This document should be read with the Disclaimer on page 43



Lifestyle Communities delivered strong growth during FY2014

- Another strong year of settlements (211) and sales (267)⁽¹⁾
- 906 occupied home sites⁽¹⁾
- Over 1,300 homeowners⁽¹⁾
- Portfolio of 1,779 home sites^{(1) (2)}
- 23 resale settlements during the year
- Settled two new sites at Wollert and Geelong and an expansion site at Chelsea Heights
- Subsequent to year end contracted land at Rosebud located on Melbourne's Mornington Peninsula⁽³⁾

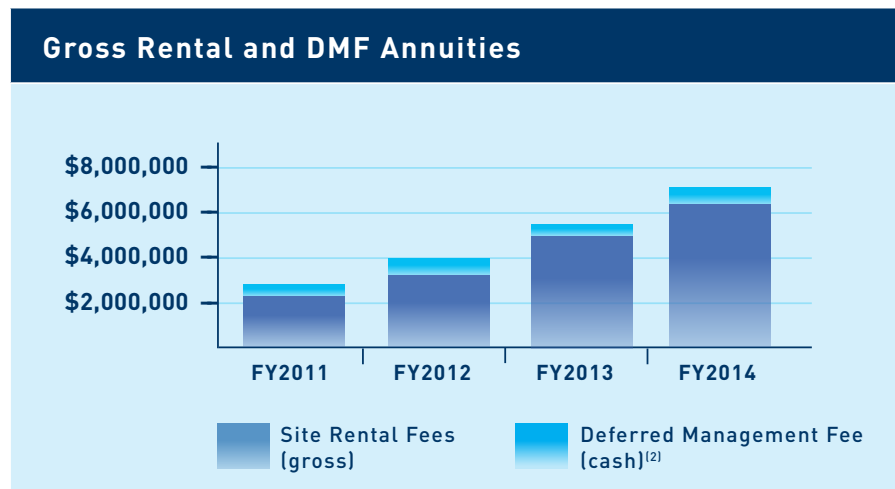
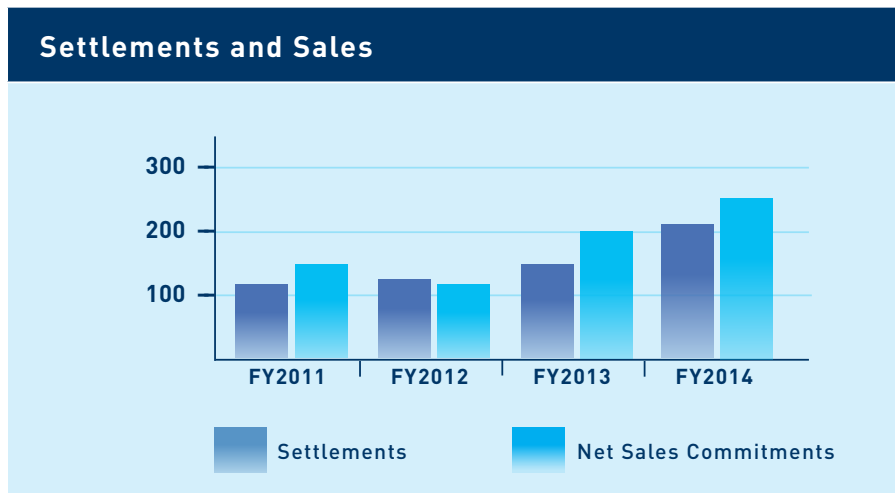


A proven business model structured for sustainable growth

Notes: (1) Represents gross numbers not adjusted for joint venture interests

(2) Settled, under development or subject to planning

(3) Settlement of purchase subject to planning approval

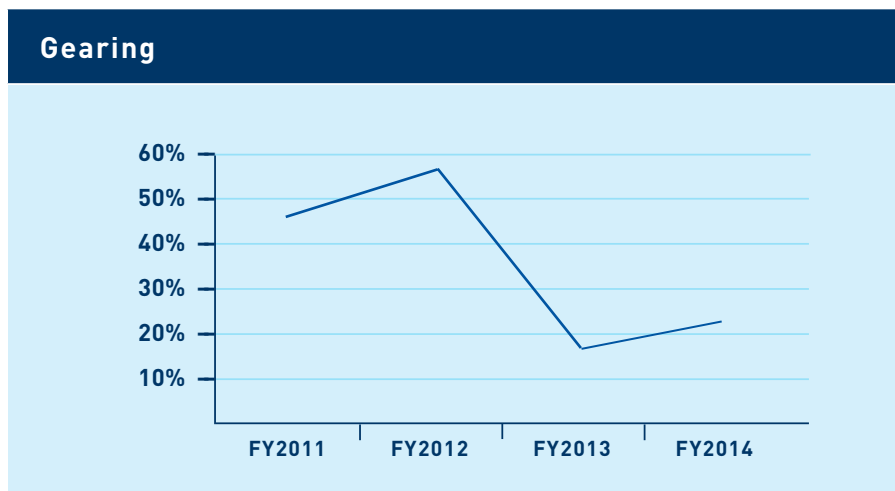
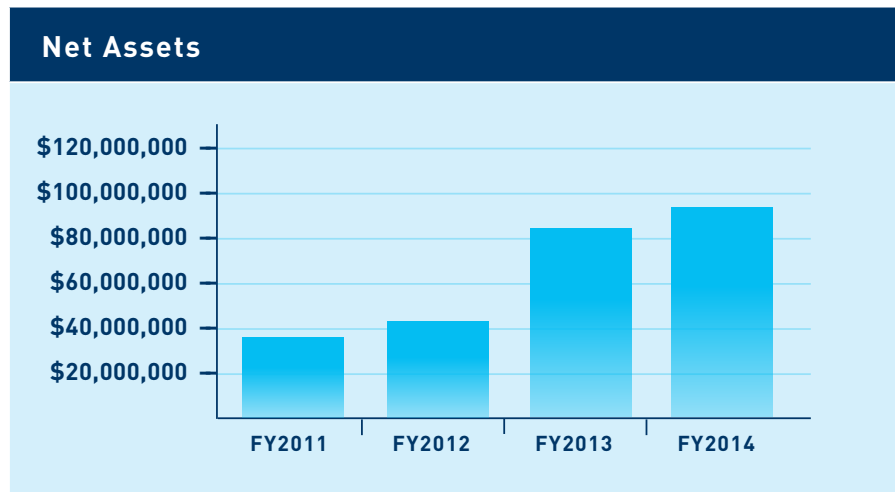


- Another strong year of settlements and sales
 - 211 home settlements in FY2014 compared to 149 in FY2013⁽¹⁾
 - 267 net sales commitments in FY2014 compared to 190 in FY2013⁽¹⁾
- Achieved 23 resale settlements in FY2014 compared to 10 in FY2013
- Annual rental income \$6.5 million
- 23 resales provided DMF of \$0.9 million⁽²⁾

Continued growth in annuity income as portfolio builds and matures

Notes: (1) Represents gross numbers not adjusted for joint venture interests
 (2) Inclusive of selling and administration fees

1.2 KEY METRICS (CONT.)



- Net assets \$95.0 million (at 30 June 2014) up from \$82.6 million (at 30 June 2013)
- Gearing (net debt to net debt plus equity) at 23.3% (as at 30 June 2014) up from 17.7% (at 30 June 2013). This is within our target of around 25% or lower

Robust balance sheet with capacity to grow portfolio



Lifestyle Communities' portfolio continues to grow

Communities	Total home sites in communities		Home sites sold & occupied	Home sites sold & awaiting settlement		Home sites occupied and awaiting settlement	
						#	%
Existing Communities – Mature							
Melton	228		228	-		228	100%
Tarneit	136		135	1		136	100%
Warragul	182		168	13		181	99%
Existing Communities – Selling and Settling							
Cranbourne ⁽¹⁾	217		173	24		197	91%
Shepparton	221		60	28		88	40%
Chelsea Heights ⁽¹⁾	104		97	5		102	98%
Hastings	141		45	65		110	78%
Chelsea Heights Expansion	82		-	71 ⁽⁵⁾		71	87%
Wollert	154		-	20 ⁽⁵⁾		20	13%
New Communities - Awaiting Commencement							
Geelong ⁽²⁾	164		-	-		-	-
Rosebud ⁽²⁾	150		-	-		-	-
Total Home Sites ⁽³⁾	1,779		906 ⁽⁴⁾	227 ⁽⁶⁾		1,133	64%

Notes: (1) Represents 100% of the development of which Lifestyle Communities will share 50%

(2) Commencement of construction subject to planning approval and/or final contracts

(3) Lifestyle Communities will have an economic interest in 1,578 home sites

(4) Currently collecting annuity income (rent and DMF income) on these sites

(5) First settlements expected in second half of FY2015

(6) Represents sites in the sales bank awaiting settlement as at 30 June 2014



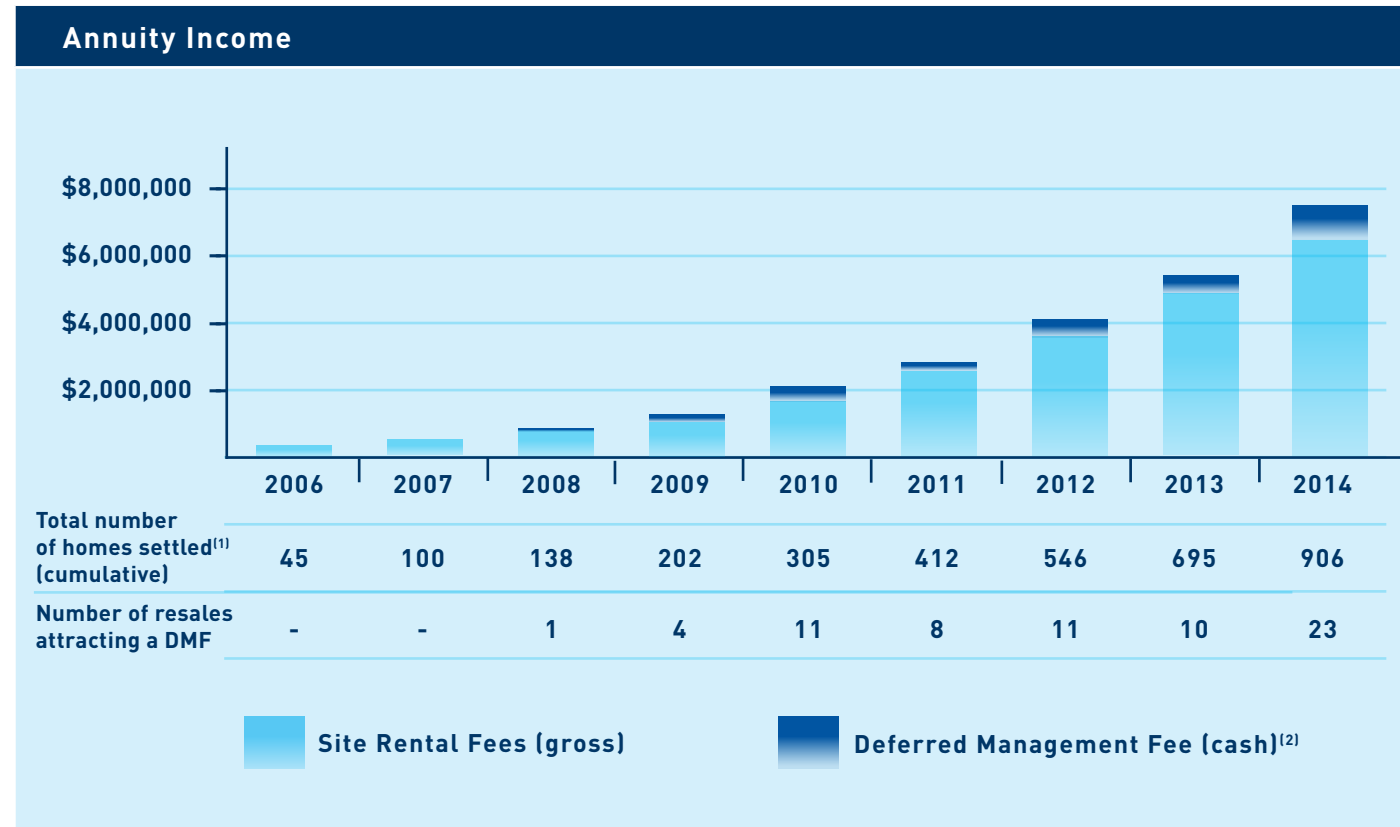
Section 2

FINANCIAL & OPERATIONAL RESULTS





Nine Years of Growing Annuity Income Streams



There are two components to the annuity stream:

1. Site Rental Fee

- Approximately \$165.00 per week per home
- Indexed at greater of CPI or 3.5% p.a.
- Annual rental income at 30 June 2014 was \$6.5 million

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
- Includes selling and administration fees
- In established communities, approximately 10% of homes are estimated to re-sell in any given year as the age profile of residents matures
- 23 resales provided DMF income of \$0.9 million in FY2014⁽²⁾

Annuity income will continue to increase through new home settlements, inflation and resales of existing homes

Note: (1) Represents gross numbers not adjusted for joint venture interests

(2) Inclusive of selling and administration fees



Referrals provided 25% of total sales

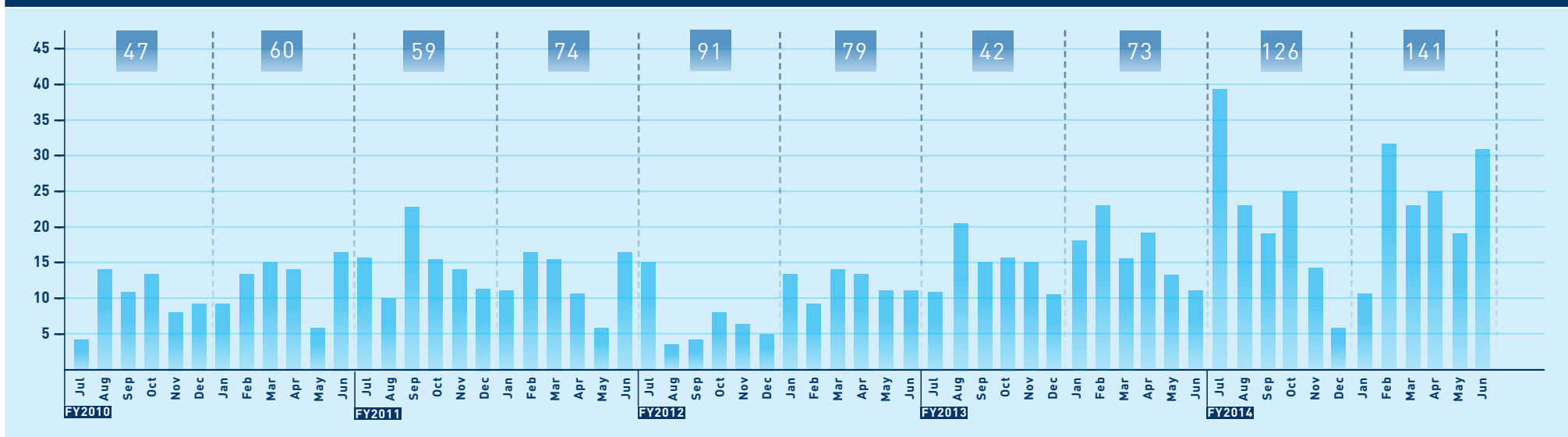
Sales Commitments

- 267 new home sales in FY2014⁽¹⁾.
- Hastings and Chelsea Heights sales exceeding expectations.
- Warragul and Shepparton sales tracking to expectation.
- Cranbourne slightly below expectation as project comes to an end; still achieving 3 sales per month.
- Sales commenced at Wollert during the year.
- Current committed sales bank as of 30 June 2014 is 227; this compares to a sales bank of 171 as at 30 June 2013.

Settlements

- 211 settlements in FY2014.⁽¹⁾
- 65 settlements at Chelsea Heights, 45 at Hastings, 38 at Cranbourne, 32 at Warragul, 28 at Shepparton and 3 at Tarneit.
- First settlements at Hastings occurred in September 2013.
- Expecting first settlement at Chelsea Heights expansion and Wollert in second-half of FY2015.

Monthly customer commitments - July 2009 to June 2014



Note: (1) Lifestyle Communities has an economic interest in 207 new home sales and 159 settlements after allowing for non-controlling interests

2.3 PROFIT & LOSS



Profit & Loss highlights	FY2013 (\$'000)	FY2014 (\$'000)	% Movement
Home settlement revenue	36,552	54,812	↑ 50%
Rental revenue	4,892	6,549	↑ 34%
Deferred management fee ⁽¹⁾	381	910	↑ 139%
Total revenue	43,459	63,718	↑ 47%
Cost of sales	(28,298)	(41,057)	
Home settlement margin	23%	25%	↑ 2%
Gross profit	15,161	22,660	↑ 49%
Fair value adjustments	9,825	12,254	↑ 25%
Development expenses	(3,450)	(3,263)	↓ 5%
Community management expenses	(2,128)	(3,462)	↑ 63%
Corporate overheads	(3,500)	(3,801)	↑ 9%
Finance costs	(2,077)	(2,228)	↑ 7%
Net profit before tax	12,864	21,074	↑ 64%
Net profit after tax			
Members of the parent	6,965	12,278	↑ 76%
Non-controlling interests	2,471	3,852	↑ 56%
Total net profit after tax	9,436	16,130	↑ 71%

- Net profit attributable to shareholders up 76% to \$12.3 million
- Home settlement revenue up \$18.3 million to \$54.8 million; average realisation uplift of 6% to \$286k (GST inclusive)
- Cash deferred management fees up by 139% to \$0.9 million (inclusive of selling and administration fees)
- Development expenses in FY2013 included \$0.65 million investment in marketing, expenses in FY2014 are at normalised levels based on number of active developments
- Community management expenses increased due to homeowners now residing at Lifestyle Hastings and a full year of operations at Lifestyle Chelsea Heights. This is in addition to normal growth within mature communities

Profit growth in line with increased settlements

Note: (1) Inclusive of selling and administration fees

2.4 BALANCE SHEET



Balance sheet highlights	FY2013 (\$'000)	FY2014 (\$'000)	% Movement
Cash and cash equivalents	16,144	2,757	
Other financial assets	-	1,000	
Inventories	21,274	22,516	
Total current assets	38,978	29,854	↓ 23%
Trade and other receivables	8,344	11,676	
Inventories	14,251	11,569	
Other financial assets	2,000	5,000	
Investment properties	74,974	99,626	
Total non-current assets	100,547	130,300	↑ 30%
Total assets	139,524	160,154	↑ 15%
Trade and other payables	9,565	11,075	
Interest-bearing loans and borrowings	5,692	5,100	
Total current liabilities	15,552	17,573	↑ 13%
Interest-bearing loans and borrowings	28,182	30,534	
Deferred tax liabilities	12,939	16,786	
Total non-current liabilities	41,337	47,581	↑ 15%
Total liabilities	56,889	65,155	↑ 15%
Net assets	82,635	94,999	↑ 15%

- \$16.8 million deployed for land settlements at Chelsea Heights, Wollert and Geelong
- \$4 million placed on term deposit representing liquidity buffer
- Gearing (net debt to net debt plus equity) was 23.3% at year end within our target range of around 25% or lower
- Total project bank facilities of \$26.2 million of which \$11.1 million were drawn at year end

Balance sheet remains strong with gearing below 25%

2.5 CASH FLOW



Cash flow highlights	FY2013 (\$'000)	FY2014 (\$'000)
Receipts from customers	46,462	69,097
Payments to suppliers and employees [^]	(43,169)	(56,850)
Net interest payments	(3,355)	(2,788)
Cash flows from operations	(42)	9,459
Project capital expenditure (civil and facilities infrastructure)	11,315	9,395
Cash flow from operations (excluding project capital expenditure)	11,273	18,854
Payment for term-deposit	-	(4,000)
Purchase of investment properties	(76)	(16,754)
Cash flows from investing activities	(478)	(21,347)
Net movement in borrowings	(21,161)	1,221
Dividend paid	(782)	-
Entitlement offer and placement	35,300	-
Distribution paid to non-controlling interests	-	(2,708)
Cash flows from financing activities	13,334	(1,500)
Net cash flows	12,814	(13,387)
Opening cash	3,330	16,144
Closing cash (excluding funds on deposit)	16,144	2,757
Liquidity buffer funds on deposit	-	4,000
Adjusted closing cash	16,144	6,757

- Adjusted cash flows from operations (excluding project capital expenditure) up by 67% to \$18.9 million
- \$16.8 million deployed for land settlements at Chelsea Heights, Wollert and Geelong
- \$4 million placed on term deposit representing liquidity buffer, when added to cash there is \$6.8 million at year end

[^] 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). Under some other structures these costs may be classified as 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 of cash flows, please refer to Appendix 3 for a detailed break-down of development and management cash flows per community for FY2014 and FY2013.



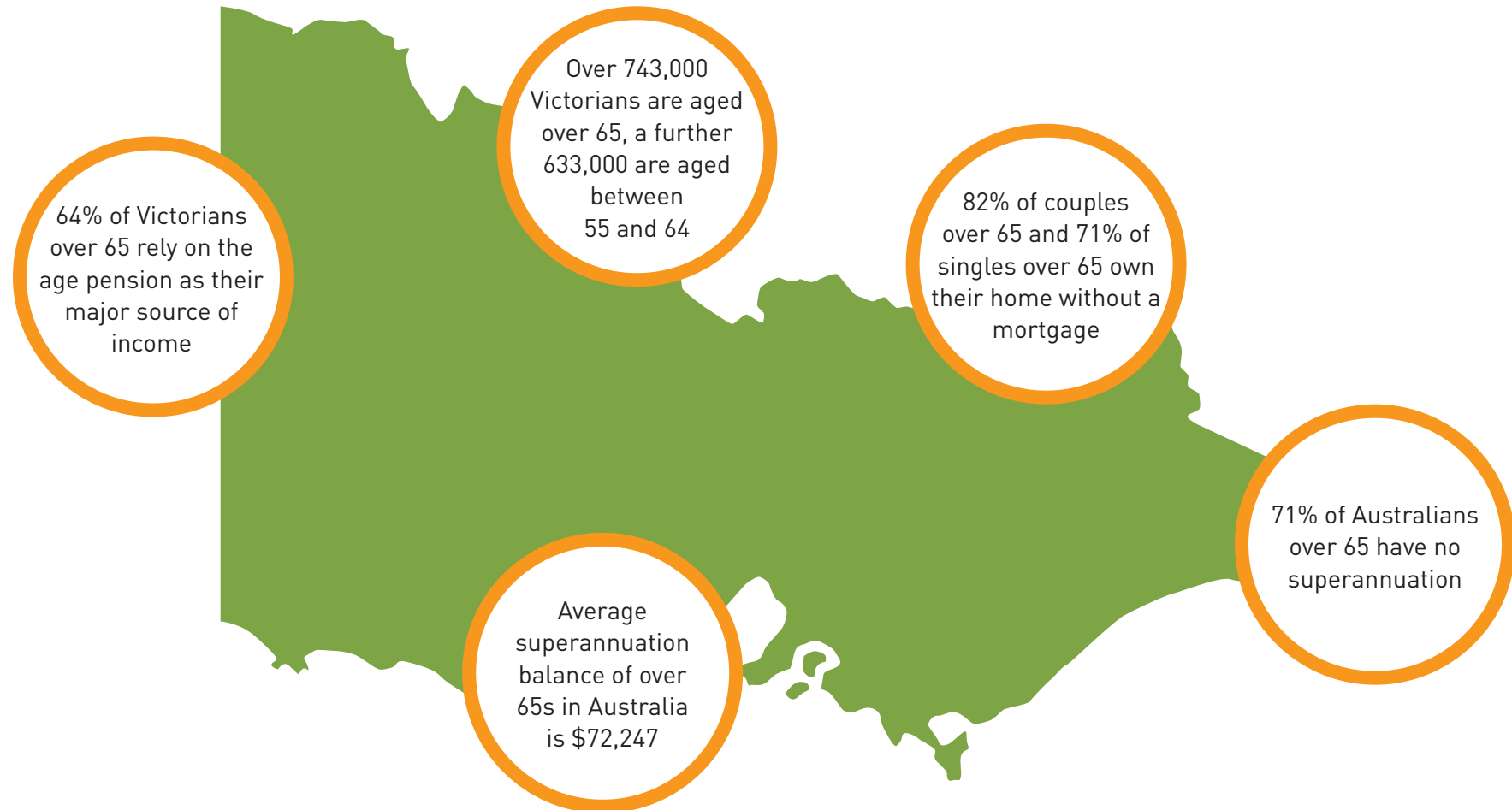
Section 3

MARKET





Lifestyle Communities operates in an under-serviced sector of the over 55's housing market with a focus in Victoria



The affordable housing market for over 55's in Victoria continues to grow



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

Affordability

- More than 27% of total households (aged 65+) have net worth between \$250,000 and \$500,000
- 72% of people (over 65) retire on the pension. 64% of people (over 65) in Victoria rely on the pension as their main source of income
- Of the 82% of couples over 65 who own their home, superannuation represents less than 17% of their net worth

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

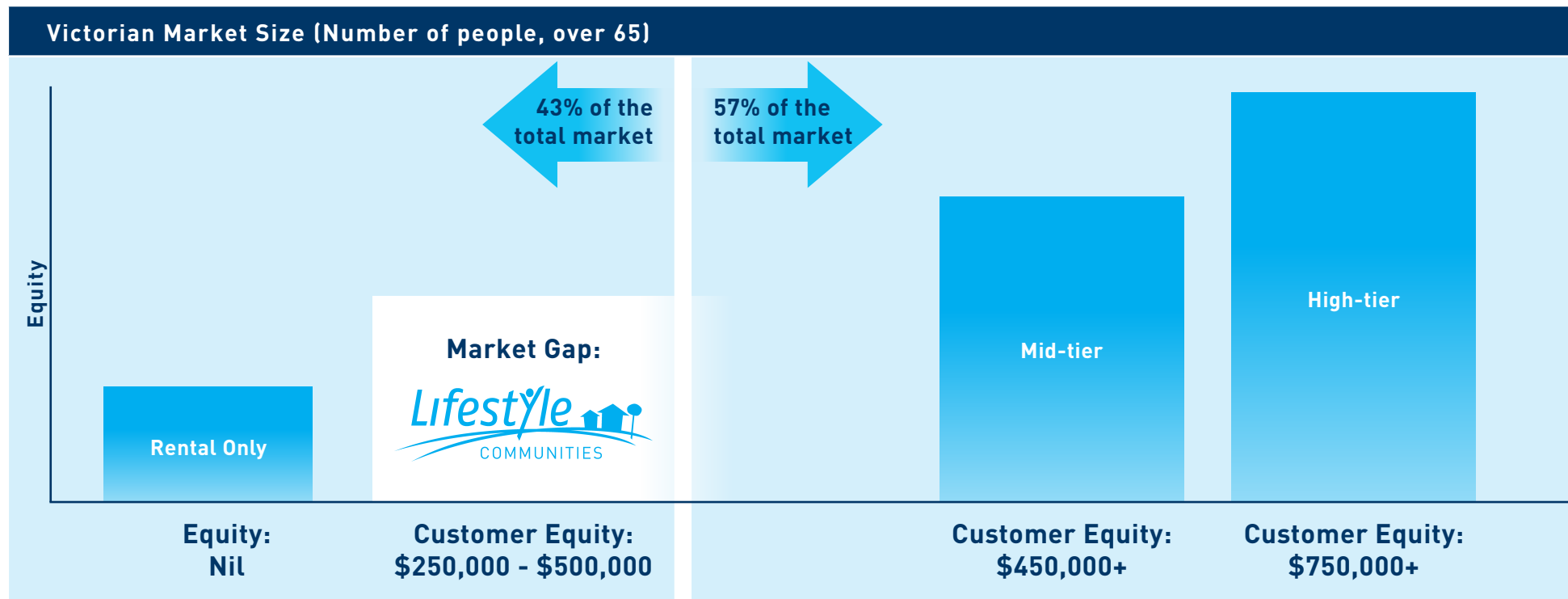


The Lifestyle Communities offer addresses these key market themes

Source: ABS 2010-2012



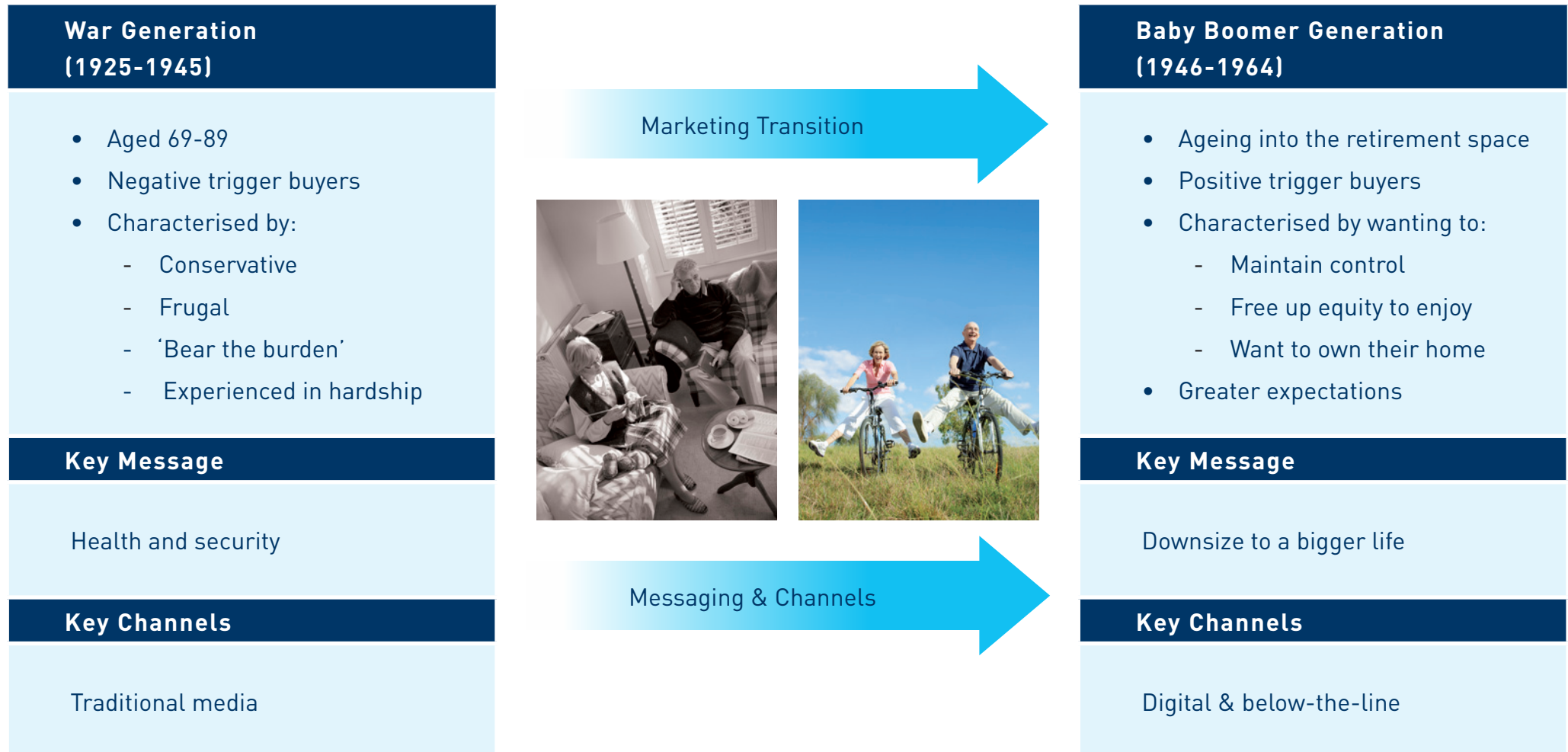
Lifestyle Communities' affordable housing solution targets the largest segment of the market



The market opportunity is under serviced

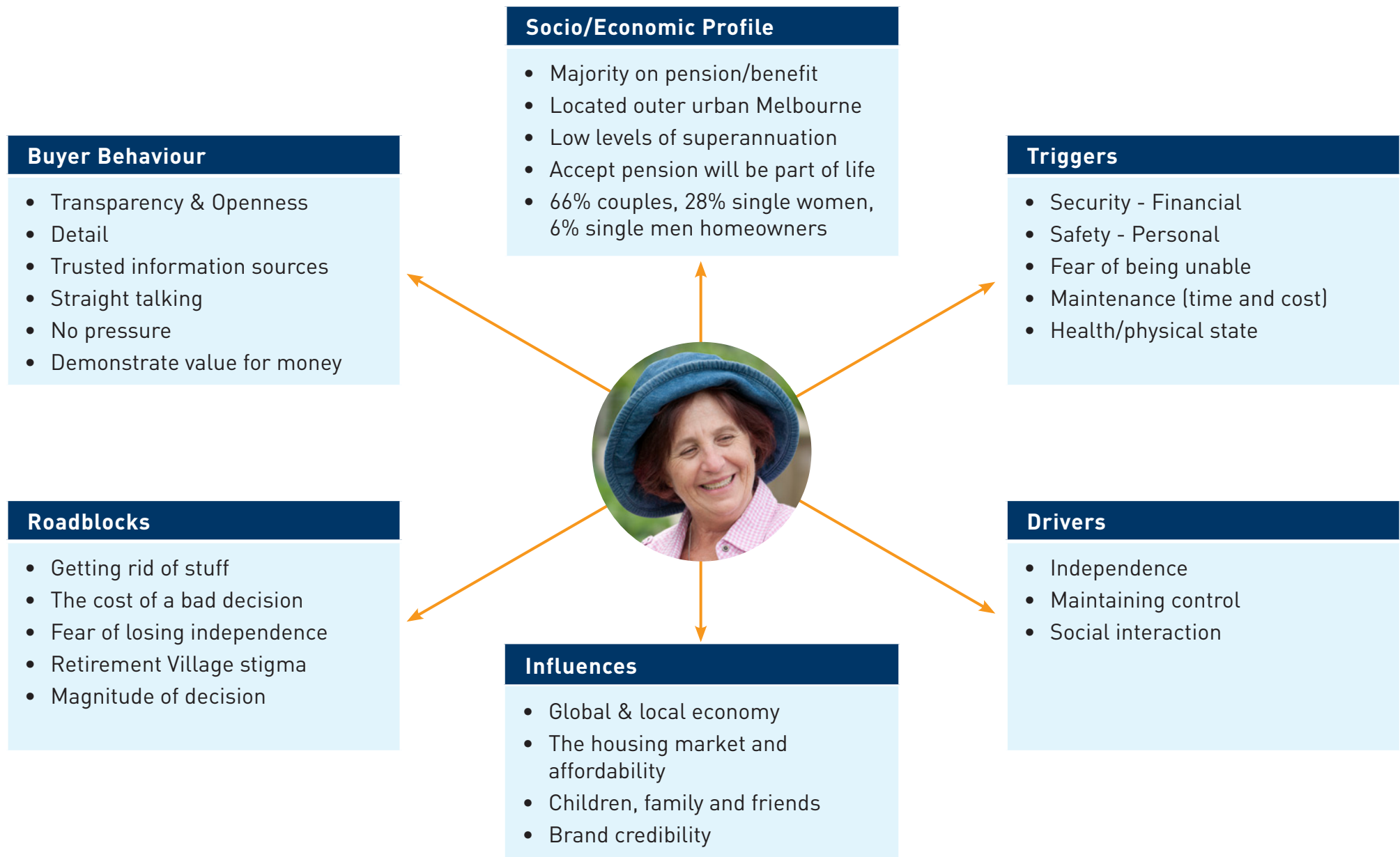


Straddling two segments but focusing on the ageing baby boomer



Lifestyle Communities' business model well placed to capitalise on this emerging customer

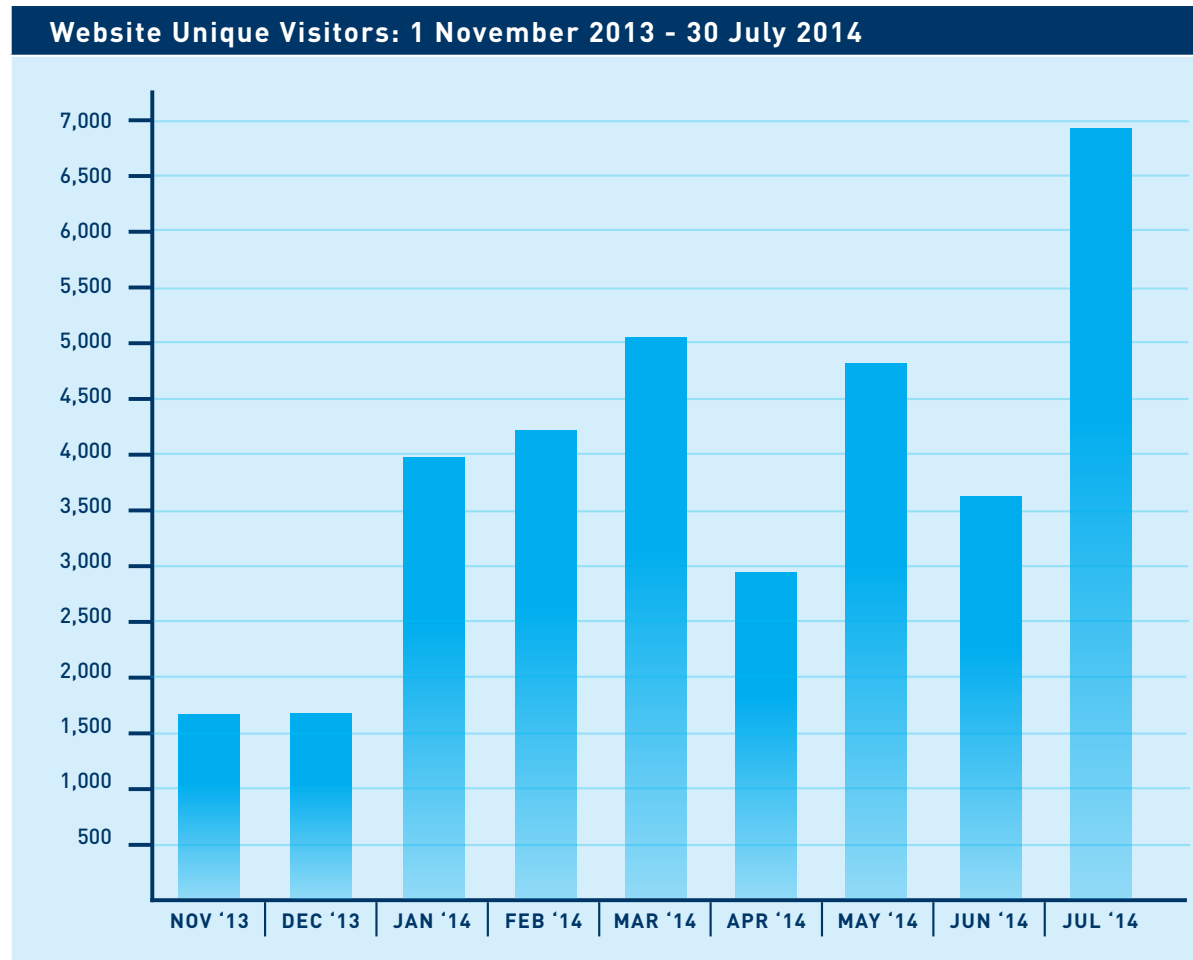
3.5 WHO IS OUR CUSTOMER?



Average entry age is decreasing as product appealing to a younger customer



Digital marketing providing increased traction as our customer becomes more computer literate



- Website at centre of all marketing activities
- Purchase cycles have halved in last 5 years - 67% of sales secured in under 2 weeks
- Measurable through:
 - Unique visits
 - Visit duration
 - Cost/unique visitor
 - Enquiries
 - Cost/enquiry
- Of our sampled homeowners, 77% use the internet daily, 80% use social media and 60% are multi-device users

Opportunity for more cost effective and targeted marketing



Section 4

BUSINESS MODEL





Lifestyle Communities will continue rolling out affordable housing for the over 55's

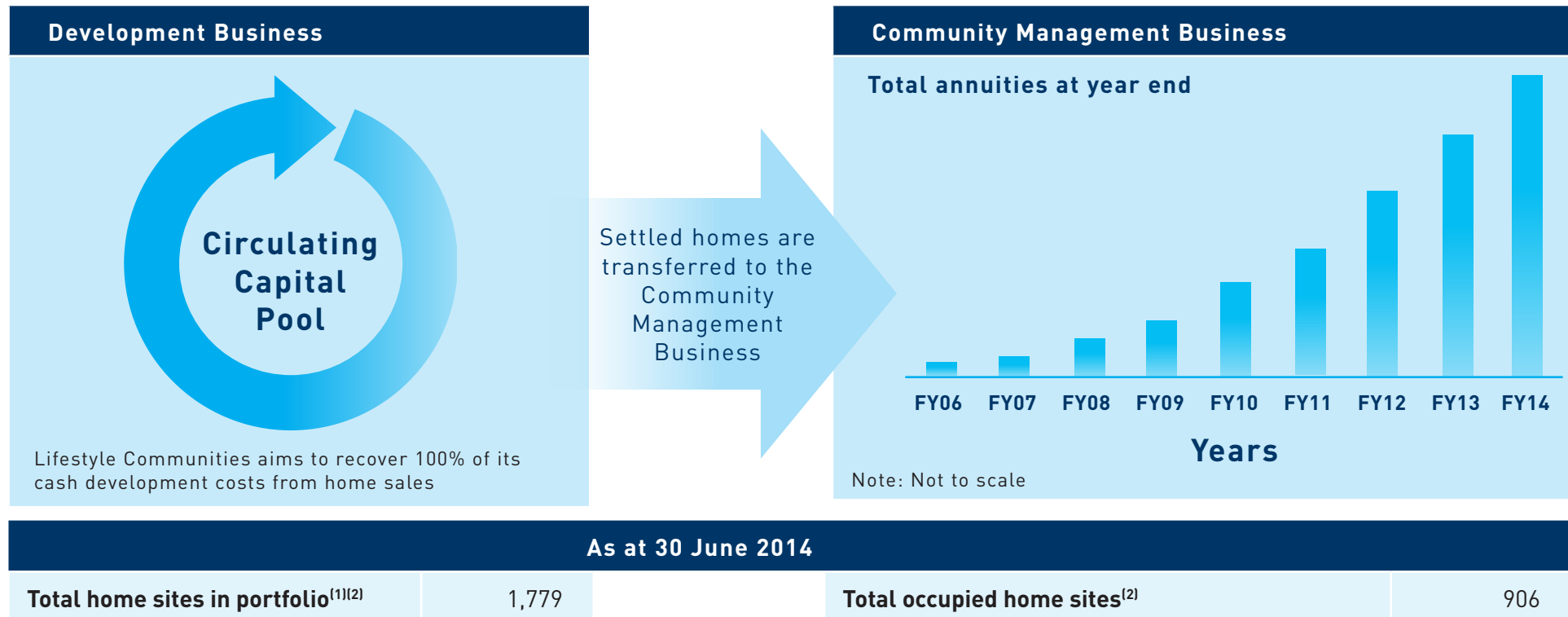
- Focused strategy to dominate the niche of affordable housing to the over 55's market
- Lifestyle Communities' brand is now clearly differentiated in the consumer's mind against traditional retirement communities
- Funded and resourced to roll-out a new community every 12-18 months subject to identification of appropriate sites
- Presently focused in Melbourne's growth corridors as well as key Victorian regional centres



Lifestyle Communities will continue to grow its portfolio of affordable communities



Lifestyle Communities has a low risk sustainable business model



The growing level of free cash flow from the community management business provides the basis for future dividends

Note: (1) Settled, under development or subject to planning
 (2) Represents gross numbers not adjusted for joint venture interests



Lifestyle Communities develops and manages affordable land lease communities delivering long term annuities from home site fees and resales

Moving in

Living

Moving out

Customer Needs

are satisfied by ...

Move into a new, affordable, low maintenance home in a land lease community. Homeowner owns their house and has a 90 year lease over the land

Release of equity on downsizing and payment of affordable weekly rental with the benefit for pensioners of being subsidised by Government rental assistance

Net proceeds of home sale re-leased to homeowner to fund the next stage of life. DMF capped at 20% of the resale price

Our Business Model

which provides ...

Develop and sell new homes:

- Relative to area median
- Off the plan sales - no stamp duty
- 100% cash development costs recovered

Land ownership:

- Generates long-term (90 years) annuity income streams with a 3.5% or CPI increase.
- Covered under Part 4A of the Residential Tenancies Act

On resale:

- Assist vendor with sale to maximise value
- Crystallise DMF, capped at 20% of resale value

Circulating capital for pipeline of development projects

Attractive Shareholder Returns

- Cash generated by sale of home covers full cost of development
- No erosion of capital pool
- Capital redeployed in new community roll outs

- Growing rental income base with each new settlement
- Rental increases linked to CPI or 3.5%
- Strict cost management across business operations

- DMF income on resale of homes adds to community management cashflows



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

Features	Benefits
Lifestyle Communities is the developer, sales agent and manager of its affordable 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
Focus on greenfield opportunities	A greenfield development reduces sales risk assuming the site location is well positioned. Returns are maximised as all capital is able to be recycled and therefore providing annuity returns from a 'nil' capital base



Lifestyle Communities has two components to its business

Community roll-out

Attributes
• Circulating pool of capital • Used to fund development of communities • Aim to recover 100% of cash costs (land, civils, housing, marketing, overhead allocation, interest from home sales)
Value drivers
Sale and settlement of new homes
Acquisition of premium sites
Out-performance against budgeted cost

Community management

Attributes
• Growing pool of annuities (homes settled) • Large proportion of annuity stream is low volatility land lease income • Exposure to house prices through Deferred Management Fee
Value drivers
Growth in annuity income
Increased DMF returns
Disciplined cost control



Ensures preservation of capital and free cash flow for future dividends



Rent as a percentage of the pension remains affordable



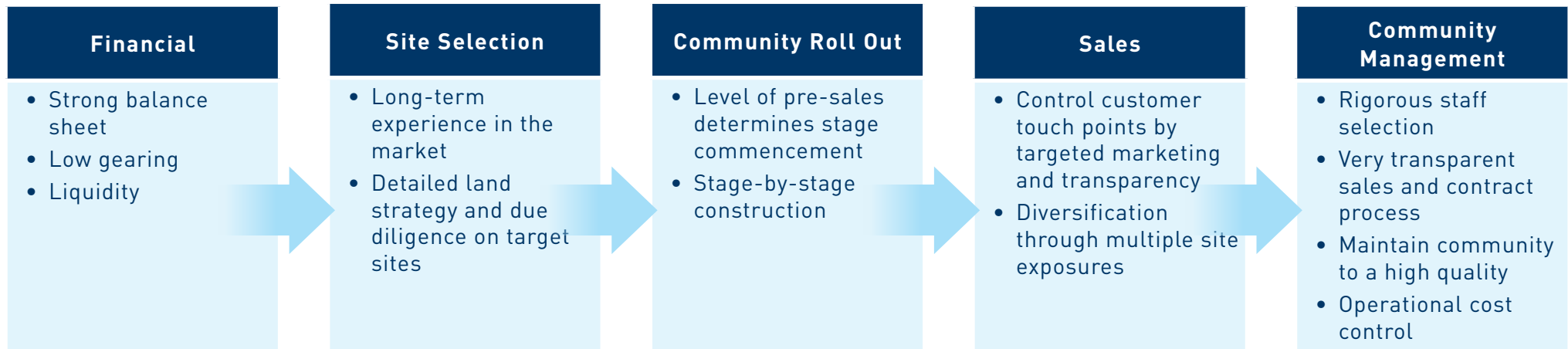
- Lifestyle Communities' homeowners who receive the age pension are paying approximately:
 - 18.1% of their pension as rental (for couples) after rental assistance, reduced from 19.8% six years ago.
 - 20.8% of their pension as rental (for singles) after rental assistance, reduced from 25.3% six years ago.

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

Source: Australian Government Centrelink Website, March 2014



The company ensures diligent risk management at each stage of the development cycle



Disciplined approach to each stage mitigates risk



Section 5

OUTLOOK





Lifestyle Communities capitalises on the solid base established for growth



- Emerging baby boomer driving increased customer interest
- Company's portfolio (settled, under development and subject to planning) now at 1,779⁽¹⁾ following recent acquisition of Rosebud site
- Subject to the performance of the business in FY2015 forecast to pay a dividend in respect of FY2015
- Expect settlements in FY2015 to be approximately the same as for FY2014
- Anticipate an increase in net profit after tax attributable shareholders in FY2015 compared to FY2014 due to:
 - lower percentage of settlements attributable to JV's
 - increased net rental income
 - expected increase in resale settlements
- Profit expected to be biased to 2HFY2015 due to first settlements from Chelsea Heights expansion and Wollert

Lifestyle Communities' model targeted to the emerging baby boomer

Note: (1) Represents gross numbers not adjusted for joint venture interests

5.2 LIKELY SETTLEMENT PROGRAMME



Currently 1,779 homes in the portfolio⁽¹⁾

Community	FY15				FY16				FY17				FY18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Seasons (Tarneit)																
Warragul																
Cranbourne																
Shepparton																
Chelsea Heights																
Hastings																
Chelsea Heights Expansion																
Lyndarum (Wollert)																
Geelong (Bell Park) ⁽²⁾																
Rosebud ⁽²⁾																



Represents tail of development which is often a slower settlement rate

Notes: (1) Settled, under development or subject to planning; gross numbers not adjusted for joint venture interests

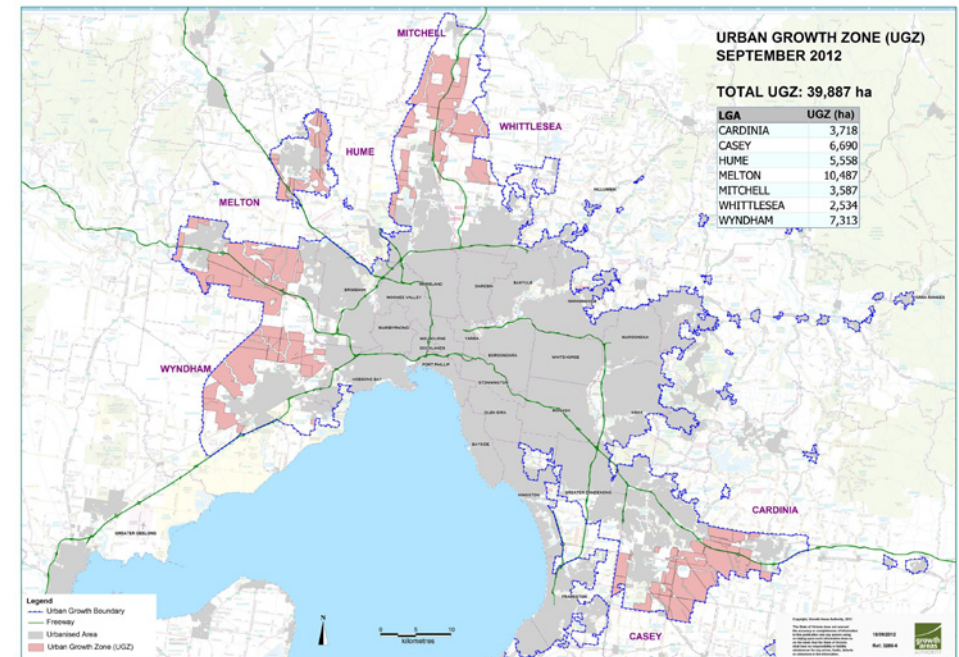
(2) Subject to planning approval

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



Lifestyle Communities continually performs detailed due diligence on Victoria's growth corridors

- Focusing on opportunities in Victoria to capitalise on the lack of supply of affordable housing, forecast population growth and brand equity
- Target sites in Melbourne's key growth corridors and major regional centres which are assessed against the following criteria:
 - Demographics of immediate catchment including number of over 55s
 - The forecast rate of population growth in the area
 - Proposed house prices within the community relative to the local median house price
 - Competition and alternative affordable housing solutions
- Undertake assessment of multiple sites within each growth corridor to ensure the most suitable location
- Securing sites in a premium location results in optimum sales rate with achievable realisations



A rigorous acquisition strategy de-risks community roll-outs



Lifestyle Communities intends to pay dividends out of operating cash flow from the community management business

As a general principle, the Directors of Lifestyle Communities intend to pay dividends out of post tax, operating cash flow generated from community management.

Considerations in determining the level of free cash flow from which to pay dividends will include:

- Operating cash flow generated from community management
- The projected tax liability of Lifestyle Communities Limited
- The level of corporate overheads attributable to the roll out of communities (currently 50%)
- 50% of development fees derived from joint ventures (matching the 50% of corporate overheads incurred)
- The level of interest to be funded from free cash flow
- Additional capital needs of the development pool

No dividend has been declared in respect of FY2014.

Subject to the performance of the business in FY2015 forecast to pay dividend in respect of FY2015.



The growing level of free cash flow from the annuities provides the basis for dividends over time



- FY2014 delivered another strong result for net sales commitments (267) and home settlements (211)⁽¹⁾
- Annuity income from homeowner rentals grew by \$1.6 million to \$6.5 million as a result of having 906 settled homes
- Net profit attributable to shareholders up 76% to \$12.3 million
- Funded and resourced to roll-out a community every 12-18 months subject to identification of appropriate sites
- Growth in net profit after tax attributable to shareholders expected to continue in FY2015



A proven business that is structured for sustainable growth

Note: (1) Represents gross numbers not adjusted for joint venture interests
(2) Settled, under development or subject to planning



Appendix



A.1 SALES AND SETTLEMENTS



	New home settlements		New homes - net sales commitments		Resale homes settlements		Resale homes - net sales commitments	
	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013
Brookfield	-	2	-	1	12	5	16	5
Tarneit	3	6	1	-	4	2	4	3
Warragul	32	27	26	26	2	3	(1)	6
Cranbourne	38	55	34	48	4	-	3	2
Shepparton	28	27	27	28	1	-	1	-
Chelsea Heights	65	32	18	60	-	-	-	-
Hastings	45	-	74	23	-	-	-	-
Chelsea Heights (expansion)	-	-	67	4	-	-	-	-
Wollert	-	-	20	-	-	-	-	-
Geelong	-	-	-	-	-	-	-	-
Rosebud	-	-	-	-	-	-	-	-
Total	211	149	267	190	23	10	23	16

A.2.1 INVESTMENT PROPERTY ANALYSIS



Community Valuation Summary						
	30 June 2014			Investment properties per financials 30 June 2014		
	Total homes	Homes occupied	Investment properties at cost ⁽¹⁾ (\$m)	At fair value (\$m)	+ DMF asset ⁽²⁾ (\$m)	Total fair value (\$m)
Mature Communities						
Brookfield	228	228	6.85	20.39	4.22	24.61
Tarneit	136	135	3.68	11.66	2.47	14.13
Warragul	182	168	2.53	16.54	2.39	18.92
Communities under development						
Cranbourne^	217	173	3.87	11.48	1.00	12.48
Shepparton	221	60	3.59	7.94	0.32	8.26
Chelsea Heights^	104	97	3.54	9.31	0.19	9.49
Hastings	141	45	7.36	6.16	0.40	6.60
Chelsea Heights expansion	82	-	2.65	2.50	-	2.50
Wollert	154	-	7.13	6.70	-	6.70
Geelong	164	-	6.95	6.95	-	6.95
Total	1,629	906	48.71	99.63	11.03	110.66

Notes: ^ Represents LIC's share in the on-completion assets

(1) Cost includes land value, land holding costs and for Brookfield, Tarneit and Warragul civils retained by LIC under home purchase agreements entered into prior to 1 January 2009

(2) Deferred Management Fee asset sits separate from investment properties in the balance sheet but forms part of the total investment property carrying value

A.2.2 INVESTMENT PROPERTY ANALYSIS



	Community Valuation Metrics (on-completion)					
		Rental Metrics		DMF metrics (extracts from valuations)		
	Last valuation date	Rental cap. rate (from valuation)	Net rental per home (management assessment)	DMF discount rate	DMF terminal cap. rate	Average sale value (GST excl.)
Mature Communities						
Brookfield	Mar-14	8.5%	5,970	13%	10%	218,188
Tarneit	Mar-14	8.5%	5,545	13%	10%	243,690
Warragul	Apr-14	8.5%	6,381	13%	10%	235,715
Communities under development						
Cranbourne^	Jan-14	8.5%	6,300	13.5%	10%	277,123
Shepparton	Apr-14	9.0%	6,389	14%	10%	192,466
Chelsea Heights^	Apr-14	8.75%	6,255	14%	10.5%	276,409
Hastings	Apr-14	8.75%	5,885	14%	10.5%	251,235

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

Valuer's Rental calculation methodology: capitalisation rate on annual rental income

Valuer's DMF calculation methodology: NPV of 20 year cash flows with terminal value at year 21 or NPV of 40 year cash flows with no terminal value

A.3.1 CASH FLOW ANALYSIS - FY2014



Supplementary Cash Flow Analysis for FY2014	Melton	Tarneit	Warragul	Cranbourne (50% JV)	Shepparton	Chelsea Heights (50% JV)	Hastings	Wollert	Geelong	Total
Total Number of Homes	228	136	182	217	221	186	141	154	164	1,629
Settled FY2013	-	3	32	38	28	65	45	-	-	211
Remaining homes and lots available to settle	-	1	14	44	161	89	96	154	164	723
Capital Cash Flows (\$million)										
Land	-	-	-	-	-	(2.65)	-	(7.13)	(6.95)	(16.73)
Development Expenditure (development and sales)	-	(0.11)	(0.58)	(0.68)	(2.24)	(1.02)	(6.18)	(0.32)	(0.12)	(11.24)
Home Construction	-	(0.04)	(2.82)	(2.77)	(5.65)	(3.35)	(9.38)	-	-	(24.01)
Home Settlements	-	0.73	7.53	5.28	5.46	9.23	12.02	-	-	40.25
Net Development Cash Flows	-	0.58	4.13	1.83	(2.43)	2.22	(3.54)	(7.46)	(7.06)	(11.73)
Annuity Cash Flows (\$million)										
Site Rentals (incl. Management Fees)	1.84	1.11	1.27	1.25	0.39	0.57	0.10	-	-	6.55
Deferred Management Fees Received ⁽¹⁾	0.32	0.16	0.08	0.14	0.03	0.01	-	-	-	0.74
Community Operating Costs	(0.61)	(0.50)	(0.41)	(0.47)	(0.35)	(0.23)	(0.17)	-	-	(2.75)
Net result from utilities	0.00	(0.01)	(0.02)	(0.02)	(0.04)	(0.03)	(0.03)	-	-	(0.16)
Share to non-controlling interests ⁽²⁾	-	-	-	(0.30)	-	(0.10)	-	-	-	(0.39)
Net Annuity Cash Flows	1.55	0.76	0.91	0.60	0.04	0.22	(0.10)	-	-	3.99
Head Office Costs										(3.62)
Net Operating Cash Flows										(11.36)
<i>Reconciliation to statutory cash flows</i>										
Less – Interest										(2.79)
Add – Land (investing cash flow)										16.73
Less – Movement in inventory, creditors and JV fees										0.18
Add - Non-controlling interests in cash flows										6.69
Statutory Cash Flows from Operations (\$million)										9.46

Notes: * LIC's economic interest is 159 units after allowing for Joint Venture interests

(1) Deferred management fees received are inclusive of selling and administration fees as well as wages and marketing costs

(2) Lifestyle Communities record 100% rental income and pay out 50% (after management fees) to non-controlling interest

A.3.2 CASH FLOW ANALYSIS - FY2013



Supplementary Cash Flow Analysis for FY2013	Melton	Tarneit	Warragul	Cranbourne (50% JV)	Shepparton	Chelsea Heights (50% JV)	Hastings	Total
Total Number of Homes	228	136	182	217	221	105	141	1,230
Settled FY2013	2	6	27	55	27	32	-	149*
Remaining homes and lots available to settle	-	4	46	82	189	73	141	535
Capital Cash Flows (\$million)								
Land	-	-	-	-	-	-	-	-
Development Expenditure (development and sales)	(0.22)	(0.25)	(0.76)	(0.67)	(3.13)	(2.94)	(3.03)	(11.00)
Home Construction	(0.08)	(0.06)	(1.29)	(2.84)	(3.74)	(3.00)	(0.18)	(11.19)
Home Settlements	0.38	1.36	5.99	7.46	4.90	4.50	-	24.59
Net Development Cash Flows	0.08	1.05	3.93	3.95	(1.96)	(1.44)	(3.21)	2.40
Annuity Cash Flows (\$million)								
Site Rentals (incl. Management Fees)	1.76	1.06	1.02	0.90	0.14	-	-	4.88
Deferred Management Fees Received	0.22	-	0.14	0.02	-	-	-	0.38
Community Operating Costs ⁽²⁾	(0.59)	(0.40)	(0.29)	(0.43)	(0.23)	(0.09)	-	(2.03)
Net result from utilities ⁽³⁾	(0.13)	(0.01)	(0.06)	(0.03)	(0.05)	-	-	(0.28)
Share to non-controlling interests ⁽⁴⁾	-	-	-	(0.14)	-	0.05	-	(0.09)
Net Annuity Cash Flows	1.26	0.65	0.81	0.32	(0.14)	(0.04)	-	2.86
Head Office Costs								(3.12)
Net Operating Cash Flows								2.14
<i>Reconciliation to statutory cash flows</i>								
Less – Interest								(3.34)
Add – Land (investing cash flow)								-
Less – Movement in inventory and creditors and JV fees								(1.37)
Add – Non-controlling interests in cash flows								2.53
Statutory Cash Flows from Operations (\$million)								(0.04)

Notes: * LIC's economic interest is 106 units after allowing for Joint Venture interests

(1) The Capital Pool allocated to developments materially reflects inventory and undeveloped land

(2) Included refurbishment works at Brookfield clubhouse of \$0.08 million

(3) Includes one-off water costs of \$0.17 million during the period

(4) Lifestyle Communities record 100% rental income and pay out 50% (after management fees) to non-controlling interests



- This Presentation contains general background information about Lifestyle Communities Limited (LIC) and its activities current at 21 August 2014 unless otherwise stated. It is information in a summary form and does not purport to be complete. It should be read in conjunction with LIC's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.
- This Presentation has been prepared by LIC on the information available. To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions in this presentation and LIC, its directors, officers, employees, agents and advisers disclaim all liability and responsibility (including for negligence) for any direct or indirect loss or damage which may be suffered by any recipient through use or reliance on anything contained in or omitted from this presentation.
- Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.
- This Presentation contains certain "forward-looking statements" and prospective financial information. These forward looking statements and information are based on the beliefs of LIC's management as well as assumptions made by and information currently available to LIC's management, and speak only as of the date of this presentation. All statements other than statements of historical facts included in this presentation, including without limitation, statements regarding LIC's forecasts, business strategy, synergies, plans and objectives, are forward-looking statements. In addition, when used in this presentation, the words "forecast", "estimate", "expect", "anticipated" and similar expressions are intended to identify forward looking statements. Such statements are subject to significant assumptions, risks and uncertainties, many of which are outside the control of LIC and are not reliably predictable, which could cause actual results to differ materially, in terms of quantum and timing, from those described herein. Readers are cautioned not to place undue reliance on forward-looking statements and LIC assumes no obligation to update such information.
- The information in this Presentation remains subject to change without notice.
- In receiving this Presentation, you agree to the foregoing restrictions and limitations.

This Presentation is not for distribution or release in the United States or to, or for the account or benefit of, US persons.



Lifestyle Communities Limited
Level 2, 25 Ross Street
South Melbourne VIC 3205
Ph: (03) 9682 2249

www.lifestylecommunities.com.au