



A Business for Purpose

Results Presentation

Half year ended 31 December 2018

February 2019



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Lifestyle Officer



1.1 Our Story



2003
James Kelly, Dael Perlov
and Bruce Carter develop
business plan



2004
Development of first
community at Brookfield -
Opened in June 2005



2007
Listed on the Australian
Stock Exchange



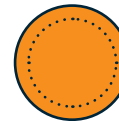
2012
Major capital raising
of \$36m



2014
1,000th
homeowner
moves in



2016
2,000th homeowner
moves in/
10th Community
Clubhouse opens



2018
Acquired 17th
community site/
3,000th homeowner
moves in

“We believe that all
Australians over 50
deserve the choice to
live their life full of
possibilities.”

1.2 A Business for Purpose



An affordable housing option - 50% of Australians aged over 50 who have less than \$620,000 in total equity



An affordable and sustainable financial model where homeowners can prosper



An empowering and engaging customer service strategy that reimagines traditional retirement



High quality resort style facilities that exceed expectation and are actively maintained and refurbished.



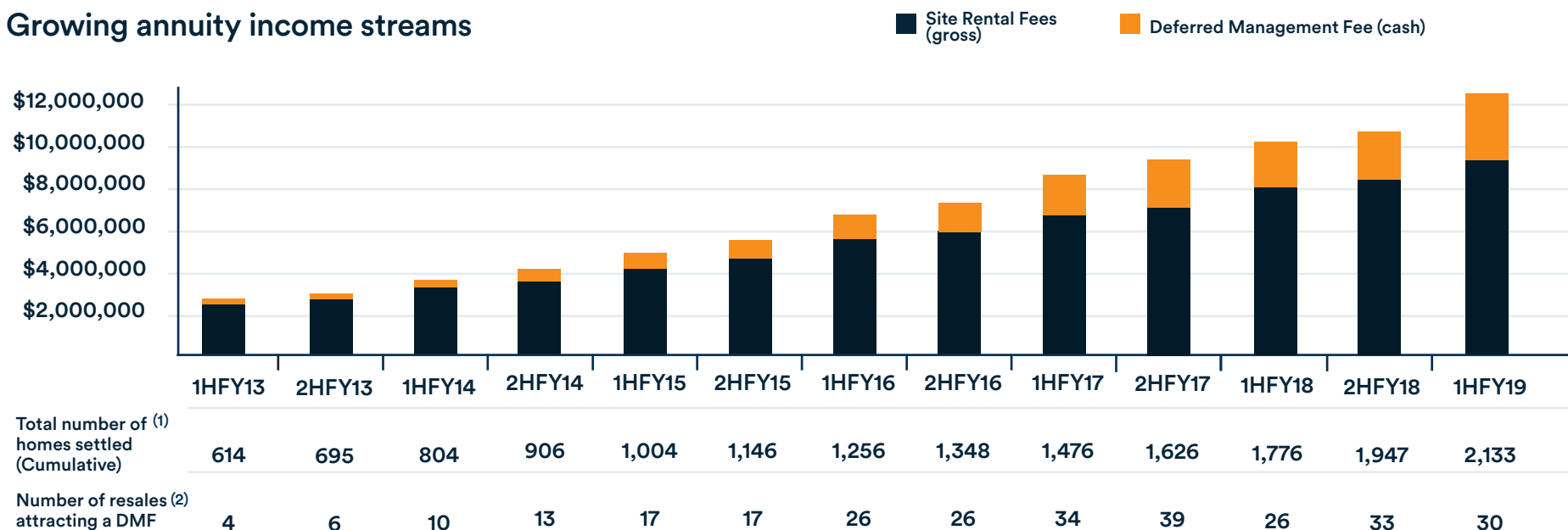
Yvonne and Tony Scott, Homeowners at Lifestyle Officer

1.3 Overview

1HFY19 results snapshot

Financial Summary	1HFY19 (\$ Million)	1HFY18 (\$ Million)
Net profit after tax attributable to shareholders	\$21.9 million	\$15.8 million
Total assets	\$426.9 million	\$275.8 million
Equity	\$223.4 million	\$169.5 million
Dividend (interim)	2.5 cents per share	2.0 cents per share
Net debt	\$62.3 million	\$39.4 million
Net debt to net debt plus equity	21.8%	18.9%

Growing annuity income streams



Notes: (1) Represents gross numbers not adjusted for joint venture interests
 (2) Total resale settlements were 41, of which 30 attracted a DMF

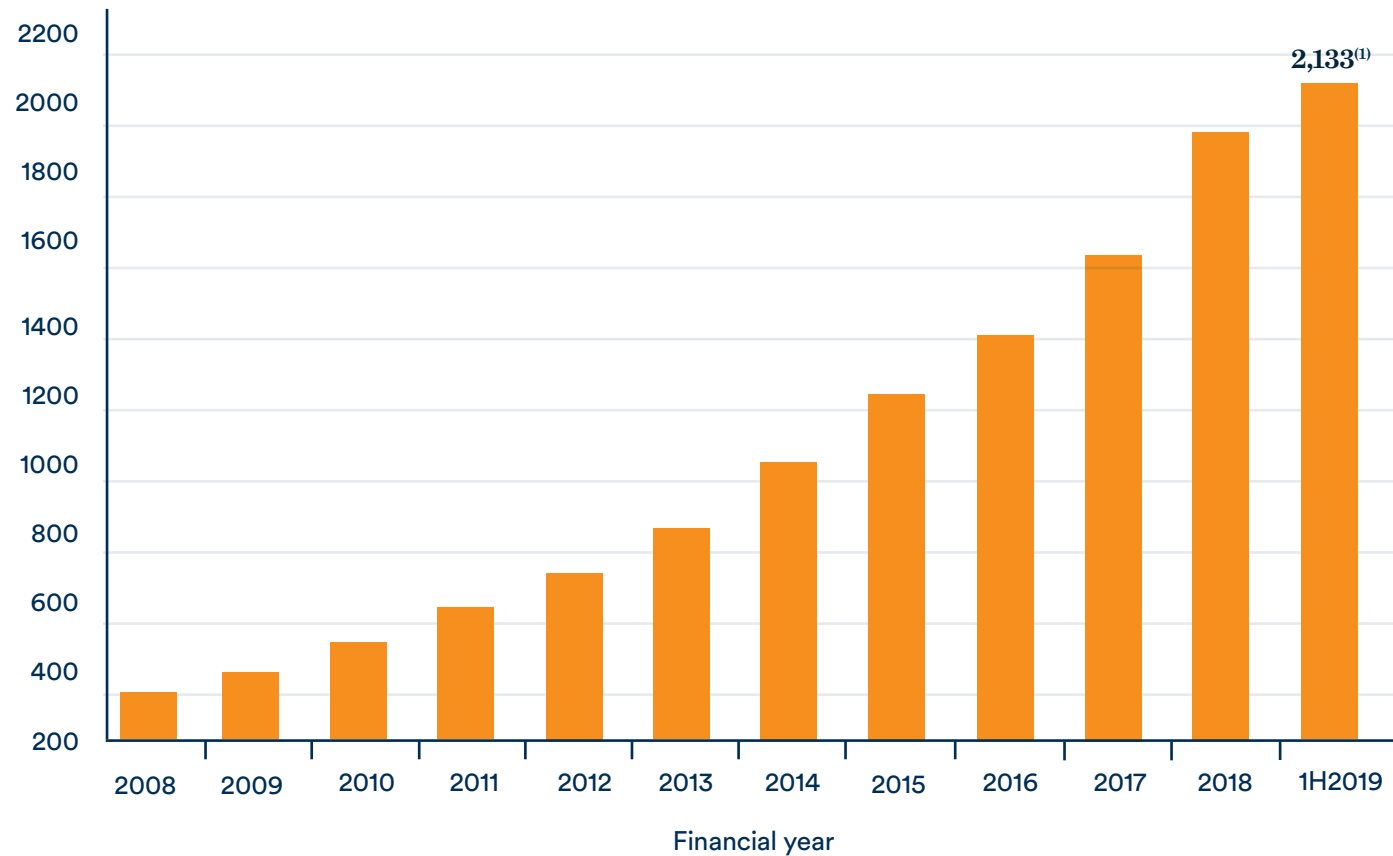
1.4 Overview

1HFY19 Highlights

- 186 new homes settled and 94 new homes sold
- 41 resale homes settled of which 30 attracted a DMF
- 2,133 occupied home sites⁽¹⁾
- 3,118 homeowners living in our communities
- Portfolio of 3,364⁽²⁾ homes and home sites
- Contracted land at Wollert North and Plumpton
- Profit after tax attributable to shareholders increased to \$21.9m from \$15.8m in 1HFY2018
- Interim dividend - 2.5 cents per share fully franked

A repeatable business model structured for sustainable growth

Home sites (annuities) under management⁽¹⁾



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

1.5 Portfolio Overview

17 communities in planning, development or under management

Community	Homes	Settled
Brookfield at Melton	228	100%
Seasons at Tarneit	136	100%
Warragul	182	100%
Casey Fields at Cranbourne	217	100%
Chelsea Heights	186	100%
Hastings	141	100%
Officer	151	100%
Lyndarum at Wollert	154	100%
Shepparton	301	87%
Geelong	164	97%
Berwick Waters	216	89%
Bittern	209	46%
Ocean Grove	220	12%
Mount Duneed	191	-
Kaduna Park at Officer South ⁽¹⁾	165	-
Wollert North ⁽¹⁾	243	-
Plumpton ⁽¹⁾	260	-
Total	3,364⁽²⁾	

Focus remains in Victoria

- Favourable planning legislation
- Better access to zoned, flat land for development
- Low saturation of land lease communities
- Balanced and supportive state legislation for the management of communities



Notes: (1) Commencement of construction subject to planning approval.

(2) Represents gross numbers not adjusted for joint venture interests at Cranbourne and Chelsea Heights.

1.6 Overview

Portfolio snapshot

1HFY19

Lifestyle Communities' portfolio continues to grow organically

Communities	Total homes in communities	Homes sold & occupied	Homes sold & awaiting settlement	Homes occupied or sold and awaiting settlement	
				No.	%
Existing Communities – Sold out					
Brookfield at Melton	228	228	-	228	100%
Seasons at Tarneit	136	136	-	136	100%
Warragul	182	182	-	182	100%
Casey Fields at Cranbourne ⁽¹⁾	217	217	-	217	100%
Chelsea Heights ⁽¹⁾	186	186	-	186	100%
Hastings	141	141	-	141	100%
Lyndarum at Wollert	154	154	-	154	100%
Officer	151	151	-	151	100%
Existing Communities – Under construction/Settling out					
Shepparton	301	263	10	273	91%
Geelong	164	159	4	163	99%
Berwick Waters	216	192	19	211	98%
Bittern	209	97	96	193	92%
Ocean Grove	220	27	85	112	51%
Mount Duneed	191	-	22	22	10%
New Communities – Awaiting commencement					
Kaduna Park at Officer South ⁽²⁾	165	-	36	36	20%
Wollert North ⁽²⁾	243	-	-	-	-
Plumpton ⁽²⁾	260	-	-	-	-
Total Home Sites⁽³⁾	3,364	2,133	272	2,405	71%

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

(2) Commencement of construction subject to planning approval

(3) Lifestyle Communities will have an economic interest in 3,163 home sites



Section 2

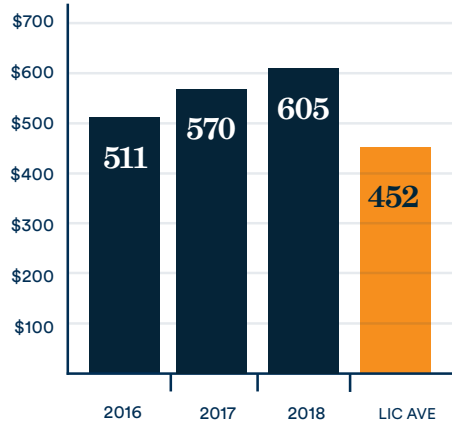
Financial
& operational results



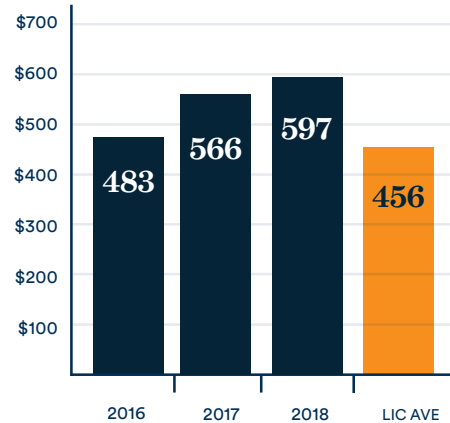
2.1 Property Market Update

Median House Prices for Lifestyle's Sales Catchments (\$'000)

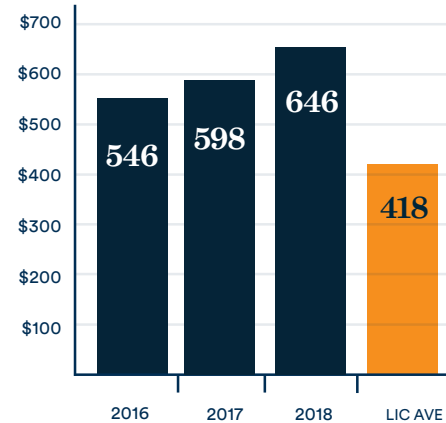
Mount Duneed - 74.7%



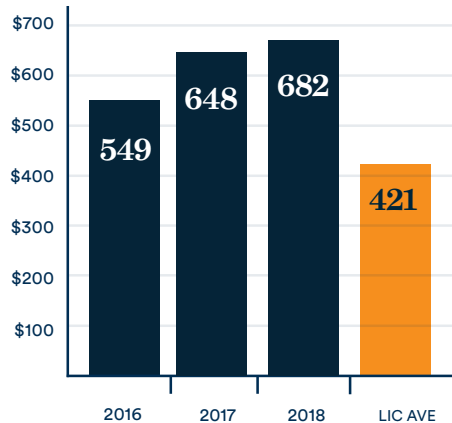
Kaduna Park - 76.4%



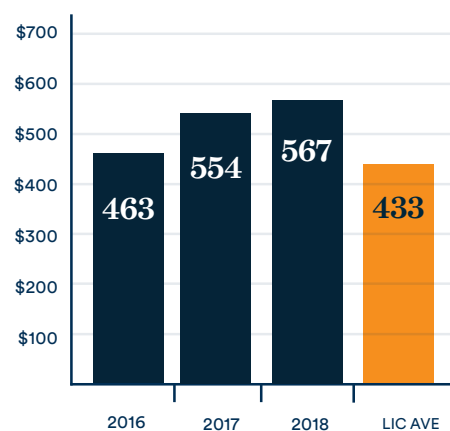
Ocean Grove - 64.7%



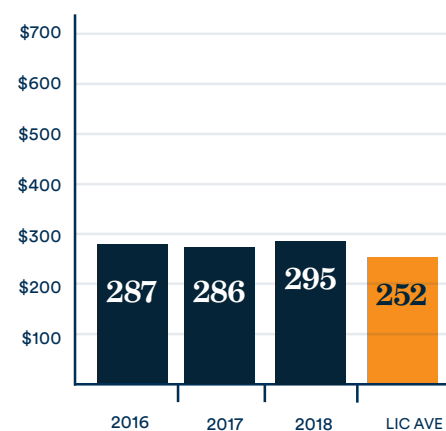
Bittern - 61.7%



Berwick Waters - 76.4%



Shepparton - 85.4%



Notes: - Median house prices shown above represent the weighted average median house price for the relevant catchment
 - Data for the above analysis sourced from Pricerfinder (subscription service)
 - "LIC Average" refers to the Average sales price over the six months to 31 December 2018
 - The percentages on each graph refer to "LIC Average" over 2018 Median house prices

Median house prices in the catchments where Lifestyle Communities is selling increased in 2018

- Whilst average house prices for greater Melbourne have decreased, median house prices in the outer suburbs and urban fringe catchments where Lifestyle operates increased in calendar 2018
- Lifestyle's selling prices as a percentage of the median house price continue to allow for substantial equity release
- On average, Lifestyle customers released \$212k equity when they sold (which suggests we are attracting customers from above the median)
- The average realised price of Lifestyle resales increased to \$393k compared to \$366k in the prior half year, an increase of 7%

2.2 Lifestyle Wellness

Putting the extra in the ordinary

Lifestyle's Wellness programme continues to gain momentum and participation, particularly with the emerging baby boomer, through:

- Enabling homeowners to customise their lifestyle before they move in, creating a personalised and less confronting induction into their new community
- Running seminars and exhibitions on various wellness related topics
- Inducting home owners in the use of all facilities and experiences our communities provide
- Running inter-community sporting and social events, such as Autumn and Spring carnivals
- Introducing new activities such as Yoga, Tai Chi, Zumba, Aqua Aerobics and Pickleball to name a few of many

This year we ran the inaugural Lifestyle has Talent for homeowners with 29 acts and an audience of over 1,000 homeowners.



Visit bit.ly/LHT2018 to watch Lifestyle has Talent on YouTube

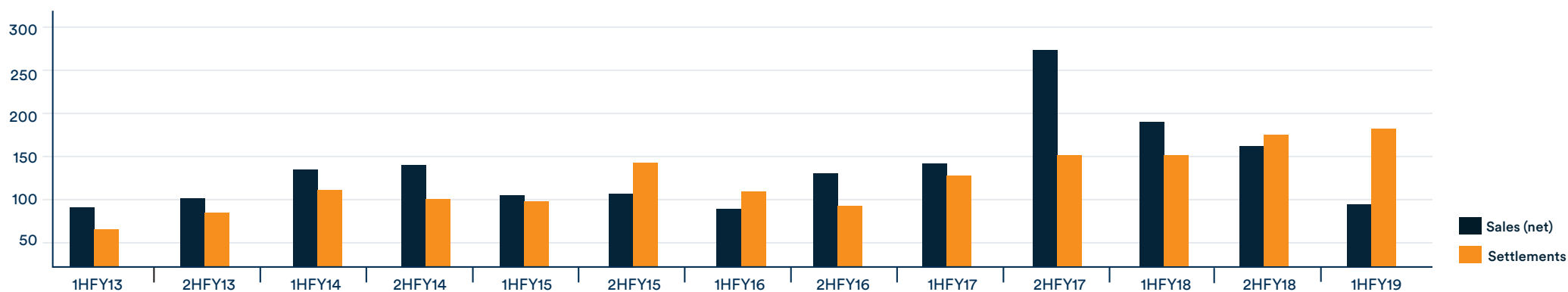
Driving homeowner engagement
and ultimately referral

2.3 Sales and Settlements

Community	No. of Homes	Sold	% Sold
Shepparton	301	273	91%
Geelong	164	163	99%
Berwick Waters	216	211	98%
Bittern	209	193	92%
Ocean Grove	220	112	51%
Mount Duneed	191	22	10%
Kaduna Park	165	36	20%

- The Company had limited new homes available for sale during 1HFY19, although this will change as the Company commences actively selling new communities at Kaduna Park, Wollert North and Plumpton during the next six months
- Ocean Grove sales accelerating after some disruption caused by access issues during the half
- Mount Duneed and Kaduna Park were launched for sale in 1HFY19. The Mount Duneed sales suite was opened in December

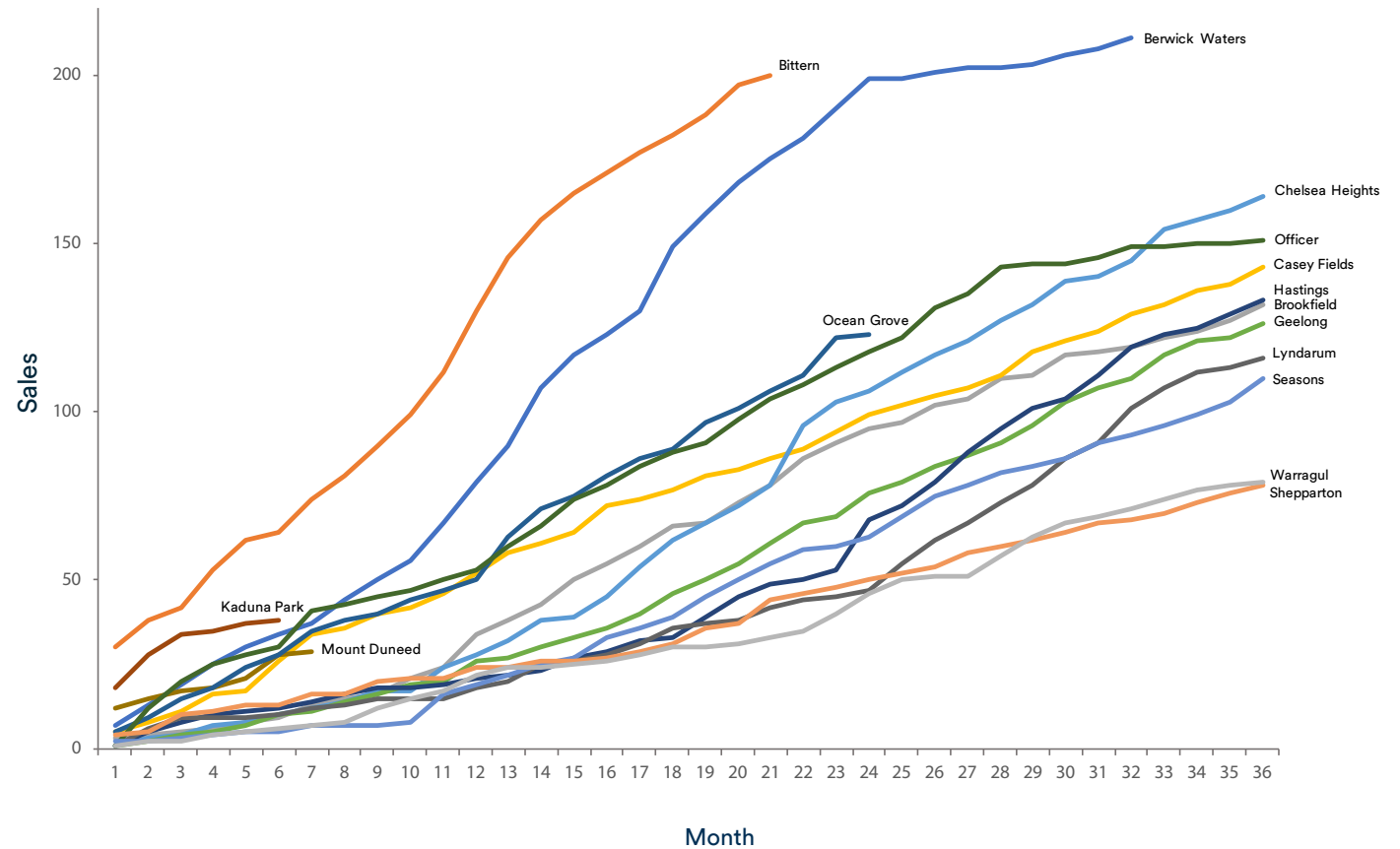
Homes



2.4 Sales rates

- Dual consultants at each community and additional sales support resources to optimise the customer experience
- Additional training for the sales team to adapt to changing market conditions
- Lifestyle Communities pre-sales process reduces risk by supporting a more aggressive construction program to enable faster capital recycling

Sales profile from date of first sale



The higher the sales rate, the faster capital can be recycled to undertake more communities

2.5 Land Acquisitions & Development Update



- Land settled in the first quarter of FY19
- Clubhouse and Aqua Club officially opened in January 2019



- Land expected to settle during FY19
- Aqua club officially opened in December 2018
- Clubhouse due to open in May 2019
- 27 homeowners settled in the last week of December 2018



- Construction commenced in the second quarter of FY19
- Sales launched in August 2018
- Sales suite opened in December 2018



- Land expected to settle during FY19
- Sales launched in September 2018
- Construction expected to commence in the fourth quarter of FY19 subject to planning approvals



- Additional 4 hectare parcel acquired during the half which increases the number of planned homes from 135 to 243
- Sales launch is scheduled for March 2019
- Construction commencement proposed for mid 2019 subject to planning approvals



- Contract signed in December 2018
- Settlement expected to occur in the first quarter of FY20
- The site will allow for the construction of approximately 260 homes

2.6 Financial Results

There are two components to the annuity stream:

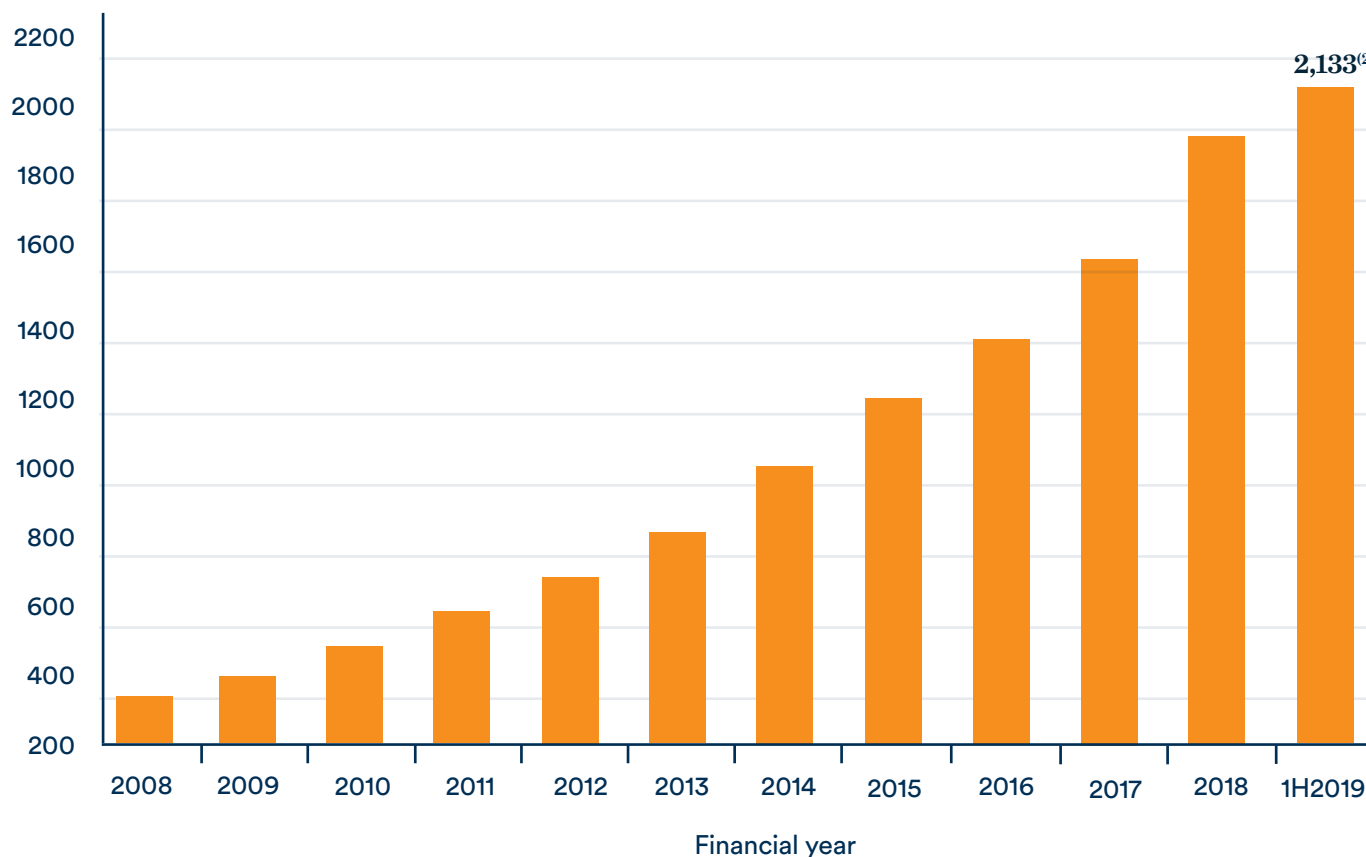
1. Site Rental Fee

- \$179 per single and \$207 per couple per week per home
- Indexed at greater of CPI or 3.5% p.a.
- Gross rental income for 1HFY19 was \$9.8 million

2. Deferred Management Fee

- Calculated as a scaled percentage of the re-sale price
- Capped at 20% of the re-sale price after five years of ownership
- 30 resales provided DMF income of \$2.4 million in 1HFY19⁽¹⁾ (total of 41). Average tenure was 5.4 years and capital growth of 9.4% per annum

Home sites (annuities) under management⁽¹⁾



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

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

2.7 Income Statement

- Net profit attributable to shareholders increased by 38% to \$21.9m
- Gross profit from home settlements increased to \$14.6m due to a 35% increase in settlements revenue (186 settlements in FY19 compared to 150 in FY18)
- Cost of Goods Sold includes \$15.8m for a share of the infrastructure sold with each home (1HFY18 \$11.8m)
- Revenue from site rentals increased 20% to \$9.8m due to an increased number of homes under management and a rental increase of 3.5%
- Deferred management fee revenue increased by 24.7% due to 30 resales in 1HFY19 compared to 26 in 1HFY18. The average deferred management fee (pre joint venture share and excluding selling and administration fees) increased to \$66k per sale compared to \$61k per sale in the prior half year
- Deferred management fee expenditure increased to \$1.3m compared to \$0.9m in 1HFY18. This is due to a higher proportion of sales at joint venture communities, increased sales and marketing activities, and the cost of additional resourcing to support future scalability

Income statement	1HFY19 (\$'000)	1HFY18 (\$'000)	% Movement	
Home settlement revenue	62,962	46,637	▲	35.0%
Cost of sales	(48,324)	(35,762)	▲	35.1%
Gross profit	14,637	10,875	▲	34.6%
Home settlement margin	23.2%	23.3%	▼	<0.1%
Management and other revenue				
Site rental	9,774	8,124	▲	20.3%
Deferred management fees	2,422	1,943	▲	24.7%
Other revenue	1,634	1,115	▲	46.5%
Total management and other revenue	13,830	11,183	▲	23.7%
Fair value adjustments	19,608	14,290	▲	37.2%
Development expenses	(3,160)	(3,064)	▲	3.1%
Management rental expenses	(4,292)	(3,664)	▲	17.1%
DMF expenses	(1,332)	(849)	▲	56.9%
Corporate overheads	(4,957)	(3,613)	▲	37.2%
Finance costs	(622)	(532)	▲	16.9%
Other expenses	(1,594)	(1,127)	▲	41.4%
Net profit before tax	32,119	23,497	▲	36.6%
Net profit after tax	21,940	16,069	▲	36.0%
Profit is attributable to:				
Non-controlling interests		221		
Members of the parent	21,940	15,847	▲	38.6%

2.8 Balance Sheet

- Inventories increased due to a build up of completed homes at Ocean Grove which were delayed in settlement due to delays with the public access road. The community opened in late December and the inventory will reduce in the second half
- Gearing increased due to land settlements at Bittern and Mount Duneed, deposits for land at Wollert North and Plumpton, and significant development activity at Bittern and Ocean Grove
- Total bank facility of \$120 million of which \$70 million was utilised as at 31 December 2018. The increased utilisation was used to fund land settlements at Bittern and Mount Duneed, deposits for Wollert and Plumpton, and the development phase for Bittern and Ocean Grove
- Trade and Other Payables includes \$64.9 million payable on four parcels of land for contracts entered into prior to 31 December 2018 which are expected to settle during 2019
- Deferred tax liabilities increased in line with the increased fair value adjustment. This tax liability would only be realised if a community was sold, which is highly unlikely

Balance sheet highlights	1HFY19 (\$'000)	2HFY18 (\$'000)		% Movement
Cash and cash on deposit	7,671	8,585	▼	10.6%
Inventories	51,367	39,439	▲	30.2%
Investment properties	360,033	303,573	▲	18.6%
Other assets	7,883	6,619	▲	19.1%
Total assets	426,954	358,216	▲	19.2%
Bank overdraft	-	-	-	-
Trade and other payables	73,282	59,808	▲	22.5%
Current tax payable	703	1,132	▼	37.9%
Interest-bearing loans and borrowings	70,000	40,000	▲	75.0%
Deferred tax liabilities	58,647	51,889	▲	13%
Other liabilities	894	833	▲	7.3%
Total liabilities	203,526	153,662	▲	32.5%
Net assets	223,427	204,554	▲	9.2%
Gearing ⁽¹⁾	21.8%	13.3%		

Notes: (1) Calculated as a ratio of net debt to net debt plus equity (net debt includes cash, cash on deposit and bank overdraft)

2.9 Cash Flow

- The \$5.5 million outflow from operations included cash draw for Bittern and Ocean Grove of \$17.8 million as the projects were in their development phase
- Purchase of Investment Properties includes settlements of properties at Bittern and Mount Duneed and deposits for Plumpton and the additional site at Wollert
- The increased cash holding is due to the 27 settlements completed at Ocean Grove in the final week before Christmas. The funds will be used to settle the land at Ocean Grove early in 2019
- Home construction costs increased during the period due to a build up of completed homes at Ocean Grove

Cash Flow highlights	1HFY19 (\$'000)	1HFY18 (\$'000)
Receipts from customers	76,481	63,683
Payments to suppliers and employees ⁽¹⁾	(77,017)	(51,838)
Income taxes paid	(3,614)	(2,752)
Net interest payments	(1,328)	(919)
Cash flows from operations	(5,478)	8,174
Purchase of PP&E	(1,186)	(324)
Purchase of investment properties	(20,837)	(1,930)
Cash flows from investing activities	(22,023)	(2,254)
Net movement in borrowings	30,000	(7,000)
Proceeds from exercise of options		175
Purchase of Treasury shares	(800)	
Dividends paid	(2,614)	(2,091)
Cash flows from financing activities	26,586	(8,916)
Net cash flows	(915)	(2,996)
Cash at the beginning of the year	8,585	3,641
Cash at the end of the year	7,671	645

Notes: (1) 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 7 and 8 for a detailed break-down of development and management cash flows per community for FY19 and FY18.

Lifestyle
COMMUNITIES

Section 3
Outlook



3.1 Settlement Goals

New sales

- Settlements in FY19 expected to be in the range of 310 to 350 settlements
- The settlement ranges constitute a forecast for FY19 and a projection for FY20 which is indicative only. They are dependent on having approvals and/or construction commencement dates for sites not yet settled at Wollert North and Kaduna Park and market conditions


Settlements of 630-695 expected to be delivered in FY19 and FY20

	FY18 settlements (Actual)	FY19 settlements (Actual)	FY19 settlement range	FY20 settlement range
TOTAL	321	186	310-350	300-345
Shepparton	48	16	20-30	20-25
Lyndarum	40	-	-	-
Geelong	57	16	20	-
Officer	26	-	-	-
Berwick Waters	125	55	65-70	5-10
Bittern	25	72	140-150	20-30
Ocean Grove	-	27	65-80	110-115
Mount Duneed	-	-	-	90-95
Kaduna Park ⁽¹⁾	-	-	-	40-50
Wollert North ⁽¹⁾	-	-	-	15-20

Notes: (1) Settlement goals dependent on construction commencement date and planning approvals

3.2 Likely Home Settlement Program

Community	FY19				FY20				FY21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Shepparton	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Grey	Grey	Grey	Grey
Geelong	Dark Blue	Dark Blue	Dark Blue	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Berwick Waters	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Grey	Grey	Grey	Grey	Grey
Bittern	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Grey	Grey	Grey	Grey
Ocean Grove	Grey	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange
Mount Duneed	Grey	Grey	Grey	Grey	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue
Kaduna Park ⁽¹⁾	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Orange	Orange	Orange	Orange	Orange
Wollert North ⁽¹⁾	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Dark Blue	Dark Blue	Dark Blue	Dark Blue	Dark Blue
Plumpton ⁽¹⁾	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Orange	Orange	Orange	Orange

 Represents tail of development which is often a slower settlement rate

Notes: (1) Subject to planning approval

Pipeline continues to fill in Melbourne and Geelong's key growth corridors

3.3 Dividend Policy

As a general principle, the Board of Lifestyle Communities intends to pay dividends out of post tax, operating cashflow generated from community management including:

- Operating cash flow generated from community management (net rental and DMF)
- Apportionment of corporate overheads attributable to management of the communities (currently 50%)
- Interest on average pre-development debt
- Tax attributed to the above

Dividend

- An interim fully franked dividend of 2.5 cents per share has been declared in respect of 1HFY19 (the dividend has a record date of 8 March 2019 and a payment date of 5 April 2019)

Surplus franking credits

- As at 31 December 2018 the franking account balance was \$15.2 million (after allowing for the interim dividend and tax payable for 1HFY19)



New aqua club at Lifestyle Ocean Grove

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



Section 4
Summary



4.1 Summary

- 1HFY19 delivered 186 settlements
- The recently announced Plumpton acquisition and the extension of the Wollert North site have increased the total portfolio to 3,364 homes⁽¹⁾
- Annuity income from site rental fees grew by \$1.7m to \$9.8m for the half year as a result of having 2,133 settled homes
- Net profit attributable to shareholders increased 38.6% to \$21.9m
- Interim dividend of 2.5 cents per share fully franked (up from 2.0 cents per share in FY18)
- Funded and resourced to roll-out one or two new communities every 12 months subject to identification of appropriate sites

A proven business that is structured for long term sustainable growth

Notes: (1) Settled, under development or subject to planning



Barry and Lois McLarty, Homeowners at Lifestyle Berwick Waters

Lifestyle
COMMUNITIES

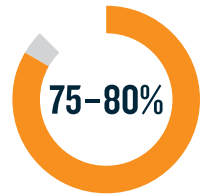
Appendix



A.1 Model of Living

How does the Lifestyle Communities model of living work?

Homeowners at Lifestyle Communities own their own home and lease the land upon which their homes are located, via a weekly site fee.



Homes typically priced at 75-80% of the median house price.

90 YEAR LEASE

A 90 year lease provides security of tenure.



Homeowners at Lifestyle Communities are protected by the Residential Tenancies Act.



Release of an average of \$212,000 equity upon sale of existing home.

AFFORDABLE LIVING

The weekly site fee is approximately 20 - 22% of the Age Pension after receipt of Commonwealth Rental Assistance.

A.2 Growing Recurring Revenue

Lifestyle's business has two core elements

The speed at which Lifestyle can create new communities is limited by the size of the capital pool and the speed at which it can recover its capital through new home settlements.

1. Creating communities

A mix of equity and debt capital is used to develop greenfield sites to create new communities. Capital is recovered from one community and is recycled into the next project.



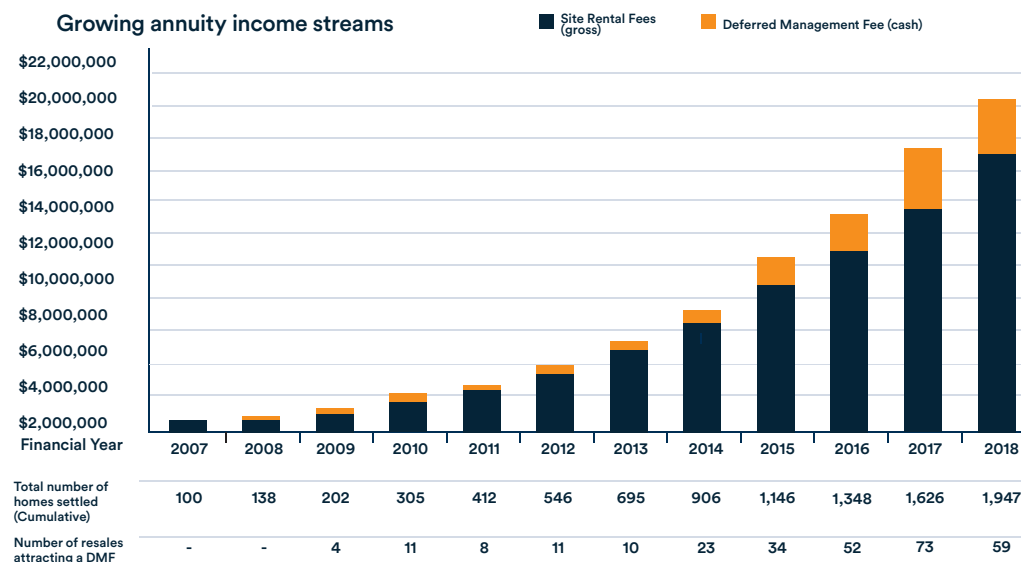
Current speed of recycling allowing the development of one or two communities every year



Completed communities building a long term sustainable income and future dividends

2. Managing communities

Completed communities generate recurring revenue streams which are growing as new communities are added to the portfolio.



- Rentals increase at CPI or 3.5% whichever is the greater
- DMF of 20% after 5 years on the resale price of the home

A.3 Industry Dynamics

Key themes

The industry fundamentals are driven by favourable medium term demographic trends

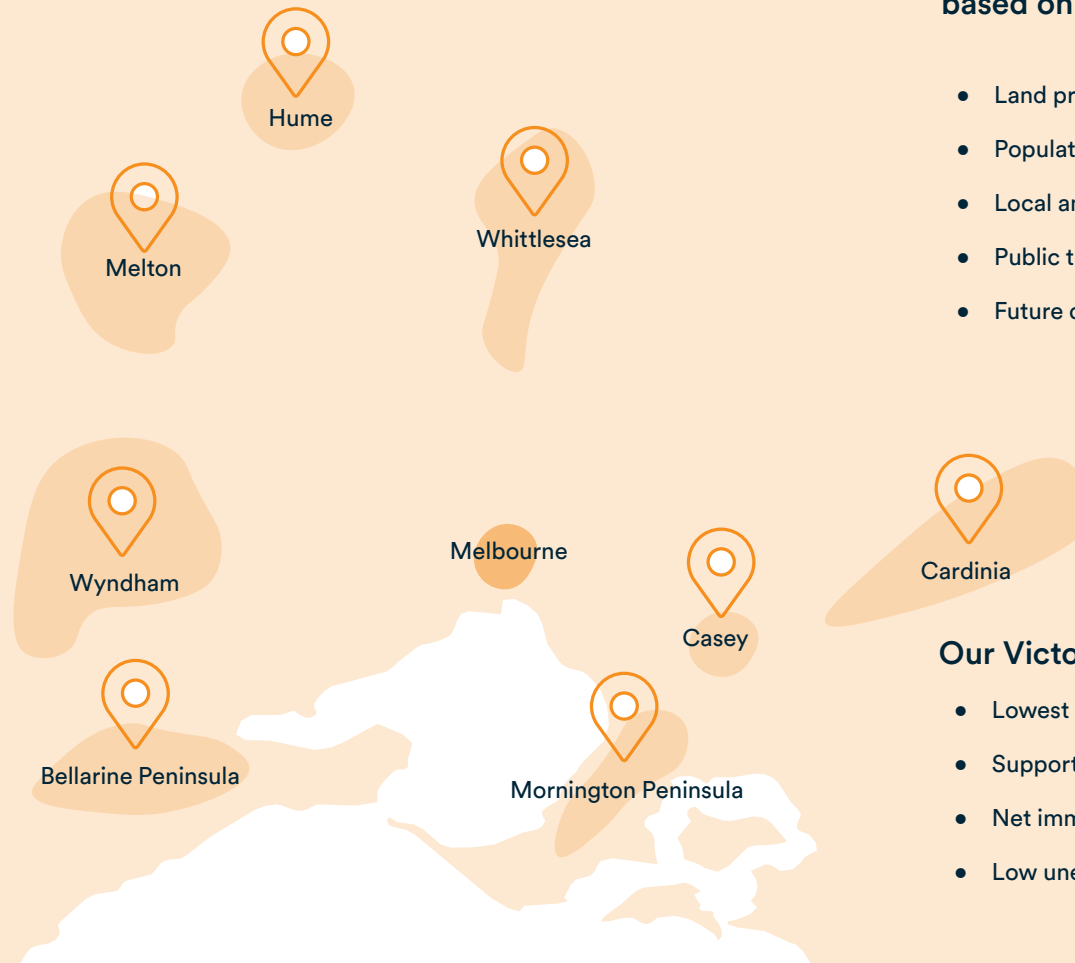
Strong Growth In Demand Expected	Housing Affordability	Baby Boomers	Supply
<ul style="list-style-type: none">• The population aged 55 and over of 6.6m in 2017 estimated to grow to 11.4m by 2050• Expected annualised growth rate of 1.6% p.a. vs 0.9% p.a. for the population as a whole over the same period• Less than 1% of the Australian population currently live in Residential Land Lease Communities. This is well below the ~6% penetration rates achieved in more mature markets like the USA	<ul style="list-style-type: none">• Substantial growth in house prices over the last ten years with annualised growth rate experienced in Victoria of 5.7% pa• Residential Land Lease Communities offer an opportunity for retirees to release a material amount of capital by transitioning to lower cost alternatives	<ul style="list-style-type: none">• Want to maintain control• Want to own their home• Want to free up equity• Want empowerment• Want greater certainty over their lives	<ul style="list-style-type: none">• Accessing capital is a major hurdle for new land lease operators entering the market• Main thrust of current capital deployed is on brownfield recycling not adding new homes to the overall supply• Demand will continue to outstrip supply in the medium term

A.4 Land Acquisition Strategy

Focused on Melbourne and Geelong's growth corridors

- As market softens there are increased opportunities to buy super lots from developers or to pick up sites where the acquirer can't complete
- Melbourne has the strategic benefit of flat topography which increases site choice
- Multiple communities can be built in each growth corridor
- Forward planning has created large areas of serviced zoned land in each catchment
- Under its 'Just in time' model, Lifestyle Communities starts the development as soon as possible after acquisition of the site

Plan to acquire one or two new sites every 12 months



Lifestyle Communities undertakes a detailed vetting of each potential site, and prioritises acquisition of sites based on the following criteria

- Land prices and location
- Population demographic
- Local amenities
- Public transport options
- Future development plans and competition

Our Victorian focus is driven by

- Lowest saturation of land lease communities
- Supportive planning and consumer legislation
- Net immigration driving population growth
- Low unemployment & strong economy

A.5 Sales and Settlements

	New home settlements		Net sales commitments		Resale home settlements		Resale homes net sales commitments	
	1HFY19	1HFY18	1HFY19	1HFY18	1HFY19	1HFY18	1HFY19	1HFY18
Mature Communities								
Brookfield at Melton	-	-	-	-	6	8	9	4
Seasons	-	-	-	-	2	-	1	-
Warragul	-	-	-	-	3	4	2	3
Casey Fields at Cranbourne ⁽¹⁾	-	-	-	-	5	6	5	1
Chelsea Heights ⁽¹⁾	-	-	-	-	5	3	6	4
Hastings	-	-	-	-	1	4	2	3
Lyndarum at Wollert	-	35	-	4	3	-	1	1
Officer	-	22	-	5	2	-	-	1
Communities under development								
Shepparton	16	20	6	21	1	1	1	4
Geelong	16	22	3	21	2	-	2	-
Berwick Waters	55	51	3	53	-	-	1	-
Bittern	72	-	8	46	-	-	-	-
Ocean Grove	27	-	16	31	-	-	-	-
Mount Duneed	-	-	22	-	-	-	-	-
Kaduna Park	-	-	36	-	-	-	-	-
Total	186	150	94	181	30⁽²⁾	26	30	21

Notes: (1) Represents gross numbers not adjusted for joint venture interests
(2) Total resales were 41, of which 30 attracted a DMF.

A.6 Deferred Management Fees

	Brookfield	Seasons	Warragul	Casey Fields	Shepparton	Chelsea Heights	Hastings	Lyndarum	Officer	Geelong	Total
Historical resales⁽¹⁾	119	26	55	41	12	30	25	4	5	2	319
Average tenure (years)	6.1	5.3	4.4	3.5	3.3	3.1	2.5	2.6	1.6	2.1	4.6
Average price growth p.a.	5.0%	3.6%	3.6%	5.9%	3.5%	18.9%	14.4%	12.4%	13.7%	9.4%	7.0%
Average purchase price (move in)	192,299	231,385	241,420	293,951	219,501	321,760	286,493	335,331	320,653	321,060	242,212
Average sales price (move out)	242,744	275,673	277,145	356,927	242,417	502,366	384,540	438,750	389,200	382,500	307,180
Average DMF ⁽²⁾	38,852	47,734	45,498	52,517	36,443	70,593	46,403	47,800	35,556	37,900	46,019
Average DMF rate	16.1%	17.3%	16.3%	14.4%	15.3%	13.6%	11.8%	11.0%	9.2%	10.0%	15.2%
1HFY19 resales⁽¹⁾	6	2	3	6	1	5	1	3	1	2	30
Average tenure (years)	10.06	7.90	5.60	3.86	5.68	4.84	4.16	2.59	0.93	2.05	5.4
Average price growth p.a.	6.9%	5.8%	3.7%	6.4%	2.3%	18.2%	8.4%	13.2%	18.7%	9.4%	9.4%
Average purchase price (move in)	186,205	225,950	256,133	313,735	185,715	325,877	343,082	322,858	242,690	321,060	274,384
Average sales price (move out)	310,500	330,000	306,667	390,000	210,000	604,000	462,500	430,000	285,000	382,500	393,850
Average DMF ⁽²⁾	54,575	82,000	61,333	59,293	42,000	115,504	92,500	45,133	28,500	37,900	66,098
Average DMF rate	17.5%	25.0%	20.0%	15.3%	20.0%	19.2%	20%	10.7%	10.0%	10.0%	16.8%
Total DMF received ⁽²⁾	327,450	164,000	184,000	355,760	42,000	577,520	92,500	135,400	28,500	75,800	1,982,930
FY18 resales⁽¹⁾	14	5	10	9	4	6	7	1	4	-	59
Average tenure (years)	8.7	5.4	6.4	4.6	4.1	3.7	3.0	2.5	1.7	-	5.4
Average price growth p.a.	6.1%	5.1%	4.1%	7.6%	2.7%	21.3%	15.8%	9.8%	12.5%	-	8.9%
Average purchase price (move in)	196,348	264,867	256,745	301,611	235,535	310,798	286,534	372,750	340,144	-	265,021
Average sales price (move out)	293,464	351,500	322,400	402,167	260,500	548,667	420,357	465,000	415,250	-	368,822
Average DMF ⁽²⁾	53,431	52,263	57,995	71,118	47,000	92,667	57,100	55,800	37,320	-	59,761
Average DMF rate	18.3%	14.8%	17.8%	17.8%	18%	16.7%	13.7%	12.0%	9.0%	-	16.4%
Total DMF received ⁽²⁾	748,030	209,050	579,950	640,060	188,000	556,000	399,700	55,800	149,280	-	3,525,870

Notes: (1) Includes resales that attracted a DMF only

(2) Excludes selling and administration fees

A.7 Cash Flow Analysis

1HFY19

Supplementary Cash Flow Analysis for 1HFY19	Brookfield	Seasons	Warragul	Casey Fields	Shepparton	Chelsea Heights	Hastings	Lyndarum	Geelong	Officer	Berwick Waters	Bittern	Ocean Grove	Mount Duneed	Kaduna Park	Wollert North	Plumpton	Total
Total Number of Homes	228	136	182	217	301	186	141	154	164	151	216	209	220	191	165	243	260	3,364
Settled 1HFY19	-	-	-	-	16	-	-	-	16	-	55	72	27	-	-	-	-	186
Remaining homes and lots available to settle	-	-	-	-	38	-	-	-	5	-	24	112	194	191	165	130	243	1,122
Capital Cash Flows (\$million)																		
Land	-	-	-	-	-	-	-	-	-	-	-	(7.13)	-	(10.61)	-	(0.83)	(2.27)	(20.84)
Development Expenditure <small>(development and sales)</small>	-	-	-	-	(1.58)	-	-	(0.05)	(0.54)	(0.04)	(1.12)	(5.68)	(7.90)	(1.99)	(0.25)	(0.22)	-	(19.38)
Home Construction	-	-	-	-	(4.61)	-	-	-	(0.89)	-	(7.36)	(18.08)	(13.15)	(0.07)	-	(0.30)	-	(44.46)
Home Settlements	-	-	-	-	4.03	-	-	0.01	4.94	-	19.83	24.56	9.60	-	-	-	-	62.96
Net Development Cash Flows	-	-	-	-	(2.17)	-	-	(0.04)	3.51	(0.04)	11.36	(6.33)	(11.46)	(12.67)	(0.25)	(1.34)	(2.27)	(21.71)
Annuity Cash Flows (\$million)																		
Site Rentals (incl. management fees)	1.04	0.66	0.92	1.09	1.29	0.92	0.72	0.77	0.78	0.76	0.84	-	-	-	-	-	-	9.77
DMF Received (net) ⁽¹⁾	0.26	0.16	0.04	0.10	0.01	0.36	0.01	0.14	0.08	(0.04)	0.01	(0.01)	-	-	-	-	-	1.11
Community Operating Costs ⁽²⁾	(0.29)	(0.30)	(0.31)	(0.57)	(0.48)	(0.50)	(0.28)	(0.32)	(0.25)	(0.34)	(0.39)	(0.11)	(0.14)	-	-	-	-	(4.29)
Net result from utilities	0.01	0.02	0.03	0.02	(0.04)	0.01	0.01	(0.02)	-	0.01	0.02	(0.02)	-	-	-	-	-	0.03
Net Annuity Cash Flows	1.02	0.53	0.68	0.63	0.78	0.78	0.45	0.57	0.60	0.39	0.47	(0.14)	(0.14)	-	-	-	-	6.63
Head Office Costs																		(4.08)
Net Operating Cash Flows																		(19.16)
Reconciliation to statutory cash flows																		
Less - Interest																		(1.33)
Less - Income taxes paid																		(3.61)
Add - Land (investing cash flow)																		20.84
Add - Movement in working capital																		(2.21)
Statutory Cash Flows from Operations (\$million)																		(5.48)

Notes: (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 interests

(3) 50% of development cash flows for joint venture are reflected above

A.8 Cash Flow Analysis

1HFY18

Supplementary Cash Flow Analysis for 1HFY18	Brookfield	Seasons	Warragul	Casey Fields ⁽³⁾	Shepparton	Chelsea Heights ⁽³⁾	Hastings	Lyndarum	Geelong	Officer	Berwick Waters	Bittern	Ocean Grove	Mount Duneed	Kaduna Park	Total
Total Number of Homes	228	136	182	217	301	186	141	154	164	151	216	209	220	191	165	2,827
Settled 1HFY18	-	-	-	-	20	-	-	35	22	22	51	-	-	-	-	150
Remaining homes available to settle	-	-	-	-	82	-	-	5	56	4	153	208	193	189	160	1,050
Development Cash Flows (\$million)																
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1.30)	(1.30)
Development Expenditure <small>(development and sales)</small>	-	-	-	-	(1.55)	-	-	(0.66)	(0.99)	(0.46)	(6.51)	(4.46)	(1.52)	(0.02)	-	(16.17)
Home Construction	-	-	-	-	(3.13)	-	-	(1.64)	(3.67)	(0.13)	(10.22)	(0.04)	(0.04)	-	-	(18.86)
Home Settlements	-	-	-	-	4.47	-	-	11.34	6.52	7.29	17.02	-	-	-	-	46.64
Net Development Cash Flows	-	-	-	-	(0.21)	-	-	9.04	1.86	6.70	0.29	(4.50)	(1.56)	(0.02)	(1.30)	10.30
Annuity Cash Flows (\$million)																
Site Rentals (incl. Management Fees)	1.08	0.66	0.89	1.06	1.02	0.90	0.70	0.66	0.47	0.67	-	-	-	-	-	8.13
DMF Received (net) ⁽¹⁾	0.41	(0.07)	0.17	0.37	0.06	0.26	0.16	-	-	-	-	-	-	-	-	1.36
Community Operating Costs	(0.29)	(0.29)	(0.32)	(0.82)	(0.41)	(0.66)	(0.26)	(0.26)	(0.20)	(0.25)	(0.14)	(0.02)	(0.02)	-	-	(3.93)
Net result from utilities	0.01	0.01	0.02	0.01	0.04	0.03	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	-	-	-	-	0.04
Net Annuity Cash Flows	1.22	0.31	0.76	0.64	0.72	0.53	0.59	0.39	0.25	0.39	(0.16)	(0.02)	(0.02)	-	-	5.60
Head Office Costs																(3.22)
Net Operating Cash Flows																12.68
Reconciliation to statutory cash flows																
Less – Interest																(0.92)
Less – Income tax paid																(2.75)
Add – Land (investing cash flow)																1.30
Less – Movement in inventory and creditors																(2.13)
Statutory Cash Flows from Operations (\$million)																8.17

Notes: (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 interests
(3) 50% of development cash flows for joint venture are reflected above

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