Lifestyle
COMMUNITIES

A Business for Purpose

Results Presentation
Half year ended 31 December 2019
February 2020

The new entry design at Lifestyle Ocean Grove

Contents

Appendix

Walking the dogs at Lifestyle Ocean Grove

1.1 Our Story

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

2004
Development of first community at Brookfield. First homeowner moved in June 2005

1 Community

2 Communities

2007
Listed on the Australian Stock Exchange and acquire land for the next two communities

2012
Major capital raising of $36m to drive future growth

7 Communities

2014
1,000th homeowner moves in and new home referral rates hit 30%

12 Communities

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

2019
Over 3,000 homeowners. Acquire land for 19th community. New home referral rate >50%

20 Communities

Its been a consistent strategy of delivering an amazing lifestyle to our homeowners and sustainable returns to our shareholders.

1.2 A Business for Purpose

- An affordable housing option for Australians aged over 50
- An affordable and sustainable financial model where homeowners can prosper
- An empowering and engaging customer service offering that completely reimagines traditional retirement
- High quality resort-style facilities that exceed expectation and are actively maintained and refurbished
- A sales approach that engages the customer to ensure they are making the right choice

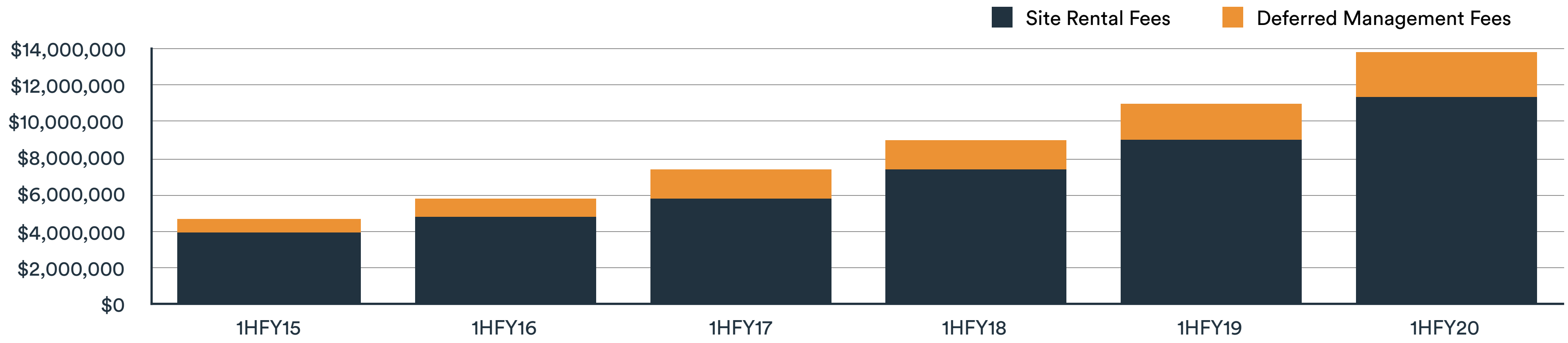
Noni, homeowner at Lifestyle Chelsea Heights enjoying her garden

1.3 Overview

1HFY20 results snapshot

Financial Summary	1HFY20 ($ Million)	1HFY19 ($ Million)
Net profit after tax attributable to shareholders	$15.1 million	$21.9 million
Total assets	$499.7 million	$426.9 million
Equity	$267.2 million	$223.4 million
Dividend (interim)	3.0 cents per share	2.5 cents per share
Net debt	$126.7 million	$62.3 million
Net debt to net debt plus equity	32.2%	21.8%

Growing annuity income streams



	1HFY15	1HFY16	1HFY17	1HFY18	1HFY19	1HFY20
Total number of homes settled (Cumulative) [1]	1,004	1,256	1,476	1,776	2,133	2,393
Number of resales attracting a DMF [2]	17	26	34	26	30	37

Notes: (1) Represents gross numbers not adjusted for joint venture interests
(2) Total resale settlements were 45, of which 37 attracted a DMF

1.4 Overview

1HFY20 Highlights

- 158 new sales and 109 new home settlements
- 45 resale settlements of which 37 settlements attracted a deferred management fee
- Profit after tax attributable to shareholders decreased from $21.9m to $15.1m driven by lower settlement numbers
- Settlements for FY20 weighted to the second half due to commencement of settlements at Lifestyle Mount Duneed (December 2019) and Lifestyle Kaduna Park (May 2020)
- Portfolio of 3,960[1] home sites of which 2,393[2] homes sites are occupied by 3,492 homeowners
- Acquired a new site at St Leonards on the Bellarine Peninsula
- Lack of provision by the respective vendors of key access roads at Mount Duneed and Ocean Grove have impacted sales and settlements for both projects
- Lifestyle Mount Duneed construction is on plan. First homeowners moved in during December 2019

The croquet court at Lifestyle Ocean Grove

A thoughtful and repeatable business model structured for sustainable growth

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

1.5 Portfolio Overview and Land Acquisition Strategy

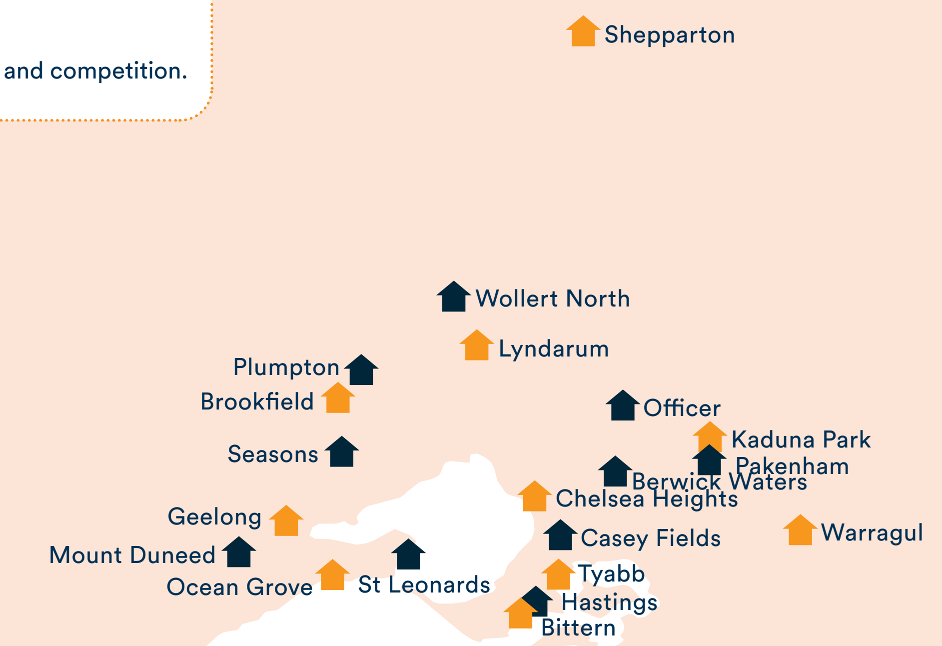
20 Communities in planning, development or under management

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

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

Focus remains on Melbourne and Geelong's growth corridors:

- 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' development model, Lifestyle Communities starts the development as soon as possible after acquisition of the site.



Greatest growth opportunity remains in Victoria with low saturation and accessible flat land

1.6 Overview

Portfolio snapshot 1HFY20

Lifestyle Communities' portfolio continues to grow organically through recycling capital

Communities	Total homes in communities	Homes sold and occupied	Homes sold and awaiting settlement	Homes occupied, or sold 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
Geelong	164	164		164	100
Officer	151	151		151	100
Berwick Waters	216	212	4	216	100
Bittern	209	200	9	209	100
Existing Communities – Under construction					
Shepparton	300	286	11	297	99
Ocean Grove	220	130	66	196	89
Mount Duneed	191	6	69	75	39
Kaduna Park at Officer South	169		70	70	41
Wollert North	246		37	37	15
New Communities – Awaiting commencement					
Plumpton	265		17	17	6
Tyabb(2)	240			0	0
St Leonards(3)	170			0	0
Pakenham(2)	175			0	0
Total Home Sites(2)	**3,960(4)**	**2,393**	**283**	**2,676**	**68**

Notes: (1) Represents 100% of the development of which Lifestyle Communities shares 50%
(2) Commencement of construction subject to planning approval and contracts becoming unconditional
(3) Commencement of construction subject to planning approval
(4) Lifestyle Communities will have an economic interest in 3,759 home sites

Section 2
Operations Update

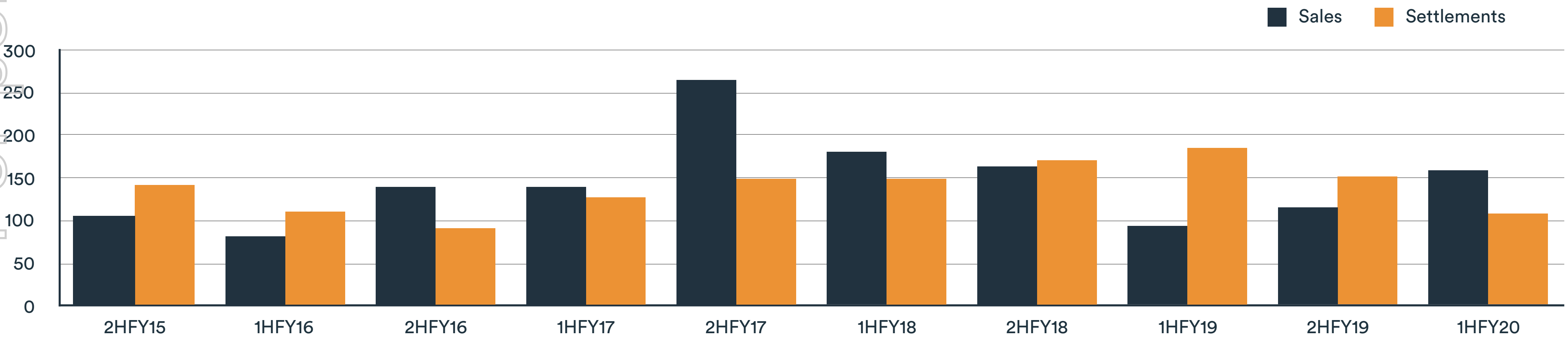
Lifestyle Chelsea Heights

2.1 Sales and Settlements

Community	No. of Homes	Sold	% Sold
Shepparton	300	297	99
Berwick Waters	216	216	100
Bittern	209	209	100
Ocean Grove	220	196	89
Mount Duneed	191	75	39
Kaduna Park (sales launched April 2019)	169	70	41
Wollert North (sales launched March 2019)	246	37	15
Plumpton (sales launched October 2019)	265	17	6

- 158 new home sales during 1HFY20
- Actively selling new communities at Mount Duneed, Kaduna Park, Wollert North, and Plumpton
- New home settlements for FY20 weighted to the second half. Shepparton, Berwick Waters and Bittern all in the closing stages
- 283 new homes sold and awaiting settlement
- Mount Duneed commenced first settlements mid-December 2019 and Kaduna Park settlements scheduled to commence in May 2020
- Ocean Grove sales and settlements accelerating after some disruption caused by main road access issues during the half
- Mount Duneed display homes opened on the 18th of January 2020
- 45 resale settlements achieved during the half, of which 37 attracted a DMF.

Homes

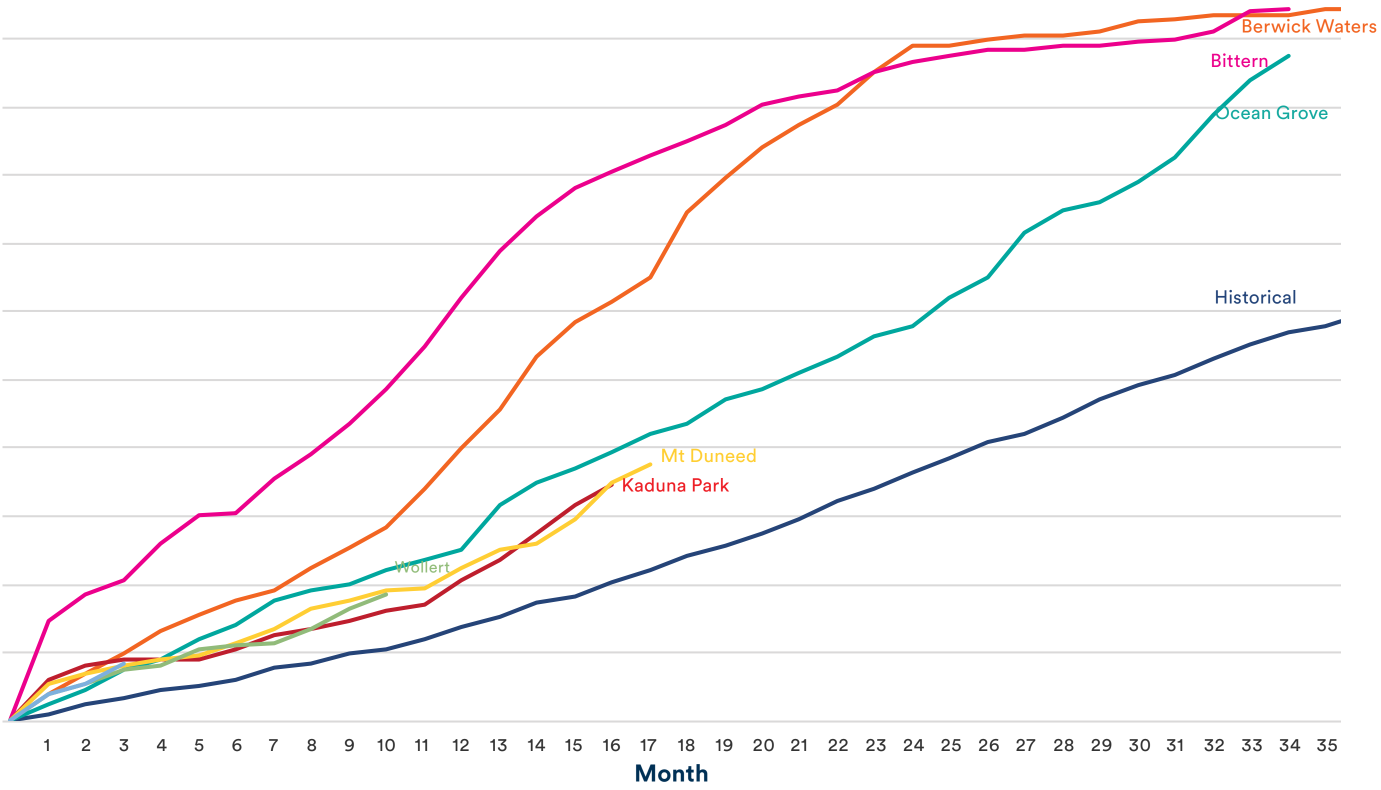


2.2 Sales Rates

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

- Sales rates driven by continued focus on delivering a high level of homeowner experiences and innovation driving referral rate
- Greater utilisation of video and other forms of content which builds greater connection and trust in the brand
- Increasing investment in digital lead acquisition utilising more channels including a heavier emphasis on social media
- Overall presentation of the communities and facilities continues to evolve in line with what the baby boomer is looking for to downsize out of their existing home
- Below-the-line marketing strategy continues to focus on optimising the awareness of major milestones such as:
    - Sales launch
    - Sales suite launch on site
    - Opening of the display homes
    - First homeowners moving in
    - Clubhouse opens.

Sales profile from date of first sale



2.3 Land Acquisitions & Development Update

Lifestyle Ocean Grove

- Clubhouse, Aqua Club and community facilities completed
- Grubb Road access now complete and open
- Forecast to sell out in FY20

Lifestyle Mount Duneed

- First homeowners settled in December 2019
- Construction tracking to programme
- Lack of provision of the key access road by land vendors impacting sales and settlements

Lifestyle Plumpton

- Land settled in September 2019 and sales launched in October 2019
- Planning permit received
- Civil programme commenced in February 2020

Lifestyle Kaduna Park

- Planning permit delays impacted FY20 sales and settlements
- Construction commenced in August 2019
- First settlements expected in May 2020

Lifestyle Wollert

- Planning permit delays impacted FY20 sales and settlements
- Construction commenced in August 2019
- First settlements expected in Q1 of FY21

Lifestyle Tyabb

- Land contracts conditional on receiving a planning permit
- Planning application lodged and with council for assessment
- First settlements contingent on timing of the planning permit

Lifestyle St Leonards

- Planning application lodged and with council for assessment
- First settlements contingent on timing of the planning permit

Lifestyle Pakenham

- Land contracts conditional on receiving a planning permit
- First settlements contingent on timing of the planning permit

2.4 Mount Duneed Project Fly Through

Key Project Statistics (as at 7 February 2020)

- Land settled in September 2018
- Sales launched in August 2018
- First homeowners settled in December 2019
- Display homes completed and opened in January 2020
- 95 sales to date. 96 homes remaining to sell
- 13 settlements achieved to date
- Lifestyle studio/workshop due for completion in February 2020
- Clubhouse due to open in August 2020
- 14 homes completed and ready for settlement
- 83 homes under construction.

Visit bit.ly/36A5Mic to watch Lifestyle Mount Duneed Project Fly Through

2.5 Lifestyle Wellness

The Lifestyle Wellness Program continues to motivate and engage homeowners:

- Monthly Wellness topics promoted via interactive seminars, newsletters, expos, as well as regular Facebook content and blog posts
- Autumn and Spring inter-community sporting carnivals - over 600 homeowners competing each season in nine sports, including Pickleball and Croquet
- New activities continue to emerge across the communities. Driven by homeowner feedback, these include anything from winery tours to mindfulness and meditation
- Customise your Lifestyle program assists new homeowners settle into their communities
- This year's major Wellness event, The Simpson Arts Prize, captivated over 600 attendees with 110 creations across 10 categories.

Visit http://bit.ly/2JyAfEM to watch a recap of The Simpson Arts Prize

Driving homeowner engagement and ultimately referral

Section 3
Financial Results

Taking a stroll at Lifestyle Chelsea Heights

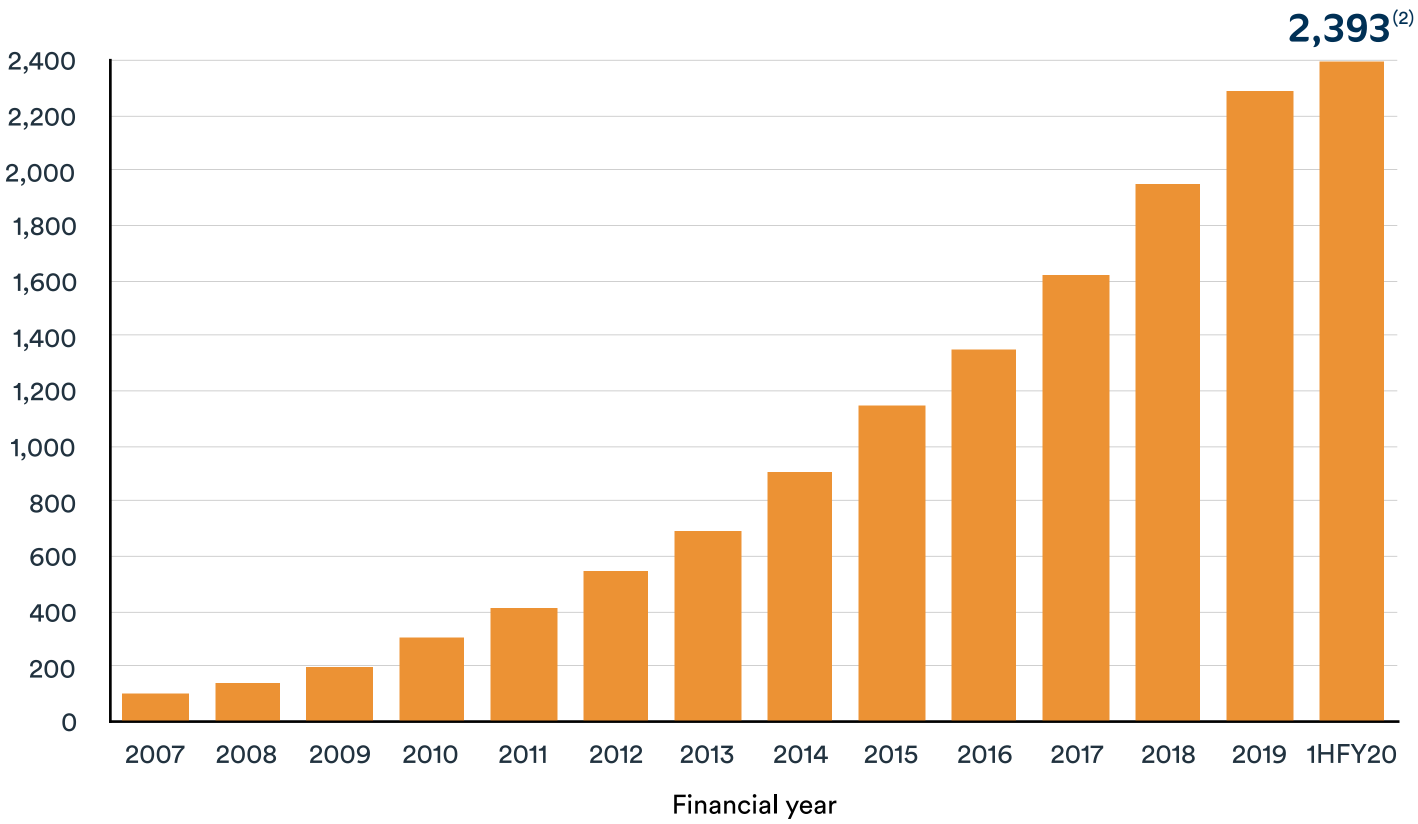
3.1 Financial Results

There are two components to the annuity stream:

1. Site Rental Fee
- $186 per single and $214 per couple, per week, per home
- Indexed at greater of CPI or 3.5% p.a.
- Gross rental income for 1HFY20 was $11.4 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
- 37 resale settlements provided DMF income of $2.4 million[1] in 1HFY20. Average tenure was 5.2 years and capital growth of 8.1% 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

3.2 Income Statement

- Net profit attributable to shareholders decreased by 31.1% to $15.1m. This is due to the lower number of settlements relative to the prior comparative period. FY20 settlements will be weighted to the second half
- Home settlement margin decreased due to the increased proportion of total settlements for Shepparton (which has a lower margin)
- Cost of sales includes $9.3m for a share of the community infrastructure sold with each home (1H19 $15.8m)
- Revenue from site rentals increased 25.6% to $11.4m due to an increased number of homes under management and a rental increase of 3.5%
- Deferred management fee revenue increased by 20.8% due to 37 resales in 1HFY20 compared to 30 in 1HFY19
- Development expenses include sales and marketing costs for new projects and have increased due to higher sales in the period
- Management rental expenses increased in line with additional homes under management and ramp up costs for Mount Duneed
- Other revenue and expenses includes utilities passed on to homeowners.

Settlements for FY20 weighted to the second half due to commencement of settlements at Mount Duneed (December 2019) and Kaduna Park (May 2020)

Income statement	1HFY20 ($'000)	1HFY19[1] ($'000)	% Movement
Home settlement revenue	40,014	62,962	(36.4%)
Cost of sales	(31,391)	(48,325)	(35.0%)
Gross profit	8,623	14,637	(41.1)
Home settlement margin	21.5%	23.2%	<1.7%
Management and other revenue			
Site rental	11,357	9,039	25.6%
Deferred management fees	2,432	2,013	20.8%
Other revenue	1,529	1,466	4.3%
Total management and other revenue	15,318	12,518	22.4%
Fair value adjustments	13,978	19,608	(28.7%)
Development expenses	(3,753)	(3,160)	(18.8%)
Management rental expenses	(4,521)	(3,806)	(18.8%)
DMF expenses	(1,204)	(923)	(30.4%)
Corporate overheads	(5,076)	(4,692)	(8.2%)
Finance costs	(581)	(622)	6.6%
Other expenses	(1,512)	(1,442)	4.9%
Net profit before tax	21,272	32,118	(33.8%)
Net profit after tax	15,115	21,940	(31.1%)

Notes: (1) Prior year comparatives have been restated, please refer to note 2 in the interim report

3.3 Balance Sheet

- Inventories increased due to a build-up of completed homes at Mount Duneed (awaiting settlement) and increased civil construction activity at Kaduna Park and Wollert
- Gearing increased due to land settlement at Plumpton, the deposit for St Leonards, and the increase in inventory
- Total bank facility of $225 million of which $130 million was utilised at 31 December 2019. The increased utilisation was used to fund the land settlement and construction activity noted above
- Trade and other payables decreased due to settlement of land at Plumpton
- Deferred tax liabilities increased in line with the increased fair value adjustment. This tax liability will only be realised should an investment property be disposed of on an individual basis, which the Company views as unlikely.

Balance sheet highlights	1HFY20 ($'000)	2HFY19(2) ($'000)	% Movement
Cash and cash on deposit	3,269	4,982	(34.4%)
Inventories	58,340	50,980	14.4%
Investment properties	425,333	399,750	6.4%
Other assets	12,787	10,072	27.0%
Total assets	499,729	465,784	7.3%
Trade and other payables	24,417	36,919	(33.9%)
Current tax payable	236	974	(75.8%)
Interest-bearing loans and borrowings	130,000	100,000	30.0%
Deferred tax liabilities	73,205	69,371	5.5%
Other liabilities	4,705	3,829	22.9%
Total liabilities	232,563	211,093	10.2%
Net assets	267,166	254,691	4.9%
Gearing(1)	32.2%	28.1%	

Lifestyle Communities operates within a highly disciplined capital management framework with a focus on recycling capital

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) Prior year comparatives have been restated, please refer to note 2 in the interim report

3.4 Cash Flow

- The $1.9 million outflow from operations included $14.3 million cash draw for Mount Duneed, Kaduna Park and Wollert which are in their development phase
- Included in payments to suppliers and employees is $16.2 million for community infrastructure which will be sold with each home (1H19 $17.8m)
- Purchase of investment properties includes settlement of land at Plumpton and the deposit for St Leonards
- Borrowings increased due to land settlement at Plumpton, the deposit for St Leonards, and the increase in inventory as a result of increased construction activity.

Cash Flow Highlights	1HFY20 ($'000)	1HFY19 ($'000)
Receipts from customers	56,534	76,481
Payments to suppliers and employees	(53,996)	(77,017)
Income taxes paid	(3,060)	(3,614)
Net interest payments	(1,232)	(1,328)
Cash flows from operations	(1,754)	(5,478)
Purchase of PP&E	(1,684)	(1,185)
Purchase of investment properties	(25,020)	(20,837)
Cash flows from investing activities	(26,704)	(22,022)
Principal elements of lease payments	(120)	-
Net movement in borrowings	30,000	30,000
Purchase of Treasury shares	-	(800)
Dividends paid	(3,134)	(2,614)
Cash flows from financing activities	26,746	26,586
Net cash flows	(1,712)	(914)
Cash at the beginning of the year	4,981	8,585
Cash at the end of the year	3,269	7,671

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 breakdown of development and management cash flows per community for FY20 and FY19.

Section 4
Outlook

Aqua Club from above taken at Lifestyle Chelsea Heights

4.1 Settlement Progress

New sales

- Sufficient forward sales achieved to meet settlement guidance
- All current projects remain on track to meet their long-term settlement and completion targets
- In FY20, 129 new home settlements have been achieved to 14 February 2020
- A further 213 homes are scheduled for completion of construction by 30 June 2020 (165 of these homes are sold and awaiting settlement)
- Due to planning delays at Lifestyle Kaduna Park and Lifestyle Wollert, construction commenced later than planned. In response, construction programmes were condensed and has resulted in 96 homes scheduled for completion in the last six weeks of the financial year
- The decision on when to settle a home and move in to the community rests with the prospective homeowners.
- This decision is subject to individual circumstances and market conditions as homeowners sell their existing home to facilitate their purchase with Lifestyle Communities
- We will have better visibility of the number of these homes listed for sale and the likely timing of completion in the next six to eight weeks and will provide updated guidance at this time if required.

Settlements for FY20 weighted to the second half due to commencement of settlements at Mount Duneed (December 2019) and Kaduna Park (May 2020)

	1H FY20 Settlements	Homes to be constructed in FY20
TOTAL	109	342
Shepparton	14	28
Geelong	1	1
Berwick Waters	3	7
Bittern	23	32
Ocean Grove	62	146
Mount Duneed	6	90
Kaduna Park	–	38
Wollert North	–	–
Plumpton	–	–
Tyabb(1)	–	–
St Leonards(2)	–	–
Pakenham(1)	–	–

Notes: (1) Subject to planning approval and contracts becoming unconditional
(2) Commencement of construction subject to planning approval

Summary

A perfect day at Lifestyle Ocean Grove

5.1 Summary

- 1HFY20 delivered 109 settlements, 158 new home sales and 283 new homes sold and awaiting settlement, sufficient sales to meet settlements
- FY20 settlements weighted to the second half due to commencement of settlements at Mount Duneed (December 2019) and Kaduna Park (May 2020)
- The St Leonards and Pakenham acquisitions have increased the total portfolio to 3,960[(1)] homes
- Annuity income from site rental fees grew by $2.7m to $13.8m for the half year
- Construction commenced at Lifestyle Kaduna Park and Lifestyle Wollert.

A business maintaining a singular focus on high quality affordable housing for the long term

Marise and Helen, homeowners at Lifestyle Ocean Grove stretching at the start of a new day

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

Appendix

Teddy at Lifestyle Chelsea Heights.

Lifestyle Communitie has 814 pets in our communities.

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.

75-80%

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.

On average, release of approximately $212,000 equity upon sale of old home.

AFFORDABLE LIVING

The weekly site fee is approx. 21-25% of the Age Pension after receipt of the Commonwealth Rental Assistance.

A.2 Growing Recurring Revenue

Lifestyle Communities' business has two core elements:

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

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.

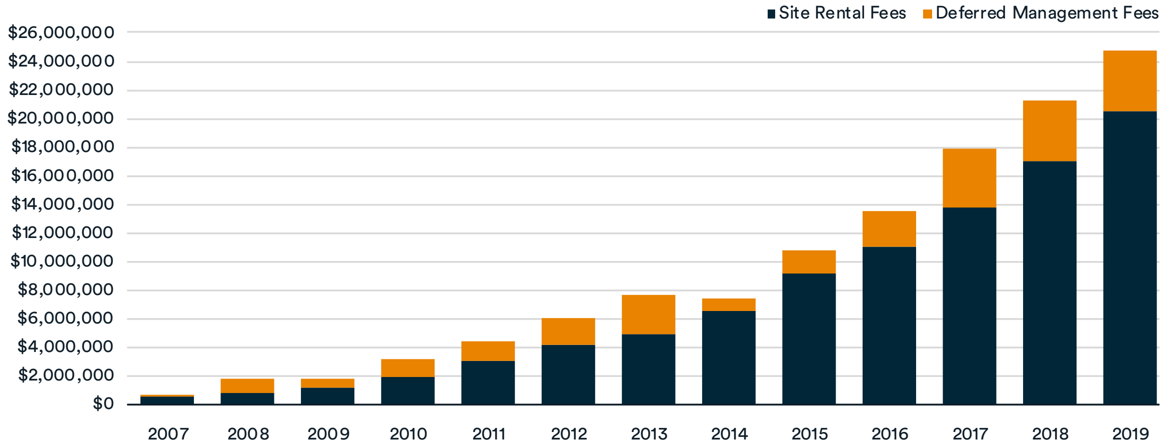
Current speed of recycling allowing the development of two communities every year

Completed communities building a long-term annuity stream, sustainable income and future dividends

2. Managing communities

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

Growing annuity income streams



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total number of homes settled (Cumulative)	100	138	202	305	412	546	695	906	1,146	1,348	1,626	1,947	2,284
Number of resales attracting a DMF	-	-	4	11	8	11	10	23	34	52	73	59	53

- 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 Likely Home Settlement Program

Homeowners at Lifestyle Ocean Grove taking a dip!

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

Notes: (1) Subject to planning approval and contracts becoming unconditional
(2) Commencement of construction subject to planning approval

A.4 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 3.0 cents per share has been declared in respect of 1HFY20 (the dividend has a record date of 6 March 2020 and a payment date of 3 April 2020).

Surplus franking credits

- As at 31 December 2019 the franking account balance was $19 million (after allowing for the interim dividend and tax payable for 1HFY19).

Homeowners at Lifestyle Ocean Grove - five of our communities now have boats for our homeowners to use

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

A.5 Sales and Settlements

	New home settlements		Net sales commitments		Resale home settlements	
Existing Communities - sold out	1HFY20	1HFY19	1HFY20	1HFY19	1HFY20	1HFY19
Brookfield at Melton					4	6
Seasons at Tarneit						2
Warragul					4	3
Casey Fields Cranbourne[(1)]					3	5
Chelsea Heights[(1)]					9	5
Hastings					3	1
Lyndarum at Wollert					2	3
Geelong	1	16		3	2	2
Officer					2	2
Existing Communities - under construction						
Shepparton	14	16	9	6	5	1
Berwick Waters	3	55	4	3	3	
Bittern	23	72	6	8		
Ocean Grove	62	27	42	16		
Mount Duneed	6		33	22		
Kaduna Park at Officer South			28	36		
Wollert North			19			
New Communities - awaiting commencement						
Plumpton[(2)]			17			
Tyabb[(3)]						
St Leonards[(4)]						
Pakenham[(3)]						
Total	**109**	**186**	**158**	**94**	**37[(2)]**	**30**

Notes: (1) Represents gross numbers not adjusted for joint venture interests
(2) Total resale settlements were 45, of which 37 attracted a DMF
(3) Commencement of construction subject to planning approval and contracts becoming unconditional
(4) Commencement of construction subject to planning approval

A.6 Deferred Management Fees

	Brookfield	Seasons	Warragul	Casey Fields	Shepparton	Chelsea Heights	Hastings	Lyndarum	Officer	Geelong	Berwick Waters	Total
Historical resales[1]	**127**	**27**	**64**	**46**	**17**	**43**	**31**	**6**	**10**	**5**	**3**	**379**
Average tenure (years)	6.3	5.4	4.4	3.8	3.6	3.6	3.1	2.6	2.1	2.7	1.9	4.7
Average price growth p.a.	5.1%	3.6%	3.7%	5.9%	3.4%	17.5%	13.4%	11.2%	12.4%	9.9%	11.5%	7.3%
Average purchase price (move in)	191,466	232,022	244,743	294,026	222,455	326,286	290,359	351,841	323,259	297,930	377,025	249,465
Average sales price (move out)	245,657	276,574	281,656	360,250	247,735	516,977	394,952	449,917	402,600	377,400	457,000	321,720
Average DMF[2]	39,489	48,188	45,280	54,941	38,820	80,126	52,145	50,757	42,738	45,344	42,160	48,940
Average DMF rate	16.1%	17.4%	16.0%	15.0%	15.5%	15.2%	12.9%	11.3%	10.6%	12.8%	9.3%	15.3%
1HFY20 resales[1]	**4**		**4**	**3**	**5**	**9**	**3**	**2**	**2**	**2**	**3**	**37**
Average tenure (years)	11.33		5.16	6.05	4.36	4.91	6.14	2.60	2.52	3.33	1.88	5.2
Average price growth p.a.	5.9%		3.2%	5.1%	3.2%	13.1%	6.1%	8.8%	12.8%	9.4%	11.5%	8.1%
Average purchase price (move in)	167,266		254,384	301,720	229,546	333,634	338,632	284,860	319,320	263,220	377,025	292,539
Average sales price (move out)	280,000		296,000	391,667	260,500	537,111	455,000	472,250	422,500	348,500	457,000	401,027
Average DMF[2]	45,000		52,100	67,533	44,524	101,511	79,267	56,670	50,700	49,960	42,160	65,031
Average DMF rate	16.3%		18.0%	17.3%	16.0%	19.1%	17.3%	12.0%	12.0%	16.0%	9.3%	16.2%
Total DMF received[2]	180,000		208,400	202,600	222,620	913,600	237,800	113,340	101,400	99,920	126,480	2,406,160
H1FY19 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

Notes: (1) Includes resales that attracted a DMF only
(2) Excludes selling and administration fees

A.7 Cash Flow Analysis

1HFY20

Supplementary Cash Flow Analysis for 1HFY20	Fully settled Communities[4]	Shepparton	Geelong	Berwick Waters	Bittern	Ocean Grove	Mount Duneed	Kaduna Park	Wollert North	Plumpton	Tyabb	St Leonards	Total
Total Number of Homes	1,395	300	164	216	209	220	191	169	246	265	185	170	3,730
Settled 1HFY19		14	1	3	23	62	6	-	-	-	-	-	109
Remaining homes and lots available to settle		14	-	4	9	90	185	169	246	265	185	170	1,337
Capital Cash Flows ($million)													
Land		-	-	-	-	-	-	-	-	(24.02)	-	(1.00)	(25.02)
Development Expenditure (development and sales)		(0.59)	(0.05)	0.05	(0.86)	(2.85)	(8.23)	(6.08)	(3.33)	(2.88)	(0.22)	-	(25.04)
Home Construction		0.16	(0.00)	(0.01)	-	(11.18)	(6.44)	(0.64)	0.50	(0.08)	-	-	(17.69)
Home Settlements		3.54	0.25	1.19	8.72	24.08	2.23	-	-	-	-	-	40.01
Net Development Cash Flows		3.11	0.20	1.23	7.86	10.05	(12.44)	(6.72)	(2.83)	(26.98)	(0.22)	(1.00)	**(27.74)**
Annuity Cash Flows ($million)													
Site Rentals (incl. management fees)	6.38	1.49	0.85	1.11	1.01	0.52	-	-	-	-	-	-	11.36
DMF Received (net) [1]	0.91	0.19	0.07	0.09	(0.01)	(0.03)	(0.00)	-	-	-	-	-	1.22
Community Operating Costs [2]	(2.41)	(0.54)	(0.30)	(0.30)	(0.28)	(0.34)	(0.03)	(0.00)	(0.00)	-	-	-	(4.20)
Net result from utilities	(0.05)	0.03	0.01	(0.02)	0.01	(0.01)	-	-	-	-	-	-	(0.03)
Net Annuity Cash Flows	4.83	1.17	0.63	0.88	0.73	0.14	(0.03)	(0.00)	(0.00)	-	-	-	**8.35**
Head Office Costs													(4.07)
Operations Management Overheads													(0.35)
Net Operating Cash Flows													**(23.81)**
Reconciliation to statutory cash flows													
Less - Interest													(1.23)
Less - Income taxes paid													(3.06)
Add - Land (investing cash flow)													25.02
Add - Movement in working capital													1.33
Statutory Cash Flows from Operations ($million)													(1.75)

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
(4) Lifestyle Brookfield in Melton, Lifestyle Seasons in Tarneit, Lifestyle Warragul, Lifestyle Casey Fields in Cranbourne, Lifestyle Chelsea Heights, Lifestyle Hastings, Lifestyle Lyndarum in Wollert and Lifestyle Officer are fully settled.

A.8 Cash Flow Analysis

1HFY19

Supplementary Cash Flow Analysis for 1HFY19	Fully settled Communities[4]	Shepparton	Lyndarum	Geelong	Officer	Berwick Waters	Bittern	Ocean Grove	Mount Duneed	Kaduna Park	Wollert North	Plumpton	Total
Total Number of Homes	1,090	301	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	193	191	165	243	260	1,231
Capital Cash Flows ($million)													
Land		-	-	-	-	-	(7.13)	-	(10.61)	-	(0.83)	(2.27)	(20.84)
Development Expenditure (development and sales)		(1.58)	(0.05)	(0.54)	(0.04)	(1.12)	(5.68)	(7.90)	(1.99)	(0.25)	(0.22)	-	(19.37)
Home Construction		(4.61)	-	(0.89)	-	(7.36)	(18.08)	(13.15)	(0.07)	-	(0.30)	-	(44.46)
Home Settlements		4.03	0.01	4.94	-	19.83	24.56	9.60	-	-	-	-	62.97
Net Development Cash Flows		(2.16)	(0.04)	3.51	(0.04)	11.35	(6.33)	(11.45)	(12.67)	(0.25)	(1.35)	(2.27)	**(21.70)**
Annuity Cash Flows ($million)													
Site Rentals (incl. management fees)	4.62	1.29	0.77	0.78	0.76	0.84	-	-	-	-	-	-	9.06
DMF Received (net) [1]	0.93	0.01	0.14	0.08	(0.04)	0.01	(0.01)	(0.00)	-	-	-	-	1.12
Community Operating Costs [2]	(1.51)	(0.48)	(0.32)	(0.25)	(0.34)	(0.39)	(0.11)	(0.14)	-	-	-	-	(3.54)
Net result from utilities	0.08	(0.04)	(0.02)	(0.00)	0.01	0.02	(0.02)	(0.00)	-	-	-	-	0.03
Net Annuity Cash Flows	4.12	0.78	0.57	0.61	0.39	0.48	(0.14)	(0.14)	-	-	-	-	**6.67**
Head Office Costs													(3.78)
Operations Management Overheads													(0.30)
Net Operating Cash Flows													**(19.11)**
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													(2.27)
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
(4) Lifestyle Brookfield in Melton, Lifestyle Seasons in Tarneit, Lifestyle Warragul, Lifestyle Casey Fields in Cranbourne, Lifestyle Chelsea Heights and Lifestyle Hastings are fully settled.

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