

ASX ANNOUNCEMENT
February 24, 2010

**Over 55s developer Lifestyle Communities Limited (LIC)
reports strong half year profit**

Lifestyle Communities Limited (LIC) today reported a net profit before tax for the half year ended 31 December 2009 of \$3,559,167, a significant increase when compared to the previous corresponding period.

Highlighting the company's growing fixed revenue base and maturing business model, revenue from site rentals almost doubled to \$973,602, up from \$534,819 in 2008.

Revenue from the sale of homes also increased strongly, up from \$4,670,791 in the first half of 2008 to \$9,916,378.

The company has five Over 55s projects in strategic locations around Victoria with homes under management or to be developed of 1100 sites. Three villages – Lifestyle Brookfield, Lifestyle Warragul and Lifestyle Tarneit – are open and operating while the fourth and fifth projects, Lifestyle Shepparton and Lifestyle Cranbourne, both have development approval.

The new village in Cranbourne, scheduled to commence construction during 2010, will be developed as a 50% Joint Venture. Lifestyle Communities Limited is contracted to develop, manage and operate the village on completion of the development.

The Board of Lifestyle Communities Limited attributed the strong half year result to the company's expanding settlement revenue and annuity stream, coupled with underlying demand for affordable Over 55s housing.

LIC Managing Director, Mr James Kelly, said "assuming historical averages of settlements are met, the profit outlook for the 2010 financial year is on track to meet the higher end of the forecast range, being a profit before tax of between \$5.8m and \$7.4m."

"The company expects revenue from the sale of new homes for the second half to continue to be strong as committed sales move to settlement."

"This outlook provides a firm basis from which to continue expanding our quality portfolio of Over 55s villages."

Mr Kelly said settlement revenue and annuity income streams from site fees and deferred management fees at the three villages under development continued to build during the first half of the financial year as new residents moved into the villages.



“The success of the Lifestyle Communities affordable Over 55s housing model reflects the long-term demand for this type of accommodation.”

“The current economic uncertainty has not changed the population demographics nor solved the housing affordability crisis. Lifestyle Communities can also be seen as a safety-net for many retirees as we offer one of the lowest priced Over 55s living solutions in the market.”

“As a result, new home sale rates have remained steady during the first half of the financial year with the sales rate increasing as a village becomes more established.”

December 2009 half year results at a glance:

- revenue from sales of units \$9,916,378 (2008: \$4,670,791)
- revenue from site rentals \$973,602 (2008: \$534,819)
- profit before tax of \$3,559,167 (2008: \$610,784, when adjusted for a one-off loss due to impairment of land of \$2,850,069)
- net tangible assets as at 31 December 2009 of \$24,659,293 (2008: \$18,982,025)
- strong customer interest in the villages with receipt of sales and deposits continuing in accordance with expectations despite the more difficult economic environment
- the granting of a planning permit for the new village planned for Cranbourne in Melbourne’s eastern growth corridor.

About Lifestyle Communities

Lifestyle Communities Limited specialises in creating and managing affordable, master-planned communities for Australians aged 55 and over. Lifestyle Communities has more than 1100 homes under management or in various stages of development across Victoria.

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