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Gateway Lifestyle Group
FY15 Results Presentation

31 August 2015

GATEWAY LIFESTYLE
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Past performance

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.

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Group Overview

- Gateway Lifestyle Group is Australia's largest fully integrated Manufactured Home Estate (MHE) owner and operator committed to providing affordable living solutions to our residents across 36 communities

- MHE industry demand drivers are positively linked to Australia's ageing population and cost of living pressures

- Listed on the Australian Securities Exchange in 2H15
  - Consolidated MHE ownership and listed capital structure is better suited to supporting growth
  - Strong management investment in the listed group

- At IPO the portfolio consisted of 36 MHEs across QLD, NSW and VIC
  - 5,861 approved sites
  - 4,046 manufactured homes
  - 1,815 sites available for new homes
  - 357 additional sites subject to DA approval
  - 1 new MHE announced (Cobb Haven) in July adding 198 MHE sites

- Multiple growth opportunities including:
  - Increasing the rental revenue base
  - Execution of development pipeline
  - Growth through acquisitions

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FY15 Financial Highlights

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- ✓ Pro Forma FY15 financial results above PDS forecast with strong 2H15
- ✓ Pro forma revenue of $70.3m was $1.6m above PDS forecast. Key drivers:
  - Average MHE site rate of $138 v $136 per week
  - 124 new home settlements v 117
- ✓ Pro forma operating EBITDA of $29.0m was $1.7m above PDS forecast. Key drivers:
  - Above forecast revenue ($1.6m)
  - New MHE sale gross margin of $108.4k per home was $5.9k above forecast
  - Total expenses of $41.3m was in line with PDS forecast.
- ✓ Market value of assets in line with PDS forecast. Conservative net gearing of 12% with $127.5m of undrawn debt provides good acquisition growth capacity

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FY15 Operational Highlights

- New home settlements of 124 v PDS forecast of 117. Key demand drivers continue to be:
  - The ageing population and affordability
  - Independent community living
  - Improved recognition of the Gateway brand
- FY15 new homes sales result is not expected to impact the FY16 new home sales forecast (66 committed sales as at 30 June 2015)
- Average profit per new home sale to $108.4k v PDS forecast of $102.6k
- Average new home sale price of $246.4k v forecast of $253k is consistent with the FY16 forecast of a reducing average new home sale prices ($242k) as new communities commence selling at different price points. Supported by reduced delivery costs.
- Average manufactured home site rent of $138 per week was above PDS forecast of $136.
- Positive FY15 financial performance provides good momentum heading into 1H16
- Acquisition of Cobb Haven MHE was announced on 1 July 2015. Further acquisitions well progressed.

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Financial Results

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Overview of Financial Results

Statutory Financial Information

The listed vehicle comprises a head trust and a head operating company, whose securities are stapled and traded as one security on the ASX. Applicable accounting standards require the Trust to be deemed the "acquirer" for accounting purposes and consolidate the net assets of the other, resulting in a consolidated group with a non-controlling interest of 100% in the entity being acquired. The PDS assumed commencement on 1 June 2015. Actual commencement was 15 June 2015. The financial information is an aggregation of the Trust for the period from 1 July 2014 to 14 June 2015, and the consolidated group from 15 June 2015 to 30 June 2015. In preparing the Financial Information, all intra-group transactions and balances, including unrealized profits from intra-Group transactions, have been eliminated in full.

Gateway Lifestyle Group was established during the period for the purpose of a joint quotation of Gateway Lifestyle Operations Limited ("the Company" or "GTY") and its controlled entities, and Residential Parks No 2 Trust ("the Trust") and its controlled entities, on the Australian Stock Exchange. GTY was established on 15 June 2015. The PDS assumed commencement on 1 June 2015. As such, the financial information presented does not reflect GTY's financial results for the entire reporting period. The Preliminary Financial results are based on accounts and annual reports currently in the process of being audited.

Pro Forma Financial Information

GTY has set out in this presentation certain non-IFRS financial information, in addition to information regarding its IFRS statutory information. GTY considers that the non-IFRS information is beneficial to assist in making an assessment of the operating performance of the business, given the timing for completion of the IPO on 15 June 2015, and the combination of various trusts and companies which occurred on completion of the IPO, and to allow a comparison with the pro forma financial information provided in GTY's prospectus and PDS.

The Pro Forma Financial Information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards ("AAS") other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect i) the impact of certain transactions as if they had occurred, being the Portfolio Acquisitions.

The Pro Forma Financial Information represents the combination of the historical financial information of the entities acquired from different investor syndicates operated by the Gateway Lifestyle management team during the historical period and the Tasman entities. The Pro Forma Financial Information does not represent statutory financial information as it is presented assuming that the entities owned by different investor syndicates and Tasman formed part of the one consolidated group.

The Pro Forma Financial Information is unaudited.

A reconciliation of the Pro Forma results and the Statutory financial accounts is included in the appendix.

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Summary Statutory Income Statement

$ million	FY15	FY15 PDS	Variance
Revenue			
Rental revenue	5.4	9.3	(3.9)
Manufactured home sales	0.5	2.8	(2.4)
Other revenue	0.1	0.3	(0.2)
Total revenue	**6.0**	**12.4**	**(6.5)**
Operating expenses	(4.9)	(4.1)	(0.8)
Manufactured home expenses	(0.4)	(1.9)	1.5
Corporate costs	(2.0)	(0.9)	(1.1)
Operating EBITDA	**(1.3)**	**5.5**	**(6.8)**
Net Gain/(Loss) on Fair Value	0.0	0.0	0.0
Depreciation and Amortisation	0.0	0.1	(0.1)
Transaction Costs	(26.9)	(32.7)	5.9
Statutory EBIT	**(28.2)**	**(27.2)**	**(1.1)**
Interest Expense	(2.7)	(1.6)	(1.0)
Income Taxes	0.0	1.5	(1.5)
External Non Controlling Interest	(0.4)	0.0	(0.4)
NPAT	**(31.1)**	**(27.4)**	**(4.0)**

Gateway Lifestyle Group was established during the period for the purpose of a joint quotation of Gateway Lifestyle Operations Limited ("the Company" or "GTY") and its controlled entities, and Residential Parks No 2 Trust ("the Trust") and its controlled entities, on the Australian Stock Exchange. GTY was established on 15 June 2015. The PDS assumed commencement on 1 June 2015.

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Balance Sheet Highlights

$ million	As at 30 June 2015	PDS	Variance
Assets	518.1	511.1	7.0
Liabilities	(83.8)	(71.1)	(12.7)
Net assets	**434.3**	**440.0**	**(5.6)**
Equity			
Contributed equity	467.9	468.6	(0.7)
Accumulated Profit/(Losses)	(33.5)	(28.6)	(4.9)
Total Equity	**434.3**	**440.0**	**(5.7)**

- ✓ Fair value of assets consistent with PDS forecast
- ✓ Major variances are the result of timing of transactions post the IPO (Statutory NPAT variance of -$4m) and advancement in the ordering of display homes and customer orders to support strong sales momentum, accrual for stamp duty and tax liabilities.
- ✓ Net Assets largely consistent with PDS when timing and acquisition adjustments are taken into consideration.

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Summary Pro Forma Income Statement

$ million	FY15 Pro Forma	FY15 PDS Pro Forma Forecast	Variance
Revenue			
Rental revenue	39.1	38.4	0.7
Manufactured home sales	30.6	29.6	1.0
Other revenue	0.7	0.7	0.0
Total revenue	**70.3**	**68.7**	**1.6**
Operating expenses	(16.6)	(16.2)	(0.4)
Manufactured home expenses	(17.1)	(17.6)	0.5
Corporate costs	(7.7)	(7.6)	(0.1)
Operating EBITDA	**29.0**	**27.3**	**1.7**

- The FY15 Pro forma PDS Forecast represented actual performance in 1H15 and forecast performance for 2H15 as at the time of the IPO. The stronger than forecast result can mostly be attributed to a strong 2H15, which has provided good momentum for 1H16

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Key Operating Metrics

Pro Forma Key Operating Metrics	FY15 Pro Forma	FY15 PDS Forecast	Variance
Rental:			
Rental Revenue $M	$39.1	$38.4	$0.7
Manufactured home site average weekly rate	**$138**	**$136**	**$2**
Manufactured Home Sales:			
Home Sales Revenue $M	$30.6	$29.6	$1.0
Average selling price $000	$246.4	$253.0	($6.6)
Average development cost $000	($138.0)	($150.4)	$12.4
Net profit per manufactured home sale $000	**$108.4**	**$102.6**	**$5.9**
Manufactured homes settled	**124**	**117**	**7**
Portfolio:			
MHEs (end of period)	36	36	0
Number of MHEs in development	15	14	1
Manufactured homes settled per MHE in development	8	8	0

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Capital Management

Metric	As at 30 June 15
Net Debt	$41.3m
Undrawn Debt Capacity	$127.5m
Asset Valuations	$347m
Net Gearing Ratio	12%

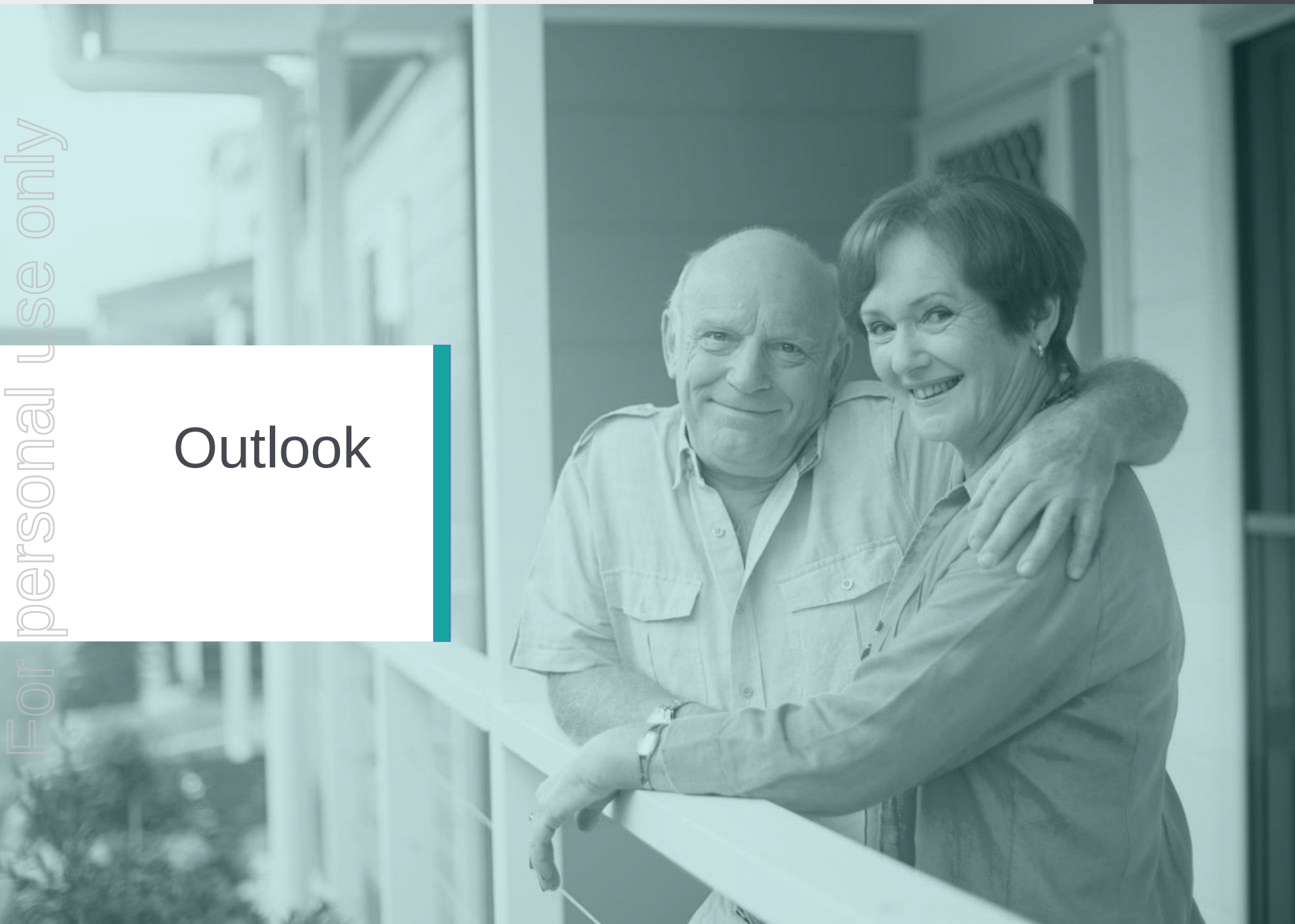
- Gearing well below the target gearing range of 25% – 35% and lending covenants
- Existing debt facility provides $127.5m in undrawn debt capacity to fund acquisitions. Low current net gearing of 12%
- Cobb Haven acquisition will result in a $13m increase to Net Debt when settled
- Gateway Lifestyle Group will not pay a distribution for FY15 (as disclosed in the PDS)
  - The first distribution is forecast to be paid in respect of the period ending 31 December 2015
  - Distribution to be consistent with distribution policy (65% – 85% of Distributable Earnings)

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Outlook



Home Sales Update

- ✓ 17 communities now actively selling with additional communities to commence selling throughout the year. FY16 forecast is to have 24 communities actively selling new homes
- ✓ FY16 sales targets are on track with 100 settled or committed sales (36 settlements and 64 committed sale contracts) to 31 August 2015 across the 17 communities
- ✓ Strong enquiry numbers with improving referral rate as brand recognition continues to grow
- ✓ Established supplier arrangements continue to ensure the timely supply of new homes is maintained with a consistent quality and controlled price

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Acquisitions

- Cobb Haven announced on 1 July 2015
  - 198 fully occupied manufactured home sites
  - High quality purpose built MHE
  - Rental growth opportunities
  - Additional land for expansion of manufactured homes
  - Settlement anticipated in September 2015

- Actively undertaking exclusive and disciplined due diligence on 8 other assets which are consistent with Gateway Lifestyle Group's acquisition strategy

- Offers submitted on several other suitable assets

- Gateway Lifestyle Group is well positioned to take advantage of these new opportunities with $127.5m in undrawn debt facilities

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Outlook Statement

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- ✓ Gateway Lifestyle Group reaffirms the PDS forecast for FY16
- ✓ Enquiries remain strong across the Gateway communities. As at the date of this report, 100 new homes have been settled or committed in FY16
- ✓ Our acquisition pipeline remains strong, with the recent announcement of the acquisition of Cobb Haven, and a further 8 parks under exclusive due diligence. Gateway will continue to be diligent and financially prudent in assessing each new potential acquisition.

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Appendices

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Consolidated Income Statement

$ million	FY15	FY15 PDS Pro Forma Forecast	Variance
Revenue			
Rental revenue	5.4	9.3	(3.9)
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Other revenue	0.1	0.3	(0.2)
Total revenue	**6.0**	**12.4**	**(6.5)**
Operating expenses	(4.9)	(4.1)	(0.8)
Manufactured home expenses	(0.4)	(1.9)	1.5
Corporate costs	(2.0)	(0.9)	(1.1)
Operating EBITDA	**(1.3)**	**5.5**	**(6.8)**
Net Gain/(Loss) on Fair Value	0.0	0.0	0.0
Depreciation and Amortisation	0.0	0.1	(0.1)
Transaction Costs	(26.9)	(32.7)	5.9
Statutory EBIT	**(28.2)**	**(27.2)**	**(1.1)**
Interest Expense	(2.7)	(1.6)	(1.0)
Income Taxes	0.0	1.5	(1.5)
External Non Controlling Interest	(0.4)	0.0	(0.4)
NPAT	**(31.1)**	**(27.4)**	**(4.0)**

Statutory Income Statement in the PDS assumed a commencement date of 1 June 2015. Actual commencement date 15 June 2015.

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Pro Forma Income Statement

$ million	FY15 Pro Forma	FY15 PDS Pro Forma Forecast	Variance
Revenue			
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Manufactured home expenses	(17.1)	(17.6)	0.5
Corporate costs	(7.7)	(7.6)	(0.1)
Operating EBITDA	**29.0**	**27.3**	**1.7**
Impairment	0.0	(2.4)	2.4
Depreciation and amortisation expense	0.0	(0.4)	0.4
Pro forma EBIT	**29.0**	**24.5**	**4.5**

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Statutory & Pro Forma Income Statement Reconciliation

Statutory & Pro forma Income Statement Reconciliation	FY15	FY15 PDS Forecast	Variance
Pro forma EBIT	29.0	24.4	4.6
Transaction Costs	(26.9)	(32.7)	5.9
Full year pro forma EBIT adjustments	(30.4)	(18.9)	(11.5)
Statutory EBIT	**(28.2)**	**(27.2)**	**(1.1)**
Interest	(2.7)	(1.6)	(1.0)
Income Taxes	0.0	1.5	(1.5)
External Non Controlling Interest	(0.4)	0.0	(0.4)
Statutory NPAT	**(31.1)**	**(27.4)**	**(4.0)**

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Consolidated Balance Sheet

$ million	As at 30 June 2015	PDS	Variance
Assets			
Cash	11.3	14.5	(3.3)
Other Current Assets	16.4	7.1	9.3
Investment properties	347.2	347.0	0.2
Goodwill	140.3	136.9	3.4
Other non-current assets	3.0	5.6	(2.6)
Total assets	**518.1**	**511.1**	**7.0**
Liabilities			
Borrowings	(50.2)	(51.7)	1.5
Other liabilities	(33.6)	(19.5)	(14.1)
Total liabilities	**(83.8)**	**(71.1)**	**(12.7)**
Net assets	**434.3**	**440.0**	**(5.6)**
Equity			
Contributed equity	467.9	468.6	(0.7)
Accumulated Profit/(Losses)	(33.5)	(28.6)	(4.9)
Total equity	**434.3**	**440.0**	**(5.7)**

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Consolidated Cashflow Statement

$ million	FY15
Net cash flows from operating activities	(25)
Net cash flows from (used in) investing activities	(312)
Net cash flows from (used in) financing activities	346
Net increase (decrease) in cash held	**9**
Opening cash brought forward	2
Closing cash carried forward	**11**
Closing cash carried forward:	
Cash and cash equivalents	11
Bank overdraft	(1)
Closing cash carried forward	**11**

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Gateway Lifestyle Group corporate structure

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