



Lifestyle Communities Ltd, Level 2, 35 Market Street South Melbourne Vic 3205  
Telephone: 03) 9682 2249 Facsimile: 03) 9682 1236  
Email: [info@lifestylecommunities.com.au](mailto:info@lifestylecommunities.com.au) [www.lifestylecommunities.com.au](http://www.lifestylecommunities.com.au)

**22 October 2010**

## **Shareholder Update**

Lifestyle Communities Limited (ASX Code: LIC) recently announced an annual pre-tax profit of \$7.6 million for the year to 30 June 2010 which exceeded the upper range of the profit guidance provided at last year's annual general meeting. It is also an impressive \$6.6 million increase over last year's pre-tax profit of \$1 million.

The improved pre-tax profit was the result of an increase in new home sales, increasing site rental income and improved deferred management fees from the resale of occupied homes.

Lifestyle Communities now has more than 1,050 units in various stages of development and management.

Directors are satisfied that Lifestyle Communities full year result has exceeded its forecast, and although the economic environment has been challenging, new home sales in our communities have remained strong. We believe this is a result of strong sales referrals from existing residents and the continuing strong level of demand for affordable senior's housing. The business model of Lifestyle Communities continues to focus on two main housing market themes of housing affordability and the aging population, which presents significant opportunities for the future of the business.

### **Key Results for 2009/10**

- Total revenues of \$23.9m, up from \$14.8m in 2009
- New homes sales of \$20.8m up from \$13.0m in 2009
- Site rental income of \$1.9m up from \$1.2m in 2009
- Deferred management fee income of \$1.2m up from \$0.6m in 2009.
- Profit before tax of \$7.6m up from \$1m. This represents a profit to revenue ratio of 31% compared with 7% in 2009
- Net assets of \$27.5m (2009: \$22.1m)
- Loan to value ratio of 38%
- Positive operating cash flows of \$2.3m, a turnaround of \$7.7m from 2009

## Looking Forward

Australia is facing the challenges of housing affordability and an aging population that, in the majority of cases, does not have sufficient assets to ensure a comfortable retirement. This is inevitably causing a rethink about retirement lifestyles and industry analysts are predicting strong increases in future demand for affordable housing. As well as an increasing number of people reaching retirement age, it is anticipated that growth will also arise from the growing popularity of the community living that Lifestyle delivers.

With its strategic focus on affordable seniors housing, Lifestyle Communities is very well placed to meet this increasing demand.

Over the next twelve months, Lifestyle Communities expects sales rates of new homes to be maintained at existing levels and site rental fees and deferred management fees to continue to grow as the number of occupied sites increases in line with the settlement rate. In addition, work is forecast to commence on the development of the Lifestyle community in Cranbourne in the second quarter of this year and new sites will continue to be assessed on a case by case basis.

Lifestyle Communities recognises that there remains some uncertainty in the global economy, however we are optimistic about our outlook for the next twelve months.

## Annual Report and Annual General Meeting

Accompanying this update is an invitation to all shareholders to attend the Annual General Meeting of the company to be held at St. Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church) on Wednesday 24 November 2010 at 10:00am.

The 2009/10 Lifestyle Communities Limited Annual Report is also now accessible at [www.lifestylecommunities.com.au](http://www.lifestylecommunities.com.au) under the Investor Information section to either read online or download from the website.

The next twelve months for your company promises even more activity with the continued development of several projects across Victoria. Lifestyle Communities is in an exciting phase of growth and I look forward to your continued support of the Company.

Yours Sincerely

A handwritten signature in black ink that reads "James Kelly".

James Kelly  
Managing Director  
Lifestyle Communities Limited



Lifestyle Communities Limited  
Level 2, 35 Market Street  
South Melbourne Vic 3205  
ABN 11 078 675 153

**Lifestyle Communities Limited  
Annual General Meeting**

**Notice is hereby given of the Annual General Meeting of the company to be held at  
St. Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church)  
on Wednesday 24 November 2010 at 10:00am.**



Lifestyle Communities Ltd, Level 2, 35 Market Street South Melbourne Vic 3205  
Telephone: 03) 9682 2249 Facsimile: 03) 9682 1236  
Email: [info@lifestylecommunities.com.au](mailto:info@lifestylecommunities.com.au) [www.lifestylecommunities.com.au](http://www.lifestylecommunities.com.au)

22 October 2010

Dear Shareholder,

On behalf of Lifestyle Communities Limited, I would like to invite you to attend our Annual General Meeting on Wednesday 24 November 2010 at 10:00am to be held at St. Michaels Centre, 120 Collins Street, Melbourne (behind St. Michaels Church).

Full details of the meeting are set out in the enclosed Notice of Annual General Meeting and accompanying documentation, including a Proxy Nomination Form and information on the proposed resolutions for consideration by members.

The company no longer mails a hard copy of the Annual Report to every member. The 2009/10 Lifestyle Communities Limited Annual Report (including Auditors Report and Directors Report) is now accessible at [www.lifestylecommunities.com.au](http://www.lifestylecommunities.com.au) under the Investor Information section to either read online or Shareholders may choose to download a copy from the website. However should you like us to send you a hard copy of the Annual Report and have not previously requested a copy, please make the request in writing to Investor Relations, Lifestyle Communities Limited, Level 2, 35 Market Street, South Melbourne, Victoria, 3205.

The next twelve months for your company promises even more activity with the continued development of several projects across Victoria. Lifestyle Communities is in an exciting phase of growth and I look forward to your continued support of the Company.

Yours sincerely

A handwritten signature in black ink that reads "David Paranthoene".

David Paranthoene  
Chairman  
22 October 2010



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at St Michaels Centre, 120 Collins Street, Melbourne (behind St Michaels Church) on Wednesday 24 November 2010 commencing at 10:00am.

### AGENDA

#### **Business**

- Presentation of the Financial Statements for the year ended 30<sup>th</sup> June 2010.
- To receive and consider the Financial Report of the Company for the year ended 30<sup>th</sup> June 2010 and the related Directors' Report (including Remuneration Report), Directors' Declaration and Auditor's Report.

#### **Resolution 1: Approval of the Lifestyle Communities Limited Remuneration Report**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report that forms part of the Company's Directors' Report of the Company for the financial year ended 30<sup>th</sup> June 2010 be adopted."

Please note that a vote on this resolution is advisory only and does not bind the Directors or the Company. Directors of the Company recommend you vote in favour of this resolution.

#### **Resolution 2: Re-election of a Director retiring by rotation**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Tim Poole, having retired by rotation in accordance with Clause 8.1 of the Company's Constitution, being eligible and offering himself for re-election be re-elected."

The Directors of the Company recommend you vote in favour of this resolution.

#### **Resolution 3: Re-election of a Director retiring by rotation**

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. David Paranthoienne, having retired by rotation in accordance with Clause 8.1 of the Company's Constitution, being eligible and offering himself for re-election be re-elected."

The Directors of the Company recommend you vote in favour of this resolution.



**Resolution 4: Approve the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, the Shareholders of the Company approve the adoption of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan on the terms set out in the Explanatory Statement accompanying this Notice.”

The Directors of the Company recommend you vote in favour of this resolution.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoienne and Mr. Tim Poole or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 5: Issue of Options to Mr. Bruce Carter (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

"If Resolution 4 is passed, that the Company approve for all purposes, including ASX Listing Rules 7.1 and 10.14 and Chapter 2E of the Corporations Act, the issue of 2,000,000 Options in the Company to Mr. Bruce Carter, a Director of the Company, under the rules of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting."

The Directors of the Company recommend you vote in favour of this resolution. Mr. Carter declined to make a recommendation to shareholders in relation to this resolution as he has a material personal interest in the outcome.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoienne and Mr. Tim Poole or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



**Resolution 6: Issue of Options to Mr. James Kelly (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

"If Resolution 4 is passed, that the Company approve for all purposes, including ASX Listing Rules 7.1 and 10.14 and Chapter 2E of the Corporations Act, the issue of 2,000,000 Options in the Company to Mr. James Kelly, a Director of the Company, under the rules of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting."

The Directors of the Company recommend you vote in favour of this resolution. Mr. Kelly declined to make a recommendation to shareholders in relation to this resolution as he has a material personal interest in the outcome.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoienne and Mr. Tim Poole or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 7: Issue of Options to Mr. Dael Perlov (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

"If Resolution 4 is passed, that the Company approve for all purposes, including ASX Listing Rules 7.1 and 10.14 and Chapter 2E of the Corporations Act, the issue of 2,000,000 Options in the Company to Mr. Dael Perlov, a Director of the Company, under the rules of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting."

The Directors of the Company recommend you vote in favour of this resolution. Mr. Perlov declined to make a recommendation to shareholders in relation to this resolution as he has a material personal interest in the outcome.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoienne and Mr. Tim Poole or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



**Resolution 8: Issue of Options to Mr. David Paranthoienne (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

"If Resolution 4 is passed, that the Company approve for all purposes, including ASX Listing Rules 7.1 and 10.14 and Chapter 2E of the Corporations Act, the issue of 1,250,000 Options in the Company to Mr. David Paranthoienne, a Director of the Company, under the rules of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting."

The Directors of the Company recommend you vote in favour of this resolution. Mr. Paranthoienne declined to make a recommendation to shareholders in relation to this resolution as he has a material personal interest in the outcome.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoienne and Mr. Tim Poole or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Resolution 9: Issue of Options to Mr. Tim Poole (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

"If Resolution 4 is passed, that the Company approve for all purposes, including ASX Listing Rules 7.1 and 10.14 and Chapter 2E of the Corporations Act, the issue of 1,250,000 Options in the Company to Mr. Tim Poole, a Director of the Company, under the rules of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting."

The Directors of the Company recommend you vote in favour of this resolution. Mr. Poole declined to make a recommendation to shareholders in relation to this resolution as he has a material personal interest in the outcome.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoienne and Mr. Tim Poole or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.



**Resolution 10: Issue of Options to Mr. Chris Paranthoienne (related party) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

To consider, and if thought fit, to pass the following as an ordinary resolution:

"If Resolution 4 is passed, that the Company approve for all purposes, including ASX Listing Rules 7.1 and 10.11 and Chapter 2E of the Corporations Act, the issue of 500,000 Options in the Company to Mr. Chris Paranthoienne, (a related party of Mr. David Paranthoienne who is a Director of the Company), under the rules of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan and on the terms set out in the Explanatory Notes to this Notice of Meeting."

The Directors of the Company recommend you vote in favour of this resolution. Mr. Paranthoienne declined to make a recommendation to shareholders in relation to this resolution as a related party has a material personal interest in the outcome.

Voting Exclusion: The Company will disregard any votes cast on this resolution by Mr. David Paranthoienne (Mr. Chris Paranthoienne is the son of Mr. David Paranthoienne who is a Director of the Company), or his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

By order of the Board of Directors

David Paranthoienne  
Chairman  
22 October 2010



## NOTES

### 1.VOTING

- a) The Company has determined that the Shares of the Company that are quoted on the Australian Stock Exchange as at 10am on Monday 22<sup>nd</sup> November 2010 will be eligible to vote. Accordingly, those persons will be entitled to attend and vote at the meeting.
- b) A member entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, each proxy may be allocated a proportion or number of the member's voting rights. If a proportion or number is not specified, each proxy may exercise half the member's voting rights.
- c) A proxy duly appointed need not be a member. In the case of joint holders, all must sign the proxy form.
- d) A proxy form accompanies this notice. To be effective, the proxy form and any document necessary to show the validity of the proxy form must be lodged in accordance with note (f) below not less than 48 hours before the time appointed for the meeting. Any proxy form lodged after that time will be treated as invalid.
- e) Directors and officers of all corporate Shareholders should note that, unless the corporate Shareholder:
- i) completes and lodges with the Company a valid proxy form; or
  - ii) appoints an individual representative in accordance with the provisions of Section 250D of the Corporations Act 2001 ("the Act") and provides evidence of

the appointment at the meeting ;  
or  
iii) has appointed an attorney,

and the proxy, representative or attorney attends the meeting, then the corporate Shareholder will be unable to exercise any votes at the meeting.

- f) Proxy forms and corporate representative appointment forms may be returned to the Company in any of the following ways:

i) by delivery (by hand, mail, courier or facsimile) to the Company Secretary, Lifestyle Communities Limited at its registered office:

Level 2, 35 Market Street  
South Melbourne  
VIC 3205  
Facsimile : +61 3 9682-1236

ii) by delivery (by hand, mail, courier or facsimile) to the Company's share registry:

Computershare Registry  
Services Pty. Ltd  
Yarra Falls  
452 Johnston Street  
Abbotsford  
VIC 3067  
Or  
GPO Box 242  
Melbourne 3001  
Or Facsimile: +61 3 9473 2555  
(outside Australia), 1800 783  
447 (within Australia)  
For Intermediary Online  
subscribers only (custodians)  
[www.intermediaryonline.com](http://www.intermediaryonline.com)

- g) Corporate members should comply with the execution requirements set out on the proxy form or otherwise comply with the provisions of Section 127 of the Act. That section provides



that a company may execute a document without using its common seal if the document is signed by:

- i) 2 directors of the company; or
- ii) a director and a company secretary of the company; or
- iii) for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2) of the Act. This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable.

In particular, if person who executes the document or witnesses the affixing of a common seal is the sole director and sole company secretary of the company, he or she must state that next to his or her signature.

- h) Completion of a proxy form will not prevent individual members from attending the meetings in person if they wish. Where a member completes and lodges a valid proxy form and attends the meeting in person and votes on a resolution, the proxy is not entitled to vote, and must not vote, on the resolution.
- i) Where a proxy form or form of appointment of or certificate of appointment of a corporate representative is lodged and is executed under power of attorney the power of attorney must be lodged in the same manner as a proxy form.

## EXPLANATORY NOTES

### **Resolution 1: Approval of the Lifestyle Communities Limited Remuneration Report**

Resolution 1 on the Notice of Meeting provides for approval of the Remuneration Report which formed part of the report of the Directors in the Annual Report of the Company for the financial year ended 30 June 2010. As stated in the Notice of Meeting the resolution is advisory only and does not bind the Directors or the Company.

### **Resolution 2: Re-election of a Director retiring by rotation**

Under the Company's constitution, one third of the Directors of the Company (other than the Managing Director and a Director appointed by the Directors since the last AGM) must retire from office as Directors at each AGM.

Mr Tim Poole is due to retire from the Board in accordance with the constitution, but, being eligible, offers himself for re-election.

Tim was appointed to the board of Lifestyle Communities Limited, as a non-executive Director in November 2007. He holds a Bachelor of Commerce from University of Melbourne and is a Chartered Accountant. Tim is a director of Newcrest Mining Limited, Victorian Racing Club Limited, Westbourne Credit Management Limited and Continuity Capital Partners Pty Limited. He is the former chairman of the Asciano Group and a former Managing Director of Hastings Fund Management. He is also a member of the Investment Committee of the industry superannuation fund, AustralianSuper, and a member of the LEK Consulting Advisory Board.

### **Resolution 3: Re-election of a Director retiring by rotation**

Under the Company's constitution, one third of the Directors of the Company (other than



the Managing Director and a Director appointed by the Directors since the last AGM) must retire from office as Directors at each AGM.

Mr David Paranthoienne is due to retire from the Board in accordance with the constitution, but, being eligible, offers himself for re-election.

David became a non-executive Director of Lifestyle Communities Limited in 2007 and chairman in February 2008. He was formerly the managing director of Namberry Limited, and was a founding principal of the listed telecommunications company Pracom Limited. David spent more than 21 years in senior leadership roles including that of managing director, and he brings to our Company valuable operational experience within services enterprises.

**Resolution 4: Approve the Lifestyle Communities Limited Senior Executive and Director Share Option Plan ("Plan")**

The purpose of the Plan is to provide eligible Senior Executives and all Directors with an opportunity to acquire Options ("Options") to subscribe for ordinary Shares in the Company ("Shares"), thereby enabling them to share in any growth in value of the Company, encouraging them to improve the long term performance of the Company and to motivate and retain eligible employees and Directors. Ultimately, this should lead to greater returns to Shareholders.

Only selected Senior Executives have been chosen by the Board to participate in the Plan. Subject to shareholder approval, all Directors will participate in the Plan. The Options can be exercised subject to satisfying performance and service conditions set down at the time of offer (a summary of such conditions is set out in Annexure A).

It is proposed that pursuant to the Plan the Company will initially issue a pool of Options

up to approximately 2.8% of the issued share capital in the Company. It is proposed that approximately 1.8% of the issued share capital of the Company will be issued to the Directors and is the subject of Resolutions 5 to 9 as set out in this Notice.

Pursuant to the Plan Rules, the maximum number of Options that may be issued under the Plan, if they were to be exercised, must not exceed 5% of the total number of issued share capital at that time after taking into account the number of all existing Shares issued to participants under the Plan.

Exemption from Listing Rule 7.1 (15% Rule)

Shareholder approval is being sought to approve the Plan so that the Company will satisfy Listing Rule 7.2 Exception 9 (as an exception to ASX Listing Rule 7.1).

ASX Listing Rule 7.1 limits the number of equity securities the Company may issue within any twelve month period without Shareholder approval to 15% of each class of securities (15% Rule).

An exception to the 15% Rule is set out in ASX Listing Rule 7.2, exception 9, which provides that issues under an employee incentive scheme are exempt for a period of three (3) years if Shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

The effect of the approval sought will be that for the next three (3) years, the issue of Shares under the Plan will not reduce the number of equity securities that may be issued by the Company without shareholder approval under the 15% Rule. Any such issue will instead add to the number to which the 15% calculation is applied, thus increasing the



number of equity securities that may be issued by the Company under the 15% Rule.

The issue of Shares under the Plan to Directors and related parties of the Company (please refer to Resolutions 5 to 10) and their associates will still require Shareholder approval under ASX Listing Rule 10.14 for Directors and ASX Listing Rule 10.11 for related parties. The issue of Shares under the Plan also remains subject to the issue limits under the Plan.

A possible disadvantage, if Resolution 4 is passed, is the dilutory effect on the Company's Share price, due to the increased number of Shares on issue. This would be offset by the subscription price received by the Company for the Shares when the Options are exercised.

#### Summary of the Plan Rules

A summary of the Plan Rules is attached to this Notice of Meeting (see Annexure A). A copy of the Plan Rules is available to Shareholders on request to the Company Secretary.

#### Disclosure Requirements

The Company will rely on section 708(1) of the Corporations Act 2001 (Cth), also known as the small scale offering exception, and will not be issuing participants in the Plan a disclosure document in respect of the Options.

#### Board Recommendation

The Board recommends the approval of the Plan Rules for the reasons set out above and recommends that you vote in favour of Resolution 4.

#### **Resolution 5: Issue of Options to Mr. Bruce Carter (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

Resolution 5 seeks Shareholder approval for the issue of 2,000,000 Options to Mr. Bruce Carter, who is a Director of the Company.

The Options are to be issued pursuant to the Plan. The terms of the Plan are described in Annexure A.

#### Requirement for Shareholder Approval - ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. Bruce Carter. Listing Rule 10.14 broadly requires Shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. Bruce Carter.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) the maximum number of Options to be issued to Mr. Bruce Carter under the Plan is 2,000,000 Options;
- (b) the Options issued under the Plan will be granted for no consideration;
- (c) all the Directors of the Company are eligible to participate in the Plan and are subject to resolutions at this Annual General Meeting. As at the date of this Annual General Meeting, no Director and no associate of a Director has received Options under the Plan;
- (d) no loans have or will be made in relation to the grant of the Options to Mr. Bruce Carter;



- (e) the Options proposed to be granted to Mr. Bruce Carter, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

Requirement for Shareholder Approval - Corporations Act

Pursuant to Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company, specified members of the director's family and an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party.

The issue of the Options to Mr. Bruce Carter constitute the giving of a financial benefit to a related party of the Company as Mr. Bruce Carter is a Director. Accordingly, approval is sought under Resolution 5 to issue the

Options to Mr. Bruce Carter for the purposes of Chapter 2E of the Corporations Act.

**Resolution 6: Issue of Options to Mr. James Kelly (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

Resolution 6 seeks Shareholder approval for the issue of 2,000,000 Options to Mr. James Kelly, who is a Director of the Company.

The Options are to be issued pursuant to the Plan. The terms of the Plan are described in Annexure A.

Requirement for Shareholder Approval - ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. James Kelly. Listing Rule 10.14 broadly requires Shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. James Kelly.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) the maximum number of Options to be issued to Mr. James Kelly under the Plan is 2,000,000 Options;
- (b) the Options issued under the Plan will be granted for no consideration;
- (c) all the Directors of the Company are eligible to participate in the Plan and are subject to resolutions at this Annual General Meeting. As at the date of this Annual General Meeting, no Director and no associate of a Director has received Options under the Plan;



- (d) no loans have or will be made in relation to the grant of the Options to Mr. James Kelly;
- (e) the Options proposed to be granted to Mr. James Kelly, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

#### Requirement for Shareholder Approval - Corporations Act

Pursuant to Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company, specified members of the director's family and an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party.

The issue of the Options to Mr. James Kelly constitute the giving of a financial benefit to a related party of the Company as Mr. James

Kelly is a Director. Accordingly, approval is sought under Resolution 6 to issue the Options to Mr. James Kelly for the purposes of Chapter 2E of the Corporations Act.

#### **Resolution 7: Issue of Options to Mr. Dael Perlov (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

Resolution 7 seeks Shareholder approval for the issue of 2,000,000 Options to Mr. Dael Perlov, who is a Director of the Company.

The Options are to be issued pursuant to the Plan. The terms of the Plan are described in Annexure A.

#### Requirement for Shareholder Approval - ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. Dael Perlov. Listing Rule 10.14 broadly requires Shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. Dael Perlov.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) the maximum number of Options to be issued to Mr. Dael Perlov under the Plan is 2,000,000 Options;
- (b) the Options issued under the Plan will be granted for no consideration;
- (c) all the Directors of the Company are eligible to participate in the Plan and are subject to resolutions at this Annual General Meeting. As at the date of this Annual General Meeting, no Director and



no associate of a Director has received Options under the Plan;

- (d) no loans have or will be made in relation to the grant of the Options to Mr. Dael Perlov;
- (e) the Options proposed to be granted to Mr. Dael Perlov, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

Requirement for Shareholder Approval - Corporations Act

Pursuant to Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company, specified members of the director's family and an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party.

The issue of the Options to Mr. Dael Perlov constitute the giving of a financial benefit to a related party of the Company as Mr. Dael Perlov is a Director. Accordingly, approval is sought under Resolution 7 to issue the Options to Mr. Dael Perlov for the purposes of Chapter 2E of the Corporations Act.

**Resolution 8: Issue of Options to Mr. David Paranthoienne (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

Resolution 8 seeks Shareholder approval for the issue of 1,250,000 Options to Mr. David Paranthoienne, who is a Director of the Company.

The Options are to be issued pursuant to the Plan. The terms of the Plan are described in Annexure A.

Requirement for Shareholder Approval - ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. David Paranthoienne. Listing Rule 10.14 broadly requires Shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. David Paranthoienne.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:

- (a) the maximum number of Options to be issued to Mr. David Paranthoienne under the Plan is 1,250,000 Options;
- (b) the Options issued under the Plan will be granted for no consideration;



- (c) all the Directors of the Company are eligible to participate in the Plan and are subject to resolutions at this Annual General Meeting. As at the date of this Annual General Meeting, no Director and no associate of a Director has received Options under the Plan;
- (d) no loans have or will be made in relation to the grant of the Options to Mr. David Paranthoienne;
- (e) the Options proposed to be granted to Mr. David Paranthoienne, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

Requirement for Shareholder Approval - Corporations Act

Pursuant to Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company, specified members of the director's family and an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party.

The issue of the Options to Mr. David Paranthoienne constitute the giving of a financial benefit to a related party of the Company as Mr. David Paranthoienne is a Director. Accordingly, approval is sought under Resolution 8 to issue the Options to Mr. David Paranthoienne for the purposes of Chapter 2E of the Corporations Act.

**Resolution 9: Issue of Options to Mr. Tim Poole (Director) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

Resolution 9 seeks Shareholder approval for the issue of 1,250,000 Options to Mr. Tim Poole, who is a Director of the Company.

The Options are to be issued pursuant to the Plan. The terms of the Plan are described in Annexure A.

Requirement for Shareholder Approval - ASX Listing Rules

ASX Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. Tim Poole. Listing Rule 10.14 broadly requires Shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Options to Mr. Tim Poole.

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders:



- (a) the maximum number of Options to be issued to Mr. Tim Poole under the Plan is 1,250,000 Options;
- (b) the Options issued under the Plan will be granted for no consideration;
- (c) all the Directors of the Company are eligible to participate in the Plan and are subject to resolutions at this Annual General Meeting. As at the date of this Annual General Meeting, no Director and no associate of a Director has received Options under the Plan;
- (d) no loans have or will be made in relation to the grant of the Options to Mr. Tim Poole;
- (e) the Options proposed to be granted to Mr. Tim Poole, if approved by Shareholders, will be granted no later than 12 months after the date of this Annual General Meeting.

Requirement for Shareholder Approval - Corporations Act

Pursuant to Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company, specified members of the director's family and an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party.

The issue of the Options to Mr. Tim Poole constitute the giving of a financial benefit to a related party of the Company as Mr. Tim Poole is a Director. Accordingly, approval is sought under Resolution 9 to issue the Options to Mr. Tim Poole for the purposes of Chapter 2E of the Corporations Act.

**Resolution 10: Issue of Options to Mr. Chris Paranthoienne (related party) pursuant to the Lifestyle Communities Limited Senior Executive and Director Share Option Plan**

Resolution 10 seeks Shareholder approval for the issue of 500,000 Options to Mr. Chris Paranthoienne, who is a related party as he is the son of Mr. David Paranthoienne who is a Director of the Company in accordance with Listing Rule 10.11.

Subject to the Plan being approved by the Shareholders, the Options are to be issued pursuant to the Plan. The terms of the Plan are described in Annexure A. As a result, the issue of the Options will not be considered as part of the 15% Rule.

Requirement for Shareholder Approval - ASX Listing Rule 10.11

In accordance with ASX listing Rule 10.13, the following information is provided to shareholders:



- (a) Names of the person: Mr. Chris Paranthoienne
- (b) Maximum number of securities to be issued: 500,000 Options
- (c) Date of issue: Subject to this Resolution being passed, the Options will be issued to Mr. Chris Paranthoienne as soon as practicable after the meeting and in any event no later than one month after the date of the meeting.
- (d) Statement of relationship: Mr. Chris Paranthoienne is a related party as he is the son of Mr. David Paranthoienne who is a Director of the Company.
- (e) Issue price: Nil
- (f) Terms of issue: The Options are being issued for no consideration under the Plan. A detailed overview of the terms applicable to the Options is set out in Annexure A.
- (g) Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by Mr. Chris Paranthoienne and Mr. David Paranthoienne (Mr. Chris Paranthoienne is the son of Mr. David Paranthoienne who is a Director of the Company), or their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.
- (h) Use of funds: No funds will be raised on the issue of the Option but when the Options are exercised the funds will be used for ongoing development.

#### Requirement for Shareholder Approval - Corporations Act

Pursuant to Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in section 210 to 216 of the Corporations Act.

A "related party" for the purposes of the Corporations Act is defined widely. It includes a director of a public company, specified members of the director's family and an entity over which a director maintains control.

A "financial benefit" for the purposes of the Corporations Act is also defined widely. It includes a public company issuing securities or granting options to a related party.

The issue of the Options to Mr. Chris Paranthoienne constitutes the giving of a financial benefit to a related party of the Company as Mr. Chris Paranthoienne is the son of Mr. David Paranthoienne who is a Director of the Company. Accordingly, approval is sought under Resolution 10 to issue the Options to Mr. Chris Paranthoienne for the purposes of Chapter 2E of the Corporations Act.

Please refer to Annexure B for further information required by the Corporations Act



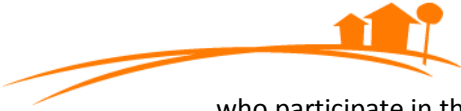
in respect of the issue of Options to the Directors of the Company the subject of Resolutions 5 to 9.

## **Annexure A**

### **Overview of the Lifestyle Communities Limited Senior Executive and Director Share Option Plan (Plan)**

The following is a summary of the terms of the Plan:

- The Company will issue the Options to the participants for no consideration.
- The Options will be subject to an escrow period of two (2) years from the date the Options are issued during which time the participant will not be permitted to exercise the Options. During the escrow period the participant must be continuously employed by the Company or have acted in the capacity as a Director. If the participant's employment or directorship ceases for any reason during the escrow period the participant will automatically forfeit the Options they were issued as well as entitlement to a Cash Bonus.
- At the end of the escrow period the Options will become vested Options and they will be able to be exercised for a period of three (3) years.
- Any vested Options held by the participant at the date of cessation of employment or directorship:
  - where cessation of employment results from death, retirement, total and permanent disability or any other cause not specified in the paragraph immediately below, will be considered by the Board on a case by case basis to determine whether the Participant (or the Participant's estate) can exercise the Options; and
  - will in the case of cessation of employment or directorship resulting from resignation, retrenchment or dismissal, automatically lapse.
- Unless otherwise determined by the Board, a participant will forfeit any Options and entitlement to a Cash Bonus if the Participant has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company.
- The exercise price which you will be able convert the Options into fully paid ordinary Shares in the Company will be based on the Volume Weighted Average Price (VWAP) of the Company Share price quoted on the ASX over the thirty (30) days prior to the Offer. The Company will advise participants of the VWAP Following receipt of a duly completed application form. As at 8 October 2010 the VWAP was 6.5 cents per share. This amount may change for the purpose of determining the exercise price.
- The Company has agreed to assist in payment of some of the tax which may be incurred by Senior Executives



who participate in the Plan by providing a once off bonus by way of:

- Bonus Options in addition to the Base Options offered to participants. The Bonus Options will be issued at the same time and with the same restrictions as the Base Options; or
  - a Cash Bonus calculated at the end of the two year escrow period. The Cash Bonus is capped if the Company Share price reaches \$0.135 (13.5 cents) and is determined by the Board.
- Directors who participate in the Plan will not be entitled to receive the Bonus Options or cash bonus.
  - No Options issued to participants will be listed on the ASX.
  - In the event of any reconstruction (including consolidation, subdivision, reduction or return but excluding share buy-backs) of the capital of the Company, the number of Options or the exercise price or both will be adjusted by the Board and all other conditions for exercise of the Options will remain largely unchanged.
  - A participant's Options lapse if the Company is placed into insolvency administration.
  - In the event of a takeover of the Company, the participant will be entitled to exercise all Options held by

the participant within a period of twenty-one (21) days from the date of the notice of intent received from the offeror, unless otherwise agreed by the Board.

- The Board may from time to time amend the terms and conditions of the Plan Rules or terminate the Plan without the consent of any eligible person or participant provided that the rights or entitlements in respect of any Options granted before the date of amendment shall not be reduced or adversely affected and any applicable laws have been complied with.

The entire Plan is available for inspection at the registered office of the Company during normal business hours.

## **Annexure B**

### **Resolutions 5 to 10 Related Party Information – Chapter 2E of the Corporations Act**

The information set out below applies to Resolutions 5 to 10 and the issue of Options to Mr. Bruce Carter, Mr. James Kelly, Mr. Dael Perlov, Mr. David Paranthoene, Mr. Tim Poole, and Mr. Chris Paranthoene.

For the purposes of Chapter 2E of the Corporations Act, the Directors are related parties of the Company.

For the purposes of Section 219 of the Act, the following additional information is provided to Shareholders to enable them to assess the merits of Resolutions 5 to 10.



**1.The Related Party to whom the proposed resolutions would permit the benefit to be given**

Mr. Bruce Carter (Director), Mr. James Kelly (Director), Mr. Dael Perlov (Director), Mr. David Paranthoienne (Director), Mr. Tim Poole (Director), and Mr. Chris Paranthoienne (Director related party) are related parties to whom the proposed Resolutions 5 to 10 would permit the benefit to be given.

The Company currently has on issue 462,073,090 Shares and 10,250,000 Options to acquire Shares. On the assumption that all of the existing Options held are not exercised, the recipients exercise the Options to be issued under Resolutions 5 to 10 and no more Shares are issued by the Company and no Options are exercised, the relevant interests of the recipients before and after the issue of Options described in Resolutions 5 to 10 are set out in the table below:

**2.The nature of the financial benefit**

The nature of the proposed financial benefit to be given is the grant of Options to each of the recipients set out in Resolutions 5 to 10.

The Company has both short term incentives (STI's) and long term incentives (LTI's) in place for Senior Management and Directors to ensure the Company aligns the goals and activities with increasing shareholder value. The issue of options is considered a LTI.

Related Party	Current No. of Shares held	Current % of Shares Held	No. of New Options to be issued pursuant to Resolutions 5 to 10	No. of Shares held (based on assumptions)	% of Shares on issue (based on assumptions)
Mr. B Carter (Director)	106,559,042	23.06%	2,000,000	108,559,042	23.07%
Mr. J Kelly (Director)	101,716,417	22.01%	2,000,000	103,716,417	22.04%
Mr. D Perlov (Director)	89,366,652	19.34%	2,000,000	91,366,652	19.42%
Mr. D Paranthoienne (Director)	6,370,646	1.38%	1,250,000	7,620,646	1.62%
Mr. T Poole (Director)	6,845,334	1.48%	1,250,000	8,095,334	1.72%
Mr. C Paranthoienne (Related Party)	-	-	500,000	500,000	0.09%



### 3.Valuation of the Financial Benefit

The Options to be issued under the Share Option Plan have been valued using the Black-Scholes pricing model using the following inputs:

Exercise price	6.5 cents
VWAP (30 days)	6.5 cents
Vesting period	2 years
Expiry	5 years
Volatility	70%
Risk free interest rate	6.25%

Fair value of options to be granted is 4.07 cents.

Value of options per Director:

Name	No. of Options	Total Value
Mr. Bruce Carter	2,000,000	\$81,400
Mr. James Kelly	2,000,000	\$81,400
Mr. Dael Perlov	2,000,000	\$81,400
Mr. David Paranthoienne	1,250,000	\$50,875
Mr. Tim Poole	1,250,000	\$50,875

The total value of options will be expensed proportionally over the 2 year vesting period.

### 4.Dilution of Existing Members' Interests

Assuming all options are exercised within the exercise period and no more shares are issued by the Company, there will be the following dilutionary effect on existing members' interests:

Current shares on issue	–	462,073,090
Options to be issued	–	12,750,000
Dilutionary effect	–	2.8%

### 5.Directors' Recommendations

In respect of Resolution 5, the Directors recommend that the Options be issued to Mr. Bruce Carter. This will ensure Mr. Carter's LTI's are aligned with those of shareholders. Mr. Bruce Carter declined to make a recommendation to Shareholders in relation to Resolution 5 because they have a material personal interest in the outcome of the Resolution in that they will receive Options if the resolution is passed.

In respect of Resolution 6, the Directors recommend that the Options be issued to Mr. James Kelly. This will ensure Mr. Kelly's LTI's are aligned with those of shareholders. Mr. James Kelly declined to make a recommendation to Shareholders in relation to Resolution 6 because they have a material personal interest in the outcome of the Resolution in that they will receive Options if the resolution is passed.

In respect of Resolution 7, the Directors recommend that the Options be issued to Mr. Dael Perlov. This will ensure Mr. Perlov's LTI's are aligned with those of shareholders. Mr. Dael Perlov declined to make a recommendation to Shareholders in relation to Resolution 7 because they have a material personal interest in the outcome of the Resolution in that they will receive Options if the resolution is passed.

In respect of Resolution 8, the Directors recommend that the Options be issued to Mr. David Paranthoienne. This will ensure Mr. Paranthoienne's LTI's are aligned with those of shareholders. Mr. David Paranthoienne declined to make a recommendation to Shareholders in relation to Resolution 8 because they have a material personal



interest in the outcome of the Resolution in that they will receive Options if the resolution is passed.

In respect of Resolution 9, the Directors recommend that the Options be issued to Mr. Tim Poole. This will ensure Mr. Poole's LTI's are aligned with those of shareholders. Mr. Tim Poole declined to make a recommendation to Shareholders in relation to Resolution 9 because they have a material personal interest in the outcome of the Resolution in that they will receive Options if the resolution is passed.

In respect of Resolution 10, the Directors recommend that the Options be issued to Mr. Chris Paranthoienne. This will ensure Mr. Paranthoienne's LTI's are aligned with those of shareholders. Mr. David Paranthoienne declined to make a recommendation to Shareholders in relation to Resolution 10 because they have a material personal interest in the outcome of the Resolution in that a related party will receive Options if the resolution is passed.

## 6. LIC Trading History

Period	High	Low
1 Jan 2010 – 31 March 2010	7.5 cents	6 cents
1 April 2010 – 30 June 2010	6.9 cents	5 cents
1 July 2010 – 8 October 2010	7 cents	6 cents

## 7. Director's Remuneration

Directors received the following remuneration packages in respect of the 2010 financial year. At the time of preparing the AGM notice, the actual remuneration for 2011 is not available:

Mr. Bruce Carter	- \$168,000
Mr. James Kelly	- \$240,000
Mr. Dael Perlov	- \$240,000
Mr. David Paranthoienne	- \$ 60,000
Mr. Tim Poole	- \$103,123*

\*includes \$48,623 expenses in relation to options not exercised

## 8. Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

Any other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors is available within the Lifestyle Communities Limited Annual Report which was released to the market on 25 August 2010 and is available on the ASX website.