



Gateway Lifestyle Group

Macquarie Conference

Trent Ottawa



May
2016



Disclaimer

Macquarie
Conference

Summary Information

The Gateway Lifestyle Group (ASX code: GTY) is a stapled group comprising a share Gateway Lifestyle Operations Limited (GLOL) (Company) and a unit in the Residential Parks No.2 Trust (Trust) and cannot be traded separately. One Management Investment Funds Limited (ABN 47 117 400 987) AFSL (297 042) – (OMIFL) acts as the responsible entity of the Trust. As a result of the stapling and in accordance with the “Constitutions” of the Trust and Gateway Lifestyle Operations Limited respectively, the operations of the Gateway Lifestyle Group are coordinated under the management of Gateway Lifestyle Operations Limited.

The material in this presentation has been prepared by the Company and contains summary information about GTY's activities. The information in this presentation is of a general background nature and does not purport to be complete or contain all the information security holders would require to evaluate their investment in GTY. It should be read in conjunction with GTY's other periodic and continuous disclosure announcements which are available at www.gatewaylifestyle.com.au Other than to the extent required by law (and only to that extent) the Company and OMIFL and their respective officers, employees and professional advisors make no representation or warranty (express or implied) as to, and assume no responsibility or liability for, the contents of this presentation.

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.

Future performance

This presentation contains certain “forward-looking statements”. Forward-looking statements, opinions and estimates provided in this presentation are inherently uncertain and are based on assumptions and estimates which are subject to change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements.

Not financial product advice or offer

Information in this presentation, including forecast financial information, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities. Before acting on any information, you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.



Business Overview

Macquarie
Conference



Gateway Lifestyle Overview

Macquarie
Conference

A socially sustainable business model providing affordable solutions to Australia's ageing population

December 2009
Founded

June 2015
ASX Listed

8,000+ Residents



~5,400 Sites Occupied¹

Resulting in a ~\$39m annualized annuity style income stream

Over 4,157
MHE sites in development pipeline

\$140m Debt Capacity to fund growth

53 Communities



Adding 3,457 additional MHE sites to the Portfolio



Birubi Beach, NSW

Keys to the Gateway Lifestyle Business Model



Focused on stable income stream from long-term site rental



Growth in stable income stream from the development of new manufactured homes



Growth through new acquisitions



Creating a sustainable business with a focus on social, environmental and corporate governance

1. As at 31 March 2016
2. Includes 3 communities to be settled in 2H16



Gateway Lifestyle Business Model

Macquarie
Conference

Simple and transparent
business model

Long term focus on annuity
style income streams

Success comes from
improving and growing the
core revenue streams.

MHE income streams are
grown by selling new homes
or acquiring new assets.

An attractive combination of:

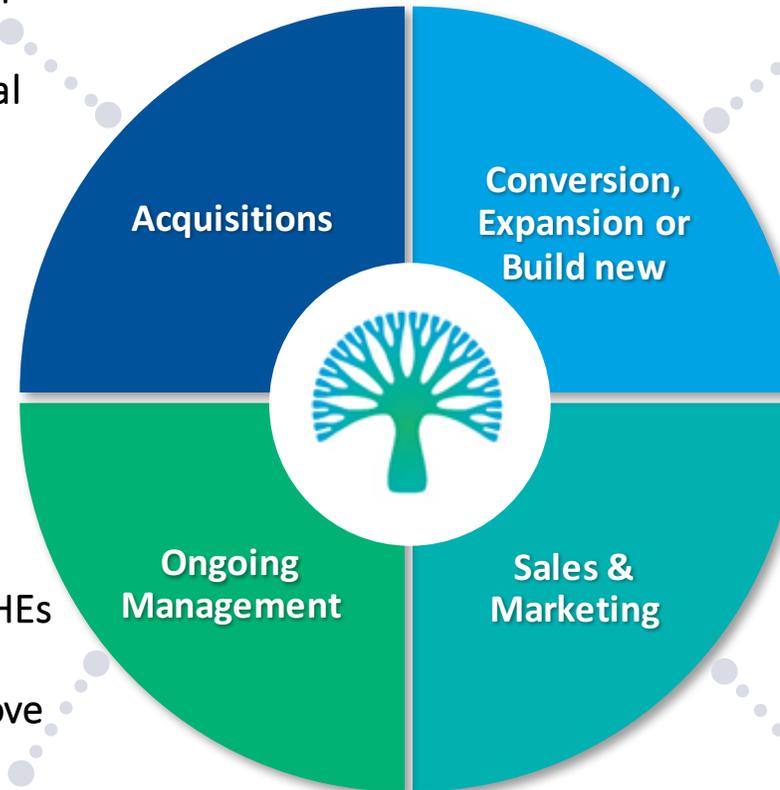
- Sustainable income with organic growth
- Upside potential from the sale of new homes and consolidation

1

- Acquire MHEs with conversion or expansion potential

4

- Branding of the MHEs
- Systems and processes to improve efficiency and minimise risk
- Community engagement
- Maximise revenue streams



2

- Masterplan MHE for conversion or expansion
- Manage development and planning risk
- Execute development plan

3

- Integration of existing and new MHE residents
- Sale of homes



Expansion of Our Communities

Macquarie
Conference



Communities ¹	Number	% Total	Total sites	MHE occupied sites	Potential for new MHE sites
As at 31 December 2015					
MHE	15	32%	2,438	2,317	121
MHE Conversion	20	43%	3,451	1,398	2,053
MHE Expansion	12	26%	2,446	1,255	1,231 ²
TOTAL	47	100%	8,335	4,970	3,405
Secured Acquisitions					
MHE	2	33%	230	230	0
MHE Conversion	3	50%	799	92	707
MHE Expansion	1	17%	151	106	45
TOTAL	6	100%	1,180	428	752
Combined Total					
MHE	17	32%	2,668	2,547	121
MHE Conversion	23	43%	4,250	1,490	2,760
MHE Expansion	13	25%	2,597	1,361	1,276
COMBINED TOTAL	53	100%	9,515	5,398	4,157

1. Includes 3 acquisitions to be settled in 2H16

2. Includes 40 potential MHE sites on vacant expansion land at Cobb Haven



Overview of Asset Types

Macquarie
Conference



Profile of a Mature MHE

Macquarie
Conference



Edgewater, QLD



Bremer Waters, QLD



Bremer Waters, QLD

Key Attributes

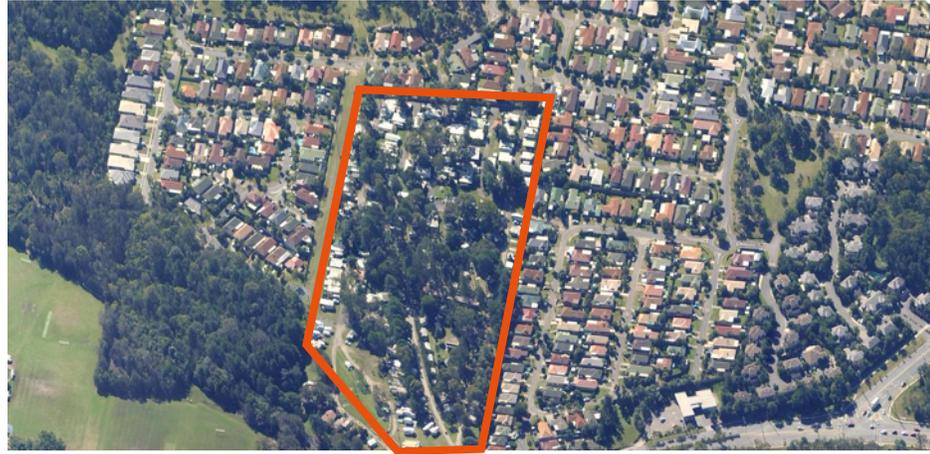
- All sites occupied by MHEs
- Income derived from long term site rental/annuity style income
- Long term rental income escalated each year
- Attractive operating margins (70% - 75% GP)
- Possible regeneration opportunities over time
- Minimal planning risk
- Acquisition yield range (8.25% - 9%)



Profile of a MHE Conversion

Macquarie
Conference

Bayside
Before
Conversion



Bayside
Post
Conversion



Key Attributes

- Acquired with mixed income streams (permanent and short term)
- Plan is to convert all short term sites to MHE to create long term sustainable income stream
- Development profits derived from home sales
- Lower capital requirement as infrastructure and facilities are often partially in place
- Planning considerations addressed before acquisition
- Acquisition yield range 9% - 10%



Profile of a MHE Expansion

Macquarie
Conference



Albury – 45 site expansion



Bethania – 28 site expansion



Chain Valley Bay – 150 site expansion

Key Attributes

- Operating income derived from the partially completed MHE
- Expansion within the existing property or adjoining land
- Development income derived from new home sales
- Capital expenditure for infrastructure required for new sites
- Operating margins on completion the same as a mature MHE
- Acquisition yield range 7.5% - 9%



Industry Overview

Macquarie
Conference





Residential land lease model underpinned by large land holdings and annuity style income streams

Key principles

- Resident owns their home and lease the land
- Resident retains long term tenure of site
- Residents may be eligible for federal government rent assistance
- Operator retains the land and receives rent from residents. Rents increase annually
- Governed by state based legislation
- Simple Lessor-Lessee relationship





A Genuine Retirement Alternative

Macquarie
Conference

Residents

- Affordable alternative
- Independent living
- Equity freed up to enable improved standard of living
- Remain a home owner
- No entry or exit fees and no stamp duty
- Residents may be eligible for rental assistance
- Residents are connected to a community

Social

- Enhances quality of life
- Free up housing stock for first home buyers or urban redevelopment
- Reduces burden on social infrastructure
- Creates communities which provide social interaction and connectedness
- Home owners feel part of the community



Investors

- Long term annuity style cashflows
- Attractive development margins on new home sales
- Underlying property as security
- Strong underlying demand from an ageing population
- An emerging industry provides growth and consolidation opportunities
- Positive social outcomes



An Emerging and Evolving Industry

Macquarie
Conference

Product and offering rapidly evolving, but fundamental principle remains unchanged

- Evolved from caravan parks to residential communities
- Industry bodies and operators are working together to educate the market, residents and government
- Industry research and statistics now available
- Institutional investors are actively supporting the industry
- Financial support from major lenders
- Dynamics between Australia and the US from an industry perspective

Product Evolution

Old Caravans



New Home

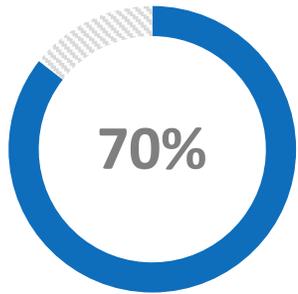


Community Facilities





Multiple solutions to the ageing population are required for sustainability



Of Australians aged over 65 receive some form of Government income support (70% receive the Age Pension)

46%
Of Retirees

Are not confident in their ability to maintain a comfortable living standard

Australians aged between 55 - 75

Current – 4.8m
Projection (2055) – 8.8m

\$620,000

Is the mean household wealth of lone person aged 65

\$95,000

Is the median superannuation balance for person aged 60 not yet retired

Key Concerns

- Health
- Happiness
- Cost of living increases (savings gap)
- Companionship
- Families financial burden



Currently four tax payers for every retired person in 2000. This will halve by 2025



Retirees expect their retirement savings to run out in around 10 years leaving a 'funding gap'

Ageing solution required

- Housing affordability
- Costing of living pressures
- Health and aged care
- Mental health and wellbeing
- Connectedness



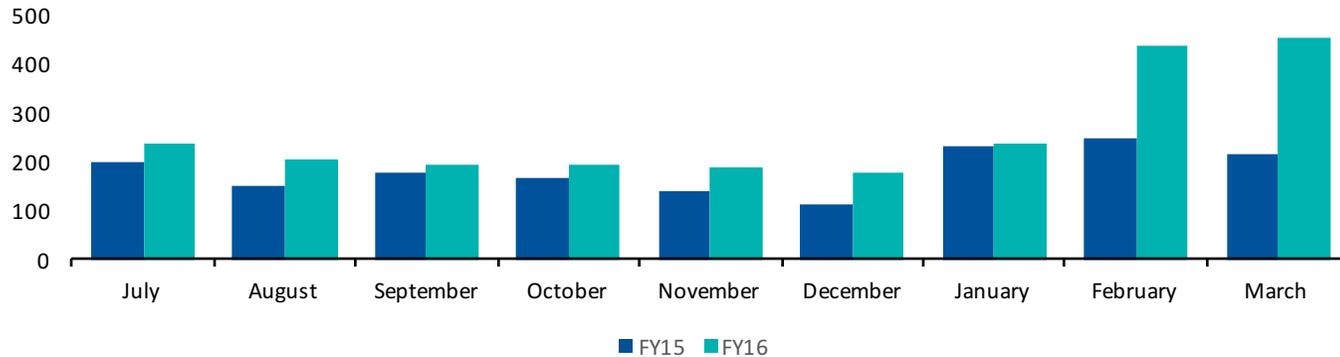
Business Update

Macquarie
Conference



Sales trends coincide with marketing initiatives and launch of new communities

New Home Enquiries FY15 v FY16



New Home Sales FY15 vs FY16



- Selling across 23 communities
- 4 new communities released in 3Q16 (The Retreat, Twin Cedars, Regal Waters and Salamander Bay)
- 124 new sales during 3Q16¹
- Marketing initiatives support the launch of 4 new communities and reflect our engagement with the communities

1. Average selling price of new sales during year to date of \$247,000



Gateway is committed to providing affordable lifestyle solutions to our residents in a socially sustainable manner

Communities Sales and Settlements update

- As at 31 March 2016, Gateway has achieved 274 committed home sales and settlements (150 home settlements and 124 committed sales) for FY16. Enquiries and sales trends during 3Q16 reflect business expectations of the release of new communities, or new stages within existing communities for FY16.
- Gateway continues to monitor settlement rates closely, which are subject to market conditions.
- Supply relationships for the delivery of new homes continues to expand. Gateway currently has 80 homes landed and a further 35 customer homes under construction.

Masterplan Update

- Our disciplined approach to expanding existing communities has resulted in approvals being received for the conversion of 381 sites and 165 additional sites during FY16.
- 47 regeneration opportunities have been acquired for refurbishment or replacement.

Acquisitions

- Progress on acquisitions in FY16 has continued with 17 new communities acquired. We expect to settle the 3 remaining acquisitions during 2H16.

Finance

- Our financial capacity remains strong with \$140m in debt facilities available.



Thank You



May
2016