



Gateway Lifestyle Group (GTY)

Appendix 4D

For the half year ended 31 December 2015

Appendix 4D

Half Year Report

Period ended 31 December 2015

1. Name of Entity:

Half year ended ('reporting period')

Half year ended ('previous corresponding period')

Gateway Lifestyle Operations Limited ABN 63 605 543 968 One Managed Investment Funds Limited ABN 47 117 400 987 AFSL 297042 as responsible entity for Residential Parks No. 2 Trust ARSN 605 803 414
31 December 2015
31 December 2014

Gateway Lifestyle Group was established during the previous 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.

Users of the financial accounts should familiarise themselves with the "Corporate Information" and "Basis of Preparation" sections set out in Notes 1 and 2 to the interim condensed consolidated financial statements in order to make an informed assessment of GTY's financial results and activities for the year ended 31 December 2015.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the period ended 30 June 2015 and any public announcements made by the Group during the half-year ended 31 December 2015.

2. Results for announcement to the market

(Amount and percentage change up or down from the previous corresponding period)

2.1	Revenues from ordinary activities	Up 2,826%	to	\$53,045,714
2.2	Profit (loss) from ordinary activities after tax attributable to members	Up 2,610%	to	\$18,282,515
2.3	Net profit (loss) for the reporting period attributable to members	Up 2,610%	to	\$18,282,515

2.4	Dividends (distributions)	Amount per security	Franked amount per security
	Final dividend	Nil	Nil
	Interim distribution	\$0.0531	Nil
	Previous corresponding period	Nil	Nil
	Distribution Payment Date	26 February 2016	N/A

2.5	Record date for determining entitlements to the interim distribution.	31 December 2015
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2.6 Brief explanation of any of the figures reported above (see 2.1 to 2.4) to enable the figures to be understood:

A review of the consolidated entity's operations during the half year ended 31 December 2015 and the results of those operations are included in the Gateway Lifestyle Group 31 December 2015 Half Year Financial Report

3.	Net tangible assets per security	Reporting period	Previous corresponding period
	Net tangible asset backing per ordinary security	118.86 cents	143.72 cents

4. Control gained over entities having material effect

Refer to Note 1 to the interim condensed financial statements.

Compliance statement

5. The information provided in this Appendix 4D is based on the half year condensed consolidated financial report (attached). Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the Half Year Financial Report.

6. The Gateway Lifestyle Group Financial Report for the financial half year ended 31 December 2015 has been subject to review. A copy of the independent review report is attached.



Gateway Lifestyle Operations Limited
ABN 63 605 543 968

One Management Investments Funds Limited
ABN 47 117 400 987 AFSL 297042
As a responsible entity for Residential Parks No.2 Trust
ARSN 605 803 414

Interim Report

For the Half Year Ended 31 December 2015

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Directors' Report

Directors' Report

For and on behalf of Gateway Lifestyle Group (comprising Residential Parks No. 2 Trust and Gateway Lifestyle Operations Limited), the Directors of Gateway Lifestyle Operations Limited (Company) and One Managed Investment Funds Limited, the responsible entity for Residential Parks No. 2 Trust, present their report, together with the interim financial statements and the auditor's review report for the half year ended 31 December 2015 (Period) of both:

- Gateway Lifestyle Operations Limited and Residential Parks. No 2 Trust and their controlled entities (Gateway Lifestyle Group); and
- Residential Parks. No 2 Trust and its controlled entities (RPT 2 Group).

In this Report, the Company and the RPT2 Group are referred to collectively as the Group or the Gateway Lifestyle Group.

Gateway Lifestyle Group

The stapled securities of Gateway Lifestyle Group are quoted on the Australian Securities Exchange (ASX) under the code GTY and each stapled security comprises one unit in Residential Parks No. 2 Trust and one share in Gateway Lifestyle Operations Limited. The unit and share are stapled together and cannot be traded separately. Each entity forming part of Gateway Lifestyle Group continues as a separate legal entity in its own right under the Corporations Act 2001 (Cth) and is therefore required to comply with the reporting and disclosure requirements under the Corporations Act 2001 and Australian Accounting Standards.

Residential Parks No. 2 Trust has been deemed the parent entity of Gateway Lifestyle Operations Limited under Accounting Standards and this financial report is prepared on that basis.

Residential Parks No. 2 Trust is a managed investment scheme. One Managed Investment Funds Limited was appointed as the responsible entity for Residential Parks No. 2 Trust on 12 May 2015.

Directors

Gateway Lifestyle Operations Limited

The following persons were Directors of Gateway Lifestyle Operations Limited during the financial half year:

Name	Role
Andrew Love	Chairman (Independent Non-Executive)
Stephen Newton	Director (Independent Non-Executive)
Rachel Launders	Director (Independent Non-Executive)
Andrew Fay	Director (Independent Non-Executive)
Trent Ottawa	Chief Executive Officer
John Wong	Chief Financial Officer and Company Secretary

Business Overview

Gateway Lifestyle Group was formed on 15 June 2015, for the purpose of an Initial Public Offering (IPO) of its stapled securities on the Australian Securities Exchange. During the Period, the Group has focused on executing its strategy as outlined in the Prospectus and Product Disclosure Statement lodged on 21 May 2015 (PDS) by providing affordable lifestyle solutions to senior Australians.

During the first half of the 2016 financial year, Gateway Lifestyle Group executed on its strategy of acquiring, managing and integrating MHE Assets by:

- Acquiring 11 new MHEs to its portfolio (with 3 to settle in 2H16) adding 2,477 sites to make a combined portfolio of 8,335 sites.
- As a result of these acquisitions, the Group added 2,477 sites in 1H16.
- 104 new homes have been settled and 60 committed sales.
- Average gross profit of \$107k per new home settled.
- Average MHE rental per week is \$141.

As at the reporting date, the Gateway Lifestyle Group has 47 MHEs in its portfolio, based in Queensland (12 MHEs), New South Wales (32 MHEs), and Victoria (3 MHEs). Three of the acquisitions are expected to settle in 2H16 (Casino, Terrigal Sands and Old Bar).

To provide greater certainty to its development pipeline, Gateway Lifestyle Group acquired a small parcel of land located in the NSW mid-North coast that is DA approved for 68 additional MHE sites, for the value of \$1.25m.

On 23 December 2015 GTY entered into a contract to acquire a vacant seaside parcel of land located in the NSW mid north coast. The parcel of land is DA approved for a 201 site MHE. The acquisition price is \$5.2m (plus transaction costs). This acquisition is expected to settle in 2H16.

As at 31 December 2015 Gateway Lifestyle Group's MHE portfolio consists of:

Communities	Number	% Total	No. Sites	Occupied by MHE	Available for MHE Development
As at 31 December 2015					
MHE	14	32%	2,343	2,222	121
MHE Conversion	20	45%	3,451	1,398	2,053
MHE Expansion	10	23%	1,532	1,084	488
TOTAL	44	100%	7,326	4,704	2,662
Expected to Settle 2H16					
MHE	1	33%	95	95	0
MHE Conversion	0	0%	0	0	0
MHE Expansion	2	67%	914	171	743
TOTAL	3	100%	1,009	266	743
COMBINED TOTAL	47		8,335	4,970	3,405

Growth in Gateway Lifestyle Group's development pipeline has been predominantly achieved through acquisitions of new MHEs. However, during the Period, Gateway Lifestyle Group also added greater certainty and value to its development pipeline, with conversion approval of 319 existing sites to MHE sites and 83 additional sites DA approved with the relevant council bodies.

A summary of the master planning outcomes are noted below:

Master Planning and Community Conversion Outcomes

Community	Master Planning Outcomes
Aspley	Development application approval received to install manufactured homes on all sites.
Redlands	Approval received to install manufactured homes on all sites plus development application approval received for 43 site expansion on adjoining land.
Regal Waters	Development application approval received for 28 expansion sites on adjoining land. Operation works approval to commence construction has been received.
The Retreat	Development application approval received for 12 site expansion.
Yamba Waters	Section 96 approval allowing the installation of a further 49 MHEs sites.

Financial Overview

The Company achieved the following financial results for the Period:

Underlying Net Operating Profit

Underlying net profit attributable to security holders was \$18,917,771. A reconciliation to underlying net profit is provided below:

Statutory NPAT \$	18,282,515
Net Fair Value Loss ⁽¹⁾	33,264
Hedging expenses	1,029,600
Stamp duty refunds	(1,547,581)
DMF Written-off ⁽²⁾	1,119,974
Underlying NPAT	18,917,771

⁽¹⁾ Net Fair Value movement:

In 1H16, Gateway lifestyle Group had a net fair value loss of \$33K, consisting of:

- \$6.0m gains from an increase in value for the following assets from an independent valuation (Goodna, Regal Waters, Coombabah, Greenbank, The Retreat, Lakelands Village and Edgewater)
- (\$6.03m) in acquisition and capital expenditure costs written off

⁽²⁾ Deferred Management Fee written-off:

The MHE known as Edgewater historically had a Capital Replacement Contribution (or effectively a Deferred Management Fee) obligation for residents. As at 30 June 2015, the value of the DMF was \$1.1m (pg 58 of the FY 15 Annual Report). On 1 July 2015, an agreement was reached with the residents impacted by the DMF for Gateway Lifestyle Group to relinquish its rights to the DMF, in return for a \$15 per week increase to their rent with the result being an increase of \$88K to annual rental income. This is consistent with Gateway Lifestyle Groups business model. The relinquishing of a \$1.1m DMF resulted in a \$1m write-off to the P&L for 1H16 and is captured in the Administration Costs in the statutory profit and loss.

This DMF write off is offset against a \$1m increase in the value of Edgewater as a result of the \$15 per week increase in rental income.

Key Metrics/Financial and Operating Highlights

Key Financial and Operating Metrics	1H FY16	Full Year FY16 PDS Forecast
Rental:		
Gross Revenue \$M	53.04	110.00
Rental Revenue \$M	23.90	45.40
Manufactured Home Avg Weekly Rate \$	141.00	141.00
Manufactured Home Sales:		
Gross Home Sales Revenue \$M	27.20	63.20
Average selling price \$000	261.00	242.00
Average development cost \$000	(154.00)	(144.00)
Gross profit per manufactured home sale \$000	107.00	98.00
Manufactured homes settled	104	261
NPAT \$M		
EBITDA	19.68	46.10
Net Interest expense	(1.2)	(1.60)
Income Tax	1.4	(1.70)
Underlying NPAT	18.92	41.40
Statutory NPAT	18.28	41.40

Review of Operations

Financial results; 1H16 Financial Results

Gateway Lifestyle Group

The net profit for the Gateway Lifestyle Group after providing for income tax amounted to \$18,282,515 (31 December 2014: \$675,000).

RPT 2 Group

The net profit for the RPT 2 Group after providing for income tax amounted to \$23,368,265 (31 December 2014: \$675,000).

1H16 Financial Performance

The Half Year Financial Report of Gateway Lifestyle Group is prepared in accordance with the Australian Accounting Standards and the requirements of the Corporations Act 2001 (Cth). However, given Gateway Lifestyle Group only came into existence on 15 June 2015, the information presented in the Financial Statements does not reflect Gateway Lifestyle Group's operations for the period to 31 December 2014, the Comparative period. Users of the financial information should familiarise themselves with Note 1: Significant accounting policies and the Basis of Preparation.

Operating results

The underlying net profit after tax attributable to the Gateway Lifestyle Group for the reporting Period was \$18,917,771. Statutory net profit after tax is \$18,282,515 and statutory EPS for the reporting Period was \$0.073.

Total revenue achieved for the Period to 31 December 2015 is \$53.0m.

On a like-for-like basis, Gateway Lifestyle Group's financial performance is in accordance with the PDS guidance in the following operating key metrics: home settlements, gross profit per home settled and average manufactured home rent per week.

Average Manufactured Home rent per week

Gateway Lifestyle Group manages the financial performance of its business by focusing on operational efficiency, as well as its ability to deliver above CPI increases. Through the sale of new homes, the third party re-sales and the active management of rental increases across the portfolio and with the additional 8 settled acquisitions during the Period, Gateway Lifestyle Group achieved an average manufactured home rent per week of \$141.

Effective 1 July 2015, Gateway Lifestyle Group abolished the Deferred Management Fee that existed for the remaining residents at the MHE known as Gateway Lifestyle Edgewater, located in Bli Bli at the Sunshine Coast, Queensland. In return, the residents affected with a DMF (93 residents in total) agreed to an increase of \$15 per week to their manufactured home rent.

Home Settlements

In the Period, Gateway Lifestyle Group continued to expand the recognition of its brand as a provider of affordable accommodation solutions for senior Australians. Gateway Lifestyle Group achieved 104 home settlements for the Period, which is in line with the half year IPO forecast for Home Settlements.

This is a result of an increase in assets available for development in the MHE portfolio, as well as direct marketing initiatives. The Group continues to see positive trends in enquiries.

Gross Profit per Home Settled

In the Period, the Group achieved \$27.2m in gross proceeds from the settlement of new homes, at an average of \$261,000 per home. This is \$19,000 higher than the full year forecast guidance provided in the PDS, and is a result of a higher number of metropolitan products sold during the Period than forecasted.

Total home development costs for the Period was \$16.1m, at an average of \$153,000 per home. This is \$9,000 higher than the guidance provided in the PDS for the full year, and correlates directly to higher costs associated with delivering a metropolitan product. Manufacturing costs are largely responsible for the increase, as a metropolitan style home costs slightly more than a regional product.

As a result, the Group achieved an average of \$107k gross profit per home settled. This is approximately \$9,000 above the PDS forecasts.

Corporate

Total corporate costs incurred for 1H16 was \$7.9m. This amount includes an amount of \$1.1m with regards to the CRC write-off. Underlying corporate costs was \$6.8m. This is above PDS forecast due to acceleration of certain corporate expenses earlier than expected in 1H16 to ensure that the Group is sufficiently resourced to accommodate for future acquisitions and related integration. There was also higher than expected additional advisory costs regarding identifying corporate structural efficiencies including the implementation of new systems and processes.

Acquisitions and Investments

In the first half of FY16, Gateway Lifestyle Group saw the acquisition and settlement of 8 new assets in the half year into its portfolio, resulting in a total of 44 MHE assets in Gateway Lifestyle Groups ownership. In addition Gateway Lifestyle Group has entered into contracts for three additional assets expected to settle in 2H16, making a combined portfolio of 47 communities.

Gateway Lifestyle Group's acquisition strategy, focuses on three main areas:

1. Fully completed MHE assets, that is a MHE asset that does not have any new home sales;
2. MHE conversion assets, that is a MHE asset that has both permanent rentals and short-term rentals, whereby the short-term rentals are able to be converted to long-term rentals through the sale of a new home to a new resident; and
3. MHE expansion assets, that is an existing MHE asset (either conversion or fully completed), with an additional parcel of land available to be developed so that new manufactured homes can be sold to new residents.

The assets were all acquired within the Group's disciplined acquisition framework.

As the 8 new assets acquisitions were primarily settled late in 2QFY16 (and primarily in November 2015), these acquisitions did not materially impact the Group's earnings in the Period.

Capital Management

During the Period, as a result of the new acquisitions a total of \$82.6m was drawn against the syndicated debt facility. As at 31 December 2015, total drawn funds against the debt facility was \$140.06m.

The Gross Loan to Value ratio (LVR) as at 31 December 2015 was 32.74%, and the Net Debt LVR was 28.95%. The LVRs are within the range adopted by the Board.

In taking a prudent approach to managing the Group's exposure to interest rate movements, the Group entered into a capped interest rate arrangement for \$26m of its drawn debt (refer to Note 9). In addition, to facilitate the Group's ability to execute on its growth strategy, the Group announced in November 2015 an increase to its existing facility limit from \$180m to \$250m. This increase of \$70m in the facility will be used to fund future acquisitions.

Cash and cash equivalents as at 31 December 2015 were \$16.2m.

Distributions

The distribution payable for the half year to 31 December 2015 is \$0.0531 per stapled security and will be paid to securityholders on 26 February 2016. The distribution payable is within the Group's distribution policy as set out in the PDS. The distributions are 40.08% tax deferred.

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Gateway Lifestyle Group or the RPT 2 Group that occurred during the half year other than those listed above or elsewhere in the Directors' Report.

Matters subsequent to the end of the half year

- On 30 November 2015, GTY announced it had entered into a Scheme Implementation Deed (SID) to acquire RV Parks Australia Limited (RV Parks) the entity that owns and operates the MHE and RV Resort located at Casino, northern NSW. The first court hearing to approve the scheme was held on 4 February 2016 and the court has ordered that a meeting of RV Parks shareholders be convened to consider and vote on the proposed acquisition of RV Parks by GTY by way of a scheme of arrangement.

Rounding of amounts

Gateway Lifestyle Group and RPT 2 Group are entities of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Auditor

Ernst & Young continues in office in accordance with section 327 of the *Corporations Act 2001*. Signed in accordance with resolutions of the Board of Directors of Gateway Lifestyle Operations Limited, pursuant to section 303(1)(c) of the *Corporations Act 2001*.



Andrew Love
Chairman

11 February 2016
Sydney



Trent Ottawa
Chief Executive Officer

11 February 2016
Sydney



Auditor's Independence Declaration

Auditor's Independence Declaration



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration

To: the directors of Gateway Lifestyle Operations Limited and the directors of One Managed Investment Funds Limited, as Responsible Entity of Residential Parks No. 2 Trust

As lead auditor for the reviews of Gateway Lifestyle Group and Residential Parks No. 2 Trust Group for the half-year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the reviews; and
- b) no contraventions of any applicable code of professional conduct in relation to the reviews.

This declaration is in respect of Gateway Lifestyle Group (comprising of Gateway Lifestyle Operations Limited and the entities it controlled during the financial period, including Residential Parks No. 2 Trust and the entities it controlled during the financial period) and Residential Parks No. 2 Trust Group (comprising Residential Parks No. 2 Trust and the entities it controlled during the financial period).

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Mark Conroy'.

Mark Conroy
Partner
11 February 2016



Interim Consolidated Financial Statements

Interim Consolidated Financial Statements

Interim consolidated statements of profit or loss and other comprehensive income for the six months ended 31 December 2015

	Note	Gateway Lifestyle Group		RPT2 Group	
		2015 \$'000	Restated 2014 \$'000	2015 \$'000	Restated 2014 \$'000
Revenue from continuing operations		51,452	1,796	17,593	1,796
Other income		1,595	17	5,115	17
Net fair value adjustment on investment properties	8	(120)	-	3,213	-
Net fair value adjustment on financial instruments		86	-	86	-
Expenses					
Investment property expenses		5,433	145	6	145
Manufactured home sale expenses		15,984	-	-	-
Sales and marketing expenses		727	-	-	-
Employee benefits expense		7,654	117	-	117
Administration expenses		3,588	238	267	238
Finance costs		2,755	638	1,999	638
Profit (loss) before income tax expense from continuing operations	3	16,872	675	23,735	675
Income tax benefit (expense)	6	1,410	-	(366)	-
Profit (loss) after income tax expense from continuing operations		18,282	675	23,369	675
Profit (loss) after income tax expense for the period		18,282	675	23,369	675
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		18,282	675	23,369	675
Total comprehensive income (loss) for the period attributable to:					
Shareholders of Gateway Lifestyle Operations Limited		(5,087)	-	-	-
Unitholders of the Residential Parks No.2 Trust		23,369	597	23,369	597
Total comprehensive income (loss) attributable to stapled securityholders		18,282	597	23,369	597
Non-controlling interest		-	78	-	78
Total comprehensive income (loss) for the period		18,282	675	23,369	675

Interim consolidated statements of profit or loss and other comprehensive income for the six months ended 31 December 2015 (continued)

	Gateway Lifestyle Group		RPT2 Group	
	2015 Cents	Restated 2014 Cents	2015 Cents	Restated 2014 Cents
Earnings per stapled security				
Basic/diluted earnings (loss) per stapled security (weighted average)	7.3	6.4	n/a	n/a
Basic/diluted earnings (loss) per unit (weighted average)	n/a	n/a	9.4	6.4

Interim consolidated statements of financial position as at 31 December 2015

	Gateway Lifestyle Group		RPT2 Group		
	Note	31 December 2015 \$'000	Restated 30 June 2015 \$'000	31 December 2015 \$'000	Restated 30 June 2015 \$'000
Assets					
Current assets					
Cash and cash equivalents	10	16,211	11,252	207	1,598
Trade and other receivables		9,041	7,342	785	13,772
Inventories		15,504	6,616	-	-
Other		2,199	2,476	-	58
Total current assets		42,955	27,686	992	15,428
Non-current assets					
Receivables	12	-	-	157,123	112,367
Investment properties	8	428,537	347,166	381,047	309,966
Plant and equipment		863	305	-	-
Intangibles		142,848	142,436	82,246	82,246
Non-current financial assets	9	86	-	86	-
Deferred tax		4,433	2,662	-	-
Total non-current assets		576,767	492,569	620,502	504,579
Total assets		619,722	520,255	621,494	520,007
Liabilities					
Current liabilities					
Trade and other payables		28,403	22,190	13,799	11,929
Income tax		6,886	6,588	5,941	5,342
Employee benefits		1,159	789	-	38
Provisions		515	515	-	-
Other current liabilities		838	716	171	23
Total current liabilities		37,801	30,798	19,911	17,332
Non-current liabilities					
Borrowings		137,590	50,180	140,060	52,500
Lease liabilities		736	-	667	-
Other non-current liabilities		2,460	2,848	819	-
Deferred tax		1,850	2,114	1,850	2,114
Total non-current liabilities		142,636	55,142	143,396	54,614
Total liabilities		180,437	85,940	163,307	71,946
Net assets		439,285	434,315	458,187	448,061

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Interim Consolidated statements of financial position as at 31 December 2015 (continued)

Note	Gateway Lifestyle Group		RPT2 Group	
	31 December 2015 \$'000	Restated 30 June 2015 \$'000	31 December 2015 \$'000	Restated 30 June 2015 \$'000
Equity				
Equity attributable to members of the Company				
Contributed equity	(2,922)	(2,853)	-	-
Treasury stapled securities	(325)	(325)	-	-
Retained profits (accumulated losses)	(15,655)	(10,568)	-	-
	(18,902)	(13,746)	-	-
Equity attributable to unitholders of the Trust				
Contributed equity	470,704	470,704	470,704	470,704
Reserves	(636)	(636)	(636)	(636)
Surplus (deficiency)	(11,881)	(22,007)	(11,881)	(22,007)
	458,187	448,061	458,187	448,061
Total Equity	439,285	434,315	458,187	448,061

Interim consolidated statements of changes in equity for the six months ended 31 December 2015

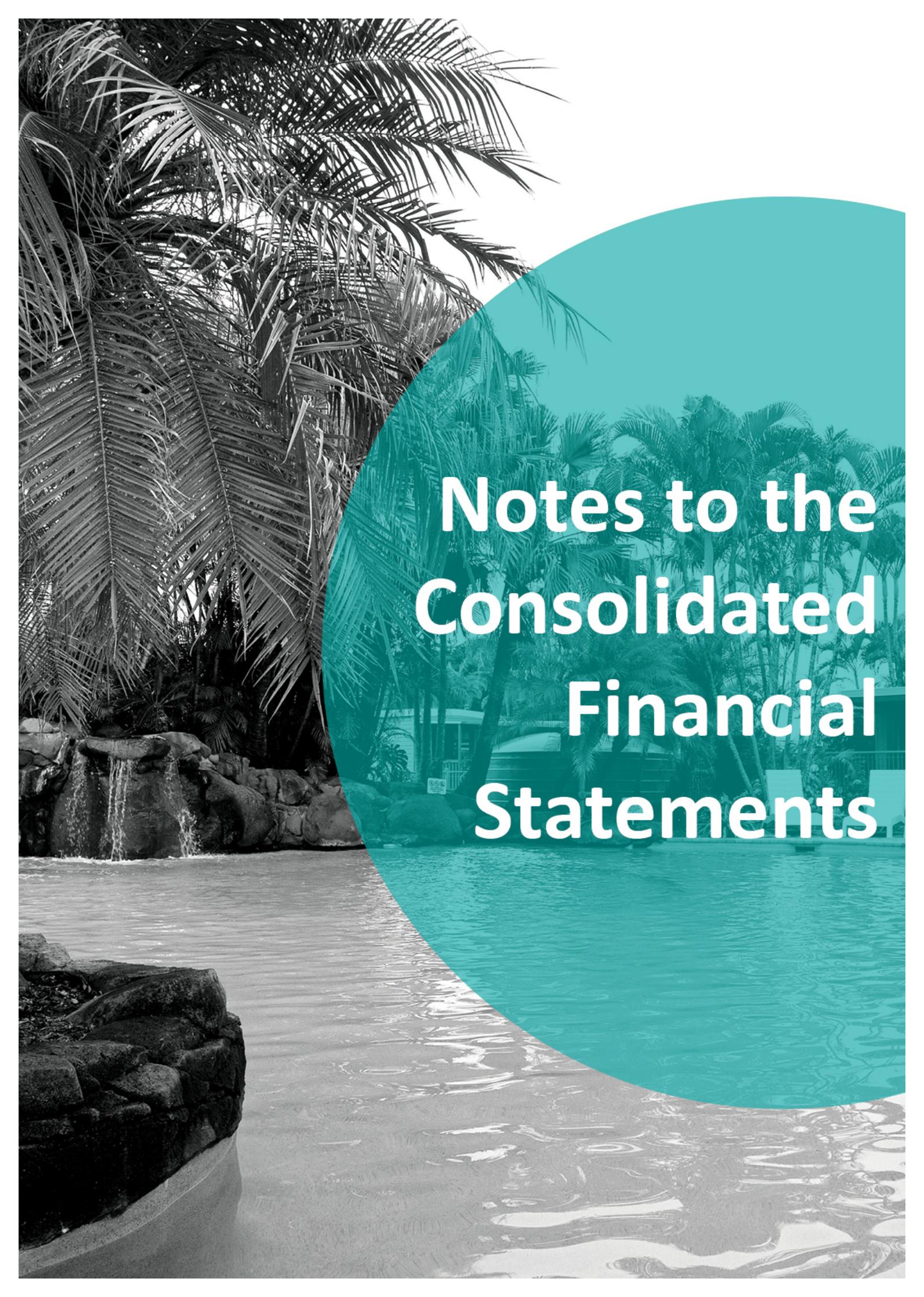
	Attributable to Members of the Company				Attributable to Unitholders of the Trust				Non-controlling Interest	Gateway Lifestyle Group Total Equity \$'000
	Contributed Equity \$'000	Treasury Stapled Securities \$'000	Retained Profits (Accumulated Losses) \$'000	Total \$'000	Contributed Equity \$'000	Reserves \$'000	Retained Profits (Accumulated Losses) \$'000	RPT2 Group Total Equity \$'000		
Gateway Lifestyle Consolidated										
Balance at 1 July 2015	(2,853)	(325)	(10,568)	(13,746)	470,704	(636)	(22,007)	448,061	-	434,315
Total comprehensive income (loss) for the six months attributable to:										
Members of the Company	-	-	(5,087)	(5,087)	-	-	-	-	-	(5,087)
Unitholders of the Trust	-	-	-	-	-	-	23,369	23,369	-	23,369
Total comprehensive income (loss) for the period	-	-	(5,087)	(5,087)	-	-	23,369	23,369	-	18,282
Transactions with members recorded directly in equity:										
Equity raising costs	(69)	-	-	(69)	-	-	-	-	-	(69)
Distribution	-	-	-	-	-	-	(13,243)	(13,243)	-	(13,243)
Balance at 31 December 2015	(2,922)	(325)	(15,655)	(18,902)	470,704	(636)	(11,881)	458,187	-	439,285
Balance at 1 July 2014	-	-	-	-	15,800	-	(288)	15,512	3,021	18,533
Total comprehensive income (loss) for the 6 months attributable to:										
Non-controlling interest	-	-	-	-	-	-	-	-	78	78
Unitholders of the Trust	-	-	-	-	-	-	597	597	-	597
Total comprehensive income (loss) for the period	-	-	-	-	-	-	597	597	78	675
Transactions with members recorded directly in equity:										
Trust units issued	-	-	-	-	11,787	-	-	11,787	-	11,787
Distribution	-	-	-	-	-	-	(435)	(435)	(1,816)	(2,251)
Balance at 31 December 2014	-	-	-	-	27,587	-	(126)	27,461	1,283	28,744

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Interim consolidated statements of cash flows for the six months ended 31 December 2015

	Note	Gateway Lifestyle Group		RPT2 Group	
		2015 \$'000	Restated 2014 \$'000	2015 \$'000	Restated 2014 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		54,816	1,522	30,830	1,522
Payments to suppliers and employees (inclusive of GST)		(43,068)	(566)	(795)	(566)
Interest received		46	16	3,568	16
Interest and other finance costs paid		(916)	(741)	(764)	(741)
Transactional costs refunded (paid)		(9,516)	-	1,548	-
Income taxes refunded (paid)		(270)	-	-	-
Net cash from (used in) operating activities		1,092	231	34,387	231
Cash flows from investing activities					
Payment for purchase of business, net of cash acquired					
Payments for purchase of investment properties	8	(74,606)	(18,429)	(61,502)	(18,429)
Payments for additions to investment properties	8	(6,210)	(74)	(5,689)	(74)
Purchase of plant and equipment and intangibles		(989)	-	-	-
Advance of loan to related parties		-	(485)	(56,057)	(485)
Repayment of loans by related parties		307	308	-	308
Net cash from (used in) investing activities		(81,498)	(18,680)	(123,248)	(18,680)
Cash flows from financing activities					
Proceeds from issue of equity		-	11,787	-	11,787
Distribution to equity holders		-	(668)	-	(668)
Repayment of loans from related parties	12	-	(152)	-	(152)
Proceeds from borrowings	7	87,560	9,790	87,560	9,790
Payments for borrowing costs		(1,479)	-	(67)	-
Net cash from (used in) financing activities		86,081	20,757	87,493	20,757
Net increase (decrease) in cash and cash equivalents		5,675	2,308	(1,368)	2,308
Cash and cash equivalents at 1 July		10,536	1,622	1,575	1,622
Cash and cash equivalents at 31 December	10	16,211	3,930	207	3,930

The above statements of cash flow should be read in conjunction with the accompanying notes



Notes to the Consolidated Financial Statements

Notes to the consolidated financial statements

Note 1. Corporate information

Gateway Lifestyle Group is domiciled in Australia, and comprises a stapling of Gateway Lifestyle Operations Limited (Company) and Residential Parks No. 2 Trust. The address of the registered office is Suite 303, 7-9 Irvine Place Bella Vista NSW 2153. Gateway Lifestyle Group is a for-profit entity and is primarily involved in the ownership and management of Manufactured Home Estates within Australia.

As permitted by Class Order 13/1050 issued by the ASIC, these interim condensed financial statements for the six months ended 31 December 2015 are combined interim condensed consolidated financial statements of Gateway Lifestyle Group and interim condensed consolidated financial statements of RPT2 Group.

The financial report includes separate interim condensed financial statements for:

- Gateway Lifestyle Group, consisting of Gateway Lifestyle Operations Limited and Residential Parks No. 2 Trust, and their controlled entities; and
- Residential Parks No. 2 Trust and its controlled entities ("RPT 2 Group")

The financial report was authorised for issue by the Directors of Gateway Lifestyle Operations Limited and One Managed Investment Funds Limited on 11 February 2016.

Note 2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2015 have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual report for the period ended 30 June 2015 and any public announcements made by the Group during the half-year ended 31 December 2015.

Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 30 June 2015.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Note 3. Operating segments

Identification of reportable operating segments

Gateway Lifestyle Group

Gateway Lifestyle Group is organised into two operating segments:

1. Manufactured home operations – revenue generated through the collection of rental income from sites.
2. Manufactured home development – revenue generated through the sale of a manufactured home to a resident.

RPT 2 Group

RPT 2 Group operates only in the manufactured home operations segment.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors of the Company (who are identified as the CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (“Earnings Before Interest, Tax, Depreciation and Amortisation”). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Gateway Lifestyle Group and RPT 2 Group do not manage or review the balance sheet on a segment basis and only the segments’ operating results are reported to the CODM. Such segment profit and loss results have been disclosed.

The information reported to the CODM is on at least a monthly basis.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Comparative period

During comparative period, the Gateway Lifestyle Group’s one reportable segment is the manufactured home operations with revenue generated through the collection of rental income from sites. The total of the reportable segments’ revenue and profit is the same as that of the Group as a whole and as disclosed in the Consolidated Income Statement.

Reportable segment revenue and profit

The total of reportable segment revenue and profit is the same as that of Gateway Lifestyle Group’s as a whole and as disclosed in the Consolidated Income Statement.

Note 3. Operating segments (continued)

Gateway Lifestyle Group

Operating segment information

	Manufactured Home Operations \$'000	Manufactured Home Development \$'000	Intersegment eliminations/ unallocated \$'000	Total \$'000
Consolidated – Six months ended 31 December 2015				
Rental revenue	22,668	-	-	22,668
Operating expense	(9,457)	-	-	(9,457)
Manufactured home sales	-	27,186	-	27,186
Manufactured home expenses	-	(15,984)	-	(15,984)
Other revenue	252	-	2,939	3,191
Corporate costs	-	-	(7,922)	(7,922)
Transaction costs	-	-	-	-
EBITDA	13,463	11,202	(4,983)	19,682
Depreciation and amortisation	-	-	(22)	(22)
Fair value gains (losses)	-	-	(33)	(33)
Finance costs	(2,755)	-	-	(2,755)
Profit (loss) before income tax expense	10,708	11,202	(5,038)	16,872
Income tax benefit	-	-	1,410	1,410
Profit (loss) after income tax expense	10,708	11,202	(3,628)	18,282

Seasonality of operations

Revenue from both the manufactured home operation and manufactured home development segments is predominantly non-seasonal.

Note 4. Adjustments to provisional amounts recognised for business combinations

AASB 3 Business Combinations allows a measurement period after a business combination to provide the acquirer a reasonable time to obtain the information necessary to identify and measure all of the various components of the business combination as of the acquisition date. The period cannot exceed one year from the acquisition date.

The business acquisitions by the Gateway Lifestyle Group and RPT 2 Group occurred in June 2015 and therefore, the acquisition accounting is provisional. During the half year new information has been obtained about facts and circumstances that existed as of the acquisition date. As a result, an additional deferred tax liability of \$2,113,724 has been recognised in relation to the temporary difference on an investment property held within a taxable entity, and the provisional amount of goodwill recognised at the acquisition date has been correspondingly increased. Comparative amounts at 30 June 2015 have been revised accordingly.

Note 5. Impairment testing of goodwill

The business acquisitions by the Gateway Lifestyle Group and RPT 2 Group occurred in June 2015 and therefore, the acquisition accounting is provisional, which results in the allocation of the goodwill to cash generating unit or a group of cash generating units not having been completed as at the date of this report.

The allocation of goodwill to cash generating unit or a group of cash generating units is to facilitate the testing of goodwill for impairment. On behalf of the Group, the Company has assessed that there are no indicators for impairment of the provisional goodwill recognised.

The allocation of goodwill to specific cash generating units will be completed over the next reporting period and disclosed in the annual report. To the extent that any of the goodwill recognised on business combinations in the RPT 2 Group relates to synergies that will be realised in the cash generating units of the wider Gateway Lifestyle Group, this may be recorded as an equity transaction with its parent in the consolidated financial statements of the RPT 2 Group.

Note 6. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of profit or loss are:

	Gateway Lifestyle Group For the six months ended 31 December		RPT2 Group For the six months ended 31 December	
	2015	Restated 2014	2015	Restated 2014
	\$'000	\$'000	\$'000	\$'000
Income taxes				
Current income tax expense	600	-	600	-
Deferred tax benefit relating to origination and reversal of temporary differences and tax losses	(2,057)	-	(253)	-
Adjustment recognised for prior periods	47	-	19	-
Income tax expense(benefit) recognised in statement of profit or loss	(1,410)	-	366	-

A deferred tax asset of \$1.995m is recognised on tax losses incurred during the period (30 June 2015: \$0.841m). Forecast future taxable income is expected to be sufficient to utilise the tax losses.

Note 7. Borrowings

During the half year the consolidated group drew down on its bank facility by an additional \$87,560,000. The bank loans are on a 3 month rolling facility with interest rate determined at the commencement of each rollover. Interest is payable in arrears on maturity of each rollover period. The principal component is subject to continuous rollover for a 5 year term. The proceeds of the loan have been used to purchase MHEs and for additions to MHEs, and for general purposes.

Note 8. Investment properties

Set out below is a reconciliation of the fair value at the beginning and end of the half-year:

	Gateway Lifestyle Group \$'000	RPT2 Group \$'000
<i>Opening fair value at 30 June 2015</i>	347,166	309,966
Acquisitions (inclusive of transaction costs)	74,604	61,502
Capitalised expenditure	6,210	5,689
Crown lease liability recognised	677	677
Revaluation increments/(decrements) recognised in profit or loss	(120)	3,213
<i>Closing fair value at 31 December 2015</i>	428,537	381,047

Acquisitions

Acquisitions of Manufactured home estates (MHE) during the six months ended 31 December 2015 comprised:

Manufactured home estate	Date of purchase	Gateway Lifestyle Group Cost \$'000	RPT2 Group Cost \$'000
Gateway Lifestyle Myola	18/09/2015	5,666	4,316
Gateway Lifestyle Moama	09/10/2015	13,080	11,848
Gateway Lifestyle Beachfront Hallidays Point	16/10/2015	13,194	10,734
Gateway Lifestyle Homestead	20/11/2015	8,767	6,767
Gateway Lifestyle Belmont	20/11/2015	13,196	10,696
Gateway Lifestyle Ulladulla	20/11/2015	10,903	8,903
Failford	07/12/2015	1,409	1,409
Gateway Lifestyle Birubi Beach	11/12/2015	8,389	6,829
		74,604	61,502

Commitments

At reporting date there were contractual obligations to purchase MHEs as follows:

- RV Parks Australia Limited - \$14.2m (excluding transaction costs)
- Old Bar - \$5.2m (excluding transaction costs)
- Terrigal Sands Lifestyle Village & Residential Park - \$8.5m (excluding transaction costs)

Note 9. Financial assets and financial liabilities

Set out below is an overview of financial assets, other than cash and short-term deposits, held by the Group as at 31 December 2015 and 30 June 2015:

	Gateway Lifestyle Group		RPT2 Group	
	31 December 2015 \$'000	30 June 2015 \$'000	31 December 2015 \$'000	30 June 2015 \$'000
Financial assets at amortised cost:				
Trade and other receivables	5,561	2,061	-	13,182
GST receivable	3,022	2,688	777	540
Related party receivable - current	121	528	-	-
Other receivable	337	2,065	8	50
Related party receivable – non-current	-	-	157,123	112,367
Derivatives not designated as hedging instruments:				
Interest rate cap	86	-	86	-
Total	9,127	7,342	157,994	126,139
Total current	9,041	7,342	785	13,772
Total non-current	86	-	157,209	112,367

Set out below is an overview of financial liabilities held by the Group as at 31 December 2015 and 30 June 2015:

	Gateway Lifestyle Group		RPT2 Group	
	31 December 2015 \$'000	30 June 2015 \$'000	31 December 2015 \$'000	30 June 2015 \$'000
Financial liabilities at amortised cost:				
Trade payables	6,541	3,566	203	191
Stamp duty payable	-	10,761	-	-
Accruals	1,330	4,368	329	1,887
Related party payables	-	-	-	9,760
Distributions payable	13,243	-	13,243	-
Other payables	1,026	1,074	24	86
Bank overdraft	-	716	-	23
Non-current interest bearing loans				
\$180,000,000 secured bank loan	140,060	52,500	140,060	52,500
Transaction costs offset against loan	(2,470)	(2,320)	-	-
Interest cap premium	990	-	990	-
Deferred consideration payable to vendor	2,258	2,848	-	-
Financial liabilities at fair value through profit or loss				
Lease liabilities	689	-	667	-
Total	163,667	73,513	155,516	64,447
Total current	22,951	20,485	13,971	11,947
Total non-current	140,716	53,028	141,545	52,500

Deferred consideration payable to vendor

Deferred consideration payable to the vendor is the acquisition price comprising of a deferred payment to the vendor when the Tasman Group first acquired the Valhalla Village. It is based on an earn-out arrangement depending on the construction, installation, renovation and sale of manufactured homes on the land held by Valhalla Village Pty Ltd. The earn-out arrangement commenced on 25 June 2014 for a period of 8 years and is capped at a maximum of \$3m.

Note 9. Financial assets and financial liabilities (continued)

Risk management activities

As a result of its use of borrowings the Group is exposed to the risk of changes in market interest rates. In order to reduce this risk, in the six months to 31 December 2015 the Group entered into an interest rate derivative. The notional amount of this interest rate cap is \$26.25m.

For operational reasons, the Group decided not to designate the interest rate cap as a hedge accounting relationship. Consequently, all changes in the fair value of the interest rate cap are recognised in the statement of profit or loss.

Fair value

The carrying value of Gateway Lifestyle Group's financial assets and financial liabilities at amortised cost approximate their fair values as at 31 December 2015 and 30 June 2015.

Fair value hierarchy

The following tables detail the financial assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

Gateway Lifestyle Group

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2015				
Assets				
Interest rate cap	-	86	-	86
Total assets	-	86	-	86
Liabilities				
Deferred consideration payable	-	-	2,258	2,258
Total liabilities	-	-	2,258	2,258
30 June 2015				
Assets				
Interest rate cap	-	-	-	-
Total assets	-	-	-	-
Liabilities				
Deferred consideration payable	-	-	2,848	2,848
Total liabilities	-	-	2,848	2,848

Note 9. Financial assets and financial liabilities (continued)

RPT 2 Group

31 December 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Interest rate cap	-	86	-	86
Total assets	-	86	-	-
30 June 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Interest rate cap	-	-	-	-
Total assets	-	-	-	-

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Interest rate cap

The fair value of interest rate caps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the reporting period.

Deferred consideration payable

The deferred value is determined using the DCF model.

Note 10. Cash and short-term deposits

For the purposes of the interim condensed statement of cash flows, cash and cash equivalents are comprised of the following:

	Gateway Lifestyle Group		RPT2 Group	
	31 December 2015 \$'000	30 June 2015 \$'000	31 December 2015 \$'000	30 June 2015 \$'000
Cash on hand	107	16	-	-
Cash at bank	16,104	11,236	207	1,598
Total cash	16,211	11,252	207	1,598
Bank overdraft	-	(716)	-	(23)
Total cash and cash equivalents	16,211	10,536	207	1,575

Note 11. Subsequent events

Subsequent to reporting date, a few parcels of land associated with MHEs was sold. Total sale proceeds were \$1.96m.

Note 12. Related party transactions

Related Party Disclosures

Responsible Entity

The Responsible Entity of RPT 2 Group is One Managed Investments Funds Limited (OMIFL).

Transactions involving the Responsible Entity

Set out below are the fees paid or payable by the trust to the Responsible Entity during the six months ended 31 December 2015:

	Gateway Lifestyle Group		RPT2 Group	
	2015	Restated 2014	2015	Restated 2014
	\$'000	\$'000	\$'000	\$'000
Fees paid or payable to One Managed Investment Funds Limited				
Responsible entity fee	239	-	239	-
Custodian service fee	131	-	131	-
	370	-	370	-

At balance date, there was \$nil owing to the Responsible Entity (30 June 2015 \$nil).

Other transactions with related parties

Set out below are other transactions between the Gateway Lifestyle Group and RPT 2 Group and associated entities during the six months ended 31 December 2015:

	Gateway Lifestyle Group		RPT2 Group	
	2015	Restated 2014	2015	Restated 2014
	\$'000	\$'000	\$'000	\$'000
Purchase of investment property from related parties (Note (i))	10,000	-	8,000	-
Leasehold rent received from related parties (Note (ii))	-	880	17,592	880

Note (i):

In November 2015, Gateway Lifestyle Group acquired the MHE located in the NSW mid-south coast known as Gateway Lifestyle Ulladulla from Ulladulla Investments Holdings Pty Limited as trustee for the GTY Property Trust ("GTY Property Trust"). As disclosed in the prospectus in the IPO, the Executive Directors Trent Ottawa (CEO) and John Wong (CFO), directly owned 100% of the units in the entity GTY Property Trust, as an interim measure as a result of the timing of the IPO.

The acquisition of the Ulladulla Trust was completed at a value of \$10 million, plus transaction costs. GTY Property Trust, taking into consideration transaction costs, is not expected to make a gain on the disposal of the MHE to Gateway Lifestyle Group. Accordingly, the Executive Directors of GTY have not received any financial benefit or gain in respect of this transaction.

Note (ii):

Leasehold rent received from related parties for RPT 2 Group represents rent for investment properties paid by operating entities in the Gateway Lifestyle Group to property owning entities in the RPT 2 Group for the full six month period.

Leasehold rent received from related parties for Gateway Lifestyle Group represents rent for investment properties paid by operating entities in the Gateway Lifestyle Group to property owning entities in the RPT 2 Group prior to the date on which the Gateway Lifestyle Group acquired the MHE assets.

Note 12. Related party transactions (continued)

	Gateway Lifestyle Group		RPT2 Group	
	31 December 2015 \$'000	30 June 2015 \$'000	31 December 2015 \$'000	30 June 2015 \$'000
Related party loans receivable – current				
GTY Property Operations Pty Limited	121	528	-	-
Related party loans receivable – non-current				
Gateway Lifestyle Operations Limited	-	-	157,123	90,342
Gateway Lifestyle Operations (Qld) Pty Limited	-	-	-	8,065
Quattro Parks Operations (NSW) Trust	-	-	-	1,216
Quattro Parks Operations (VIC) Trust	-	-	-	5,048
Regal Water Holdings Pty Limited	-	-	-	6,207
Tasman Lifestyle Continuum Pty Limited	-	-	-	1,489
	-	-	157,123	112,367
Related party loans payable – current				
Tasman Lifestyle Continuum Pty Ltd	-	-	-	9,760

All related party loans from (to) RPT 2 Group as at 31 December 2015 arose during the period commencing 15 June 2015 and for the reporting period. Loans receivable from Gateway Lifestyle Operations Limited are subject to revolving inter-company loan facility that has a term of 9 years and 11 months, with interest payable in arrears on a quarterly basis at a market rate as determined by OMIFL plus 3%. All other related party loans as at 30 June 2015, whilst currently not subject to the same terms as note above, will be operating under the same loan arrangements effective from the establishment of the loans.

None of the related party loans are impaired.

Note 13. Distributions / Dividends**Details of dividends / distributions proposed or being paid are:**

	Cents per Security	Total Amount \$'000	Date of Payment
Period ended 31 December 2015			
RPT2 Trust distribution	5.31	13,243	26/02/2016
Period ended 30 June 2015			
RPT2 Trust distribution	1.77	355	14/01/2015
RPT2 Trust distribution	1.31	420	06/05/2015
		775	

	Gateway Lifestyle Group		RPT2 Group	
	31 December 2015 \$'000	30 June 2015 \$'000	31 December 2015 \$'000	30 June 2015 \$'000
Franking Credits				
Balance of franking account at period end	906	637	394	394

A photograph of a residential complex, possibly a retirement village, featuring a row of white buildings with dark roofs. In the foreground, there is a calm pond reflecting the sky and the buildings. A line of palm trees stands between the pond and the buildings. The sky is overcast with grey clouds. A large, semi-transparent teal circle is overlaid on the right side of the image, containing the text.

Directors' Declaration

Directors' Declaration

The Directors' of Gateway Lifestyle Operations Limited declare that:

1. The financial statements and the notes of Gateway Lifestyle Group and RPT2 for the half year ended 31 December 2015 are in accordance with the Corporations Act 2001, including:
 - a. Giving a true and fair view of the Gateway Lifestyle Group's and RPT 2 Group's consolidated financial position as at 31 December 2015 and of their consolidated performance, for the half year ended on that date; and
 - b. Complying with Australian Accounting Standards AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Gateway Lifestyle Group and RPT 2 Group will be able to pay their debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Gateway Lifestyle Operations Limited pursuant to section 303 (1)(c)



Andrew Love
Chairman

11 February 2016
Sydney



Trent Ottawa
Chief Executive Officer

11 February 2016
Sydney



Independent Auditor's Review Report

Independent Auditor's Review Report



Ernst & Young
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

To the stapled securityholders of Gateway Lifestyle Group and the unitholders of Residential Parks No. 2 Trust Group

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report which comprises the interim consolidated statements of financial position as at 31 December 2015, the interim consolidated statements of profit and loss and other comprehensive income, interim consolidated statements of changes in equity and interim consolidated statements of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Gateway Lifestyle Group, being the consolidated stapled entity (comprising of Gateway Lifestyle Operations Limited and the entities it controlled at half-year's end or from time to time during the half-year, including Residential Parks No. 2 Trust and the entities it controlled at half-year's end or from time to time during the half-year), and for Residential Parks No. 2 Trust Group (comprising of Residential Parks No. 2 Trust and the entities it controlled at half-year's end or from time to time during the half-year).

Directors' Responsibility for the Half-Year Financial Report

The directors of Gateway Lifestyle Operations Limited and the directors of One Managed Investment Funds Limited, the Responsible Entity of Residential Parks No. 2 Trust, (collectively referred to as "the directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Gateway Lifestyle Group and Residential Parks No. 2 Trust Group's financial positions as at 31 December 2015 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gateway Lifestyle Group and Residential Parks No. 2 Trust Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Independent Auditor's Review Report



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gateway Lifestyle Group and Residential Parks No. 2 Trust Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of Gateway Lifestyle Group and Residential Parks No. 2 Trust Group's financial positions as at 31 December 2015 and of their performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Mark Conroy'.

Mark Conroy
Partner
Sydney
11 February 2016

Corporate Information

Directors

Andrew Love (Chairman)
Trent Ottawa (Managing Director and Chief Executive Officer)
Rachel Launders
Stephen Newton
Andrew Fay
John Wong (Chief Financial Officer)

Company Secretary

John Wong

Registered Office

Gateway Lifestyle
Suite 303, 7-9 Irvine Place, Bella Vista NSW 2153, Australia

Principal place of business

Gateway Lifestyle
Suite 303, 7-9 Irvine Place, Bella Vista NSW 2153, Australia

Share register

Link Market Services Limited
Level 12, 680 George Street, Sydney, NSW, 2000, Australia
Telephone: +61 1300 554 474
Fax +61 2 9287 0303
Fax +61 2 9287 0309 (for proxy voting)

Solicitors

Herbert Smith Freehills
ANZ Tower, 161 Castlereagh Street, Sydney NSW 2000

Bankers

Australian and New Zealand Banking Group Limited
Commonwealth Bank of Australia

Auditors

Ernst & Young
680 George Street, Sydney NSW 2000, Australia

Corporate Website

<http://www.gatewaylifestyle.com.au>