



Residential
Community
Living



RLG FY2010 Results Presentation
August 2010

AGENDA

- FY2010 Operational & Financial Overview
- Financial Performance
- Capital Management
- Operational Update
- FY2011 Operational Strategy & Outlook
- Appendices

Further information:

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FY2010 OPERATIONAL & FINANCIAL OVERVIEW

- **Financial results**
- Statutory net loss after tax and minority interests of \$6.53 million.
- NTA of \$0.63 per stapled security.
- Business conditions continued to strengthen with sales rates consistently trending above historical averages.
- Presales totalled \$183.3 million as at 30 June 2010.
- **Active portfolio management**
- Detailed review of portfolio resulting in a \$2.4 million provision against the carrying value of loan receivables in the first half of FY 2010 with no further impairments in 2H, FY2010.
- **Capital management**
- Long term debt finance in place with a weighted average debt maturity profile of 2.42 years.
- Debt facilities are covenant compliant and financiers continue to be supportive.
- Clear focus on capital retention and de-leveraging across the portfolio.
- Distributions remain suspended for the foreseeable future.
- **Operational Initiatives**
- Internalisation of Management Agreement and replacement of Babcock & Brown was completed in April 2010.
- Rationalisation of operating framework to drive cost savings is continuing.

FINANCIAL PERFORMANCE

- Improved sales revenue reflecting the benefits of RLG's diversified and mature portfolio.
- Improved operating profit reflects stronger trading on consolidated projects
- Improved EBITDA reflecting lower impairment expense and no inventory write-downs.
- Statutory Net loss includes one off internalisation costs and substantial finance costs amortisations (\$5.2m, 2009: 1.3m)

	FY10	FY09	Var(%)
Revenue	62,848	49,299	27%
Operating Profit	7,282	1,770	311%
EBITDA ²	7,331	(20,928)	135%
Net Loss Before Tax	(10,952)	(35,696)	69%
Statutory NPAT/(loss)	(6,530)	(26,604)	75%
Basic EPS (cents)	(3.77)	(14.96)	75%
Debt to Asset Ratio ²	68.71%	69.39%	
NTA per Security ³	63c	66c	

1. Operating Profit = Revenue less Cost of Sales less Overhead (excludes equity accounted profits and impairment expenses)
2. EBITDA = Statutory net profit before finance charges and depreciation
3. Total Liabilities / Total Assets less Intangible Assets
4. Statutory Net Assets / Securities on issue.

FINANCIAL PERFORMANCE

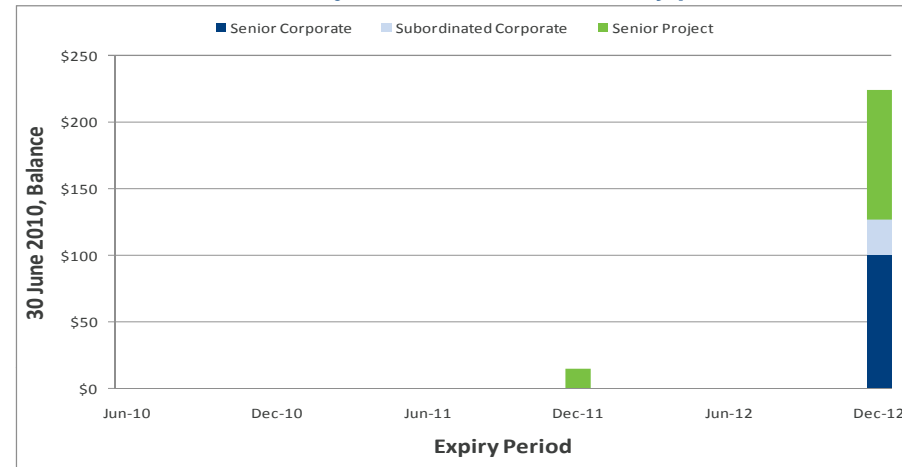
	As at 30 June 2010	As at 30 June 2009
Total assets	\$358.8m	\$383.4m
Net tangible asset backing	\$0.63	\$0.66

- Total assets lower reflecting:
 - Ongoing sale and settlement of lots and the associated amortisation of capitalised costs.
 - Provision against loan receivables of \$2.4m (2009: \$21.1m).
- NTA of \$0.63;
 - Based on net assets as recorded under Australian and International accounting standards.

CAPITAL MANAGEMENT

Facility	Limit	Utilised
Project (\$)	\$112m	87.47%
Corporate	\$126m	100%
TOTAL	\$238m	93.70%

Project debt facilities maturity profile

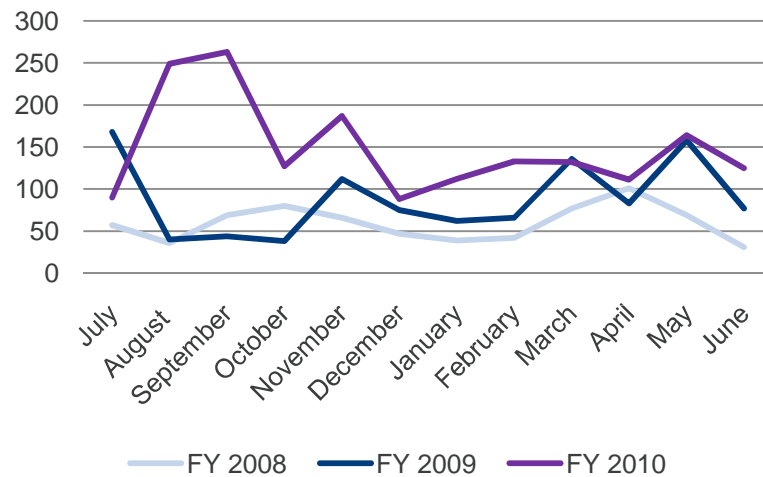


NOTE: Excludes forecast debt reduction.

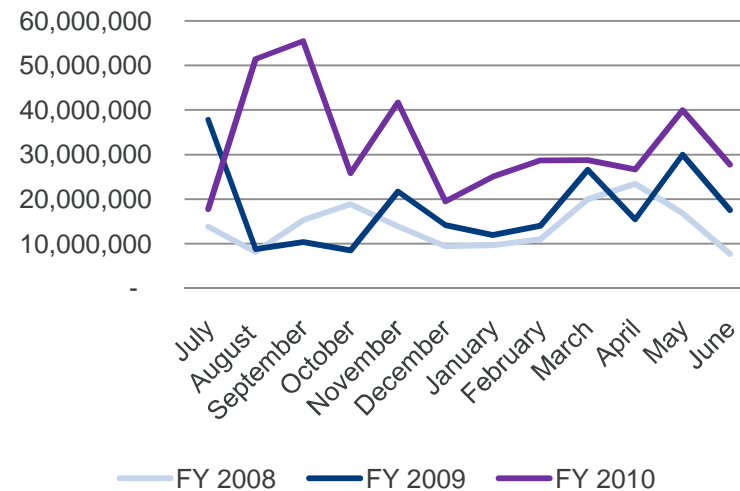
- RLG's corporate debt includes a \$100 million facility that expired on 28 July 2010 and has now been rolled over until 31 December 2012.
- For all projects currently under active development, where project development debt facilities are in place, capacity exists within facility limits to develop and deliver land lots to completion. Funding is in place to allow RLG's project Grandvue @ Officer to be actively developed.
- The Babcock & Brown secured facility expired on 28 June 2010. Babcocks have provided a letter of confirmation to RLG confirming that they are prepared to rollover their facility until 31 December 2012 with no other changes to terms and conditions

PORTFOLIO PERFORMANCE

Monthly Lot Sales Rate



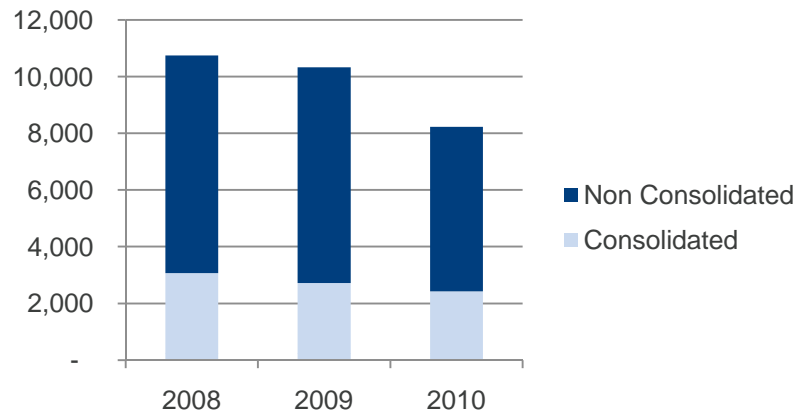
Monthly Lot Sales Volume



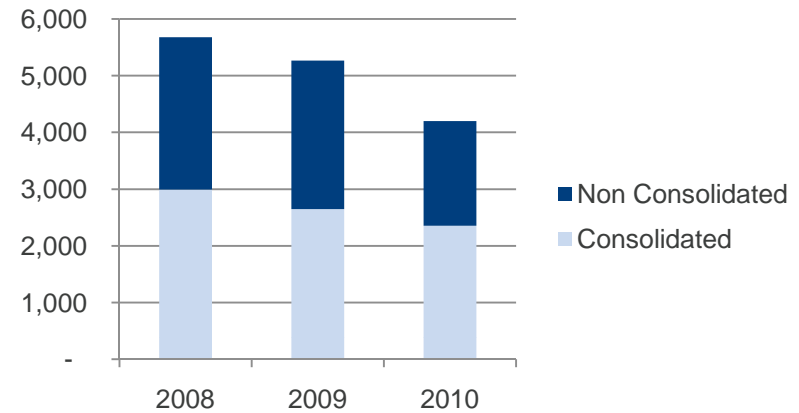
- A number of projects are now reaching a point of maturity that should see the return of significant net cash flows to RLG over the next 15 months as presales settle and repay project level debt.
- There has been a strong level of sales activity over FY 2009 & FY 2010 and this trend is expected to continue into FY 2011.

PORTFOLIO SUMMARY

Gross Lot Yield 2008 - 2010



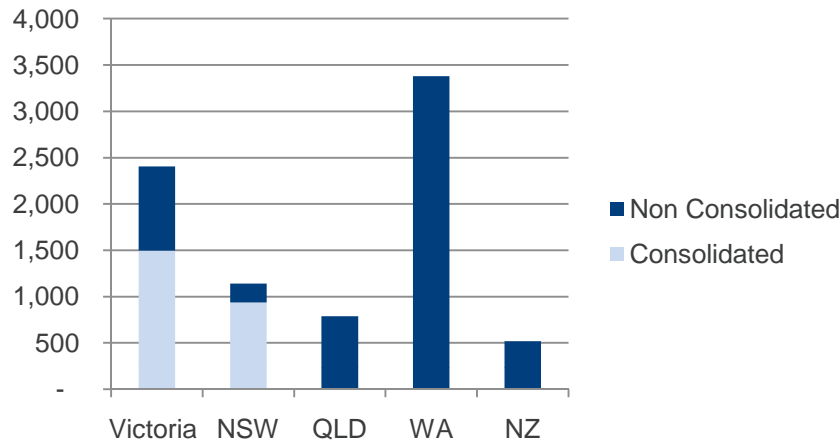
Lot Yield by Economic Interest FY2008 – FY 2010



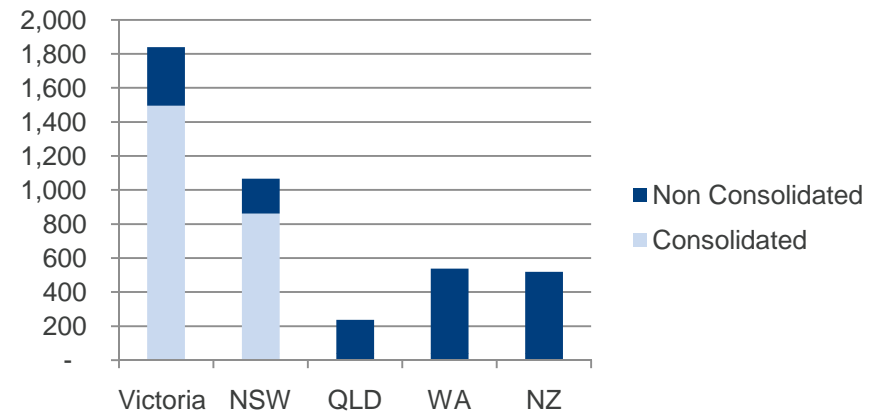
- Gross lot yield has reduced to 8,227 lots as at 30 June 2010 down from 10,321 lots at 30 June 2009 due to the substantial level of sales and settlement activity over FY 2010
- On an economic interest basis the lot yield as at 30 June 2010 was 4,198 lots (5,267 as at 30 June 2009).
- The portfolio lot yield will continue to change due to responses to market forces (eg increased yield due to reducing lot sizes) as well as final resolution of the rezoning of Forster and further rezoning opportunities that will be pursued across the portfolio.

PORTFOLIO SUMMARY

Gross Lot Yield as at 30 June 2010 by Region

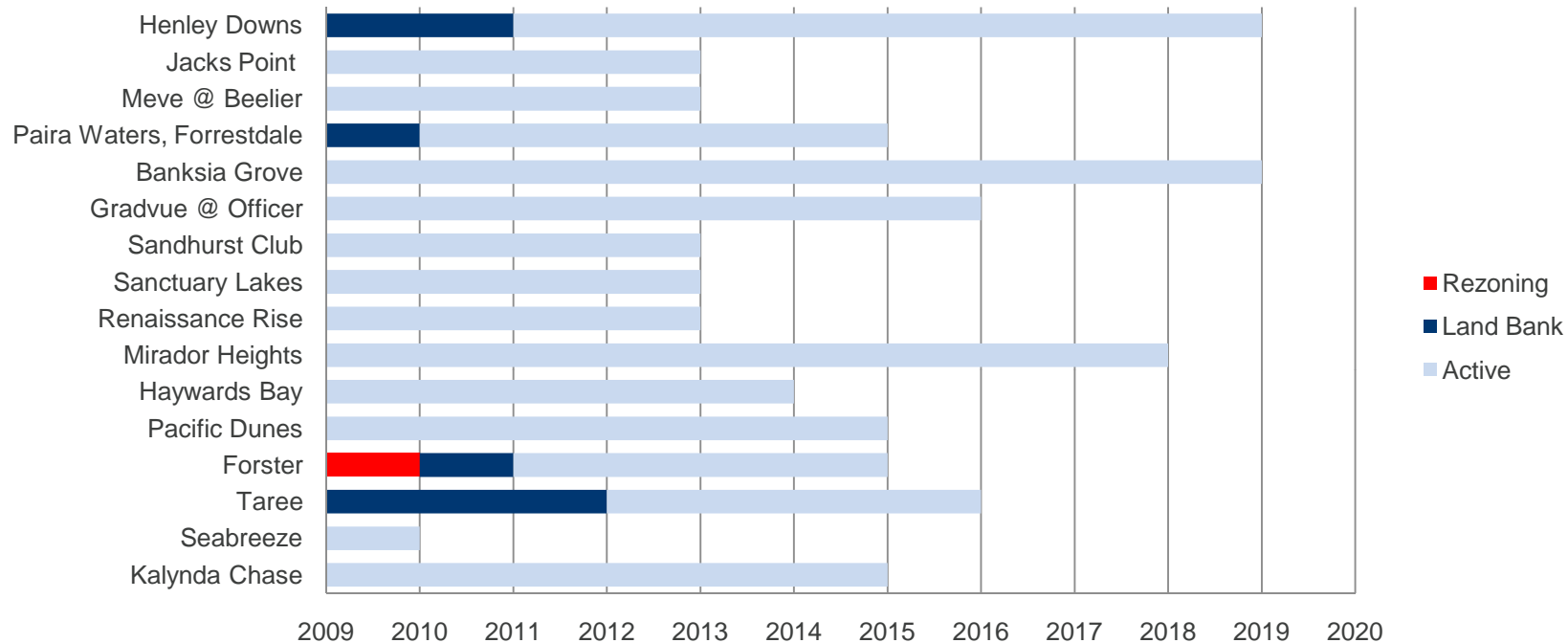


Lot Yield by Economic Interest as at 30 June 2010



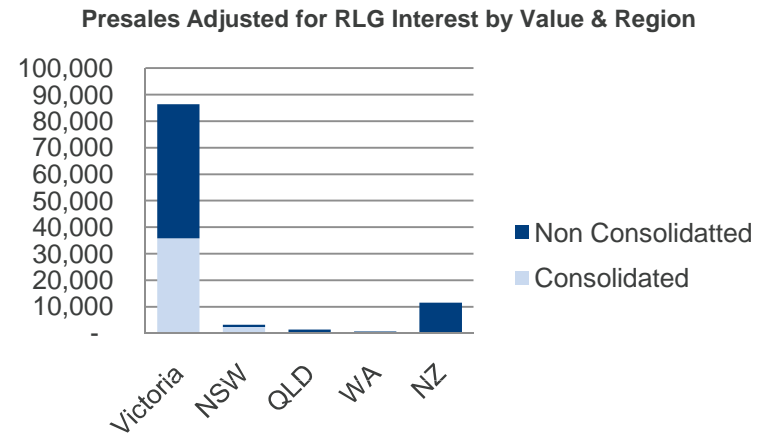
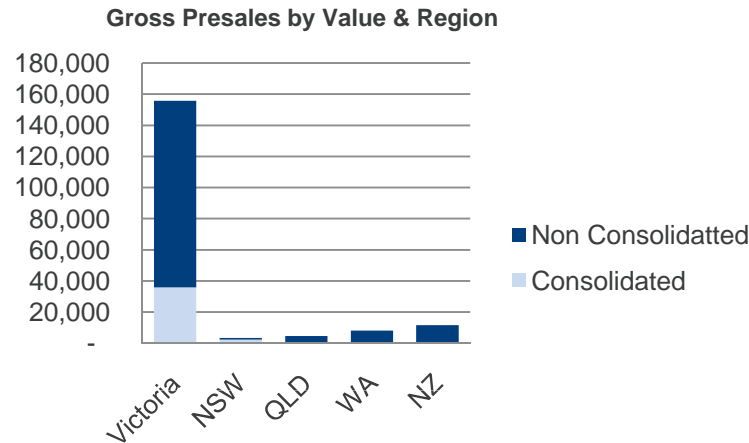
- The portfolio has a heavy bias towards Victoria and is therefore leveraged into the benefits of the strength of the Victorian economy, positive net migration and the relative affordability of Victoria as compared to the other States.
- Of the 1,535 lots settled during FY 2010 a total of 818 lots settled in Victoria,

PROJECT TIMING UPDATE



- Sales and marketing activity has commenced at Gradvue @ Officer and is expected to commence at Paiera Waters Forrestdale during FY 2011.
- Construction at Gradvue @ Officer is expected to commence in the first half of FY 2011.
- The re-zoning of Forster is expected to be resolved during the first half of FY 2011.
- The delivery of Taree has been postponed until the NSW market shows signs of improvement.

FY2011 Operational Strategy & Outlook - Presales



- Substantial presales exist as at 30 June 2009 across the portfolio with total presales of \$ 183.3 million/ 831 lots (gross) and \$103.2 million / 491 lots (adjusted for RLG's economic interest).
- On an economic interest basis this equates to 40% improvement compared to FY 2009.
- Cash flow from presales will be predominately used to reduce project and corporate debt facilities.
- Development works and settlement of these presales is forecast to occur over the course of the 2011 FY.
- The presale book has continued to build since 30 June 2010.
- RLG is working towards delivering affordable product and is collaborating with home builders to provide a broader affordable offering to the market.

FY2011 Operational Strategy & Outlook

De-leveraging & Capital Management

- The securing of a long term debt package for RLG was a significant milestone and provides capacity for the business to capitalise on the development and value adding potential of those projects where there is a clear latent demand for residential land.
- The focus over FY 2011 will continue to be on de-leveraging the business by developing out the portfolio and introducing value adding initiatives.
- Cash flow generated from the settlement of the presold lots will primarily be directed to debt reduction at the project level and as these projects continue to mature surplus cash flows will be applied to reduction of corporate debt.
- Distributions will remain suspended for the time being whilst the focus remains of de-leveraging the business.

Rationalisation of Operating Framework & Project Structures

- There will be a continued focus on cost control and driving operational efficiency including RLG pursuing further opportunities to take direct management control of projects.
- Management are investigating opportunities to simplify project and corporate structures to reduce cost and provide greater transparency of project performance.

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ACCOUNTING TREATMENT BY PROJECT

Project	Interest	Accounting method
Renaissance Rise and The Groves, Mernda	100%	Consolidated
Seabreeze, Pottsville	100%	Consolidated
Officer	100%	Consolidated
Haywards Bay, Wollongong	92%	Consolidated with minority interest
Mirador, Merimbula	92%	Consolidated with minority interest
Forster	92%	Consolidated with minority interest
Marie Avenue, Taree	92%	Consolidated with minority interest
Kalynda Chase, Townsville	30%	Fair value through the P&L
Pacific Dunes, Port Stephens	100%*	Preferred equity return accounted for as interest income
Sandhurst, Melbourne	26.7%	Preferred equity return accounted for as interest income
Sanctuary Lakes, Melbourne	50%	Preferred equity return accounted for as interest income
Jacks Point, Queenstown	100%	Preferred equity return accounted for as interest income
Henley Downs, Queenstown	100% ¹	Preferred equity return accounted for as interest income
Forrestdale, Perth	25%	Equity accounted through PRM holding company
Meve, Perth	7.5%	Equity accounted through PRM holding company
Banksia Grove, Perth	15%	Equity accounted through PRM holding company

* Economic interest is 19.1% per underlying agreements, but is effectively 100% on current forecasts



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