

## **MEDIA RELEASE**

# **Lifestyle Communities \$50 million finance agreement to drive acquisitions, growth**

*9 May 2011*

Australia's leading affordable seniors housing developer, Lifestyle Communities Limited (ASX Code: LIC), today executed an agreement with a major institutional investor for a \$50 million long-term debt facility.

Under the arrangement, the investor will subscribe for \$50 million of loan notes (Notes), providing Lifestyle Communities with a long-term, innovative debt funding structure. The arrangement offers funding certainty for further development of Lifestyle villages.

The investment reflects the growing importance of the affordable seniors housing sector, with demand for affordable housing choices growing in line with Australia's rapidly ageing population.

Lifestyle Communities Managing Director, James Kelly, said the restructuring was an outstanding outcome for shareholders and customers.

"The Directors of Lifestyle Communities believe that, in the current environment, this restructure of capital achieves a significantly better long-term outcome for shareholders."

By executing the agreement, Lifestyle Communities has ensured that it is well placed to increase growth in the number of units under management and to increase operational income at a faster rate than would otherwise be possible.

"All Lifestyle Communities villages continue to experience strong demand, with 33% of our new Lifestyle Cranbourne project pre-sold, Lifestyle Brookfield sold out and Lifestyle Tarneit expected to be sold out prior to the end of the financial year," Mr Kelly said.

The new finance facility enables Lifestyle Communities to:

- Swap short-term debt with long-term secured funding providing certainty of funding without shareholder dilution
- Make more strategic medium to long-term decisions about future land acquisition and community development
- Recycle locked-up equity in completed and near completed communities, allowing a more effective use of capital in new developments including Cranbourne, Shepparton and other development sites currently under negotiation

Lifestyle Communities will progressively draw down the Notes with the initial draw of \$38.5 million to take place at financial close, which is expected to occur within the next 10 business days.

### **For further information contact:**

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### **About Lifestyle Communities**

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living communities for senior Australians.