

19th May 2011

Immediate release to the ASX

Lifestyle Communities Completes Loan Notes Financial Settlement

Lifestyle Communities Limited (ASX Code: LIC) is pleased to announce that it has completed financial settlement with respect to the long term loan note issue announced last week. The initial drawdown is \$38.5m.

These funds will be applied to:

- discharge the global debt facility with Westpac Banking Corporation (WBC), repay short term mezzanine financing provided by directors and pay for transaction costs associated with raising the PENs;
- commence the development of Lifestyle Shepparton and Lifestyle Bayside, Chelsea Heights;

As previously announced, the loan notes enable Lifestyle Communities to:

- Swap short term debt with long term debt providing certainty of funding without shareholder dilution.
- Make more strategic medium to long term decisions in relation to future land acquisition and community development.
- Be able to 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.
- Increase the growth of the number of units under management.
- Increase operational income at a faster rate than would otherwise have been possible.

Lifestyle Communities continues to maintain a relationship with WBC for debt funding on selected projects including Lifestyle Communities recently commenced joint venture development in Cranbourne, Victoria.

Please refer to the previous announcement (9th May 2011) for further details on the loan notes.



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About Lifestyle Communities

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