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**26 August 2015**

**Immediate release to the ASX**

**Lifestyle Communities secures an \$80 million debt facility**

Lifestyle Communities Limited (ASX code: LIC) advises that it has executed an agreement with Westpac to secure a five year, \$80 million facility to replace existing core and development facilities. Financial close will occur sometime in the coming weeks as the conditions precedent are completed.

The new facility provides greater flexibility and will result in lower finance costs. The facility includes financial and reporting undertakings but shifts away from site specific development undertakings previously in place.

Since the equity raising in 2012, the Company has internally used a 25% gearing ceiling as a capital management guide. Due to the tenure provided by the new facility coupled with the strong and growing annuity income being generated by the Company, the Board considers that a move to a 30% gearing ceiling is appropriate. Increasing the gearing ceiling may allow a faster roll-out of new communities rather than solely relying on recycled capital from completed communities. The new facility allows the Company to increase gearing whilst maintaining a material buffer with the facility's covenants.

The \$80 million facility is considered appropriate to help facilitate future growth. As at 30 June 2015 total debt was \$36.6 million suggesting initial utilisation of the new facility will be less than half. The Company anticipates increasing the utilisation of the facility through the five year term. Increased utilisation of this facility will be subject to internal gearing disciplines and covenant requirements.

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