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20 November 2012

Immediate release to the ASX

Transformational Capital Raising – Placement and Underwritten 1:1 Non-renounceable Rights Issue

Lifestyle Communities Ltd (ASX:LIC) is pleased to announce a transformational equity raising via a 1:1 non-renounceable rights issue ("Entitlement Offer") to raise approximately $33.5 million and a placement ("Placement") to raise approximately $3 million (for a total of $36.5 million). The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited ("Canaccord").

The issue price for shares offered under the Entitlement Offer and Placement will be $0.07 (7 cents) per share.

The net proceeds from the Entitlement Offer and Placement will be used to increase the equity available for the development of new communities and reduce debt.

Lifestyle Communities shareholders with a registered address in Australia or New Zealand as at the Record Date, will be entitled to purchase one new share for every existing share they hold. The Entitlement Offer is non-renounceable which means that the entitlements to participate in the Entitlement Offer are not transferable and cannot be traded on the ASX or any other exchange or privately transferred.

Founders and major shareholders (James Kelly and Bruce Carter) have advised the board that they will, in aggregate, subscribe for a minimum of approximately 12% of the total entitlements of all founding shareholder shares, including those of Dael Perlov, and may acquire additional shares through sub-underwriting commitments.

Lifestyle Communities builds and manages affordable communities for the over 50's market. The equity raised under the Entitlement Offer and Placement will enable the company to continue to capitalise on this growing sector of the market and the opportunity to provide affordable housing to the baby boomer market.

Key Terms

- The non-renounceable rights issue offer is on the basis of one fully paid ordinary share for every ordinary share held at the Record Date
- Shareholders must have a registered address in Australia or New Zealand to be eligible to participate in the Entitlement Offer
- Shares will be offered at 7 cents per share

- The Entitlement Offer will raise approximately $33.5 million
- In addition, $3 million will be raised via a placement of fully paid ordinary shares to sophisticated and professional investors
- The Placement is conditional upon the successful completion of the Entitlement Offer
- The Placement shares will be offered at 7 cents per share
- The Entitlement Offer is fully underwritten by Canaccord

Timetable

An offer document and entitlement form will be sent to eligible shareholders on the date referred to in the following timetable.

Record Date for Offer Eligibility	Wednesday 28 November 2012 (7pm)
Despatch of Entitlement Offer Booklet	Friday 30 November 2012
Entitlement Offer Opens	Friday 30 November 2012
Entitlement Offer Closes	Friday 14 December 2012
Shortfall Notification Date	Wednesday 19 December 2012
Settlement Date	Friday 21 December 2012
Allotment Date	Monday 24 December 2012
Despatch of Holding Statements	Thursday 27 December 2012
New Shares Commence Trading	Thursday 27 December 2012

This timetable is indicative only and may be subject to change. Subject to the Corporations Act and ASX Listing Rules, Lifestyle Communities reserves the right to vary the dates and times in connection with the Entitlement Offer, including the closing date, without prior notice.

Full details of the Entitlement Offer and a trading update can be found in the attached presentation.

For further information, please contact

Lifestyle Communities

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About Lifestyle Communities

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