

2 December 2015

Immediate release to the ASX

**Lifestyle Communities decides not to proceed with its Rosebud acquisition**

Lifestyle Communities Limited (ASX code: LIC) advises that it has exercised a contractual right and will not be proceeding with the acquisition of a site in Rosebud, Victoria. The 5% deposit of \$375,000 will be fully refunded under the terms of the contract.

The acquisition was announced to the ASX in July 2014 with the contract being conditional on receiving planning approval to develop the site. The contract also included a clause enabling the Company to terminate at any time. Based on our continuing due diligence we are now of the view that the site has greater environmental risks than were known at the time of acquisition. In light of this the Board has determined that this site has a risk profile which is higher than other land available for acquisition.

As announced recently at the Company's AGM, Lifestyle Bittern has been expanded by 48 homes taking the total site to 208 homes. This ensures the Company will maintain a strong presence on Melbourne's Mornington Peninsula notwithstanding the Rosebud community is not proceeding.

As a result of the decision not to proceed with Rosebud, Lifestyle Communities now has 2,260 home sites in planning, development or under management.

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