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## ASX ANNOUNCEMENT

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### **Lifestyle Communities announces strong increase in 2008 EBITDA to \$2.11M**

Dear Shareholder,

Lifestyle Communities Limited has delivered another year of strong growth and activity with the key highlights being:

- ✓ Achieved an EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) of \$2.11M which is a significant increase over last year
- ✓ Commenced the development of villages at Tarneit and Warragul and achieved an encouraging level of presales at each village
- ✓ Obtained planning approval for the Lifestyle Communities village at Lynbrook
- ✓ Completed design and engineering for Lifestyle Communities village at Shepparton
- ✓ Successfully recruited key sales and project personnel to drive our continued growth

Lifestyle Communities creates, owns and manages affordable communities for active adults. We believe the demand for affordable housing will continue to strengthen over the next 10 – 20 years and Lifestyle Communities is well positioned to ensure that it participates in this rising demand.

Lifestyle Communities key commercial objective is to develop long term annuity income streams which are delivered from the Lifestyle Communities village model where residents pay a weekly site rental as well as a percentage of the sale of their home when they exit a village.

New home sales remain strong although settlement times have increased in line with the more subdued residential property market. Early sales interest at both the Warragul and Tarneit Villages are encouraging and ahead of expectations to date. This has further strengthened our view that there is and will continue to be increasing demand for affordable housing solutions for people over the age of 55.

Lifestyle Communities financial results for the year ended 30 June 2008 are summarised as follows:

- Revenue: \$8.87M
- EBITDA: \$2.1M
- Net Profit After Tax: \$89.1K
- Net Assets at the end of the period: \$25.4M



The Lifestyle Communities directors have resolved not to pay a dividend in respect of the 2008 financial year. Directors believe it is prudent to retain cash in the business for the ongoing growth and development of the company.

To capitalise on all of its development projects, it is likely that Lifestyle Communities will need to raise additional finance during the 2009 financial year. Some of this additional finance may be available from providers of bank debt. However, given the current state of the banking market, the directors have resolved to offer a Share Purchase Plan (SPP) to all eligible shareholders to purchase up to \$5,000 of new shares in Lifestyle Communities Limited. More details will be forwarded in the near future.

Lifestyle Communities will continue to deliver affordable housing for people aged over 55 and is satisfied with the operating performance of the business during the 2008 financial year. The ongoing development of Brookfield village in Melton, combined with the ramp-up of development at the Warragul and Tarneit villages means the company is well placed to deliver additional earnings growth in the 2009 financial year.

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