

25 November 2008

Company Announcements Platform
ASX

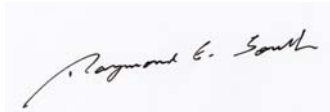
Dispatch of Shareholder Offer – Non Renounceable Pro Rata Rights Issue

In accordance with the agreed timetable, Lifestyle Communities Limited (LIC) has today dispatched to all eligible shareholders a letter of offer in relation to the Non Renounceable 5 for 6 pro rata rights issue as previously announced on 12 November 2008.

The Company would also like to advise that all shareholders on the Company's register that are not registered as residents of Australia or New Zealand have been sent a copy of the offer document and notification of their ineligibility to participate in the offer as resolved by the board.

The offer closing date is 5.00pm AEDT, 10 December 2008, with allotment anticipated 16 December 2008 and dispatch of final holding statements 18 December 2008.

Yours faithfully



R E South
Company Secretary

25 November 2008

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MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
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SAMPLE STREET
SAMPLETOWN VIC 3030

Dear Shareholder

Non-Renounceable Pro Rata Rights Issue

Shareholder Offer to participate in the purchase of additional shares

Lifestyle Communities Limited ACN 078 675 153 (LIC or Company) is pleased to offer eligible shareholders the opportunity to participate in the Company's 5 for 6 non-renounceable Pro Rata Rights Issue (PRI) to raise up to \$10.4 million.

The fundamentals of an ageing population, coupled with general population growth, will continue to create demand for affordable housing solutions in Australia for people over 55. In the opinion of Directors, this pressure will continue to increase as retirees seek more affordable retirement solutions as the general economy slows and traditional retirement villages become beyond the reach of the average retiree. As a result, the Company's sales rates for new village homes continue to outperform the average sales rates experienced in the aged accommodation industry.

In addition to Brookfield Village in Melton Victoria, which currently has 218 residents living in the village, LIC is pleased to advise that the Lifestyle Warragul and Lifestyle Seasons villages will both begin welcoming their first residents and generating revenue during December 2008.

Your Directors believe that whilst it is prudent to reduce debt, it is important, provided there is ongoing demand, to continue the staged development of the Company's new villages at Warragul in East Gippsland and Tarneit near Werribee and to continue to build the annuity income streams associated with the ongoing operation of these villages.

In addition to the rights issue, Lifestyle Communities recently announced the sale of 4.5 hectares of land at its Lynbrook site for \$3.4m, and remains committed to delivering affordable housing through focused cost management and tight balance sheet controls, which includes the continued review of the Company's land assets.

The enclosed offer will raise up to \$10.4 million with the proceeds being directed towards:

- Continued development of existing villages at Brookfield, Warragul and Tarneit;
- The opportunity to reduce debt;
- Forward planning and development of villages during 2009 at Lynbrook and Shepparton;
- The opportunity to refinance the remaining component of the Lynbrook site on more favorable terms; and
- Enabling an appropriate cash reserve to be held on LIC's balance sheet.



Participation in the offer is voluntary and is offered to all Australian and New Zealand resident shareholders registered on the Company's share register as at 7.00pm AEDT, 20 November 2008. The Company would like to highlight that the Founding Directors have provided the Board with a commitment to invest at least \$4.5 million via the rights offer.

The Issue Price of 4 cents is equivalent to approximately 20% discount to the 5 day volume weighted average trading price (VWAP) of LIC shares leading up to and including 11 November 2008.

The market price of the shares may rise and fall between the date of this offer and the date on which the shares are allotted. Therefore the value of the shares you receive on the allotment date may be more or less than the price paid for the shares under the PRI.

The offer of ordinary fully paid shares to LIC shareholders under the PRI is being made without a prospectus or product disclosure statement pursuant to relief granted by s708AA of the Corporations Act and is compliant with ASIC class order 08/35 and ASX Listing Rule 7.2(1), & 7.2(3). Please refer to the Cleansing Statement issued by the Company on 12 November 2008.

How to participate

If you wish to accept the offer to participate in the PRI, please read this document including the Terms of the Shareholder Offer before completing the Application Form and returning it with appropriate payment in the enclosed reply paid envelope, or you can simply use the BPAY facility provided. If paying by cheque or bank draft, please make your cheque payable to "Lifestyle Communities Limited – Rights Issue". You should consider seeking your own independent professional advice in relation to the offer before deciding to participate.

Acceptances and payments need to be received by our registry service, Computershare Investor Services Pty Limited, before 5.00pm AEDT, 10 December 2008. Holding Statements for valid acceptances will be sent to shareholders on or around 18 December 2008.

Should you have any queries in relation to the PRI, please contact our share registry service team at Computershare on 1300 542 085.

This offer compliments the recent Share Purchase Plan (SPP) and enables all shareholders to participate in proportion to their current total share holding. I welcome your direct participation in the Company via this current investor offer and look forward to keeping you informed as to our progress in achieving our vision of becoming Australia's leading operator and developer of affordable, resort communities for people over 55.

Yours faithfully

David Paranthoiene
Chairman
Lifestyle Communities Limited



Frequently asked questions (Incorporating the Terms of the PRI Shareholder Offer)

What is a Pro Rata Rights Issue (PRI)?

A PRI is an offer to eligible shareholders to acquire additional shares directly from the Company thereby avoiding brokerage and other transaction costs. The offer of additional shares is in direct proportion to the number of shares the shareholder holds on the Company's share register on a predetermined date (the Record Date). The entitlement under the PRI will take into account any additional entitlement created as a result of a shareholder's participation in the recent Share Purchase Plan.

Who is eligible?

All Australian and New Zealand resident shareholders on the Company's share register as at 7.00pm AEDT, 20 November 2008 are eligible to participate in the PRI.

Do I have to participate?

The PRI is a voluntary offer; the choice to participate or not is yours.

Can I transfer my offer to a third party?

The offer to participate is non-renounceable therefore you cannot transfer the offer to anyone else.

What are the rights of the shares being offered?

The offer is for fully paid ordinary shares in the Company and will rank equally with all other ordinary shares already on issue.

How much can I invest?

The PRI enables a maximum new investment per shareholder of 5 new shares to every 6 existing fully paid ordinary shares as at (Record Date) 7.00pm AEDT on 20 November 2008. This allows your new shares entitlement under the PRI to take into account any additional shares allotted to you via participation in the Company's recent Share Purchase Plan.

How was the Issue Price determined?

The 4 cents per share issue price is equal to an approximate 20% discount to the 5 day volume weighted average trading price of LIC shares leading up to and including 11 November 2008.

Do I have to pay any other costs?

The PRI gives you the ability to purchase shares directly from the Company therefore there is no brokerage, stamp duty or other transaction cost involved. The only cost to you is the 4 cent purchase price of each share.

How do I apply under the PRI?

- Please read all of the enclosed documents carefully.
- Complete the enclosed Acceptance Form.
- If paying by cheque or bank draft, please make your cheque payable to **"Lifestyle Communities Limited – Rights Issue"**.
- Return the completed Acceptance Form and appropriate full payment using the reply paid envelope to Computershare Investor Services Pty Limited or simply use the BPAY facility provided. Acceptance Forms or BPAY must be received before 5.00pm AEDT, 10 December 2008 (the Closing Date).



How long is the PRI offer open?

The PRI offer period is from 25 November 2008 to 5.00pm AEDT, 10 December 2008. Please allow adequate time for postage return of your Acceptance Form.

When will I receive my shares?

The closing date for acceptances is 5.00pm AEDT on 10 December 2008. The Company anticipates allotting new shares on 16 December 2008 and mailing holding statements to shareholders on 18 December 2008.

Can the offer be changed?

The offer can be amended (other than for the basis of deciding entitlement), suspended or terminated at any time and any administrative procedures deemed appropriate to the offer may be adopted. The Company reserves the right to accept or reject your application, to vary the date the offer closes, the date the shares are allotted and the date holding statements are dispatched to shareholders. Any variation of date will be notified to the Australian Securities Exchange (ASX).

What about my privacy?

Computershare Investor Services Pty Limited advises that Chapter 2C of the Corporations Act (2001) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included on the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Computershare Investor Services Pty Limited on 1300 850 505, or view their Privacy Policy at www.computershare.com.au

What happens to fractional entitlements?

As this is a 5 for 6 pro rata rights issue, some shareholdings may not provide a whole share derivative based on the 5 for 6 ratio. Any fractional entitlement will be rounded up to the nearest whole share. Your Entitlement and Acceptance form will clearly identify the maximum rights available to you under this offer.

What happens if any rights are not taken up?

The Company may, in its absolute discretion, allot any shortfall in accordance with the Corporations Act and ASX Listing Rules. Any members wishing to acquire such shortfall shares should make their interests known to the Company prior to Allotment Date.

Important Dates

Offer Announced and Cleansing Statement lodged with ASX	12 November 2008
Record Date to determine Eligible Shareholders	20 November 2008
Offer sent to Eligible Shareholders	25 November 2008
Offer Closes	10 December 2008
Shares quoted on deferred settlement basis	11 December 2008
Allotment of New Shares	16 December 2008
Dispatch of Holding Statements	18 December 2008

The Company may alter these dates if circumstances require. Such alterations will be notified to ASX.

More Information

If you have any queries in relation to the PRI please contact Dael Perlov, Director of Operations at Lifestyle Communities Limited on 03 9682 2249 or Computershare Investor Services Pty Limited
Investor queries (within Australia) 1300 542 085 or +61 3 9415 4606 (outside Australia)

How to complete the Entitlement and Acceptance Form

Note that photocopies will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

A	Details of your Entitlement based on your Securityholding at 7:00pm AEDT on 20 November 2008 are shown in box A on the front of this Entitlement Form.	D	Payment Details You can apply for shares utilising the payment options detailed below. Please note that funds are unable to be directly debited from your bank account. By making your payment using either electronic means or by cheque or bank draft, you confirm that you: <ul style="list-style-type: none">agree to all of the terms as detailed in the Shareholder Offer dated 25 November 2008 Your cheque or bank draft must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "Lifestyle Communities Limited - Rights Issue" and crossed "Not Negotiable". Payments not properly drawn may be rejected. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance Form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.
B	New Securities Accepted You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement. Please ensure you complete Section B on the bottom of the form.	E	Contact Details Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.
C	Acceptance Monies Enter the amount of Acceptance Monies. To calculate the amount payable, multiply the number of New Shares applied for by \$0.04. Please ensure you complete Section C on the bottom of the form.		

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The Directors reserve the right to make amendments to this form where appropriate.

Lodgement of Acceptance

If you are applying for shares and your payment is being made by BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5:00pm AEDT on 10 December 2008. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque or bank draft the slip below must be received by Computershare Investor Services Pty Limited (CIS) Melbourne by no later than 5:00pm AEDT on 10 December 2008. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for security holders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

LIC

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 542 085.

This form may not be used to notify your change of address. For information please contact CIS on 1300 850 505 or visit the share registry at www.computershare.com (Issuer Sponsored Holders only).

CHES holders must contact their Controlling Participant to notify a change of address.

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Payment Options:



Billers Code: 123456

Ref No: 123412341234123412

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



Lifestyle Communities Limited
Computershare Investor
Services Pty Limited
GPO Box 505
Melbourne, Victoria 3001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
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SAMPLETOWN TAS 7000