

25 June 2018

GATEWAY LIFESTYLE GROUP (ASX: GTY)

Receipt of Revised Indicative, Non-Binding Proposal from Hometown

Gateway Lifestyle Group (Gateway Lifestyle) advises that on 24 June 2018 it received a revised confidential, indicative and non-binding proposal from Hometown Australia Holdings Pty Ltd and Hometown America Communities Limited Partnership (collectively, Hometown) to acquire 100% of the issued stapled securities of Gateway Lifestyle at an indicative price of \$2.35 per security by way of schemes of arrangement (the Revised Hometown Proposal). The Revised Hometown Proposal states that the indicative price would be reduced by the value of any dividends or distributions paid following receipt of the Revised Hometown Proposal¹.

The Revised Hometown Proposal is otherwise subject to the same conditions as Hometown's initial proposal, announced to ASX on 13 June 2018 (including entering into a scheme implementation agreement and Foreign Investment Review Board approval), except that Hometown now proposes conducting due diligence on a non-exclusive basis.

Hometown has also indicated that it holds a relevant interest in Gateway Lifestyle securities of 18.2% as at 23 June 2018.

The Board of Gateway Lifestyle remains committed to maximizing value for securityholders and has commenced an assessment of the Revised Hometown Proposal, including any implications for the exclusivity agreement currently in place with Brookfield and announced to ASX on 21 June 2018.

Gateway Lifestyle will keep the market informed of material developments.

Andrew Love
Chairman

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¹ Including the distribution for the six-month period to 30 June 2018 of 5.35 cents per stapled security announced to ASX on 22 June 2018