

MinterEllison

16 August 2018

BY ELECTRONIC LODGEMENT

Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Off-market bid by A.C.N. 626 522 085 Pty Ltd, Hometown Australia Management Pty Ltd and Hometown Australia Nominees Pty Ltd as trustee for Hometown Australia Property Trust to acquire all stapled securities in Gateway Lifestyle Group (ASX: GTY)

We act for A.C.N. 626 522 085 Pty Ltd (ACN 626 522 085), Hometown Australia Management Pty Ltd (ACN 614 529 538) and Hometown Australia Nominees Pty Ltd (ACN 616 047 084) as trustee for Hometown Australia Property Trust (collectively, **Hometown**) in relation to its off-market takeover bid for all the stapled securities of Gateway Lifestyle Group.

We attach an announcement by Hometown in relation to its takeover bid.

Yours faithfully

MinterEllison



Ron Forster

Michael Scarf

Partner

Senior Associate

Contact: Michael Scarf T: +61 2 9921 4045
michael.scarf@minterellison.com
Partner: Ron Forster T: +61 2 9921 4293
ron.forster@minterellison.com
OUR REF: 1202027

enclosure

Level 40 Governor Macquarie Tower 1 Farrer Place Sydney
GPO Box 521 Sydney NSW 2001 Australia DX 117 Sydney
minterellison.com

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For immediate release

16 August 2018

**HOMETOWN CONFIRMS \$2.25 CASH OFFER PRICE IS ITS BEST AND FINAL OFFER PRICE IN THE
ABSENCE OF A COMPETING PROPOSAL**

Sydney, August 16, 2018 Hometown Australia Holdings Pty Ltd's ("**Hometown**") offer dated 8 August 2018 ("**Offer**") in relation to its off-market takeover bid for all stapled securities in Gateway Lifestyle Group ("**Gateway**") is now open and capable of acceptance. The Offer is contained in Hometown's replacement bidder's statement dated 7 August 2018 (as varied or supplemented) ("**Bidder's Statement**").

Hometown gives notice that its Offer consideration of \$2.25 cash for each Gateway stapled security, reduced by any future distributions or dividends by Gateway¹, is Hometown's best and final offer price and will not be increased in the absence of a Competing Proposal (as defined in the Bidder's Statement which includes a variation of an existing Competing Proposal)².

Hometown's offer will close on 10 September 2018 (unless extended by Hometown or otherwise in accordance with the Corporations Act).

Gateway Securityholders will be paid \$2.25 cash for each Gateway stapled security they hold if they accept the Offer and the Offer becomes unconditional.

Pat Zilis from Hometown states as follows:

"As disclosed in our Bidders Statement, the \$2.25 per stapled security offer price represents a very material premium of 28.5% over the last undisturbed security price³ prior to our initial approach⁴ and a premium of 48.0% to Gateway's NTA⁵. Further, it represents an increase of 9.9% or 20.35c over our initial offer price of \$2.0465 (once adjusted for the 5.35 cent per stapled security distribution announced by Gateway). We consider this to be our best and final offer price, subject to a Competing Proposal and encourage Gateway security holders to accept the offer as soon as possible."

¹ Refer to paragraph 1 of the terms of the Offer in Appendix 1 of the Bidder's Statement for details.

² For the purpose of this announcement, paragraphs (a) and (b) of the definition of "Competing Proposal" in the Bidder's Statement will be considered to be more than 20% rather than 15%.

³ Being the Gateway closing price of \$1.805 per stapled security on Friday 8 June 2018, reduced for the 5.35 cents per stapled security distribution announced by Gateway on 22 June 2018.

⁴ On 13 June 2018, Gateway announced its receipt of Hometown's confidential, indicative and non-binding proposal.

⁵ Reported as at 31 December 2017.

Details of how to accept the Offer are set out in paragraph 3 of Appendix 1 of the Bidder's Statement and the Acceptance Form.

If you have any queries in relation to the Offer, please call the Hometown Offer Information Line on:

For callers within Australia (toll free)	-	1300 153 327
For callers outside Australia (not toll free)	-	+61 3 9415 4127

Financial and Legal Advisers

Hometown is being advised by Morgan Stanley and MinterEllison.

About Hometown

Hometown Australia is a subsidiary of Chicago-headquartered Hometown America, one of the largest, most respected owners and operators of residential land lease communities in the United States, with more than 60 properties across eleven states and a total portfolio value of over US\$3 billion. Hometown Australia was formed in 2016, completed its first acquisition in Australia in March 2017, and has since expanded its holdings to five assets valued at approximately A\$100 million. Hometown America is backed by Calzada Capital, a global real estate private equity firm with over US\$9 billion in assets under management.

Media Enquiries

Brett Clegg
Cato & Clegg
brett@catoandclegg.com
+61487436985