

2 September 2016

Acquisition of Rockhampton North Retirement Resort

Gateway Lifestyle Group (Gateway) (**ASX:GTY**) announces that it has entered into an unconditional contract to acquire Rockhampton North Retirement Resort in Norman Gardens, Queensland for \$10.25 million.¹

Rockhampton North Retirement Resort is a purpose built mature manufactured home estate completed in 2016 and consists of 146 sites over 6.3 hectares with high quality facilities. The community is 100% occupied and is an expansion of Gateway to the North Queensland region.

The acquisition is in line with Gateway's strategy of acquiring assets with strong long-term rental income streams and was acquired on an 8% yield before transaction costs. The purchase price represents both the high quality financial attributes and built form of this asset. The acquisition is expected to be accretive to underlying financial year 2017 earnings, taking into consideration an expected settlement in October 2016.

The North Queensland region continues to have strong underlying demand for manufactured home estate communities. We look forward to welcoming the residents into our network of Gateway communities.

1. Excluding transaction costs