

ASX Release

10 July 2018

HOMETOWN CONFIRMS NOT PROCEEDING WITH THE CONDITIONAL 5 CENT PRICE INCREASE TO ITS TAKEOVER OFFER FOR GATEWAY TO \$2.30 PER STAPLED SECURITY

On 2 July 2018 Hometown Australia Holdings Pty Ltd and Hometown America Holdings LLC and the wholly owned subsidiary ACN 626 522 085 Pty Ltd (collectively "**Hometown**") announced its intention to make a conditional off market cash takeover offer for 100% of the stapled securities in Gateway Lifestyle Group ("**Gateway**") at \$2.25 per stapled security (representing \$2.3035 per stapled security before being adjusted for the 5.35 cent distribution for which the ex date was 28 June 2018).

Hometown also announced on 2 July 2018 that it would be willing to increase the offer price under the takeover by 5 cents per stapled security to \$2.30 per stapled security (representing \$2.3535 per security before being adjusted for the 5.35 cent distribution) if a bid implementation agreement (**BIA**) was executed by Gateway on terms satisfactory to Hometown.

Hometown confirms that as a result of not being able to reach agreement with Gateway in relation to the BIA on terms satisfactory to Hometown, it is not proceeding with the conditional price increase of 5 cents per stapled security under its takeover offer.

Hometown will continue with its conditional, off-market, cash takeover offer for 100% of the stapled securities in Gateway at \$2.25 per stapled security as announced 2 July 2018 ("**the Offer**").

Next Steps

Detailed information in relation to the Offer will be set out in a Bidder's Statement which will be lodged with the Australian Securities and Investments Commission ("**ASIC**") and provided to Gateway's stapled security holders and the Australian Securities Exchange ("**ASX**"). Hometown expects to mail the Bidder's Statement to Gateway's security holders approximately two weeks after it is provided to Gateway.

Enquiries

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