

LIVING AND LEISURE AUSTRALIA GROUP

COMPRISING:

Living and Leisure Australia Trust

ARSN 092 701 589

(Responsible Entity: Living and Leisure Australia Management Limited
ABN 60 101 634 315, AFSL 280985) and

Living and Leisure Australia Limited

ABN 92 107 863 445



LODGEMENT OF OFFER DOCUMENT \$100M UNDERWRITTEN RIGHTS OFFER RECAPITALISATION PROPOSAL MOVING FORWARD

Living and Leisure Australia Group (**LLA**) is pleased to announce that it has this afternoon lodged its offer document for its Rights Offer and that it is proceeding with the Recapitalisation Proposal announced on 16 May 2008.

Julanne Shearer, the Independent Chair of LLA, said: "The Board has every confidence in the completion of the Recapitalisation Proposal now that the offer document for the Rights Offer has been lodged and commercial agreement has been reached with new senior and mezzanine financiers."

"The Board is very pleased that with the support of Arctic Capital and LLA's new senior financier, Australia and New Zealand Banking Group, LLA will, following the recapitalisation be in a position to consolidate on its recent growth initiatives and to consider pursuing earnings accretive growth avenues, with a particular emphasis on "edutainment" assets in growth markets."

"We assure our stakeholders that we believe that the LLA recapitalisation proposal is in the best interests of LLA's creditors and securityholders. We encourage LLA's securityholders to read the offer document for the Rights Offer and to participate in the Rights Offer."

John Schryver, the Acting CEO of LLA said: "This is an important milestone for the new LLA and upon the completion of the Rights Offer will allow LLA's management to focus on what they do best, operate world class leisure assets. With the ski season kicking off and the Melbourne Aquarium extension close to opening, the next six months will be a particularly exciting time for our securityholders."

Overview

Eligible LLA securityholders will be entitled to subscribe for new securities in LLA through a 12.5 for 1 renounceable entitlement offer to raise approximately \$100 million. The issue price is 4.0 cents per New Security ("the Offer"). Any securityholder who wishes to participate in the Rights Offer should carefully read the offer document and if necessary seek professional advice.

Proceeds of the Offer will be used to;

- recapitalise LLA by reducing existing debt facilities and creditors;
- provide working capital for the Group; and
- contribute to the costs of the Offer.

Funds raised will result in a significant reduction of LLA's gearing to 30%.

For further information please contact

Investor Relations: **1300 309 676**
E-mail: mail@livingandleisure.com.au
Website: www.livingandleisure.com.au

REGISTRY
Computershare Investor Services Pty Ltd
Level 19
307 Queen Street
BRISBANE QLD 4000

Underwriting Arrangements

The Offer is fully underwritten by Arctic LES (Ireland) Limited ("Underwriter") subject to the terms of the Underwriting Agreement (including rights of termination by the Underwriter if the recapitalisation or its attendant arrangements cannot proceed as planned).

The Underwriter is an entity advised by Arctic Capital. Arctic Capital is a wholly owned Hong Kong subsidiary of Consolidated Press Holdings Limited ("CPH") established in 2007 to manage direct investments of CPH and third party funds across the Asian and Australian markets. As contemplated by the Underwriting Agreement, the Underwriter has procured, and is procuring, the support of a number of institutions, including Morgan Stanley, to take up some of any shortfall. The Underwriter has also received written confirmation of indicative and conditional investment support from a foreign funds management group for up to 29.9% of the securities on issue after the Offer if there is a shortfall. The Underwriter is in advanced negotiations with others for similar but smaller commitments.

In addition, each of Shaw Stockbroking, Tricom and Bell Potter has agreed to use its best efforts during the Rights Offer period to procure additional placees for a proportion of any shortfall.

Replacement and Reduction of Bank Facilities

The Offer and the underwriting arrangements are part of a series of interconditional arrangements aimed at recapitalising LLA and repaying, refinancing and/or reducing amounts owing to LLA's existing financiers.

LLA has agreed with its senior secured lender, National Australia Bank ("NAB"), that NAB will continue to forbear in relation to the maturity of LLA's senior secured facilities until 8 August 2008 allowing time for the Rights Offer to be completed and the recapitalisation to occur.

LLA has secured the commitment (subject to the terms outlined in the offer document) of the ANZ to provide new senior debt facilities. The proposed facilities include a \$50 million senior secured facility with a working capital facility of an additional \$10 million.

Other arrangements

LLA understands that agreement has been reached on the final commercial terms for:

- the replacement and reduction of the total debt owed by LLA to the Octaviar Premium Income Fund by various parties including Arctic Capital; and
- the acquisition from the Octaviar Group of Living and Leisure Australia Management Limited, the responsible entity of the Living and Leisure Australia Trust, by Arctic Capital subject to standard conditions precedent,

and expects that both acquisitions will be fully documented within the Rights Offer timetable.

Trading in LLA securities

LLA expects that following the issue of its offer document for the Rights Offer that its securities will recommence trading on ASX from market open on Monday, 7 July 2008.

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Indicative Timetable for the Rights Offer

Prospectus Lodged	4 July 2008
Rights Trading Commences	9 July 2008
Record Date for Entitlements	15 July 2008
Prospectus sent to Securityholders	17 July 2008
Rights Trading Ends	23 July 2008
New Securities Commence Trading on Deferred Settlement Basis	24 July 2008
Closing Date	30 July 2008
Allotment of New Securities	5 August 2008
Normal trading of New Securities commences on ASX	8 August 2008



Julanne Shearer
Independent Chair

4 July 2008

Media enquiries:

Carrie Mietzel at Rowland on 07 3229 4499 or 0407 790 419

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