

ASX Announcement



LANTERN HOTEL GROUP (ASX: LTN)

7 April 2017

Conclusion of the orderly sell down of the Group's property portfolio

Completion of hotel sales

On 29 March 2017 Lantern completed the sale of the Crown Hotel, being the last of the hotels held by the group. This represents the conclusion of the asset sale programme approved by securityholders at the AGM on 25 October 2016.

The outstanding results achieved are summarised in the investor update provided to the market on 22 February 2017.

Special distribution

After retaining an appropriate amount of funds to cover future expenses, including tax liabilities and a contingency amount, the Board has determined to return surplus funds to security holders, and has today announced a special distribution by Lantern Real Estate Trust amounting to 4.6 cents per security (\$40.6 million).

Relevant dates for the distribution:

- Declaration date: 7 April 2017.
- Record date: 13 April 2017.
- Payment date: 2 May 2017.

Future intentions for Lantern

The Board's focus remains securityholder value maximisation and it intends that Lantern continues as a stapled security capable of evaluating new opportunities consistent with its historic activities of hotel ownership and operation and active investing. In addition, the Board will in parallel continue to evaluate:

- re-purposing the Group for alternative activities;
- sale of the Group entities; and
- wind up of the Group entities.

Securityholders will be kept informed of any developments, and securityholder approval sought where applicable in the event an alternative option for Lantern is identified.

Net assets

As all of the hotels have been sold, the remaining financial assets and liabilities of the Group will be settled. The Board will provide a further update to securityholders on the net asset position of the Group at the General Meeting to be held on Tuesday 16 May 2017, as disclosed in the announcement to the market on 7 April 2017.

ASX trading of LTN securities

ASX will, in the absence of any other reason to suspend the quotation of LTN's securities, allow LTN to continue trading for a period of 6 months from the date of sale of the last hotel, being 29 March 2017.

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