

ASX Announcement



LANTERN HOTEL GROUP (ASX: LTN)

22 October 2014

Beaumont Exchange Hotel, Newcastle – Acquisition Update

Further to our announcement on 29 September 2014 in respect of the above hotel, Lantern is pleased to advise that settlement on this hotel completed yesterday.

The acquisition was funded by drawing down on the Group's main finance facility.

Following completion of this acquisition, Lantern now owns and operates 12 hotels in New South Wales and 1 in Queensland.

The Board remains of the view that expansion via disciplined acquisitions to ensure the Group is of sufficient scale to remain relevant in the listed environment is in the best interest of security holders.

Given the uncertainty created as a result of the resolutions proposed at the upcoming AGM, our principal financier has advised we will not be able to access any additional funding for acquisitions until the outcome of the upcoming AGM is known.

As a result of this, discussions in respect of further acquisitions are being deferred until the outcome in respect of Board composition post the upcoming AGM is known.

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