

ASX Announcement



LANTERN HOTEL GROUP (ASX:LTN)

18 June 2015

Asset Update

Five Dock Hotel

Lantern is pleased to announce the sale of the land upon which the Five Dock Hotel bottleshop operates for \$5 million.

The bottleshop land is a small portion of the total Five Dock property. Lantern will continue to own and operate the Five Dock Hotel as normal and will continue to operate the bottleshop business under a short-term lease back arrangement while arrangements are made to relocate the bottleshop business.

The sale will result in a circa \$2.5 million gain in the accounts for the current financial year. The net proceeds from sale will be used to pay down the group's main finance facility and can be redrawn subject to financier consent. Settlement is expected to occur 19 June 2015.

Separately, Lantern has agreed to acquire a smaller parcel of land and its building adjacent to the Five Dock Hotel on the other side of the existing bottleshop for \$0.63 million. The acquisition provides a natural extension to the existing Five Dock Hotel footprint.

New Zealand

Lantern is also pleased to announce the sale of the Waikanae Hotel in New Zealand for NZ\$2.6 million to the Greater Wellington Regional Council. The sale price was in line with Lantern's carrying value. The Waikanae Hotel was one of the more difficult to sell and illiquid properties in the New Zealand portfolio. Lantern expects the remaining two properties in New Zealand to be easier to exit. Consistent with previous announcements the net proceeds of the sale are intended to be used towards the buy-back of Lantern securities. Settlement is expected to occur on 16 September 2015.

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