

ASX Announcement



LANTERN HOTEL GROUP (ASX: LTN)

29 October 2015

Strategic Review Update

The Lantern Board is well advanced with its strategic review of the business which includes an assessment of the financial position and performance of the group. A key theme of the strategic direction that has emerged from the review is to create a platform for growth by focussing on improving the performance of a core portfolio of hotels that are scalable and offer a multi-faceted and diverse range of leisure and entertainment experiences.

In keeping with this objective Lantern has appointed agents to assist it with the divestment of three non-core hotels. These hotels include the Brisbane in Perth, the Alberts in Palmerston North, NZ and the Dolphin in Surry Hills, Sydney.

The Brisbane and Alberts are owned but not operated by Lantern and the Dolphin is owned and operated by Lantern. The decision to commence a sale process for these hotels is consistent with Lanterns strategic direction.

Lantern CEO John Osborne said the market for hotels, particularly in Sydney, has been very buoyant and these hotels are likely to attract strong interest. The divestment of the owned but not operated hotels will ensure that Lantern management are focussed on improving the performance of Lanterns core owned and operated hotels.

The proposed sale of the Dolphin is driven by the fact that Lantern already has a strong presence in Surry Hills as the owner and operator of the Crown hotel. The Crown is considered to be one of Lanterns core portfolio hotels and given the strength of the hotel market in Sydney, Lantern believes the time is right to test the market for the Dolphin and focus on the Crown.

The sale process for all three hotels is expected to run throughout November and early December.

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