

ASX Announcement



LANTERN HOTEL GROUP (ASX: LTN)

3 August 2016

Sale of the Lawson Park Hotel, Mudgee, NSW

Update on the Divestment of Non-Core Hotels

Lantern has entered into contracts for the sale of the freehold and business of the Lawson Park Hotel. The sale price of \$4.05m is in line with the 31 December 2015 book value and completion of the sale is expected to occur by mid-September 2016.

Lantern announced its intention to divest its non-core hotels in November 2015. Since that time Lantern has entered into contracts for the sale of eight properties, including seven hotels and a parcel of vacant land in Waikanae New Zealand.

As at the date of this announcement Lantern has completed five of these sales with three due for completion between now and the end of October 2016.

Following the completion of all contracted sales, Lantern will have realised approximately \$43m from the divestment of non-core hotels since November 2015. This amount represents an overall premium to book value of 14%.

Once all currently contracted sales are completed Lantern will own nine hotels including seven core hotels that are owned and operated by Lantern and two non-core hotels that are owned by Lantern and operated by others.

The non-core hotels include the Central Hotel in Bundaberg and the Brisbane Hotel in Perth.

A sale process for the Central Hotel in Bundaberg is currently underway.

The Lantern Board has decided to retain the Brisbane Hotel in Perth as a passive investment. In the Board's view holding this hotel presents a better financial outcome for Lantern than selling it in the current Perth market.

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