

ASX Announcement



LANTERN HOTEL GROUP (ASX: LTN)

4 April 2014

Buy-back Offer Update

Further to our recent announcements in respect of the Buy-back offer and the action commenced in the Supreme Court of NSW, Lantern advise that it has agreed a commercial settlement with Millinium Asset Services Pty Ltd as trustee for the Borg Fund (Millinium), Totem Holdings Pty Ltd (Totem) and CVC Limited (CVC).

Lantern will pay Millinium \$1.4m to facilitate settlement with Totem and CVC.

As part of the settlement terms of the commercial transaction have also varied.

Summary of key changes to our previously announced transaction–

- Fixed price of 7.5c per share;
- Time frame to complete extended to 31/7/2016;
- Interest coupon of 8% to accrue from 1/8/2014 (payable quarterly in arrears).

Settlement provides enhanced certainty to shareholders enabling the company to implement the proposed transaction and is considered a good outcome.

The company will proceed to formalise the structure of the transaction (which may be implemented in a manner other than a buy-back) and hold an extraordinary general meeting (EGM) for security holders to vote on the proposed transaction.

Further details will be released once a date has been set for the EGM.

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