



LANESBOROUGH

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LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REIT ANNOUNCES SALE OF ELGIN LODGE IN PORT ELGIN, ONTARIO

Winnipeg, Manitoba, October 6, 2016 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the sale of Elgin Lodge, effective October 1, 2016, for \$14.5 million, subject to customary closing adjustments. Elgin Lodge is a 115 suite retirement residence located in Port Elgin, Ontario.

The sale resulted in net cash proceeds to LREIT of approximately \$4.33 million, after closing costs and adjustments and the repayment of mortgage debt. The net cash proceeds were used to repay the revolving loan.

As part of the sale agreement, LREIT and the purchaser have agreed that, in the event that the property is re-sold within a 24-month period, LREIT will share equally in any profit that is realized as a result of such sale.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units) and LRT.DB.G (Series G Debentures). For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The TSX has not reviewed or approved the contents of this press release and does not accept responsibility for the adequacy or accuracy of this press release