



LANESBOROUGH

Real estate investment trust
2600 Seven Evergreen Place
Winnipeg, Manitoba
R3L 2T3
Tel. 204.475.9090
Fax. 204.475.5505

LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release

LANESBOROUGH REAL ESTATE INVESTMENT TRUST ANNOUNCES REDEMPTION OF ALL OUTSTANDING 9% SECOND MORTGAGE BONDS DUE DECEMBER 24, 2015, EFFECTIVE FEBRUARY 12, 2015

FOR IMMEDIATE RELEASE

Winnipeg, Manitoba, January 13, 2015 – Lanesborough Real Estate Investment Trust (TSX: LRT.UN) (“**LREIT**”) announced today that it has delivered notice to the holders of LREIT’s outstanding 9% second mortgage bonds due December 24, 2015 (the “**Bonds**”) that pursuant to Section 4.2 of the indenture governing the Bonds (the “**Bond Indenture**”) dated December 23, 2010, LREIT will, effective February 12, 2015 (the “**Redemption Date**”), redeem all issued and outstanding Bonds, plus accrued interest thereon.

There are 16,000 Bonds outstanding in the aggregate principal amount of \$6,000,000 (\$375 per Bond) as at the date hereof. Accordingly, on the Redemption Date, subject to compliance with the Bond Indenture, the holder of each Bond will receive a total payment of \$385.60, comprised of a principal repayment of \$378.75 (representing 101% of the outstanding principal amount of \$375) and interest of \$6.84246 for the 74 day period from November 30, 2014 until the Redemption Date. All interest on the Bonds shall cease from and after the Redemption Date.

Certificates representing the Bonds must be tendered to the Bond trustee, BNY Trust Company of Canada, at 320 Bay Street, 11th Floor, Toronto, ON M5H 4A6 Attention: Operations Dept.

ABOUT LREIT

LREIT is a real estate investment trust, which is listed on the Toronto Stock Exchange under the symbols LRT.UN (Trust Units), LRT.DB.G (Series G Convertible Debentures), LRT.NT.A (Second Mortgage Bonds due December 24, 2015), LRT.WT (Warrants expiring March 9, 2015) and LRT.WT.A (Warrants expiring December 23, 2015). For further information on LREIT, please visit our website at www.lreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

[Arni Thorsteinson](#), Chief Executive Officer, or [Gino Romagnoli](#), Investor Relations
Tel: (204) 475-9090, Fax: (204) 452-5505, Email: info@lreit.com

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.

This press release contains certain statements regarding the proposed transaction described herein that could be considered as forward-looking information. The forward-looking information is subject to certain risks and uncertainties, which could result in actual results differing materially from the forward-looking statements. There can be no certainty that the transaction will be completed within the timeline set forth herein or all at.