



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 REIT COMPLETES SALE OF EIGHT PROPERTIES FOR \$40.3 MILLION AND REPORTS GAIN ON SALE OF \$8.98 MILLION

Winnipeg, Manitoba, December 7, 2009 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX: LRT.UN) announced today that it has completed the previously announced sales of eight apartment properties. Details of the sales transactions are as follows:

- 404-suite portfolio of six apartment properties in Prince Albert, Saskatchewan, known as Marquis Towers, Borden Estates, Cedar Village, MGM Apartments, Carlton Manor and Riverside Apartments. The portfolio was sold for \$17.4 Million and resulted in net cash to LREIT of approximately \$6.24 Million, net of expenses, closing adjustments, and approximately \$10.65 Million of first mortgage debt either repaid or assumed by the purchaser. The gain on sale was approximately \$2.87 Million.
- 93-suite apartment property in Sherwood Park, Alberta, known as Broadview Meadows. The property was sold for \$9.1 Million and resulted in net cash to LREIT of approximately \$3.6 Million, net of expenses, closing adjustments, and the assumption by the purchaser of approximately \$5.23 Million of first mortgage debt. The gain on sale was approximately \$2.84 Million.
- 183-suite apartment property in Surrey, British Columbia, known as Greenwood Gardens. The sale price was \$13.82 Million of which \$6.55 Million was satisfied by LREIT providing second mortgage financing to the purchaser for an 18-month term, bearing interest at 3% for the first six months and 6% thereafter. Net of the second mortgage, the sale resulted in net cash to LREIT of approximately \$2 Million, after expenses, closing adjustments and the assumption by the purchaser of approximately \$5.21 Million of first mortgage debt. The gain on sale was approximately \$3.27 Million.

LREIT will use the \$11.84 Million of net cash from the property sales to repay maturing debt and for general working capital purposes. Further asset sales are expected during 2010 as part of the property divestiture programme announced earlier this year.

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.F (Series F Convertible Debentures) and LRT.DB.G (Series G Convertible Debentures). The objective of LREIT is to provide Unitholders with stable cash distributions from investment in a geographically diversified Canadian portfolio of quality real estate properties. 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

This press release contains certain statements 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.

The Toronto Stock Exchange 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