



## LANESBOROUGH

REAL ESTATE INVESTMENT TRUST

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### **LANESBOROUGH REAL ESTATE INVESTMENT TRUST Press Release**

#### **LREIT ANNOUNCES FILING OF PRELIMINARY PROSPECTUS FOR PUBLIC OFFERING SERIES D CONVERTIBLE DEBENTURES**

Winnipeg, Manitoba, February 13, 2004 – Lanesborough Real Estate Investment Trust (“LREIT”) (TSX Venture: LRT.UN) announced today that it has filed and been receipted for a Preliminary Prospectus for its public offering (the “Offering”) of Series D Convertible Debentures (the “Debentures”) in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Nova Scotia and the Northwest Territories. LREIT is offering a minimum of 2,000 and a maximum of 4,000 Debentures (each Debenture having a denomination of \$1,000) for total gross proceeds in the minimum amount of \$2,000,000 and the maximum amount of \$4,000,000. LREIT has entered into an agreement with Wellington West Capital Inc. (“Wellington”), whereby Wellington has agreed to act as agent for the Offering. LREIT will pay Wellington a fee of 7% of the gross proceeds of the Offering.

The closing of the Offering is subject to receipt of all required regulatory approvals, including the approval of the TSX Venture Exchange. The net proceeds from the Offering will be used by LREIT for the purpose of funding equity commitments associated with the purchase of multi-family residential properties (as yet unidentified).

Each Debenture has a face value of \$1,000, a term of four years and a coupon rate of 8%. The Debentures will rank subordinate to the existing Series “A” Convertible Debentures (maturing August 30, 2007), the existing Series “B” Convertible Debentures (maturing August 30, 2005), and the existing Series “C” Convertible Debentures (maturing January 30, 2006) until such time as LREIT certifies that, since January 29, 2004, LREIT has acquired from arm’s length third parties one or more multi-family residential properties with an aggregate purchase price of at least \$50 million and such properties have a positive pro forma net income (after interest).

LREIT is a real estate investment trust, which is listed on the TSX Venture Exchange under the symbol LRT.UN. 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](http://www.lreit.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

FOR FURTHER INFORMATION PLEASE CONTACT:

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*The TSX Venture 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.*