



Lakeview Hotel Real Estate
Investment Trust

LAKEVIEW HOTEL REAL ESTATE INVESTMENT TRUST
Press Release

Lakeview Hotel REIT Reports 2nd quarter Financial Results

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Winnipeg, Manitoba, August 19, 2009 - Lakeview Hotel Real Estate Investment Trust ("Lakeview REIT") reported today its financial results for the quarter ended June 30, 2009. The following comments in regard to the financial results should be read in conjunction with the June 30, 2009 financial statements and Management Discussion and Analysis which are available on the SEDAR website www.sedar.com and the Lakeview REIT website www.lakeviewreit.com.

The second quarter of 2009 was an extremely challenging period for Lakeview Hotel REIT. Operating results continued to erode under the weight of a struggling economy, and depressed natural gas prices severely impacted occupancies in many of the smaller markets where the REIT operates.

During and subsequent to the second quarter, the REIT has focused on operating efficiencies and improvements to its balance sheet to ensure it is in a stronger position when the economy and commodity prices improve.

In the second quarter of 2009, Lakeview REIT reduced its maintenance, marketing, salaries and benefits, supplies and utilities expenses when compared to the second quarter of 2008. Lakeview REIT has taken steps to collect on its mortgage receivables advanced under its mezzanine loan program to help bolster the REIT's working capital. Lakeview REIT has also successfully refinanced the Days Inn Ottawa Airport hotel and as a result has no mortgage maturities until 2011.

Following is a comparison of the operating results for the three and six months ended March 31, 2009 and the comparable periods in 2008:

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	Three months ended		Six months ended	
	June 30		June 30	
	2009	2008	2009	2008
Hospitality Revenue				
Room	7,592,028	8,321,629	15,350,471	16,283,839
Food & Beverage	737,379	939,012	1,504,435	2,043,748
Other	493,273	433,826	1,011,601	821,992
Total Revenue	8,822,680	9,694,467	17,866,507	19,149,579
Expenses	11,071,985	10,400,633	21,586,982	20,117,359
Net Income (Loss) before future income tax expense	(2,249,305)	(706,166)	(3,720,475)	(967,780)
Basic and diluted income (loss) before income tax per unit	(0.115)	(0.037)	(0.192)	(0.050)
Future (Income Tax Expense) Recovery	-	-	-	4,000
Net (Loss)	(2,249,305)	(706,166)	(3,720,475)	(963,780)
Basic and Diluted Income (Loss) per Unit	(0.115)	(0.037)	(0.192)	(0.050)
Reconciliation to funds from Operations				
Add (deduct)				
Amortization of income properties	1,670,211	1,522,152	3,343,262	2,939,962
Amortization of franchise fees and licenses	27,238	11,617	39,674	23,938
Distributions from Lakeview Flag Licensing General Partnership	124,460	154,840	297,430	299,390
Income from Lakeview Flag Licensing General Partnership	(149,909)	(156,913)	(331,298)	(318,298)
Future income tax expense (recovery)	-	-	-	(4,000)
Funds from Operations	(577,305)	825,530	(371,407)	1,977,212
Basic and diluted funds from Operations per unit	(0.030)	0.043	(0.019)	0.103
Contributions to reserve account	(205,015)	(283,131)	(383,199)	(570,772)
Adjusted funds from Operations	(782,320)	542,399	(754,606)	1,406,440
Basic and diluted adjusted funds from Operations per unit	(0.040)	0.028	(0.039)	0.073
Reconciliation to distributable income				
Accretion on debt component of convertible debentures	251,951	189,198	504,735	354,807
Accretion of debentures	45,332	38,462	89,485	39,481
Accretion of mortgages	52,519	51,005	104,662	101,043
Decretion of mortgages receivable	51,217	2,296	56,877	2,296
Loss on settlement of mortgages receivable	98,244	-	98,244	-
Compensation costs of unit options	-	-	-	-
Distributable income	(283,057)	823,360	99,397	1,904,067
Basic and diluted distributable income per units	(0.015)	0.043	0.005	0.099
Distributions	-	2,121,760	192,748	4,243,323

Lakeview REIT is a real estate investment trust, which is listed on the TSX Venture Exchange under the symbol "LHR.UN". Lakeview REIT receives income from ownership, management and licensing of hotel properties. For further information on Lakeview REIT please visit our website www.lakeviewreit.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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