

BTB

REAL ESTATE INVESTMENT TRUST

PRESS RELEASE FOR IMMEDIATE RELEASE

BTB Real Estate Investment Trust announces today its 2008 first quarter results, which ended on March 31st 2008.

Montreal (Quebec), May 26, 2008 - The Board of trustees of BTB Real Estate Investment Trust (TSX Venture Exchange: BTB.UN and BTB.DB) (« BTB » or the « Trust ») released today its financial statements for the first quarter of 2008, which ended on March 31, 2008.

2008 FIRST QUARTER HIGHLIGHTS

- **Growth of adjusted funds from operations ("AFFO"):** The Trust's AFFO was \$1.4 million for the first quarter, or \$0.042 per unit. On an annualized basis, the estimated AFFO generated by BTB's portfolio, as at March 31, 2008, is more than \$0.18 per unit.
- **Increased cash generated from portfolio growth:** BTB's real estate portfolio has generated cash of \$1.3 million and distributable income of more than \$1.1 million for the first quarter of 2008, compared to, respectively, \$1.2 million and \$1.0 million for the fourth quarter of 2007.
- **Revenue growth:** Rental income increased by more than 31% compared to the previous quarter and generated, in the first quarter, more than \$5.8 million of rental income. The annualized rental income derived from the properties owned by the Trust at the end of the quarter is estimated at \$28.4 million.
- **Portfolio growth:** Acquisition of six properties during the first quarter, bringing the total value of BTB's portfolio to \$210.5 million (non depreciated) and a total of more than 2.1 million square feet of renatable space.
- **Public Offering:** On March 20, 2008, the Trust completed a public offering, issuing convertible debentures, Series B, at 8.5%, the proceeds of which were more than \$13 million.

Fonds de placement immobilier BTB

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SUBSEQUENT EVENT

- **Reduction of monthly distributions:**

On April 28, 2008, the Board of Trustees announced the reduction of distributions, from \$0.28 per unit, per year to \$0.16 per unit, per year. The Trustees wished to ensure that BTB's capital and funds from financing would be used to acquire good quality properties.

"BTB generates more than \$0.04 per unit, per quarter from its cash from operations or, on an annualized basis, over \$0.18 per unit. The Trust's cash from operations sustains a distribution of \$0.04 per unit per quarter to our unitholders, or \$0.16 per unit on an annualized basis" indicated Michel Léonard, president and CEO of the Trust.

"Our responsible decision to reduce distribution protects both BTB's future and the income of our unitholders. The Trust is no longer returning capital to its unitholders. Distributions are entirely funded from BTB's cash from operations. Sustainability of return on investment for our unitholders is a priority for us, and we are confident that, as we move forward, this level of distribution is sustainable. We are therefore beginning the second quarter of 2008 on a solid financial footing and have the tools needed to reach our objectives."

"During the first quarter, we continued to grow our assets. We acquired six commercial and office buildings in the province of Quebec. Together, they added 250,000 square feet of rentable area to our real estate portfolio," he concluded.

ABOUT BTB

BTB is a growth real estate investment trust listed on the TSX Venture Exchange. Its objective is to provide unitholders with cash distributions from investments in a good quality portfolio of long-term leased office, industrial, commercial and retail properties, predominantly located in the province of Quebec. BTB is led by an experienced team in the real estate field and a board of trustees focussed on governance and sound business practices.

FORWARD LOOKING STATEMENTS

This press release contains forward looking statements. Forward-looking statements are subject to risks, uncertainties and assumptions. Although the trustees of BTB believe that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the factors and risks which could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include the impact of general economic conditions, industry conditions, governmental regulation, environmental risks, competition from other industry participants, stock market volatility, the ability to access sufficient capital from internal and external

sources and the risk of fluctuation and variation in actual operating results, which variation may be material. A full description of these risks and uncertainties can be found in BTB's Annual Information Form dated January 16, 2008 and Short Form Prospectus dated March 13, 2008 which are available electronically at www.sedar.com.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included herein are made as of the date hereof and BTB does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise. The TSX Venture Exchange has in no way passed upon the merits of the transactions and has neither approved nor disapproved the contents of this press release. The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this press release.

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Appendix: Selected Financial Information

BTB REAL ESTATE INVESTMENT TRUST

Interim Consolidated Balance Sheet
(Unaudited)

March 31, 2008, with comparative figures as of December 31, 2007

	March 31, 2008	December 31, 2007
Assets		
Income-producing properties		
Buildings and improvements	\$ 156,918,476	\$ 137,465,467
Land	37,376,753	31,846,153
Intangible assets	13,648,865	12,981,069
Intangible liabilities	(2,213,226)	(2,030,005)
	205,730,868	180,262,684
Fixed assets	34,772	7,521
Prepaid expenses and deposits	3,243,590	1,781,269
Accounts receivable	1,179,267	755,398
Cash and cash equivalents	529,344	6,170,554
	\$ 210,717,841	\$ 188,977,426
Liabilities and unitholders' equity		
Mortgage loans	\$ 118,004,673	\$ 103,943,246
Convertible debentures	21,997,718	10,788,691
Bank loans	5,925,000	9,245,000
Accounts payable and accrued liabilities	5,266,391	3,569,709
Distributions payable to unitholders	764,123	761,395
Future income taxes	479,700	583,700
	152,437,605	128,891,741
Unitholders' equity:		
Unitholders' equity	58,280,236	60,085,685
Subsequent events		
	\$ 210,717,841	\$ 188,977,426

BTB REAL ESTATE INVESTMENT TRUST

Interim Consolidated Statement of Earnings
(Unaudited)

Three-month period ended March 31, 2008, with comparative figures for the three-month period ended March 31, 2007

	2008	2007
Operating revenues:		
Rental revenue from income-producing properties	\$ 5,817,948	\$ 842,148
Operating expenses:		
Operating costs	1,065,664	106,658
Property taxes and utilities	1,567,535	139,501
Property management expenses	104,959	15,640
	2,738,158	261,799
Operating income before the undernoted items	3,079,790	580,349
Interest on loans	1,914,452	521,869
Amortization of financing costs	110,124	66,090
Amortization of buildings and improvements	875,059	126,256
Amortization of intangible and other assets	427,553	24,239
Interest accretion expenses on convertible debentures	64,812	58,175
Interest income	(20,784)	(237,048)
	3,371,216	559,581
Operating (loss) income from real estate assets	(291,426)	20,768
Trust-related administrative expenses	199,786	363,308
Unit-based compensation	18,131	2,064
Operating loss before income taxes and discontinued operations	509,343	344,604
Future income taxes	(300,000)	—
Net operating loss before discontinued operations	209,343	344,604
Net income from discontinued operations	—	2,297
Net loss and comprehensive income	\$ 209,343	\$ 342,307
Loss per unit basic and diluted	\$ 0.006	\$ 0.024

BTB REAL ESTATE INVESTMENT TRUST

Interim Consolidated Statement of Cash Flows
(Unaudited)

Three-month period ended March 31, 2008, with comparative figures for the three-month period ended March 31, 2007

	2008	2007
Cash flows from operating activities:		
Net loss	\$ (209,343)	\$ (342,307)
Net change in non-cash items:		
Amortization of income-producing properties	875,059	137,701
Interest and accretion expense on convertible debentures	64,812	58,175
Amortization of financing costs	110,123	66,090
Amortization of intangible assets and liabilities	754,377	23,035
Amortization of straight-line lease adjustment	(102,010)	(2,133)
Unit option-based compensation expenses	18,131	2,064
Property management expenses	104,959	16,938
Future income taxes	(300,000)	—
Amortization of fixed assets	200	85
Net change in non-cash operating working capital items	(85,980)	108,233
	1,230,328	67,881
Cash flows from financing activities:		
Net proceeds from issuance of convertible debentures	11,825,318	—
Mortgage loans, net of financing costs	3,608,209	27,741,364
Bank loans	(3,320,000)	—
Net proceeds from issuance of units	17,500	20,000
Distributions to unitholders	(2,287,807)	(997,867)
	9,843,220	26,763,497
Cash flows from investing activities:		
Additions to fixed assets	(27,451)	(26,657,888)
Additions to income-producing properties	(16,687,307)	—
	(16,714,758)	(26,657,888)
Net change in cash and cash equivalents	(5,641,210)	173,490
Cash and cash equivalents, beginning of period	6,170,554	20,909,948
Cash and cash equivalents, end of period	\$ 529,344	\$ 21,083,438