

## BTB - First Quarter of 2016 - Recent accretive acquisitions contribute to ensuring stability of net operating income

MONTRÉAL, May 9, 2016 /CNW Telbec/ - BTB Real Estate Investment Trust (TSX: BTB.UN) ("BTB" or the "Trust") releases today its financial results for the first quarter ended March 31, 2016, and announces the following highlights:

### HIGHLIGHTS OF THE FIRST QUARTER 2016

#### As at March 31, 2016

- 72 properties
- More than 5.1 million leasable square feet
- More than \$646 million in assets
- More than \$161 million in market capitalization

#### Increase

- 1.2% in rental income
- 4.1% in assets
- 3.7% in FFO

#### Improvement

- In the weighted average interest rate on mortgage debt from 4.08% to 3.93%

#### Leasing activities

- 185,000 square feet of leases renewed, for a retention rate of 31.3% of leases expiring in 2016
- 3.41% increase in the average rate of expired and renewed leases

#### Acquisition

- On February 15, 2016, an office building located in downtown Montréal for \$11 million. The property, entirely leased to a single tenant under a long-term lease, has a leasable area of 52,500 square feet.

"Two of our portfolio properties mainly contributed to the lower same-property portfolio net operating income (SPNOI) and occupancy rate, i.e. 1001 Sherbrooke East in Montréal and 50 Saint-Charles West in Longueuil. We are actively seeking occupants for these properties and have already found very interesting potential tenants. These two properties contributed to lowering the SPNOI by approximately \$700,000. Moreover, based on current activity levels, we believe a significant portion of the vacant spaces will be rented out before the end of 2016", declared Michel Léonard, President and Chief Executive Officer.

Quarters ended March 31 (in thousands of dollars, except for ratios and per unit data)		
	2016	2015
	\$	\$
<b>Financial information</b>		
Rental income	18,550	18,329
Net operating income <sup>(1)</sup>	10,119	10,132
Net property income from the same-property portfolio <sup>(1)</sup>	5,743	6,349
Distributable income <sup>(1)</sup>	4,455	4,497
Distributions	3,655	3,596
Funds from operations (FFO) <sup>(1)</sup>	4,216	4,066
Adjusted funds from operations (AFFO) <sup>(1)</sup>	3,840	3,876
Total assets	646,742	621,279
Mortgage liability ratio	58.1%	56.6%
Weighted average interest rate on mortgage debt	3.93%	4.08%
Market capitalization	161,007	171,429
<b>Financial information per unit</b>		
Distributable income	12.8 ¢	13.1 ¢
Distributions	10.5 ¢	10.5 ¢
Payout ratio on distributable income	82.0 %	80.0 %
FFO	12.1 ¢	11.9 ¢
AFFO	11.0 ¢	11.3 ¢

(1) Financial term not defined by IFRS

### NON-IFRS FINANCIAL MEASURES

Net operating income, distributable income, funds from operations and adjusted funds from operations are not measures recognized by International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. Such measures may differ from similar computations as reported by similar entities and, accordingly, may not be comparable to similar measures reported by such other entities.

The following table shows the reconciliation of distributable income and adjusted funds from operations (non-IFRS measure) with cash flows from operating activities presented in the financial statements.

Quarters ended March 31 (in thousands of dollars)		
	2016	2015
	\$	\$
Cash flows from operating activities (IFRS)	6,709	5,589

+ Financial revenues	21	13
+ Net change in operating items	2,857	3,810
- Interest expense on mortgage loans payable	(3,658)	(3,513)
- Interest expense on convertible debentures	(1,291)	(1,274)
- Interest expense on acquisition line of credit	(156)	(101)
- Interest expense on operating line of credit and other interest expenses	(27)	(27)
<b>Distributable income</b>	<b>4,455</b>	<b>4,497</b>
+ Leasing payroll expenses	75	---
- Provision for non-recoverable capital expenses	(370)	(366)
- Provision for rental fees	(320)	(255)
<b>Adjusted funds from operations</b>	<b>3,840</b>	<b>3,876</b>

On Tuesday, May 10, 2016, at 10:00 a.m. (ET) management will hold a conference call to present BTB's financial results and performance for the first quarter ended March 31, 2016:

DATE: Tuesday, May 10, 2016

TIME: 10:00 a.m. (Eastern Standard Time)

DIAL: 1-647-427-7450 (from Toronto and overseas) access code 95836010#, 1-888-231-8191 (from North America) toll free, access code 95836010#. To ensure your participation, please dial in fifteen minutes prior to the start of the conference call.

WEBCAST: <http://event.on24.com/r.htm?e=1176810&s=1&k=BBA8886749D03509D867F6EF533A1952>

REPLAY: From Tuesday, May 10, 2016, 1:00 p.m. until 11:59 p.m. on May 17, 2016, dial 1-416-849-0833 conference ID number 95836010#, or dial toll free 1-855-859-2056 conference ID number 95836010#.

The media and all interested parties may attend the call in listening mode only.

Conference call operators will coordinate the question and answer period, and will instruct participants regarding the procedures for the call.

#### **About BTB**

BTB is a real estate investment trust listed on the Toronto Stock Exchange. BTB is an important owner of properties in eastern Canada. Today, BTB owns 72 commercial, office and industrial properties for a total leasable area of more than 5.1 million square feet. BTB's asset value is more than \$646M. The objectives of BTB are: i) to grow its revenues from its assets to increase distributable income and therefore fund distributions; (ii) to maximize the value of its assets through dynamic management of its properties in order to sustain the long-term value of its units; and (iii) to generate cash distributions that are fiscally beneficial to unitholders.

BTB offers a distribution reinvestment plan to unitholders whereby the participants may elect to have their monthly cash distribution reinvested in additional units of BTB at a price based on the weighted average price for BTB's Units on the Toronto Stock Exchange for the five trading days immediately preceding the distribution date, discounted by 3%.

SOURCE BTB Real Estate Investment Trust

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**For further information:** For further information, please contact: Mr. Michel Léonard, President and Chief Executive Officer, 514-286-0188, ext. 228; Mr. Benoit Cyr, Vice-President and Chief Financial Officer, 514-286-0188, ext. 230

CO: BTB Real Estate Investment Trust

CNW 17:16e 09-MAY-16