

# BTB

## REAL ESTATE INVESTMENT TRUST

### **BTB Real Estate Investment Trust announces excellent financial results for its second quarter ended June 30, 2007**

Montreal, Quebec (August 31, 2007): The trustees of BTB Real Estate Investment Trust (TSX-V: BTB.UN and BTB.DB) ("BTB" or the "Trust") have issued the financial results for the three-month and six-month periods ended June 30, 2007 and have announced earnings before future income taxes as soon as in its third quarter of existence.

#### **HIGHLIGHTS:**

- **Profitability:** For Q2 ended June 30 2007 and in its third quarter of existence, the Trust reported earnings before future income taxes of \$79,907.
- **Growth of FFO (Funds From Operation):** FFO for Q-2 of \$527,050, or \$0.017 per unit, representing growth of \$640,026 compared with the first quarter.
- **Distributions:** It is expected that the AFFO (adjusted FFO) will be greater than the projected distributions as early as the end of Q-1 2008.
- **Growing Portfolio:** Acquisition during Q-2 of 10 buildings in Quebec, representing a leasable area of 635,000 square feet and costing over \$73M. As at June 30, 2007, the portfolio reached a value of almost \$110M.
- **Significant Equity Financing:** Closing of a private placement resulting in the issuance of 18,055,000 units at an agreed price of \$2.55 per unit and the raising of over \$46M.
- **Continual Growth:** Conditional agreements have been entered into with regard to the acquisition during the next quarters of 24 buildings in Quebec and Ontario, representing leasable area of 1,525,000 square feet and an approximate acquisition cost of \$124M.
- **Financial Partners:** On August 9, 2007, BTB entered into a conditional financing offer in the amount of \$39M with regard to six buildings that were already acquired and two projected acquisitions. On August 23, 2007, BTB entered into a conditional financing offer in the form of an acquisition line of credit of up to a maximum of \$50M.
- **Amendment to the Trust Structure:** The officers and trustees have agreed to amend the current structure in order to ensure the Trust's qualification under the new tax legislation concerning real estate investment trusts. Such amendment will be made before the end of the current fiscal year.

Periods ended June 30 (in dollars, except unit data and ratios)	Quarter		Cumulative (6 months)	
	2007	2006	2007	2006
Rental revenue	2,048,948	-	2,961,018	-
Net operating income	1,324,862	-	1,916,848	-
Earnings (loss) before future income taxes	79,907	(64,818)	(262,400)	(233,376)
Net loss	(176,493)	(64,818)	(262,400)	(233,376)
Distributable income	411,531	(64,818)	206,855	(80,976)
Funds from operations	387,648	n/a	208,652	n/a
Adjusted funds from operations	527,050	n/a	414,074	n/a
Distributions	1,843,596	-	2,842,102	-
Debt ratio			39%	-
Acquisition capacity (based on a 70% leverage)			109,000,000	-
Immovable property			108,375,502	1,866,507
Total assets			117,582,191	-
Hypothecs			39,994,907	-
Convertible debentures			10,452,912	-
Equity			65,260,231	1,593,590
<b>Unit data:</b>				
Basic distributable income	0.018	n/a	0.011	n/a
Diluted distributable income	0.018	n/a	0.011	n/a
Funds from operations	0.017	n/a	0.011	n/a
Adjusted funds from operations	0.022	n/a	0.022	n/a
Distributions	0.070	-	0.140	-

Michel Léonard, President and Chief Executive Officer, was particularly proud of the results: *“In its third quarter of existence, BTB has declared earnings before taxes. We expect that our distributions will be entirely covered by distributable income by the end of Q-1 2008, which gives us a head start on our business plan!”*

Jocelyn Proteau, Chairman of the Board adds: *“The quality of the acquisitions and the meticulous management of the Trust are reflected today in the results that we are announcing. BTB’s real estate portfolio has surpassed the \$100M mark and we expect to reach \$250M in acquisitions by the end of the year.”*

## ABOUT BTB

BTB is a growth-oriented real estate investment trust listed on the TSX Venture Exchange. Its objective is to provide unitholders with stable and growing cash distributions from investments in a high-quality portfolio of long-term leased office, industrial, commercial and retail properties predominantly located in the province of Quebec. BTB is led by a management team that boasts in-depth experience in the real estate field and a governance and business-focused board of trustees.

## 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 Management's Discussion and Analysis dated April 27, 2007 which is available electronically at [www.sedar.com](http://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 proposed transaction and has neither approved nor disapproved the content 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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