

BTB Real Estate Investment Trust announces closing of a \$30 million issue of units and reduces its indebtedness by redeeming all of the outstanding Series D Debentures

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MONTREAL, June 30, 2016 /CNW Telbec/ - BTB Real Estate Investment Trust (TSX: BTB.UN) ("**BTB**") is pleased to announce today that it has closed its previously announced public offering of 6,594,000 units (the "**Units**") for aggregate gross proceeds of approximately \$30 million. After closing, BTB has sent a notice of redemption to the Series D Debentures holders to redeem all such outstanding Debentures using approximately \$23 million of the net proceeds from the sale of the Units. Redemption shall be effective August 2, 2016. After giving effect to the offering and the redemption of the Series D Debentures, BTB's indebtedness ratio will be reduced by more than 4%.

The balance of the net proceeds will be used to partially repay amounts outstanding under the acquisition credit facility used to fund acquisitions in the normal course of business and for general trust purposes.

"As mentioned previously, the reduction of BTB's indebtedness ratio is a priority for management. The redemption of the Series D Debentures and the issuance of Units will reduce BTB's indebtedness ratio by more than 4% and are perfectly aligned with BTB's strategy. Furthermore, the balance of the offering of about \$5 million will be used to pay down part of the acquisition credit facility and this may eventually allow the funding of accretive acquisitions. Also, BTB expects to renew some mortgage-loans maturing in the coming months at attractive interest rates, lower than current ones, which will have a positive impact on cash flow" said Michel Léonard, President and Chief Executive Officer.

The Units were sold to a syndicate of underwriters led by National Bank Financial Inc. and including TD Securities Inc., Laurentian Bank Securities Inc., Raymond James Ltd., Scotia Capital Inc., GMP Securities L.P., Echelon Wealth Partners Inc., Industrial Alliance Securities Inc. and Dundee Securities Ltd. at a price of \$4.55 per Unit for total net proceeds to BTB of approximately \$28.5 million, after deducting the underwriters' fee and the estimated expenses of the offering. The Units have been offered in all provinces of Canada by way of a short-form prospectus.

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. BTB owns 72 commercial, office and industrial properties for a total leasable area of approximately 5.1 million square feet. BTB's asset value is approximately \$650 million. 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%.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended and accordingly will not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of a U.S. person, except pursuant to applicable exemptions from the registration requirements.

Forward-Looking Statements

This press release may contain forward-looking statements with respect to BTB. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of BTB could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described from time to time in the documents filed by BTB with the securities regulators in Canada. The cautionary statements qualify all forward looking statements attributable to BTB and persons acting on their behalf. Unless otherwise stated or required by applicable law, all forward-looking statements speak only as of the date of this press release.

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