

BTB Real Estate Investment Trust - Sustained Growth in 2015

MONTRÉAL, March 21, 2016 /CNW Telbec/ - BTB Real Estate Investment Trust (TSX: BTB.UN) ("BTB" or the "Trust") releases today its financial results for the fourth quarter and year ended December 31, 2015, and announces the following highlights:

HIGHLIGHTS OF THE YEAR AS AT DECEMBER 31, 2015

- 71 properties
- More than 5 million leasable square feet
- More than \$630 million in assets
- More than \$153 million in market capitalization

Increase

- 8.5% in rental income
- 8.7% in net operating income
- 7.9% in assets
- 2.8% in recurring distributable income per unit
- 3.3% in recurring AFFO per unit

Improvement

- In the payout ratio from 77.9% to 77.3%
- In the weighted average interest rate on mortgage debt from 4.13% to 3.95%
- In the weighted average term on mortgage debt from 4.7 years to 5.5 years

Leasing activities

- 250,000 square feet of leases renewed
- 225,000 square feet of new leases signed
- 5.9% increase in the average rate of expired and renewed leases

Acquisitions

- A 116,415-square-foot industrial property, adjacent to Ottawa's Macdonald-Cartier International Airport, for \$12.5 million.
- A 145,546-square-foot shopping centre in Delson, a Montréal suburb, for \$21.5 million.
- Two office properties with a combined leasable area of almost 159,000 square feet close to Ottawa International Airport on Walkley Road, for \$28.5 million.

Disposal

- Of four commercial properties totalling 135,000 square feet, which no longer met the Trust's current investment criteria. Proceeds of sale totalling \$13.3 million were mainly used to repay mortgage debt and the credit facility.

Subsequent to year-end

- In February 2016, BTB purchased an office building for \$11 million in downtown Montréal. The leasable area of the building, entirely leased to a single tenant under a long-term lease, is 52,500 square feet.

ANNUAL RESULT INFORMATION

(in thousand \$, except for ratios and per unit data)

	2015	2014	% variation
Rental income	72,892	67,170	8.5
Net operating income	41,294	37,983	8.7
Distributable income ⁽¹⁾	18,733	16,626	12.7
Recurring AFFO ⁽¹⁾	16,260	14,363	13.2
Total assets	633,082	586,737	7.9

Information per unit and ratios

Distributable income	54.4¢	52.9¢	2.8
Recurring AFFO	47.2¢	45.7¢	3.3
Distributions	42.0¢	40.8¢	2.9
Distribution ratio	77.3%	77.9%	0.8

(1) Non-IFRS financial measure.

QUARTERLY RESULT INFORMATION

(in thousand \$, except for ratios and per unit data)

	2015	2014	% variation
Rental income	18,539	17,558	5.6
Net operating income	10,020	10,008	0.1
Distributable income ⁽¹⁾	4,211	4,734	(11.0)
Recurring AFFO ⁽¹⁾	3,588	4,153	(13.6)

Information per unit and ratios

Distributable income	12.2¢	13.9¢	(12.2)
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Recurring AFFO	10.4¢	12.2¢	(14.8)
Distributions	10.5¢	10.5¢	---
Distribution ratio	86.4%	75.6%	(14.3)

(1) Non-IFRS financial measure.

NON-IFRS FINANCIAL MEASURES

Net operating income, recurring distributable income, recurring funds from operations and recurring 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 recurring distributable income and recurring adjusted funds from operations (non-IFRS measure) with cash flows from operating activities presented in the financial statements.

Periods ended December 31 (in thousands of dollars)

	Quarter		Year	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash flows from operating activities (IFRS)	12,157	13,552	38,238	36,678
+ Financial revenues	19	50	52	77
+ Net change in operating items	(2,615)	(4,093)	624	(1,272)
- Interest expense on mortgage loans payable	(3,688)	(3,469)	(14,360)	(13,523)
- Interest expense on convertible debentures	(1,412)	(1,274)	(5,228)	(5,096)
- Interest expense on acquisition line of credit	(212)	—	(675)	(161)
- Interest expense on operating line of credit and other interest expenses	(38)	(32)	(125)	(77)
- Early repayment fees	—	—	(625)	—
+ Unusual items	—	—	832	—
Recurring distributable income	4,211	4,734	18,733	16,626
- Provision for non-recoverable capital expenses	(371)	(351)	(1,456)	(1,343)
- Provision for rental fees	(252)	(230)	(1,017)	(920)
Recurring adjusted funds from operations	3,588	4,153	16,260	14,363

"Although our same-property NOI showed for the first time negative growth in Q-4 2015, which was caused mainly by higher operating costs, our leasing activity was strong. We concluded new leases for 225,000 square feet and lease renewals of 250,000 square feet, with a retention rate of 62.5% and an average lease rate spread of 5.9% for the year. In 2015 we sold four smaller properties the proceeds of which was used to pay down the acquisition line of credit. In 2016 we will continue to sell smaller properties to purchase larger and better producing properties and continue to reduce the outstanding amount of our line of credit for acquisitions, as we did in 2015 and at the beginning of 2016" stated Michel Léonard, President and Chief Executive Officer.

On Tuesday, March 22, 2016, at 10:00 a.m. (ET) management will hold a conference call to present BTB's financial results and performance for the fourth quarter 2015 and for the fiscal year ended on December 31, 2015:

DATE: Tuesday, March 22, 2016

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

DIAL: 1-647-427-7450 (from Toronto and overseas) access code 46003281# 1888 231-8191 (from North America) toll free, access code 46003281#. To ensure your participation, please dial in fifteen minutes prior to the start of the conference call.

WEBCAST: <http://event.on24.com/fr.htm?e=1130359&s=1&k=4AA67927D1E5C1D58378E2531863254B>

REPLAY: From Tuesday, March 22, 2016, 1:00 p.m. until 11:59 p.m. on March 29, 2016, dial 1-416-849-0833 conference ID number 46003281#, or dial toll free 1-855-859-2056 conference ID number 46003281#.

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 million square feet. BTB's asset value exceeds \$630 M. 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 5%.

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For further information: 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

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