CT REIT Announces Solid 2014 First Quarter Results

Announces $60 million investment in four additional acquisitions and two intensification projects

Toronto, Ontario, May 6, 2014 - CT Real Estate Investment Trust (CT REIT), (TSX: CRT.UN) today reported its unaudited consolidated financial results for the period from January 1, 2014 to March 31, 2014.

"I am very pleased with CT REIT's performance over its first six months and in particular, the work that has been done to add to the growth embedded in our existing leases with Canadian Tire" said Ken Silver, Chief Executive Officer, CT REIT. "Our focus for the balance of 2014 will be to continue to execute on our growth strategy."

CT REIT has completed the first investment in its previously announced growth plan with the closing of a third-party acquisition during the first quarter of 2014 and remains committed to seven additional projects that are expected to be completed over the course of 2014.

New Acquisitions

Today, CT REIT also announced its intention to make a further four acquisitions in 2014, including three Canadian Tire stores and one redeveloped former Canadian Tire store in Yorkton, SK, which will be vended in from Canadian Tire Corporation (CTC). In addition, CT REIT announced two smaller intensification projects in Oshawa, ON and Sturgeon Falls, ON.

These six projects will require an estimated investment of $60 million, and are expected to earn a 6.8% weighted average going in cap rate and represent 324,000 square feet of gross leasable area. CT REIT expects to fund these investments from a combination of cash on hand, Class B LP and Class C LP units and the use of its credit facility.

The table below provides a view to these new investments and anticipated completion dates.

Property	Anticipated Completion
Sherbrooke, QC	Mid-year, 2014
Vaudreuil, QC	Mid-year, 2014
Stratford, ON	Mid-year 2014
Yorkton, SK	Mid-year, 2014
Oshawa, ON *Pad development (Mark's)*	Fourth quarter, 2014
Sturgeon Falls, ON *Canadian Tire store expansion*	Second quarter, 2015

All previously announced projects are progressing on schedule. Due to the seasonal nature of construction, the majority of the construction costs are anticipated in the second half of 2014.

In total, CT REIT has announced investments, both today and previously, totaling $150 million, earning a weighted average going-in cap rate of 6.8%, once completed.

Financial and Operational Summary

(in thousands of Canadian dollars, except per Unit, Unit and square footage amounts)		Q1 2014		Financial Forecast		Variance
Property revenue	$	82,680	$	83,165	$	(485)
Net operating income [1]	$	58,049	$	57,403	$	646
Net income	$	169,664	$	42,218	$	127,446
Net income/Unit (basic) [2]	$	0.944	$	0.240	$	0.704
Net income/Unit (diluted) [4]	$	0.550	$	0.175	$	0.375
Funds from operations [1]	$	42,705	$	42,218	$	487
Funds from operations/Unit (diluted) [1, 2, 3]	$	0.238	$	0.240	$	(0.002)
Adjusted funds from operations [1]	$	32,318	$	31,563	$	755
Adjusted funds from operations/Unit (diluted) [1, 2, 3]	$	0.180	$	0.180	$	-
YTD distribution/Unit [2]	$	0.162	$	0.162	$	-
AFFO payout ratio		90%		90%		-
Weighted average number of Units outstanding [2]						
Basic		179,603,487		175,620,865		3,982,622
Diluted[4]		345,033,553		355,620,865		(10,587,312)
Diluted (non-GAAP)[3]		179,636,238		175,620,865		4,015,373
Indebtedness ratio [1]		48.1%		50.6%		(2.5%)
Interest coverage (times) [1]		3.10		3.10		-
Debt / enterprise value ratio[1]		47.4%		50.6%		(3.2%)
Rentable square footage[5]		18,951,057		18,887,158		63,899
Occupancy rate [6]		99.9%		99.9%		-

[1] Non-GAAP Key Performance Indicators.
[2] Total Units consists of both REIT Units and Class B LP Units outstanding.
[3] Diluted Units used in calculating non-GAAP measures include restricted and deferred Units issued under various plans and exclude the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units.
[4] Diluted Units determined in accordance with IFRS includes restricted and deferred Units issued under various plans and the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units.
[5] Rentable square footage refers to retail and distribution properties and excludes development lands.
[6] Refers to retail and distribution properties and excludes development lands.

Financial Highlights

Net Operating Income – For the first quarter, NOI including straight line rent and land lease expenses amounted to $58.0 million which is $0.6 million higher than the Financial Forecast ("the Forecast"). The variance from the Forecast reflects a different timing of recording property tax expense than is reflected in the actual results. This difference contributed approximately $275 thousand to the variance, and is expected to reverse during the year. Approximately $150 thousand of the variance relates to an improved rate of recovery of operating expenses as compared to the Forecast, and this variance is expected to be ongoing for the balance of the year. In addition, the acquisition of Burlington North occurred in late February and it contributed $85 thousand of Net Operating Income in the quarter. The Forecast did not assume any acquisitions.

Net Income - Net income of $169.7 million was $127.4 million higher than the Forecast due to fair market value adjustments of $127.0 million recorded on investment properties during the quarter. The majority of the fair market value adjustment is related to management's determination of fair value as at March 31, 2014 which incorporated valuation parameters used by the external appraisers; Management had previously placed greater weight on the valuation parameters implied by the REIT's IPO. This generated $123.1 million of the fair value adjustment. The remaining $3.9 million adjustment is the resulting impact of annual rent growth in Canadian Tire leases.

Funds from Operations - FFO for the period was $42.7 million or $0.238 per unit which is in line with the Forecast of $42.2 million or $0.240 per unit. The positive variance on an absolute basis was more than offset on a per unit basis by the exercise of the over-allotment option and resulting issuance of 3,952,500 units. The Forecast did not anticipate additional units related to the exercise of the over-allotment.

Adjusted Funds From Operations - AFFO for the first quarter ended March 31, 2014 amounted to $32.3 million or $0.180 per unit compared to the Forecast of $31.6 million or $0.180 per unit. AFFO per unit was also negatively impacted by the dilution resulting from the exercise of the over-allotment option granted in connection with the IPO.

Distributions – Distributions declared during the quarter totalled $0.162501 per unit for an AFFO payout ratio of 90% which is in line with CT REIT's Forecast of 90%.

AFFO, FFO and NOI are non-GAAP measures. Refer to Non-GAAP section on page 5 of this document.

Operating Results

Leasing - CTC is CT REIT's largest tenant. At March 31, 2014, CTC represented 97.7% of total GLA and 97.4% of annual base minimum rent.

Occupancy – At March 31, 2014, CT REIT's portfolio occupancy rate was 99.9%, essentially unchanged from the close of the IPO.

Non-GAAP Financial Key Performance Indicators

CT REIT uses non-GAAP key performance indicators including: NOI, FFO, FFO per Unit AFFO and AFFO per Unit. Management believes these non-GAAP measures provide useful supplemental information to both management and investors in measuring the financial performance and financial condition of CT REIT for the reasons outlined below. When calculating diluted FFO and AFFO per Unit, management excludes the effect of settling the Class C LP Units with Class B LP Units, which is required when calculating diluted Units in accordance with IFRS.

These measures and ratios do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures and ratios presented by other publicly traded REITs, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Net Operating Income

CT REIT defines NOI as property revenue less property expense, adjusted for straight-line rent and land lease adjustments. Management believes that calculating the NOI measure on a cash basis provides a more useful presentation of performance over which management has control.

Funds From Operations

FFO is not a term defined under IFRS and may not be comparable to similar measures used by other real estate entities. CT REIT calculates its FFO in accordance with the Real Property Association of Canada White Paper on FFO for IFRS issued in March 2014. The purpose of the White Paper was to provide reporting issuers and investors with greater guidance on the definition of FFO and to help promote more consistent disclosure amongst reporting issuers.

Management believes that FFO provides an operating performance measure that, when compared period-over-period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with IFRS. FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments.

FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

Adjusted Funds From Operations

AFFO is a supplemental measure of operating performance widely used in the real estate industry. Management believes that AFFO is an effective measure of the cash generated from operations, after providing for operating capital requirements which are referred to as 'productive capacity maintenance expenditures.'

CT REIT calculates AFFO by adjusting FFO for non-cash income and expense items such as amortization of straight-line rents and finance charges. FFO is also adjusted for a reserve for maintaining productive capacity required for sustaining property infrastructure and revenue from real estate properties and direct leasing costs. Property capital expenditures do not occur evenly during the fiscal year or from year to year. The property capital reserve in the AFFO calculation is intended to reflect an average annual spending level.

There is currently no standard industry-defined measure of AFFO. As such, CT REIT's method of calculating AFFO may differ from that of other real estate entities and, accordingly, may not be comparable to such amounts reported by other issuers.

The following table reconciles FFO and AFFO to GAAP net income and comprehensive income:

(in thousands of Canadian dollars, except per unit amounts)		Q1 2014		Financial Forecast		Variance
Property revenue	**$**	**82,680**	$	83,165	$	(485)
Property expense		**(17,905)**		(18,763)		858
General and administrative expense		**(1,858)**		(2,046)		188
Interest income		**158**		-		158
Interest and other financing charges		**(20,370)**		(20,138)		(232)
Fair value adjustment on investment properties		**126,959**		-		126,959
Net Income and comprehensive income		**169,664**		42,218		127,446
Fair value adjustment of investment property		**(126,959)**		-		(126,959)
Funds from operations		**42,705**		42,218		487
Properties straight-line rent adjustment		**(6,778)**		(7,031)		253
Land lease straight-line expense adjustment		**52**		32		20
Capital expenditure reserve[1]		**(3,661)**		(3,656)		(5)
Adjusted funds from operations	**$**	**32,318**	$	31,563	$	755
FFO per Unit - basic	**$**	**0.238**	$	0.240	$	(0.002)
FFO per Unit - diluted [2]	**$**	**0.238**	$	0.240	$	(0.002)
AFFO per Unit - basic	**$**	**0.180**	$	0.180		-
AFFO per Unit - diluted [2]	**$**	**0.180**	$	0.180		-
AFFO payout ratio		**90%**		90%		-
YTD distribution per Unit	**$**	**0.162**	$	0.162	$	-

[1] Normalized Q1 2014 maintenance capital expenditure is approximately $3,661. In Q1 2014, $110 of actual sustaining capital expenditures were incurred.

[2] For the purposes of calculating diluted FFO and AFFO per Unit, diluted Units includes restricted and deferred Units issued under various plans and excludes the effects of settling the Class C LP Units with Class B LP Units.

Net income includes a fair value adjustment of $127.0 million, which is removed for purposes of calculating NOI, FFO and AFFO. The majority of the fair market value adjustment relates to management's determination of fair value as at March 31, 2014 which incorporated valuation parameters used by the external appraisers; Management had previously placed greater weight on the valuation parameters implied by the REIT's IPO. In addition, there was an additional $3.9 million fair market value adjustment due to increased cash flows during the time frame of the valuation models.

FFO was $487 thousand higher than Forecast largely due to the positive variance in NOI, differing assumptions in the Forecast for general and administrative expenses and due to interest income earned on investing the REIT's existing cash balances which are higher than Forecast, all partially offset by higher interest expense.

AFFO for the first quarter was $755 thousand higher than Forecast largely due to the reasons noted above as well as lower than anticipated straight-line rent adjustments.

Management Discussion and Analysis (MD&A) and Unaudited Consolidated Financial Statements and Notes

Information in this press release is a select summary of results. This press release should be read in conjunction with CT REIT's MD&A for the period ended March 31, 2014 and Unaudited Consolidated Financial Statements and Notes for the period ended March 31, 2014, which are available on CT REIT's website at: www.ctreit.com and on SEDAR at www.sedar.com.

Forward–Looking Statements

This document contains forward-looking information that reflects management's current expectations related to matters such as future financial performance and operating results of CT REIT. Forward-looking statements are provided for the purposes of providing information about CT REIT's future outlook and anticipated events or results and may include statements regarding known and unknown risks and uncertainties and other factors that may cause the actual results to differ materially from those indicated. Such factors include, but are not limited to, general economic conditions, financial position, business strategy, budgets, capital expenditures, financial results, taxes, plans and objectives of or involving CT REIT. Particularly, statements regarding future acquisitions, results, performance, achievements, prospects or opportunities for CT REIT or the real estate industry are forward-looking statements. In some cases, forward-looking information can be identified by such terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made.

CT REIT has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs, including that the Canadian economy will remain stable over the next 12 months, that inflation will remain relatively low, that tax laws remain unchanged, that conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate, that the Canadian capital markets will provide CT REIT with access to equity and/or debt at reasonable rates when required and that CTC will continue its involvement with CT REIT on the basis described in its 2013 Annual Information Form ("AIF").

Although the forward-looking statements contained in this press release are based upon assumptions that management believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond CT REIT's control, that may cause CT REIT's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors discussed under "Risk Factors" section of the 2013 AIF and also in the MD&A.

For more information on the risks, uncertainties and assumptions that could cause CT REIT's actual results to differ from current expectations, please also refer to CT REIT's public filings available on SEDAR at www.sedar.com and at www.ctreit.com.

CT REIT cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. Statements that include forward-looking information do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on CT REIT's business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made. The forward-looking information contained herein is based on certain factors and assumptions made as of the date hereof. CT REIT does not undertake to update the forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as required by applicable securities laws.

Information contained in or otherwise accessible through the websites referenced in this press release (other than CT REIT's profile on SEDAR at www.sedar.com) does not form part of this press release and is not incorporated by reference into this press release. All references to such websites are inactive textual references and are for information only.

Additional information about the Company has been filed electronically with various securities regulators in Canada through SEDAR and is available online at www.sedar.com.

Conference Call

CT REIT will conduct a conference call to discuss information included in this news release and related matters at 4:00 p.m. ET on May 6, 2014. The conference call will be available simultaneously and in its entirety to all interested investors and the news media through a webcast at http://ctreit.com/en/investors/financial-reporting, and will be available through replay at this website for 12 months.

About CT Real Estate Investment Trust

CT Real Estate Investment Trust (TSX:CRT.UN) is an unincorporated, closed end real estate investment trust formed to own income producing commercial properties primarily located in Canada. Its portfolio is comprised of more than 250 properties totaling approximately 19 million square feet of GLA, consisting of retail properties located across Canada and one distribution centre. Canadian Tire Corporation, Limited is CT REIT's most significant tenant.

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Selected Financial Information

Condensed Consolidated Balance Sheets (Unaudited)

As at (C$ in thousands)		March 31, 2014		December 31, 2013
Assets				(Note 19)
Non-current assets				
Investment properties	$	3,695,916	$	3,547,864
Other assets		2,435		638
		3,698,351		**3,548,502**
Current assets				
Tenant and other receivables		6,704		696
Deposits and other assets		6,031		7,055
Cash and cash equivalents		46,596		46,999
		59,331		**54,750**
Total assets	$	**3,757,682**	$	**3,603,252**
Liabilities				
Non-current liabilities				
Class C LP Units	$	1,807,130	$	1,800,000
Other liabilities		294		275
		1,807,424		**1,800,275**
Current liabilities				
Accounts payable and other liabilities		19,310		12,864
Distributions payable		9,729		9,727
		29,039		**22,591**
Total liabilities		**1,836,463**		**1,822,866**
Equity				
Unitholders' equity		951,192		880,199
Non-controlling interests		970,027		900,187
Total equity		**1,921,219**		**1,780,386**
Total liabilities and equity	$	**3,757,682**	$	**3,603,252**

Condensed Consolidated Statement of Income and Comprehensive Income (Unaudited)

(C$ in thousands)		For the three months ended March 31, 2014
Property revenue	$	82,680
Property expense		(17,905)
General and administrative expense		(1,858)
Interest income		158
Interest and other financing charges		(20,370)
Fair value adjustment on investment properties		126,959
Net income and comprehensive income	$	**169,664**

Condensed Consolidated Statement of Cash Flows (Unaudited)

(C$ in thousands)		For the three months ended March 31, 2014
Cash generated from (used for):		
Operating activities		
Net income	$	169,664
Add (deduct):		
Fair value adjustment on investment properties		(126,959)
Straight-line rental income		(6,778)
Straight-line land lease expense		52
Interest and other financing charges		20,370
Changes in working capital and other		(525)
Cash generated from operating activities		**55,824**
Investing activities		
Acquisition of investment properties		(7,037)
Capital expenditures recoverable from tenants		(110)
Cash used for investing activities		**(7,147)**
Financing activities		
Unit distributions		(14,277)
Class B LP Unit distributions		(14,553)
Class C LP Unit distributions paid or loaned		(20,250)
Cash used for financing activities		**(49,080)**
Cash used in the period		**(403)**
Cash and cash equivalents, beginning of period		46,999
Cash and cash equivalents, end of period	**$**	**46,596**