



## CT REIT Announces Strong Second Quarter Results

- 11.2% increase in AFFO per unit driven by execution of growth strategy
- CT REIT announces five new investments totaling \$45.2 million

**Toronto, Ontario, August 11, 2015** - CT Real Estate Investment Trust (CT REIT), (TSX: CRT.UN) today reported its consolidated financial results for the second quarter ended June 30, 2015.

"Our second quarter results reflect the strong growth agenda we are implementing. Completing our first public debt offering in Q2 was a key step in our funding strategy and in continuing to drive attractive growth in AFFO per unit," said Ken Silver, CEO, CT REIT.

### Capital Markets Activity

On June 9, 2015, CT REIT completed the issuance of \$350 million aggregate principal amount of senior unsecured debentures in two series. The Debenture Offering included \$150 million principal amount of 2.852% Series A Senior Unsecured Debentures due June 9, 2022 and \$200 million principal amount of 3.527% Series B Senior Unsecured Debentures due June 9, 2025. The Debentures are rated "BBB+" by Standard and Poor's Ratings Service and "BBB(high)" by DBRS Limited. The Debentures are direct senior unsecured obligations of CT REIT.

### New Investment Activity

Today, CT REIT announces a further five investments in acquisitions, development and property intensifications, all of which are properties which will ultimately include Canadian Tire stores and will require an estimated total investment of \$45.2 million. The investments are, in the aggregate, expected to earn a 6.80% weighted average cap rate when all are completed and represent approximately 276,000 square feet of incremental GLA. CT REIT is funding these investments by a combination of Class B LP Units, Class C LP Units, cash, and draws on its credit facility. The table below summarizes the new investments and anticipated completion dates:

Property	Type	GLA (sf.)	Timing	Activity
Montreal (Lasalle), QC	Vend-in	88,382	Q2 2015	Existing Canadian Tire store
Saskatoon East, SK	Intensification	5,953	Q3 2015	Expansion of existing Canadian Tire store
Kelowna, BC	Intensification	0 <sup>1</sup>	Q3 2015	Improvement of existing Canadian Tire store
Innisfil, ON	Development	48,882	Q2 2016	Development of new Canadian Tire store

Arnprior, ON	Acquisition/ Development	132,698 <sup>2</sup>	Q3 2015/Q4 2016	Acquisition and redevelopment of enclosed mall to include replacement Canadian Tire store
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<sup>1</sup>Land acquisition and improvements to Canadian Tire Garden Centre

<sup>2</sup>Once redeveloped

### Update on Previously Announced Investments

In the second quarter, CT REIT completed four previously announced property investments, one development investment and five intensifications at a total cost of \$73.1 million.

The table below provides activity updates on previously announced properties. These investments are being funded through a combination of issuances of Class B LP Units, Class C LP Units, cash and draws on CT REIT's credit facility.

Property	Type	GLA (sf.)	Status
South Edmonton Common, AB	Development	185,997	Complete (new Canadian Tire store)
Hawkesbury, ON	Vend-in	65,848	Complete (existing Canadian Tire store)
Montreal (Pointe Aux Trembles), QC	Vend-in	78,464	Complete (existing Canadian Tire store and gas bar)
Wallaceburg, ON	Vend-in	27,852	Complete (existing Canadian Tire store)
Yarmouth, NS	Vend-in	54,236	Complete (existing Canadian Tire store)
Kemptville, ON	Intensification – Expansion	5,030	Complete (expansion of existing Canadian Tire store)
Dryden, ON	Intensification – Expansion	2,783	Complete (expansion of existing Canadian Tire store)
Roberval, QC	Intensification – Expansion	3,003	Complete (expansion of existing Canadian Tire store)
Saint John, NB	Intensification – Expansion	3,699	Complete (expansion of existing Canadian Tire store)

Peace River, AB	Intensification – Expansion	1,452	Complete (expansion of existing Canadian Tire store)
Repentigny, QC	Intensification – Expansion	4,390	Q4 2015 (expansion of existing Canadian Tire store)

### Developments

The following table indicates the status of CT REIT's development pipeline. All previously announced investments are proceeding on time and on budget.

In the second quarter, five investment properties were under development representing a total GLA of 192,496 square feet and a total investment of \$47.7 million once complete. Commitments are in place and construction commenced on 163,260 square feet, and a total of \$18.7 million has been expended to date with a balance of \$20.7 million required to complete this space. The remaining space represents pad locations which are currently being pre-leased.

Property	Type	GLA (sf.)	Status
Martensville, SK	Development	67,767	Construction of Canadian Tire store to be completed in Q3 2015. Pad leasing underway
High River, AB	Development	64,222	Construction of Canadian Tire and Mark's stores to be completed in Q4 2015. Pad leasing underway
Swift Current, SK	Development	22,504	Construction to be completed in Q4 2015
Selkirk, MB	Intensification - pad	16,003	Construction to be completed Q4 2015
Waterdown, ON	Intensification - pad	22,000	Construction to be completed Q4 2015
<b>TOTAL</b>		<b>192,496</b>	

## Financial and Operational Summary

### Summary of Selected Quarterly Information

(in thousands of Canadian dollars, except per Unit, Unit and square footage amounts)

For the periods ended June 30,	Three Months Ended			Six Months Ended		
	2015	2014	Change	2015	2014	Change
Property revenue	\$ 93,217	\$ 83,364	11.8 %	\$ 185,665	\$ 166,044	11.8 %
Net operating income <sup>1</sup>	\$ 65,258	\$ 58,681	11.2 %	\$ 129,742	\$ 116,730	11.1 %
Net income	\$ 57,205	\$ 45,689	25.2 %	\$ 112,771	\$ 215,353	(47.6)%
Net income/Unit (basic) <sup>2</sup>	\$ 0.306	\$ 0.264	15.9 %	\$ 0.608	\$ 1.198	(49.2)%
Net income/Unit (diluted) <sup>4</sup>	\$ 0.233	\$ 0.200	16.5 %	\$ 0.464	\$ 0.751	(38.2)%
Funds from operations <sup>1</sup>	\$ 47,867	\$ 42,829	11.8 %	\$ 95,315	\$ 85,534	11.4 %
Funds from operations/Unit (diluted, non-GAAP) <sup>1,2,3</sup>	\$ 0.256	\$ 0.238	7.6 %	\$ 0.514	\$ 0.476	8.0 %
Adjusted funds from operations <sup>1</sup>	\$ 37,241	\$ 32,228	15.6 %	\$ 74,117	\$ 64,546	14.8 %
Adjusted funds from operations/Unit (diluted, non-GAAP) <sup>1,2,3</sup>	\$ 0.199	\$ 0.179	11.2 %	\$ 0.400	\$ 0.359	11.4 %
Distributions/Unit - paid <sup>2,7</sup>	\$ 0.166	\$ 0.163	2.0 %	\$ 0.332	\$ 0.325	2.0 %
AFFO payout ratio <sup>1</sup>	83 %	91 %	(8.8)%	83 %	91 %	(8.8)%
Weighted average number of Units outstanding <sup>2</sup>						
Basic	186,826,727	179,863,455	3.9 %	185,426,795	179,734,189	3.2 %
Diluted <sup>4</sup>	334,434,146	342,001,032	(2.2)%	335,491,246	340,944,721	(1.6)%
Diluted (non-GAAP) <sup>1,3</sup>	186,907,810	179,904,380	3.9 %	185,498,850	179,771,050	3.2 %
Indebtedness ratio <sup>1</sup>	48.3 %	48.1 %	0.4 %	48.3 %	48.1 %	0.4 %
Interest coverage (times) <sup>1</sup>	3.23	3.10	4.2 %	3.21	3.10	3.5 %
Debt / enterprise value ratio <sup>1</sup>	47.5 %	47.2 %	0.6 %	47.5 %	47.2 %	0.6 %
Gross leaseable area <sup>5</sup>	21,266,437	19,447,099	9.4 %	21,266,437	19,447,099	9.4 %
Occupancy rate <sup>6</sup>	99.9 %	99.9 %	—%	99.9 %	99.9 %	—%

<sup>1</sup> Non-GAAP key performance indicators. Refer to section 9.0 of the MD&A for further information.

<sup>2</sup> Total Units consists of REIT Units and Class B LP Units outstanding.

<sup>3</sup> 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.

<sup>4</sup> 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. Refer to section 6.0 of the MD&A.

<sup>5</sup> Gross leaseable area refers to retail, mixed-use and distribution properties and excludes development lands.

<sup>6</sup> Refers to retail, mixed-use and distribution properties and excludes development lands.

<sup>7</sup> Period-over-period percentage change is calculated based on exact fractional amounts rather than rounded fractional amounts.

## Financial Highlights

**Net Operating Income (NOI)\*** – In the second quarter, NOI increased \$6.6 million or 11.2% over the same period last year primarily due to acquisitions completed in 2015 and 2014. These acquisitions contributed a total of \$5.9 million to NOI. Same store NOI and same property NOI increased \$0.9 million or 1.6% and \$1.4 million or 2.4%, respectively, primarily due to the contractual rent escalations built into the property leases, intensifications completed in 2015 and 2014 and due to capital expenditure recoveries. Approximately 530,487 square feet of property additions were completed in the second quarter.

**Net Income** – Net income was \$57.2 million for the quarter, up 25.2% due to the impact of NOI variances discussed earlier and a fair value adjustment of \$6.3 million over the same period last year.

**Funds from Operations (FFO)\*** – FFO for the second quarter was \$47.9 million or \$0.256 per unit as compared to \$42.8 million or \$0.238 per unit for the second quarter of 2014. This is \$5 million (11.8%) or \$0.02 per unit (7.6%) higher than the same period last year. This is largely due to the impact of NOI variances discussed earlier.

**Adjusted Funds From Operations (AFFO)\*** – In the second quarter, AFFO increased \$5 million or 15.6% to \$37.2 million. AFFO per unit increased to \$0.199 per unit (diluted non-GAAP), or 11.2% higher than \$0.179 per unit over the same period last year. This is largely due to the impact of NOI variances discussed earlier.

**Distributions** – Distributions per unit in the quarter amounted to \$0.166, 2% higher than the same period in 2014 due to the increase in the annual rate of distributions effective with the first distribution paid in 2015.

\*AFFO, FFO and NOI are non-GAAP measures. Refer to Non-GAAP section in the Q2 2015 Management's Discussion & Analysis which is available on SEDAR and at [newsire.ca](http://newsire.ca).

## **Operating Results**

**Leasing** – CTC is CT REIT's largest tenant. At June 30, 2015, CTC represented 98% of total GLA and 96.5% of annualized base minimum rent.

**Occupancy** – At June 30, 2015, CT REIT's portfolio occupancy rate was unchanged from the prior quarter at 99.9%.

## **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 June 30, 2015 ("the Q2 MD&A") and Condensed Consolidated Financial Statements and Notes for the period ended June 30, 2015, which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and at [www.ctreit.com](http://www.ctreit.com).

## **Forward-Looking Statements**

This document contains forward-looking information that reflects management's current expectations related to matters such as increases in distribution, 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. Readers are cautioned that such information may not be appropriate for other purposes.

All statements other than statements of historical facts included in this document may constitute forward-looking information, including but not limited to, statements concerning future acquisitions under the heading, "New Investment Activity" and other statements concerning developments, intensifications, results, performance, achievements, prospects or opportunities for CT REIT. Forward-looking information is based on reasonable assumptions, estimates, analyses, beliefs and opinions of management made in light of its experience and perception of prospects and opportunities, current conditions and expected trends, as well as other factors that management believes to be relevant and reasonable at the date such information is provided.

By its very nature forward-looking information requires us to make assumptions and is subject to inherent risks and uncertainties, which give rise to the possibility that the REIT's assumptions, estimates, analyses, beliefs and opinions may not be correct and that the REIT's expectations and plans will not be achieved. Although the forward looking information contained in this press release is based on information, assumptions and beliefs which are reasonable and complete, this information is necessarily subject to a number of factors that could cause actual results to

differ materially from management's expectations and plans as set forth in such forward-looking information.

For more information on the risks, uncertainties and assumptions that could cause the REIT's actual results to differ from current expectations, refer to the "Risk Factors" section of our Annual Information Form for fiscal 2014, and to Part X (Enterprise Risk Management) and all subsections thereunder of our 2014 Management's Discussion and Analysis, as well as the REIT's other public filings, available at [www.sedar.com](http://www.sedar.com) and at [www.ctreit.com](http://www.ctreit.com).

The forward-looking statements and information contained herein are based on certain factors and assumptions as of the date hereof. CT REIT does not undertake to update any 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 is 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](http://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 CT REIT has been filed electronically with various securities regulators in Canada through SEDAR and is available online at [www.sedar.com](http://www.sedar.com) and at [www.ctreit.com](http://www.ctreit.com).

### **Conference Call**

CT REIT will conduct a conference call to discuss information included in this news release and related matters at 9:00 a.m. ET on August 12, 2015. 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 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 275 properties totaling over 20 million square feet of GLA, consisting primarily of retail properties located across Canada. Canadian Tire Corporation, Limited is CT REIT's most significant tenant. For more information, visit [www.ctreit.com](http://www.ctreit.com).

### **For further information:**

Media: Jane Shaw, 416-480-8581, [jane.shaw@cantire.com](mailto:jane.shaw@cantire.com)

Investors: Andrea Orzech, 416-480-3195, [andrea.orzech@cantire.com](mailto:andrea.orzech@cantire.com)