



CT REIT Reports Strong Second Quarter 2017 Results

- Delivers 10.0% growth in AFFO per unit over the same period last year
- CT REIT announces four new investments, totalling \$53 million

Toronto, Ontario, August 2, 2017 – CT Real Estate Investment Trust (“CT REIT”) (TSX: CRT.UN) today reported its consolidated financial results for the second quarter ended June 30, 2017.

“CT REIT’s strong second quarter results reinforce the reliable financial performance CT REIT was designed to deliver,” said Ken Silver, President and Chief Executive Officer, CT REIT. “We are pleased with the balance of growth and security we are able to achieve from quarter to quarter.”

New Investment Activity

Today, CT REIT announced four additional investments, which will require an estimated total investment of \$53 million. The investments are, in the aggregate, expected to earn a weighted average cap rate of 5.8% when completed and represent approximately 202,000 square feet of incremental gross leasable area (“GLA”). CT REIT is funding these investments through any combination of issuance of Class B LP Units and/or Class C LP Units to Canadian Tire Corporation, Limited (“CTC”), cash, and/or draws on its credit facility. The table below summarizes the new investments and anticipated completion dates:

Property	Type	GLA (sf.)	Timing	Activity
CIBC Branch Portfolio	Third party purchase	106,000	Q3 2017	Acquisition of national portfolio of CIBC branches
Sherwood Park North, AB	Vend-in/development	93,000	Q3 2017 – Q4 2018	Development of new Canadian Tire store
La Sarre, QC	Intensification	Land lease	Q1 2018	Redevelopment of existing Canadian Tire gas bar
Quesnel, BC	Intensification	3,000	Q4 2017	Expansion of existing Canadian Tire store

Update on Previously Announced Investments

In the second quarter, CT REIT completed the third party purchase of land leased to Canadian Tire in Picton, ON, the vend-in of Canadian Tire stores in Victoria (Langford), BC, and Maniwaki, QC, and the vend-in of a redundant Canadian Tire store in Calgary, AB. CT REIT also completed the development of a new freestanding Canadian Tire store in Elmira, ON, and the expansion of Canadian Tire stores in Marathon, ON, and Edmundston, NB.

The table below provides activity updates on the previously announced investments.

Property	Type	GLA (sf.)	Timing	Activity
Picton, ON	Third party acquisition/development	35,000	Lands subject to a Canadian Tire ground lease purchased in Q2 2017, development to be completed Q2 2018	Expansion of existing Canadian Tire store
Victoria (Langford), BC	Vend-in	68,000	Completed Q2 2017	Vend-in of existing Canadian Tire store
Maniwaki, QC	Vend-in	27,000	Completed Q2 2017	Vend-in of existing Canadian Tire store
Calgary, AB	Redundant vend-in/development	47,000	Redundant vend-in completed Q2 2017, development to be completed Q2 2018	Redevelopment of redundant Canadian Tire store property
Elmira, ON	Development	35,000	Completed Q2 2017	Development of new Canadian Tire store
Marathon, ON	Intensification	4,000	Completed Q2 2017	Expansion of existing Canadian Tire store
Edmundston, NB	Intensification	3,000	Completed Q2 2017	Expansion of existing Canadian Tire store
Arnprior, ON	Redundant vend-in/development	18,000	Redundant vend-in to be completed Q3 2017, development to be completed by Q4 2018	Redevelopment of redundant Canadian Tire store property

Update on Previously Announced Development Activity

The following table provides updates on CT REIT's previously announced development activity. In the second quarter of 2017, eleven investment properties were under development representing a total GLA of 383,000 square feet and a total investment of \$86.1 million once completed. Commitments are in place and construction has commenced on 308,000 square feet, and a total of \$39.8 million has been expended to date with a balance of \$35.0 million required to complete this space.

Property	Type	GLA (sf.)	Timing
Toronto (Leslie/Lakeshore), ON	Intensification	20,000	To be completed Q2 2018 (third party development)
Waterloo, ON	Intensification	Land lease	To be completed Q2 2018 (construction of new car wash)
New Liskeard, ON	Intensification	21,000	To be completed Q2 2018 (expansion of existing Canadian Tire store)
Listowel, ON	Intensification	20,000	To be completed Q2 2018 (expansion of existing Canadian Tire store)
Hamilton, ON	Intensification	Land lease	To be completed Q4 2018

			(construction of new gas bar and car wash)
Bradford, ON	Intensification	Land lease	To be completed Q4 2018 (construction of new gas bar and car wash)

Financial and Operational Summary

Summary of Selected Information

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	Change	2017	2016	Change
Property revenue	\$ 111,609	\$ 101,507	10.0 %	\$ 222,749	\$ 200,003	11.4 %
Net operating income ¹	\$ 80,246	\$ 71,471	12.3 %	\$ 159,417	\$ 140,602	13.4 %
Net income	\$ 74,299	\$ 60,347	23.1 %	\$ 149,621	\$ 121,500	23.1 %
Net income per unit (basic) ²	\$ 0.354	\$ 0.306	15.7 %	\$ 0.716	\$ 0.626	14.4 %
Net income per unit (diluted) ⁴	\$ 0.292	\$ 0.256	14.1 %	\$ 0.589	\$ 0.519	13.5 %
Funds from operations ¹	\$ 59,422	\$ 52,000	14.3 %	\$ 117,485	\$ 101,626	15.6 %
Funds from operations per unit (diluted, non-GAAP) ^{1,2,3}	\$ 0.283	\$ 0.263	7.6 %	\$ 0.562	\$ 0.524	7.3 %
Adjusted funds from operations ¹	\$ 48,630	\$ 41,517	17.1 %	\$ 95,851	\$ 80,899	18.5 %
Adjusted funds from operations per unit (diluted, non-GAAP) ^{1,2,3}	\$ 0.231	\$ 0.210	10.0 %	\$ 0.458	\$ 0.417	9.8 %
Distributions per unit - paid ²	\$ 0.175	\$ 0.170	2.9 %	\$ 0.350	\$ 0.340	2.9 %
AFFO payout ratio ¹	76 %	81 %	(6.2)%	76 %	82 %	(7.3)%
Adjusted cashflow from operations ^{1,6}	\$ 49,656	\$ 40,782	21.8 %	\$ 94,196	\$ 82,790	13.8 %
Weighted average number of units outstanding ²						
Basic	210,072,424	197,295,136	6.5 %	208,947,227	193,998,520	7.7 %
Diluted ⁴	313,482,816	308,094,139	1.7 %	313,139,150	306,611,027	2.1 %
Diluted (non-GAAP) ^{1,3}	210,220,411	197,418,458	6.5 %	209,081,429	194,109,074	7.7 %
Indebtedness ratio ⁷				45.7 %	46.9 %	NM
Interest coverage (times) ⁷	3.50	3.27	NM	3.47	3.24	NM
Gross leasable area (square feet) ⁵				25,111,458	22,864,841	9.8 %
Occupancy rate ^{5,7}				99.6 %	99.7 %	NM

¹ Non-GAAP measure. Refer to section 10.0 of the MD&A for further information.

² Total units means 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. Refer to section 7.0 of the MD&A.

⁵ Refers to retail, mixed-use and distribution centre properties and excludes properties under development.

⁶ New non-GAAP measure adopted in 2017. Refer to section 10.0 of the MD&A for further information.

⁷ Not meaningful.

Financial Highlights

Net Income – Net income was \$74.3 million for the quarter, up 23.1% over the prior year, primarily due to increased NOI resulting from investment activity and an increase in the fair market value adjustment on investment properties.

Net Operating Income (NOI)* – In the second quarter, NOI increased \$8.8 million or 12.3% over the same period last year, primarily from investment activity completed in 2017 and 2016. These acquisitions contributed a total of \$7.2 million to NOI growth. Same store NOI and same property NOI for the quarter increased \$1.4 million or 2.0% and \$1.6 million or 2.2%, respectively, primarily due to the contractual rent escalations built into the property leases, recovery of capital expenditures and intensifications completed in 2017 and 2016.

Funds from Operations (FFO)* – FFO for the quarter was \$59.4 million or \$0.283 per unit (diluted non-GAAP), \$7.4 million (14.3%) higher than the same period in 2016 due to the impact of NOI variances partially offset by higher interest expense.

Adjusted Funds from Operations (AFFO)* – AFFO for the second quarter amounted to \$48.6 million or \$0.231 per unit (diluted non-GAAP), which was \$7.1 million (17.1%) and \$0.021 (10.0%), respectively, higher than the same period in 2016 primarily due to the impact of NOI variances partially offset by higher interest expense.

Adjusted Cash Flow From Operations (ACFO)* – ACFO for the second quarter amounted to \$49.7 million, \$8.9 million or 21.8% higher than the same period in 2016, primarily due to the impact of NOI variances partially offset by changes in operating working capital balances due to the timing of payments.

Distributions – Distributions per unit in the quarter amounted to \$0.175, 2.9% higher than the same period in 2016 due to the increase in the annual rate of distributions effective with the first distribution paid in 2017.

*NOI, FFO, AFFO and ACFO are non-GAAP measures. Refer to Non-GAAP section 10.0 in the Q2 2017 Management's Discussion & Analysis, which is available on SEDAR and at newswire.ca.

Operating Results

Leasing – CTC is CT REIT's largest tenant. At June 30, 2017, CTC represented 94.1% of total GLA and 93.7% of annualized base minimum rent.

Occupancy – At June 30, 2017, CT REIT's portfolio occupancy rate remained unchanged from the prior quarter at 99.6%.

Management Discussion and Analysis (MD&A) and Unaudited Condensed 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, 2017 ("the Q2 MD&A") and Unaudited Condensed Consolidated Financial Statements and Notes for the period ended June 30, 2017, which are available on SEDAR at www.sedar.com and at www.ctreit.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. 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 the REIT's ability to complete any of the investments in acquisitions and property intensifications under the heading "New Investment Activity," the timing and terms of any such investments and the benefits expected to result from such investments 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 Section 4 "Risk Factors" of our Annual Information Form for fiscal 2016, and to Section 11 "Enterprise Risk Management" and all subsections thereunder of our 2016 Management's Discussion and Analysis, as well as the REIT's other public filings, available at www.sedar.com and at 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) 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 at www.sedar.com and at 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 3, 2017. The conference call will be available simultaneously and in its entirety to all interested investors and the news media by dialing 416-340-2216 or 1-866-225-0198 or through a webcast at <http://www.ctreit.com/content/microsites/ctreit/en/news-events/events-webcasts.html>, 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 over 300 properties totalling approximately 25 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.

For Further Information

Media: Jane Shaw, 416-480-8581, jane.shaw@cantire.com

Investors: Marina Davies, 416-544-6134, marina.davies@cantire.com