

**FRONSAC REAL ESTATE INVESTMENT TRUST
DEMONSTRATES A SUSTAINED GROWTH BY THE INCREASE
IN ITS RESULTS IN THE 3RD QUARTER**

TSX VENTURE EXCHANGE: GAZ.UN

FOR IMMEDIATE RELEASE

MONTREAL, QUEBEC – November 14th, 2013 – Fronsac real estate investment trust (“Fronsac REIT” or “Fronsac”) today released its unaudited consolidated financial statements for its third quarter ended September 30, 2013.

For the nine months ended September 30, 2013, Fronsac reported funds from operations (“FFO”) of \$462,709, an increase of 95% over the same period in the prior year (\$240,378 in 2012). FFO per unit was 1.41¢ for the nine months ended September 30, 2013 (1.38¢ per unit diluted) compared to 1.17¢ per unit for the nine months ended September 30, 2012 (1.13¢ per unit diluted). The acquisition of the St-Hubert property in June 2012 and the three acquisitions completed in 2013, i.e. one in Val-David and two in Trois-Rivières, mainly explain the strong increase of the FFO.

Fronsac reported FFO of \$228,518 for the three months ended September 30, 2013, an increase of 175% over the same period in the prior year \$83,163 in 2012). FFO per unit was 0.70¢ for the quarter ended September 30, 2013 (0.64¢ per unit diluted) compared to 0.41¢ per unit for the quarter ended September 30, 2012 (0.39¢ per unit diluted). The acquisitions mentioned above as well as the issuance of 12 102 083 units in the Q4 2012 and 335 000 units in Q3 and Q2 2013 mainly explain the variation of the FFO per unit.

Fronsac recorded a net profit attributable to unitholders for the nine months ended September 30, 2013 of \$291,089 or 0.89¢ per unit compared to a net profit of \$132,681 or 0.65¢ per unit for the comparative quarter of 2012. Profit was mainly affected by the same factors affecting FFO as well as a non-cash loss of \$193,337 [2012: nil] and a gain of \$39,587 [2012: nil] related to the increase in value of the investment properties recorded in accounts “Investment properties” and “Investment in joint-ventures” respectively.

The highlights for the period of three and nine months ending September 30th, 2013 and 2012 and a summary of AFFO/FFO are presented in the tables below :

Financial results highlights

AFFO/FFO Reconciliation *

	30-09-2013	30-09-2012	30-09-2013	30-09-2012
	<i>3 months</i>	<i>3 months</i>	<i>9 months</i>	<i>9 months</i>
Net income (loss) attributable to unitholders	(307,741)	47,738	291,089	132,681
Variation of fair value of investment properties	589,144	-	193,337	-
Variation of fair value of investments properties recorded in joint ventures	27,993	-	(39,587)	-
Unit-based compensation	(22,200)	2,500	(22,750)	7,806
Adjustment to the liability component of the convertible preferred units	8,261	559	9,036	1,469
Variation of fair value of derivative financial instrument	(86,025)	4,000	(51,305)	26,000
Unrealized (gains) losses on interest rates swaps	(1,800)	(3,000)	(5,900)	(11,000)
Variation of fair value of warrants	(5,420)	1,175	(2,360)	8,069
Amortization intangible assets	1,851	1,851	5,553	5,553
Deferred income taxes	24,455	28,700	85,596	69,800
AFFO/FFO - basic	228,518	83,163	462,709	240,378
Interests on convertible preferred units	15,459	5,022	44,538	15,012
AFFO/FFO - diluted	243,977	88,185	507,247	255,390
Weighted average number of units outstanding - basic	32,865,485	20,514,000	32,709,801	20,514,000
Weighted average number of units outstanding - diluted	37,880,685	22,601,000	36,831,346	22,601,000
AFFO/FFO per unit - basic	0.0070	0.0041	0.0141	0.0117
AFFO/FFO per unit - diluted	0.0064	0.0039	0.0138	0.0113
EBITDA	307,679	138,905	684,786	366,459
Interest coverage	3.4	2.7	3.1	3.2
Debt coverage	2.5	1.9	2.3	2.3

* For the three and nine months periods ending September 30, 2013 and September 30, 2012, FFO and AFFO were equal.

Financial position

	30-09-2013	31-12-2012
Investment properties (at fair value)	17,950,279	11,521,954
Investments in joint ventures (at fair value)	702,972	-
Total assets	19,715,149	14,333,024
Total debts and loans	8,382,280	4,119,972
Total liabilities	10,178,489	4,832,944
Leverage Ratio	42.5%	28.7%
Weighted Average Cost of Debt	5.11%	5.49%

About Fronsac

Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality commercial real estate properties, rented to strong tenants under long term, management free and net leases.

Forward-Looking Statements

This press release contains forward-looking statements and information as defined by applicable securities laws, including statements relating to Fronsac and expectations of the management regarding a proposed transaction and the expected benefits thereof. There is no assurance that the proposed transaction will be carried out and that the anticipated benefits will materialize. The proposed transaction is subject to approval and consent of stakeholders and there is no certainty that these will be achieved. Fronsac warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence to the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new standards, as well as other risks and factors described from time to time in the documents filed by Fronsac with securities regulators, including the management report. Fronsac does not update or modify its forward-looking statements even if future events occur or for any other reason, unless required by law or any regulatory authority.

Neither the TSX Venture Exchange Inc., nor its Regulatory Services Provider (as that term is defined in the Policy of the TSX Venture Exchange) accept any responsibility for the adequacy or accuracy of this release.

The September 30, 2013 financial statements of Fronsac REIT may be viewed on SEDAR at www.sedar.com

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