

# FRONSAC

## PRESS RELEASE

### **FOR IMMEDIATE RELEASE**

November 13<sup>th</sup>, 2014

### **Fronsac REIT reports solid results for the 9 month period ended September 30<sup>th</sup>, 2014**

**Montreal (Quebec)** - (TSX-V: GAZ.UN) Fronsac Real Estate Investment Trust ("Fronsac REIT" or "Fronsac") today released its consolidated financial statements for the quarter ended September 30<sup>th</sup>, 2014.

For the three month ended September 30<sup>th</sup> of 2014, Fronsac reported funds from operations ("FFO") of \$175,938, a decrease of 23.00% over the comparable three month period of 2013 (\$228,518 in Q3-2013). For the quarter ended September 30<sup>th</sup>, 2014, FFO per unit was 0.50¢, compared to 0.70¢ per unit for the comparable period of 2013, a decrease of 28.57%. The decrease in FFO for the third quarter is due to one-time non-recurring accounting adjustments

For the first nine month of 2014, Fronsac reports funds from operations ("FFO") of \$588,421, an increase of 27.16% over the comparable nine month period of 2013 (\$462,709 in Q3-2013). As at September 30<sup>th</sup>, 2014, FFO per unit was 1.69¢, compared to 1.41¢ per unit for the comparable period of 2013, an increase of 19.86%.

Michel Lassonde President and CEO said: "Our results for the first nine month of 2014 are strong and show a continued growth in our FFO and our cash flow. We are very pleased that our growth continues to be accretive on a per unit basis."

The AFFO/FFO summary and the highlights for the quarter ending on September 30<sup>th</sup> are presented in the tables below :

<b>OPERATIONAL AND FINANCIAL HIGHLIGHTS</b>				
For the periods ended	September 30, 2014 (3 months)	September 30, 2013 (3 months)	September 30, 2014 (9 months)	September 30, 2013 (9 months)
<b>OPERATIONAL DATA</b>				
Number of properties	10	8	10	8
Occupancy	100%	100%	100%	100%
Value of properties (including joint venture)	20,090,267	17,950,279	20,090,267	17,950,279
<b>FINANCIAL PERFORMANCE</b>				
Property rental revenue	349,327	233,068	1,098,998	693,548
Funds from operations (FFO)	175,938	228,518	588,421	462,709
Adjusted funds from operations (AFFO)	175,938	228,518	588,421	462,709
EBITDA	300,660	307,679	913,988	684,786
Distributions	132,915	111,210	387,778	332,111
<b>PER UNIT FINANCIAL PERFORMANCE</b>				
Weighted average units outstanding	35,403,181	32,865,485	34,761,565	32,709,801
FFO	0.0050	0.0070	0.0169	0.0141
AFFO	0.0050	0.0070	0.0169	0.0141
Variation	-28.57%	s/o	19.86%	s/o
Distributions per unit	0.0037	0.003375	0.0111	0.010125
AFFO payout ratio	74.00%	48.21%	65.68%	71.81%
<b>FINANCING</b>				
Leverage	50.13%	42.52%	50.13%	42.52%
Interest coverage ratio	2.4	3.4	2.6	3.1
Debt service coverage ratio	1.8	2.5	1.8	2.3

**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<sup>th</sup>, 2014 financial statements of Fronsac REIT may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com)

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