

**FRONSAC REAL ESTATE INVESTMENT TRUST  
ANNOUNCES THE INCREASE OF ITS ANNUAL DISTRIBUTION  
AND RELEASES INTERIM FINANCIAL STATEMENTS**

**TSX VENTURE EXCHANGE: GAZ.UN**

**FOR IMMEDIATE RELEASE**

**MONTREAL, QUEBEC – May 29<sup>th</sup>, 2013** – Fronsac real estate investment trust (“Fronsac REIT”) today released its unaudited consolidated financial statements for its first quarter ended March 31, 2013 of which the highlights are presented in the following tables:

On the same date, the Board of Directors of Fronsac REIT adopted a distribution policy for the year 2013: a semi-annual distribution for the first half of 2013 and a quarterly distribution from the second half of 2013 and future years.

The Board of Directors of Fronsac REIT also approved the increase of the annual distribution to \$ 0.0135 per unit, which represents an increase of 8.00% (\$ 0.0125 in 2012). The Board thereby declared a semi-annual distribution of \$ 0.00675 per unit to unitholders registered on June 14<sup>th</sup>, 2013, which will be payable on June 30<sup>th</sup>, 2013.

<b>Results</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
AFFO/FFO – basic	128 946\$	76 986\$
AFFO/FFO – diluted	133 869\$	76 986\$
AFFO/FFO per unit – basic	0.40 ¢/u	0.38¢/u
AFFO/FFO per unit – diluted	0.38 ¢/u	0.38¢/u
Weighted average number of units outstanding		
– basic	32 616 083	20 514 000
– diluted	35 030 530	20 514 000
Interest coverage ratio	3.9	3.2
Debt service ratio	2.5	2.3

<b>Financial position</b>	<b>March 31, 2013</b>	<b>Dec 31, 2012</b>
Investment properties (at fair value)	13 744 144\$	11 521 954\$
Investments in joint ventures (at fair value)	707 079\$	-
Total assets	15 602 117\$	14 333 024\$
Total liabilities	5 928 454\$	4 832 944\$
Leverage Ratio	38.0%	33.7%
Weighted Average Cost of Debt	4.87%	4.91%

The Trust uses the “funds from operations” (FFO) measurement to assess the performance of its operations. This measurement, which is a non-IFRS measurement, provides a better evaluation of the performance of the operations of the Trust and is largely used in the commercial real estate industry. The reconciliation of net income to FFO is presented below. For the quarters ending March 31, 2013 and March 31, 2012, FFO and AFFO were equal.

	<b>31 mars 2013</b>	<b>31 mars 2012</b>
Net income and comprehensive income attributable to unitholders	184 709	94 514
(Increase) decrease of fair value of investment properties	(68 158)	-
(Increase) decrease of fair value of investments in joint ventures	(39 580)	-
Unit-based compensation	4 450	(10 394)
Increase of liability component of the convertible preferred units	2 683	421
Variation of fair value of derivative financial instrument	10 000	(20 000)
Unrealized (gains) losses on interest rates swaps	(1 500)	(7 300)
Variation of fair value of warrants	1 440	(906)
Amortization intangible assets	1 851	1 851
Deferred income taxes	33 051	18 800
<b>FFO - basic</b>	<b>128 946</b>	<b>76 986</b>
Interests expenses on dilutive convertible preferred units	4 923	-
<b>FFO - diluted</b>	<b>133 869</b>	<b>76 986</b>
Weighted average number of units outstanding - basic	32 616 083	20 514 000
Weighted average number of units outstanding - diluted	35 030 530	20 514 000
<b>FFO per unit - basic</b>	<b>0,0040</b>	<b>0,0038</b>
<b>FFO per unit - diluted</b>	<b>0,0038</b>	<b>0,0038</b>

The March 31, 2013 financial statements of Fronsac REIT may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com)

For further information please contact Michel Lassonde, President at (450) 536-5328.

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