

FRONSAC REAL ESTATE INVESTMENT TRUST

PRESS RELEASE

FOR IMMEDIATE RELEASE

March 10th, 2016

FRONSAC REIT ANNOUNCES VERY STRONG RESULTS FOR FISCAL 2015 AND THE MARCH 31st, 2016 REGULAR QUARTERLY DISTRIBUTION

Montreal (Quebec) - (TSX-V: GAZ.UN) Fronsac Real Estate Investment Trust ("Fronsac REIT" or "Fronsac") today announced its results for fiscal 2015 and a distribution of 0.3875¢ per unit to unitholders of record as at March 18th, 2016 and payable on March 31st, 2016.

For the 12 months ended December 31st, 2015, Fronsac reported funds from operations ("FFO") of \$1,074,956 an increase of 55% (\$693,768 in 2014). FFO per unit was 2.32¢ compared to 1.86¢ per unit, which equates to an increase of 25%. During 2015 the Trust's property rental income was \$2,198,921 compared to \$1,499,518 in 2014, an increase of 47%. NOI (Net operating Income) was \$1,965,701 compared to \$1,414,515 in 2014, an increase of 39%. Fronsac recorded a net income attributable to unitholders of \$1,261,435 or 2.73¢ per unit compared to a net loss of (\$730,872) or (1.95¢) per unit for 2014. The main reason for the fluctuation in reported net income is due to the stabilization capitalizations rates of the Trust's portfolio as well as solid results as demonstrated by the increases noted above.

For the quarter ended December 31st, 2015, Fronsac reported funds from operations ("FFO") of \$217,419, an increase of 106% (\$105,347 in Q4 2014). A great deal of the increase is attributable to the increase in the Trust's portfolio by 8 properties during 2015. For the Q4 2015, FFO per unit was 0.47¢ compared to 0.23¢ per unit for the quarter ended December 31st, 2014, an increase of 101%. During Q4 2015 the Trust's property rental income was \$615,452 compared to \$400,520 in Q4 2014, an increase of 54%. NOI (Net operating Income) was \$487,005 compared to \$364,536 in Q4 2014, an increase of 34%. Fronsac recorded a net income attributable to unitholders of \$45,020 or 0.10¢ per unit compared to a net loss of (\$147,131) or (0.33)¢ per unit for Q4 2014.

Michel Lassonde President and CEO said: "2015 was a great year for the Trust. We nearly doubled our portfolio with the acquisition of real estate in Quebec and in Ontario. The increases in our FFO on both a nominal and per unit basis continue to demonstrate our discipline for acquiring investments which are accretive to our earnings and our commitment to building value for our shareholders. In addition our distributions represent a FFO payout ratio of only 66%."

The tables below represent other financial highlights as well as the reconciliation from net income to FFO for the periods ended December 31st, 2015 and its comparative period. This information should be read in conjunction with the Audited Consolidated Financials Statements and MD&A for the years ended December 31st, 2015 and December 31st, 2014.

SUMMARY OF SELECTED ANNUAL INFORMATION

Periods ended December 31	2015	2014	Δ	%
Financial info				
Property rental income	2,198,921	1,499,518	699,403	47%
Total revenue	2,291,631	1,499,518	792,113	53%
NOI ⁽¹⁾	1,965,701	1,414,515	551,186	39%
FFO ⁽¹⁾	1,074,956	693,768	381,188	55%
AFFO ⁽¹⁾	1,066,031	573,607	492,424	86%
EBITDA ⁽¹⁾	1,653,718	1,128,616	525,102	47%
Investment properties ⁽²⁾	33,360,523	18,694,326	14,666,197	78%
Total assets	33,754,607	22,829,110	10,925,497	48%
Total mortgage/loans/long term debt ⁽³⁾	16,467,370	7,552,144	8,915,226	118%
Total exchangeable preferred units	907,101	871,728	35,373	4%
Total convertible debentures	247,808	246,552	1,256	1%
Total equity	14,141,197	13,608,981	532,216	4%
Weighted average units o/s - basic	46,290,395	37,397,809	8,892,586	24%
Amounts on a per unit basis				
FFO/unit	0.0232	0.0186	0.0047	25%
AFFO/unit	0.0230	0.0153	0.0077	50%
Distributions	0.0153	0.0148	0.0005	4%

⁽¹⁾ Non-IFRS financial measures

⁽²⁾ Includes value of investment properties owned through joint ventures (530 Barkoff)

⁽³⁾ Excludes exchangeable debentures and exchangeable preferred units

RECONCILIATION OF NET INCOME TO FFO

Periods ended December 31	3 months			12 months		
	2015	2014	Δ	2015	2014	Δ
Net income (loss) attributable to unitholders	45,020	(147,131)	192,151	1,261,435	(730,872)	1,992,307
Δ in value of investment properties	147,487	98,195	49,292	(221,248)	1,655,115	(1,876,363)
Δ in value of investment properties in joint ventures	-	-	-	-	58,300	(58,300)
Unit based compensation	-	13,225	(13,225)	(18,699)	8,649	(27,348)
Δ in liability component of exchangeable preferred units	5,707	(767)	6,474	36,629	35,666	963
Δ in fair value of derivative financial instruments	(4,985)	116,920	(121,905)	(8,055)	7,620	(15,675)
Realized/unrealized gain on interest swaps	-	-	-	-	(4,700)	4,700
Δ in fair value of other financial components	(810)	12,905	(13,715)	(870)	2,405	(3,275)
Income taxes	25,000	12,000	13,000	25,764	(338,415)	364,179
FFO ⁽¹⁾ - basic	217,419	105,347	106%	1,074,956	693,768	55%
FFO per unit - basic	0.0047	0.0023	101%	0.0232	0.0186	25%
Distributions paid on exchangeable units (if dilutive)	11,966	-	11,966	45,343	56,928	(11,585)
FFO - diluted	229,385	105,347	118%	1,120,299	750,696	49%
FFO per unit - diluted	0.0046	0.0023	99%	0.0227	0.0182	25%
Distributions	179,718	171,046	8,671	709,618	558,824	150,794
Distributions per unit	0.0039	0.0037	5%	0.0153	0.0148	4%
FFO - basic after distributions	0.0008	(0.0014)	0.0022	0.0079	0.0038	0.0041
Distributions as a % of FFO - basic	83%	159%	(76%)	66%	80%	(14%)
Weighted avg. units o/s						
Basic	46,378,751	45,220,576	1,158,175	46,290,395	37,397,809	8,892,586
Diluted	49,466,951	45,220,576	4,246,375	49,378,595	41,274,261	8,104,334

⁽¹⁾ FFO is a Non-IFRS financial measure

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About Fronsac - Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality commercial real estate properties situated along highways or frequently travelled routes, rented to strong tenants under long term, management free and net leases. These properties are occupied by tenants within the following sectors; (1) Fast food chains, (2) Major oil/gas companies and (3) Convenience store chains.

Forward-Looking Statements - This press release contains forward-looking statements and information as defined by applicable securities laws. 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 and its Regulatory Services Provide) accepts any responsibility for the adequacy or accuracy of this release.

The December 31st, 2015 financial statements and management discussion & analysis of Fronsac REIT may be viewed on SEDAR at www.sedar.com

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