



PRO REIT ANNOUNCES \$65.6 MILLION OF PROPERTY ACQUISITIONS, FILING OF A PRELIMINARY PROSPECTUS FOR AN EQUITY OFFERING, AGREEMENTS TO ISSUE ADDITIONAL EQUITY ON A PRIVATE PLACEMENT BASIS AND STRATEGIC RELATIONSHIP

September 8, 2014 - Montréal, Québec - PRO Real Estate Investment Trust (“**PRO REIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to announce \$65.6 million of accretive property acquisitions, the filing of a preliminary prospectus with securities authorities in each of the provinces of Canada (the “**Prospectus**”) for a proposed public equity offering (the “**Offering**”), the entering into of agreements to issue additional equity on a private placement basis and a new strategic relationship. It is currently anticipated that \$20.0 million of equity will be distributed under the Offering and that an additional \$9.25 million of equity will be distributed on a private placement basis, for a total of \$29.25 million of new equity.

Property Acquisitions

Pursuant to conditional agreements, the REIT intends to acquire a total of 14 commercial properties from eight separate and unrelated vendors (collectively, the “**Acquisitions**” and individually, an “**Acquisition**”). The aggregate purchase price (excluding closing costs) for the Acquisitions is anticipated to be approximately \$65.6 million. The completion of the Acquisitions on the terms proposed will be significantly accretive to the REIT’s unitholders.

Upon closing of the Acquisitions, the REIT’s portfolio will be comprised of 23 commercial properties (the “**Portfolio**”) totalling 1,044,095 square feet of gross leasable area (“**GLA**”), providing increased exposure to certain of the REIT’s core target markets of Québec and Atlantic Canada, and the REIT’s first investment in Alberta.

The Portfolio will be diversified by property type and geography across Québec, New Brunswick, Nova Scotia and Alberta. The Portfolio will consist of three office properties representing 125,407 square feet of GLA, 12 retail properties representing 432,995 square feet of GLA, five industrial properties representing 261,161 square feet of GLA and three commercial mixed use properties representing 224,532 square feet of GLA. The properties are mostly situated in prime locations within their respective markets, along major traffic arteries benefiting from high visibility and easy access. Management believes the quality and diversity of the Portfolio will enable the REIT to attract new tenants and retain existing tenants, providing a strong base on which to generate stable and growing cash flows.

The Acquisitions are subject to customary closing conditions, including with respect to financing and regulatory approvals. The net proceeds from the Offering are expected to be used by the REIT, along with the net proceeds from a concurrent private placement (the “**Concurrent Private Placement**”), new first mortgages, an assumed mortgage and the issuance of Class B limited partnership units (“**Class B LP Units**”) of PRO REIT Limited Partnership, a subsidiary of

the REIT, to fund the Acquisitions. The REIT has received commitments to finance from three lenders to provide a total of \$37.5 million of first mortgage financing to partially fund the Acquisitions.

The Offering

The Prospectus is for a proposed offering of units (the “**Units**”) each comprised of a trust unit of the REIT (collectively, the “**Trust Units**”) and a fraction of a warrant to acquire a Trust Unit (collectively, the “**Warrants**”). It is currently anticipated that \$20.0 million of the Units will be offered at a price of \$2.30 per Unit and that each Unit will consist of one Trust Unit and one half of one Warrant. Each whole Warrant will entitle the holder thereof to acquire one Trust Unit of the REIT at an exercise price of \$2.65 per Warrant for a period of 30 months following the closing of the Offering, subject to customary adjustments.

The Offering is being made on a fully marketed basis through a syndicate of underwriters led by Canaccord Genuity Corp. and including TD Securities Inc., Scotia Capital Inc., National Bank Financial Inc., GMP Securities L.P., Raymond James Ltd., Desjardins Securities Inc. and Dundee Securities Ltd.

The Offering is expected to close on or about September 30, 2014 and is subject to usual closing conditions, including regulatory approvals. The REIT intends to use the net proceeds from the Offering to partially fund the Acquisitions, to repay existing indebtedness and for general trust and working capital purposes.

Concurrent Private Placement and Strategic Relationship with Lotus Crux

Lotus Crux REIT LP (“**Lotus Crux**”) has agreed to subscribe, on a private placement basis, concurrently with the closing of the Offering, for approximately \$5.0 million of Units at the price that the Units are offered to the public pursuant to the Offering (the “**Offering Price**”).

Lotus Crux is a partnership controlled by Lotus Pacific Investments Inc. (“**LPI**”) and Crux Capital Corporation (“**Crux**”). In connection with the Offering and the Concurrent Private Placement, the REIT will enter into a strategic investment agreement with a party related to Lotus Crux, which management believes will provide the REIT with enhanced coverage of major markets in Western Canada and incremental coverage of major markets in Ontario, as well as access to Lotus Crux’s network of relationships with real estate market participants in these markets, resulting in access to a pipeline of potential acquisition and investment opportunities not otherwise available to the REIT.

The principals of LPI and Crux have substantial real estate experience, having purchased and managed in excess of \$7 billion of commercial real estate assets. LPI and Crux, in aggregate, currently own or manage over \$400 million of commercial real estate located across Central and Western Canada as well as the United States. LPI, a private equity real estate group based in Vancouver and led by Shenoor Jadavji, has acquired, developed, managed and sold in excess of \$1 billion of industrial, retail, office, hotel and residential assets since 1995, predominately located in Western Canada and Ontario. Crux, a private equity real estate group based in Toronto, was founded by Peter Aghar, a principal that has a successful 20 year track record as an opportunistic value investor on an institutional scale, having been responsible for more than 100 real estate investments totaling over \$6 billion in Canada and internationally.

The trustees of the REIT are also pleased to announce that upon closing of the Offering and the Concurrent Private Placement, Shenoor Jadavji will join its board of trustees as an additional trustee.

The Concurrent Private Placement is subject to a number of conditions including completion of definitive documentation, the concurrent closing of the Offering, the waiver by the REIT of the conditions under a property acquisition agreement with a party related to Lotus Crux and the approval of the TSX Venture Exchange (“**TSXV**”). The Prospectus does not qualify the distribution of the Units issuable pursuant to the Concurrent Private Placement, and such Units will be subject to a statutory hold period.

Issuance of Equity to Certain Vendors

Vendors of certain of the properties that PRO REIT intends to acquire have agreed to accept approximately \$4.25 million of Class B LP Units as partial consideration for the sale of such properties. The Class B LP Units are economically equivalent to and exchangeable for Trust Units on a one-for-one basis, and will be accompanied by special voting units that provide their holder with equivalent voting rights to holders of Trust Units of the REIT. The Class B LP Units will be issued upon the closing of the acquisition of the applicable properties at the Offering Price, and each Class B LP Unit will be accompanied by a fraction of a warrant to acquire Class B LP Units equal to the fraction of a Warrant accompanying each Trust Unit offered under the Offering.

The Class B LP Units and warrants will be issued on a private placement basis, which is subject to regulatory approvals, including the approval of the TSXV.

Immediately following the closing of the Offering, the Concurrent Private Placement and the Acquisitions, members of management, the board of trustees, Lotus Crux and related parties, and vendors that have agreed to accept Class B LP Units as partial consideration for the sale of their properties to the REIT are expected to hold a 32.8% equity interest in the REIT. Lotus Crux and related parties are expected to collectively beneficially hold a 12.6% equity interest in the REIT.

For more information on the Offering, the Concurrent Private Placement and the Acquisitions, please see the Prospectus.

Experienced Management

PROREIT is managed by President and CEO James W. Beckerleg and CFO Gordon G. Lawlor, accompanied by an experienced senior management team with knowledge and relationships in the REIT’s target markets. Messrs. Beckerleg and Lawlor possess, in aggregate, over 50 years of experience in acquiring, managing and financing Canadian real estate, totaling approximately \$4.2 billion of commercial real estate transactions.

Most recently (from May 2010 until March 2012), the REIT’s management team held senior management positions with CANMARC Real Estate Investment Trust (“**CANMARC**”), a publicly-traded REIT with a nationally diversified portfolio of 115 commercial properties totalling 9.4 million square feet of GLA, including a significant portfolio in Eastern Canada. CANMARC was ultimately acquired by Cominar Real Estate Investment Trust (“**Cominar**”) in March 2012,

generating a compounded annualized total return of approximately 43% for CANMARC's unitholders.

The REIT's management team has an extensive network of relationships and contacts in the Canadian real estate industry, with particular experience within the REIT's target markets, which management believes will assist in the REIT's growth.

A preliminary prospectus containing important information relating to the securities has been filed with securities commissions or similar authorities in each of the provinces of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus are available on SEDAR at www.sedar.com under the REIT's profile. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

The securities offered have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. State securities laws and may not be offered or sold, directly or indirectly, within the United States or its territories or possessions or to or for the account of any U.S. person (as defined in Regulation S under the U.S. Securities Act) other than pursuant to an available exemption from the registration requirements of the U.S. Securities Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any such securities within the United States, or its territories or possessions, or to or for the account of any U.S. person.

About PROREIT

PROREIT is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. PROREIT was established in March 2013 to own a portfolio of diversified commercial real estate properties in Canada, with a focus on primary and secondary markets in Québec, Atlantic Canada and Ontario with selective expansion into Western Canada.

Forward-Looking Statements

This news release may contain forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements are based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond PROREIT's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements.

Forward-looking statements contained in this press release includes, without limitation, statements pertaining to the proposed Offering, the Concurrent Private Placement, the closing of the Acquisitions and the strategic relationship with Lotus Crux and related parties. PROREIT's objectives and forward-looking statements are based on certain assumptions, including that (i) PROREIT will receive financing on favourable terms; (ii) the future level of indebtedness of PROREIT and its future growth potential will remain consistent with PROREIT's current expectations; (iii) there will be no changes to tax laws adversely affecting PROREIT's financing capacity or operations; (iv) the impact of the current economic climate and the current global financial conditions on PROREIT's operations, including its financing capacity and asset value, will remain consistent with PROREIT's current expectations; (v) the performance of PROREIT's investments in Canada will proceed on a basis consistent with PROREIT's current

expectations; and (vi) capital markets will provide PROREIT with readily available access to equity and/or debt.

The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this press release are made as of the date of this press release. PROREIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by law.

Additional information about these assumptions and risks and uncertainties is contained under "Risk Factors" in the Prospectus and in PROREIT's latest annual information form, which are available on SEDAR at www.sedar.com.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

NOT FOR DISSEMINATION IN THE UNITED STATES OR DISTRIBUTION THROUGH UNITED STATES NEWS OR WIRE SERVICES.

For further information:

PRO Real Estate Investment Trust
James W. Beckerleg
President and Chief Executive Officer
514-933-9552

PRO Real Estate Investment Trust
Gordon G. Lawlor, CA
Chief Financial Officer
514-933-9552