



PROREIT REPORTS STRONG YEAR-OVER-YEAR GROWTH IN FIRST QUARTER 2016

Not for dissemination in the United States or distribution through U.S. news or wire services

May 25, 2016 – Montreal, Quebec – PRO Real Estate Investment Trust (“PROREIT” or the “REIT”) (TSXV: PRV.UN) is pleased to report financial and operating results for the three-months ended March 31, 2016 (or “first quarter”). The first quarter was characterized by strong year-over-year expansion in property revenues, net operating income (“NOI”) and adjusted funds from operations (“AFFO”), and by strong operating performance.

“Our growth strategies have produced strong year-over-year results,” said James W. Beckerleg, President and Chief Executive Officer. “We added ten new properties in 2015. For the third straight year, we are able to record strong growth in property revenues, net operating income and adjusted funds from operations due primarily to acquisitions. Occupancy has improved. Our portfolio is diversified with high-quality tenants, a high occupancy rate and long-term leases.”

“Although financial markets were challenging in the first quarter, PROREIT has kept close watch on developing opportunities. Markets are now improving and we are structured to move forward when a quality acquisition on the right terms presents itself,” said Mr. Beckerleg.

Financial Highlights

<i>(CAD \$ thousands, except per unit amounts and unless otherwise stated)</i>	3 Months Ended March 31, 2016	3 Months Ended March 31, 2015
Property Revenue	\$5,670	\$3,900
Net Operating Income¹	\$3,446	\$2,361
Total Assets	\$207,362	\$140,279
Debt to Gross Book Value¹	61.46%	58.57%
Interest Coverage Ratio	2.5	2.6
Debt Service Coverage Ratio	1.6	1.6
Weighted Average Interest Rate on Mortgage Debt	3.71%	3.75%
Adjusted Funds from Operations (AFFO)¹	\$1,850	\$1,330
Basic AFFO per Unit^{1,2}	\$0.0542	\$0.0558
AFFO Payout Ratio – Basic¹	96.9%	94.1%

¹ Non IFRS measure. See “Non-IFRS Measures”.

² Total units consist of trust units of PROREIT and Class B limited partnership units of PRO REIT Limited Partnership, a subsidiary of PROREIT.

First Quarter 2016 Financial Results

For the three months ended March 31, 2016, PROREIT recorded property revenue of \$5.670 million, a 45.4% increase compared to \$3.900 million in the first quarter of 2015. NOI increased 46.0% to \$3.446 million in the first quarter, compared to \$2.361 million in the first quarter of 2015. In the first quarter, the REIT generated AFFO of \$1.850 million or \$0.0542 of AFFO per basic unit, compared to \$1.330 million, or \$0.0558 per basic unit in the first quarter of 2015. Underlying revenue and cash flow growth reflects the acquisition of ten properties in PROREIT's two major transactions during the second and third quarters of 2015.

For the three months ended March 31, 2016, the REIT declared three distributions totalling \$0.0525 per trust unit. The AFFO payout ratio in the first quarter was 96.9 % on a basic weighted average of 34,143,143 units outstanding.

At March 31, 2016, the total assets of the REIT stood at \$207.362 million, an increase of 47.8 % compared to total assets of \$140.279 million at March 31, 2015. Total debt to gross book value was stable at 61.46%, compared to 58.57% at the end of the first quarter in 2015. The increase in total debt is due to debt acquired in the Boulevard Industrial REIT transaction on September 30, 2015. Average interest rates declined on a year-over-year basis, with the weighted average interest rate on mortgage debt improving to 3.71% from 3.75%.

	March 31 2016	March 31 2015
Operational data		
Number of properties	33	22
Gross leasable area (GLA) (square feet)	1,677,011	1,014,561
Occupancy rate	95.0%	92.9%
Weighted average lease term to maturity (years)	6.5	7.5

First Quarter 2016 Operating Results

PROREIT met its operational targets in the first quarter, including an increase in the quality and diversity of its portfolio and higher occupancy rates. At the end of the first quarter, the REIT's occupancy rate stood at 95.0%, an increase of over 200 basis points compared to 92.9% a year earlier, and the average lease term decreased only slightly to 6.5 years.

At March 31, 2016, gross leasable area ("GLA") stood at 1,677,011 square feet, an increase of 65.3%, compared to March 31, 2015. At March 31, 2016 our total portfolio consisted of 33 properties, including four office properties representing 154,357 square feet of GLA, 17 retail properties representing 532,146 square feet of GLA, nine industrial properties representing 765,976 square feet of GLA and three commercial mixed use properties representing 224,532 square feet of GLA.

Outlook

"We look forward to pursuing our growth strategy in 2016," said Mr. Beckerleg. "Since late in the first quarter, improved financial markets are contributing to a rebound in sentiment towards the real estate investment trust sector and our units have participated strongly in that rebound. PROREIT units have recovered substantially from lows early in the first quarter, and average daily trading volumes continue to be healthy, which has improved liquidity for our investors.

“We are optimistic that continued improvement in valuations would enable PROREIT to pursue its accretive acquisition strategy with confidence. PROREIT sees an active pipeline of potential acquisitions of quality properties in the REIT’s target markets.”

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 owns a portfolio of diversified commercial real estate properties in Canada, with growth objectives focused on primary and secondary markets in Québec and Atlantic Canada, with selective expansion into Ontario and Western Canada.

Non-IFRS Measures

PROREIT’s condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). In this press release, as a complement to results provided in accordance with IFRS, PROREIT discloses and discusses certain non-IFRS financial measures, including Adjusted Funds From Operations (“AFFO”), Debt to Gross Book Value, Net Operating Income (“NOI”), and payout ratios as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. PROREIT has presented such non-IFRS measures as Management believes they are relevant measures of PROREIT’s underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of PROREIT’s performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the “Non-IFRS and Operational Key Performance Indicators” section in PROREIT’s Management’s Discussion and Analysis for the three months ended March 31, 2016, available on SEDAR at www.sedar.com.

Additional Financial Information

Information appearing in this news release is a select summary of results. The condensed consolidated financial statements and management’s discussion and analysis of PROREIT for the first quarter will be filed on SEDAR at www.sedar.com and will be available on PROREIT’s website at www.proreit.com.

Forward-Looking Information

Certain statements contained in this news release constitute forward-looking information within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by such terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements in this news release include, but are not limited to, statements with respect to the performance of the capital markets in the future; PROREIT’s potential acquisitions and the ability of PROREIT to execute its growth strategies. Forward-looking statements are

based on a number of assumptions and are 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. 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. Additional information about these assumptions and risks and uncertainties is contained under "Risk Factors" in PROREIT's latest annual information form, which is available on SEDAR at www.sedar.com, and in other filings that PROREIT has made and may make with applicable securities authorities in the future.

The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. Investors are cautioned not to put undue reliance on forward-looking statements. 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.

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.

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, CPA, CA
Chief Financial Officer
514-933-9552