

PROREIT announces filing of a preliminary short form prospectus and \$155.6 million of property acquisitions

PRO Real Estate Investment Trust today announced that it has filed a preliminary short form prospectus with the securities authorities in all provinces of Canada with respect to a proposed offering of units, with the aggregate number of units to be issued and the price per unit to be determined in the context of the market.

The offering is being made on an underwritten basis through a syndicate of underwriters led by Canaccord Genuity Corp. and including TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., and Scotia Capital Inc.

PROREIT has been established 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.

Acquisition of Properties

The REIT has entered into agreements in connection with the potential acquisition of a total of 24 commercial properties (collectively, the “Acquisitions” and individually, an “Acquisition”) from eight separate and unrelated vendors.

Upon closing of the Acquisitions, the REIT’s portfolio will be comprised of 28 commercial properties (the “Initial Portfolio”) totaling approximately 1.6 million square feet of gross leasable area (“GLA”). The Initial Portfolio is diversified by property type and geography across Eastern Canada, with significant clusters in the Greater Montréal Area and certain urbanized areas of Atlantic Canada.

“We look forward to completing the various transactions detailed in our preliminary prospectus as an important milestone in our previously announced plans to build a new strong, diversified commercial REIT,” said Jim Beckerleg, President and CEO. “These acquisitions conform to our strategy of making high-quality, accretive acquisitions that are well financed, in urban markets in Eastern Canada.”

The Initial Portfolio will consist of seven office properties representing 307,730 square feet of GLA, thirteen retail properties representing 535,225 square feet of GLA, four industrial properties representing 442,573 square feet of GLA, and four commercial mixed use properties representing 291,114 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 Initial 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 aggregate purchase price (excluding closing costs) for the properties to be acquired under the acquisition agreements is anticipated to be approximately \$155.6 million. The offering of units is expected to close by the end of July 2013 and is subject to usual closing conditions. The Acquisitions are subject to customary closing conditions, including with respect to financing and regulatory approvals.

The net proceeds from the offering of units are expected to be used by the REIT, along with cash on hand, an assumed mortgage, certain committed mortgages, and a revolving credit facility to be established, to fund the purchase of the Acquisitions. The REIT also intends to use a portion of the net proceeds to repay existing indebtedness and for general trust and working capital purposes.

For more information on the Acquisitions, please see the preliminary short form prospectus.

The REIT has also agreed, subject to regulatory approval, to issue to Canaccord Genuity Corp., in connection with the advance of a bridge loan of \$250,000 used by the REIT to make a deposit to a vendor of one of the Acquisitions, warrants exercisable for a period of 12 months from the date of issuance of the broker warrants to purchase up to 35,118 units of the REIT at an exercise price per unit equal to no less than the offering price of the units offered pursuant to the proposed public offering of the REIT.

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.

Senior Management Appointments

PROREIT is pleased to announce two senior appointments to the PROREIT management team:

Mark O'Brien joins PROREIT as Director of Acquisitions. Mr. O'Brien has more than 18 years of experience in the commercial real estate business, in acquisitions, financing and leasing. Immediately prior to joining PROREIT, Mark was Director of Acquisitions for Eastern Canada at First Capital Realty Inc. Prior to holding that position, he was the most senior non-executive employee at CANMARC, where he was responsible for sourcing, underwriting and closing all acquisitions.

Alison Schafer, CPA, CA joins the REIT as Director of Finance. Ms. Schafer has more than 12 years of experience as a financial professional, with expertise in financial reporting, due diligence, liquidity assessment and taxation. She worked most recently at Cominar, where she held the position of Director of Accounting, and previously with CANMARC. Prior to CANMARC, Alison was Senior Manager, Assurances, with a major accounting firm.

"Mark and Alison are two highly valuable additions to our team," added Jim Beckerleg. "They have both worked with us in the past as important members of the team that built CANMARC. We are pleased to have them join us at PROREIT."

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.

A preliminary prospectus containing important information relating to the securities has been filed with securities commissions or similar authorities in all of the provinces of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from one of the underwriters noted above and 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.

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.

Forward-Looking Statements

This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is 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 information.

Forward-looking information contained in this press release includes, without limitation, statements pertaining to the proposed offering of units, the proposed acquisitions of PROREIT and the financing of such acquisitions. 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 in PROREIT's preliminary prospectus dated July 8, 2013 under "Risk Factors", which is 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.

For further information:

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