



**FIRM CAPITAL PROPERTY TRUST**

**FIRM CAPITAL PROPERTY TRUST ANNOUNCES ANOTHER SOLID QUARTER OF EARNINGS AND PORTFOLIO GROWTH**

Toronto, Ontario, August 10, 2016. Firm Capital Property Trust (“**FCPT**” or the “**Trust**”), (TSXV : FCD.UN) is pleased to report today its consolidated interim financial results for the three and six months ended June 30, 2016.

**SECOND QUARTER AND YEAR-TO-DATE HIGHLIGHTS**

- Rental revenue for the three months ended June 30, 2016 was \$3.8 million, a 5% sequential increase and 29% increase over March 31, 2016 and June 30, 2015, respectively. Rental revenue for the six months ended June 30, 2016 was \$7.4 million, a 25% increase over June 30, 2015;
- On a cash basis, NOI for the three months ended June 30, 2016 was \$2.2 million, an 8% sequential increase and 27% increase over March 31, 2016 and June 30, 2015, respectively. Cash NOI for the six months ended June 30, 2016 was \$4.3 million, a 25% increase over June 30, 2015;
- Excluding a gain on sale generated from the sale of two properties from the Centre Ice Retail Portfolio, FFO and AFFO for the three months ended June 30, 2016 were both \$1.2 million, respectively, a 10% and 24% increase over the three months ending June 30, 2015. For the six months ended June 30, 2016, FFO and AFFO were \$2.4 million and \$2.3 million, respectively, a 17% and 19% increase over the three months ending June 30, 2015;
- Excluding a gain on sale generated from the sale of two properties from the Centre Ice Retail Portfolio, FFO and AFFO Per Unit were \$0.107 and \$0.106 for the three months ended June 30, 2016, respectively. For the six months ended June 30, 2016; FFO and AFFO Per Unit were \$0.212 and \$0.200, respectively;
- Including a gain on sale generated from the sale of two properties from the Centre Ice Retail Portfolio, Adjusted FFO and AFFO Per Unit for the six months ended June 30, 2016 were \$0.282 and \$0.270, respectively;
- Three Months Ended June 30, 2016 FFO and AFFO payout ratios were both 99%;
- Six Months Ended June 30, 2016 Adjusted FFO and AFFO payout ratios were 74% and 78%;
- Commercial portfolio occupancy was 90.2%, a 180 basis point (“bp”) increase over the 88.4% reported at March 31, 2016, and an 80 bp increase over the 89.4% reported at June 30, 2015. Occupancy for the multi-residential portfolio was 94.1%,

unchanged over March 31, 2016, but a 220 bp increase over the 91.9% occupancy reported at June 30, 2015; and

- Conservative leverage profile with Debt / Gross Book Value (“**GBV**”) at 49.8%.

## **FINANCIAL HIGHLIGHTS**

	% Change Over								
	Three Months			Six Months		Three Months		Six Months	
	June 30, 2016	Mar 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015	Mar 31, 2016	June 30, 2015	June 30, 2015	June 30, 2015
<b>Rental Revenue</b>	\$3,804,157	\$3,639,657	\$2,959,424	\$ 7,443,814	\$5,949,503	5%	29%	25%	
<b>NOI</b>									
- IFRS Basis	\$2,247,672	\$2,066,037	\$1,785,515	\$ 4,313,709	\$3,492,058	9%	26%	24%	
- Cash Basis	\$2,209,927	\$2,045,040	\$1,737,151	\$ 4,254,967	\$3,403,796	8%	27%	25%	
<b>FFO</b>	<b>\$1,218,474</b>	<b>\$1,204,574</b>	<b>\$1,106,990</b>	<b>\$ 2,423,049</b>	<b>\$2,074,216</b>	1%	10%	17%	
<b>AFFO</b>	<b>\$1,209,959</b>	<b>\$1,080,426</b>	<b>\$ 978,185</b>	<b>\$ 2,290,387</b>	<b>\$1,925,976</b>	12%	24%	19%	
<b>Adjusted FFO*</b>	<b>\$1,218,474</b>	<b>\$2,005,266</b>	<b>\$1,106,990</b>	<b>\$ 3,223,741</b>	<b>\$2,074,216</b>	NM	10%	55%	
<b>Adjusted AFFO*</b>	<b>\$1,209,959</b>	<b>\$1,881,118</b>	<b>\$ 978,185</b>	<b>\$ 3,091,079</b>	<b>\$1,925,976</b>	NM	24%	60%	
<b>FFO Per Unit</b>	<b>\$ 0.107</b>	<b>\$ 0.105</b>	<b>\$ 0.117</b>	<b>\$ 0.212</b>	<b>\$ 0.224</b>	1%	(9%)	(5%)	
<b>AFFO Per Unit</b>	<b>\$ 0.106</b>	<b>\$ 0.095</b>	<b>\$ 0.104</b>	<b>\$ 0.200</b>	<b>\$ 0.208</b>	12%	2%	(4%)	
<b>Adjusted FFO Per Unit*</b>	<b>\$ 0.107</b>	<b>\$ 0.175</b>	<b>\$ 0.117</b>	<b>\$ 0.282</b>	<b>\$ 0.224</b>	NM	(9%)	26%	
<b>Adjusted AFFO Per Unit*</b>	<b>\$ 0.106</b>	<b>\$ 0.165</b>	<b>\$ 0.104</b>	<b>\$ 0.270</b>	<b>\$ 0.208</b>	NM	2%	30%	
<b>Distributions Per Unit</b>	<b>\$ 0.105</b>	<b>\$ 0.105</b>	<b>\$ 0.100</b>	<b>\$ 0.210</b>	<b>\$ 0.200</b>	-	5%	5%	
<b>Payout Ratios</b>									
- FFO	99%	100%	85%	99%	89%				
- AFFO	99%	111%	97%	105%	96%				
- Adjusted FFO	99%	60%	85%	74%	89%				
- Adjusted AFFO	99%	64%	97%	78%	96%				

NM = Not Meaningful

\* = Includes gain on sale of assets

- **Announced Joint Venture with First Capital Realty with the Acquisition of Two Retail Properties:** On June 9, 2016, the Trust announced the acquisition of a 40% interest in The Whitby Mall and Thickson Place, two predominantly retail properties located in Whitby, Ontario. The acquisition price for 100% of these assets is approximately \$75.3 million, excluding transaction costs. The properties are located directly across from each other providing a strategic benefit and long term synergies.

The Whitby Mall which is located at 1615 Dundas Street East, Whitby Ontario is a 378,917 square foot mixed use commercial property anchored by Sobeys with a strong mix of retail, office and medical tenants together with future repositioning opportunities. Thickson Place which is located at 80 Thickson Road South, Whitby Ontario is a 104,808 square foot retail property anchored by Metro and the LCBO.

The acquisitions of both properties are expected to be immediately accretive to AFFO. Management of the Trust expects the AFFO payout ratio of the Trust to drop below 85% and the leverage of the Trust to increase slightly to approximately 53% of Gross Book Value.

On June 9, 2016, the Trust closed on the acquisition of The Whitby Mall through existing cash resources and through the Trust's revolving credit facility for \$14.7 million (incl. transaction costs). The acquisition of Thickson Place which is expected to close during the third quarter of 2016 will be funded through debt to be arranged on The Whitby Mall and Thickson Place.

- **Increased Credit Facility To \$10 Million:** On June 9, 2016, the Trust received approval from its lender, a Canadian Chartered Bank, to increase its Credit Facility from \$8.0 million to \$10.0 million. In addition, the maturity date was extended to May 31, 2018;
- **Announces \$6.0 Million Non-Brokered Private Placement; Upsizes to \$10.2 Million Due To Strong Demand:** On July 12, 2016, the Trust announced a non-brokered private placement in which it would raise up to \$6.0 million and issue up to 1.0 million Trust Units at a price of \$6.00 per Trust Unit. On August 3, 2016, the Trust announced that it had closed the first tranche of this non-brokered private placement of approximately 1.1 million Trust Units for gross proceeds of approximately \$6.3 million. As a result of strong demand, the Trust announced that it was increasing the amount of the non-brokered private placement to up to approximately 1.7 million Trust Units for gross proceeds of upwards of approximately \$10.2 million; and
- **Approved Distributions for October, November and December, 2016:** On August 10, 2016, the Trust announced that it has declared and approved monthly distributions in the amount of \$0.035 per Trust Unit for unitholders of record on October 31, 2016, November 30, 2016 and December 30, 2016 payable on or about November 15, 2016, December 15, 2016 and January 16, 2017.

For the complete financial statements, Management's Discussion & Analysis and supplementary information, please visit [www.sedar.com](http://www.sedar.com) or the Trust's website at [www.firmcapital.com](http://www.firmcapital.com)

### **PROPERTY PORTFOLIO HIGHLIGHTS**

The Trust's property portfolio consists of 59 commercial properties with a total Gross Leasable Area ("GLA") of 1,328,001 square feet (1,324,612 square feet of Net Leasable Area ("NLA")) and one apartment complex comprised of 135 units. The portfolio is diversified across geographies with 70% of the NOI generated from Ontario, 21% from Quebec, 7% from Nova Scotia and 2% collectively from BC, Alberta, Manitoba and New Brunswick. The portfolio is diversified across asset classes with 46% of NOI generated from Retail, 42% from Industrial, 8% from Office and 4% from Multi-Residential.

### **TENANT DIVERSIFICATION**

The portfolio is well diversified by tenant profile with no tenant accounting for more than 5.7% of total net rent. Further, the top 10 tenants are largely comprised of creditworthy and large national tenants and account for 25.1% of total net rent.

### **DISTRIBUTION REINVESTMENT PLAN & UNIT PURCHASE PLAN**

The Trust has in place a Distribution Reinvestment Plan ("DRIP") and Unit Purchase Plan (the "Plan"). Under the terms of the DRIP, FCPT's Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Units, without incurring brokerage fees or commissions. Under the terms of the Plan,

FCPT's Unitholders may purchase a minimum of \$1,000 of Units per month and maximum purchases of up to \$12,000 per annum. Management and trustees have not participated in the DRIP or Plan to date and own approximately 7% of the issued and outstanding trust units of the Trust.

### **ABOUT FIRM CAPITAL PROPERTY TRUST**

Firm Capital Property Trust is focused on creating long-term value for Unitholders, through capital preservation and disciplined investing to achieve stable distributable income. In partnership with management and industry leaders, The Trust's plan is to co-own a diversified property portfolio of multi-residential, flex industrial, net lease convenience retail, and core service provider professional space. In addition to stand alone accretive acquisitions, the Trust will make joint acquisitions with strong financial partners and acquisitions of partial interests from existing ownership groups, in a manner that provides liquidity to those selling owners and professional management for those remaining as partners. Firm Capital Properties Inc., through a structure focused on an alignment of interests with the Trust sources, syndicates and property and asset manages investments on behalf of the Trust.

### **FORWARD LOOKING INFORMATION**

This press release may contain forward-looking statements. In some cases, forward-looking statements can be identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", and by discussions of strategies that involve risks and uncertainties. The forward-looking statements are based on certain key expectations and assumptions made by the Trust. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Although management of the Trust believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated. Neither the Trust nor any other person assumes responsibility for the accuracy and completeness of any forward-looking statements, and no one has any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or such other factors which affect this information, except as required by law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of the Firm Capital Property Trust have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

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