

May 8, 2013

True North Commercial REIT Announces First Quarter 2013 Results

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TORONTO, May 8, 2013 /CNW/ - True North Commercial Real Estate Investment Trust (TSX.V: TNT.UN) (the "REIT") today announced its financial and operating results for the three months ended March 31, 2013 ("the first quarter"), the REIT's first complete quarter of operation since its inception on November 16, 2012.

FIRST QUARTER HIGHLIGHTS

- On February 12 and 14, 2013, the REIT completed the acquisition of four office properties and one office/retail property (the "February Acquisitions"). The properties are located in Ontario, Alberta, and New Brunswick, and were acquired for an aggregate purchase price of \$144.7 million
- On February 12, 2013, the REIT completed a public offering and issued 14,549,914 units at a price of \$3.83 per unit for gross proceeds of \$55.7 million. These proceeds were used to satisfy a portion of the February acquisitions' purchase price
- On February 12, 2013, the REIT completed a private placement and issued 783,290 units at a price of \$3.83 per unit for gross proceeds of \$3.0 million
- At the conclusion of the first quarter, achieved rental metrics of 99.7% occupancy with 86.9% of Net Operating Income ("NOI") generated from credit-rated or government tenants
- On January 1, 2013, the REIT adopted a Distribution Reinvestment Plan, allowing unitholders the opportunity to elect to reinvest cash distributions for additional units at a discount.

"True North Commercial's first complete quarter of operations witnessed a major step forward in our development," stated Daniel Drimmer, the REIT's CEO. The acquisitions completed in February represent the execution of our aggressive acquisition strategy. This strategy targets diversified commercial real estate assets across secondary Canadian markets, and will remain focused on office properties with high quality government and credit-rated tenants. These acquisitions served to increase the size of our property portfolio by nearly 562,000 square feet, and provided us with entry into three new provinces. Most importantly, these properties all feature excellent tenant profiles. As a result of these acquisitions, our property portfolio was 99.7% occupied at the conclusion of the first quarter, with government or credit-rated institutions representing 86.9% of our NOI."

"The February Acquisitions have provided the REIT's property portfolio with a strong, diversified foundation," concluded Mr. Drimmer. "We look forward to completing additional acquisitions during 2013, building upon this foundation and increasing the value we deliver to our unitholders."

First Quarter Acquisitions

On February 12 and 14, 2013, the REIT completed the February Acquisitions. The purchase price of these properties was \$144.7 million, which was satisfied by a combination of approximately \$51.5 million in cash and approximately \$88.9 million aggregate principal amount of new mortgage debt.

The February Acquisitions included five properties:

- Laurier Property, a 279,047 square foot office asset in Ottawa, Ontario
- Century Property, a 75,675 square foot office asset in Calgary, Alberta
- Maple Property, a 107,243 square foot office asset in Ottawa, Ontario
- Carlingview Property, a 26,754 square foot office asset in Toronto, Ontario
- Miramichi Property, a 73,163 square foot office/retail asset in Miramichi, New Brunswick

Operating Results and Financial Position

Funds from Operations and Adjusted Funds from Operations have not been presented as the majority of the REIT's portfolio was acquired on February 12 and 14, 2013.

All amounts are in thousands of Canadian dollars unless otherwise stated.

Three months ended

March 31, 2013

Revenue from property operations	\$	2,486
Expenses:		
Operating costs		382
Property taxes		421
		803
Net operating income	\$	1,683
NOI margin		67.7%

As at March 31, 2013

Operational Information

Number of properties	6
Total square footage	610,876
Leased Occupancy %	99.7%

Summary of Financial Information

Gross Book Value ⁽¹⁾	\$157,091
Indebtedness ⁽¹⁾	\$99,137
Indebtedness to Gross Book Value	63.11%
Weighted average mortgage fixed interest rate	3.48%
Weighted average mortgage term to maturity	4.83 years

(1) as defined in the REIT's Declaration of Trust

The REIT's results for the first quarter include a full quarter's contribution from the REIT's first property, Coronation Mall, which was acquired on December 14, 2012 and the results for the remaining properties from the date of acquisition to March 31, 2013.

Revenue from property operations includes all rental income earned from the property, including rental income and all other miscellaneous income paid by the tenants under the terms of their existing leases, such as base, parking, operating cost and realty tax recoveries, as well as adjustments for the straight-lining of rents.

Operating costs includes costs relating to building maintenance, HVAC, elevator, insurance, utilities and management fees.

For the first quarter, revenue from property operations and NOI were \$2.5 million and \$1.7 million, respectively. At the conclusion of the first quarter, portfolio occupancy was 99.7%.

As of March 31, 2013, the REIT's indebtedness to Gross Book Value was 63.1%. The weighted average interest rate on the REIT's mortgage portfolio was 3.48%, and the weighted average term to maturity was 4.83 years.

About the REIT

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT intends to focus on acquiring and owning commercial rental properties across Canada, the United States and such other jurisdictions where opportunities exist.

For complete financial statements and management's discussion and analysis for the period, and any other information relating to the REIT, please visit www.sedar.com or the REIT's website at www.truenorthreit.com.

Forward-looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial position and results of operations as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned such statements may not be appropriate for other purposes. Forward-looking information may relate to the REIT's future outlook and anticipated events and may include statements regarding the financial position, business strategy, budgets, financing rates and costs, taxes and plans and objectives of or involving the REIT. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the REIT or the real estate industry are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements necessarily involve known and unknown risks and uncertainties, that may be general or specific and which give rise to the possibility expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, the risks discussed in the REIT's materials filed with Canadian securities regulatory authorities from time to time on www.sedar.com. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions, including management's perceptions of historical trends, current conditions expected future developments as well as other considerations that are believed to be appropriate in the circumstances, such as: the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will continue to provide the REIT with access to equity and/or debt at reasonable rates when required; Starlight Investments Ltd. will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement; and the risks identified or referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this press release are dated, and relate only to events or information, as of the date of this press release. Except as specifically required by law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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

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