

## Whiterock REIT Announces 2005 Results and Achievements

Tuesday, April 4, 2006

TORONTO, April 4 / CNW / - Whiterock Real Estate Investment Trust ("Whiterock") today announced financial results for the three month period and year ended December 31, 2005. The following comments and highlights should be read in conjunction with the 2005 Management's Discussion and Analysis, including the audited consolidated financial statements for the year ended December 31, 2005. These can be obtained from the SEDAR website at [www.sedar.com](http://www.sedar.com).

### HIGHLIGHTS – 2005

- **High growth platform** – Since the IPO in June 2005, acquired 12 properties totaling 1.2 million square feet for \$116.4 million, including closing costs, of which \$84.2 million, or 72%, is financed through mortgages.
- **High quality credit tenants on long-term leases** – 58.9% of revenues from government leases. 67.4% of revenues from government and other high quality credit tenants. Average lease term of portfolio is approximately 6.8 years.
- **Capital market success** – IPO in June 2005 raised gross proceeds of \$25.0 million in Units (at \$2.15 per Unit) and \$13.0 million in Series A convertible debentures. In December 2005, raised gross proceeds of \$16.3 million in Units (at \$2.50 per Unit) and \$12.0 million in Series B and C convertible debentures for future acquisitions and general corporate purposes.
- **Long-term fixed rate financing** – 86.8% of debt is fixed-rate financing with an average remaining term of 7.9 years at a 5.41% weighted average interest rate.

### HIGHLIGHTS – SUBSEQUENT EVENTS

- **TSX listing approval** – Conditional approval received to move Whiterock's listing to the Toronto Stock Exchange (TSX) from the TSX Venture Exchange (TSX-V).
- **Further high quality growth** – Acquired four properties totaling 417,124 square feet for \$58.6 million before closing costs, of which \$41.9 million, or 72%, is financed through mortgages. Announced acquisitions under conditional agreements total a further \$46.9 million, before closing costs.
- **Longer average lease term** – Average lease term of entire portfolio is approximately 8.8 years. 47% of revenues from government leases. 73.7% of revenues from government and other high quality credit tenants.
- **Solid Unitholder returns** – closing Unit price of \$3.42 at March 24, 2006, an annualized return of 94% including dividends since the June 2005 IPO.

## FINANCIAL HIGHLIGHTS

(in \$'s)	Three months ended December 31, 2005	Year ended December 31, 2005
Total revenue	3,129,386	3,666,428
Property operating income	1,813,825	2,044,593
Income (loss)	(257,448)	(660,953)
Income (loss) per unit - basic	(0.02)	(0.08)
Income (loss) per unit - diluted	(0.02)	(0.08)
Funds from operations (FFO)	352,201	24,638
FFO per unit - basic and diluted	0.02	-
Adjusted Funds From Operations (AFFO)	282,295	39,759
AFFO per unit - basic and diluted	0.02	-
Cash distributions per unit	0.07	0.14

(in \$'s)	December 31, 2005	December 31, 2004
Real estate acquired	116,394,106	-
Mortgages payable	84,193,305	-
Convertible debentures (face value)	25,000,000	-
Cash	29,281,723	350,000
Unitholders' equity	38,218,035	350,000

Financial results for the fourth quarter of 2005 improved. FFO and AFFO were both \$0.02 per unit, an increase of \$0.04 and \$0.03 respectively, compared to the third quarter. FFO and AFFO increased due to the impact of eight income properties acquired partway through the fourth quarter and the contribution for the full quarter of the four income properties acquired in previous quarters. This was partly offset by the impact of funds raised in advance of their investment into income producing properties. Whiterock expects that as the full impact of the income properties acquired part way through the quarter is realized, together with the impact of investing funds raised to acquire additional income property acquisitions, FFO and AFFO will be further increased.

FFO and AFFO are supplemental non-GAAP financial measures used by the real estate industry to measure and compare the operating performance of real estate organizations. Whiterock's method of calculating FFO and AFFO may be different from methods used by other REITs or corporations. Whiterock calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("RealPac"). The definition is meant to standardize the calculation of FFO across real estate entities in Canada. A description of Whiterock's calculation of AFFO and FFO is included in Whiterock's Management's Discussion and Analysis for the year ended December 31, 2005.

## OUTLOOK

Since the IPO in June 2005, Whiterock has focused on four key asset level investment criteria that management believes should be the driving force behind investment decisions. Assets must be: (i) well located, (ii) in good physical condition, (iii) well leased to quality tenants, and (iv) at an appropriate cost basis. Investments that meet and exceed the criteria above should protect a portfolio from the cyclical nature of the real estate industry, allow for internal growth in prosperous times and provide for consistent cash flow over the long term.

Acquiring such a portfolio in any market condition is a challenge, but to do so in today's environment is quite difficult and requires discipline. To date, Whiterock has acquired or announced the acquisition of 19 real estate assets totaling approximately \$225 million that not only meet, but exceed, Whiterock's asset level investment criteria. Whiterock's portfolio is comprised of assets that are very well located (across the street from the parliament buildings of Quebec and Saskatchewan, in established industrial parks and in new format retail developments). The assets have little to no deferred capital costs, are 77.6% leased to provincial government and high quality credit tenants and have an average remaining lease term exceeding eight years with most rental rates at or below market rate. Finally, the investment cost basis averages \$116 per square foot, which is a substantial discount to replacement cost. These assets form a solid foundation for Whiterock to be a much larger REIT built on quality assets that produce consistent, long-term cash flow.

Presently, the majority of Whiterock's assets are in Quebec City and Regina. This is a reflection of our approach to developing local relationships and finding appropriate investments. We will continue this methodical approach to building out a national platform. In 2006, expect to see acquisitions in Western Canada, Ontario, Quebec and Atlantic Canada.

Management is of the firm belief that a REIT should be more than a conglomeration of income producing real estate. Like any other business, a sustainable REIT must have a top-notch management team that has a clear vision and mission, and is also focused on the short-term goals and objectives required to meet the vision and mission. In 2005, Whiterock has made tremendous strides in creating this management team. Whiterock is set to continue the growth of the portfolio while continuing to implement the systems and procedures required.

In 2006, the industry is faced with a more challenging investment environment, but Whiterock is now a well-positioned and recognized platform in the Canadian real estate community. We have established a reputation as a REIT that performs on its commitments and closes transactions. This reputation has resulted in a tremendous increase in investment opportunities. While cap rates have contracted over the last 12 months and interest rates have increased slightly, plenty of accretive acquisitions are still available. As we move forward we believe it is critical that we maintain our investment discipline. We will not grow for simply growth's sake at the sacrifice of quality, but instead, will only grow if an asset meets our investment criteria and accretively adds to the long-term prospects of the portfolio. Whiterock intends to add \$150-\$200 million of such acquisitions to the portfolio in the remainder of this year.

### About Whiterock

Whiterock is a rapidly expanding, growth oriented real estate investment trust focused on increasing Unitholder value through the strategic acquisition, ownership and management of well-located, long-term leased office, industrial and retail properties in select markets across Canada. Since its formation as a Trust on June 28, 2005, Whiterock has acquired or announced it is acquiring properties totaling approximately 1.9 million square feet with a value on acquisition of approximately \$225 million.

## Forward Looking Statements

This press release contains forward looking statements. Whiterock is subject to significant risks and uncertainties which may cause the actual results, performance or achievements of Whiterock to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, restrictions on redemption, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, Unitholder liability, potential conflicts of interest, potential dilution, and reliance on key personnel. A full description of these risk factors can be found in Whiterock's final prospectus dated June 21, 2005 which can be found at [www.sedar.com](http://www.sedar.com). Whiterock cannot assure investors that actual results will be consistent with these forward looking statements and Whiterock assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

**For further information:** [www.whiterockreit.ca](http://www.whiterockreit.ca)

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Source: Whiterock Real Estate Investment Trust