BTB

REAL ESTATE INVESTMENT TRUST

MANAGEMENT DISCUSSION AND ANALYSIS

Quarter ended March 31, 2009

May 25, 2009

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MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

The purpose of this management discussion and analysis is to allow the reader to assess the operating results of BTB Real Estate Investment Trust ("BTB" or the "Trust") for the quarter ended March 31, 2009, as well as its financial position on that date. The report also presents the Trust's business strategies and the risk exposure it faces. This management discussion, dated May 25, 2009, the date of the press release announcing the financial results of the Trust, should be read together with the unaudited consolidated financial statements and accompanying notes for the quarter ended March 31, 2009 and with the audited consolidated financial and accompanying notes for the fiscal year ended December 31, 2008, since they contain all the important information available at the time of this report. The Trust's consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. **Unless otherwise indicated, all amounts are in thousands of Canadian dollars, except for per unit and per square foot amounts.** Per unit amounts are calculated using the weighted average number of Trust units outstanding for the quarters ended March 31, 2009 and 2008. Additional information about the Trust, including the 2008 Annual Information Form dated April 22, 2009, are available on the Canadian Security Administrators ("CSA") website at www.sedar.com.

The audit committee and the Trust's board of trustees have approved the contents of this Management Discussion and Analysis and the interim financial statements. However, the interim financial statements have not been verified by the Trust's auditors.

FORWARD-LOOKING STATEMENTS – CAVEAT

Certain statements in this MD&A are "forward-looking statements" that reflect management's expectations regarding BTB's future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements in this MD&A, that contain words such as "could", "should", "can", anticipate", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts, constitute "forward-looking statements". These forward-looking statements are presented for the purpose of assisting BTB's Unitholders and financial analysts in understanding BTB's operating environment, and may not be appropriate for other purposes. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. However, such forward-looking statements involve significant risks and uncertainties, including those discussed under the heading "Risks and Uncertainties" and elsewhere in this MD&A. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Although the forward-looking statements contained in this MD&A are based on what management believes to be reasonable assumptions, BTB cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this MD&A, and BTB assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

Prior-period results have been reclassified to conform to the presentation adopted in the current period.

Additional information relating to BTB, including BTB's Annual Information Form for the year ended December 31, 2008, can be found at www.sedar.com.

NON-GAAP FINANCIAL MEASURES

Funds from operations ("FFO"), adjusted funds from operations ("AFFO"), net operating income, property operating income from real estate assets, distributable income, earnings before tax and depreciation (EBTD) and earnings before interest, tax, depreciation and amortization (EBITDA) are non-GAAP performance measures and do not have standardized meanings prescribed by GAAP. They are used by BTB to improve the investing public's understanding of operating results and the Trust's performance. "GAAP" denote the generally accepted accounting principles defined and issued by the Canadian Institute of Chartered Accountants, as in effect at the time a GAAP-compliant calculation is to be made.

Also, these measures may not be compared to similar measures used by other issuers. However, BTB presents its FFO in accordance with the Real Property Association of Canada (REALpac) White Paper on Funds from Operations dated November 30, 2004, as revised on February 1, 2007.

Securities regulation require that these measures be clearly defined, that they be readily comparable to similar measures that comply with GAAP, and that they not be assigned greater weight than measures that are compatible with GAAP.

2009 FIRST QUARTER HIGHLIGHTS

- AN INCREASE OF 28.5% TO $7.5 MILLION IN OPERATING INCOME COMPARED TO THE FIRST QUARTER OF 2008 AS A RESULT OF THE ACQUISITIONS COMPLETED IN 2008 AND THE INCREASE OF THE SAME-PROPERTY PORTFOLIO.

- AN INCREASE OF 28.1% IN THE NET OPERATING INCOME (NOI) TO $4.1 MILLION, CREATING A PROFIT MARGIN OF 55.1%.

- THE SAME-PROPERTY PORTFOLIO GENERATED AN INCREASE OF 4.1% IN OPERATING INCOME AND OF 6.7% IN NOI.

- EBDT OF 736$ AND EBITDA OF $3 697, OR 2.2¢ AND 11.0¢ PER UNIT, RESPECTIVELY.

- AFFO OF $1,099, OR 3.3¢ PER UNIT AFTER TAKING INTO ACCOUNT A RESERVE FOR CAPEX AND FOR LEASING FEES OF $209. WITH DISTRIBUTIONS OF 2.7¢ PER UNIT FOR THE FIRST QUARTER, AND OF 2.0¢ FOR THE FOLLOWING QUARTERS, BTB EXPECTS THAT THE DISTRIBUTIONS WILL BE COVERED AT 150% BY THE AFFO.

- RENEWAL TO DATE OF 43% OF ALL THE LEASES EXPIRING IN 2009, WITH AN AVERAGE INCREASE OF 5.7%.

- DISTRIBUTABLE INCOME OF $815 AND CASH FLOW OF $1,070, RESPECTIVELY 2.4¢ AND 3.2¢ PER UNIT, A LIGHT DECREASE COMPARED TO THE CORRESPONDING QUARTER OF 2008, MAINLY DUE TO THE INCREASE IN THE VACANCY RATE. WITH QUARTERLY DISTRIBUTIONS OF 2.0¢ PER UNIT ON THE CURRENT BASIS, THE TRUST EXPECTS TO GENERATE SUBSTANTIAL CASH FLOWS.

THE TRUST

BTB was established under a contract of trust for purposes of facilitating a qualifying transaction proposed by its predecessor company, Capital ABTB Inc. (“ABTB”). The qualifying transaction was effected by way of a plan of arrangement under section 192 of the *Canada Business Corporations Act* (CBCA) involving ABTB, BTB and TB Subsidiary Trust and the shareholders of ABTB, resulting in, among other things, all issued and outstanding shares being exchanged for units on the basis of the agreed exchange ratio. BTB began its real estate operations on October 3, 2006. BTB’s units, Series A and Series B convertible debentures are traded on the TSX Venture Exchange under the symbols “BTB.un”, “BTB.DB” and “BTB.DB.B” respectively.

BTB is an unincorporated open-ended real estate trust formed and governed under the laws of the Province of Quebec pursuant to a contract of trust. To date, BTB has acquired and owns 43 commercial and industrial properties in primary and secondary markets. BTB has now become an important real estate owner in geographical markets east of Ottawa. According to an article published in the journal “*Les Affaires*” in the fall of 2008, BTB is considered as one of the 35 most important real estate property owners in the province of Québec.

Since the fourth quarter of 2008, management of the Trust’s properties is, in the majority of the cases, performed internally. As at March 31, 2009, 30 of the Trust’s 43 properties are entirely managed by the Trust’s employees. Management’s objective is to repatriate the management of all of the Trust’s properties internally, under the terms of agreements between the Trust and its external managers, and thus achieve substantial savings in management and operating fees with a centralised and improved management of the properties.

The following table provides the total acquisitions of the Trust since its inception:

	Number of properties	Leasable Area (sq. ft)	Net Assets Acquired (Thousand of $)
As at March 31, 2009	**43**	**2,269,409**	**232,350**

OBJECTIVES AND BUSINESS STRATEGY

The objectives of BTB are as follows:

(i) Generate cash distributions that are stable and fiscally beneficial to unitholders;

(ii) To grow the Trust’s assets to increase distributable income and therefore fund distributions;

(iii) To optimize the value of its assets through dynamic management of its properties in order to maximize the long-term value of its units.

Strategically, BTB seeks to purchase properties with low vacancy rates, good tenant quality, superior locations, low lease turnover potential, or properties that are well maintained and require a minimum of future capital expenditures.

The recent financial crisis has led to restrictions in the availability of credit as well as in access to capital. Consequently, the Trust does not anticipate being able to maintain in 2009 the growth rate it has experienced since its inception.

HIGHLIGHTS AND SELECTED FINANCIAL INFORMATION

The Trust began its real estate operations on October 3, 2006 with its initial public offering and the conclusion of its qualifying transaction. Since then, the Trust has acquired 43 properties generating, on an annualized basis, revenues of approximately $30 million.

The table below presents highlights and selected financial information for the first quarter ended in 2009 and 2008.

Quarter ended March 31 (in thousand dollars, except the ratios and per unit)	**2009**	2008
Financial Information		
Operating income	**7,474**	5,818
Net operating income	**4,117**	3,213
Net loss	**(835)**	(209)
EBTD	**736**	840
EBITDA	**3,697**	2,908
Distributable income	**815**	1,036
Funds from operations	**726**	821
Adjusted funds from operations	**1,099**	1,321
Distributions	**896**	2,291
Debt ratio – excluding convertible debentures	**61.6%**	57.5%
Additional borrowing capacity	**31,900**	72,000
Real estate assets	**220,545**	205,731
Total assets	**226,769**	210,718
Mortgage loans	**146,408**	118,005
Convertible debentures	**22,847**	21,998
Equity	**50,655**	58,280
Financial information per unit		
Distributable income	**2.4¢**	3.2¢
FFO	**2.2¢**	2.5¢
Adjusted FFO	**3.3¢**	4.0¢
Distributions	**4.7¢**	7.0¢
Operational information		
Number of properties	**43**	38
Leasable area (thousand sq. ft)	**2,269**	2,111
Occupancy rate	**91,0%**	96,7%

REAL ESTATE PORTFOLIO

Since its initial public offering on October 3, 2006, BTB has acquired 43 properties, at a total cost of approximately $235 million and representing a total leasable area of over 2.2 million square feet. A description of the properties purchased prior to January 1, 2008 can be found in BTB's 2008 Annual Information Form dated April 22, 2009 available at www.sedar.com.

No property was acquired during the first quarter of 2009. Over the past two years, the Trust's real estate portfolio increased substantially, as a result of favourable market conditions that management was able to identify. Similarly, revenues and profits proportionally increased in relation to the increase in the number of the Trust's properties.

The recent financial crisis has led to restrictions in the availability of credit and increased credit standards as well as to restrictions in access to capital. Consequently, the Trust does not anticipate being able to maintain a similar growth rate in 2009.

Although management is constantly looking for opportunities to raise capital at a reasonable cost, it will focus on the internal development of its current portfolio by improving the occupancy rate and the improvement of leases already in place.

PERFORMANCE INDICATORS

The following indicators are used to measure the financial performance of BTB:

- Net operating income of a same-property portfolio: which provides an indication of the profitability of existing portfolio operations and BTB's ability to increase its revenues and reduce its operating costs;

- Net operating profit margin: which provides an indication of the profitability of the Trust's operations;

- Distributable income per unit which provides an indication of how the Trust will be able to fund its distributions;

- Funds from operations ("FFO") per unit: which provide an indication of BTB's ability to generate cash flow;

- Adjusted funds from operations ("AFFO") per unit, which takes into account rental fees and capital expenditures and which may vary substantially from one entity to the next;

- The debt-equity ratio: which is used to assess the financial balance of the Trust and its capacity for additional acquisitions.

More detailed definitions of each of these indicators are provided in the appropriate sections.

OPERATING RESULTS

Statement of Earnings

The table below summarizes financial results for the quarter ended March 31, 2009 and 2008. The table must be read in conjunction with our unconsolidated financial statements and the notes thereto.

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Operating Revenues	**7,474**	5,818
Operating Expenses	**3,357**	2,598
Net operating income (1)	**4,117**	3,220
Interest income	**(2)**	(21)
Interest on loans and other carrying charges	**2,963**	2,089
Amortization of revenue producing properties and intangible assets	**1,608**	1,303
Amortization of deferred leasing costs	**64**	28
Loss from real estate assets	**516**	179
Trust-related administrative and real estate management expenses	**420**	312
Compensation expense related to option plan	**6**	18
Loss from continuing operations	**942**	509
Future income taxes	**(107)**	(300)
Net loss	**835**	209

(1) Net operating income and operating income from real estate assets consist of non-GAAP information and may not be comparable to similar measures used by other issuers. Net operating income and operating income from real estate assets should not be construed as alternatives to net income or cash flows from operating activities, which are calculated in accordance with GAAP.

They are, however, frequently used in the real estate industry to measure operational performance. We define "net operating income" as operating income before interest on loans, amortization of properties, deferred leasing costs, financing costs and other assets, other income, professional fees and Trust-related administrative expenses, real estate management fees, compensation expenses related to option plan and future income taxes.

We define "operating income from real estate assets" as operating income before Trust-related administrative expenses, real estate management expenses, compensation expense related to option plan and future income taxes.

Same-property portfolio

The same-property portfolio includes all the properties owned by BTB as at December 31, 2007, but does not include the financial spin-offs of the acquisitions completed in 2008 and 2009.

Operating Revenues

BTB pursued its growth in operating revenues. This increase corresponds to $1,926 or 28,5% for the first quarter of 2009 in comparison with the corresponding quarter in 2008. Revenues from same-property portfolio increased by $233 or 4.1% during the first quarter of 2009, compared to the same quarter in

2008. This internal growth is a result of rent increases provided for in the leases, increases obtained when leases where renewed and at the signature of new leases.

Quarter ended March 31 (in thousand dollars)	**2009**	2008	**∆%**
Same-property portfolio	**5,914**	5,681	**4.1**
Acquisitions	**1,560**	137	**n/a**
	7,474	5,818	**28.5**

Operating revenues include amortization of an adjustment for purposes of recording contractual rent payments on a straight-line basis and for purposes of adjusting the value of the leases which are not at market terms and conditions, as more fully described in the table below.

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Rental revenue on the basis of in-place leases	**7,622**	6,043
Deferred rental revenue as per straight-line method	**81**	102
Amortization of the value attributable to leases which are not at market terms and conditions	**(228)**	(327)
Rental revenue from income- producing properties	**7,474**	5,818

Operating Expenses

Operating expenses are expenses directly related to real estate operations and are generally charged back to tenants as provided for by the leases. In October 2008, the Trust began the internalization of its property management that will reduce its operating costs. The amount of operating expenses, property taxes and services that BTB can recover from its tenants depends on the occupancy rate and the nature of the existing leases containing clauses regarding the recovery of fixed expenses. BTB pays particular attention to the respect of the existing leases and to the recovery of operating expenses of its properties. The increase in the operating expenses is mostly attributable to the acquisitions concluded in the first quarter of 2008; the operating expenses of the same-property portfolio only increased by 0.9% from 2008 to 2009, an indication of the tight control the Trust maintains on its operating expenses.

Quarter ended March 31 (in thousand dollars)	**2009**	2008	**∆%**
Same-property portfolio	**2,543**	2,522	**0.9**
Acquisitions	**814**	76	**n/a**
	3,357	2,598	**29.2**

The following table details the operating expenses for the quarter ended March 31, 2009 and 2008:

Quarter and fiscal year December 31 (in thousand dollars)	**2009**	2008
Operating Expenses		
- Operating costs	**1,315**	1,030
- Property taxes and utilities	**2,042**	1,568
	3,357	2,598
% of operating revenues	**44.9%**	44.6%

Net operating income

BTB's net operating income is 55.1% of operating revenues for the first quarter of 2009 compared to 55.4% for the corresponding quarter in 2008. The profit increased $759 or 29.2% for the first quarter of 2009 in comparison to the first quarter of fiscal 2008.

The net operating income is not a recognized financial measure in GAAP, but it is nonetheless frequently used in the field of real estate to assess operational performance. BTB defines it as operating income before interest on loans and other financial expenses, amortization of income-producing properties, intangible assets and other assets, amortization of deferred financing costs, Trust-related administrative expenses, unusual items, and future income taxes. This definition may differ from those used by other issuers, and therefore BTB's net operating income may not necessarily be comparable with theirs.

This performance indicator is particularly useful when compared to the indicator for the same-property portfolio of previous years, since it provides for transferring operating costs to clients and generating rent increases that exceed cost increases. Furthermore, from the first quarter of 2008 to the first quarter of 2009, BTB generated an increase of $212 or 6.7% in its net operating revenues.

Quarter ended March 31 (in thousand dollars)	**2009**	2008	**∆%**
Same-property portfolio	**3,371**	3,159	**6.7**
Acquisitions	**746**	61	**n/a**
	4,117	3,220	**27.9**

Interest on loans

Interests on loans are generated by the following loans:

- Mortgage loans contracted or assumed totalling approximately $147 million, as at March 31, 2009 compared to $119 million as at March 31, 2008.
- Series A and B convertible debentures issued in the total amount of $25.9 million, including the additional interest charges accrued to account for the accretion of liability component of convertible debentures compared to $12.8 million as at March 31, 2008.
- Operating and acquisition credit facility used as needed, for a total of $0.8 million as at March 31, 2009 compared to $5.9 million as at March 31, 2008.
- Amortization of deferred financing costs related to mortgage loans and convertible debentures, using the effective interest method throughout the term of the related debts.

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Interest on mortgage loans	**2,138**	1,635
Interest on debentures	**534**	258
Interest on bank loans	**2**	21
Amortization of deferred financing costs	**188**	110
Accretion of liability component of convertible debentures	**101**	65
	2,963	2,089
% of operating revenues (net of interest income)	**39.6%**	35.5%

The total interest payable on loans increased $874 or 41.8% for the quarter ended March 31, 2009 compared to the corresponding quarter in 2008, mainly as a result of various financing arrangements concluded or assumed in order to permit the financing of the most recent acquisitions, as well as the issue of series B convertible debentures in March 2008. Interest on loans represent 39.6% of operating revenues for the first quarter of 2009 compared to 35.5% for the same period in 2008.

The average weighted contractual rate of interest on mortgage loans was 5.88% as at March 31, 2009, 20 basis points lower in comparison to March 31, 2008.

Amortization

All acquired properties are amortized on a straight-line basis over a period of 40 years.

GAAP requires that the cost of purchasing a building be divided into tangible assets, to wit the land and the building, and intangible assets, namely lease-operation contracts and the value of client relationships. Intangible assets are amortized according to the term of the affected leases on a straight-line basis. The average term of the leases in place as at March 31, 2009 is approximately five years. The resulting amortization is thus accelerated relative to that of the buildings which, as previously mentioned, are amortized over 40 years.

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Income-producing properties	**1,086**	875
Intangibles	**518**	427
Fixed assets	**4**	1
	1,608	1,303

Trust-related administrative expenses

Trust-related administrative expenses include administrative expenses such as compensation and fees paid to management and administrative staff, legal and accounting services, expenses relating to public trading of the Trust, insurance and office expenses and bad debts. A charge in the first quarter of 2009 related to bad debts and legal fees pertaining thereto were respectively $48 and $6. No charge related to bad debts was required for the same period in 2008.

Trust-related administrative expenses also include real estate management fees which are comprised of professional fees paid to AMTB Management under an exclusive contract. See section “Related Party Transactions” for more details regarding this agreement. This agreement was terminated as of March 31, 2009 and a new agreement has not yet been finalized, but will result in a substantial decrease of the real estate management fees.

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Trust-related administrative expenses	**250**	200
Real estate management fees	**170**	104
	420	304
In % of operating revenues	**5.5%**	5.2%

Compensation expense related to option plan

During the quarter ended March 31, 2009 and 2008, BTB recorded unit-based compensation totalling $6, for option granted to employees and trustees. The fair value of the options was calculated using the Black-Scholes option pricing model with the assumptions that are explained in Note 9c to the financial statements for the quarter ended March 31, 2009.

Net Loss

The net loss amounted to $835 for the quarter ended March 31, 2009 compared to $209 for the same period of 2008. The increase in the net loss is primarily attributable to the following: i) important change in the capital structure of the Trust following the issue in April 2008 of the Series B convertibles debentures which generated a significant increase of the interest on loans; b) light increase of the vacancy rate compared to the corresponding quarter of 2008 which generated a shortfall of approximately $300 for the first quarter of 2009; and c) a change of approximately $200 in future income taxes following a reversal of the provisions made.

The valuation of the amortization expense is based on the assumption that the value of buildings declines over the years. Reality tends to show, however, that their value fluctuates according to real estate market conditions.

Quarter and fiscal year ended December 31 (in thousand dollars except per unit)	**2009**	2008
Net loss	**835**	209
Basic and diluted loss per unit	**2.5¢**	6.0¢

EBTD and EBITDA

The Trust generated earnings before tax and depreciation (EBTD) of $736 for the first quarter of 2009, a decrease of approximately $100 compared to the corresponding quarter of 2008, and earnings before interest, tax, depreciation and amortization (EBITDA) of close to 3.7 millions $, an increase of approximately $800 compared to the first quarter of the 2008 financial year.

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Net Loss	**(835)**	(209)
+ Future income tax credits	**(107)**	(300)
+ Compensation expense related to option plan	**6**	18
+ Amortization of deferred rental costs	**64**	28
+ Amortization of income-producing properties and intangible assets	**1,608**	1,303
EBTD	**736**	840
+ Interest on loans and other carrying charges – net of earned interest	**2,961**	2,068
EDIBTA	**3,697**	2,908
Per unit data		
EDBT (basic and diluted)	**2.2¢**	2.6¢
EDIBTA (basic and diluted)	**11.0¢**	8.9¢

Segmented information

The Trust's operations pertain to four categories of real estate, located in Quebec and in Ontario. The following tables present the contribution to revenues, to net operating income, and to amortization of each of these categories of real estate for the quarter ended March 31, 2009 and 2008.

Quarter ended March 31, 2008 (in thousand dollars)	**Office buildings**		**Commercial buildings**		**Industrial buildings**		**Mixed buildings**		**Total**
	$	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Income from income-producing properties	3,041	40.7	1,360	18.2	788	10.5	2,285	30.6	7,474
Net operating income	1,477	35.9	977	23.8	526	12.7	1,137	27.6	4,117
Amortization of income-producing properties and intangible assets	645	40.1	322	20.0	185	11.5	456	28.4	1,608

Quarter ended March 31, 2008 (in thousand dollars)	**Office buildings**		**Commercial buildings**		**Industrial buildings**		**Mixed buildings**		**Total**
	$	**%**	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Income from income-producing properties	2,132	36.6	946	16.3	760	13.1	1,980	34.0	5,818
Net operating income	1,049	32.6	684	21.2	492	15.3	995	30.9	3,220
Amortization of income-producing properties and intangible assets	487	37.4	216	16.6	187	14.4	413	31.6	1,303

Distributable income and distributions

Distributable income does not constitute financial and accounting information as defined by GAAP. It is, however, an information frequently used by income trusts. The definition of distributable income is contained in the contract of trust governing BTB. The Trustees have undertaken that at least 85% of annual distributable income must be distributed to unitholders.

Distributable income corresponds to net income as prescribed by GAAP, excluding amortization of real estate properties, amortization of adjustments to leases which are not at market terms and conditions, unit-based compensation expenses, amortization of deferred rental revenue subsequent to adjusting the leases using the straight-line method, the profits or losses on the disposition of properties and the provision for future income taxes.

Quarter ended March 31 (in thousand dollars, except the ratios and per unit)	2009	2008
Net loss (GAAP)	(835)	(209)
+ Amortization of income-producing properties and intangible assets	1,604	1,302
+ Amortization of adjustment of the leases which are not at market terms and conditions	228	327
+ Unit-based compensation expenses	6	18
+ Future income taxes credits	(107)	(300)
- Deferred rental income accounted for using the straight-line method	(81)	(102)
Distributable income	**815**	1,036
Distributions to unitholders	896	2,290
Per unit data:		
- Distributable income (basic and diluted)	2.4¢	3.2¢
- Distributions	2.7¢	7.0¢
Coverage of distributions to distributable income ratio	91.0%	45.3 %

In the first quarter of 2009, 91.0% of distributions were covered by distributable income.

In February 2009, the Board of Trustees announced the reduction of the amount of distributions, from 16¢ per unit per year to 8¢ per unit per year. By doing so, the Trustees ensured that the distributions are covered by distributable income and that liquidity remains available for improvements to its real estate portfolio and the preservation thereof.

In accordance with "Amended National Policy 41-201", promulgated by Canadian Securities Administrators ("CSA"), the Trust is required to reconcile distributable income (a non-GAAP measure) with cash flows from operating activities as shown in the financial statements.

The following table shows this reconciliation:

Quarter ended March 31 (in thousand dollars)	2009	2008
Cash flows from operating activities (GAAP)	**1,070**	1,230
Amortization of deferred financing costs	(188)	(110)
Amortization of deferred rental costs	(64)	(28)
Amortization of fixed assets	(4)	(1)
Accretion of liability component of convertible debentures	(101)	(65)
Unit-based compensation (as per management agreements)	(136)	(105)
Change in non-cash working capital items	238	115
Distributable income	**815**	**1 036**

Analysis of distributed cash

In accordance with instructions received from the CSA, the Trust also presents the following table:

Quarter ended March 31 (in thousand dollars)		2009	2008
A.	Cash flows from operating activities	**1,070**	1,230
B.	Net loss	**835**	209
C.	Distributions to unitholders	**896**	2,291
D.	Surplus (deficit) of cash flows from operating activities to distributions (A – C)	**174**	(1,061)

BTB is when required temporarily financing its distributions with its available credit facilities.

Due to the significance of non-cash items, as demonstrated in the table showing the reconciliation of net income and distributable income, BTB believes that the comparison of the distributions to the net loss is not indicative of its capacity to pay its distributions.

In addition, since March 2009, distributions have been reduced by 50%, to 8¢ per unit on an annualized basis. This reduction will ensure that cash flows from operating activities in 2009 will be higher than the distributions.

Funds from operations (FFO)

The notion of funds from operations ("FFO") does not constitute financial and accounting information defined by GAAP. It is, however, a measurement that is frequently used by real estate companies and real estate investment trusts. The Real Property Association of Canada (REALpac) defines FFO as net income calculated in accordance with GAAP, excluding the amortization of income-producing property, and of deferred rental costs, gains or losses from the disposition of income-producing properties, and future income taxes. Our calculation method is consistent with the method recommended by REALpac, but may differ from measures used by other real estate investment trusts. Consequently, this method may not be comparable to methods used by other issuers.

FFO constitute a supplementary measurement of operational performance since it disregards the usual assumption that the value of real estate properties decreases over time in a foreseeable manner. Furthermore, it accounts for some elements included in net earnings, as determined by GAAP, which may not be best suited to evaluate a return, as an example, gains or losses from the disposal of income-producing properties.

The following table is a reconciliation between the net loss established under GAAP and the FFO for the quarter ended March 31, 2009 and 2008:

Quarter ended March 31 (in thousand dollars except per unit)	**2009**	2008
Net loss (GAAP)	**(835)**	(209)
+ Amortization of income-producing properties and intangible assets	**1,604**	1,302
+ Amortization of deferred rental costs	**64**	28
+ Future income taxes	**(107)**	(300)
Funds from operations	**726**	821
Per unit data:		
- Funds from operations per unit (basic and diluted)	**2.2**	2.5¢

For the period ended March 31, 2009, the Trust posted positive FFO of $726 partially covering the Trust's distributions, which totalled $896 for the same period and which were 16¢ per unit on an annualized basis for the months of January and February 2009, and 8¢ per unit on an annualized basis for the month of March 2009. The reader will note, as previously mentioned, that the Board of Trustees has reduced the distributions. As of March 2009, the annual distribution is 8¢ per unit.

Adjusted Funds From Operations (AFFO)

The notion of adjusted funds from operations ("AFFO") is widely used by real estate companies and real estate investment trusts. It is an additional measure to assess the Trust's performance and its ability to maintain and increase distributions in the long term. However, AFFO do not have the meaning of a financial or accounting measure prescribed by GAAP. The method of computing may differ from those used by other companies or real estate investment trusts and may not be used for comparison purposes.

BTB defines its AFFO as FFO adjusted to account for adjustments to leases in accordance with the straight-line method (deferred rental revenue), unrecoverable capital expenditures, the amortization of deferred financing costs and other assets, the amortization of leases which are not at market terms and conditions, adjustments with regards to the liability component of convertible debentures, compensation expenses associated with purchase options, and unit-based property management expenses.

Since the first quarter of 2008, the Trust decided to deduct a reserve for unrecoverable capital expenses in order to calculate the AFFO. The Trust allocates significant amounts to the regular maintenance of its properties in an attempt to reduce capital expenses as much as possible. The allocation for unrecoverable capital expenses is calculated on the basis of 1.3% of rental revenues. The management of BTB believes that this reserve adequately represents the unrecoverable and continuous investments that are necessary to the proper maintenance and to the improvement of its properties. The real non recoverable capital expenses disbursements amounted however to only $2 during the first quarter of 2009.

The Trust also deducts a provision for rental fees in the amount of approximately 20¢ per square foot on an annualized basis. Even though the monthly disbursements for rental fees vary significantly from one quarter to another, management estimates that a linear provision of 20¢ per square foot per year adequately represents, in the long term, the average disbursements that the Trust will undertake. The real disbursements in the first quarter of 2009 amounted to $85.

Management also decided to add to its funds from operations the portion of the remuneration paid to two officers of the Trust in order to calculate the AFFO. The remuneration, in accordance with the agreements presented in the following section, was partly paid to these officers in units in order to preserve the Trust's liquidity.

The AFFO for the previous periods were recalculated accordingly.

The following table provides a reconciliation of FFO and AFFO for the periods ended March 31, 2009 and 2008:

Quarter ended March 31 (in thousand dollars except per unit)	**2009**	2008
Funds from operations	**726**	821
- Deferred rental revenue	**(81)**	(102)
+ Amortization of leases not at market terms and conditions	**228**	327
+ Amortization of deferred financing costs	**188**	110
+ Unit-based compensation expenses	**6**	18
+ Accretion of liability component of convertible debentures	**101**	65
+ Amortization of fixed assets	**4**	1
+ Unit-based remuneration under management agreements	**136**	105
- Provisions for non-recoverable capital expenses	**(97)**	(24)
- Reserve for rental fees	**(112)**	-
Adjusted funds from operations	**1,099**	1,321
Per unit data:		
- Adjusted funds from operations per unit (basic and diluted)	**3.3¢**	4.0¢

The decrease in the AFFO in 2009 compared to 2008 is mostly due to the provisions for non recoverable capital expenditures and for rental fees, which amounted to $209 in the first quarter of 2009 compared to $24 for the first quarter of 2008.

RELATED PARTY TRANSACTIONS

Services and Asset Management Agreements

In October 2006, the Trust entered into an exclusive agreement with AMTB Management Inc. ("AMTB"). Messrs. Michel Léonard and Peter Polatos are the two shareholders of AMTB, a corporation which provides the services of Messrs. Léonard and Polatos as officers of the Trust. Both officers are trustees of the Trust and directors of AMTB. Up to March 31, 2008, as compensation for its services, AMTB received an annual fee, payable monthly, equal to 0.225% of the adjusted cost base ("ACB") of BTB's assets and a fee equal to 0.375% of the ACB for each acquisition of the Trust, once BTB's portfolio reached a value of $50 million. These fees were paid entirely by means of Trust units. When BTB's portfolio reached a value of $200 million, the acquisition fees would have been paid 50% in Trust units and 50% cash. In May 2008, the Trust and AMTB amended this agreement. Since April 1, 2008, no acquisition fee is payable for acquisitions approved by the Investment Committee after March 31, 2008. In return, the annual management fees were increased to 0.325% of the ACB on an annualized basis for the remainder of the 2008 financial year and to 0.30% for the 2009 financial year. These fees are payable 80% in Trust units and 20% cash. In February 2009, the Trust and AMTB decided to terminate this agreement. The terms of a new agreement have not yet been finalized but will result in a decrease of the management fees.

The following table provides the fees for the quarter ended March 31, 2009 and 2008:

Quarter ended March 31 (in thousand dollars)	**2009**	2008
Annual fees	**170**	104
Acquisition fees	**--**	69
	170	173

AMTB is also the asset manager of TB Subsidiary Trust pursuant to an asset management agreement (the "Asset Management Agreement") between TB Subsidiary Trust and AMTB. Under this agreement, AMTB's responsibilities include, among other things, identifying and evaluating properties for potential acquisition by TB Subsidiary Trust and its subsidiaries. No fees are payable under this agreement.

INCOME TAXES

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. The Trust is required by its Declaration of Trust to distribute all of its taxable income to its Unitholders, which currently enables the Trust to deduct such distributions for income tax purposes. Accordingly, prior to June 12, 2007, no provision for income taxes was recorded in the consolidated financial statements.

On June 12, 2007, amendments to the Income Tax Act (Canada) were proposed, which modified the tax treatment of certain income trusts and limited partnerships that are specified investment flow-through trusts or partnerships ("SIFTs"). On February 6, 2009, the Minister of Finance of Canada introduced legislation including certain measures previously announced and modifying the tax treatment applicable to SIFTs. Pursuant to these measures, beginning on January 1, 2011, certain distributions from a SIFTs that are related to the earnings arising from a business carried on in Canada by such SIFT will no longer be deductible from its income and will therefore be taxable in the hands of such SIFT at a rate generally similar to the combined provincial and federal tax rates applicable to the earnings of a corporate entity. The allocations or distributions of income and of capital gains subject to the SIFTs rules will be similar to the tax treatment of a taxable dividend from a taxable Canadian corporation in the hands of the beneficiaries or partners of the SIFT.

Certain real estate investment trusts that satisfy certain specified conditions (the “REIT Exception”) are excluded from the SIFT definition and, therefore, will not be subject to the SIFT rules. In order to qualify for the REIT Exception in respect of a taxation year: (i) the REIT must, at no time in that taxation year, hold non-portfolio property other than “qualified REIT properties” (as defined in the Income Tax Act (Canada)); (ii) not less than 95% of the REIT’s revenues for that taxation year must be derived from rent from real or immovable properties, interest, capital gains from dispositions of real or immovable properties, dividends and royalties; (iii) not less than 75% of the REIT’s revenues for that taxation year must be derived from rent from, interest from mortgages or hypothecs on, and capital gains from the disposition of real or immovable properties; and (iv) the REIT must, throughout the taxation year, hold real or immovable properties, cash and certain government guaranteed debt with a total fair market value that is not less than 75% of the REIT’s equity value.

The management believes that, as of March 31, 2009 and for the quarter ended on that date, all the conditions required in order to qualify for the REIT exception were met. Consequently, no future taxes was recorded on the financial statements of March 31, 2009. The future taxes that were recorded in prior quarter have been reversed during the first quarter of 2009.

The management intends to ensure that BTB continues to meet the conditions to qualify to the REIT exception on a continuous basis in the future.

COMPARATIVE SUMMARY OF QUARTERLY RESULTS

BTB was created from a predecessor entity, ABTB. Following an initial public offering, BTB began its operations on October 3, 2006.

BTB's comparative quarterly information reflects this situation, as follows:

(in thousand dollars except per unit)	2009 Q-1	2008 Q-4	2008 Q-3	2008 Q-2	2008 Q-1	2007 Q-4	2007 Q-3	2007 Q-2
Rental revenue	7,474	7,732	7,199	7,156	5,818	4,434	3,453	1,942
Net operating income	4,117	4,155	4,082	3,950	3,220	2,663	2,095	1,251
Operating income (loss) from real estate assets	(516)	(531)	(409)	(255)	(179)	(151)	372	292
Income (loss) before future income taxes and continuing operations	(942)	(1,503)	(783)	(723)	(509)	(920)	142	25
Net income (loss) from discontinued operations	---	---	---	---	---	166	44	54
Net earnings (net loss)	(835)	(1,508)	(783)	(238)	(209)	(1,234)	36	(176)
Basic earnings (loss) per unit	(2.5)¢	(4.5)¢	(2.5)¢	(0.7)¢	(0.6)¢	(3.8)¢	0.1¢	(0.7)¢
Diluted income (loss) per unit	(2.5)¢	(4.5)¢	(2.5)¢	(0.7)¢	(0.6)¢	(3.8)¢	0.1¢	(0.6)¢
Funds from operations (FFO)	726	759	830	734	821	716	831	388
FFO per unit – basic	2.2¢	2.3¢	2.5¢	2.2¢	2.5¢	2.2¢	2.6¢	1.7¢
FFO per unit – diluted	2.2¢	2.3¢	2.5¢	2.2¢	2.5¢	2.2¢	2.5¢	1.6¢
Adjusted Funds From Operations (AFFO)	1,099	1,222	1,427	1,305	1,321	1,361	1,281	605
FFO per unit – basic	3.3¢	3.7¢	4.4¢	4.0¢	4.0¢	4.2¢	4.0¢	2.7¢
FFO per unit – diluted	3.3¢	3.7¢	4.5¢	4.1¢	4.0¢	4.2¢	4.0¢	2.7¢

Note: The presentation of certain elements of the previous quarters has been changed to reflect the presentation used in 2008.

BTB's operations, and its quarterly results, are not significantly subject to seasonal influences, but they are affected by economic events and cycles of a local, national or international nature which may influence the demand for space and the level of interest rates. BTB's leases generally have provisions allowing rent increases to offset the effects of inflation on operating expenses.

CAPITAL RESOURCES

Selected balance sheet information follows:

(in thousand dollars)	March 31, 2009	March 31, 2008
Real estate assets	**232,677**	205,731
Mortgage loans	**146,408**	118,005
Convertible debentures	**22,847**	21,998
Bank loans	**840**	5,925
Cash and cash equivalents	**343**	529
Unitholders' equity	**50,655**	58,208

The changes to the balance sheet as at March 31, 2009 from the balance sheet as at March 31, 2008 stem from the acquisition of 5 properties, from obtaining mortgage financing and bank loans related to these acquisitions.

Long-term debt

The following table presents BTB's debt balances as at March 31, 2009, including mortgages payable and convertible debentures, by year of maturity and weighted average contractual interest rates:

Years of maturity	Balance of convertible debentures (in thousand $)	Balance of mortgage payable (in thousand $)	Weighted average contractual interest rate (%)
2009	---	6,309	5.69
2010	---	3,097	5.61
2011	12,883	13,943	6.80
2012	---	48,471	6.16
2013	13,020	17,998	6.83
2014	---	39,000	5.86
2015	---	5,368	5.56
2016	---	---	---
2017	---	12,973	5.63
Total	**25,903**	**147,159**	**6.23**

As at March 31, 2009, the weighted average contractual interest rate of the long-term debt stood at 6.23%, being 5.88% for mortgages payable and 8.25% for convertible debentures.

Mortgage loans

As at March 31, 2009, the Trust's mortgage loans amounted to $147.2 million compared to $119.0 million as at March 31, 2008, before deferred financing costs and valuation adjustments, an increase of $28.2 million. As at March 31, 2009, the weighted average interest rate of the mortgages was 5.88% compared to 6.08% for the mortgage loans as at March 31, 2008, a decrease of 20 basis points. All mortgage loans bear interest at fixed rates and for a fixed term.

BTB attempts to spread the terms of its mortgages over many years in order to mitigate the risk associated with renewing them.

During the first quarter of 2009, the Trust entered into or assumed mortgage loans totalling $100 carrying interest at an interest rate of 4.91%. No mortgage loan was maturing during the first quarter of 2009. These financing operations are detailed in the following table:

(in thousand dollars)	**$**
Balance as at December 31, 2008	**147,538**
Contracted mortgage loans or assumed	**100**
Balance reimbursed at expiration	**---**
Monthly principal repayments	**(479)**
Balance as at December 31, 2008	**147,159**

Note: Before unamortized financing costs.

The net book value of the mortgaged properties was approximately $218 million as at March 31, 2009. Unamortized loan financing costs totalled $1.0 million and are amortized under the effective interest method for the term of the loans.

The following table, as of March 31, 2009, shows the mortgage loan repayments for upcoming years:

Years ended December 31 (in dollars)					
Expiry		**Yearly Principal repayments**	**Balance at maturity**	**Total**	**Weighted average interest rate on repayments (%)**
2009	(9 months)	1,530	6,155	7,685	5.2
2010		1,923	2,963	4,886	3.3
2011		1,837	12,895	14,732	10.0
2012		2,031	47,281	49,312	33.5
2013		1,717	15,805	17,522	11.9
2014		819	36,523	37,342	25.4
2015		472	4,517	4,989	3.4
2016		416	-	416	0.3
2017		108	10,167	10,275	7.0
Total		**10,053**	**136,306**	**147,159**	**100.0**
Plus: Valuation adjustments on assumed loans				**224**	
Minus: unamortized financing costs				**(975)**	
Balance as of March 31, 2009				**146,408**	

Convertible Debentures

(a) Series A

In October 2006, the Trust issued Series A subordinated unsecured convertible debentures in the amount of $12,883. Interest is at the rate of 8% and is payable semi-annually. The debentures mature in October 2011. Subject to certain terms and conditions, the debentures are convertible at the request of the holder after October 2008 at a conversion price per unit of $2.55 (the "Series A Conversion Price"). As at March 31, 2009, the closing market price for BTB's units was $0.50.

The debentures are redeemable at the discretion of the Trust, subject to certain terms and conditions, after October 2008 and prior to November 2010, at a price equal to the principal amount thereof plus accrued and unpaid interest provided that the current market price of the units is at least 150% of the Series A Conversion Price and after October 2010, at least 125% of the Series A convertible price.

On the date of issue, the debentures were recorded in a $11,381 liability component and a $1,502 equity component of BTB.

(b) Series B

In March 2008, the Trust issued Series B subordinated unsecured convertible debentures in the amount of $13,020. Interest is at the rate of 8.5% and is payable semi-annually. The debentures mature on March 31, 2013. Subject to certain terms and conditions, the debentures are convertible at the option of the holder at any time no later than March 31, 2013. The conversion price per unit of $2.30 (the "Series B Conversion Price"). As at March 31, 2009, the closing market price for BTB's units was $0.50.

The debentures are also redeemable at the discretion of the Trust, subject to certain terms and conditions, on or after March 31, 2011 and prior to March 31, 2012, at a price equal to the principal amount thereof plus accrued and unpaid interest provided that the current market price of the units is at least 150% of the Series B Conversion Price and after March 31, 2012 and prior to March 31, 2013 at least 125% of the Series B convertible price.

On the date of issue, the debentures were recorded in a $12,339 liability component and a $681 equity component of BTB.

Bank loans

BTB has an operation and acquisition credit facility of $1.3 million with a Canadian chartered bank. This credit facility is guaranteed by a collateral mortgage on a property with a net book value of $2 million and bears interest at the bank's prime rate, plus 0.75%. As at March 31, 2009, an amount of $0.8 million was used.

Debt ratio

Under the terms of its contract of trust, the Trust mortgage loan to value ratio cannot exceed 75% of the gross book value of its properties and other assets. When establishing this calculation, the convertible debentures are not considered in the calculation of total indebtedness.

The following table presents the Trust's debt ratios as at March 31, 2009 and December 31, 2008.

(in thousand dollars, except the ratios)	**March 31, 2009**	December 31, 2008
Mortgage loans	**146,408**	146,771
Convertible Debentures	**22,847**	22,621
Bank loans	**840**	400
Total long-term debt	**170,095**	169,792
Gross book value of the Trust	**238,901**	238,003
Total Loan to value ratio	**71.2**	71.3
Loan to value ratio (excluding convertible debentures)	**61.6**	61.8
Additional permitted borrowing capacity	**31,900**	31,300

According to the table above, the loan to value ratio as at March 31, 2009 was 61.6%, compared to 61.8% as of December 31, 2008.

The following table presents the Trust's interest ratios as at March 31, 2009 and December 31, 2008.

(in thousand dollars, except for the ratios)	**March 31, 2009**	March 31, 2008
EBITDA(1)	**3,697**	2,908
Interest on loans	**2,674**	1,893
Interest cover ratio	**1.38**	1.54

(1) EBITDA is the earnings before interest, tax depreciation and amortization.

Unitholders' Equity

Unitholders' equity consists of the following:

(in thousand dollars)	**March 31, 2009**	December 31, 2008
Trust units	**69,989**	69,539
Unit options	**149**	143
Equity component of convertible debentures	**2 183**	2,183
Cumulative loss	**(6,160)**	(4,915)
Cumulative distributions to unitholders	**(15,509)**	(14,610)
	50,655	52,340

Trust Units

The following table summarizes units issued and the weighted number of units for the specified periods:

Quarter ended March 31 (in # of units)	**2009**	2008
Outstanding units, beginning of period	**33,352,391**	32,691,941
Units issued		
- Public/private placement	--	--
- Other issuances	**260,581**	111,316
Units issued upon exercise of options	**--**	17,500
Units outstanding, end of period	**33 612 972**	32,820,757
Weighted average number of units outstanding (basic)	**33,482,040**	32,727,120
Weighted average number of units outstanding (diluted)	**33,482,040**	37,736,999

The potential issuance of units under convertible debentures has an anti-dilutive effect on the calculation of the diluted net earnings per unit. The dilution resulting from the conversion of convertible debenture has not been considered.

Unit Options

The Trust may grant options to its trustees, senior officers, investor relations consultants and technical consultants. The maximum number of units reserved for issuance under the unit option plan may not exceed 10% of the total number of issued and outstanding units. The trustees have and will set the exercise price at the time that an option is granted under the plan, which exercise price shall not be less than the quoted market price of the units, as determined under a related agreement. The options have a maximum term of five years from the date of grant.

Details of unit options granted during the reporting period are as follows:

Period ended March 31	**2009**		**2008**	
	Unit Options	**Weighted Average Exercise Price ($)**	**Unit Options**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of period	**2,785,000**	2.26	2,157,500	2.58
Granted	**---**	---	---	---
Exercised	**---**	---	(17,500)	1.00
Outstanding, end of period	**2,785,000**	**2.26**	2,140,000	2.59
Options vested as at March 31	2,049,000	2.08	480,000	2.10
Weighted average remaining term to expiry (years)		**3.25**		4.00

The purpose of granting unit options is to encourage the holder to acquire an ownership interest that increases over time and provides a financial incentive for the holder to consider the long-term interest of BTB and its unitholders. Options also serve as non-cash compensation, thus preserving the cash resources of BTB during its early years.

Diluted Capital Structure

The maximum number of units that would be outstanding if all convertible debentures were to be converted and all options were to be exercised is as follows:

(in # of units)	March 31, 2009	December 31, 2008
Units outstanding	33,612,972	33,352,391
Unit options	2,785,000	2,785,000
Convertible debentures Series A	5,052,157	5,052,157
Convertible debentures Series B	5,660,870	5,660,870
	47,110,999	46,850,418

The potential issuance of units under convertible debentures has an anti-dilutive effect on the calculation of the diluted net earnings per unit.

PROPERTY PORTFOLIO

The following table presents information about our property portfolio:

(in thousand dollars)	March 31, 2009
Income properties (at cost)	**232,677**
Other assets	**6,229**
Portfolio gross book value	**238,901**
Number of properties	**43**
Leasable area (in thousands of sq. ft.)	**2,269**

Summary by sector of activity

	Number of properties	Leasable area (sq.ft.)	%
Office	15	728,214	32.1
Retail	11	398,588	17.6
Industrial	7	573,116	25.3
Mixed use	10	569,491	25.0
Total	**43**	**2,269,409**	**100.0**

Leasing Activity

The following table contains a summary of the Trust's leases expiring in 2009:

	Office	Retail	Industrial	Mixed-use	Total
Leases expiring in 2009					
Number of tenants	50	4	---	16	70
Leasable area (sq.ft.)	119,550	44,244	---	70,515	234,309
Average net rent/sq.ft. ($)	9.53	11.63	---	13.09	10.46
Renewed leases					
Number of tenants	16	1	---	9	26
Leasable area (sq.ft.)	55,382	6,830	---	38,851	101,063
Average net rent/sq.ft. ($)	10.58	11.00	---	11.75	11.06
% renewal	46%	15%		55%	43,2 %
New leases					
Number of tenants	3	---	---	3	6
Leasable area (sq.ft.)	2,611	---	---	4,882	7,493
Average net rent/sq.ft. ($)	14.90	---	---	15.84	15.51

Our rental activity during the first quarter of 2009 was productive. Of the 70 leases expiring in 2009 and representing more than 234,000 square feet, 26 leases, representing more than 101,000 square feet were renewed to date, with an average increase of 5.7% per square foot.

Negotiations are underway with a majority of the tenants whose leases are expiring over the course of the upcoming months and the Trust is confident that a majority of the leases will be renewed. Furthermore, serious negotiations are also underway with potential prestigious tenants in order to lease premises that will become vacant during the year or to lease premises that are currently vacant. Finally, six new leases were signed recently, at an average rate of $15.51 per square foot.

Occupancy Rate

BTB continuously strives to maximize occupancy rates throughout its portfolio and has successfully maintained with its acquisitions an average occupancy between 90% and 97% since its inception. As at March 31, 2009, the occupancy rate was 90.9%.

The following table presents occupancy rates by sector of activity as at March 31, 2009:

Sector of activity	March 31, 2009	December 31, 2008
Office	93.3%	93.1%
Retail	88.5%	88.5%
Industrial	93.3%	93.1%
Mixed use	88.7%	92.5%
Total portfolio	**91.0%%**	**92.2%**

BTB's occupancy rate decreased by 1.2% during the first quarter of 2009, because a tenant operating in the textile industry and occupying approximately 25,000 square feet, ceased its activities. As this space is considered to be an industrial space in a mixed-use building, the shortfall on a pro-rated basis is less important (0.5%) than the additional vacancy by square foot (1.1%). Negotiations are currently underway for the long term rental of this space.

Lease Maturity

The following table details our lease maturity profile for the next five years:

	2010	2011	2012	2013	2014
Office					
Leasable area (sq.ft.)	78,815	116,393	40,267	132,763	31,535
Lease rate/square foot ($)	$11.46	$10.47	$10.36	$10.03	12.14
% of office portfolio	10.82%	15.98%	5.53%	18.23%	4.33%
Retail					
Leasable area (sq.ft.)	15,341	4,779	4,041	20,965	23,754
Lease rate/square foot ($)	$11.04	$20.63	$18.84	$14.55	19.58
% of retail portfolio	3.85%	1.20%	1.01%	5.26%	5.96%
Industrial					
Leasable area (sq.ft.)	49,120	2,730	95,233	21,279	132,899
Lease rate/square foot ($)	$5.50	$6.00	$9.87	$6.25	4.73
% of industrial portfolio	8.63%	0.48%	16.72%	3.74%	23.34%
Mixed-use					
Leasable area (sq.ft.)	48,060	139,027	57,652	30,894	25,236
Lease rate/square foot ($)	$11.58	$11.19	$13.96	$11.59	16.58
% of mixed-use portfolio	8.39%	24.26%	10.06%	5.39%	4.40%
Portfolio total					
Leasable area (sq.ft.)	191,336	262,929	197,192	205,901	213,424
Lease rate/square foot ($)	$11.17	$11.20	$12.71	$11.04	14.56
% of portfolio	8.43%	11.59%	8.69%	9.07%	9.40%

Top 10 Tenants

As at March 31, 2009, BTB manages 475 leases of an average of approximately 4,400 square feet of space. The three most important tenants are Hydro-Québec, the CSST (an agency of the Government of

Québec) and Cornwall Warehousing, accounting respectively for approximately 6.4%, 4.9% and 4.1% of BTB's revenue, which is generated by several leases with maturity dates that are staggered over time. An important portion of the Trust's revenue is generated by leases entered into with government agencies (federal, provincial and municipal) and public companies, representing 38.5% of total revenues, therefore ensuring stability and quality of cash flows for operating activities of the Trust.

The table below presents the percentage contribution to revenue of the ten largest tenants:

Tenant	% of revenues	Leased space (sq.ft.)
Hydro-Québec	6.4	80,100
C.S.S.T (Government of Québec)	4.9	46,664
Cornwall Warehousing	4.1	294,884
Germain Larivière	3.9	101,194
Société immobilière du Québec	3.6	75,954
C.L.S.C (Government of Québec)	2.5	42,359
Groupe Aro	2.4	48,000
Annie Fruit and « Le Végétarien » stores	2.3	89,308
Canadian Tire	2.3	53,000
Mouvement Desjardins	1.8	33,369

SUMMARY OF CRITICAL ACCOUNTING ESTIMATES

BTB's significant accounting policies are described in Note 2 to the December 31, 2008 unaudited financial statements. Management believes that the accounting policies most affected by estimates and by management's discretionary decisions during the preparation of financial statements are outlined below:

Income property acquisitions

Management is required to allocate the purchase price of income property acquisitions to land, the value of building and leasehold improvements, tenant inducements and intangible assets, such as lease origination costs and the value of client relationships. Management uses estimates and judgment to determine the following:

- The fair value of land as at the acquisition date;
- The value of the replacement cost of buildings and leasehold improvements as of the acquisition date based on prevailing construction costs for buildings of a similar class and age;
- The value of deferred rental costs, including improvements made by in-place lessees according to estimates of prevailing tenant inducements, while accounting for the condition of tenants' premises and the remaining lease term;
- The value of lease origination costs, including leasing commissions, foregone rent and operating expenses recovered during an estimated lease-up period, based on estimates of the costs that would be required for the existing leases to be put in place under the same terms and conditions;
- The value ascribed to above and below-market rents based on the present value of the difference between the rents payable under the terms of the in-place leases and estimated market rents;
- The value of client relationships, based on the net costs averted if the tenants renew their leases at the end of the existing term, adjusted for the estimated probability that the tenants will renew; and
- The fair value of debt assumed on acquisition by reference to market interest rates.

Such estimates of fair values and market interest rates could vary and affect reported financial results.

Amortization of income properties

Buildings and leasehold improvements are amortized on a straight-line basis over their estimated useful lives, not to exceed 40 years. A significant portion of the acquisition cost of each property is allocated to the building. The allocation of the acquisition cost to the building and the determination of the useful life are based on management's estimates. If the allocation to the building is inappropriate or the estimated useful life of the building proves incorrect, the calculated amortization will not be appropriately reflected over future periods.

Impairment of income properties

Under Canadian GAAP, management is required to write down to fair value long-lived assets that are determined to have been impaired. If events or circumstances indicate that the carrying value of an income property may be impaired, a recoverability analysis is performed based on the estimated undiscounted cash flows to be generated from the income property. If the analysis indicates that the carrying value is not recoverable from future cash flows, the income property is written down to its estimated fair value and an impairment loss is recognized.

Fair value of debentures payable

Management determines the fair value of BTB's debentures, interest on which is payable on a semi-annual basis. To do this, management uses internally developed models that are based on current market conditions. The process involves discounting future contractual payments associated with mortgage loans or debentures using current market rates. Market rates are determined by adding a credit spread to the published rates of Canadian government bonds with similar maturity dates to BTB's mortgages and debentures. The credit spread is estimated based upon experience in obtaining similar financing, and is also affected by current market conditions.

Unit option plan

The Trust has a unit option plan for senior officers, employees, and trustees. The fair market value method is applied to all compensation based on units. Compensation costs associated with remuneration based on granted units are recorded during the vesting period. The fair market value of the unit options granted is estimated at the grant date by applying the Black-Scholes option pricing model. When unit options are exercised, the consideration received and the charges incurred on unit options are credited to the Trust units. Option grants carried out under private placements or initial public offerings of units, are recorded as unit issuance costs.

NEW ACCOUNTING POLICIES

Future adoption

The CICA's Accounting Standards Board ("AcSB") has announced its decision to require that all publicly accountable enterprises be required to prepare their financial statements in accordance with International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011. On that date, IFRS will replace the current Canadian Generally Accepted Accounting Principles ("GAAP"), which will have a significant impact on the financial reporting of publicly accountable enterprises. The Trust began the preparation of a diagnostic allowing for the identification of the differences between Canadian GAAP and the IFRS as well as the impact of the IFRS on the financial systems and processes. The Trust is not however in a position to evaluate with precision the impact of the adoption of the IFRS on the consolidated financial statements of the Trust. Furthermore, the IFRS that will come into effect in January 2011 may substantially differ from the current IFRS.

CONTROLS AND PROCEDURES

Our disclosure controls and procedures (DC&P) are designed to provide reasonable assurance that information required to be disclosed in reports is recorded, processed, summarized, and reported within the time periods specified under Canadian securities laws. The information is gathered and communicated to management to allow timely decisions regarding required disclosure.

Management is responsible for establishing and maintaining adequate internal control over financial reporting (ICFR) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

A control system, no matter how well designed and operated, has inherent limitations and can only provide reasonable, not absolute, assurance that its objectives are met. Owing to inherent limitations in all control systems, it is impossible to provide absolute assurance that all situations needing to be subject to a control have been detected. These inherent limitations include (i) management assumptions and judgments that may later prove incorrect under other conditions or circumstances or (ii) the impact of isolated errors.

Management evaluated the effectiveness of the DC&P and the Trust's ICFR as March 31, 2009, pursuant to the requirements of Multilateral Instrument 52-109. At the beginning of the fiscal year ended December 31, 2008, management implemented an integrated information system and continued during the year to implement controls and procedures and will continue to improve the quality and reliability of its financial reporting.

RISKS AND UNCERTAINTIES

BTB and its properties are subject to the normal risks inherent in owning and managing real estate. Income properties are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises, and various other factors. The main types of risks to which BTB is subjected in the course of its activities as well as the measures implemented in order to minimise their impact are as follows:

General Business and Economic Conditions

Financial markets, interest rates, consumer spending, business investment, government spending, the level of capital market activity and volatility, and inflation impact the business and economic environments in which BTB operates and, ultimately, the level of business activity it conducts, the revenues it generates, and the cost and availability of its equity and debt.

Execution of BTB's Stragegy

BTB's ability to achieve its objectives and implement its strategy impacts its financial performance. If the Trust does not meet or elect to change its strategic objectives, BTB's financial results could be adversely affected.

Acquisitions

Although BTB regularly explores opportunities for strategic acquisitions of real estate properties, there can be no assurance that BTB will be able to complete acquisitions on terms and conditions that meet its investment criteria. There can also be no assurance that BTB will achieve its financial or strategic objectives or that it will realize anticipated cost savings following acquisitions. The performance is contingent on the ability to retain clients and key employees of acquired properties, and there can be no assurance that BTB will always succeed in doing so.

Operation risks

All immovable property investments are subject to risk exposures. Such investments are affected by general economic conditions, local real estate markets, demand for leased premises, competition from other vacant premises and various other factors.

The value of immovable property and improvements thereto may also depend on the solvency and financial stability of the tenants and the economic environment in which they operate. The Trust's operating revenues and distributable income would be adversely affected if one or more major tenants or a significant number of tenants were unable to meet their lease obligations or if a significant portion of vacant space in our properties could not be leased under economically favourable lease terms.

However, this risk is controlled by the diversification of BTB's portfolio, which allows the Trust to maintain foreseeable cash flows. This risk is also mitigated by the fact that tenants occupy an average leasable area of about 4,400 square feet, and that there are 475 different tenants.

As a more and more fully integrated real estate investment trust, BTB can exercise tighter preventive control over its operations while developing a relationship of trust with its tenants and improving its operational and financial performance.

Debt and Refinancing

The Trust is exposed to debt financing risks, including the risk that existing mortgages payable secured by its properties cannot be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing mortgages. The Trust's profitability may be impacted by tight and unfavourable credit markets and interest rate changes, as interest on borrowings represents a significant cost in real estate property ownership. BTB seeks to reduce interest rate risks by spreading out the maturities of its long-term debt and limiting the use of floating rate debt as much as possible.

Unitholder Liability

The Contract of Trust states that any written document identifying an immovable hypothec or, in the opinion of the trustees, a material obligation, must contain terms limiting liability to BTB's assets exclusively, and specify that no recourse may be taken against unitholders.

Competition

The Trust competes for suitable immovable property investments with third parties seeking immovable property investments similar to those of interest to the Trust. An increase in the availability of investment funds and heightened interest in immovable property investments could increase competition for immovable property investments, thereby increasing purchase prices and reducing their yield. in addition, numerous property developers, managers and owners compete with the Trust in seeking tenants. The existence of competing developers, managers and owners and competition for the Trust's tenants could have an adverse effect on the Trust's ability to lease space in its properties and on the rents charged, and could adversely affect the Trust's revenues.

Government Regulation

BTB and its properties are subject to various government statutes and regulations. Any change in such statutes or regulations adverse to the Trust and its properties could affect the Trust's financial results. By their very nature, BTB's assets and business are not exposed to high environmental risk. In accordance with the operating principles stipulated in its Contract of Trust, BTB conducts an environmental audit before acquiring any new properties. In its leases, BTB requires that tenants conduct their business in compliance with environmental legislation, and that they be held liable for any damages resulting from their use of the leased premises.

Income Taxes

BTB currently qualifies as a mutual fund trust for income tax purposes. BTB is required by its Contract of Trust to annually distribute all of its taxable income to unitholders and thus is generally not subject to tax on such income. In order to maintain its current mutual fund status, BTB is required to comply with specific restrictions regarding its activities and its investments. If BTB were to cease to qualify as a mutual fund trust, the consequences could be material and adverse.

New Tax System

In connection with its Tax Fairness Plan, the federal Department of Finance introduced legislation to implement new tax measures to levy a tax on distributions of specified investment flow-through ("SIFT") trusts to bring taxation of these entities closer into line with that of corporations. Bill C-52 implementing these measures received Royal Assent on June 22, 2007.

In short, a SIFT trust is a trust that resides in Canada, its investments are listed or traded on a stock exchange or other public market and it holds one or more non-portfolio properties.

REIT Exception

The new tax system does not apply to SIFT trusts that qualify as real estate investment trusts ("REIT") for a given taxation year. Generally, to qualify as a REIT, a trust must be resident in Canada and meet the following conditions: [i] the only "non-portfolio properties" it owns during the year are "qualified REIT properties", [ii] at least 95% of its income for the taxation year is from one or more of the following sources: “rent from real or immovable properties"; interest; capital gains from the disposition of real or immovable properties; dividends and royalties, [iii] at least 75% of its income for the taxation year is from one or more of the following sources: "rent from real or immovable properties" to the extent that it is from such properties located In Canada; interest from mortgages on real or immovable properties located in Canada and capital gains from dispositions of real or immovable properties located in Canada; and [iv] no time in the taxation year is the total fair market value of all properties held by the trust, each of which is a real or immovable property located in Canada, an amount, or generally, a debt payable to the Government of Canada or to certain other public agencies, less than 75% of the equity value of the trust at that time.

On December 20, 2007, the Minister announced proposed technical amendments to further clarify the tax rules that apply to SIFTs. As at December 31, 2008, BTB met all of these conditions. As a result, the new SIFT trust tax rules would not apply to BTB. BTB's management intends to take the necessary steps to meet these conditions on a regular basis in the future.

Recruitment of Employees and Executives

Competition for qualified employees and executives is intense. If BTB is unable to attract and retain qualified employees and executives, its results of operations and financial condition, including the competitive position, may be materially adversely affected.

Capital Requirements

BTB accesses the capital markets from time to time through the issuance of debt, equity or equity-related securities. If BTB were unable to raise additional funds, then acquisition or development activities may be curtailed and property-specific financing renegotiated.

Other Risk Factors

For a more detailed list of the risk factors, please refer to the 2009 Annual Information Form of the Trust dated April 22, 2009 available on www.sedar.com.