Condensed consolidated interim financial statements of

(unaudited)

BTB

BTB Real Estate Investment Trust

Three-month periods ended March 31, 2012 and 2011

BTB REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Financial Statements
(unaudited)

Three-month periods ended March 31, 2012 and 2011

Condensed Consolidated Interim Financial Statements

BTB REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Financial Position
(unaudited)

(in thousands of CAD dollars)

	Notes	As at March 31, 2012	As at December 31, 2011
ASSETS			
Non-current assets			
Investment properties	3, 4, 5	349,458	343,383
Investment properties under development	6	---	3,933
Property and equipment	7	2,080	2,087
Restricted cash	5	1,275	---
		352,813	**349,403**
Current assets			
Receivables	8	2,685	2,568
Other assets	9	5,857	3,520
Cash and cash equivalents	10	19,205	3,447
		27,747	**9,535**
		380,560	**358,938**
LIABILITIES AND UNITHOLDERS' EQUITY			
Non-current liabilities			
Mortgage loans payable	11	214,473	212,145
Convertible debentures	12	53,277	52,938
Derivative financial instruments	12	4,786	6,256
Unit-based compensation and warrants	13	90	363
		272,626	**271,702**
Current liabilities			
Trade and other payables		9,891	10,100
Distributions payable to unitholders		639	496
		10,530	**10,596**
		283,156	**282,298**
Unitholders' equity	14	**97,404**	**76,640**
		380,560	**358,938**

See accompanying notes to condensed consolidated interim financial statements.

Approved by the Board on May 10th, 2012:

(s) Michel Léonard ______________________, Trustee

(s) Jocelyn Proteau ______________________, Trustee

BTB REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Comprehensive Income
(unaudited)

(in thousands of CAD dollars)

	Notes	Three-month periods ended March 31,	
		2012	2011
Operating revenues:			
Rental revenues from properties	15	10,999	9,746
Operating expenses:			
Property taxes and public utilities		3,415	2,951
Other operating costs		1,863	1,736
		5,278	4,687
Net operating income		**5,721**	**5,059**
Financial income		(16)	(15)
Finance costs	16	2,980	5,531
Trust administration expenses		731	579
Net adjustment to fair value of investment properties		(1,946)	---
Net income (loss) being total comprehensive income (loss) for the period		**3,972**	**(1,036)**

See accompanying notes to condensed consolidated interim financial statements.

BTB REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
(unaudited)

Three-month periods ended March 31, 2012 and 2011
(in thousands of CAD dollars)

	Notes	Unitholders' contributions	Cumulative comprehensive income (loss)	Cumulative distributions	TOTAL
Balance at January 1st, 2012		**99,503**	**(15,636)**	**(7,227)**	**76,640**
Issuance of units	14	18,551	---	---	18,551
Distributions to unitholders		---	---	(1,759)	(1,759)
Comprehensive income		---	3,972	---	3,972
Balance as at March 31, 2012		**118,054**	**(11,664)**	**(8,986)**	**97,404**

	Unitholders' contributions	Cumulative comprehensive income (loss)	Cumulative distributions	TOTAL
Balance at January 1st, 2011	**80,679**	**(23,086)**	**(1,596)**	**55,997**
Issuance of units	16,478	---	---	16,478
Distributions to unitholders	---	---	(1,179)	(1,179)
Comprehensive loss	---	(1,036)	---	(1,036)
Balance at March 31, 2011	**97,157**	**(24,122)**	**(2,775)**	**70,260**

See accompanying notes to condensed consolidated interim financial statements.

BTB REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

(in thousands of CAD dollars)

	Notes	Three-month periods ended March 31, 2012	2011
Operating activities			
Net income (loss) for the period		**3,972**	**(1,036)**
Adjustment for :			
Net adjustment to fair value of investment properties		(1,946)	---
Depreciation of property and equipment	7	19	20
Finance costs	16	2,980	5,531
Unit-based compensation		(8)	---
Straight-line lease adjustment	15	(161)	(155)
Lease incentive amortization	15	254	172
		5,110	4,532
Net change in non-cash working capital items		(2,103)	(3,658)
Net cash from operating activities		**3,007**	**874**
Investing activities			
Additions to property and equipment	7	(12)	(43)
Additions to investment properties	3	(1,172)	(799)
Net proceeds from disposal of investment properties	5	1,266	---
Additions to investment properties under development	6	(383)	(180)
Net cash used in investing activities		**(301)**	**(1,022)**
Financing activities			
Net proceeds from issue of units	14	18,140	16,478
Net proceeds from issue of convertible debentures	12	---	21,385
Mortgage loans, net of financing costs		3,541	7,767
Repayment of mortgage loans		(1,266)	(7,694)
Repayment of bank loans		---	(22,850)
Net distributions to unitholders		(1,513)	(1,048)
Interest paid		(4,575)	(3,522)
Net cash from financing activities		**14,327**	**10,516**
Net increase in cash and cash equivalents		**17,033**	**10,368**
Cash and cash equivalents, beginning period		**3,447**	**1,875**
Restricted cash, end of period		**1,900**	**---**
Cash and cash equivalents, end of period	10	**18,580**	**12,243**

Cash and cash equivalents were as follows:

Cash	18,580	12,142
Term deposits	---	101
	18,580	**12,243**

See accompanying notes to condensed consolidated interim financial statements.

1. Reporting Entity:

BTB Real Estate Investment Trust (the "Trust" or "BTB") is an unincorporated open-ended real estate investment trust formed and governed under the Civil code of Quebec pursuant to a trust agreement and is domiciled in Canada. The address of the Trust's registered office is 2155, Crescent street, Montreal (Quebec), Canada. The condensed consolidated interim financial statements of the Trust for the three-month periods ended March 31, 2012 and 2011 comprise the Trust and its wholly owned subsidiaries (together referred to as the "Trust") and the Trust's interests in jointly controlled entities and jointly controlled assets.

2. Basis of Preparation:

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements, and should be read in conjunction with the Trust's consolidated financial statements for the year ended December 31, 2011.

The accounting policies applied by the Trust in these unaudited condensed consolidated interim financial statements are the same as those applied by the Trust in its consolidated financial statements for the year ended December 31, 2011.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on May 10th, 2012.

2. Basis of Preparation (continued):

(b) Basis of measurement

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Investment properties are measured at fair value;
- Derivative financial instruments and warrants are measured at fair value; and
- Unit-based compensation is measured using a fair value-based method of accounting

(c) Functional and presentation currency

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Trust's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except per unit amounts.

(d) Use of estimates and judgments

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements are as follows:

(i) Judgments

The key judgments made in applying accounting policies that have the most significant effect on the amounts recognized in these condensed consolidated interim financial statements are as follows:

2. Basis of Preparation (continued):

(d) Use of estimates and judgments (continued)

(i) Judgments (continued)

Business combinations

The Trust acquires subsidiaries that own real estate. At the time of acquisition, the Trust considers whether the acquisition represents the acquisition of a business, i.e., where an integrated set of activities is acquired in addition to the investment property. More specifically, the following criteria are considered:

- The number of investment properties owned by the acquiree
- The extent to which significant processes are acquired and in particular the extent of ancillary services provided by the acquiree
- Whether the acquiree has allocated its own staff to manage the investment property and/or to deploy any processes (including all relevant administration such as invoicing, cash collection, provision of management information to the entity's owners and tenant information)

An acquisition of a business is accounted for as a business combination under IFRS 3 *Business Combinations*.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values.

Operating lease contracts – Trust as lessor

The Trust enters into commercial property leases on its investment properties. The Trust has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and therefore accounts for the leases as operating leases.

2. Basis of Preparation (continued):

(d) Use of estimates and judgments (continued)

(ii) Use of estimates

The key estimates made in applying accounting policies that have the most significant effect on the amounts recognized in these condensed consolidated interim financial statements are as follows:

Valuation of property

Investment properties and investment properties under development are stated at fair value at each reporting date. Gains or losses arising from changes in the fair values are included in profit or loss in the period in which they arise. Fair value is determined by management using internally generated valuation models and by independent real estate valuation experts using recognized valuation techniques. These techniques comprise both the Discounted Cash Flow Method and the Direct Capitalization method. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of the Trust's investment properties.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (including lease income and cost, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those cash flows. In addition, development risks (such as construction and leasing risks) are also taken into consideration when determining the fair value of investment properties under construction. These estimates are based on local market conditions existing at the reporting date.

The significant methods and assumptions used by management and the valuators in estimating the fair value of investment properties are set out below:

2. Basis of Preparation (continued):

(d) Use of estimates and judgments (continued)

(ii) Use of estimates (continued)

Techniques used for valuing investment properties

The Direct Capitalization method converts anticipated future cash flow benefits in the form of rental income into present value. This approach requires estimation of future cash inflows and application of investor yield or return requirements.

The Discounted Cash Flow method involves the projection of a series of periodic cash flows either to an operating investment property or a development investment property. To this projected cash flow series, an appropriate, market-derived discount rate is applied to establish an indication of the present value of the income stream associated with the investment property. The calculated periodic cash flow is typically estimated as gross income less vacancy and collection losses and less operating expenses/outgoings. A series of periodic net operating incomes, along with an estimate of the reversion/terminal/exit value anticipated at the end of the projection period, are discounted to present value. The aggregate of the net present values equals the fair value of the investment property.

The Comparable method involves the comparison of the Trust's investment properties to similar investment properties that have transacted in a recent time frame from which a fair value is estimated based on the price per square foot of these comparable sales.

Derivative financial instruments

Derivative instruments, including embedded derivatives, are recorded on the consolidated statement of financial position at fair value. Subsequent to initial recognition, these derivatives are measured at fair value. The fair value of derivative instruments is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument. Changes in estimated fair value at each reporting date are included in the profit and loss. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

2. Basis of Preparation (continued):

(d) Use of estimates and judgments (continued)

(ii) Use of estimates (continued)

Unit options

The Trust has a unit option plan for the benefit of management. The plan does not provide for cash settlement. The Trust recognizes compensation expense on unit options granted, based on their fair value, which is calculated using the Black-Scholes model. The compensation expense is amortized using the graded vesting method. The valuation model requires management to make estimates on various data, such as the expected life, volatility, the average dividend yield of distributions and the average risk-free interest rate.

(in thousands of CAD dollars, except per unit amounts)

3. Investment Properties

	Three-month period ended March 31, 2012	Year ended December 31, 2011
Balance beginning of period	343,383	283,095
Acquisition of investment properties (note 4)	---	47,765
Disposition of investment property (note 5)	(1,266)	---
Capital expenditures	181	2,084
Government grant	---	(135)
Capitalized leasing fees	232	510
Capitalized lease incentives	759	1,782
Lease incentives amortization	(254)	(864)
Straight-line lease adjustment	161	498
Net transfer from investment properties under development	4,316	---
Net adjustment to fair value of investment properties	1,946	8,648
Balance end of the period	**349,458**	**343,383**

The fair value is determined annually on the basis of valuations made by independent external appraisers having appropriate professional qualifications, using recognized valuation techniques, comprising both the Discounted Cash Flow and the Direct Capitalization methods for a subset of the Trust investment properties comprised of the ten most significant investment properties and approximately 1/3 of the remaining investment properties. The selection of investment properties subject to external valuation is determined by management based on its assessment of circumstances that in its view, may impact the value of particular individual investment property. The fair value of the remaining investment properties is determined by management using internally generated valuation models.

(a) External Valuations

At March 31, 2012, Investment properties with a carrying value of $216,940 are based on external appraisals obtained at December 31, 2011 which have not, in management's opinion, changed during the period.

(b) Internal Valuations

At March 31, 2012 management's valuation models were used for investment properties with an aggregate fair value of $132,518 (December 31, 2011 - $126,443).

(in thousands of CAD dollars, except per unit amounts)

3. INVESTMENT PROPERTIES (CONTINUED)

In its determination of fair value, management receives capitalization rate data from external knowledgeable property valuators.

The capitalization rate data provide a range of rates for various geographic regions and for various types and qualities of properties within each region. The Trust utilizes capitalization rates within ranges provided by external valuators. To the extent that the externally provided capitalization rate ranges change from one reporting year to the next; or should another rate within the provided ranges be more appropriate than the rate previously used, the fair value of the investment properties would increase or decrease accordingly.

The following table highlights the significant assumptions used in the modeling process for both internal and external appraisals:

	Commercial	Office	Industrial	General purpose
As at March 31, 2012				
Capitalization rate	7.25% - 10.25%	6.75% - 9.75%	7.00% - 10.25%	7.50% - 9.00%
Terminal capitalization rate	7.75% - 10.50%	6.75% - 9.50%	7.75% - 10.50%	7.75% - 9.25%
Discount rate	7.50% - 10.25%	7.75% - 9.25%	8.00% - 11.25%	8.00% - 9.75%

	Commercial	Office	Industrial	General purpose
As at December 31, 2011				
Capitalization rate	7.25% - 10.25%	6.75% - 9.75%	7.50% - 10.25%	7.50% - 9.00%
Terminal capitalization rate	7.75% - 10.50%	6.75% - 9.50%	7.75% - 10.50%	7.75% - 9.25%
Discount rate	7.50% - 10.25%	7.75% - 9.25%	8.00% - 11.25%	8.00% - 9.75%

(in thousands of CAD dollars, except per unit amounts)

4. Acquisitions

In December 2011, the Trust acquired an industrial building located in the city of Dorval for a purchase price of $5,500, including $2,689 through the assumption of a mortgage loan, $7 through the assumption of trade and other payables and $2,804 in cash.

In December 2011, the Trust acquired an industrial building located in Ville Mont-Royal for a purchase price of $7,550 in cash.

In October 2011, the Trust acquired two industrial buildings located in the city of Terrebonne for a purchase price of $12,225, $226 through the assumption of trade and other payables and $11,999 in cash.

In August 2011, the Trust acquired a 50% interest in a commercial building located in the city of Terrebonne for a purchase price of $2,190, $1,167 through the assumption of a mortgage loan and $1,023 in cash.

In April 2011, the Trust acquired the remaining 50% interest in a commercial building located in Québec City for a purchase price of $19,350, $12,424 through the assumption of a mortgage loan and $6,926 in cash.

In addition, transaction costs of $950 were incurred for these acquisitions.

The relative fair value of the assets and liabilities recognized in the consolidated statement of financial position on the date of the acquisition during 2011 were as follow:

	Fair value recognized on acquisition
Investment properties, including transaction costs	47,765
Mortgage loans payable	(16,280)
Trade and other payables, including transaction costs	(1,183)
Total cash consideration paid	**30,302**

5. Dispositions

In March 2012, the Trust disposed a commercial building located in the city of Montreal for net proceeds of $1,266. The gross proceeds of $1,275 have been given in guarantee of the existing mortgage loan on the building.

(in thousands of CAD dollars, except per unit amounts)

6. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Three-month period ended March 31, 2012	Year ended December 31, 2011
Balance beginning of period	3,933	592
Capital expenditures	383	3,341
Net transfer to investment properties	(4,316)	---
Balance end of period	**---**	**3,933**

In January 2012, the Trust has completed the development of lands adjacent to an existing investment property located in Québec City. The Trust has a 25 percent interest in this jointly controlled asset.

7. PROPERTY AND EQUIPMENT

	Owner-occupied land	Owner-occupied building	Equipment, furniture and fixtures	Total
Cost				
Balance at December 31, 2010	494	1,656	184	**2,334**
Additions	---	59	57	**116**
Disposals	---	---	(112)	**(112)**
Balance at December 31, 2011	494	1,715	129	**2,338**
Additions	---	---	12	**12**
Balance at March 31, 2012	494	1,715	141	**2,350**

(in thousands of CAD dollars, except per unit amounts)

7. Property and equipment (continued)

	Owner-occupied land	Owner-occupied building	Equipment, furniture and fixtures	Total
Depreciation				
Balance at December 31, 2010	---	132	80	**212**
Depreciation for the period	---	55	34	**89**
Disposals	---	---	(50)	**(50)**
Balance at December 31, 2011	---	187	64	**251**
Depreciation for the period	---	14	5	**19**
Balance at March 31, 2012	---	201	69	**270**

	Owner-occupied land	Owner-occupied building	Equipment, furniture and fixtures	Total
Net book value				
At December 31, 2011	494	1,528	65	**2,087**
At March 31, 2012	494	1,514	72	**2,080**

8. Receivables

	March 31, 2012	December 31, 2011
Rents receivable	2,871	2,715
Provision for doubtful accounts	(187)	(152)
Net receivables	2,684	2,563
Other	1	5
Total	**2,685**	**2,568**

9. Other Assets

	March 31, 2012	December 31, 2011
Prepaid expenses	4,641	3,173
Deposits	1,216	347
	5,857	**3,520**

(in thousands of CAD dollars, except per unit amounts)

10. Cash and cash equivalents

Cash and cash equivalents includes restricted cash of $625 as at March 31, 2012 (December 31, 2011 – $Nil). The amount was given in guarantee of a mortgage loan and will become unrestricted as of June 2012.

11. Mortgage Loans Payable

Mortgage loans payable are secured by immovable hypothecs on investment properties having a fair value of approximately $346,722 as at March 31, 2012 (December 31, 2011 – $337,183).

	March 31, 2012	**December 31, 2011**
Fixed rate mortgage loans payable	209,238	209,848
Floating rate mortgage loans payable	6,047	3,150
Unamortized financing costs	(812)	(853)
Mortgage loans payable	214,473	212,145
Weighted average interest rate	**5.24%**	**5.27%**
Weighted average term to maturity	**2.55**	**2.74**
Annual rates ranging	**3.50% - 8.50%**	**3.50% - 8.50%**

As at March 31, 2012, mortgage loan scheduled repayments are as follows:

	Scheduled Repayments	**Principal maturity**	**Total**
2012*	3,818	54,390	58,208
2013	4,526	26,512	31,038
2014	3,419	39,996	43,415
2015	2,871	12,854	15,725
2016	2,407	51,010	53,417
Thereafter	201	13,281	13,482
	17,242	**198,043**	**215,285**
Unamortized financing costs			(812)
			214,473

*For the nine-month period remaining.

(in thousands of CAD dollars, except per unit amounts)

12. CONVERTIBLE DEBENTURES

The accretion of the non-derivative liability component of the subordinated convertible debentures, which increases as of the initial allocation on the issuance date to the final amount repayable, is recorded under finance costs. The conversion option liability component is measured at fair value.

March 31, 2012	**Series B**	**Series C**	**Series D**	**TOTAL**
Non-derivative liability component upon issuance	12,339	21,592	21,346	55,277
Accretion of liability component	517	286	128	931
	12,856	21,878	21,474	56,208
Unamortized financing costs	(259)	(1,299)	(1,373)	(2,931)
Non-derivative liability component	**12,597**	**20,579**	**20,101**	**53,277**
Conversion option liability component	**---**	**2,976**	**1,810**	**4,786**

December 31, 2011	**Series B**	**Series C**	**Series D**	**TOTAL**
Non-derivative liability component upon issuance	12,339	21,592	21,346	55,277
Accretion of liability component	479	225	83	787
	12,818	21,817	21,429	56,064
Unamortized financing costs	(324)	(1,368)	(1,434)	(3,126)
Non-derivative liability component	**12,494**	**20,449**	**19,995**	**52,938**
Conversion option liability component	**---**	**3,307**	**2,949**	**6,256**

12. CONVERTIBLE DEBENTURES (CONTINUED)

Series B

In March 2008, the Trust issued Series B subordinated convertible, redeemable, unsecured debentures, bearing 8.5% interest payable semi-annually and maturing in March 2013, in the amount of $13,020. The debentures are convertible at the holder's option at any time before March 2013, at a conversion price of $2.30 per unit ("Series B Conversion Price").

As of March 31, 2011, but before March 31, 2012, under certain conditions, the debentures may be redeemed by the Trust at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the average weighted price based on the volume of units traded on the TSX Venture Exchange during a period of 20 consecutive trading days ending on the fifth trading day prior to the date on which an advance notice of redemption is given (the "current market price") is at least 150% of the conversion price. As of March 31, 2012, but before March 31, 2013, under certain conditions, the debentures may be redeemed by the Trust, in whole or in part at any time and for a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the current market price on the day prior to the date on which the notice of redemption is given is at least 125% of the conversion price.

At the Trust's option, Series B debentures may be redeemed in Trust units at maturity or redemption.

Series C

In January 2011, the Trust issued Series C subordinated convertible, redeemable, unsecured debentures bearing 8% interest payable semi-annually and maturing in January 2016, in the amount of $23,000. The debentures are convertible at the holder's option at any time before January 2016, at a conversion price of $1.00 per unit ("Series C Conversion Price").

Debentures are not redeemable before January 31, 2014, except in the case of a change in control. As of January 31, 2014, but before January 31, 2015, under certain conditions, the debentures will be redeemable by the Trust at a redemption price equal to their principal amount plus accrued, unpaid interest, provided that the average weighted price based on the volume of units traded on the TSX Venture Exchange during a period of 20 consecutive trading days ending on the fifth trading day prior to the date on which an advanced notice of redemption is given (the "current market price") is at least 125% of the conversion price. As of January 31, 2015, but before January 31, 2016, under certain conditions, the debentures will be redeemed by the Trust, in whole or in part at any time and for a redemption price equal to the principal amount thereof plus accrued and unpaid interest. The Trust may, under certain conditions, elect to satisfy its obligation to pay the principal amount of the debentures that are to be redeemed or that have matured by issuing a number of units obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.

12. Convertible Debentures (continued)

Series D

In July 2011, the Trust issued Series D subordinated convertible, redeemable, unsecured debentures bearing 7.25% interest payable semi-annually and maturing in July 2018, in the amount of $23,000. The debentures are convertible at the holder's option at any time before July 2018, at a conversion price of $1.22 per unit ("Series D Conversion Price").

Debentures are not redeemable before July 31, 2014, except in the case of a change in control. As of July 31, 2014, but before July 31, 2016, under certain conditions, the debentures will be redeemable by the Trust at a redemption price equal to their principal amount plus accrued, unpaid interest, provided that the average weighted price based on the volume of units traded on the TSX Venture Exchange during a period of 20 consecutive trading days ending on the fifth trading day prior to the date on which an advanced notice of redemption is given (the "current market price") is at least 125% of the conversion price. As of July 31, 2016, but before July 31, 2018, under certain conditions, the debentures will be redeemed by the Trust, in whole or in part at any time and for a redemption price equal to the principal amount thereof plus accrued and unpaid interest. The Trust may, under certain conditions, elect to satisfy its obligation to pay the principal amount of the debentures that are to be redeemed or that have matured by issuing a number of units obtained by dividing the principal amount of the debentures by 95% of the current market price on the date of redemption or maturity.

13. Unit-Based Compensation And Warrants

(a) Unit-based compensation

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 is limited to 10% of the total number of issued and outstanding units. The trustees set the exercise price at the time that the units are granted under the plan; the exercise price may not be less than the discounted market price of the units as determined under the policies of the TSX Venture Exchange on the date of grant. The options have a minimum term of five years as of the grant date and vest over a period of up to 18 months.

(in thousands of CAD dollars, except per unit amounts)

13. UNIT-BASED COMPENSATION AND WARRANTS (CONTINUED)

The following table presents relevant information on changes in the balances during the period:

	March 31, 2012		March 31, 2011	
	Units options	**Weighted average exercise price**	**Units options**	**Weighted average exercise price**
Outstanding, beginning of year	2,755,000	$ 2.04	2,785,000	$ 2.26
Forfeited/Cancelled	---	---	(20,000)	$ 1.00
Outstanding, end of year	**2,755,000**	**$ 2.04**	**2,765,000**	**$ 2.27**
Options vested	**2,730,000**	**$ 2.05**	**2,715,000**	**$ 2.26**
Weighted average remaining life (years)		**1.08**		**1.25**

(b) Warrants

In March 2012, all the 2,500,000 outstanding warrants has been exercised at a price of $0.7644 per unit, for proceeds of $1,911.

The warrants had a fair value of $307 before being exercised (December 31, 2011 – $265). The related expenses recorded in profit and loss amount to $43 for the three-month period ending at March 31, 2012 (for the three-month period ending March 31, 2011 - $203).

(in thousands of CAD dollars, except per unit amounts)

14. Trusts Units Issued And Outstanding

BTB is authorized to issue an unlimited number of trust units. Each trust unit represents a single vote at any meeting of Unitholders and entitles the Unitholder to receive a pro rata share of all distributions. The Unitholders have the right to require BTB to redeem their trust units on demand. Upon receipt of the redemption notice, all rights to and under the trust units tendered for redemption are surrendered and the holder thereof is entitled to receive a price per trust unit ("Redemption Price"), as determined by a market formula. The Redemption Price is to be paid in accordance with the conditions provided for in the Declaration of Trust. BTB trust units are considered liability instruments under IFRS because the units are redeemable at the option of the holder, however they are presented as equity at December 31, 2011 and March 31, 2012 in accordance with IAS 32. Prior to June 29, 2010 BTB's trust units did not meet the conditions of IAS 32 and were therefore classified and accounted for as liabilities.

In February 2012, the Trust completed a public issue of 18,750,750 units, including the over-allotment option, for total net proceeds of $16,230.

In April 2011, the Trust completed a public issue of 22,298,000 units, including the over-allotment option, for total net proceeds of $18,771.

Trust units issued and outstanding are as follows:

	March 31, 2012		**December 31, 2011**	
	Units	**$**	**Units**	**$**
Units outstanding, beginning of period	74,053,950	99,503	51,691,725	80,679
Issue pursuant to a public issue	18,750,750	17,251	22,298,000	20,068
	92,804,700	116,754	73,989,725	100,747
Unit issue costs		(1,021)		(1,297)
Issue pursuant to the distribution reinvestment plan	118,980	103	64,225	53
Issue pursuant to the exercice of the warrants	2,500,000	2,218		
Units outstanding, end of period	**95,423,680**	**118,054**	**74,053,950**	**99,503**

Distribution reinvestment plan

BTB offers a distribution reinvestment plan for its trust unitholders. Participation in the plan is optional and under the terms of the plan, cash distributions on trust units are used to purchase additional trust units. The trust units are issued from BTB's treasury at an average market price based on the last five trading days before the distribution date, with a discount of 5%. For the three-month period ended March 31, 2012, a total of 118,980 units were issued from BTB's treasury (for the year ended December 31, 2011 – 64,225) under the distribution reinvestment plan.

(in thousands of CAD dollars, except per unit amounts)

15. Rental Revenues From Properties

For the three-month periods ended March 31,	2012	2011
Rental income contractually due from tenants	11,092	9,763
Lease incentive amortization	(254)	(172)
Straight-line lease adjustment	161	155
	10,999	**9,746**

16. Finance Costs

For the three-month periods ended March 31,	2012	2011
Interest on mortgage loans payable	2,716	2,525
Interest on convertible debentures	1,154	934
Interest on acquisition line of credit	---	356
Other interest expenses	29	38
Accretion of non-derivative liability component of convertible debentures	144	175
Accretion of effective interest on mortgage loans payable, bank loans and convertible debentures	364	360
Net adjustment to fair value of derivative financial instruments	(1,427)	1,143
	2,980	**5,531**

(in thousands of CAD dollars, except per unit amounts)

17. Earnings Per Unit

BTB's trust units are required to be accounted for as financial liabilities and, therefore, are not equity instruments for which a profit or loss per unit is required to be presented. Accordingly, the Trust does not report a profit or loss per unit figure on its consolidated statements of income and comprehensive income. However, for disclosure purposes only, the Trust has determined basic earnings per unit using the same basis that would apply in accordance with IAS 33 *Earnings Per Share*, as if BTB's trust units been presented as equity.

Net earnings per unit are calculated based on the weighted average number of shares outstanding as follows:

For the three-month periods ended March 31,	2012	2011
Net income (loss)	3,972	(1,036)
Weighted average number of units outstanding - basic	83,494,793	52,510,380
Earnings (loss) per unit - basic	**0.05**	**(0.02)**

18. Operating Segments

For investment properties, discrete financial information is provided to the Chief Executive Officer (''CEO'') on an aggregated investment property basis. The information provided is net rentals (including gross rent and property expenses), valuations gains/losses and the net value of investment properties. The individual investment properties are aggregated into segments with similar economic characteristics. The CEO considers that this is best achieved by aggregating into commercial, office, industrial and general purpose segments.

Consequently the Trust is considered to have four reportable operating segments, as follows:

- Commercial segment
- Office segment
- Industrial segment
- General purpose

(in thousands of CAD dollars, except per unit amounts)

18. OPERATING SEGMENTS (CONTINUED)

Three-month period ended March 31, 2012	Commercial	Office	Industrial	General purpose	Total
Investment properties	68,741	157,674	55,657	67,386	**349,458**
Investment properties under development	---	---	---	---	**---**
Rental revenues from properties	1,945	5,290	1,375	2,389	**10,999**
Net operating income	1,180	2,340	1,115	1,086	**5,721**

Three-month period ended March 31, 2011	Commercial	Office	Industrial	General purpose	Total
Investment properties	65,987	129,136	27,230	61,520	**283,873**
Investment properties under development	---	772	---	---	**772**
Rental revenues from properties	1,855	4,674	883	2,334	**9,746**
Net operating income	1,108	2,217	618	1,116	**5,059**

19. SUBSEQUENT EVENTS

In April 2012, the Trust acquired three industrial buildings located in the cities of St-Laurent and Laval for a purchase price of $14,700.

In May 2012, the Trust completed a mortgage agreement relating to the industrial buildings acquired in April 2012 amounting to $10,500.

In May 2012, the Trust acquired an office building located the city of Ottawa for a purchase price of $14,100.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.