

## PRESS RELEASE

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**FOR IMMEDIATE RELEASE**

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### **MAPLEWOOD INTERNATIONAL REIT PROVIDES BUSINESS UPDATE AND ANNOUNCES AMENDMENT TO DISTRIBUTION POLICY**

Mississauga, Ontario - (TSXV: MWL.UN) Maplewood International Real Estate Investment Trust (the “**REIT**”), provided a business update today that in addition to its equity capital raising efforts in Canada, it is also currently pursuing the formation of a new joint venture in Europe (the “**New JV**”), to be managed by the REIT, for purposes of financing the property acquisitions previously disclosed by the REIT in its press release dated February 24, 2014 (the “**Initial Portfolio**”), as well as for financing other potential property acquisitions in the future. The REIT’s intention is to secure private institutional equity capital in Europe to invest in the New JV, with the REIT participating as a co-investor.

“Europe has become the epicentre of global institutional real estate investing, attracting the world’s greatest share of inter-regional net capital flows. As evidenced by the Initial Portfolio, the REIT is uniquely positioned to build a strong platform in our initial target market of the Netherlands, based on our investment theme of acquiring high-quality long-term leased properties that generate high risk-adjusted investment returns,” said Kursat Kacira, Chief Executive Officer of the REIT.

#### **Amendment to Distribution Policy**

In alignment with the REIT’s pursuit of various equity capital raising initiatives in Canada and Europe to finance the Initial Portfolio, as well as to support other potential property acquisitions in the future, the REIT’s Board of Trustees has amended its existing distribution policy to suspend monthly cash distributions to unitholders, effective immediately. This will enable the REIT to retain available free cash flow and to redeploy its working capital towards property acquisition opportunities. The REIT’s Board of Trustees will review the distribution policy on an ongoing basis, with the intention to reinstate monthly cash distributions at the appropriate time as additional equity capital is raised to complete additional property acquisitions.

## **Description of the Initial Portfolio**

As previously disclosed in its press release dated February 24, 2014, the REIT has conditionally agreed to acquire (collectively, the “**Acquisitions**”) four high-quality office properties (collectively, the “**Acquisition Properties**”) in the Netherlands for an aggregate purchase price of approximately \$85 million (€55,725,000), subject to customary adjustments. The Acquisition Properties are comprised of four single-tenant head office buildings located in or near the primary urban markets of Amsterdam, Rotterdam and The Hague, with total gross leasable area (“**GLA**”) of approximately 254,552 square feet. The Acquisition Properties include a flagship institutional grade building in Amsterdam with approximately 145,980 square feet of GLA, constructed in 2008 and custom designed by Atradius Credit Insurance, one of the world’s leading credit insurers, to serve as its new global head office and 100% leased for approximately 9.3 years with an additional 15 years of lease renewal terms. All buildings serve as head offices for leading multi-national companies, with recognizable global brands and diversified across industries.

The REIT entered into the conditional agreements to acquire the Acquisition Properties from three separate, unrelated, and arm’s length vendors. The aggregate purchase price for the Acquisition Properties represents an estimated capitalization rate of approximately 8.2% and is expected to be satisfied by a combination of approximately \$39 million in cash and approximately \$46 million (€30,000,000) of new mortgage debt. The new mortgage debt available to the REIT is non-recourse, has an interest rate of approximately 3.6%, a term to maturity of 5 years, and an amortization period of 50 years.

The Acquisitions are subject to customary closing conditions, including financing and TSXV approval.

## **Highlights of the Initial Portfolio**

- Overall occupancy of 100% and weighted average lease term of approximately 9.0 years
- All leases are net leases and include annual inflation indexed rent
- Exceptional estimated net operating income (“**NOI**”) margin of approximately 91%
- Attractive estimated capitalization rate of approximately 8.2%
- Modern buildings with an average construction age of approximately 5.1 years
- Compelling investing spread to the REIT of approximately 460 basis points based on the new mortgage debt available with an interest rate of approximately 3.6%
- Conservative leverage profile for the REIT, with expected pro forma total debt to gross book value (“**GBV**”) of approximately 54%
- Strong estimated interest coverage ratio for the REIT of approximately 4.3x

## **About Maplewood International REIT**

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT is a Canadian based growth-oriented international REIT, established to invest in high-quality income producing commercial real estate outside of Canada. The REIT’s initial geographic focus is on the investment grade countries of Europe,

with an initial target market of the Netherlands. The REIT's mission is to provide Canadian investors with high-quality international real estate diversification and deliver stable, sustainable, and growing cash flows to unitholders, on a tax-efficient basis.

### **About the Netherlands**

The Netherlands, one of the core founding members of the European Union and the Eurozone, enjoys an elite investment grade credit rating (Fitch: AAA, Moody's: Aaa, S&P: AA+). The Netherlands has a strong economic position within Europe and globally, ranked as the 3<sup>rd</sup> highest gross domestic product ("GDP") per capita in the Eurozone and the 5<sup>th</sup> largest economy by GDP in the Eurozone, both according to the International Monetary Fund (World Economic Outlook Database, April 2013).

### **Forward-Looking Information**

This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the REIT's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information.

The REIT's objectives and forward-looking statements are based on certain assumptions, including that (i) the REIT will receive financing on favourable terms; (ii) the future level of indebtedness of the REIT and its future growth potential will remain consistent with the REIT's current expectations; (iii) there will be no changes to tax laws adversely affecting the REIT's financing capacity or operations; (iv) the impact of the current economic climate and the current global financial conditions on the REIT's operations, including its financing capacity and asset value, will remain consistent with the REIT's current expectations; (v) the performance of the REIT's investments in the Netherlands will proceed on a basis consistent with the REIT's current expectations; and (vi) capital markets will provide the REIT with readily available access to equity and/or debt.

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

### **Non-IFRS Financial Measures**

Certain terms used in this press release such as NOI and capitalization rate are not measures defined under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS, and should not be construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. NOI

and capitalization rate as computed by the REIT may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

NOI is a measure of operating performance based on income generated from the properties of the REIT. Management considers this non-IFRS measure to be an important measure of the REIT's operating performance and uses this measure to assess the REIT's property operating performance on an unlevered basis.

The TSXV has neither approved nor disapproved the contents of this press release.

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

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