

INOVALIS

REAL ESTATE INVESTMENT TRUST

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INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES TAX GUIDANCE FOR THE DISTRIBUTIONS PAID IN 2014

Toronto, Ontario, April 11, 2014 – Inovalis Real Estate Investment Trust (the “**REIT**”) (TSX: INO.UN) announced today the following tax information for the distribution of the REIT payable every month for the fiscal year ended December 31, 2014 (the “**Distribution**”). The following is based on the REIT’s current estimate of taxable income for Canadian federal income tax purposes for the 2014 taxation year.

For Canadian federal income tax purposes, the REIT gives guidance that 75 percent of the Distribution can be considered to be a return of capital and 25 percent of the Distribution can be considered to be a distribution of trust income. The trust income portion of the Distribution is subject to Canadian withholding tax at a rate of 25 percent, subject to relief provided under an applicable income tax convention. The return of capital portion of the Distribution is exempt from Canadian withholding tax.

Until further notice, the REIT expects that future distributions will have the same ratio of taxable income to return of capital.

About Inovalis Real Estate Investment Trust

Inovalis Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. The REIT has been created for the purpose of acquiring and owning office properties primarily located in France and Germany but also opportunistically in other European countries where assets meet the REIT’s investment criteria. The REIT currently owns an interest in four office properties in France and Germany, comprising 529,267 square feet (49,170 square metres) of gross leasable area.

For further information, please contact:

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